



BOARD OF DIRECTORS

Katherine Burnworth, President | Laura Goodsell, Vice-President | James Garcia, Treasurer | Enola Berker, Secretary | Rodolfo Valdez, Director | Felipe Irigoyen, Director

AGENDA

**REGULAR MEETING OF THE BOARD OF DIRECTORS
THURSDAY, January 22, 2026, 6:00 P.M.**

**Pioneers Memorial Hospital | PMH Auditorium
207 W. Legion Road, Brawley, Ca. 92227**

[Join Microsoft Teams](#)

Meeting ID: 212 796 062 463 45

Passcode: Tk2Yi9wU

~ CLOSED SESSION ~ 6:00 p.m.

- a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Gov. Code 54956.9(d)(1))
Case Name: Amy Rye v. Pioneers Memorial Healthcare District, et. al.
Imperial County Superior Court No. ECU0003894
- b. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Gov. Code 54956.9(d)(1))
Case Name: Eduardo Sevilla v. Imperial Valley Healthcare District et al.
Imperial County Superior Court Case No: ECU004201
- c. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: El Centro Regional Medical Center, 1415 Ross Avenue El Centro, CA 92243 and related healthcare facilities
Agency negotiators: IVHD Ad Hoc (Katherine Burnworth, James Garcia, Laura Goodsell), Legal Counsel (Adriana Ochoa), IVHD CEO Christopher Bjornberg
Negotiating parties: Pablo Velez, ECRMC, City of El Centro
Under negotiation: Closing conditions related to Asset Transfer Agreement

~ OPEN SESSION ~ Time Certain 6:30 p.m.

- 1. Call to Order**
- 2. Roll Call**

3. Pledge of Allegiance

4. Approval of Request for Remote Appearance by Board Member(s), if Applicable

5. Consider Approval of Agenda

In the case of an emergency, items may be added to the agenda by a majority vote of the Board of Directors. An emergency is defined as a work stoppage, a crippling disaster, or other activity that severely imperils public health, safety, or both. Items on the agenda may be taken out of sequential order as their priority is determined by the Board of Directors. The Board may take action on any item appearing on the agenda.

6. Public Comments

At this time the Board will hear comments on any agenda item. If any person wishes to be heard, they shall stand; address the president, identify themselves, and state the subject for comment. Time limit for each speaker is 3 minutes individually per item to address the Board. Individuals who wish to speak on multiple items will be allowed four (4) minutes in total. A total of 15 minutes shall be allocated for each item for all members of the public. The board may find it necessary to limit the total time allowable for all public comments on items not appearing on the agenda at anyone one meeting to one hour.

7. Board Comments

Reports on meetings and events attended by Directors; Authorization for Director(s) attendance at upcoming meetings and/or events; Board of Directors comments.

- a. Brief reports by Directors on meetings and events attended
- b. Schedule of upcoming Board meetings and/or events
- c. Report by Merger Strategic Planning Ad-Hoc Committee
- d. Finance Committee Update

8. Consent Calendar

Any member of the Board may request that items for the Consent Calendar be removed for discussion. Items so removed shall be acted upon separately immediately following approval of items remaining on the Consent Calendar.

- a. Approve minutes for meetings of January 8, 2026
- b. Approval and file PMH Expenses/Financial Report December 2025

9. Items for Discussion and/or Board Action:

- a. Staff Recommends Action to Authorize: Approval of Notable Annual Solutions Renewal Agreement
Presented by: Carly Loper
Contract Value: \$214,620 for a one-year term
\$225,351 for a two-year term

Contract Term: Three years: December 29, 2025 – December 28, 2027

Budgeted: Yes

Budgeted Classification: Administration - Dues

- b. Staff Recommends Action to Authorize: Renew contract with Agiliti Equipment Service Agreement.
Presented by: Christopher R. Bjornberg
Contract Value: Agiliti Equipment Service Coverage:
Monthly Cost: \$33,358
18-month Total: \$600,444
Contract Term: 18 months
Budgeted: Yes
Budgeted Classification: Operational
- c. Staff Recommends Action to Authorize: Purchase of Canon Aplio i700 Ultrasound unit.
Presented by: Carly Zamora
Contract Value: \$104,000
Contract Term: May be leased or purchased outright
Budgeted: Yes
Budgeted Classification: Operational
- d. Staff Recommends Action to Authorize: Renewal agreement between Rady Children's Hospital San Diego – Rady Children's Specialists of San Diego and Imperial Valley Healthcare District.
Presented by: Carol Bojorquez
Contract Value: The compensation remains as stated in Schedule A, with a rate of \$295 per echocardiogram read.
Contract Term: One-year term
Budgeted: Yes
Budgeted Classification: Professional Services Fees
- e. Staff Recommends Action to Authorize: Law Offices of Stephenson, Acquisto & Colman Legal/Professional Services.
Presented by: Carly Loper
Contract Value: \$25,000 est. per year. 20% on recovery pre-litigation and 25% of recovery post litigation.
Contract Term: Commencement: February 2026 to February 2027–12 month.
Budgeted: Yes
Budgeted Classification: Purchased Services
- f. Discission and/or action on Benefits Broker
- g. Consideration and Approval of Resolution No 2026-0122, Resolution of the Imperial Valley Healthcare District Authorizing Transfer of El Centro Regional Medical Center Frozen Retirement Income Plan

- h. Staff Recommends Action to Authorize: Professional Services Agreement with Wipfli LLP for Phase 2 Services
Presented by: Dave Momberg, ECRMC
Contract Value: \$175,000 cap on cost for services
- i. Action Item: Policy and Procedure: Intermediate NICU Bioethics and Bioethics Consultation
- j. Action Item: Policy and Procedure: Preventing and Managing Wounds
- k. Action Item: Policy and Procedure: Intermediate NICU Inpatient Visitation
- l. Action Item: Policy and Procedure: NICU Discharge Planning/Multidisciplinary Rounds
- m. Action Item: Policy and Procedure: NICU Dietitian Discharge Planning
- n. Action Item: Policy and Procedure: Respiratory Care for Neonatal Patients
- o. Action Item: Policy and Procedure: Neonatal Nursery Admission, Transfer, and Discharge Criteria
- p. Proposed 2026 Calendar for Regular Board Meetings
- q. Approval of Amendment to Professional Services Agreement with Rami Jirjis, MD for Urology Services.

10. Management Reports

- a. Finance: Carly C. Loper, MAcc – Chief Financial Officer
- b. Hospital Operations: Carol Bojorquez, MSN, RN – Chief Nursing Officer
- c. Clinics Operation: Carly Zamora MSN, RN – Chief of Clinic Operations
- d. Urgent Care: Tomas Virgen – Administrative Coordinator/ Support for AB 918
- e. Executive: Christopher R. Bjornberg – Chief Executive Officer
- f. Legal: Adriana Ochoa – General Counsel

11. Items for Future Agenda

This item is placed on the agenda to enable the Board to identify and schedule future items for discussion at upcoming meetings and/or identify press release opportunities.

12. Adjournment

- a. The next regular meeting of the Board will be held on February 12, 2026, at 6:00 p.m.

POSTING STATEMENT

A copy of the agenda was posted January 16, 2026, at 601 Heber Avenue, Calexico, California 92231 at 9:30 p.m. and other locations throughout the IVHD pursuant to CA Government code 54957.5. Disclosable public records and writings related to an agenda item distributed to all or a majority of the

Board, including such records and written distributed less than 72 hours prior to this meeting are available for public inspection at the District Administrative Office where the IVHD meeting will take place. The agenda package and material related to an agenda item submitted after the packets distribution to the Board is available for public review in the lobby of the office where the Board meeting will take place.

In compliance with the Americans with Disabilities Act, if any individuals request special accommodations to attend and/or participate in District Board meetings please contact the District at (760)970- 6046. Notification of 48 hours prior to the meeting will enable the District to make reasonable accommodation to ensure accessibility to this meeting [28 CFR 35.102-35.104 ADA title II].



**MEETING MINUTES
JANUARY 8, 2026
REGULAR BOARD MEETING**

THE IMPERIAL VALLEY HEALTHCARE DISTRICT MET IN REGULAR SESSION ON THE 8TH OF JANUARY AT 601 HEBER AVE., CALEXICO, CA. ON THE DATE, HOUR AND PLACE DULY ESTABLISHED OR THE HOLDING OF SAID MEETING.

CLOSED SESSION – 5:00 p.m.

- a. **CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Gov. Code 54956.9(d)(1))**
Case Name: Eduardo Sevilla v. Imperial Valley Healthcare District et al.
Imperial County Superior Court Case No: ECU004201
- b. **CONFERENCE WITH LEGAL COUNSEL — ANTICIPATED LITIGATION (Significant Exposure to Litigation, Gov. Code 54956.9(d)(2))**
 - One potential matter
- c. **CONFERENCE WITH LEGAL COUNSEL – SIGNIFICANT EXPOSURE TO LITIGATION (Government Code 54956.9(d)(2))**
 - One matter: Xitlalic Bucio Government Claim
- d. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
Property: El Centro Regional Medical Center, 1415 Ross Avenue El Centro, CA 92243 and related healthcare facilities
Agency negotiators: IVHD Ad Hoc (Katherine Burnworth, James Garcia, Laura Goodsell), Legal Counsel (Adriana Ochoa), IVHD CEO Christopher Bjornberg
Negotiating parties: Pablo Velez, ECRMC, City of El Centro
Under negotiation: Closing conditions related to Asset Transfer Agreement

BOARD RECONVENED INTO OPEN SESSION AT 6:33PM

- a. No action taken in closed session for item A.
- b. No action taken in closed session for item B.
- c. Motion was made by Director Proctor and second by Director Valdez to reject item C - Bucio Government Claim. Motion was passed by the following wit:

AYES: Burnworth, Goodsell, Proctor, Garcia, Berker, Valdez, Irigoyen
NOES: None

1. TO CALL ORDER:

The regular meeting was called to order in open session at 6:33m by Katie Burnworth.

2. ROLL CALL-DETERMINATION OF QUORUM:



President	Katie Burnworth
Vice-President	Laura Goodsell
Secretary	Arturo Proctor
Treasurer	James Garcia
Trustee	Enola Berker
Trustee	Rodolfo Valdez
Trustee	Felipe Irigoyen

GUESTS:

Adriana Ochoa – Legal/Snell & Wilmer
Christopher R. Bjornberg - Chief Executive Officer
Tomas Virgen - Support for IVHD (AB 918)

3. PLEDGE OF ALLEGIANCE WAS LED BY DIRECTOR BURNWORTH.

4. APPROVAL OF REQUEST FOR REMOTE APPEARANCE BY BOARD MEMBER(S)

None

5. CONSIDER APPROVAL OF AGENDA:

Motion was made by Director Goodsell and second by Director Proctor to approve the agenda for January 8, 2026. Motion passed by the following vote wit:

AYES: Burnworth, Goodsell, Proctor, Garcia, Berker, Valdez, Irigoyen

NOES: None

6. PUBLIC COMMENT TIME:

None

7. BOARD COMMENTS:

- a. Brief reports by Directors on meetings and events attended.

Director Berker reported that she attended the Annual Medical Executive Dinner and that it was a very nice event.

- b. Schedule of upcoming Board meetings and events.

Attorney Adriana reported that the next board meeting is scheduled for January 22nd and at that meeting we will bring the calendar for regular board meetings for 2026 for approval.

- c. Report by Merger Strategic Planning Ad-Hoc Committee

Attorney Adriana reported that there is no substantive report that is different from the last meeting. The Ad-Hoc Committee has been meeting weekly to discuss progress of the merger and continue to work with all parties towards closing. We will be closing at some point probably in the next month or two.

- d. Finance Committee Update.



Directo Garcia reported that the finance committee met on December 22nd and that the next meeting will be January 19th at 10 a.m. They made that change because of the way the Thursdays fell on this particular month in the calendar year. At this meeting they went ahead and reviewed and approved for recommendations to our board the two consent items that are listed on the consent agenda as well as action items F, G, H.

8. CONSENT CALENDAR:

Motion was made by Director Berker and second by Director Garcia to approve the consent calendar items.

- a. Minutes for December 11, 2025
- b. PMH Expenses/Financial Report November 2025
- c. Contracts with Value Under \$200,000 with Recommendations by IVHD Finance Committee for Approval on Consent:
 - i. CT Aquilion Cardiac Software
 - ii. Renew Greeman IT Backup Solutions

Motion passed by the following vote wit:

AYES: Burnworth, Goodsell, Proctor, Garcia, Berker, Valdez, Irigoyen
NOES: None

9. ACTION ITEMS:

- a. Election of Board Officers (IVHD Bylaws Article IV, Section 2)
 - Chairperson
 - Vice-Chairperson
 - Secretary
 - Treasurer

Motion was made by Director Irigoyen and second by Director Proctor to approve Chairperson, Vice-Chairperson and Treasurer to remain the same. Motion passed by the following vote wit:

AYES: Burnworth, Goodsell, Proctor, Garcia, Berker, Valdez, Irigoyen
NOES: None

Motion was made by Director Valdez and seconded by Garcia to approve appointing Director Berker as Secretary. Motion passed by the following wit:

AYES: Burnworth, Goodsell, Proctor, Garcia, Berker, Valdez, Irigoyen
NOES: None

- b. Approval of Resolution No. 2026-0108, Resolution of the Imperial Valley Healthcare District Board of Directors Declaring Vacancy on the Board of Directors



Motion was made by Director Goodsell and second by Director Valdez to approve Resolution No. 2026-0108, Resolution of the Imperial Valley Healthcare District Board of Directors. Motion passed by the following vote wit:

AYES: Burnworth, Goodsell, Proctor, Garcia, Berker, Valdez, Irigoyen

NOES: None

Director Proctor presented his letter of resignation effective today January 8, 2026, and spoke a few words to the board concerning his experience and journey on this board and the beginning of his new chapter.

Attorney Adriana recommended to the board two different paths that they may want to consider. The board can direct us to solicit applications again and that would just be a duplication of what we did last time. We send it out to the community when we send it out to the county elections officials. We would collect resumes, conduct interviews at the January 22nd board meeting if the board would like. Since the last round of applicants happened so recently, she decided that after consultation with the board chair and vice chair to reach out to those candidates to see if they were still interested. She sent an email out, asking whether they were still interested in being considered for the position, and she got a few responses. One responded he was not interested. Mr. Ramon Castro responded that he was still interested. She received a response from Mr. Carlos Ramirez with a question, and the question is clarification whether the board was interested in nurses or physicians for the board appointment, because he recalled that at the last session, one of the discussion points was concerned really with past governance experiences and having nurses or physicians appointed to the court. She didn't respond to him because she didn't want to speak to the board. The rest of the candidates didn't respond. The board has 60 days to fill the vacancy. She can work with Chris and Frank to put it on the website, the same solicitation of this website, except for the date updated and other changes that need to be made saying that the board's looking for interesting candidates. Subject to approval of the resolution send a vacancy notice to the county election official, get that notice posted as required by law. Add a solicitation to the website. We can put one in the paper of just the website.

Adriana will bring back an update on the 22nd

Motion was made by Director Goodsell and second by Director Valdez to approve Resolution No. 2026-0108, Resolution of the Imperial Valley Healthcare District Board of Directors. Motion passed by the following vote wit:

AYES: Burnworth, Goodsell, Proctor, Garcia, Berker, Valdez, Irigoyen

NOES: None

c. Discussion and Possible Action to Approve Professional Services Agreement with WipFli.

Motion was made by Director Garcia and second by Director Irigoyen to approve phase I and come back to the board at a future time for phase II of the Professional Services Agreement with WipFli. Motion passed by the following vote wit:



AYES: Burnworth, Goodsell, Proctor, Garcia, Berker, Valdez, Irigoyen

NOES: None

- d. MEDICAL STAFF REPORT – Recommendations from the Medical Executive Committee for Medical Staff Membership and/or Clinical Privileges, policies/ procedures/forms, or other related recommendations.

Motion was made by Director Goodsell and second by Director Irigoyen to approve Recommendations from the Medical Executive Committee for Medical Staff Membership and/or Clinical Privileges, policies/ procedures/forms, or other related recommendations.

Motion passed by the following vote wit:

AYES: Burnworth, Goodsell, Proctor, Garcia, Berker, Valdez, Irigoyen

NOES: None

- e. Staff Recommends Action to Authorize: InterSystems HealthShare Connect Interface Engine
Presented by: Christopher Bjornberg
Contract Value: License \$55,335
Contract Term: 1 Year
Budgeted: Yes
Budgeted Classification: License

Motion was made by Director Proctor and second by Director Garcia to approve InterSystems HealthShare Connect Interface Engine. Motion passed by the following vote wit:

AYES: Burnworth, Goodsell, Proctor, Garcia, Berker, Valdez, Irigoyen

NOES: None

- f. Staff Recommends Action to Authorize: Authorization to approve Professional Service Agreement for Ramaiah Indudhara, M.D.
Presented by: Christopher Bjornberg/Carly Zamora
Contract Value: value varies depending on wRVU incentives and demands and on-call demands.
Contract Term: 1 Year
Budgeted: Yes
Budgeted Classification: Professional Service Agreement

Motion was made by Director Garcia and second by Director Irigoyen to approve Authorization to approve Professional Service Agreement for Ramaiah Indudhara, M.D. Motion passed by the following vote wit:

AYES: Burnworth, Goodsell, Proctor, Garcia, Berker, Valdez, Irigoyen

NOES: None

- g. Staff Recommends Action to Authorize: Authorize renewal of the Emergency Medical Care On-Call Coverage Agreement for Orthopedic Surgery between Christopher Lai, MD. and Imperial



Valley Healthcare District.

Presented by: Christopher Bjornberg/Carly Zamora

Contract Value: estimated at \$500,000 annually, varies depending on needs

Contract Term: 2 Years

Budgeted: Yes

Budgeted Classification: Professional Fees

Motion was made by Director Garica and second by Director Irigoyen to approve Authorize renewal of the Emergency Medical Care On-Call Coverage Agreement for Orthopedic Surgery between Christopher Lai, MD. and Imperial Valley Healthcare District. Motion passed by the following vote wit:

AYES: Burnworth, Goodsell, Proctor, Garcia, Berker, Valdez, Irigoyen

NOES: None

- h. Staff Recommends Action to Authorize: Authorization to approve Professional Service Agreement for George Fareed, M.D.

Presented by: Christopher Bjornberg/Carly Zamora

Contract Value: approximately \$320,000, value varies depending on wRVU

Contract Term: 4 Years

Budgeted: Yes

Budgeted Classification: Professional Service Agreement

Motion was made by Director Garcia and second by Director Irigoyen to approve Authorization to approve Professional Service Agreement for George Fareed, M.D. Motion passed by the following vote wit:

AYES: Burnworth, Goodsell, Proctor, Garcia, Berker, Valdez, Irigoyen

NOES: None

10. MANAGEMENT REPORTS:

- a. Finance: Carly C. Loper, MAcc – Chief Financial Officer

Presented under consent calendar.

- b. Hospital Operations: Carol Bojorquez, MSN, RN – Chief Nursing Officer

None

- c. Clinics Operation: Carly Zamora MSN, RN – Chief of Clinic Operations

None

- d. Urgent Care: Tomas Virgen – Administrative Coordinator/ Support for AB 918

None



e. Executive: Christopher R. Bjornberg – Chief Executive Officer

Chris reported about LAFCO having two seats for special district and there was some information that came out this week that Pablo and Katie both have concerns about how much it would cost each group based on if they were going to do it individually instead of having IID pay for everybody and just as it was talked about previously our portion would be zero because of where our finances were previously but if there was interest in that and we did move forward and we did do something where IID paid for everything, even though ours is zero now, as we move into the future and as we do better from a financial perspective, ours is based on our revenue, and where we're at on our financials. So, if we're doing really well, we can pay quite a bit of money to be a part of that, we may not even have a seat there at that point in time when we are paying that money. He knows Katie had mentioned last time that it's not something that we're necessarily interested in at this point in time. And so, when it does come down to it, we'll have to make that formal declaration to them that we're good but just wanted to keep the board updated as this process goes along so you know what's going on at that point. The other thing I just wanted to give you guys an update on is with all of the components of the sideway planning piece and all of the different things that have to happen. Some of the stuff that had to happen by January 1st, some of the stuff that is coming up in March and all the different dates that we have there. We're right on track in both locations.

f. Legal: Adriana Ochoa – General Counsel

Adriana reported that at the next meeting we are going to have a resolution to approve the SB707 virtual meetings and the other requirements of SB707 and will be starting next agenda that we're going to endeavor to meet the requirements of SB707, which just kicked in, which are among other things, most notably, Spanish translation of the agenda. She is going to work with Brenda on that, and we hope to have that up in going by the 22nd.

11. ITEMS FOR FUTURE AGENDA:

Calendar meeting dates

12. ADJOURNMENT:

With no future business to discuss, Motion was made unanimously to adjourn meeting at 7:18 p.m.



To: Board of Directors

Katherine Burnworth, President

Laura Goodsell, Vice President

Arturo Proctor, Secretary

James Garcia, Treasurer

Enola Berker, Trustee

Rodolfo Valdez, Trustee

Felipe Irigoyen, Trustee

Additional Distribution:

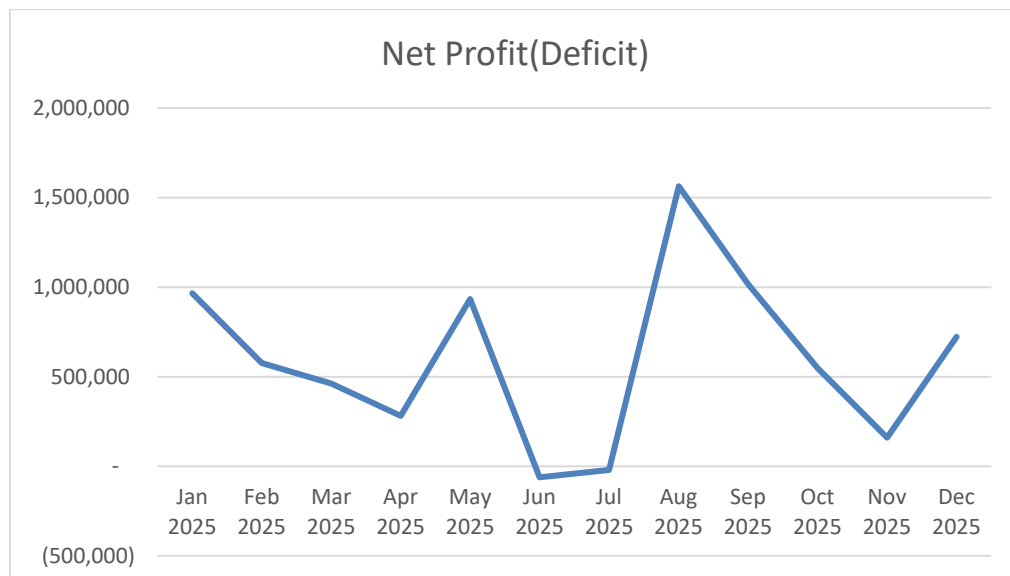
Christopher R. Bjornberg, Chief Executive Officer

From: Carly Loper, Chief Financial Officer

Financial Report – December 2025

Overview:

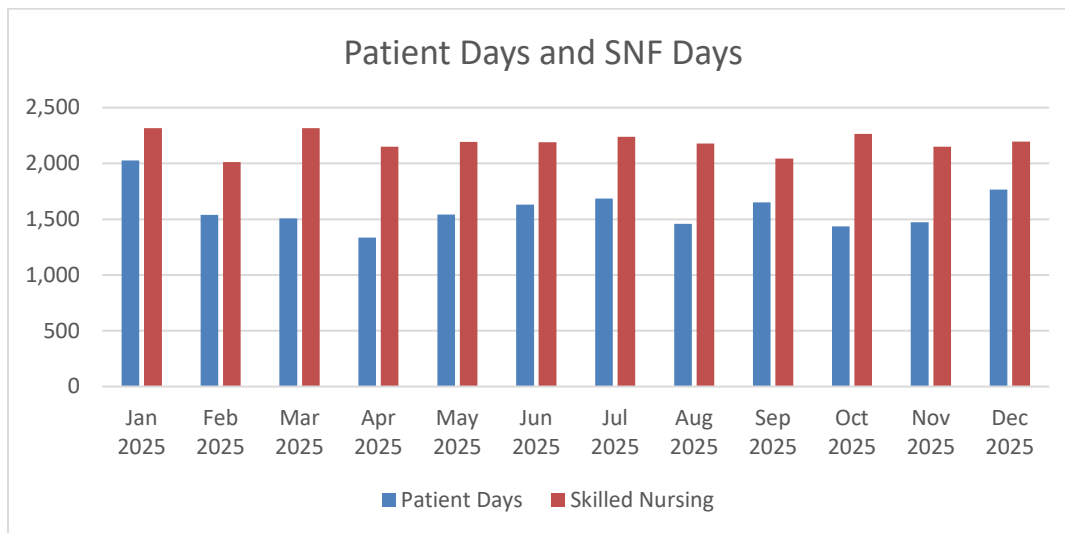
Financial operations for the month of December resulted in a profit of \$723,432 against a budgeted profit of \$141,659.



Patient Volumes:

In December, inpatient days fell below budget by (11.5%) but exceeded the prior month volumes by 20.0%. For the year-to-date period, inpatient days were under budget and prior year volumes by (2.7%).

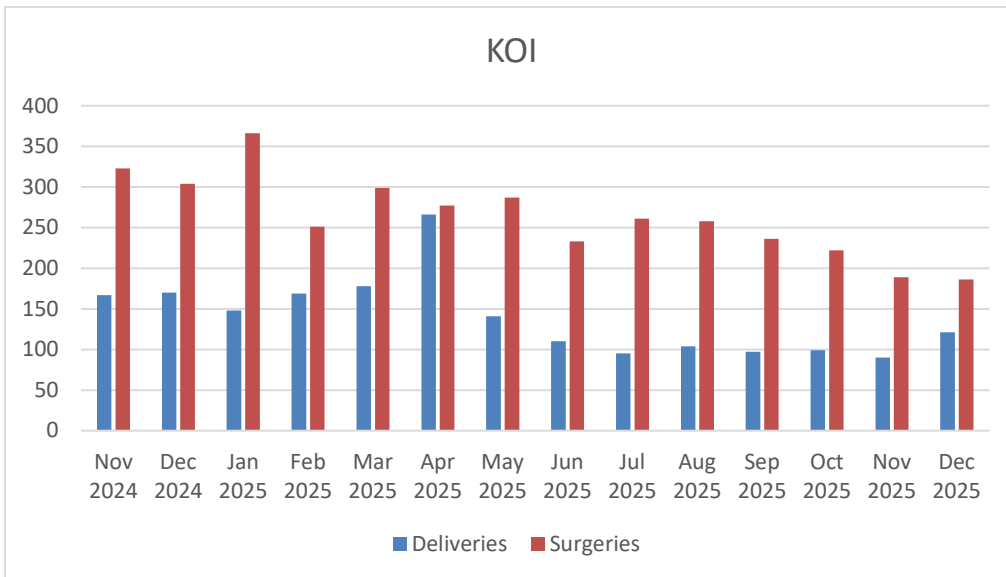
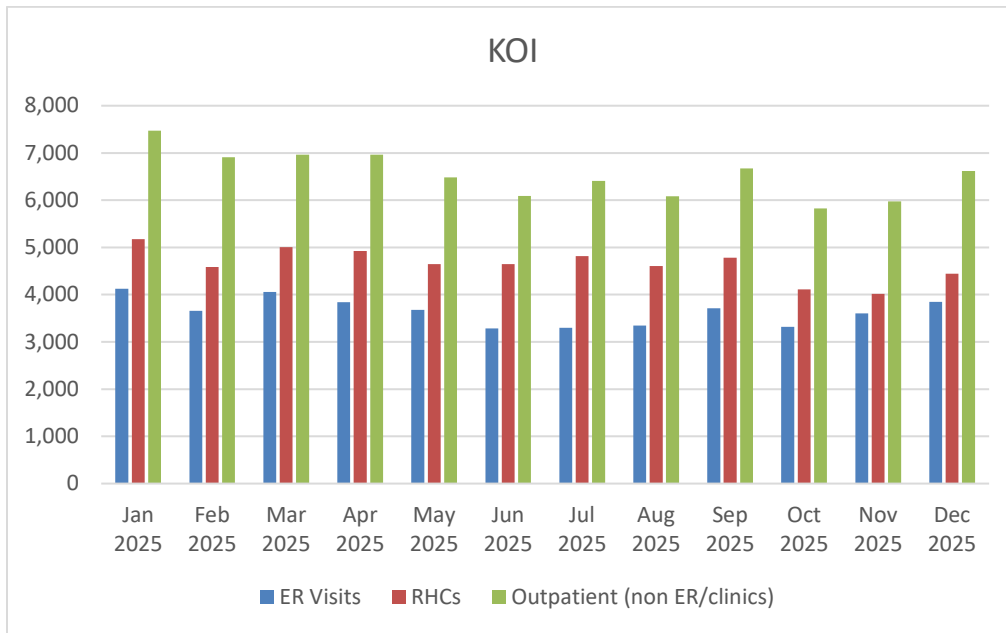
December inpatient days for Pioneers Memorial Skilled Nursing Center (PMSNC) were 2,195 compared to 2,149 inpatient days in November. PMSNC had an average daily census (ADC) of 70.8 for the month of December.



For the month of December, Surgeries fell below the prior month visits/volumes while Deliveries, Emergency Room visits, Pioneers Health Center visits, Calexico Health Center visits, Pioneers Children Health Center visits and Outpatient (non-ER) visits all exceeded the prior month visits/volumes. All fiscal year-to-date volumes, except for the Calexico Health Center, are lower than prior year volumes. For actual compared to budget fiscal year-to-date, the visits/volumes are all under budget with the exception of the rural clinics.

See Exhibit A (Key Volume Stats – Trend Analysis) for additional detail.

	Current Period			Year To Date		
	Act.	Bud	Prior Yr.	Act.	Bud	Prior Yr.
Deliveries	121	200	170	606	1,096	999
E/R Visits	3,849	4,624	4,803	21,125	21,971	23,033
Surgeries	186	331	304	1,352	1,846	2,163
GI Scopes	59	90	59	290	902	155
Calexico RHC	958	891	1,232	5,859	4,886	5,391
Pioneer Health	2,485	2,305	3,496	14,828	14,262	16,017



Gross Patient Revenues:

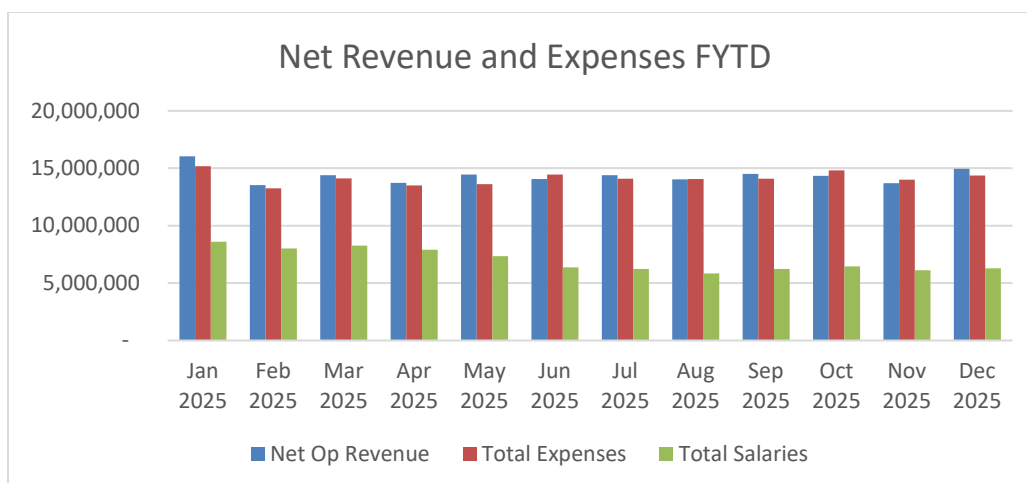
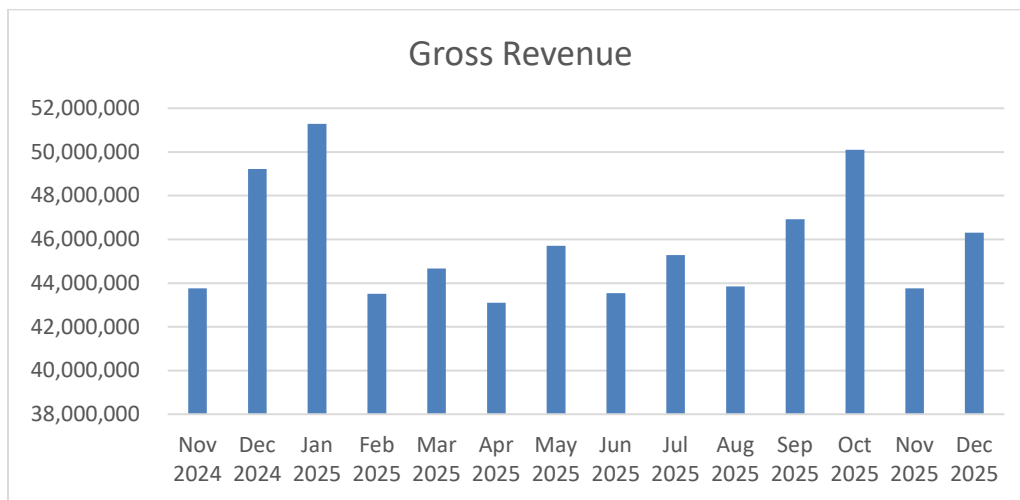
In December, gross revenues fell below budget by (\$2,918,838) or (5.9%) but exceeded the prior month revenues by \$3,118,287 or 7.2%.

	Monthly Gross Revenue	Daily Gross Revenue
November	\$43,188,646	\$1,439,622
December	\$46,306,933	\$1,493,772

Operating Expenses:

In total, December operating expenses were under budget by \$1,506,732 or 9.5%. December's daily expenses were \$463,447 per day, which is below December's budgeted expenses at \$512,052 per day. Total staffing expenses and maintenance expenses for December were under budget by 8.4% and 16.8%, respectively. Total expenses for December exceeded the prior month expenses by (\$360,721) or (2.6%).

	Monthly Expenses	Daily Expenses
November	\$14,006,146	\$466,872
December	\$14,366,867	\$463,447

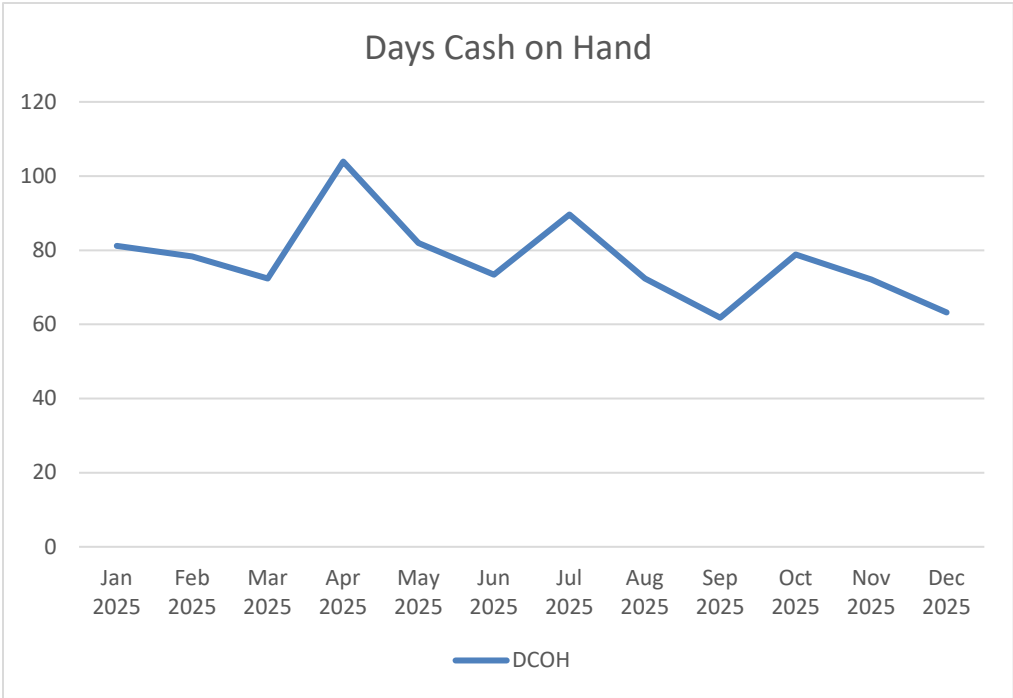


Bond Covenants:

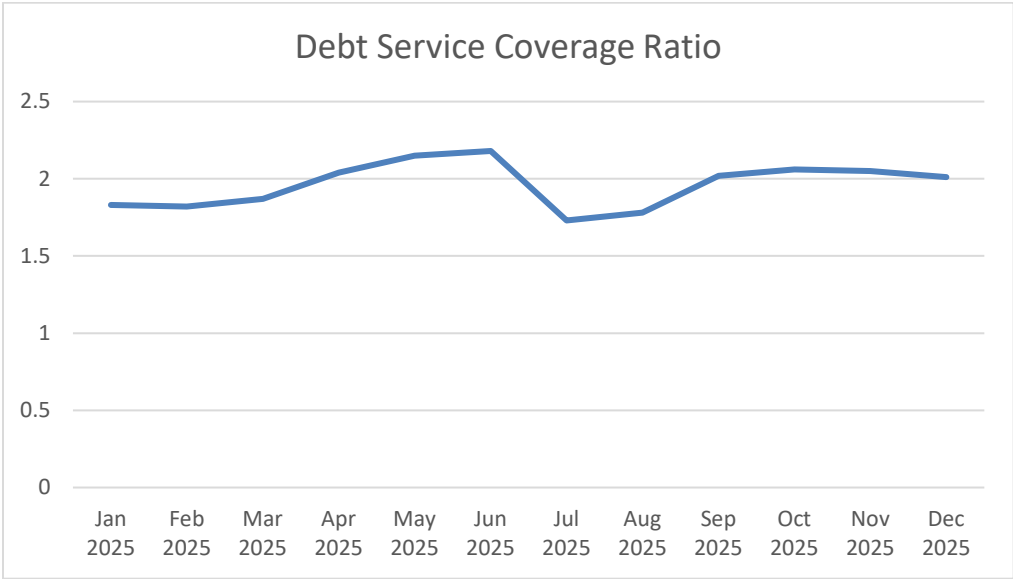
As part of the Series 2017 Bond issue, the District is required to maintain certain covenants or “promises” to maintain liquidity (days cash on hand of 50 days) and profitability (debt service coverage ratio of 1.20). A violation of either will allow the Bond Trustee (U.S. Bank) authorization to take certain steps to protect the interest of the individual Bond Holders.

The District’s days cash on hand decreased from the prior month with the following results:

end of November 2025:	72.1 days cash on hand
end of December 2025:	63.2 days cash on hand

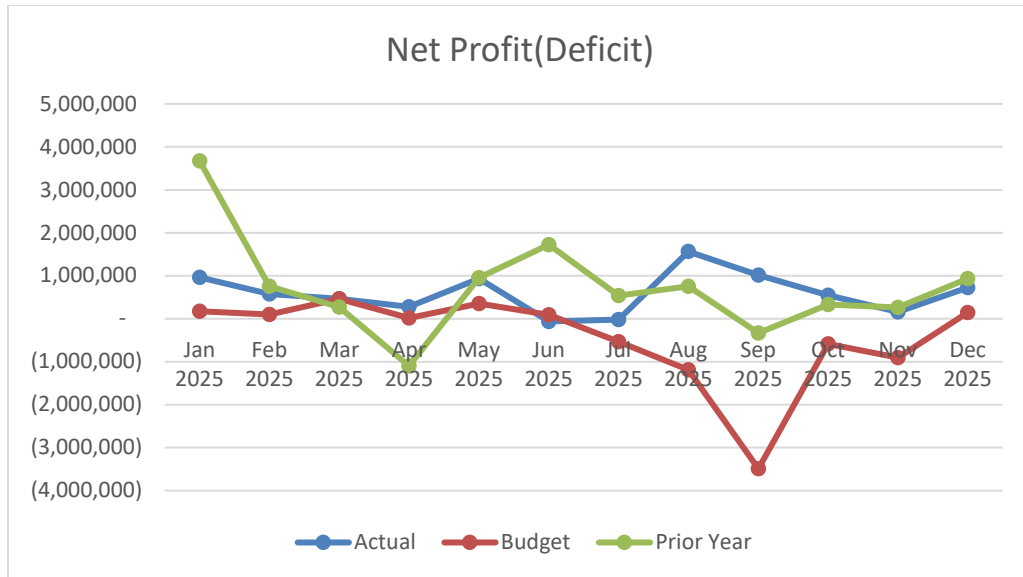


The debt service coverage ratio for November 2025 was 2.05 while the debt service coverage ratio for December 2025 was 2.01.



Net Excess/(Deficit):

Fiscal year-to-date, District operations have resulted in a profit of \$3,989,292 against a budgeted loss of (\$6,564,536), which is ahead of the prior year-to-date profit of \$2,483,965.



END OF REPORT

**IMPERIAL VALLEY HEALTHCARE DISTRICT
STATEMENT OF REVENUE AND EXPENSE**

LAST MONTH ACTUAL NOVEMBER	LAST YEAR ACTUAL DECEMBER	THIS MONTH ACTUAL DECEMBER	THIS MONTH BUDGET DECEMBER	%	FOR THE PERIOD ENDING DECEMBER 31, 2025	FYTD ACTUAL DECEMBER	FYTD BUDGET DECEMBER	%	FYTD PRIOR YEAR DECEMBER	%
3,835	3,868	4,616	4,604	0.25%	ADJ PATIENT DAYS	25,382	22,914	10.77%	22,914	10.77%
1,472	1,676	1,766	1,995	-11.48%	INPATIENT DAYS	9,466	9,727	-2.68%	9,727	-2.68%
519	591	591	636	-7.08%	IP ADMISSIONS	3,169	3,249	-2.46%	3,039	4.28%
49	54	57	64	-11.48%	IP AVERAGE DAILY CENSUS	51	53	-2.68%	53	-2.68%
					GROSS PATIENT REVENUES					
16,577,828	21,330,319	17,717,202	21,330,319	-16.94%	INPATIENT REVENUE	102,797,378	113,181,903	-9.18%	113,181,903	-9.18%
1,928,149	4,306,327	2,046,747	4,306,327	-52.47%	DAILY HOSPITAL SERVICES	11,481,468	25,259,656	-54.55%	25,259,656	-54.55%
14,649,679	17,023,992	15,670,455	17,023,992	-7.95%	INPATIENT ANCILLARY	91,315,909	87,922,248	3.86%	87,922,247	3.86%
26,610,818	27,895,452	28,589,731	27,895,452	2.49%	OUTPATIENT REVENUE	172,844,533	153,444,232	12.64%	153,444,232	12.64%
43,188,646	49,225,771	46,306,933	49,225,771	-5.93%	TOTAL PATIENT REVENUES	275,641,911	266,626,135	3.38%	266,626,135	3.38%
					REVENUE DEDUCTIONS					
12,107,072	11,681,500	10,865,907	10,607,382	-2.44%	MEDICARE CONTRACTUAL	71,904,918	66,711,884	-7.78%	61,474,510	-16.97%
14,854,153	15,178,005	13,155,413	12,842,415	-2.44%	MEDICAL CONTRACTUAL	84,250,915	78,621,533	-7.16%	79,045,230	-6.59%
-3,053,795	-1,374,159	-1,558,849	-1,521,760	-2.44%	SUPPLEMENTAL PAYMENTS	-10,564,603	-8,790,011	-20.19%	-8,211,361	-28.66%
0	-1,925,640	0	0	100.00%	PRIOR YEAR RECOVERIES	-243,579	0	100.00%	-1,925,640	
4,893,665	9,491,219	9,044,769	8,829,573	-2.44%	OTHER DEDUCTIONS	39,709,976	44,399,656	10.56%	47,752,553	16.84%
0	26,134	0	0	#DIV/0!	CHARITY WRITE OFFS	1,775,956	1,680,085	-5.71%	256,185	-593.23%
1,006,077	1,171,548	500,000	488,104	-2.44%	BAD DEBT PROVISION	4,616,523	4,872,670	5.26%	5,999,509	23.05%
-4,167	-4,167	-4,167	-4,068	0.00%	INDIGENT CARE WRITE OFFS	-20,835	-25,113	17.03%	-25,002	-16.67%
29,803,005	34,244,440	32,003,073	31,241,645	-2.44%	TOTAL REVENUE DEDUCTIONS	191,429,271	187,470,705	-2.11%	184,365,984	-3.83%
13,385,641	14,981,331	14,303,860	17,984,126	-20.46%	NET PATIENT REVENUES	84,212,640	79,155,430	6.39%	82,260,151	-2.37%
69.0%	69.6%	69.1%	63.5%			69.4%	70.3%		69.1%	
					OTHER OPERATING REVENUE					
0	0	0	0		GRANT REVENUES	0			0	#DIV/0!
322,016	909,432	642,090	461,008	39.28%	OTHER	3,072,598	2,766,047	11.08%	2,907,614	5.67%
322,016	909,432	642,090	461,008	39.28%	TOTAL OTHER REVENUE	3,072,598	2,766,047	11.08%	2,907,614	5.67%
13,707,657	15,890,763	14,945,950	18,445,134	-18.97%	TOTAL OPERATING REVENUE	87,285,238	81,921,477	6.55%	85,167,765	2.49%
					OPERATING EXPENSES					
6,119,637	6,537,237	6,289,771	6,859,232	8.30%	SALARIES AND WAGES	37,525,868	39,991,081	6.16%	38,167,439	1.68%
1,838,087	1,838,509	1,727,228	1,912,466	9.69%	BENEFITS	9,188,639	10,152,299	9.49%	9,747,074	5.73%
183,990	169,549	184,189	184,410	0.12%	REGISTRY & CONTRACT	1,014,851	1,219,545	16.78%	1,130,379	10.22%
8,141,714	8,545,295	8,201,188	8,956,108	8.43%	TOTAL STAFFING EXPENSE	47,729,358	51,362,925	7.07%	49,044,892	2.68%
1,353,338	1,241,747	1,713,260	1,268,607	-35.05%	PROFESSIONAL FEES	9,527,698	8,146,216	-16.96%	7,983,478	-19.34%
1,529,212	2,456,239	1,620,743	2,543,078	36.27%	SUPPLIES	9,873,191	10,238,641	3.57%	9,957,832	0.85%
728,043	508,682	675,807	522,951	-29.23%	PURCHASED SERVICES	4,109,436	3,796,197	-8.25%	3,690,957	-11.34%
603,894	795,518	674,653	811,171	16.83%	REPAIR & MAINTENANCE	3,747,174	3,990,304	6.09%	3,894,683	3.79%
309,555	293,647	309,555	292,217	-5.93%	DEPRECIATION & AMORT	1,857,344	1,797,819	-3.31%	1,732,011	-7.24%
326,217	232,212	223,636	248,071	9.85%	INSURANCE	1,648,268	1,507,162	-9.36%	1,412,008	-16.73%
164,853	0	0	245,319	100.00%	HOSPITALIST PROGRAM	1,214,184	1,383,872	12.26%	1,138,553	-6.64%
849,319	944,621	948,025	986,077	3.86%	OTHER	5,746,108	5,304,307	-8.33%	4,952,538	-16.02%
14,006,146	15,017,961	14,366,867	15,873,599	9.49%	TOTAL OPERATING EXPENSES	85,452,761	87,527,443	2.37%	83,806,952	-1.96%
-298,489	872,802	579,083	2,571,535	77.48%	TOTAL OPERATING MARGIN	1,832,477	-5,605,965	-132.69%	1,360,813	-34.66%
					NON OPER REVENUE(EXPENSE)					
391,419	-6,557	77,861	121,307	-35.81%	OTHER NON-OP REV (EXP)	-320,561	727,842	-144.04%	735,330	-143.59%
0	0	0	0	0.00%	FEMA FUNDS	2,078,448	0	100.00%	0	0.00%
117,632	117,632	117,632	225,987	-47.95%	DISTRICT TAX REVENUES	705,792	1,355,922	-47.95%	705,792	0.00%
-51,144	-51,401	-51,144	-53,033	3.56%	INTEREST EXPENSE	-306,864	-318,198	3.56%	-317,962	3.49%
457,907	59,674	144,349	294,261	-50.95%	TOTAL NON-OP REV (EXPENSE)	2,156,815	1,765,566	22.16%	1,123,160	92.03%
159,419	932,476	723,432	2,865,796	74.76%	NET EXCESS / (DEFICIT)	3,989,292	-3,840,399	203.88%	2,483,965	-60.60%
1,107.43	1,116.10	1,195.88	1,411.01	15.25%	TOTAL PAID FTE'S (Inc Reg & Cont.)	1,125.09	1,363.34	17.48%	1,296.18	13.20%
987.18	948.70	1,017.82	1,099.33	7.41%	TOTAL WORKED FTE'S	995.41	1,082.30	8.03%	1,039.74	4.26%
18.53	16.29	18.77	18.67	-0.51%	TOTAL CONTRACT FTE'S	17.65	20.80	15.17%	20.90	15.56%

IMPERIAL VALLEY HEALTHCARE DISTRICT
BALANCE SHEET AS OF DECEMBER 31, 2025

	<u>NOVEMBER 2025</u>	<u>DECEMBER 2025</u>	<u>DECEMBER 2024</u>
ASSETS			
CURRENT ASSETS			
CASH	\$30,230,010	\$29,075,098	\$35,243,501
CASH - NORIDIAN AAP FUNDS	\$0	\$0	\$0
CASH - 3RD PRY REPAYMENTS	\$2,618,646	-\$435,703	\$0
CDs - LAIF & CVB	\$66,244	\$66,244	\$66,244
ACCOUNTS RECEIVABLE - PATIENTS	\$118,124,952	\$119,456,514	\$102,911,046
LESS: ALLOWANCE FOR BAD DEBTS	-\$1,878,126	-\$939,806	-\$3,610,792
LESS: ALLOWANCE FOR CONTRACTUALS	-\$85,717,721	-\$85,946,975	-\$79,698,924
NET ACCTS RECEIVABLE	\$30,529,106	\$28,802,067	\$19,601,330
	25.84%	24.11%	19.05%
ACCOUNTS RECEIVABLE - OTHER	\$32,402,535	\$33,170,352	\$37,107,332
COST REPORT RECEIVABLES	\$59,499	\$59,499	\$1,206,822
INVENTORIES - SUPPLIES	\$3,598,553	\$3,466,605	\$2,851,361
PREPAID EXPENSES	\$1,701,228	\$1,557,177	\$2,058,579
TOTAL CURRENT ASSETS	\$101,205,820	\$99,529,005	\$98,135,169
OTHER ASSETS			
PROJECT FUND 2017 BONDS	\$783,840	\$783,840	\$426,322
BOND RESERVE FUND 2017 BONDS	\$968,373	\$968,373	\$968,349
LIMITED USE ASSETS	\$10,263	-\$27,532	\$126,631
NORIDIAN AAP FUNDS	\$0	\$0	\$0
GASB87 LEASES	\$60,529,359	\$60,529,359	\$64,931,450
OTHER ASSETS PROPERTY TAX PROCEEDS	\$269,688	\$269,688	\$269,688
OTHER INVESTMENTS	\$420,000	\$420,000	\$0
UNAMORTIZED BOND ISSUE COSTS			
TOTAL OTHER ASSETS	\$62,981,523	\$62,943,728	\$66,722,440
PROPERTY, PLANT AND EQUIPMENT			
LAND	\$6,883,278	\$6,883,278	\$2,633,026
BUILDINGS & IMPROVEMENTS	\$63,870,530	\$63,870,530	\$63,001,597
EQUIPMENT	\$67,981,285	\$68,043,879	\$65,101,660
CONSTRUCTION IN PROGRESS	\$6,005,106	\$6,010,606	\$35,272
LESS: ACCUMULATED DEPRECIATION	-\$105,098,318	-\$105,407,873	-\$101,481,005
NET PROPERTY, PLANT, AND EQUIPMENT	\$39,641,881	\$39,400,420	\$29,290,550
TOTAL ASSETS	\$203,829,224	\$201,873,153	\$194,148,159

IMPERIAL VALLEY HEALTHCARE DISTRICT
BALANCE SHEET AS OF DECEMBER 31, 2025

	<u>NOVEMBER 2025</u>	<u>DECEMBER 2025</u>	<u>DECEMBER 2024</u>
LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE - CASH REQUIREMENTS	\$3,479,996	\$1,661,749	\$5,703,880
ACCOUNTS PAYABLE - ACCRUALS	\$5,506,609	\$6,646,624	\$10,229,434
PAYROLL & BENEFITS PAYABLE - ACCRUALS	\$6,195,285	\$6,864,806	\$7,275,984
COST REPORT PAYABLES & RESERVES	\$2,618,646	-\$435,703	\$0
NORIDIAN AAP FUNDS	\$0	\$0	\$0
CURR PORTION- GO BONDS PAYABLE	\$0	\$0	\$0
CURR PORTION- 2017 REVENUE BONDS PAYABLE	\$335,000	\$335,000	\$0
INTEREST PAYABLE- GO BONDS	\$1,917	\$1,917	\$1,917
INTEREST PAYABLE- 2017 REVENUE BONDS	\$427,513	\$480,642	\$161,867
OTHER - TAX ADVANCE IMPERIAL COUNTY	\$0	\$0	\$0
DEFERRED HHS CARES RELIEF FUNDS	\$0	\$0	\$0
CURR PORTION- LEASE LIABILITIES(GASB 87)	\$4,071,774	\$4,071,774	\$3,756,205
SKILLED NURSING OVER COLLECTIONS	\$3,523,171	\$3,735,585	\$1,221,777
CURR PORTION- SKILLED NURSING CTR ADVANCE	\$0	\$0	\$0
CURRENT PORTION OF LONG-TERM DEBT	\$1,037,037	\$1,037,037	\$1,114,340
TOTAL CURRENT LIABILITIES	\$27,196,948	\$24,399,431	\$29,465,404
LONG TERM DEBT AND OTHER LIABILITIES			
PMH RETIREMENT FUND - ACCRUAL	\$1,018,000	\$1,138,000	\$446,796
NOTES PAYABLE - EQUIPMENT PURCHASES	\$0	\$0	\$0
LOANS PAYABLE - DISTRESSED HOSP. LOAN	\$26,962,963	\$26,962,963	\$26,962,963
LOANS PAYABLE - CHFFA NDPH	\$0	\$0	\$3,766,770
BONDS PAYABLE G.O BONDS	\$0	\$0	\$0
BONDS PAYABLE 2017 SERIES	\$14,119,106	\$14,117,121	\$14,475,944
LONG TERM LEASE LIABILITIES (GASB 87)	\$58,207,090	\$58,207,090	\$62,267,845
DEFERRED REVENUE -CHW	\$0	\$0	\$0
DEFERRED PROPERTY TAX REVENUE	\$275,438	\$275,438	\$275,438
TOTAL LONG TERM DEBT	\$100,582,597	\$100,700,612	\$108,195,756
FUND BALANCE AND DONATED CAPITAL	\$72,783,818	\$72,783,818	\$54,003,039
NET SURPLUS (DEFICIT) CURRENT YEAR	\$3,265,861	\$3,989,292	\$2,483,960
TOTAL FUND BALANCE	\$76,049,679	\$76,773,110	\$56,486,999
TOTAL LIABILITIES AND FUND BALANCE	\$203,829,224	\$201,873,153	\$194,148,159

IMPERIAL VALLEY HEALTHCARE DISTRICT
STATEMENT OF REVENUE AND EXPENSE - 12 Month Trend

	1	2	3	4	5	6	7	8	9	10	11	12	YTD
	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Dec-25
ADJ PATIENT DAYS	3,776	2,876	3,264	2,707	3,686	3,714	4,647	4,044	4,407	3,843	3,835	4,616	45,044
INPATIENT DAYS	1,769	1,275	1,350	1,110	1,542	1,632	1,684	1,458	1,651	1,435	1,472	1,766	18,144
IP ADMISSIONS	585	488	511	462	551	538	555	500	518	486	519	591	6,304
IP AVERAGE DAILY CENSUS	57	46	44	46	50	54	54	47	55	48	49	57	607
GROSS PATIENT REVENUES													
INPATIENT REVENUE	24,026,450	19,289,412	18,471,097	17,673,179	19,122,305	19,132,498	16,407,174	15,807,716	17,579,003	18,708,455	16,577,828	17,717,202	220,512,319
DAILY HOSPITAL SERVICES	4,623,907	3,923,533	4,460,991	4,502,920	4,627,358	4,467,121	1,774,557	1,896,971	1,848,468	1,986,576	1,928,149	2,046,747	38,087,298
INPATIENT ANCILLARY	19,402,543	15,365,879	14,010,106	13,170,259	14,494,947	14,665,377	14,632,616	13,910,745	15,730,535	16,721,879	14,649,679	15,670,455	182,425,021
OUTPATIENT ANCILLARY	27,255,392	24,218,568	26,191,988	25,433,294	26,581,622	24,402,953	28,872,822	28,033,507	29,339,945	31,397,710	26,610,818	28,589,731	326,928,351
TOTAL PATIENT REVENUES	51,281,842	43,507,980	44,663,085	43,106,473	45,703,927	43,535,451	45,279,996	43,841,223	46,918,948	50,106,165	43,188,646	46,306,933	547,440,670
REVENUE DEDUCTIONS													
MEDICARE CONTRACTUAL	13,186,192	11,368,853	11,713,712	10,228,981	10,173,409	10,067,042	10,914,920	9,513,796	13,253,122	12,400,237	12,107,072	10,865,907	135,793,243
MEDICAL CONTRACTUAL	18,178,743	12,813,377	12,785,203	13,643,163	13,219,010	13,232,031	13,887,933	12,434,283	13,701,424	15,868,842	14,854,153	13,155,413	167,773,575
SUPPLEMENTAL PAYMENTS	-1,374,159	-1,378,326	-1,184,154	-1,378,326	-1,453,003	-1,378,326	-1,322,496	8,526,807	-1,574,256	-1,573,242	-3,053,795	-1,558,849	-8,702,125
PRIOR YEAR RECOVERIES	0	-15,505	-88,856	-467,741	0	0	0	994,668	0	-243,579	0	0	178,987
OTHER DEDUCTIONS	4,827,640	6,597,941	6,978,258	6,797,466	8,500,637	6,238,570	6,876,265	-4,235	5,605,549	7,821,997	4,893,665	9,044,769	74,178,522
CHARITY WRITE OFFS	25,780	7,162	0	8,600	188,266	1,012,366	2,926	159,173	1,375,831	390,992	0	0	3,171,096
BAD DEBT PROVISION	749,234	950,000	600,000	920,000	920,000	882,258	872,185	-1,396,479	38,784	1,106,077	1,006,077	500,000	7,148,136
INDIGENT CARE WRITE OFFS	-4,167	0	0	0	0	0	0	0	-4,167	-4,167	-4,167	-4,167	-20,835
TOTAL REVENUE DEDUCTIONS	35,589,263	30,343,502	30,804,163	29,752,143	31,548,319	30,053,941	31,231,733	30,228,014	32,396,287	35,767,157	29,803,005	32,003,073	379,520,600
NET PATIENT REVENUES	15,692,579	13,164,478	13,858,922	13,354,330	14,155,608	13,481,510	14,048,263	13,613,209	14,522,661	14,339,008	13,385,641	14,303,860	167,920,070
	69.40%	69.74%	68.97%	69.02%	69.03%	69.03%	68.97%	68.95%	69.05%	71.38%	69.01%	69.11%	69.33%
OTHER OPERATING REVENUE													
GRANT REVENUES	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER	343,185	362,386	535,886	372,539	311,185	571,500	339,253	424,312	457,484	887,444	322,016	642,090	5,569,280
TOTAL OTHER REVENUE	343,185	362,386	535,886	372,539	311,185	571,500	339,253	424,312	457,484	887,444	322,016	642,090	5,569,280
TOTAL OPERATING REVENUE	16,035,764	13,526,864	14,394,808	13,726,869	14,466,793	14,053,010	14,387,516	14,037,521	14,980,145	15,226,452	13,707,657	14,945,950	173,489,350
OPERATING EXPENSES													
SALARIES AND WAGES	6,670,775	6,039,904	6,268,879	6,237,213	6,278,514	6,359,473	6,223,056	6,189,444	6,240,870	6,463,090	6,119,637	6,289,771	75,380,626
BENEFITS	1,747,884	1,691,888	1,816,690	1,462,931	844,172	1,474,386	1,346,466	1,436,464	1,241,463	1,598,931	1,838,087	1,727,228	18,226,590
REGISTRY & CONTRACT	181,032	291,516	180,983	210,277	233,655	120,425	191,671	114,483	157,463	183,055	183,990	184,189	2,232,740
TOTAL STAFFING EXPENSE	8,599,691	8,023,308	8,266,552	7,910,421	7,356,341	7,954,285	7,761,193	7,740,391	7,639,796	8,245,076	8,141,714	8,201,188	95,839,956
PROFESSIONAL FEES	1,352,522	1,142,132	1,463,172	1,490,185	1,435,269	2,217,574	1,562,084	1,733,156	1,691,793	1,474,067	1,353,338	1,713,260	18,628,552
SUPPLIES	1,960,507	1,545,327	1,454,101	1,405,314	1,678,334	1,501,610	1,711,274	1,555,753	1,562,601	1,893,608	1,529,212	1,620,743	19,418,384
PURCHASED SERVICES	724,696	618,846	684,894	459,333	667,131	548,591	601,430	680,238	693,069	730,849	728,043	675,807	7,812,927
REPAIR & MAINTENANCE	820,025	266,691	723,397	662,344	733,946	591,319	713,336	617,305	666,485	471,500	603,894	674,653	7,544,895
PHYSICIAN GUARANTEES	0	0	0	0	0	0	0	0	0	0	0	0	0
DEPRECIATION & AMORT	399,610	282,356	282,356	331,604	305,281	299,579	309,556	309,566	309,556	309,556	309,555	309,555	3,758,130
INSURANCE	222,108	239,646	204,757	224,447	222,120	40,139	246,647	286,130	292,266	273,371	326,217	223,636	2,801,484
HOSPITALIST PROGRAM	266,507	167,004	249,017	244,297	207,916	292,881	295,732	244,175	253,042	256,382	164,853	0	2,641,806
OTHER	839,501	977,589	786,002	784,904	1,008,868	1,021,103	879,760	908,378	989,919	1,170,707	849,319	948,025	11,164,075
TOTAL OPERATING EXPENSES	15,185,167	13,262,899	14,114,248	13,512,849	13,615,206	14,467,081	14,081,012	14,075,092	14,098,527	14,825,116	14,006,145	14,366,867	169,610,209
TOTAL OPERATING MARGIN	850,597	263,965	280,560	214,020	851,587	-414,071	306,504	-37,571	881,618	401,336	-298,488	579,083	3,879,140
NON OPER REVENUE(EXPENSE)													
OTHER NON-OPS REVENUE	-6,426	245,308	114,595	344	16,003	286,161	-1,109,043	171,783	68,041	79,378	391,419	77,861	335,424
FEMA FUNDS	0	0	0	0	0	0	715,753	0	0	0	0	0	715,753
DISTRICT TAX REVENUES	172,729	117,632	117,632	117,632	117,632	117,632	117,632	117,632	117,632	117,632	117,632	117,632	1,466,681
INTEREST EXPENSE	-51,350	-51,299	-51,247	-51,196	-51,144	-51,144	-51,144	-51,144	-51,144	-51,144	-51,144	-51,144	-614,244
CARES HHS/ FEMA RELIEF FUNDING	0	0	0	0	0	0	0	1,362,695	0	0	0	0	1,362,695
TOTAL NON-OPS REVENUE(EXPENSE)	114,953	311,641	180,980	66,780	82,491	352,649	-326,802	1,600,966	134,529	145,866	457,907	144,349	3,266,309
NET EXCESS / (DEFICIT)	965,550	575,606	461,540	280,800	934,078	-61,422	-20,298	1,563,395	1,016,147	547,202	159,419	723,432	7,145,449
TOTAL PAID FTE'S (Inc Reg & Cont.)	1,189.57	1,172.24	1,106.21	964.28	1,011.14	1,129.64	1,191.95	1,276.95	954.26	1,017.98	1,107.43	1,177.11	1,108.23
TOTAL WORKED FTE'S	993.61	1,051.28	981.75	837.21	915.77	991.52	1,049.86	1,137.05	853.38	922.31	987.18	999.05	976.66
TOTAL CONTRACT FTE'S	17.57	24.10	20.84	21.15	21.06	15.28	19.86	14.68	16.53	17.51	18.53	17.93	18.75
PAID FTE'S - HOSPITAL	1,040.82	1,008.51	914.42	803.19	860.70	1,024.79	1,089.84	1,124.91	850.19	913.90	999.88	1,066.40	974.79
WKD FTE'S - HOSPITAL	857.09	910.21	798.47	697.31	785.41	900.06	960.18	1,003.78	762.67	831.61	896.47	915.03	859.86

Imperial Valley Healthcare District - Financial Indicators Report
(Based on Prior 12 Months Activities)
For The 12 Months Ending: December 31, 2025
excludes: GO bonds tax revenue, int exp and debt.

1. Debt Service Coverage Ratio

This ratio compares the total funds available to service debt compared to the debt plus interest due in a given year.

$$\text{Formula: } \frac{\text{Cash Flow} + \text{Interest Expense}}{\text{Principal Payments Due} + \text{Interest}}$$

$$\text{DSCR} = \frac{\$11,517,812}{\$5,723,055} = \mathbf{2.01}$$

Recommendation: To maintain a debt service coverage of at least 1.20% x aggregate debt service per the 2017 Revenue Bonds covenant.

2. Days Cash on Hand Ratio

This ratio measures the number of days of average cash expenses that the hospital maintains in cash and marketable investments. (Note: The proformas ratios include long-term investments in this calculation:)

$$\text{Formula: } \frac{\text{Cash} + \text{Marketable Securities}}{\text{Operating Expenses, Less Depreciation}} \times 365 \text{ Days}$$

$$\text{DCOHR} = \frac{\$28,705,639}{\$165,852,090} \times 365 = \mathbf{63.2}$$

Recommendation: To maintain a days cash on hand ratio of at least 50 days per the 2017 Revenue Bonds covenant.

3. Long-Term Debt to Capitalization Ratio

This ratio compares long-term debt to the Hospital's long-term debt plus fund balances.

$$\text{Formula: } \frac{\text{Long-term Debt}}{\text{Long-term Debt} + \text{Fund Balance (Total Capital)}}$$

$$\text{L.T.D.-C.R.} = \frac{\$104,395,985}{\$181,169,095} = \mathbf{57.6}$$

Recommendation: To maintain a long-term debt to capitalization ratio not to exceed 60.0%.

6 Months 12/31/2025

	Current Month 12/31/2025	Year-To-Date 6 Month 12/31/2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	723,432	3,989,293
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	\$309,555	\$1,857,346
(Increase)/Decrease in Net Patient Accounts Receivable	(\$2,040,627)	(\$3,505,793)
(Increase)/Decrease in Other Receivables	(\$767,816)	(\$3,320,797)
(Increase)/Decrease in Inventories	\$131,948	(\$417,769)
(Increase)/Decrease in Pre-Paid Expenses	\$144,051	\$549,599
(Increase)/Decrease in Other Current Assets	\$0	\$3,233,154
Increase/(Decrease) in Accounts Payable	(\$1,818,247)	(\$2,003,378)
Increase/(Decrease) in Notes and Loans Payable	\$1,140,014	(\$3,273,018)
Increase/(Decrease) in Accrued Payroll and Benefits	\$669,521	(\$553,149)
Increase/(Decrease) in Accrued Expenses	\$0	\$0
Increase/(Decrease) in Patient Refunds Payable	\$0	\$0
Increase/(Decrease) in Third Party Advances/Liabilities	\$0	\$0
Increase/(Decrease) in Other Current Liabilities	(\$3,001,220)	(\$116,928)
Net Cash Provided by Operating Activities:	(4,509,390)	(\$3,561,440)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(\$68,094)	(\$5,564,829)
(Increase)/Decrease in Limited Use Cash and Investments	\$37,795	\$29,319
(Increase)/Decrease in Other Limited Use Assets	\$0	(\$324,183)
(Increase)/Decrease in Other Assets	\$0	\$0
Net Cash Used by Investing Activities	(\$30,299)	(\$5,859,693)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase/(Decrease) in Bond/Mortgage Debt	(\$1,985)	(\$11,912)
Increase/(Decrease) in Capital Lease Debt	\$0	\$0
Increase/(Decrease) in Other Long Term Liabilities	\$332,414	\$1,724,696
Net Cash Used for Financing Activities	\$330,429	\$1,712,785
(INCREASE)/DECREASE IN RESTRICTED ASSETS	\$0	\$0
Net Increase/(Decrease) in Cash	(\$4,209,260)	(\$7,708,349)
Cash, Beginning of Period	\$32,914,900	\$36,413,989
Cash, End of Period	\$28,705,640	\$28,705,640



Key Operating Indicators December 2025

	Month			YTD		
	ACTUAL	BUDGET	PRIOR YR	ACTUAL	BUDGET	PRIOR YR
Volumes						
Admits	591	636	591	3,169	3,249	3,039
ICU	86	112	112	621	673	673
Med/Surgical	1,191	1,221	1,221	6,008	5,760	5,760
Newborn ICU	76	135	135	603	668	668
Pediatrics	78	76	76	352	319	319
Obstetrics	335	451	451	1,882	2,307	2,307
Total Patient Days	1,766	1,995	1,995	9,466	9,727	9,727
Adjusted Patient Days	4,616	4,604	4,604	25,382	22,914	22,914
Average Daily Census	57	64	64	51	53	53
Average Length of Stay	2.16	3.14	2.81	0.89	2.99	2.72
Deliveries	121	200	170	606	1,096	999
E/R Visits	3,849	4,624	4,803	21,125	21,971	23,033
Surgeries	186	331	304	1,352	1,846	2,163
Wound Care	272	136	258	1,682	852	1,764
Pioneers Health Center	2,485	2,305	3,496	14,828	14,262	16,017
Calexico Visits	958	891	1,232	5,859	4,886	5,391
Pioneers Children	673	881	984	4,028	5,013	4,333
Outpatients (non-ER/Clinics)	6,617	6,154	7,619	37,718	41,812	39,892
Surgical Health	64	53	43	352	396	324
Urology	204	336	290	1,548	2,062	2,083
WHAP	327	379	362	2,061	2,468	2,625
C-WHAP	414	583	400	3,287	3,261	1,946
CDLD	186	97	96	860	244	264
Skilled Nursing	2,195	2,435	2,214	13,068	14,609	13,159
FTE's						
Worked	1,017.82	1,099.33	948.70	995.41	1,082.30	1,039.74
Paid	1,195.88	1,411.01	1,116.10	1,125.09	1,363.34	1,296.18
Contract FTE's	18.77	18.67	16.29	17.65	20.80	20.90
FTE's APD (Worked)	6.84	7.40	6.39	7.22	7.23	8.35
FTE's APD (Paid)	8.03	9.50	7.51	8.16	9.10	10.41
Net Income						
Operating Revenues	14,945,950	18,445,134	15,890,763	\$87,285,238	\$81,921,477	\$85,167,765
Operating Margin	579,083	2,571,535	872,799	\$1,832,477	-\$5,605,965	\$1,360,813
Operating Margin %	3.9%	13.9%	5.5%	2.1%	-6.8%	1.6%
Total Margin	723,432	2,865,796	932,476	\$3,989,292	-\$3,840,399	\$2,483,965
Total Margin %	4.8%	15.5%	5.9%	4.6%	-4.7%	2.9%

Exhibit A - December 2025

		Key Volume Stats -Trend Analysis													
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	YTD
Deliveries															
	Actual	95	104	97	99	90	121	0	0	0	0	0	0	606	606
	Budget	162	181	195	171	187	200	162	156	178	177	177	177	2,123	1,096
	Prior FY 2025	152	167	184	159	167	170	148	169	178	266	141	110	2,201	999
E/R Visits															
	Actual	3,297	3,346	3,710	3,318	3,605	3,849	0	0	0	0	0	0	21,125	21,125
	Budget	3,509	3,338	3,463	3,408	3,629	4,624	3,804	3,442	3,794	3,668	3,668	3,668	44,015	21,971
	Prior FY 2025	3,728	3,498	3,597	3,590	3,817	4,803	4,125	3,654	4,055	3,839	3,678	3,285	43,064	23,033
Surgeries															
	Total Actual	261	258	236	222	189	186	0	0	0	0	0	0	1,352	1,352
	Total Budget	335	309	275	295	301	331	312	219	275	295	295	295	3,537	1,846
	Prior FY 2025	312	403	369	452	323	304	366	251	299	277	287	233	3,510	2,163
Calexico															
	Actual	1,124	961	1,002	914	900	958	0	0	0	0	0	0	5,859	5,859
	Budget	722	760	831	906	776	891	957	944	1,074	873	873	873	10,480	4,886
	Prior FY 2025	621	675	829	915	1,119	1,232	1,012	948	1,074	1,174	923	1,034	11,556	5,391
Pioneers Health Center															
	Actual	2,654	2,539	2,630	2,251	2,269	2,485	0	0	0	0	0	0	14,828	14,828
	Budget	2,186	2,396	2,320	2,678	2,377	2,305	2,809	2,483	2,594	2,461	2,461	2,461	29,531	14,262
	Prior FY 2025	1,937	2,115	2,308	2,688	3,473	3,496	2,856	2,580	2,744	2,655	2,599	2,584	32,035	16,017
Pioneers Children															
	Actual	660	734	766	622	573	673	0	0	0	0	0	0	4,028	4,028
	Budget	723	799	846	906	858	881	905	798	839	839	839	839	10,072	5,013
	Prior FY 2025	358	376	765	841	1,009	984	878	734	845	728	749	659	8,926	4,333
Outpatients															
	Actual	6,548	6,085	6,669	5,825	5,974	6,617	0	0	0	0	0	0	37,718	37,718
	Budget	7,094	6,949	7,889	7,775	5,951	6,154	7,941	7,663	6,516	7,104	7,104	7,104	85,244	41,812
	Prior FY 2025	6,314	6,270	6,378	6,780	6,531	7,619	7,471	6,911	6,961	6,966	6,484	6,092	80,777	39,892
Wound Care															
	Actual	297	281	272	323	237	272	0	0	0	0	0	0	1,682	1,682
	Budget	197	160	118	122	119	136	167	112	104	137	137	137	1,646	852
	Prior FY 2025	270	327	332	326	251	258	293	304	287	292	242	270	3,452	1,764
WHAP															
	Actual	378	373	383	324	276	327	0	0	0	0	0	0	2,061	2,061
	Budget	378	513	392	415	391	379	425	320	336	394	394	394	4,731	2,468
	Prior FY 2025	330	443	388	414	688	362	427	325	342	367	375	369	4,830	2,625
C-WHAP															
	Actual	738	657	651	424	403	414	0	0	0	0	0	0	3,287	3,287
	Budget	465	457	588	610	558	583	581	379	445	518	518	518	6,220	3,261
	Prior FY 2025	131	95	365	403	552	400	425	441	432	419	599	588	4,850	1,946

Imperial Valley Healthcare District

BOARD MEETING DATE: January 19, 2026

SUBJECT: Approval of Notable Annual Solutions Renewal Agreement

The Purpose of this request is to seek Financial Committee approval of agreement with Notable for Annual Solutions renewal. The renewal agreement will support current operations with online registrations and maximize utilizations.

BACKGROUND:

Notable is an online registration and engagement platform designed to streamline the patient intake process, reduce waiting times, and improve operational efficiency. The system supports online digital registration, and secure co-payment collection across Clinic locations and Hospital Radiology services. Continued use of this platform enables the organization to maintain modern access standards, optimize front-end workflows, and support revenue cycle performance.

KEY ISSUES: None

CONTRACT VALUE:

- \$214,620 for a one-year term
- \$225,351 for a two-year term

CONTRACT TERM: Three years: December 29, 2025 – December 28, 2027

BUDGETED: Yes

BUDGET CLASSIFICATION: Administration - Dues

RESPONSIBLE ADMINISTRATOR: Carly Loper CFO

REVIEWED BY LEGAL: ☐ Yes ☐ No **N/A**

FIRST OR SECOND SUBMITTAL: ☒ 1st ☐ 2nd

RECOMMENDED ACTION:

Approve the renewal agreement with Notable in the amount selected by the Finance Committee and authorize the appropriate administrator to execute all related documents.



ORDER FORM #2

Customer Name: Pioneers Memorial Healthcare District	Subscription Start Date: December 29 2025
Customer's Billing Address: 207 West Legion Road Brawley, California 92227, United States	Subscription End Date: December 28, 2027
Customer's Billing Email: cloper@pmhd.org	Contract Term: 3 years
Payment Terms: Net 30	Notable AR Contact: AR@notablehealth.com
PO Required?: No	Sales Tax Exemption: Yes
Offer Valid Until: December 30, 2025	Renewal Term: Annual Solutions renew for one-year periods unless a party provides written notice of non-renewal at least 90 days before the current term ends.

Solution	Comments	Year 1 Fees	Year 2 Fees
Notable Platform	- Noteworthy Passes: 2 - Flow Builder Seats: 2	~~\$150,000~~ \$63,000	~~\$150,000~~ \$66,150
Committed Utilization	5% discount to the rates listed in the Rate Card when consuming Credits	\$151,620	\$159,201
Prepaid Services	Prepaid Services hours: No hours are included in this order form	n.a.	n.a.
Total Annual Solutions Fees		\$214,620	\$225,351
Total Fees		\$214,620	\$225,351

Notable Platform and Committed Utilization fees increase by 5% annually upon renewal. Amounts shown above do not include any taxes that may apply, which are the responsibility of Customer. This is not an invoice.

Customer is purchasing Prepaid Services hours to be utilized towards the mutually agreed upon scope. Thereafter, additional services to complete implementation or deploy additional Flows will be charged at then current standard rates, which are currently \$250/hour/resource. Notable will provide monthly statements detailing hours used during the prior month. Any additional hours will be invoiced monthly based on the hours provided the preceding month. Additional Services not included in this Order Form will be mutually agreed upon in advance and documented in a project charter or equivalent project planning document.

Invoice Schedule

Date	Amount
12/29/2025	\$214,620
12/29/2026	\$225,351

In the event that any portion of the services or fees under this Order Form overlaps with a prior Agreement between the parties, the overlapping amount shall be credited to the Customer on a prorated basis, calculated from the effective date of this Order Form.

This Order Form between Notable and Customer ("**Order Form**") is executed under and incorporates the Notable Master Service Agreement and its exhibits, including: Exhibit 1, Notable Enterprise Terms; Exhibit 2, Service Level Agreement; Exhibit 3, Product Specific Terms; and Exhibit 4, Peak™ Terms and Conditions (collectively, the "**Agreement**"). This Order Form specifies the products, services, pricing, and commercial terms for this particular engagement. In the event of a conflict between the terms of this

Order Form and the Agreement, the terms of this Order Form shall control. This Order Form replaces Order Form dated 12/29/2024.

ZEALTH, INC., DBA NOTABLE		CUSTOMER	
By:		By:	
Name:		Name:	
Title:		Title:	
Date:		Date:	

Imperial Valley Healthcare District DBA Pioneers Memorial Hospital

CONSENT AGENDA

BOARD MEETING DATE: 01/2026

SUBJECT: Renew contract with Agiliti Equipment Service Agreement.

BACKGROUND: The existing 3-year service agreement with Agiliti is expiring 12/30/2025 with an extension to sign agreement to 1/25/2026. The renewal of this contract is essential to ensure continued support and service coverage for diagnostic equipment within the Departments.

KEY ISSUES: The current 3-year contract ends on 12/30/2025. Approval of a new contract is required to maintain uninterrupted repair coverage for multiple equipment within the departments, especially Radiology. Failure to renew would place our diagnostic imaging operations at risk in the event of equipment failure, potentially impacting patient care and departmental efficiency.

CONTRACT VALUE: Agiliti Equipment Service Coverage:
Monthly Cost: \$33,358
18-month Total: \$600,444

CONTRACT TERM: 18 months

BUDGETED: Yes

BUDGET CLASSIFICATION: Operational

RESPONSIBLE ADMINISTRATOR: Christopher R. Bjornberg

DATE SUBMITTED TO LEGAL: 1/2026 **REVIEWED BY LEGAL:** Yes

RECOMMENDED ACTION: Approve and renew the 3-year contract with Agiliti to continue repair coverage for the Department equipment, ensuring uninterrupted service and support.

SUPPLEMENTAL EQUIPMENT SERVICES AGREEMENT

This Services Agreement (“Agreement”) between Agiliti Health, Inc. (“Agiliti”) and Imperial Valley Healthcare District dba Pioneers Memorial Hospital, a local health care district formed under California Health & Safety Code §§ 32000 *et. Seq.*, (“Customer”) is effective as of the date of the last signature below (“Effective Date”). This Agreement has no force and effect unless it is signed by Customer on or before January 25, 2026 and thereafter signed by Agiliti.

On the Effective Date this Agreement supersedes and replaces all prior clinical engineering agreements with Customer.

Services. Customer engages Agiliti to perform the services described in the Exhibit(s) (“Services”) on the equipment listed (“Equipment”) and for the fees (“Fees”) set forth in the Equipment and Fees Exhibit.

Target Implementation Date. The parties anticipate that Services under this Agreement will commence on a date that is no more than sixty (60) days following the Effective Date (the “Target Implementation Date”).

Term. This Agreement begins on the Effective Date and continues in effect for three (3) years unless it is terminated sooner pursuant to the Terms and Conditions Exhibit.

Incorporation of Exhibits. The following Exhibits are incorporated into this Agreement:

- Supplemental Equipment Services Exhibit
- Vendor Management Exhibit and General Agency Appointment
- Equipment and Fees Exhibit
- Terms and Conditions Exhibit
- Implementation Schedule Exhibit

ACCEPTED AND AGREED TO:

Imperial Valley Healthcare District
207 West Legion Road
Brawley, California 92227

Agiliti Health, Inc.
11095 Viking Drive, Suite 300
Eden Prairie, Minnesota 55344

Signature _____

Signature _____

(print name)

(print name)

Title _____

Title _____

Date _____

Date _____

SUPPLEMENTAL EQUIPMENT SERVICES EXHIBIT

Agility will provide the Services described in this Exhibit on the Customer-owned Equipment identified in the Equipment and Fees Exhibit. Agility will provide the Services, Monday through Friday, 8:00 am to 5:00 pm, excluding Agility standard holidays ("Normal Working Hours") and will provide Services outside of Normal Working Hours as needed for additional Fees as set forth in the Non-Contracted Hourly Rates Section of the Equipment and Fees Exhibit.

1. EQUIPMENT SERVICES

Agility will perform the following equipment tracking, electrical safety, preventative maintenance and repair services (collectively such services constitute a "Full Service" offering) on Equipment covered for such services as shown in the Equipment and Fees Exhibit. Agility will perform services in compliance with the applicable standards of The Joint Commission and the National Fire Protection Association ("NFPA 99"). To the extent there is a change in The Joint Commission and/or the NFPA 99 standards, or any other applicable standards, that results in a material change to the scope of Agility's Services not contemplated by this Agreement, the parties will mutually agree upon a corresponding adjustment in Agility's Fees.

- 1.1. Equipment Tracking.** For the Equipment covered for equipment tracking Agility will identify and input equipment detail into Agility's Computerized Maintenance Management System (CMMS) on an annual basis.
- 1.2. Electrical Safety.** For the Equipment covered for electrical safety, Agility will provide electrical safety services, which include Equipment inspection and Equipment testing for electrical safety defects. Agility will report identified defects to Customer. Repairs to correct defects are the sole responsibility of Customer, unless Customer purchased repair services for the Equipment.
- 1.3. Contract Documentation.** For the Equipment covered for contract documentation Agility will work with the Customer-contracted Vendor(s) to request repairs and service on Customer Equipment and maintain service records in Agility's CMMS. In addition, Agility will schedule routine maintenance with the Vendor(s) and maintain routine maintenance records in Agility's CMMS. Any costs incurred outside of the coverage within the vendor agreement are to be managed between the facility and the service provider.
- 1.4. Preventative Maintenance.** For the Equipment covered for preventative maintenance, Agility will provide preventative maintenance services. Preventative maintenance services include, inspection for mechanical defects, performance verification of operator controls and adjustments, calibration verification, inspection for ground integrity and current leakage and documentation of results. Manufacturer's specifications and guidelines, when available, will be used as source documents for preventative maintenance services. Agility will report identified defects to Customer. Repairs to correct defects are the sole responsibility of Customer, unless Customer has purchased repair services for the Equipment. Preventative maintenance does not include periodic Equipment overhauls, which involve equipment refurbishment or renovation, as recommended by a manufacturer.

If the Equipment is in use or cannot be found at the time Services are to be performed, Customer shall have an additional thirty (30) days to make the Equipment available for Service before Agility considers the Equipment to be overdue for Services. If the Equipment

is unavailable at the time of a scheduled trip to Customer's location, Agility may charge additional fees for the Services. When Customer provides Agility with access to that Equipment, Agility shall perform the Services, however, Agility may need to perform an inspection of the Equipment which may incur an additional cost. The foregoing notwithstanding, if the Equipment is not found by the last day of the second month after the Equipment is overdue for Service, Agility shall remove the Equipment from coverage under this Agreement, with a corresponding reduction of Fees. Customer acknowledges and accepts that the non-performance of scheduled maintenance Services on Equipment as provided for in this Agreement may result in injury to others or damage to the Equipment beyond normal wear and tear to the Equipment. Customer releases Agility from any and all damages, claims, loss and liabilities related to the non-performance of Services on the Equipment due to the Equipment being overdue for Services because the Equipment was in use or lost.

1.5. Repairs. For the Equipment covered for repairs, Agility will provide repair services, which are performed so that the Equipment will function in accordance with manufacturer's specifications and guidelines. Repair services include the identification of factors contributing to the Equipment's performance and operation. In performing repairs services, Agility will consult with Customer's staff, as appropriate. If Agility in good faith determines that certain repair services are impractical due to Equipment age, obsolescence, condition or limited availability of parts or Agility in good faith determines that the repair costs are estimated to exceed 50% of the Equipment replacement cost, Agility will discuss the practicality of Equipment repair and Equipment replacement with Customer.

2. EXCLUSIONS

The following are not covered Services or Equipment and are excluded under this Exhibit:

- 2.1. Service required by causes outside of Agility's control, including, but not limited to:
 - 2.1.1. Customer's instructions (such as requests to perform services outside of manufacturer's specifications or guidelines or services necessitated by an earlier Customer directive to not perform certain services such as preventative services);
 - 2.1.2. The failure of others to follow Agility or manufacturer's instructions;
 - 2.1.3. Improper use, maintenance, handling or storage of Equipment by anyone other than Agility;
 - 2.1.4. Use of accessories or parts with the Equipment that are not provided by Agility or the original equipment manufacturer;
 - 2.1.5. Customer's failure to install upgrades;
 - 2.1.6. Original Equipment Manufacturer ("OEM") service limitations on Equipment;
 - 2.1.7. Extraordinary events such as fires, floods, windstorms, explosions, strikes, walk outs, riots, natural disasters, mechanical breakdowns, power outages, interruptions in telecommunications, material shortages, acts of terrorism and wars; and

- 2.1.8. Customer's infrastructure, such as electrical surges, moisture in air lines, inadequate ventilation, improper operating temperature, improper storage and improper installation by persons other than Agility.
- 2.2. Refurbishments, restorations, overhauls and enhancements to Equipment, including without limitation, sharpening, welding, upgrades, modifications, crystal regeneration and software, software media and software installation and other service work that is beyond the scope of preventative maintenance to the Equipment and is not necessary to restore the Equipment to operation in accordance with manufacturer's specifications or guidelines.
- 2.3. Service required because of installation, relocation or certification surveys.
- 2.4. Service required under a manufacturer's warranty.
- 2.5. Service required due to physical damage. Physical damage is defined as damage to Equipment caused by incorrect handling or misuse, including but not limited to drops, collisions, punctures, and improper cleaning, by non-Agility personnel (including without limitation Customer personnel and/or patients).
- 2.6. All disposables and consumables.
- 2.7. Replacement of accessories that are exchangeable or can be installed by users.
- 2.8. All glassware excluded except as specified in the Equipment and Fees Exhibit.
- 2.9. Replacement of batteries, power cells, arrays, patient interface cables, paddles, electrodes, cathode ray tubes, transducers, therapy sources, film, external heating elements, cuffs, hoses, probes, power cords, reagents, paper products, rubber seals/goods, filters, tubing, styli, refrigerants, solvents, solutes, ink, fiber optics and bundles, torches/lamps/bulbs.
- 2.10. CT Tubes, PET Radiation Sources, magnet replacement, magnet service, MRI cryogenics, coldhead subsystems and magnet parts, magnet quenches, helium refills, chiller systems, injectors, except where coverage of such is set forth in the Equipment and Fees Exhibit.
- 2.11. Replacement of flat panel digital detectors, recorders, readers, scanners, printers, spot film units, cassettes, cassette holders/magazines or trays and other similar devices. Individually serialized components will be repaired and maintained in accordance with the assigned coverage code. Replacement of the entire unit(s) is excluded.
- 2.12. Other exclusions set forth in the Equipment and Fees Exhibit.

3. CUSTOMER RESPONSIBILITIES

Customer will perform the following:

- 3.1. **Training.** When training is available to Customer from a manufacturer as part of an Equipment purchase or a service contract, Customer will invite Agility personnel to participate as Customer's representatives. If the manufacturer charges a fee for the training, Customer will notify Agility of the fee amount, in advance of the training, and if Agility participates, Agility will reimburse Customer for fees incurred as a result of Agility personnel participation in the training.

- 3.2. **Service Manuals.** Providing a library of information regarding inspection, testing, and maintenance for customer-owned medical equipment is the responsibility of the customer. Customer will provide Agiliti with access to manuals, procedures, technical bulletins and other information provided by the equipment manufacturer. In the event the customer does not have a required document, they will assist Agiliti in the procurement of manufacturer's documentation for all Equipment required. The manuals will remain the property of Customer.
- 3.3. **Manufacturer Repair.** Customer will obtain pre-approval from Agiliti, which approval will not be unreasonably withheld, before requesting or obtaining service for Equipment by a manufacturer or other vendor. Customer is solely responsible for any manufacturer and other vendors that it hires without Agiliti's prior written approval, and hiring a vendor to perform service on the Equipment may cause Agiliti to, in its sole discretion, increase the base fee for the Services set forth herein.
- 3.4. **Equipment Preparation.** Customer will have Equipment in proper operating condition at the time Agiliti begins to provide Services for such Equipment. Within 90 days of the Effective Date, Agiliti will conduct an inspection of Customer's Equipment to confirm that all Equipment is in such proper operating condition and is compliant with all OEM inspection intervals. Equipment that does not meet manufacturer's specifications and guidelines will be deemed to be "not in proper operating condition." Within 30 days from the completion of Agiliti's inspection, Customer may bring the Equipment up to proper operating condition or may contract with Agiliti to do so. If Customer does not bring the Equipment up to proper operating condition, Agiliti may remove such Equipment from the program.
- 3.5. **Implementation Assistance.** In order to enable the parties to meet the Target Implementation Date, Customer will timely provide Agiliti without charge: (i) a reasonably satisfactory on-site work area; (ii) access to a secured network, either an enterprise-grade Customer network and/or a dedicated vendor secured network (Guest Wi-Fi access is not adequate); (iii) notification of connectivity changes (passwords, etc.) that may affect Agiliti's connection prior to the changes to ensure ongoing operations; (iv) cooperation in the collection and analysis of data, including without limitation, vendor contracts, Customer credentialing and other HR requirements and other data necessary for the purpose of utilization and equipment usage review; (v) assistance in scheduling meetings with necessary Customer stakeholders as necessary to facilitate implementation; and (vi) cooperation in resolving connectivity gaps identified by Agiliti, which will be shared with the Customer. The parties will work together in good faith to establish an implementation timeline as of the Effective Date, to meet the requirements outlined in this section.
- 3.6. **Equipment Decontamination.** Customer will notify Agiliti of any Equipment exposed or suspected to be exposed to contamination. Customer must decontaminate all such Equipment and dispose of all contaminated accessories prior to handing the Equipment over to Agiliti and will provide proof or documentation of such decontamination or disposal. Customer is responsible for all expenses associated with decontaminating or disposing the Equipment.
- 3.7. **Reasonable Assistance.** Customer will provide Agiliti with access to the Equipment and a suitable work area on Customer's premises and will provide Agiliti with reasonable cooperation in its performance of Services. Customer will provide a final inventory, in Agiliti's requested format prior to the Target Implementation Date. Customer will notify

Agility of the failure of any Equipment to perform in accordance with manufacturer's specifications or guidelines, regardless of whether patient injury results. Customer will give the notice within 24 hours of discovering the failure and will include sufficient details to permit the parties to collaborate on developing an investigation plan. Customer will provide Agility with signed service contracts, payment information and contact information with their suppliers for all Equipment listed in the Equipment and Fees Exhibit.

After the Effective Date, Agility will complete an inventory reconciliation ("Reconciliation"). The Reconciliation will compare the contracted inventory and coverage levels to the existing inventory and coverage levels. Upon delivery of the Reconciliation, Customer will have 30 days to dispute any discrepancies. Following Reconciliation, adjustments will be implemented for inventory and coverage changes.

VENDOR MANAGEMENT EXHIBIT & GENERAL AGENCY APPOINTMENT

Agility will manage vendors that provide certain services to Customer and such services are referred to in this Exhibit as “Vendor Management Services.”

1. GENERAL AGENCY AUTHORIZATION

Notwithstanding anything in this Agreement to the contrary, Customer appoints Agility as its duly authorized general agent to act on Customer’s behalf in conducting the following Vendor Management Services:

- 1.1 Consulting with any and all persons or entities to service or advise on the servicing of medical equipment (“Service Vendors”).
- 1.2 Monitoring the Service Vendors’ performance of services to Customer, regardless of whether the services are performed under a service agreement with Customer or Agility, or on a time and materials basis.
- 1.3 Obtaining service support, service agreements, parts, parts pricing, service agreement pricing, technical information, service histories and time and materials service support costs for medical equipment.
- 1.4 Paying Service Vendors that are engaged to service medical equipment pursuant to the terms of this Exhibit.
- 1.5 Consulting, negotiating and entering into agreements with any Service Vendor with respect to any medical equipment maintenance and/or repair service that the Service Vendor will perform on medical equipment.

2. SERVICE VENDOR INFORMATION

- 2.1 Customer will give Agility copies of all service agreements it has in effect with Service Vendors that will be subject to Vendor Management Services; however, if the terms of these agreements prohibit such disclosure, Customer will not disclose the service agreements to Agility, unless and until it obtains any necessary Service Vendor approvals, which Customer will use its best efforts to secure. Customer will also provide any recent payment information, including payment records and invoices, regarding such Service Vendors within 30 days from the Effective Date.
- 2.2 Agility will limit its use of non-public product and service information that Service Vendors identify as proprietary and that Customer or Agility have agreed to hold in confidence (“Vendor Proprietary Information”) for the sole purpose of fulfilling the Vendor Management obligations. Agility will limit access to any knowledge of such Vendor Proprietary Information to its vendor management team and to those Agility representatives who have a need to know for purpose of evaluating the Vendor Proprietary Information and the performance of any services.

3. ACCEPTANCE BY CUSTOMER

This General Agency Appointment is effective immediately and continues in force until the earlier of the date that it is revoked in writing by an authorized representative of Customer or the

date that the Vendor Management Services end. Upon expiration or termination of Vendor Management Services, Customer will be fully responsible for managing its rights and obligations under the service agreements it holds directly with vendors and will cooperate with Agiliti in providing such vendors with notice of the cessation of Vendor Management Services by Agiliti. Agiliti will provide such notice to vendors that entered into service agreements directly with Agiliti to provide services to Customer. Customer will reimburse Agiliti for any prepayments that Agiliti made to Customer's vendors for services to be performed after the cessation of Vendor Management Services.

Imperial Valley Healthcare District

207 West Legion Road
Brawley, California, 92227

Signature _____

(print name)

Title _____

Date _____

EQUIPMENT AND FEES EXHIBIT

- 1 Equipment Adjustment.** The Equipment listed below will be updated and reflected on the monthly invoice, with an adjustment in Fees, as appropriate.
- 2 Taxes and Fees.** Fees are exclusive of taxes and incremental third party costs incurred based on Customer direction. All sales, use, excise or similar taxes and incremental third party costs relating to the Services are Customer's sole responsibility. Agility may increase Fees by 5% once every 12 months. The increase is applied on a cumulative basis beginning on either the Agreement Effective Date or date of last increase, whichever is later. Not raising fees is not a waiver of Agility's right to do so. Additionally, upon 15 days prior written notice, Agility may adjust Fees in response to any tariffs, duties, or similar changes in law, policy or inflationary pressures that impact Agility's costs and/or abilities to fulfill its obligations under this Agreement. Fees for Services under this Agreement will commence on no later than the Target Implementation Date unless otherwise agreed to by the Parties in writing.
- 3 Monthly Base Fee.** The Monthly Base Fee is \$33,358.00 per Agreement month for Services provided during Normal Working Hours. Agility will provide Services outside of Normal Working Hours as needed for additional Fees as set forth in the Non-Contracted Hourly Rates Section below.
- 4 Non-Contracted Hourly Rates.** At Customer's request, Agility may agree to perform services excluded from or not described in the Supplemental Equipment and Vendor Management Services Exhibit. To the extent Agility agrees to perform such services, they will be deemed "Services" and the additional Fees for such Services will be as follows:

General Biomedical/Computer, PM, Repair and Travel	\$155 per hour
Respiratory/Laser, PM, Repair and Travel	\$205 per hour
Laboratory/Sterilizers/Anesthesia PM, Repair and Travel	\$235 per hour
Radiology, Low End (Ultrasound, C-Arm, Portable, R&F) PM, Repair and Travel	\$260 per hour
Nuclear Medicine, Mammography PM, Repair and Travel	\$330 per hour
Radiology, High End (Cath Lab/CT/MRI) and Travel	\$385 per hour
Professional Consulting Services	\$225 per hour
After-Hour Services	one and one-half (1½) times the hourly rates above with a minimum two hour charge.

After-hour Services are performed on an urgent basis at Customer's request. Non-Contracted Services will be invoiced on a per service event basis.

For field repair services, a minimum two hour fee will be charged per service event. For depot repair services, a minimum one hour fee will be charged (including estimates provided that Customer declines) per event/order. Depot repair services are Services provided by Agility at a designated Agility Center of Excellence. Parts will be charged at standard Agility rates.

- 5 Professional Consulting Services.** Professional consulting includes, without limitation, feasibility studies, product comparisons, cash flow analysis, new revenue analysis, utilization studies, acquisition options, proposal and quotation review, fair market value analysis, capital planning and budgeting, request for proposal generation, and other mutually agreed upon efforts. Customer may obtain professional consulting hours for the Fee as set forth above.

6 Customer Equipment

“ET” means Agility will provide Equipment Tracking Services on Equipment.

“ES” means Agility will provide Equipment Tracking and Electrical Safety Services on Equipment.

“PM” means Agility will provide Equipment Tracking, Electrical Safety, and Preventative Maintenance Services on Equipment. “PMNP” means, PM Services, all parts are excluded.

“FS” means Agility will provide Full Service coverage on Equipment which includes Equipment Tracking, Electrical Safety, Preventative Maintenance and Repair Services on Equipment.

“FSNP” means FS Services, all parts are excluded.

“CD” means Agility will provide Contract Documentation Services.

Location	Manufacturer	Model Name	Model ID	Description	Agility Coverage	Quantity	PM Frequency	Contract Specifics
Pioneers Memorial Hospital	GE Healthcare	Voluson E6	VOLUSON E6	Scanning Systems, Ultrasonic, General-Purpose	FS	1	Annual	•Hours of Coverage: M-F, Standard Hours (e.g. 8am - 5pm) •PM Coverage Hours: Standard Hours •Phone Response Time: 30 Minutes •After Hours Phone Response Time: 1 Hour •Probes Included: 2 Standard Probes per Year •Excluded: Specialty Probe, American College of Radiology Tune, Physical Abuse
Pioneers Memorial Hospital	Konica Minolta	CS-7	CS-7	Workstations, Digital Radiography	FS	1	Annual	•Hours of Coverage: M-F, Standard Hours (e.g. 8am - 5pm) •Included: Detectors Coverage, Detector Drop Coverage (\$5k deductible for each occurrence), Remote system monitoring
Pioneers Memorial Hospital	Konica Minolta	CS-7	CS-7	Workstations, Digital Radiography	FS	1	Annual	•Hours of Coverage: M-F, Standard Hours (e.g. 8am - 5pm) •Included: Detectors Coverage, Detector Drop Coverage (\$5k deductible for each occurrence), Remote system monitoring

Location	Manufacturer	Model Name	Model ID	Description	Agiliti Coverage	Quantity	PM Frequency	Contract Specifics
Pioneers Memorial Hospital	Konica Minolta	CS-7	CS-7	Workstations, Digital Radiography	FS	1	Annual	•Hours of Coverage: M-F, Standard Hours (e.g. 8am - 5pm) •Included: Detectors Coverage, Detector Drop Coverage (\$5k deductible for each occurrence), Remote system monitoring
Pioneers Memorial Hospital	Konica Minolta	CS-7	CS-7	Workstations, Digital Radiography	FS	1	Annual	•Hours of Coverage: M-F, Standard Hours (e.g. 8am - 5pm) •Included: Detectors Coverage, Detector Drop Coverage (\$5k deductible for each occurrence), Remote system monitoring
Pioneers Memorial Hospital	Konica Minolta	CS-7	CS-7	Workstations, Digital Radiography	FS	1	Annual	•Hours of Coverage: M-F, Standard Hours (e.g. 8am - 5pm) •Included: Detectors Coverage, Detector Drop Coverage (\$5k deductible for each occurrence), Remote system monitoring
Pioneers Memorial Hospital	Shimadzu Medical Systems	DAR 8000I	NON-ECRI DAR 8000I	RADIOGRAPHIC/FLUOROSCOPIC SYSTEMS	FS	1	Annual	•Hours of Coverage: M-F, Standard Hours (e.g. 8am - 5pm) •PM Coverage Hours: Standard Hours •Phone Response Time: 30 Minutes •After Hours Phone Response Time: 1 Hour •Included: Tubes, Detectors Coverage, Detector Drop Coverage (\$5k deductible for each occurrence), Image Intensifiers •Excluded: Dynamic Detectors
Pioneers Memorial Hospital	Shimadzu Medical Systems	RADSpeed	UD150B	Radiographic Units, Mobile	FS	1	Annual	•Hours of Coverage: M-F, Standard Hours (e.g. 8am - 5pm) •PM Coverage Hours: Standard Hours •Phone Response Time: 30 Minutes •After Hours Phone Response Time: 1 Hour •Included: Tubes, Detectors Coverage, Detector Drop Coverage (\$5k deductible for each occurrence)

Location	Manufacturer	Model Name	Model ID	Description	Agiliti Coverage	Quantity	PM Frequency	Contract Specifics
Pioneers Memorial Hospital	Shimadzu Medical Systems	RADSpeed	UD150B	Radiographic Units, Mobile	FS	1	Annual	•Hours of Coverage: M-F, Standard Hours (e.g. 8am - 5pm) •PM Coverage Hours: Standard Hours •Phone Response Time: 30 Minutes •After Hours Phone Response Time: 1 Hour •Included: Tubes, Detectors Coverage, Detector Drop Coverage (\$5k deductible for each occurrence)
Pioneers Memorial Hospital	Shimadzu Medical Systems	MobileDaRt Evolution	MUX-2000-XC	Radiographic Units, Mobile	FS	1	Annual	•Hours of Coverage: M-F, Standard Hours (e.g. 8am - 5pm) •PM Coverage Hours: Standard Hours •Phone Response Time: 30 Minutes •After Hours Phone Response Time: 1 Hour •Included: Tubes, Detectors Coverage, Detector Drop Coverage (\$5k deductible for each occurrence) •Excluded: Portable Batteries
Pioneers Memorial Hospital	APC	APC Smart-UPS XL 1000VA	(blank)	(blank)	FS	1	Annual	•Onsite Response Time: 4 Hours •Hours of Coverage: M-F, Extended Hours (e.g. 8am-9pm) •PM Coverage Hours: Standard Hours •Phone Response Time: 30 Minutes •After Hours Phone Response Time: 1 Hour •95% Up Time •Excluded: Batteries and Replacements

Location	Manufacturer	Model Name	Model ID	Description	Agility Coverage	Quantity	PM Frequency	Contract Specifics
Pioneers Memorial Hospital	GE	INNOVA IGS 530	(blank)	(blank)	FS	1	Semi Annual	•Onsite Response Time: 4 Hours •Hours of Coverage: M-F, Extended Hours (e.g. 8am-9pm) •PM Coverage Hours: Standard Hours •Phone Response Time: 30 Minutes •After Hours Phone Response Time: 1 Hour •98% Up Time •Included: Tubes, Glassware, Detectors Coverage, Remote Support •Excluded: Large Format Monitors
Pioneers Memorial Hospital	GE	Advantage Workstation	(blank)	(blank)	FS	1	Annual	•Onsite Response Time: 4 Hours •Hours of Coverage: M-F, Extended Hours (e.g. 8am-9pm) •PM Coverage Hours: Standard Hours •Phone Response Time: 30 Minutes •After Hours Phone Response Time: 1 Hour •98% Up Time •Included: Remote Support
Pioneers Memorial Hospital	GE	Lunar IDXA	(blank)	(blank)	FS	1	Annual	•Hours of Coverage: M-F, Standard Hours (e.g. 8am - 5pm) •PM Coverage Hours: Standard Hours •Phone Response Time: 30 Minutes •After Hours Phone Response Time: 1 Hour

Location	Manufacturer	Model Name	Model ID	Description	Agiliti Coverage	Quantity	PM Frequency	Contract Specifics
Pioneers Memorial Hospital	GE	OEC 9900 Elite	(blank)	(blank)	FS	2	Annual	•Hours of Coverage: M-F, Standard Hours (e.g. 8am - 5pm) •PM Coverage Hours: Standard Hours •Phone Response Time: 30 Minutes •After Hours Phone Response Time: 1 Hour •Included: Tubes, Detectors Coverage, Detector Drop Coverage (\$5k deductible for each occurrence), Image Intensifiers •Excluded: Portable Batteries, Dynamic Detectors
Pioneers Memorial Hospital	GE	OEC 9800+	(blank)	(blank)	FS	1	Annual	•Hours of Coverage: M-F, Standard Hours (e.g. 8am - 5pm) •PM Coverage Hours: Standard Hours •Phone Response Time: 30 Minutes •After Hours Phone Response Time: 1 Hour •Included: Tubes, Detectors Coverage, Detector Drop Coverage (\$5k deductible for each occurrence), Image Intensifiers •Excluded: Portable Batteries, Dynamic Detectors
Pioneers Memorial Hospital	Philips	Veradius	(blank)	(blank)	FS	1	Annual	•Hours of Coverage: M-F, Standard Hours (e.g. 8am - 5pm) •PM Coverage Hours: Standard Hours •Phone Response Time: 30 Minutes •After Hours Phone Response Time: 1 Hour •Included: Tubes, Detectors Coverage, Detector Drop Coverage (\$5k deductible for each occurrence), Image Intensifiers •Excluded: Portable Batteries, Dynamic Detectors

Location	Manufacturer	Model Name	Model ID	Description	Agility Coverage	Quantity	PM Frequency	Contract Specifics
Pioneers Memorial Hospital	Hologic	Fluoroscanner Insight C-Arm Mini 1	(blank)	(blank)	FS	1	Annual	•Hours of Coverage: M-F, Standard Hours (e.g. 8am - 5pm) •PM Coverage Hours: Standard Hours •Phone Response Time: 30 Minutes •After Hours Phone Response Time: 1 Hour •Included: Tubes, Detectors Coverage, Detector Drop Coverage (\$5k deductible for each occurrence), Image Intensifiers •Excluded: Portable Batteries, Dynamic Detectors
Pioneers Memorial Hospital	SHIMADZU	FLUOROSPEED/DAR8K	(blank)	(blank)	FS	1	Annual	•Hours of Coverage: M-F, Standard Hours (e.g. 8am - 5pm) •PM Coverage Hours: Standard Hours •Phone Response Time: 30 Minutes •After Hours Phone Response Time: 1 Hour •Included: Tubes, Detectors Coverage, Detector Drop Coverage (\$5k deductible for each occurrence), Image Intensifiers •Excluded: Portable Batteries, Dynamic Detectors
Pioneers Memorial Hospital	FUJI	Mamo CLEARVIEW CR-IR368	(blank)	(blank)	Not Covered	1	Annual	
Pioneers Memorial Hospital	New Canon	Mobile soltus 500	(blank)	(blank)	FS	2	Annual	•Hours of Coverage: M-F, Standard Hours (e.g. 8am - 5pm) •PM Coverage Hours: Standard Hours •Phone Response Time: 30 Minutes •After Hours Phone Response Time: 1 Hour •Included: Tubes, Detectors Coverage, Detector Drop Coverage (\$5k deductible for each occurrence) •Excluded: Portable Batteries

Location	Manufacturer	Model Name	Model ID	Description	Agility Coverage	Quantity	PM Frequency	Contract Specifics
Pioneers Memorial Hospital	Canon	Mobile 40k flex plus			FS	1	Annual	•Hours of Coverage: M-F, Standard Hours (e.g. 8am - 5pm) •PM Coverage Hours: Standard Hours •Phone Response Time: 30 Minutes •After Hours Phone Response Time: 1 Hour •Included: Tubes, Detectors Coverage, Detector Drop Coverage (\$5k deductible for each occurrence) •Excluded: Portable Batteries
Pioneers Memorial Hospital	GE	Avance CS2			PM	5	Semi Annual	Includes 6 month, 1 year, & 2 year PM Excludes 4 year PM
Pioneers Memorial Hospital	GE	S/5 Avance			PM	2	Semi Annual	Includes 6 month, 1 year, & 2 year PM Excludes 4 year PM
Pioneers Memorial Hospital	(blank)	TEC 7 (SEVO)			FS	5	Quarterly	-
Pioneers Memorial Hospital	(blank)	Tec 850 Sevoflurane Vaporizer			FS	4	Quarterly	-
Pioneers Memorial Hospital	(blank)	TEC 6 PLUS (DES)			FS	8	Quarterly	-
Pioneers Memorial Hospital	(blank)	E-sCAiO Module			PM	7	Annual	-
Pioneers Memorial Hospital	(blank)	TRACE GAS ANALYSIS			FS	8	Semi Annual	-

- 7 Fuel Surcharge.** Agility may assess a temporary monthly transportation fuel surcharge to offset inflationary increases in the cost of fuel. If the price of fuel increases by 15% or more from the U.S. National Average Diesel/Gas Fuel Index as of the Effective Date of this Agreement, Agility may assess a monthly surcharge based on the number of Equipment transfers between a Customer location and Agility district office occurring during the month. Agility will calculate the fuel surcharge using a formula, which takes into account the increase in Agility's cost per gallon of fuel and equipment transportation fuel consumption levels. Agility will provide the actual formula used when and if the surcharge is activated.

TERMS AND CONDITIONS EXHIBIT

1. **Payment Terms.** Invoices are typically rendered monthly and payment in full is due within 30 days of the date of invoice. Agiliti may charge an additional fee of 1.5% per month (18% per annum) or the maximum rate allowed by law, whichever is less, to late payments. On five days' notice to Customer, Agiliti may suspend performance of Services for non-payment until a reasonable time after the non-payment is cured. There is no right of off set, and Customer will take no deductions, unless authorized to do so by Agiliti through issuance of a credit memorandum. Customer will give Agiliti written notice of any incorrect charges within 90 days of the Agiliti invoice to which the claim relates. After 90 days, the originally invoiced amount will be deemed to be correct.

2. **Confidentiality.** In connection with this Agreement, each party may disclose to the other certain confidential and proprietary information that is marked as confidential or that logically would be considered to be confidential (collectively, the "Confidential Information"). For the avoidance of doubt, Agiliti Confidential Information includes without limitation any and all technical information, techniques, know-how, processes, software programs, software source documents, insurance and pricing information that Agiliti or its subcontractor provides to Customer. Each recipient agrees that the Confidential Information provided to it, regardless of form, will be received and maintained by it in confidence for five years after this Agreement ends.

The obligation of confidentiality will not apply with respect to any Confidential Information that: (a) is in the public domain at the time of discloser's communication to recipient; (b) was or becomes generally available to the public other than as a result of a disclosure by recipient in breach of this Agreement; (c) was in recipient's possession, free of any obligation of confidentiality, at the time of discloser's communication to recipient; (d) is communicated to recipient by a third party, which the recipient reasonably believed was free to make such disclosure without breach of any legal obligation to discloser; or (e) recipient is compelled to disclose by deposition, subpoena or other court or governmental action, as evidenced by advice of legal counsel, provided that recipient gives the discloser advance written notice of the Confidential Information to be disclosed as far in advance of its disclosure as is reasonably possible, practicable and legally permissible, and recipient cooperates with discloser, if discloser seeks to obtain a protective order concerning such Confidential Information.

3. **Termination and Effect of Termination.** At any time while this Agreement is in effect, either party may terminate the Agreement for cause, including insolvency and material breach, provided the non-defaulting party gives the other party written notice detailing the nature of its material breach of the Agreement. If the material breach remains uncured 30 days after notice to the breaching party, or if the breach is of a nature that cannot reasonably be cured in such 30-day period and the breaching party has failed to diligently commence and pursue actions necessary to cure the breach, then the non-defaulting party may terminate this Agreement at any time by providing written notice of the date of termination to the other party.

Either party may terminate this Agreement without cause upon at least ninety (90) days advance written notice to the other party, provided that such notice will be given no sooner than eighteen (18) months from the Effective Date. If Customer terminates this Agreement without cause, Customer shall pay Agiliti, at the contracted time and material rates for all services rendered prior to termination reduced by fees already paid. Customer will pay Agiliti within 30 days of date of invoice for any such fees.

The terms of this Agreement that, by their nature must survive the termination of this Agreement to protect the party in whose favor they run, survive the termination of this Agreement.

4. **Compliance.** Each party will comply with applicable laws, rules and regulations in connection with this Agreement. In the event applicable legislation or government intervention results in increases in minimum hourly rates, wage adjustments, or mandatory fringe benefits after the Effective Date of this Agreement, the parties agree that Agility may adjust the Service fees set forth herein to reflect such increases. Agility has not been debarred, suspended or declared ineligible to market or sell items or services for which reimbursement may be made by Federal health care programs and is not included on the General Service Administration or HHS/OIG Exclusion List. Agility will immediately notify Customer if it becomes ineligible to market or sell items or services for reimbursement by Federal health care programs. To the extent required by law, Agility will make available to the Secretary of the U.S. Department of Health and Human Services, the Comptroller General or any of their duly authorized representatives this Agreement and Agility's books, documents and records that are necessary to verify the nature and extent of the cost of Services performed pursuant to this Agreement for a period of up to four years after such Services are furnished.
5. **Continued Equipment Support.** During the Term of this Agreement, and to the extent Agility is duly notified by the applicable Original Equipment Manufacturer ("OEM"), Agility shall provide Customer with reasonable notice of any Equipment that is discontinued or reaches the Equipment's End of Life ("EOL Date") as is determined solely by the OEM. Customer acknowledges and agrees that Customer decides, in its sole discretion based on patient needs and clinical considerations, the make and model of any Equipment utilized by Customer, including without limitation any Equipment that has reached its EOL Date. After the EOL Date, Agility will use commercially reasonable efforts to repair the Equipment based on the availability of parts and Agility's technicians, but with no uptime guarantee. If Agility determines that its ability to provide repair or maintenance services is hindered due to the unavailability of parts or trained technicians, or the Equipment can no longer be maintained in a safe and effective manner, as determined solely in the discretion of Agility, then Agility may terminate its service obligations under this Agreement with respect to the Equipment that has reached its EOL Date upon notice to Customer. Customer will defend and indemnify and hold harmless Agility and its affiliates against any and all damages, liability, claims, losses and expenses, including attorneys' fees, arising out of or resulting in any way from Customer's continued use of Equipment after such Equipment's EOL Date, except to the extent caused by Agility's gross negligence or willful misconduct.
6. **Insurance.** While this Agreement is in effect, each party will maintain workers' compensation insurance in amounts required by law and will maintain commercial general liability insurance in an amount of not less than \$1,000,000 per occurrence. Agility will provide Customer with Agility's Evidence of Insurance on Customer's request.
7. **Disclaimer of Warranties and Liability Limitation.** Agility is not a manufacturer of Equipment and disclaims all warranties. Customer's sole remedy for breach of a manufacturer's warranty is against the manufacturer.

AGILITY MAKES ABSOLUTELY NO WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE QUALITY, CONDITION OR PERFORMANCE OF EQUIPMENT OR PATENT INFRINGEMENT, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ARISING FROM A COURSE OF DEALING, LAW, USAGE OR TRADE PRACTICE. UNDER NO CIRCUMSTANCES SHALL

AGILITI BE SUBJECT TO ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE OR CONTINGENT DAMAGES WHATSOEVER WITH RESPECT TO CLAIMS MADE UNDER THIS AGREEMENT OR BY ANY CONSUMER OR OTHER USER OF EQUIPMENT OR SUPPLIES. EQUIPMENT AND SUPPLIES, INCLUDING WITHOUT LIMITATION ANY PROGRAMMED SOFTWARE, ARE RENTED OR SOLD "AS IS." AGILITI'S LIABILITY, AT AGILITI'S OPTION, IS LIMITED TO REPERFORMANCE OF THE SERVICES OR A REFUND OF THE SERVICE FEE PAID BY CUSTOMER TO AGILITI. THIS DISCLAIMER OF LIABILITY FOR ALL DAMAGES WILL NOT BE AFFECTED IF ANY REMEDY PROVIDED HEREIN SHALL FAIL OF ITS ESSENTIAL PURPOSE. NOT WITHSTANDING THE FOREOING, AGILITI AGREES TO INDEMNIFY AND HOLD HARMLESS CUSTOMER FROM ANY AND ALL THIRD PARTY CLAIMS AND LOSSES ACCRUING OR RESULTING FROM ANY CLAIMS AND LOSSES ACCRUING OR RESULTING TO ANY PERSON WHO MAY BE INJURED OR DAMAGED TO THE EXTENT CAUSED BY AGILITI'S NEGLIGENCE OR WILLFUL MISCONDUCT IN CONNECTION WITH THE PERFORMANCE OF SERVICES UNDER THIS AGREEMENT.

Excusable Delays/Non-Performance. Any delay or failure in performance other than non-payment will be excused to the extent caused by an extraordinary event or occurrence beyond the reasonable control of the non-performing party, including without limitation, fires, floods, windstorms, explosions, strikes, walk outs, riots, natural disasters, mechanical breakdowns, power outages, interruptions in telecommunications, material shortages, acts of terrorism, wars and changes in law, policy or inflationary pressure that render performance of Services by Agiliti commercially impracticable. The affected party will give the other party prompt notice of the delay or failure and the reason thereof and will exert commercially reasonable efforts to remove the causes or circumstances of non-performance with reasonable dispatch.

- 8. Assignment.** Neither party may assign this Agreement or any of its rights or obligations under this Agreement without the prior written consent of the other party, except that Agiliti may assign this Agreement to an affiliate or to a successor in interest to which the business relates.
- 9. Independent Contractor; Benefit.** The relationship between the parties is solely that of independent contractors. This Agreement is for the benefit of the parties. There are no intended third party beneficiaries to this Agreement.
- 10. Governing Law; Jurisdiction.** This Agreement is governed by the laws of the State of California , notwithstanding its conflict of laws rule. Venue for any legal proceedings will be solely in Imperial County, California.
- 11. Waiver; Severability; Entire Agreement; Amendment.** Waiver by either party of any breach of this Agreement will not be deemed nor constitute a continuing waiver or waiver of any other breach of this Agreement. A finding by a court of competent jurisdiction that any provision of this Agreement is invalid or unenforceable under law will not affect the validity or enforceability of any other provision of this Agreement, unless a party's rights or obligations are materially and adversely affected by such ruling. This Agreement contains all agreements and understandings between the parties relating to its subject matter. Except as described in the Equipment and Fees Exhibit, any amendment to this Agreement must be in writing and will not be effective until it is executed and approved by an authorized representative of each party.
- 12. Notices.** All required notices will be in writing and will be deemed to have been given as indicated:

12.1 If delivered in person or by Federal Express or similar nationally recognized express mail or courier service, which provides evidence of delivery, on the date of delivery;

12.2 If sent by certified or registered mail or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or

12.3 If sent by electronic messaging system, on the date the electronic message is received,

unless the date of delivery (or attempted delivery) or receipt, as applicable, is not a business day or is after the close of business on a business day, in which case the communication will be deemed given and effective on the first following day that is a business day and provided that in each case the notice is properly addressed to the address provided in the appropriate signature block above or such other address as has been given by proper notice and directed to the attention of the Contracts Department in the case of Agiliti and to the attention of the title of the person signing this Agreement in the case of Customer.

13 Relationship with Agiliti Staff. If Customer were to hire a member of the Agiliti team, Agiliti would incur significant expense in hiring and training a replacement. Accordingly, while this Agreement is in effect and for one year after it ends, Customer will not, with respect to any Agiliti employee or contractor providing Services on behalf of Agiliti in connection with this Agreement, employ, solicit or entice, directly or indirectly, such person to become employed or retained by Customer or any affiliate of Customer or any competitor of Agiliti, without the express written consent of Agiliti. If Customer breaches this Section, Customer shall, on demand, pay Agiliti a sum equal to one year's compensation or the annual fee that was payable by Agiliti to that employee, worker or contractor plus the recruitment costs incurred by Agiliti in replacing such person.

14 Equal Opportunity Employer. Agiliti is an Equal Opportunity Employer and complies with Executive Order 11246 and hereby provides notice of its compliance with FAR 52-222-26, 41 C.F.R. 60-1.4, 41 C.F.R. 60-250.5 and 41 C.F.R. 60-741.5, which are hereby incorporated by reference.

IMPLEMENTATION SCHEDULE EXHIBIT

The Parties will hold a project launch meeting (the “Project Launch”) on the following date:

[INSERT DATE HERE]

Attendees to the Project Launch will include Agility, [insert title of Customer Project Sponsor here] (the “Customer Project Sponsor”) and key facility / department stakeholders ([insert title of key facility / department stakeholders, e.g. Director of Materials, here]).

The Project Launch will be held in person or via video conference (such as Zoom or Microsoft Teams). During the Project Launch, the parties will review the key milestones to implementation such as resource finalization, resource deployment and program launch and set target dates for such milestones.

Following the Project Launch, Customer Project Sponsor will continue to provide Agility with ongoing support as necessary and requested by Agility to ensure implementation as agreed upon. Additionally, Agility and Customer Project Sponsor will hold a Project Launch business review 30-days post Project Launch to review the status of implementation.

The parties anticipate that Services under this Agreement will commence pursuant to the implementation schedule(s) outlined below (“Implementation Schedule”):

Implementation Schedule By Facility / Department:

Facility / Department Name	Facility / Department Contact Name & Email	Target Implementation Timeframe*

**The parties will use commercially reasonable efforts to meet the Target Implementation Timeframe for each Facility listed above. Failure to meet the Target Implementation Timeframe will not be considered a breach of the Agreement, and the parties may mutually agree to update Target Implementation Timeframe as necessary.*

Imperial Valley Healthcare District DBA Pioneers Memorial Hospital

CONSENT AGENDA

BOARD MEETING DATE: 01/2026

SUBJECT: Purchase of Canon Aplio i700 Ultrasound unit.

BACKGROUND: The Aplio i700 is slated to replace the 12-year-old A300, enhancing imaging quality and expanding our scanning capabilities. With the team already experienced in using Canon ultrasound systems, integration will be seamless. This purchase was approved for the 2024 fiscal year and was postponed for fiscal 2025. We reviewed options from Philips, Mindray, and Canon, gathering three quotes, and Canon stood out due to its strong clinical performance and team familiarity and financial impact.

KEY ISSUES: The existing A300 has limitations that affect the types of exams that can be performed and often lead to patient delays and scheduling challenges. The Aplio i700 will increase departmental efficiency, reduce wait times, and allow all three ultrasound units to handle the full range of studies, eliminating the current restrictions caused by the older system.

CONTRACT VALUE: \$104,000

CONTRACT TERM: May be leased or purchased outright

BUDGETED: Yes

BUDGET CLASSIFICATION: Operational

RESPONSIBLE ADMINISTRATOR: Carly Zamora / Derek Tapia

DATE SUBMITTED TO LEGAL: 1/2026 **REVIEWED BY LEGAL:** Yes

RECOMMENDED ACTION: Purchase of Canon Aplio i700 Ultrasound unit. Canon offers the best price and has consistently provided excellent support. They can also expedite delivery, with the system arriving within 30 days.



CANON MEDICAL SYSTEMS USA, INC.

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QUOTATION/ORDER SUMMARY

DATE: 10/21/2025
SID #: 30104755
QUOTE #: 196549-2

PRESENTED TO:

IMPERIAL VALLEY HEALTHCARE DISTRICT
207 W LEGION RD
BRAWLEY, CA. 92227

APLIO-ISERIES-I700.000

APLIO I700 ULTRASOUND SYSTEM

SPECIAL INFORMATION & TERMS

- If this quotation is not accepted by December 31, 2025, Canon Medical Systems USA, Inc. reserves the right to cancel this quotation.
- This quotation includes the deinstallation, removal, and trade-in of your current Toshiba Aplio 500 S/N:W1C11Z2342 imaging system(s). The trade-in value is based on the expected removal date of no later than 11/27/25 Canon reserves the right to adjust trade-in values for equipment not removed by the agreed upon date.

This quotation shall remain valid until December 31, 2025.

All prices are F.O.B. destination.

Payment terms are: Cash - 0% down payment, 80% upon shipment, 20% upon completion of installation and/or availability for first use, whichever is earlier. All invoice terms are net 30 days.

This quotation/order will be subject to and governed by the Agreement for Ultrasound equipment products between HealthTrust Purchasing Group and Canon Medical Systems USA, Inc., reference contract no. HPG-73599, effective June 1, 2025. Vendor represents and warrants that it will continue to support and provide Services to repair and maintain those Products that are Equipment for a minimum of ten (10) years from installation of such Product. In the event of a conflict between the Canon Medical Systems USA, Inc. Equipment terms and conditions and the (GPO) agreement, the (GPO) agreement shall control.

Please return signed quotation to Canon Medical Systems USA, Inc. by email OrderAdmin@us.medical.canon or fax 714-441-9320.

ACCEPTED AGREED AND ORDERED:

PURCHASER'S SIGNATURE/TITLE

DATE

CANON MEDICAL SYSTEMS REP

DATE

All information contained in this quotation is confidential and may not be disclosed to any third party without Canon Medical Systems' prior written consent.



CANON MEDICAL SYSTEMS USA, INC.

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EQUIPMENT SUMMARY:

APLIO-ISERIES-I700.000

APLIO I700 ULTRASOUND SYSTEM

<u>PART NUMBER</u>	<u>QTY</u>	<u>DESCRIPTION</u>
APLIO-I700-V8.5.100	1	APLIO I700 PRISM ULTRASOUND SYSTEM
	1	APLIO I700 ULTRASOUND IMAGING SYSTEM
	1	PROTOCOL ASSISTANT
	1	GEL WARMER
UL-INTERNALWIFI	1	INTERNAL WIRELESS LAN (FIPS 140-2 COMPLIANT)
	1	STANDARD APPLICATIONS TRAINING
PVT-712BT	1	MULTI-FREQUENCY MICRO CONVEX TRANSDUCER NEONATAL HEAD (11MC4)
PLT-1202BT/FS	1	MULTI-FREQUENCY LINEAR TRANSDUCER HOCKEY STICK (17LH7)
PLI-1205BX/FS	1	LINEAR ARRAY TRANSDUCER (I18LX5)
PLI-705BX/FS	1	MULTI FREQUENCY LINEAR ARRAY TRANSDUCER (I11LX3)
PVI-475BX/FS	1	CONVEX ARRAY TRANSDUCER (I8CX1)
ENDO-AI700/4.100	1	EV/ER TRANSDUCER HOLDER KIT
	1	EV/ER TRANSDUCER HOLDER
PVT-781VTE/FS	1	MULTI-FREQUENCY ENDOCAVITARY TRANSDUCER (11C3)
UP-D898/ISERIES.100	1	DIGITAL GRAYSCALE PRINTER PACKAGE
	1	SONY DIGITAL GRAYSCALE PRINTER
	1	MOUNTING KIT FOR B/W PRINTER

TOTAL QUOTE PRICE

\$104,000.00

Applicable Sales Tax Additional



CANON MEDICAL SYSTEMS USA, INC.

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PURCHASABLE OPTIONS:

Please initial next to the option item you would like to purchase. Selected purchasable options will increase the total quote price by the noted "ADD" dollar amount listed on the item line:

<u>PART NUMBER</u>	<u>QTY</u>	<u>DESCRIPTION</u>	<u>ADD</u>	<u>INITIALS</u>
UA-LIVERPACKAGE/I700.100	1	LIVER PACKAGE	\$15,200.00	_____
USQS-AI800A/EL	1	QUAD VIEW FOR SWE (REQUIRES SHEAR WAVE)	\$800.00	_____
USDL-AI900A/EL	1	MULTI PARAMETRIC REPORT	\$2,000.00	_____



CANON MEDICAL SYSTEMS USA, INC.

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FINANCE OPTIONS:

Finance options are available through Canon Medical Finance USA, a program of Canon Medical Systems USA, Inc.

CANON MEDICAL FINANCE USA OFFERINGS:

- Fair Market Value, \$1.00 Buy Out (Lease to Own), and Loan structures
- Finance terms ranging from 12 months to 84 months
- Financing for 3rd party assets (including, but not limited to leasehold improvements & I.T.)

CANON MEDICAL FINANCE USA BENEFITS:

- No progress payments. Payments begin after delivery and installation
- Upgrades to the current technology platform can be financed.
- Flexible finance structures, such as deferred payments, tiered repayments, and bridge financing, to meet cash flow needs

Finance options are subject to credit underwriting, approval, and a fully executed contract.

For more information, please contact Trish Malone, Sr. Dir. Financial Programs at:

tmalone@us.medical.canon or visit us at <https://us.medical.canon/service-and-support/financial-programs/>

COMPONENT SUMMARY:

<u>PART NUMBER</u>	<u>QTY</u>	<u>DESCRIPTION</u>

APLIO-I700-V8.5.100	1	APLIO I700 PRISM ULTRASOUND SYSTEM

Part of Canon Medical Systems' ultra-premium i-Series, the Aplio™ i700 PRISM Edition ultrasound system provides a wide range of clinical capabilities, making it a comprehensive solution for a wide range of clinical targets with consistent, robust performance. Powerful iBeam+ imaging technology and intelligent AI-enabled applications and workflows allow the user to gain even more confident clinical insights through consistent and efficient performance. The improved bandwidth and processing power of the iBeam+ beamformer results in images with better penetration and detail resolution, so you can see more.

Aplio i-series Prism Edition's design can help Sonographers scan more comfortably and boost productivity in daily routine as well as more complex cases. Aplio's system console is fully adjustable for seated or standing use and easily accommodates a variety of users. The rotating user interface allows alignment of elbow, wrist & trackball in an ergonomically sound and patient-engaging position. The system continues and extends Canon Medical Systems' industry-first imaging and visualization capabilities and delivers exceptional image quality with sophisticated ergonomics that elevate efficiency to higher levels.

STANDARD COMPONENTS

- Aplio i700 Ultrasound Imaging System with iBeam+ beamformer technology, is up to 4 times faster than non Prism version's hardware to provide sharper images with better penetration and thus optimal, more robust results for higher clinical confidence.
- High definition 23" LCD monitor with articulated arm and handle
- 12.1" Programmable, touch-command screen with 3-section design allowing easy and intuitive access to all controls via a simple swipe
- Electric Lift for easy up/down of the control panel
- Protocol Assistant for an automatic execution of user-programmable imaging sequences, including measurements and labelling
- 4D hardware. Permits select standard transducers to be used for freehand 3D, giving access to volume imaging without the need to purchase further software or hardware, and allowing visualization of areas of interest without the need for mechanical 4D transducers.
- Four active transducer ports for convenient transducer access
- Six transducer holders
- Windows 10, maintaining up-to-date cyber security
- DICOM
- OBR (On-Board Reporting) for OB
- Built-in DVD/CD drive with writer

- Up to 5 USB Ports (including USB 3.0)
- Raw data capabilities. Multiple parameters can be adjusted (including common modes like 2D and Color) as well as annotations and measurements. This may be done at any time, both during the exam for immediate correction, as well as in the days after the patient has left.
- Large capacity Cine Memory
- Scan depth of up to 50 cm (transducer dependent). The depth of 50 cm is industry-leading and allows penetration for large patients
- Dynamic Micro Slice – enables optional iDMS transducers to be used. These are often '2-in-1' transducers, covering the frequency bandwidth of 2 standard transducers which can help reduce examination time, as well as reduce costs
- Multiplexing kit – enables optional Quad View for CHI, Quad View for SWE, Shadow Glass, Smart Sensor 3D, Multi-reflection Cancellor and iDMS. The sophisticated architecture in the Multiplexing kit helps drive the high speed processing of the very large data volumes provided using the i700. It also allows for multiple display options, such as providing 4-in-1 screens for viewing several imaging views at a single glance
- Software STC for depth as well as lateral gain adjustment. The ability to have lateral gain as well as the more common depth gain allows individual adjustment in areas that may be difficult to assess due to variations in attenuation across the image.
- Security Management Kit. In this age of ever increasing security risks, this may be used to provide various options for authentication of users, auditing, and allowing automatic de-identification of images. The antivirus software permits only registered executable files to be executed, preventing execution of malware. No Canon Ultrasound systems have been hacked in any of the recent cybersecurity breaches while protected under Canon's cybersecurity practices.
- Internal wireless communication, which is FIPS 140-2 certified ensuring the highest level of encryption using WPA2 Enterprise
- Gel Warmer

STANDARD IMAGING FEATURES

- ApliPure+™ - enhances the display of boundaries between tissues and reduces speckle noise and acoustic shadows, when used in conjunction with iBeam+, ApliPure+ improves B-mode imaging frame rates by up to 187% (>2.5X).
- Advanced Dynamic Flow™ (ADF) - enables blood flow imaging with detailed visualization and high frame rate
- Full Focus with iBeam+ function enables clear, uniform images from near and to far field without the need for focus adjustments. With fewer application steps and greater uniformity, this can be particularly useful to help shorten exam times.
- Auto-Intima Media Thickness (A-IMT)

- Biopsy Enhance Auto Mode (BEAM) – enhances visualization of the needle during linear transducer biopsies
- Differential Tissue Harmonic Imaging (D-THI) – simultaneously transmits two frequencies for better spatial resolution and penetration
- Precision Imaging - assists in reducing noise and speckle in the image and increases the visibility of tissue
- Tissue Doppler Imaging (TDI)
- Trapezoid Imaging
- Ultra Wide View - Canon's unique technology of Ultra Wide View enables the user to image more anatomy in one view, providing more information and perspective in a single image, while still maintaining high image quality.
- Tissue Specific Optimization (TSO) – adjusts for differing speeds of sound from tissue of various acoustic characteristics especially in breast imaging
- Quick Scan – automatic, real-time, adjustment of gain and TGC in 2D and spectral Doppler
- Smart 3D – Internal hardware to enable Smart 3D external hardware and additional software
- Vascularity Index – Displays multiple parameters for a Power/SMI image such as number of pixels, and the ratio in the Power/ SMI image and within the ROI
- Superb Micro-vascular Imaging (SMI) –Enhances the visualization of slow and microvascular flow (at high resolution and in both monochrome 'subtraction' and various color map displays) for assessment of all vascularity, but especially very fine vessels or in cases with very slow flow, that are not usually seen with color Doppler
- SMI G4 - expands the range of visible blood flow to visualize ultra-low to high speed blood flow with reduced clutter, reduced flash artifact, less noise and high sensitivity.
- Tissue Harmonic Imaging (THI)

Connectivity

Extensive communication and data management capabilities enable seamless integration into hospital and research environments including the following DICOM functions:

- DICOM data type
 - US Image (still image)
 - US Multi Frame (dynamic image)
 - SC Image (storage in a separate file)
 - Enhanced US Volume (Volume data image)
 - Structured Report (measurement result information)
- Server connection
 - Storage (Server/Media)
 - MWM (Modality Worklist Management)
 - MPPS (Modality Performed Procedure Step)
- Storage function

- Storage Commitment
 - Query/retrieve
- Standard conformity check function
 - Verification (export/import)
- Print function
 - DICOM Print

Cybersecurity

- Windows 10 OS with Microsoft support for patches/updates
- Windows firewall configuration
- Password authentication for users, auditors, administrators and service access
- McAfee® Solidifier, a whitelist antivirus software for endpoint protection
- Follows NIST 800:37 Risk Management Framework (RMF)

Optional features at additional cost:

- ApliGate kit – collaboration tool that allows users to share images from the ultrasound system to a connected personal computer. Images transmitted using ApliGate can be de-identified according to HIPAA guidelines to remove protected health information (PHI).

APPLICATIONS SUPPORT

Developed with customer input, Canon Medical Systems' innovative support programs have resulted in increased customer satisfaction. These include the following:

Technical Assistance

Customer support specialists are available 24/7 to help resolve technical issues in real time. Application support specialists are also available to assist staff with protocol and image-quality issues.

Local Customer Teams

A single call mobilizes a local team of Canon Medical Systems customer engineers. With an average of 10 years of Canon Medical Systems experience and 105 hours of specialized training per team member, they can resolve almost any performance issue.

Parts Support

A complete inventory of product parts is ready for shipment when and where they are needed, any time of day or night.

1 APLIO I700 ULTRASOUND IMAGING SYSTEM**1 PROTOCOL ASSISTANT**

A sequence of operations is registered, and each operation is executed by single switch operation. Enables automated workflow when performing complex ultrasound exams. Featuring one-click operation, Protocol Assistant helps increase consistency and maintain standards from start-to-finish and patient-to-patient.

1 GEL WARMER**UL-
INTERNALWIFI****1 INTERNAL WIRELESS LAN (FIPS 140-2 COMPLIANT)**

Internal Wireless Lan (FIPS 140-2 Compliant)

Intel chipset with Wi-Fi 6 certification

Dual band 2.4Ghz/5Ghz

FIPS 140-2 & FISMA security compliance

2x2 MU-MIMO technology

WPA, WPA2 & WPA3 - Wi-Fi Protected Access Standard security protocol

1 STANDARD APPLICATIONS TRAINING**Training**

Included with the purchase of Aplio is training conducted by Canon Medical Systems applications specialists registered with the American Registry of Diagnostic Medical Sonographers (ARDMS).

Training includes:

- Two days of on-site applications training
- One day of on-site follow-up applications training
- Free access to www.healthysonographer.com website for the latest information on how to optimize your scanning environment and minimize your risk of WRMSDs, particularly using Canon systems (the Healthy Sonographer Platform™).
- Optional on-site HealthySonographer Certification program (additional cost)

The training is offered to the Customer at no charge, providing that it is completed no later than one (1) year after the warranty start date.

Additional On-Site Training

Available for purchase.

PVT-712BT	1 MULTI-FREQUENCY MICRO CONVEX TRANSDUCER NEONATAL HEAD (11MC4) Model: PVT-712BT Imaging Frequencies: • i-series: 4.3 – 11.0 MHz • Aplio 300/500: 3.3 – 11.0 MHz Footprint/Curvature: Approx. 15mm Field of View: Approx. 100 degrees Use: Neonatal head, abdominal, pediatric Biopsy kit/adapter: 680-127, 680-126, 610-608 Reusable biopsy adapter: N/A Fusion adapter: N/A <i>Prerequisite:</i> <i>Aplio i-series V1.0 or later (i700, i800, i900), i600</i> <i>Aplio 300/500 V2.02 or later</i>
PLT-1202BT/FS	1 MULTI-FREQUENCY LINEAR TRANSDUCER HOCKEY STICK (17LH7) Model: PLT-1202BT Imaging Frequencies: • Aplio i-series: 4.5 – 17.0 MHz • Aplio 300/500: 6.1 – 17.0 MHz Footprint/Curvature: Approx. 25.6mm Use: Small parts (superficial), MSK, intraoperative Biopsy kit/adapter: N/A Reusable biopsy adapter: N/A Fusion adapter: UAFS-010A <i>Prerequisite:</i> <i>Aplio i-series V2.0 or later (i700, i800, i900), i600 V2.0 or later</i> <i>Aplio 300/500 V7.0 or later</i>
PLI-1205BX/FS	1 LINEAR ARRAY TRANSDUCER (I18LX5) Model: PLI-1205BX Imaging Frequencies: 4.0 – 18.0MHz Footprint/Curvature: Approx. 46mm Use: Small parts, MSK, peripheral vascular Biopsy kit/adapter: 680-139, 680-138, 610-608, 680-149, 680-148, 610-1500, 680-132, 680-133, 610-1017, 610-1018, 610-1019 Reusable biopsy adapter: N/A Fusion adapter: UAFS-008A <i>Prerequisite: Aplio i-series V1.0 or later (i700, i800, i900)</i>
PLI-705BX/FS	1 MULTI FREQUENCY LINEAR ARRAY TRANSDUCER (I11LX3) Model: PLI-705BX Imaging Frequencies: 3.5 – 8.5MHz

Footprint/Curvature: Approx. 46mm
Use: Peripheral vascular, Small parts, MSK
Biopsy kit/adaptor: 680-150, 680-151, 610-1500
Reusable biopsy adapter: N/A
Fusion adapter: UAFS-008A

Prerequisite: Aplio i-series V2.0 or later (i700, i800, i900)

PVI-475BX/FS	1	CONVEX ARRAY TRANSDUCER (I8CX1) Model: PVI-475BX Imaging Frequencies: 1.8 – 6.2MHz Footprint/Curvature: Approx. 50mm Field of View: Approx. 70 degrees Use: Abdominal, fetal, pediatric Biopsy kit/adaptor: 680-143, 680-142, 610-608, 680-153, 680-152, 610-1500 Reusable biopsy adapter: N/A Fusion adapter: UAFS-007A (included with UIFR-AI900A)

Prerequisite: Aplio i-series V1.0 or later (i700, i800, i900)

ENDO-AI700/4.100	1	EV/ER TRANSDUCER HOLDER KIT
	1	EV/ER TRANSDUCER HOLDER EV/ER Transducer Holder for Aplio iSeries. Adds a dedicated holder for endocavitary transducers.

PVT-781VTE/FS	1	MULTI-FREQUENCY ENDOCAVITARY TRANSDUCER (11C3) Model: PVT-781VTE Imaging Frequencies: • i-series: 3.6 – 10.5 MHz • Aplio 300/500: 3.0 – 11.0 MHz Footprint/Curvature: Approx. 10mm Field of View: Approx. 180 degrees Use: Transvaginal uterus, ovary Biopsy kit/adaptor: 680-121 Reusable biopsy adapter: UAGV-035A Fusion adapter: UAFS-006A

Prerequisite:

*Aplio i-series V1.0 or later (i700, i800, i900), i600 V2.0 or later
 Aplio 300/500 V6.0 or later*

UP-D898/ISERIES.100	1	DIGITAL GRAYSCALE PRINTER PACKAGE
	1	SONY DIGITAL GRAYSCALE PRINTER



CANON MEDICAL SYSTEMS USA, INC.

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Monochrome black and white printer incorporates a USB 2.0 interface for easy integration to digital ultrasound systems.

1 MOUNTING KIT FOR B/W PRINTER

OPTIONS**UA-
LIVERPACKAGE/I700.100****LIVER PACKAGE****USQS-AI800A/EL****QUAD VIEW FOR SWE (REQUIRES SHEAR WAVE)**

Quad view for Shear Wave Elastography (SWE) allows display of SWE in four-frame display with the Aplio i700 (standard on Aplio i800, i900 from V2.0).

Prerequisite:***Aplio i700, i800, i900 V1.0 or higher*****USDL-AI900A/EL****MULTI PARAMETRIC REPORT**

This kit enables a combined report for multiple liver imaging applications (Shear wave Elastography, Dispersion Imaging* and Attenuation Imaging) as well as custom measurements (e.g., blood test values, BMI, abdominal wall thickness). Results are graphically presented within the Shear wave reporting package for easy visualization of all chosen parameters on a single view.

Prerequisite:***Aplio i800, i900 V3.1 or higher. Aplio i700 V5.1 or higher*******Dispersion imaging available only with Aplio i800, i900***



PRODUCT WARRANTY AND SERVICE COVERAGE

SYSTEM WARRANTY TERMS

Canon Medical Systems warrants that the Equipment will be free from defects in material and workmanship, for the duration and subject to the terms and conditions stated below. Any part furnished to Customer during the warranty period (stated in the table below) to correct a warranty failure will be warranted to the extent of the unexpired term of the warranty applicable to the Equipment.

The warranty period will commence on the date the installation of the product is complete. Notwithstanding the foregoing, in the event that the installation of the product is delayed for a total of thirty (30) days or more from the date of delivery for any reason or reasons for which Canon Medical Systems is not responsible, the warranty period for such product may, at Canon Medical Systems' option, commence on the thirtieth (30th) day from the date such product is delivered to Customer.

WARRANTY EXCLUSIONS

Warranty coverage does not include any defect which results, in whole or in part, from (1) negligent storage or handling of the product by Customer, its employees, agents, or contractors, (2) failure of Customer to prepare the site or provide power requirements or operating environmental conditions in compliance with any applicable instructions or recommendations of Canon Medical Systems, (3) absence of any product, component, or accessory recommended by Canon Medical Systems but omitted at Customer's direction, (4) any design, specification or instruction furnished by Customer, its employees, agents, or contractors, (5) any alteration of the product by persons other than Canon Medical Systems, (6) combining Canon Medical Systems' product with any product furnished by others that is not approved by Canon Medical Systems, (7) combining incompatible products of Canon Medical Systems, without Canon Medical Systems' prior approval, (8) improper use of the product, improper maintenance of the product by a party other than Canon Medical Systems, or failure to comply with any applicable instructions or recommendations of Canon Medical Systems, or (9) acts of God, fires, floods, strikes or other labor disturbances, or other causes beyond the reasonable control of Canon Medical Systems.

Canon Medical Systems does not warrant any products not manufactured by Canon Medical Systems such as, without limitation, monitors, and computer equipment. Such items will be furnished subject only to the manufacturer's warranty, if any, and without any warranty whatsoever by Canon Medical Systems.

Warranty coverage also excludes consumables, including but not limited to accessories, batteries, storage media, power units, and printer consumables.

REMEDIES

If Canon Medical Systems determines that any product fails to meet the above-mentioned warranty during the applicable warranty period, Canon Medical Systems will correct any such failure by either, at its option, repairing, adjusting, or replacing without charge to Customer any defective or nonconforming parts of the product. Canon Medical Systems will have the option to furnish either new or remanufactured replacement parts or assemblies. However, remanufactured parts will meet the manufacturer's specifications for new components as of the date of completion of installation. All defective parts replaced by Canon Medical Systems will become the property of Canon Medical Systems.

SOFTWARE UPDATES

Canon Medical Systems will furnish to Customer, free of charge for the life of the Equipment, all Canon Medical Systems software or hardware upgrades to the Equipment purchased by Customer, which are intended to correct a safety risk. Software updates offering enhancements to previously purchased software features will be provided during the term of the warranty, if they do not require hardware modifications or additions. Software upgrades providing new features or capabilities not originally purchased, will be made available for purchase by Customer upon request when compatible with the originally purchased hardware. Canon Medical Systems retains the sole right to determine whether a software release is considered an update or an upgrade for which Customer will be charged. The above items will be performed only during the Covered Hours stated in the warranty. Service required outside these hours will be billed at Canon Medical Systems' differential rates in effect at the time such items are provided to Customer.

WARRANTY SERVICE

Warranty service during the applicable warranty period will be performed without charge to Customer during Canon Medical Systems' normal business hours, Monday through Friday, excluding Canon Medical Systems holidays. Subject to the availability of personnel, after-hours service is available upon request at an additional charge.

Customer must promptly notify Canon Medical Systems within the applicable warranty period of any defect that is covered by the warranty, and make the Equipment promptly available for repair and maintenance.

DISCLAIMERS AND LIMITATIONS ON LIABILITY

Canon Medical Systems' obligations stated above will be Customer's sole and exclusive remedy for a breach of the warranty set forth above. SUCH WARRANTY WILL BE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Canon Medical Systems does not warrant that the operation of the Equipment will be uninterrupted.

WARRANTIES BY PRODUCT LINE

ITEM TYPE	ULTRASOUND



CANON MEDICAL SYSTEMS USA, INC.

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EQUIPMENT	12 Months
ACCESSORY OPTIONS	6 Months
REPLACEMENT & OPTIONAL PARTS*	90 Days
UPGRADE COMPONENTS	12 Months
TRANSDUCERS	12 Months

* The above 90-day period applies only to parts that are not furnished pursuant to a warranty repair for the Equipment. Any part furnished to Customer during the warranty period to correct a warranty failure will be warranted to the extent of the unexpired term of the warranty applicable to the System.

TERMS AND CONDITIONS OF SALE

1. **TITLE AND RISK OF LOSS.** Title and risk of loss to the Equipment purchased under this Agreement will pass to Customer: (a) if Canon Medical Systems is to provide installation, upon Canon Medical Systems' completion of installation, or (b) if Canon Medical Systems will not provide installation, upon delivery by Canon Medical Systems to Customer.

2. **TERMS OF PAYMENT.** Prices stated are F.O.B. Customer's facility. All taxes which are payable by Canon Medical Systems in connection with the sale, use, or possession of the Equipment (excluding income taxes), will be paid by Customer in addition to the quoted price. Terms of payment will be as stated in the first page of this Quotation. All invoices paid after due date will be assessed a late payment charge of the lesser of 1 1/2% per month or the maximum rate permitted by law.

3. **DELAYS.** If Customer changes the scheduled delivery date during the period of 120 days preceding the delivery date, Customer will nevertheless pay the installment of the purchase price which would have been payable upon delivery, on the Scheduled Delivery Date as if delivery had been made on such date. In addition, Customer will pay all extra costs incurred by Canon Medical Systems as a result of such delay, including, without limitation, storage and transportation. Storage fees will be charged at commercially comparable rates for storage on Canon Medical Systems' site. If delivery is delayed by 12 months or more from the Scheduled Delivery Date, except through the fault of Canon Medical Systems, the price set forth in this Agreement may be increased by Canon Medical Systems to a level equal to the prevailing price in effect at the time of the revised delivery date.

4. **EQUIPMENT INSTALLATION.** Canon Medical Systems will provide, at no additional cost, standard labor and rigging services to unload the Product from the transport vehicle and move to the final position. The shoring of floors, the widening of doorways, and other nonstandard rigging requirements will be negotiated between the Canon Medical Systems and Customer separately if it is determined they are required. Canon Medical Systems will install all Equipment purchased under this Agreement and connect them to existing power and/or plumbing lines at no additional charge to Customer. Customer will be responsible for electrical wiring, plumbing, carpentry, plastering, painting, or all other site preparation required prior to installation and connection of the Equipment by Canon Medical Systems. Customer will provide space at the installation site for the safe storage of Canon Medical Systems' tools, test equipment and other materials used for installation at no charge to Canon Medical Systems. Customer shall, at its cost, obtain all permits and licenses required by governmental authorities in connection with the installation and operation of the Equipment. Customer acknowledges that the System and Software are designed to operate within certain power, temperature, airborne contamination, and humidity ranges. Customer will be responsible for, without limitation: (i) preparing and maintaining the Customer facility in conformance with the Site Preparation Guide; (ii) maintaining its network infrastructure; (iii) providing Canon Medical Systems, access to a network connection in or near the area of the System being serviced by the equipment service staff; and (iv) supplying computer grade AC power. The Equipment relies upon a stable grounded connection to the main power grid in order to function effectively. Customer acknowledges that AC power supply quality may be a problem in old facilities or in those facilities receiving poor quality utility service and that power conditioning may be necessary in such cases.

5. **EQUIPMENT OPERATION.** Customer agrees that all Equipment purchased under this Agreement will be operated exclusively by duly qualified technicians and/or medical doctors in a safe and reasonable manner in accordance with Canon Medical Systems' written instructions, applicable laws and regulations, and for the purposes for which such Equipment was intended.

6. **LIMITED WARRANTY AND REMEDY.** A. For the warranty period described below by product, Canon Medical Systems, as its only obligation, will replace or repair, without charge to Customer during Canon Medical Systems' normal working hours (if Customer requests warranty service outside such hours, Customer will pay overtime premium for labor), any component of the Equipment that is defective in materials or workmanship, provided such defect is reported to Canon Medical Systems within the warranty period. Canon Medical Systems' warranty period is as follows: (a) Systems and Major Components - one year from date of completion of installation; (b) Accessories/Options (except glassware) - six months from date of completion of installation. Components not manufactured by Canon Medical Systems will be furnished subject only to the manufacturer's warranty, if any, and without any warranty whatsoever by Canon Medical Systems. During the warranty period, Canon Medical Systems will furnish free of charge any parts, including software required to correct any defect in the Equipment or as required under applicable laws.

B. Canon Medical Systems does not warrant that the operation of the Equipment of the System will be uninterrupted. All defective parts replaced by Canon Medical Systems will become the property of Canon Medical Systems. Replacement parts may be re-manufactured. However, such parts will meet the manufacturer's specifications for new components as of the date of completion of installation. CANON MEDICAL SYSTEMS' OBLIGATION TO REPAIR OR REPLACE DEFECTIVE PARTS OR SOFTWARE WILL BE CUSTOMER'S SOLE AND EXCLUSIVE REMEDY FOR A BREACH OF THE WARRANTY SET IN THIS AGREEMENT. SUCH WARRANTY WILL BE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. The warranty set forth in this Agreement will not apply to, and Canon Medical Systems will not be liable for any defects resulting from misuse, repairs performed by unauthorized third parties, accidents, acts of God, or neglect of anyone other than Canon Medical Systems.

7. LATEST HARDWARE AND SOFTWARE AT TIME OF DELIVERY. Canon Medical Systems agrees that the Equipment ordered by Customer will, at the time of delivery to Customer, contain, at no additional charge to Customer, the latest hardware and software manufactured by Canon Medical Systems for such Equipment that are commercially available in the United States and which are provided as part of Canon Medical Systems' standard configuration for such Equipment at the time of delivery. This commitment applies only to components and not an upgrade to the entire system. Furthermore, it is limited to hardware and software that (a) have been ordered by Customer, and not any optional or other items that were not ordered by Customer, and (b) are cleared by the FDA as of the date of delivery of the Equipment. This clause does not apply to Assure, Demonstration or Used Equipment.

8. LIMITATION OF LIABILITY. A. NEITHER CANON MEDICAL SYSTEMS NOR CUSTOMER WILL UNDER ANY CIRCUMSTANCES BE LIABLE FOR CONSEQUENTIAL, SPECIAL, INCIDENTAL, OR EXEMPLARY DAMAGES OR ECONOMIC LOSS ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED IN THIS AGREEMENT, EVEN IF EITHER PARTY IS APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES OCCURRING.

B. IN NO EVENT WILL CANON MEDICAL SYSTEMS' LIABILITY TO THE CUSTOMER (WHETHER BASED ON AN ACTION OR CLAIM IN CONTRACT, TORT, INCLUDING NEGLIGENCE, STRICT LIABILITY, OR OTHERWISE) ARISING OUT OF OR RELATING TO THE TRANSACTIONS CONTEMPLATED IN THIS AGREEMENT EXCEED THE AGGREGATE AMOUNT ACTUALLY PAID BY CUSTOMER TO CANON MEDICAL SYSTEMS UNDER THIS AGREEMENT. THE LIMITATION OF LIABILITY SET FORTH ABOVE WILL NOT APPLY TO CLAIMS FOR PERSONAL INJURY OR PROPERTY DAMAGE CAUSED BY EQUIPMENT DEFECTS.

9. SECURITY INTEREST. Canon Medical Systems hereby reserves and Customer grants to Canon Medical Systems a security interest pursuant to the Uniform Commercial Code, in and to the Equipment (and all products and proceeds of it) until full payment of the purchase price is received. In the event that Customer finances its acquisition of the Equipment through a lease, conditional sale contract, secured loan agreement or other financing agreement (collectively, "Lease") with Canon Medical Systems, then the security interest in the Equipment (and all products and proceeds thereof) shall secure all obligations of Customer due and to become due under the Lease.

10. REMOVAL OF EQUIPMENT. Until Canon Medical Systems has received full payment of the purchase price, Customer will not remove all or any part of the Equipment from Customer's premises, nor will Customer sell, lease, transfer or otherwise part with the possession of, or permit any lien or encumbrance to be placed on all or any part of the Equipment.

11. TRADE-IN. If this quotation includes the trade-in of Customer's existing equipment and the removal date of the trade-in equipment is delayed due to no fault of Canon Medical Systems or if the trade-in equipment is damaged or its condition deteriorates from the date of this quotation through the date of removal, Canon Medical Systems reserves the right to increase the pricing of the new equipment in an amount equal to the reduction in the resale price of the trade-in equipment. Customer must convey free and clear title to the trade-in equipment. If there are any liens or encumbrances on the trade-in equipment, Canon Medical Systems cannot accept the trade-in. Canon reserves the right to adjust trade-in values for equipment not removed by the agreed upon date. The trade-in equipment shall include any associated parts or accessories, included but not be limited to: backup software, manuals, service dongles, positioning pads, straps, CD's, chillers, coils, transducers, UPS systems, and other ancillary items. The trade-in equipment needs to be maintained to OEM specifications up until the time of removal and is subject to inspection by Canon or a Canon designated third party. Equipment must be available for inspection at least 30 days prior to removal. Customer is responsible for a clear removal path to include removal of any walls or doorways, if necessary, as well as responsible for removal of all patient information from the system prior to the removal date. HARD DRIVES MUST BE INCLUDED, INTACT, FUNCTIONAL, AND IRREVERSABLY WIPED OF ALL DATA. For CT system trade-ins: if the CT tube is replaced prior to removal of the CT system, the tube must either be documented as a new tube or documented used tube and less than 100k scan seconds, 40 million mAs, or 100k slices each. For MR system trade-ins: MRI cryogen level must be at a minimum of 70% at the time of removal. Equipment found to be performing below OEM specifications will be subject to a reduced trade-in amount.

12. REMEDIES OF CANON MEDICAL SYSTEMS. If Customer fails to make any payment when due under this Agreement, or becomes insolvent or makes an assignment for the benefit of creditors, or if a petition in Bankruptcy is filed by or against Customer, or if the financial responsibility of Customer becomes impaired, or if Customer otherwise breaches any of the terms and conditions of this Agreement, then Canon Medical Systems may, without prior notice or demand, defer shipments, cancel the balance of the order, suspend performance of any obligation (including without limitation, all obligations set forth under Limited Warranty And Remedy above), and/or take immediate possession of the Equipment delivered, until the full purchase price of the Equipment is paid by Customer or, at Canon Medical Systems' discretion, until security satisfactory to Canon Medical Systems is given by Customer. Any costs incurred by Canon Medical Systems as a result of suspending performance or repossession or collection will be payable by Customer. Canon Medical Systems may sell repossessed Equipment with proceeds to be applied to unpaid balance and expenses incurred in sale, repossession and collection. Customer will pay any remaining deficiency. Canon Medical Systems may exercise any other rights available to it by law.

13. EXCUSED PERFORMANCES. Except for Customer's payment obligations hereunder, neither party will be liable to the other for non-performance or delay in performance resulting directly or indirectly from any occurrences beyond such party's control, including without limitation, strikes or other labor troubles, acts of God, war, accidents, fires, floods, other catastrophes, inclement weather, transportation, delays caused by suppliers, or laws, regulations, or acts of any governmental agency.

14. SOFTWARE. All rights and interest in any software that may be furnished under this Agreement, and any updates and enhancements to it, will remain the property of Canon Medical Systems. Such software is being furnished to Customer under a non-exclusive license. Customer will not, or allow others to decompile, modify, copy, reproduce, or transcribe the software nor allow third parties to use the same without Canon Medical Systems' prior written consent. In the event a third party's software is furnished to Customer, Customer may be required to execute a software license agreement as requested by such third party as a condition to delivery and/or purchase of the third party's product. Canon Medical Systems will furnish Customer with a copy of such license agreement for its review and execution. In the event Customer sells the Equipment to a third party, the purchaser thereof will have the same rights and obligations with respect to any Canon Medical Systems software as Customer. Customer will need to make its own determination whether it needs to obtain any consent from a third party for non-Canon Medical Systems software. Any Canon Medical Informatics, Inc. products quoted herein are conditioned on and subject to the Software License located: <https://us.medical.canon/download/CMI-Capital-License-Agreement>. Any Dell, Inc. software, which may be imbedded in Canon products are conditioned and subject to the Software License located: https://i.dell.com/sites/csdocuments/Legal_Docs/en/us/reseller-terms-of-sale.pdf. Both the CMI and Dell licenses are incorporated herein by reference.

15. CANCELLATION. Customer may not cancel the order subject to this Agreement except with Canon Medical Systems' prior written consent. Canon Medical Systems will allow Customer to modify the product one time, as long as such request is approved by Canon Medical Systems in accordance with timeline below:

- a. CT: No later than 120 days before scheduled delivery date:
- b. MR: No later than 150 days before scheduled delivery date:
- c. VL: No later than 150 days before scheduled delivery date:
- d. XR (excluding Mobile XR): No later than 120 days before scheduled delivery date:

In the event of cancellation without Canon Medical Systems' written consent, Canon Medical Systems will be entitled to recover liquidated damages in an amount equal to twenty percent (20%) of the purchase price of the Equipment

16. ASSIGNMENT. Neither party may assign any of its obligations under this Agreement without the prior written consent of the other party. However, some of the obligations stated in this Agreement, such as the ones relating to installation of items not manufactured by Canon Medical Systems and the warranty thereof may be performed by Canon Medical Systems' contractors or suppliers.

17. EXPORT REGULATIONS. This Agreement involves products, and/or technical data that may be controlled under the U.S. Export Administration Regulations and may be subject to the approval of the U.S. Department of Commerce prior to export. Any export or re-export by Customer, directly or indirectly, in contravention of such Regulations is prohibited.

18. ATTORNEY'S FEES . COSTS. In the event of any legal proceeding involving any party to this Agreement against the other relating to the subject matter of this Agreement, the prevailing party in such proceeding will be entitled to recover reasonable attorney's fees, expert fees, and court costs against the non-prevailing party

19. ACCEPTANCE BY CANON MEDICAL SYSTEMS. This Quotation/Order will not be binding on Canon Medical Systems even if signed by a Canon Medical Systems' employee, until Customer's order for the Equipment is booked by Canon Medical Systems' Headquarter office.

20. END USER CERTIFICATION. Purchaser represents, warrants and covenants that it is acquiring the Products for its own end use and not for reselling, leasing or transferring to a third party (except for leaseback financing).

21. CONFIDENTIALITY. The parties agree that the use of the Equipment purchased and any associated output (including but not limited to binary data files) shall remain confidential between the parties and shall not be shared externally with any third party without the express written permission of Canon Medical Systems.

22. ENTIRE AGREEMENT. This quotation contains the entire agreement between the parties and supersedes all prior and contemporaneous agreements between the parties, whether oral or written, relating to its subject matter, including, without limitation, all different or additional terms and conditions which may be contained in Customer's bid documents, purchase order or any other documents furnished by Customer. The provisions of this Agreement may not be modified unless in writing and executed by both parties.

Imperial Valley Healthcare District

BOARD MEETING DATE: January 22, 2026

SUBJECT:

Renewal agreement between Rady Children's Hospital San Diego – Rady Children's Specialists of San Diego and Imperial Valley Healthcare District.

BACKGROUND:

This partnership provides crucial review and interpretation services for neonatal and pediatric echocardiograms, which are essential for accurate diagnosis and ensuring high-quality care.

KEY ISSUES:

- Price increases from \$280.48 per read to \$295 per read (5% increase)

CONTRACT VALUE:

The compensation remains as stated in Schedule A, with a rate of \$295 per echocardiogram read.

CONTRACT TERM:

One-year term

BUDGETED: Yes

BUDGET CLASSIFICATION: Professional Services Fees

RESPONSIBLE ADMINISTRATOR: Carol Bojorquez, CNO

DATE SUBMITTED TO LEGAL: 10/2025 **REVIEWED BY LEGAL:** ☒ Yes ☐ No

FIRST OR SECOND SUBMITTAL: ☒ 1st ☐ 2nd

RECOMMENDED ACTION: That the Board authorize the agreement between Rady Children's Specialists of San Diego and Pioneers Memorial Healthcare District.

**EIGHTH AMENDMENT
TO THE
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
RADY CHILDREN'S SPECIALISTS of SAN DIEGO
AND
IMPERIAL VALLEY HEALTHCARE DISTRICT**

This Eighth Amendment (“Amendment”) to the Professional Services Agreement (“Agreement”) is entered into by and between Rady Children's Hospital San Diego, a California nonprofit public benefit corporation (“**RCHSD**”) d/b/a Rady Children’s Specialists of San Diego, a Medical Foundation (“**RCSSD**”) and Imperial Valley Healthcare District IMPERIAL (“**IMPERIAL**”), a Local Healthcare District organized and existing pursuant to the California Local Healthcare District Act (California Health and Safety Code, §§32000 *et seq.*), to be effective November 1, 2025 (“**Effective Date**”). Together, RCSSD and IMPERIAL are the “**Parties**,” and each is a “**Party**.”

WHEREAS, IMPERIAL provides and arranges for the provision of professional medical services to its patients in the specialized field of Cardiology,

WHEREAS, RCSSD engages and provides the professional services of certain qualified physicians (the “**Physicians**”) who are licensed to practice medicine in California, are qualified to render services in the specialized field of Pediatric Cardiology, and are willing and able to provide the services specified in this Agreement;

WHEREAS, IMPERIAL desires to secure, and RCSSD desires to provide, the non-exclusive services of the Physicians for Echocardiogram (Echo) review and interpretation, as defined below, to IMPERIAL;

WHEREAS, pursuant to AB 918, Imperial Valley Healthcare District dissolved Pioneers Memorial Healthcare District effective January 21, 2025 and by law all contract obligations were transferred to Imperial Valley Healthcare District as the successor agency.

WHEREAS, the Parties wish to amend and extend the term of the Agreement.

NOW, TIFEREFORE, in consideration of the above premised and the mutual covenants and promises set forth in this Amendment, the Parties agree as follows:

AGREEMENT

1. Section 4.1 Term of the Agreement is hereby deleted in its entirety and replaced with the following,:

4.1 Term. This Agreement shall commence on the Effective Date and shall continue for one (1) year (“**Renewal Term**”), unless sooner terminated as otherwise provided in this Agreement. This Agreement may be renewed by the written agreement of the Parties.

James Uli

Date: _____

Date:
By:

Date: _____

Senior VP & CFO

By:

Christoper R. Bjornberg

Date:		
SCHE	CO	
Service	Rate	

PIONEERS MEMORIAL HOSPITAL – IMPERIAL VALLEY HEALTHCARE DISTRICT

BOARD MEETING DATE:

January, 2026

SUBJECT:

Law Offices of Stephenson, Acquisto & Colman Legal/Professional Services.

BACKGROUND:

This law firm will assist with recovering inpatient accounts that have gone through the full appeal process and remain unpaid after the payer declined to overturn the decision.

KEY ISSUES:

After all internal appeal avenues have been exhausted, this serves as the final opportunity to pursue recovery of payments from payers for improperly denied accounts.

CONTRACT VALUE:

\$25,000 est. per year. 20% on recovery pre-litigation and 25% of recovery post litigation.

CONTRACT TERM:

Commencement: February 2026 to February 2027 – 12 month.

BUDGETED:

yes.

BUDGET CLASSIFICATION:

Purchased Services

RESPONSIBLE ADMINISTRATOR:

Carly Loper –CFO,

DATE SUBMITTED TO LEGAL: 12-21-25 **REVIEWED BY LEGAL:** ☒ Yes ☐ No

FIRST OR SECOND SUBMITTAL: ☒ 1st ☐ 2nd

RECOMMENDED ACTION:

Approve the engagement of legal services to pursue recovery of inpatient accounts otherwise deemed denied.



HEALTHCARE PROVIDER - LEGAL SERVICES AGREEMENT

THIS AGREEMENT, entered into this 27th day of May, 2025, by and **PIONEERS IMPERIAL VALLEY HEALTHCARE DISTRICT** (hereinafter "CLIENT"), and the **LAW OFFICES OF STEPHENSON, ACQUISTO & COLMAN**, a law firm, (hereinafter referred to as "FIRM").

In consideration of the mutual agreements, covenants and acknowledgements herein contained, the parties agree as follows:

1. PROFESSIONAL REPRESENTATION

FIRM shall devote its best efforts to the recovery of, and where appropriate, litigate accounts referred to it by CLIENT through consistent and diligent activity. The FIRM will not employ any procedures, methods or tactics inconsistent with the policies of CLIENT and taking no action that will reflect discredit upon CLIENT's reputation. The FIRM shall act on behalf of CLIENT in a manner that will maintain the good will and recognized standing of CLIENT in the community.

On the terms and conditions set forth herein, FIRM agrees to provide legal services for CLIENT in connection with assigned accounts. The type of accounts assigned, and respective fees are noted in Exhibit "A" attached hereto and made a part hereof. To this extent, FIRM will prosecute such lawsuits, initiate such legal or equitable proceedings or such other action as the FIRM may be directed by CLIENT. Legal action will not be commenced without the approval of the CLIENT. The contingency fee agreed to herein is not mandated by statute and was negotiable between the FIRM and CLIENT.

2. REMITTANCES

All recoveries received by FIRM shall be deposited upon receipt into a client Trust Account. These sums will be remitted to the CLIENT monthly less the applicable legal fees and costs. Such remittances shall be accompanied by written remittance reconciliation reports which shall contain, but are not limited to: account number, name of customer, gross amount collected, court costs, contingency fee, the net amount to be remitted, and which amount shall be denominated as "net remittance."

Firm is entitled to its fee per Exhibit A, for work performed on all open referred accounts that are recalled and resolved by the client or client's designee.

In the event CLIENT unilaterally cancels an account wherein court costs have been advanced by said FIRM, CLIENT shall reimburse said court costs to FIRM forthwith. FIRM shall maintain detailed case by case itemizations of all costs incurred attendant to handling each of the respective claims and shall provide such accountings as may be requested by CLIENT.



3. TERMINATION OF THE AGREEMENT

CLIENT or FIRM each shall have the right to terminate this Agreement by giving not less than thirty (30) days written notice to the other party. If termination of this agreement occurs, FIRM shall cease all activities on assigned accounts, except on claims in active litigation or arbitration where immediate termination of work would prejudice the rights of the client, unless the client indicates in writing that all work and activity is to cease immediately. CLIENT agrees that if the agreement is terminated, CLIENT will promptly retain new counsel and promptly execute and return all necessary documentation for the representation to be transferred on all claims in active litigation or arbitration. Firm is entitled to its fee on all accounts not resolved as of the effective date of the termination but on which work had been done in representation of the client.

4. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) COMPLIANCE PROVISION

FIRM shall upon the written request of the Secretary of Health and Human Services or the Comptroller General or any duly authorized representatives make available the contract documents necessary to verify the services provided under this agreement. Such inspection shall be available up to 4 years after the rendering of such services. If FIRM carries out any of this agreement through a subcontractor with a value of \$10,000.00 or more over a 12-month period with a related individual or organization, FIRM agrees to include this requirement in any such subcontract(s). This section is included pursuant to public law 96-499, Sec. 952 (Sec. 1861(v)(1) of the Social Security Act). No attorney-client, accountant-client, or other legal privilege will be deemed to have been waived by CLIENT or FIRM by virtue of this Agreement.

- a. **Covered Information:** This section shall govern the use and/or disclosure of all individually identifiable health information that FIRM has obtained from or created on behalf of CLIENT ("Covered Information"). The terms use, disclosure, and individually identifiable health information shall have the same meaning as set forth in the U.S. Department of Health and Human Services ("D.H.H.S.") Standards for Privacy of Individually Identifiable Health Information Final Rule, codified at 45 C.F.R., Parts 160 and 164 ("HIPPA Privacy Standards"), as it may be amended from time to time.
- b. **Permitted Uses:** FIRM shall keep confidential and shall not use or disclose Covered Information except as expressly permitted by this Section. FIRM shall use or disclose Covered Information for the following purposes only: (1) For legal services as selected by CLIENT, and specified in this Agreement; (2) For the proper management and administration of FIRM; and (3) To carry out the legal responsibilities of FIRM.

FIRM shall not disclose Covered Information pursuant to Subsections 2 and 3 unless the disclosure is required by law, or FIRM has obtained written reasonable assurances from the person to whom the Covered Information will be disclosed. The written reasonable assurances must meet the criteria set forth in the applicable federal regulations, including a requirement that the recipient must notify FIRM if it becomes aware of a violation of the written reasonable assurances.



5. BUSINESS ASSOCIATE

FIRM shall fulfill the obligation of Business Associate as contained in the Business Associates Agreement attached hereto and incorporated herein.

6. COMPLIANCE WITH STATE AND FEDERAL LAWS

FIRM shall comply with all State and Federal Laws and Regulations including but not limited to the Fair Debt Collection Practices Act.

7. INDEMNIFICATION

FIRM shall indemnify, hold harmless, and defend client from and against any and all claims, losses, liabilities, costs, including reasonable attorney's fees and other expenses resulting from or relating to the acts or omissions of FIRM in connection with the FIRM's representation, duties and obligations under this agreement.

This Agreement shall become effective upon execution thereof by both parties and will continue in force and until termination by either party by written notice provided herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first written above.

STEPHENSON, ACQUISTO & COLMAN

DATED: 5-27-2025

By: 
RICHARD LOVICH, MANAGING PARTNER

PIONEERS IMPERIAL VALLEY HEALTHCARE DISTRICT

DATED: _____

By: _____



EXHIBIT A – FEE SCHEDULE

Stephenson, Acquisto & Colman shall be compensated by CLIENT for its recovery efforts pursuant to the following arrangements:

- **MEDICARE RECOVERY AUDIT CONTRACTOR (RAC) ACCOUNTS, OTHER FEDERAL INTEGRITY AUDITS AND OTHER MEDICARE ACCOUNTS:** Review denied, improperly paid or returned Medicare inpatient claims, DME, hospice, or home health including P.R.O. denials; appear at all Court and Administrative hearings to dispute reasons for denial;
Our fees are 20% of recovery for all claims that are resolved prior to hearing or 25% of recovery for all cases that are resolved at the hearing, Appeals Council level, or if a Federal Court Action is required after a hearing, plus legal costs.
- **COMMERCIAL INSURANCE CASES/HMO/PPO:** Review denied and disputed claims; follow-up and file administrative appeals for improperly paid or denied claims (including ERISA appeals); file legal action/arbitration if necessary.
Our fees are 20% of recovery for pre-litigation work or 25% of recovery for post arbitration or legal action filing, plus costs.
- **MEDICAID MANAGED CARE ACCOUNTS:** Review managed care disputed inpatient accounts; file administrative appeals on disputed issues; file legal action if necessary. Our fees are 20% Percent for recovery for pre litigation work or 25% percent for post litigation filing recovery.
- **MEDICAID DENIED CLAIMS AS FOLLOWS:**
 - Denied days under treatment authorization/prior authorization programs prior to admissions
 - Billing Appeals – Appealing and litigating denied Medicaid billings. Our fees are 20% t of recovery for pre litigation work or 25% for recovery for litigation, plus legal costs.
- **THIRD PARTY LIABILITY AND WORKERS' COMPENSATION ACCOUNTS:** Review assigned claims where a third party is responsible for payment; perfect appropriate liens; follow-up on such liens; follow-up on all legal proceedings by or on behalf of patient; file legal action if necessary. Our fees are 20% percent of recovery for pre-litigation work or 25% percent of recovery for legal action, plus legal costs.

NOTE: Legal Costs are defined as those disbursements directly related to Court or Arbitration filing and related fees , Arbitrator Fees,(e.g., filing of documents service of process, legal applications, deposition or discovery related fees, et al)

RESOLUTION NO. 2026-0122

RESOLUTION OF THE IMPERIAL VALLEY HEALTHCARE DISTRICT BOARD OF DIRECTORS AUTHORIZING TRANSFER OF EL CENTRO REGIONAL MEDICAL CENTER FROZEN RETIREMENT INCOME PLAN

WHEREAS, Imperial Valley Healthcare District, a California healthcare district (“IVHD”) entered into an Asset Transfer Agreement, by and among the City of El Centro, El Centro Regional Medical Center, an Agency of the City of El Centro (“ECRMC”), and IVHD, dated August 1, 2025 (the “ATA”), pursuant to which ECRMC agreed to transfer substantially all of its assets and liabilities to IVHD and IVHD agreed to accept such assets and liabilities; and

WHEREAS, ECRMC sponsors the El Centro Regional Medical Center Frozen Retirement Income Plan (the “Plan”), originally effective July 1, 1971, and last restated effective as of July 1, 2020, and as further amended effective as of the Closing Date (as defined in Section 1.3(a) of the ATA) for the exclusive benefit of its eligible employees; and

WHEREAS, the Plan is a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code of 1986, as amended (the “Code”), and the Plan is also intended by ECRMC to be a qualified plan within the meaning of the applicable provisions of Code Section 401(a); and

WHEREAS, pursuant to the ATA, ECRMC has agreed to transfer sponsorship of the Plan, attached hereto as Exhibit A, and all of the duties, obligations and authority related thereto to IVHD and IVHD has agreed to assume sponsorship of the Plan and all of the duties, obligations and authority related thereto, all contingent on Closing (as defined in Section 1.3(a) of the ATA) and effective as of the Closing Date; and

WHEREAS, IVHD and ECRMC have worked together to cause to be prepared an Amendment to the Plan, attached hereto as Exhibit B, pursuant to which ECRMC amends the Plan to cease further benefit accruals under the Plan and to the transfer sponsorship of the Plan to IVHD contingent on Closing and effective as of the Closing Date; and

WHEREAS, the Board has reviewed and discussed the Amendment and believes it to be in the best interest of participants to agree to assume sponsorship of the Plan as set forth therein; and

WHEREAS, ECRMC and Wilmington Trust Retirement and Institutional Services Company (now Matrix Trust) as trustee for the Plan previously entered into the Trust Agreement dated May 24, 2011; and

WHEREAS, IVHD desires to appoint Matrix Trust to serve as the directed trustee to the Plan and adopt the Trust Agreement, in substantially the form attached hereto as Exhibit C, effective as of the Closing Date; and

WHEREAS, ECRMC previously entered a Client Services Agreement with Compensation Systems, Inc. of America (now Creative Benefit Strategies (“CBS”)) to perform the annual funding and GASB 68 actuarial valuations for the Plan, effective May 24, 1991; and

WHEREAS, IVHD desires to appoint CBS to perform the Plan’s annual funding and GASB 68 actuarial valuations and adopt the Client Services Agreement, attached hereto as Exhibit D, effective as of the Closing Date; and

WHEREAS, ECRMC and UBS Consulting Services, Inc. (“UBS”) previously entered into the Consulting Services Agreement dated July 11, 2011; and

WHEREAS, IVHD desires to appoint UBS to serve as the investment consultant to the Plan and adopt the Consulting Services Agreement, attached hereto as Exhibit E.

NOW, THEREFORE, BE IT RESOLVED, that contingent on Closing and effective as of the Closing Date, IVHD shall accept the assignment and transfer of the Plan and all of the Plan documents, contracts, liabilities, responsibilities and obligations under the Plan; and

RESOLVED FURTHER, that the Trust Agreement in substantially the form attached hereto as Exhibit C be, and hereby is, approved in all respects; and

RESOLVED FURTHER, that the Client Services Agreement attached hereto as Exhibit D be, and hereby is, approved in all respects; and

RESOLVED FURTHER, that the Consulting Services Agreement attached hereto as Exhibit E be, and hereby is, approved in all respects; and

RESOLVED FURTHER, that if Closing is not consummated, then the resolutions provided for herein shall become null and void, and the Plan shall remain an ongoing, active plan of ECRMC and shall not be transferred to IVHD; and

RESOLVED FURTHER, that the CEO of IVHD, or his designee, is hereby authorized, empowered and directed, for and on behalf of IVHD, and in IVHD’s name, and as IVHD’s act and deed, and without further Board approval, to take all such further, future and additional actions and to execute and deliver all instruments deemed by him to be necessary or appropriate for carrying out the intent and purposes of the foregoing resolutions. The doing by the CEO of any act in connection with the foregoing shall conclusively establish his authority from IVHD and the approval and ratification by IVHD of the action so taken and the documents or instruments so executed.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Imperial Valley Healthcare District held on the 22nd day of January, 2026.

SECRETARY'S CERTIFICATE

I, Enola Berker, Secretary of Imperial Valley Healthcare District, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a meeting of the Board of Directors of the Imperial Valley Healthcare District duly held on the 22nd day of January, 2026, of which meeting all of the members of said Board of Directors had due notice and at which the required quorum was present and voting and the required majority approved said resolution by the following vote at said meeting:

Ayes:

Noes:

Absent:

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that said resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and is now in full force and effect.

Secretary

Date: _____

Exhibit A

EL CENTRO REGIONAL MEDICAL CENTER RETIREMENT INCOME PLAN

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EL CENTRO REGIONAL MEDICAL CENTER RETIREMENT INCOME PLAN

THIS PLAN is hereby adopted on the date specified on the signature page by El Centro Regional Medical Center, an Agency of the City of El Centro, CA (herein referred to as the "Employer").

WITNESSETH:

WHEREAS, the Employer heretofore established a Pension Plan effective July 1, 1971, (hereinafter called the "Effective Date") known as El Centro Regional Medical Center Retirement Income Plan (herein referred to as the "Plan") in recognition of the contribution made to its successful operation by its employees and for the exclusive benefit of its eligible employees;

WHEREAS, under the terms of the Plan, the Employer has the ability to amend the Plan, provided the Trustee joins in such amendment if the provisions of the Plan affecting the Trustee are amended;

NOW, THEREFORE, effective July 1, 2020, except as otherwise provided, the Employer in accordance with the provisions of the Plan pertaining to amendments thereof, hereby amends and restates the Plan in its entirety and restates the Plan to provide as follows:

ARTICLE I DEFINITIONS

1.1 "Accrued Benefit" means the sum of:

(A) the Participant's Frozen Accrued Benefit and

(B) the sum of (i) the retirement benefit a Participant would receive at Normal Retirement Date based on the retirement benefit formula set forth in Section 5.1 of the Plan minus (ii) the Frozen Accrued Benefit; multiplied by a fraction, not greater than one (1), the numerator of which is the Participant's Months of Service completed since the Fresh-Start Date and the denominator of which is the aggregate Months of Service the Participant would have accumulated since the Fresh-Start Date if the Participant continued employment until Normal Retirement Age.

When determining a Participant's Accrued Benefit, the retirement benefit projected to be provided pursuant to the retirement benefit formula in Section 5.1 is the monthly benefit to which the Participant would be entitled if the Participant continued to earn until Normal Retirement Age the same rate of Average Monthly Compensation upon which the Participant's retirement benefit formula is based. This rate of Average Monthly Compensation is computed on the basis of Average Monthly Compensation taken into account under the Plan.

Employee Mandatory Contributions. A Participant's Accrued Benefit derived from Employer contributions is the excess, if any, of the total Accrued Benefit over the Accumulated Employee Contribution Benefit derived from Employee Mandatory Contributions.

A Participant's Accrued Benefit derived from Employee Mandatory Contributions shall be equal to the Accumulated Employee Contributions Benefit.

Historical Transitional Rule. For Plan Years beginning before Code §411 is applicable hereto, a Participant's Accrued Benefit shall be the greater of that provided by the Plan, or 1/2 of the benefit which would have accrued had the provisions of this Section been in effect. In the event the Accrued Benefit as of the effective date of Code §411 is less than that provided by this Section, such difference shall be accrued pursuant to this Section.

Notwithstanding anything herein to the contrary, a Participant's Accrued Benefit attributable to the retirement benefit formula at the close of any Plan Year coinciding with or next following the Participant's attainment of Normal Retirement Age shall be equal to the monthly retirement benefit formula determined pursuant to Section 5.1(d) based upon service and Average Monthly Compensation determined at the close of any such Plan Year.

Non-Duplication of Benefits. If any Participant receives a distribution of all or a portion of his or her Accrued Benefit, then the Participant's Accrued Benefit shall be offset by the Actuarial Equivalent of such prior distribution(s).

1.2 "Accumulated Employee Contribution Benefit" derived from Employee Mandatory Contributions as of any applicable date in the form of an annual benefit commencing at Normal Retirement Age and nondecreasing for the life of the Participant is equal to the amount of the Employee Contribution Benefit divided by the "appropriate conversion factor" with respect to that form of benefit.

The "appropriate conversion factor" means the present value of an annuity in the form of that annual benefit commencing at Normal Retirement Age at a rate of \$1.00 per year, computed using the interest rate and mortality table specified in Section 1.4.

If the Accumulated Employee Contribution Benefit is to be determined with respect to a benefit other than an annual benefit in the form of a single life annuity (without ancillary benefits) commencing at Normal Retirement Age, such benefit shall be the Actuarial Equivalent of such benefit.

Withdrawals from the Accumulated Employee Contribution Benefit are not permitted prior to termination of employment.

1.3 "Act" means the Employee Retirement Income Security Act of 1974, as it may be amended from time to time.

1.4 "Actuarial Equivalent" means a form of benefit differing in time, period, or manner of payment from a specific benefit provided under the Plan but having the same value when computed using Pre-Retirement Table: None; Post-Retirement Table: 1984 UP, Pre-Retirement Interest: 7.5%; and Post-Retirement Interest: 7.5%.

In the event this Section is amended, the Actuarial Equivalent of a Participant's Accrued Benefit on or after the date of change shall be determined (unless otherwise permitted by law or Regulation) as the greater of (1) the Actuarial Equivalent of the Accrued Benefit as of the date of change (i.e., the later of the effective date or the adoption date of such change) computed on the old basis, or (2) the Actuarial Equivalent of the total Accrued Benefit computed on the new basis.

Notwithstanding the preceding provisions of this Section, the Actuarial Equivalent amount of a distribution in a form other than a nondecreasing life annuity payable for a period not less than the life of a Participant (or, in the case of a Pre-Retirement Survivor Annuity, the life of the surviving spouse) shall be based on the Actuarial Value of the Participant's Accrued Benefit, or if greater, the early retirement benefit, whichever is greater.

1.5 "Administrator" means the Employer unless another person or entity has been designated by the Employer pursuant to Section 2.2 to administer the Plan on behalf of the Employer.

1.6 "Affiliated Employer" means any corporation which is a member of a controlled group of corporations (as defined in Code §414(b)) which includes the Employer; any trade or business (whether or not incorporated) which is under common control (as defined in Code §414(c)) with the Employer; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code §414(m)) which includes the Employer; and any other entity required to be aggregated with the Employer pursuant to Regulations under Code §414(o).

1.7 "Age" means age at last birthday.

1.8 "Anniversary Date" means each July 1st.

1.9 "Annuity Starting Date" means, with respect to any Participant, except as may be provided otherwise by a particular Plan provision, the first day of the first period for which an amount is paid as an annuity, or, in the case of a benefit not payable in the form of an annuity, the first day on which all events have occurred which entitles the Participant to such benefit.

1.10 "Applicable Interest Rate" means, except as provided in the next paragraph for Plan Years beginning before January 1, 2008, the adjusted first, second, and third segment rates described in Code §417(e)(3), determined as of the "look-back month," which shall be the first calendar month preceding the first day of the Plan Year during which the Annuity Starting Date occurs. For this purpose, the segment rates are the spot segment rates that would be determined for the applicable month under Code §430(h)(2)(C) without the 24-month averaging under Code §430(h)(2)(D), and determined without regard to the adjustment for the 25-year average segment rates provided in Code §430(h)(2)(C)(iv). For distributions with Annuity Starting Dates occurring during Plan Years beginning on or after January 1, 2008 and before January 1, 2012, these segment rates are adjusted by blending with the rate of interest for 30-year Treasury securities under the transition percentages specified in Code §417(e)(3)(D)(iii).

For Plan Years beginning before January 1, 2008, the annual rate of interest on 30-year Treasury securities determined as of the "look-back month," which is the first day of the "stability period," which is the Plan Year during which the Annuity Starting Date occurs.

Notwithstanding any provision of the Plan to the contrary, a plan amendment that changes the date for determining the "applicable interest rate" (including an indirect change as a result of a change in Plan Year), shall not be given effect with respect to any distribution during the period ending one year after the later of the amendment's effective date or adoption date, if, during such period and as a result of such amendment, the participant's distribution would be reduced.

1.11 "Applicable Mortality Table" means for Plan Years beginning on or after January 1, 2008, the Code §417 applicable mortality table, which is the mortality table specified for the calendar year in which the stability period specified for the Applicable Interest Rate begins. The applicable mortality tables are set forth in Regulation §1.430(h)(3)-1 and IRS Notice 2008-85, 2008-42 I.R.B. 905 and any superseding guidance. For Plan Years beginning before January 1, 2008, the Applicable Mortality Table means the Code §417 mortality table as set forth in IRS Revenue Ruling 2001-62, 2001-53, I.R.B. 632.

However, for purposes of applying the limitation on benefits in Section 6.1, the applicable mortality table in Regulation §1.430(h)(3)-1 and IRS Notice 2008-85 is not effective (and IRS Revenue Ruling 2001-62 continues to apply) for years beginning before January 1, 2009.

1.12 "Average Monthly Compensation" means the average Compensation determined over the 3 consecutive "Measuring Periods" during the "Compensation History" which produce the highest average divided by twelve (12). If a Participant has less than the specified number of "Measuring Periods" during the "Compensation History" for that Participant, then Average Monthly Compensation will be the amount of Compensation during such shorter period divided by the months during such period. Compensation subsequent to termination of participation pursuant to Plan Section 3.4 shall not be recognized for this purpose.

"Compensation History" means the period that begins on the Participant's date of employment and ends on the Participant's date of termination of employment.

"Measuring Period" means the calendar year.

1.13 "Basic Compensation" means the Participant's wages as defined in Code §3401(a) and all other payments of compensation by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Participant a written

statement under Code §§6041(d), 6051(a)(3) and 6052 (Form W-2 wages), as well as amounts that would have been received and includible in taxable compensation but for an election under Code §125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b), plus, effective for Calendar Years beginning on or after January 1, 2009, Military Differential Pay. Compensation must be determined without regard to any rules under Code §3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code §3401(a)(2)).

Basic Compensation for any Self-Employed Individual (with respect to the Employer maintaining the Plan) shall be equal to such individual's Earned Income. Contributions on behalf of any "owner-employee" shall be made only with respect to the Earned Income for an "owner-employee" which is derived from the trade or business with respect to which such Plan is established. For this purpose, an "owner-employee" means a sole proprietor who owns the entire interest in the Employer or a partner (or member in the case of a limited liability company treated as a partnership or sole proprietorship for federal income tax purposes) who owns more than ten percent (10%) of either the capital interest or the profits interest in the Employer and who receives income for personal services from the Employer.

Basic Compensation shall not include amounts paid as Compensation to a nonresident alien, as defined in Code §7701(b)(1)(B), who is not a Participant in the Plan to the extent the compensation is excludable from gross income and is not effectively connected with the conduct of a trade or business within the United States.

For purposes of determining 415 Compensation pursuant to Section 1.30, back pay, within the meaning of Regulation §1.415(c)-2(g)(8), shall be treated as compensation for the Limitation Year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included under this definition.

1.14 "Beneficiary" means the person (or entity) to whom the share of a deceased Participant's interest in the Plan is payable if benefits are payable following the death of a Participant (whether because the benefit payable is a death benefit described in Section 5.4 or results from the form of benefit distribution that was being paid to a Participant pursuant to Section 5.1). If there is neither a living designated Beneficiary nor a valid designation of Beneficiary on file at the time of the time of the Participant's death, such benefit shall be payable as follows:

- (a) entirely to the Participant's surviving Spouse, or if there is no surviving Spouse, then
- (b) entirely to the Participant's children per stirpes, or if there is no issue, then
- (c) entirely to the Participant's surviving parents, in equal shares, or if there are no parents, then
- (d) to the Participant's estate.

For purposes of these provisions, and with respect to any Beneficiary designations, adopted children shall be treated as children.

1.15 "Code" means the Internal Revenue Code of 1986, as amended or replaced from time to time.

1.16 "Compensation" means a Participant's Basic Compensation, adjusted by this Section, actually paid during the Calendar Year, adjusted as follows:

- (a) including amounts which are contributed by the Employer pursuant to a salary reduction agreement and which are not includible in the gross income of the Participant under Code §125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b) or 457(b), and Employee contributions described in Code §414(h)(2) that are treated as Employer contributions.
- (b) making the following adjustments for amounts that are paid after a Participant's severance from employment with the Employer (to the extent that such amounts would otherwise have been included in the definition of Compensation in the absence of severance from employment) and by the later of 2 1/2 months after a Participant's severance from employment with the Employer or the end of the Limitation Year that includes the date of the Participant's severance from employment with the Employer. Any other payment of compensation paid after severance of employment that is not described in the following types of compensation is not considered Compensation, even if payment is made within the time period specified in the preceding sentence.

(1) **Regular pay.** Compensation shall include regular pay after severance of employment if:

- (i) The payment is regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and
- (ii) The payment would have been paid to the Participant prior to a severance from employment if the Participant had continued in employment with the Employer.

(2) **Leave cash-outs.** Leave cash-outs shall be included in Compensation if those amounts would have been included in the definition of Compensation if they were paid prior to the Participant's severance from employment with the Employer, and the amounts are for unused accrued bona fide sick, vacation, or other leave, but only if the Participant would have been able to use the leave if employment had continued.

(3) **Deferred Compensation.** Deferred compensation shall be included in Compensation if those amounts would have been included in the definition of Compensation if they were paid prior to the Participant's severance from employment with

the Employer maintaining the Plan, and the amounts are received pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid if the Participant had continued in employment with the Employer and only to the extent that the payment is includible in the Participant's gross income.

(4) **Salary continuation payments for military service Participants.** For Plan Years beginning prior to January 1, 2009, payments to an individual who does not currently perform services for the Employer by reason of qualified military service (as that term is used in Code §414(u)(1)) to the extent those payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service shall be excluded from Compensation.

(5) **Salary continuation payments for disabled Participants.** Compensation excludes compensation paid to a Participant who is permanently and totally disabled (as defined in Code §22(e)(3)).

(c) **Compensation Limit.** The Compensation of each Participant taken into account in determining benefit accruals shall not exceed \$200,000 (or such other amount provided in the Code). Such amount shall be adjusted for increases in the cost of living in accordance with Code §401(a)(17)(B), except that the dollar increase in effect on January 1 of any calendar year shall be effective for the determination period beginning with such calendar year. For any short determination period, the Compensation limit shall be an amount equal to the Compensation limit for the calendar year in which the determination period begins multiplied by the ratio obtained by dividing the number of full months in the short determination period by twelve (12). For purposes of determining benefit accruals in a Plan Year beginning after December 31, 2001, Compensation for any prior Calendar Year shall be limited to \$150,000 for any Calendar Year beginning in 1996 or earlier, \$160,000 for any Calendar Year beginning in 1997, 1998, or 1999; and \$170,000 for any determination period beginning in 2000 or 2001.

(d) **Non-eligible Employee.** If any Employees are excluded from the Plan (or from any component of the Plan), then Compensation for any such Employees who become eligible or cease to be eligible to participate in the Plan (or in the component of the Plan) during a Plan Year shall only include Compensation while such Employees are Eligible Employees of the Plan (or of such component of the Plan).

(e) **Amendment.** If, in connection with the adoption of any amendment, the definition of Compensation has been modified, then, except as otherwise provided herein, for Plan Years prior to the Plan Year which includes the adoption date of such amendment, Compensation means compensation determined pursuant to the terms of the Plan then in effect.

1.17 "Contract" or "Policy" means any life insurance policy, retirement income policy or annuity contract (group or individual) issued pursuant to the terms of the Plan. In the event of any conflict between the terms of this Plan and the terms of any contract purchased hereunder, the Plan provisions shall control.

1.18 "Earliest Retirement Age" means the earliest date on which, under the Plan, the Participant could elect to receive retirement benefits.

1.19 "Early Retirement Date" means the first day of the month (prior to the Normal Retirement Date) coinciding with or next following the date on which a Participant attains age 55 (Early Retirement Age). A Participant shall become fully Vested upon satisfying this requirement if still employed at Early Retirement Age.

A Participant who separates from service before satisfying the age requirement for Early Retirement and who thereafter reaches the age requirement contained herein shall be entitled to receive his or her vested retirement benefits under this Plan.

1.20 "Earned Income" means with respect to a Self-Employed Individual, the net earnings from self-employment in the trade or business with respect to which the Plan is established, for which the personal services of the individual are a material income-producing factor. Net earnings will be determined without regard to items not included in gross income and the deductions allocable to such items. Net earnings are reduced by contributions made by the Self-Employed Individual to a qualified Plan to the extent deductible under Code §404. In addition, net earnings shall be determined with regard to the deduction allowed to the Self-Employed Individual by Code §164(f).

If any combination of bonuses, commissions, tips, overtime, moving expenses, fringe benefits, or any other element of compensation is excluded from Compensation for the purpose of determining any contribution, then for the purpose of determining the amount of such contribution on behalf of any Self-Employed Individual, such person's Earned Income will be reduced in the same proportion that the "includible compensation" of "common law participants" bears to the "total compensation" of all "common law participants."

1.21 "Effective Date" means July 1, 1971, and the Effective Date of the Restatement means July 1, 2020.

1.22 "Eligible Employee" means any Employee, except as provided below, and except as provided in any other particular provision for the limited purposes of that provision. The following Employees shall not be eligible to participate in this Plan.

(a) Employees of Affiliated Employers, unless such Affiliated Employers have specifically adopted this Plan in writing.

(b) An individual shall not be an Eligible Employee if such individual is not reported on the payroll records of the Employer as a common law employee. In particular, it is expressly intended that individuals not treated as common law employees by the Employer on its payroll records and out-sourced workers, are neither Employees nor Eligible Employees, and are excluded from Plan participation even if a court or administrative agency determines that such individuals are common law employees and not independent contractors. However, this paragraph shall not apply to partners or other Self-Employed Individuals unless the Employer treats them as independent contractors.

(c) Employees who became Employees as the result of a "Code §410(b)(6)(C) transaction" will not be Eligible Employees until the expiration of the transition period beginning on the date of the transaction and ending on the last day of the first Plan Year beginning after the date of the transaction (unless a separate entity becomes a Participating Employer). A Code§410(b)(6)(C) transaction is an asset or stock acquisition, merger, or similar transaction involving a change in the Employer of the Employees of a trade or business that is subject to the special rules set forth in Code §410(b)(6)(C).

(d) Employees whose employment is governed by the terms of a collective bargaining agreement between Employee representatives (within the meaning of Code §7701(a)(46)) and the Employer under which retirement benefits were the subject of good faith bargaining between the parties, unless such agreement expressly provides for coverage in this Plan.

(e) Employees who are first employed by the Employer after the Fresh-Start Date shall not be Eligible Employees. Notwithstanding Section 3.5 of the Plan, Former Participants reemployed by the Employer after the Fresh Start Date who have incurred a 1-Year Break in Service shall not be eligible to become active Participants and shall not accrue any additional benefits under the Plan.

1.23 "Employee" means any common law employee, Self-Employed Individual, Leased Employee or other person to the extent that the Code treats such an individual as an employee of the Employer for purposes of the Plan, such as (for certain purposes) any person who is employed by an Affiliated Employer.

1.24 "Employee Mandatory Contribution" means the amount a Participant is required to contribute to the Plan pursuant to Section 4.3 in order to be eligible to participate in Plan benefits.

1.25 "Employee Mandatory Contribution Benefit" means the total of:

(a) Employee Mandatory Contributions;

(b) Interest Credit. For each Plan Year continuing until the last day of the Plan Year before payment of a Participant's Accrued Benefit commences, each Participant's Employee Contribution Benefit shall be credited, whether or not the Participant remains an Employee, with an Interest Credit determined by multiplying the dollar amount representing the balance of the Employee Contribution Benefit as of the last day of the prior Plan Year by the annual rate of interest on 10-year Treasury securities determined as of the first calendar month preceding the first day of such Plan Year. Interest shall be credited as of the last day of the Plan Year, except that, if payment of a Participant's Employee Contribution Benefit commences during the Plan Year, interest shall be credited as of the last day of the month ending before payment commences, for a partial year ending on that last date, by pro-rating the annual interest rate for the Plan Year according to the number of months in the partial year.

The Employee Mandatory Contribution Benefit shall be fully Vested at all times.

1.26 "Employer" means El Centro Regional Medical Center, an Agency of the City of El Centro, CA and any successor which shall maintain this Plan; and any predecessor which has maintained this Plan. The Employer is an agency of a local government, with principal offices in the State of California. In addition, where appropriate, the term Employer shall include any Participating Employer which shall adopt this Plan.

1.27 "Fiduciary" means any person who (a) exercises any discretionary authority or discretionary control respecting management of the Plan or exercises any authority or control respecting management or disposition of its assets, (b) renders investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of the Plan or has any authority or responsibility to do so, or (c) has any discretionary authority or discretionary responsibility in the administration of the Plan.

1.28 "Fiscal Year" means the Employer's accounting year of 12 months commencing on July 1st of each year and ending the following June 30th.

1.29 "Former Participant" means a person who has been a Participant, but who has ceased to be a Participant for any reason.

1.30 "415 Compensation" means the Participant's Basic Compensation during the Limitation Year after adjustment for amounts that are paid after a Participant's severance from employment with the Employer (to the extent that such amounts would otherwise have been included in the definition of 415 Compensation in the absence of severance from employment) and which are paid by the later of 2 1/2 months after a Participant's severance from employment with the Employer or the end of the Limitation Year that includes the date of the Participant's severance from employment with the Employer. Any other payment of compensation paid after severance of employment that is not described in the following types of compensation is not considered 415 Compensation, even if payment is made within the time period specified in the preceding sentence.

(a) **Post-severance regular pay.** 415 Compensation shall include regular pay after severance of employment if the payment is regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, and such amounts are paid by the later of 2 1/2 months after severance from employment or by the end of the Limitation Year that includes the date of such severance from employment.

(b) **Post-severance leave cash-outs.** Leave cash-outs shall be included in 415 Compensation if those amounts would have been included in the definition of 415 Compensation if they were paid prior to the Participant's severance from employment, and the amounts are payment for unused accrued bona fide sick, vacation, or other leave, but only if the Participant would have been able to use the leave if employment had continued, and such amounts are paid by the later of 2 1/2 months after severance from employment or by the end of the Limitation Year that includes the date of such severance from employment.

(c) **Post-severance deferred compensation.** In addition, deferred compensation shall be included in 415 Compensation if the compensation would have been included in the definition of 415 Compensation if it had been paid prior to the Participant's severance from employment, and the compensation is received pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid at the same time if the Participant had continued in employment with the Employer and only to the extent that the payment is includible in the Participant's gross income, and such amounts are paid by the later of 2 1/2 months after severance from employment or by the end of the Limitation Year that includes the date of such severance from employment.

Dollar limitation for Code §415 purposes. 415 Compensation will be limited to the same dollar limitations set forth in Section 1.16(c) adjusted in such manner as permitted under Code §415(d).

Amendments. Except as otherwise provided herein, if, in connection with the adoption of any amendment, the definition of 415 Compensation has been modified, then for Limitation Years prior to the Limitation Year which includes the adoption date of such amendment, 415 Compensation means 415 Compensation determined pursuant to the terms of the Plan then in effect.

1.31 "Fresh-Start Date" means December 31, 2009.

1.32 "Frozen Accrued Benefit" means a Participant's Accrued Benefit under the Plan determined as of the latest Fresh-Start Date as if the Participant terminated employment with the Employer as of the latest Fresh-Start Date, or the date the Participant actually terminated employment with the Employer, if earlier, without regard to any amendment made to the Plan after that date other than amendments recognized as effective as of or before the date under Code §401(b) or Regulation §1.401(a)(4)-11(g). If the Participant has not had a Fresh-Start Date, the Participant's Frozen Accrued Benefit will be zero.

If, as of the Participant's latest Fresh-Start date, the amount of a Participant's Frozen Accrued Benefit was limited by the application of Code §415, then the Participant's Frozen Accrued Benefit will be increased for years after the latest Fresh-Start Date to the extent permitted under Code §415(d)(1).

If: (a) the Plan's normal form of benefit in effect on the Participant's latest Fresh-Start Date is not the same as the normal form under the Plan after such Fresh-Start Date and/or (b) the Normal Retirement Age for any Participant on that date was greater than the Normal Retirement Age for that Participant under the Plan after such Fresh-Start Date, the Frozen Accrued Benefit will be expressed as an actuarially equivalent benefit in the normal form under the Plan after the Participant's latest Fresh-Start Date, commencing at the Participant's Normal Retirement Age under the Plan in effect after such latest Fresh-Start Date.

1.33 "Highly Compensated Employee" means an Employee described in Code §414(q) and the Regulations thereunder, and generally means any Employee who:

(a) was a "five percent owner" of the Employer at any time during the "determination year" or "look-back year." "Five percent owner" means any person who owns (or is considered as owning within the meaning of Code §318) more than five percent of the outstanding stock of the Employer or stock possessing more than five percent of the total combined voting power of all stock of the Employer or, in the case of an unincorporated business, any person who owns more than five percent of the capital or profits interest in the Employer. In determining percentage ownership hereunder, employers that would otherwise be aggregated under Code §§414(b), (c), (m) and (o) shall be treated as separate employers; or

(b) for the "look-back year" had "415 Compensation" from the Employer in excess of \$80,000. The \$80,000 amount is adjusted at the same time and in the same manner as under Code §415(d), except that the base period is the calendar quarter ending September 30, 1996.

The "determination year" means the Plan Year for which testing is being performed, and the "look-back year" means the immediately preceding twelve (12) month period.

A highly compensated former Employee is based on the rules applicable to determining Highly Compensated Employee status as in effect for the "determination year," in accordance with Regulation §1.414(q)-1T, A-4 and IRS Notice 97-45 (or any superseding guidance).

In determining who is a Highly Compensated Employee, Employees who are non-resident aliens and who received no earned income (within the meaning of Code §911(d)(2)) from the Employer constituting United States source income within the meaning of Code §861(a)(3) shall not be treated as Employees. If an Employee who is a nonresident alien has U.S. source income, that Employee is treated as satisfying this definition if all of such Employee's U.S. source income from the Employer is exempt from U.S. income tax under an applicable income tax treaty. Additionally, all Affiliated Employers shall be taken into account as a single employer and Leased Employees within the meaning of Code §§414(n)(2) and 414(o)(2) shall be considered Employees unless such Leased Employees are covered by a plan described in Code §414(n)(5) and are not covered in any qualified plan maintained by the Employer. The exclusion of Leased Employees for this purpose shall be applied on a uniform and consistent basis for all of the Employer's retirement plans. Highly Compensated former Employees shall be treated as Highly Compensated Employees without regard to whether they performed services during the "determination year."

1.34 "Highly Compensated Participant" means, for a particular Plan Year, a Participant who meets the definition of a Highly Compensated Employee in effect for that Plan Year.

1.35 "Hour of Service" means (1) each hour for which an Employee is directly or indirectly compensated or entitled to compensation by the Employer for the performance of duties (these hours will be credited to the Employee for the computation period in which the duties are performed); (2) each hour for which an Employee is directly or indirectly compensated or entitled to compensation by the Employer (irrespective of whether the employment relationship has terminated) for reasons other than performance of duties (such as vacation, holidays, sickness, jury duty, disability, lay-off, military duty or leave of absence) during the applicable computation period (these hours will be calculated and credited pursuant to Department of Labor regulation §2530.200b-2 which is incorporated herein by reference); (3) each hour for which back pay is awarded or agreed to by the Employer without regard to mitigation of damages (these hours will be credited to the Employee for the computation period or periods to which the award or agreement pertains rather than the computation period in which the award, agreement or payment is made). The same Hours of Service shall not be credited both under (1) or (2), as the case may be, and under (3).

Notwithstanding (2) above, (i) no more than 501 Hours of Service are required to be credited to an Employee on account of any single continuous period during which the Employee performs no duties (whether or not such period occurs in a single computation period); (ii) an hour for which an Employee is directly or indirectly paid, or entitled to payment, on account of a period during which no duties are performed is not required to be credited to the Employee if such payment is made or due under a plan maintained solely for the purpose of complying with applicable worker's compensation, or unemployment compensation or disability insurance laws; and (iii) Hours of Service are not required to be credited for a payment which solely reimburses an Employee for medical or medically related expenses incurred by the Employee.

For purposes of (2) above, a payment shall be deemed to be made by or due from the Employer regardless of whether such payment is made by or due from the Employer directly, or indirectly through, among others, a trust fund, or Insurer, to which the Employer contributes or pays premiums and regardless of whether contributions made or due to the trust fund, Insurer, or other entity are for the benefit of particular Employees or are on behalf of a group of Employees in the aggregate.

For purposes of this Section, Hours of Service will be credited for employment with other Affiliated Employers. The provisions of Department of Labor regulations §2530.200b-2(b) and (c) are incorporated herein by reference.

If a Participant performs services both as a collectively bargained Employee and as a non-collectively bargained Employee, then the Participant's Hours of Service in each respective category are treated separately.

1.36 "Insurer" means a life insurance company as elected by the Administrator which shall issue one or more Contracts under the Plan.

1.37 "Investment Manager" means an entity that (a) has the power to manage, acquire, or dispose of Plan assets and (b) acknowledges fiduciary responsibility to the Plan in writing. Such entity must be a person, firm, or corporation registered as an investment adviser under the Investment Advisers Act of 1940, a bank, or an insurance company.

1.38 "Late Retirement Date" means the first day of the month coinciding with or next following a Participant's actual Retirement Date after having reached Normal Retirement Date.

1.39 "Leased Employee" means any person (other than an Employee of the recipient Employer) who pursuant to an agreement between the recipient Employer and any other person or entity ("leasing organization") has performed services for the recipient (or for the recipient and related persons determined in accordance with Code §414(n)(6)) on a substantially full time basis for a period of at least one year, and such services are performed under primary direction or control by the recipient Employer. Contributions or benefits provided to a Leased Employee by the leasing organization which are attributable to services performed for the recipient Employer shall be treated as provided by the recipient Employer. Furthermore, Compensation for a Leased Employee shall only include Compensation from the leasing organization that is attributable to services performed for the recipient Employer. A Leased Employee shall not be considered an Employee of the recipient Employer:

- (a) if such employee is covered by a money purchase pension plan providing:
 - (1) a nonintegrated employer contribution rate of at least 10% of compensation, as defined in Code §415(c)(3);
 - (2) immediate participation;
 - (3) full and immediate vesting; and
- (b) if leased employees do not constitute more than 20% of the recipient Employer's nonhighly compensated work force.

1.40 "Limitation Year" means the Plan Year. All qualified plans maintained by the Employer must use the same Limitation Year. If the Limitation Year is amended to a different twelve (12) consecutive month period, the new Limitation Year must begin on a date within the Limitation Year in which the amendment is made. In the case of a new plan, the first Limitation Year shall be the full 12-month period ending on the last day of the first 12-month period described in the preceding sentence (i.e., the first such period occurring after the initial Effective Date of the Plan).

1.41 "Military Differential Pay" means any differential wage payments made to an individual that represents an amount which, when added to the individual's military pay, approximates the amount of compensation that was paid to the individual while working for the Employer. Notwithstanding the preceding sentence, for years beginning after December 31, 2008, an individual receiving a differential wage payment, as defined by Code §3401(h)(2), is treated as an Employee of the Employer making the payment, and the differential wage payment is treated as 415 Compensation.

The Plan is not treated as failing to meet the requirements of any provision described in Code §414(u)(1)(C) (or corresponding plan provisions) by reason of any contribution or benefit which is based on the differential wage payment. The preceding sentence applies only if all Employees of the Employer performing service in the uniformed services described in Code §3401(h)(2)(A) are entitled to receive differential wage payments (as defined in Code §3401(h)(2)) on reasonably equivalent terms and, if eligible to participate in a retirement plan maintained by the Employer, to make contributions based on the payments on reasonably equivalent terms (taking into account Code §410(b)(3), (4), and (5)).

1.42 "Month of Service" means a calendar month during any part of which an Employee completed an Hour of Service. Except, however, an Employee shall not be credited with a Month of Service for any month completed prior to July 1, 1968.

1.43 "Non-Highly Compensated Employee/Participant" means any Employee who is not a Highly Compensated Employee.

A Participant is a Nonhighly Compensated Participant for a particular Plan Year if such Participant does not meet the definition of a Highly Compensated Employee in effect for that Plan Year.

1.44 "Normal Retirement Age" means the Participant's 65th birthday, or the first day of the Plan Year containing the Participant's 5th anniversary of joining the Plan, if later. A Participant shall become fully Vested in the Participant's Normal Retirement Benefit upon attaining Normal Retirement Age.

For purposes of Section 7.1(c), a Plan amendment that raises the Normal Retirement Age under the Plan to comply with Regulation §1.401(a)-1(b)(2) will not be treated as an amendment that decreases a Participant's Accrued Benefit merely because the amendment eliminates a right the Participant may have had to receive a distribution prior to severance from employment on attainment of the Normal Retirement Age under the pre-amendment terms of the Plan. The preceding sentence applies only in the case of a plan amendment that is adopted after May 22, 2007 and on or before the last day of the applicable remedial amendment period under Regulation §1.401(b)-1 with respect to the requirements of Regulation §§1.401(a)-1(b)(2) and (3). A Participant who became or would have become eligible for payment of benefits at the Normal Retirement Age under the prior plan terms, and who has severed from employment with the employer or employers maintaining the plan, continues to be eligible for payment at the same age and in at least the same amount as under the prior terms of the Plan with respect to benefits accrued prior to the applicable amendment date.

Effective as of the first day of the first Plan Year beginning after June 30, 2008, the Normal Retirement Age must not be earlier than the earliest retirement age that is reasonably representative of the typical retirement age for the industry in which the participants work, but in no event earlier than age 55. Age 62 or older automatically meets this requirement, and the IRS Advisory Letter for this document does not confer reliance on this definition of Normal Retirement Age unless the specified age is at least 62.

1.45 "Normal Retirement Date" means the first day of the month coinciding with or next following the Participant's Normal Retirement Age.

1.46 "1-Year Break in Service" means, the applicable computation period of 12 consecutive months during which an Employee fails to accrue a Month of Service with the Employer. Further, solely for the purpose of determining whether a Participant has incurred a 1-Year Break in Service, Hours of Service shall be recognized for "authorized leaves of absence" and "maternity and paternity leaves of absence." Years of Service and 1-Year Breaks in Service shall be measured on the same computation period.

An Employee shall not be deemed to have incurred a 1-Year Break in Service if he completes an Hour of Service within 12 months following the last day of the month during which his employment terminated.

"Authorized leave of absence" means an unpaid, temporary cessation from active employment with the Employer pursuant to an established nondiscriminatory policy, whether occasioned by illness, military service, or any other reason.

A "maternity or paternity leave of absence" means, for Plan Years beginning after December 31, 1984, an absence from work for any period by reason of the Employee's pregnancy, birth of the Employee's child, placement of a child with the Employee in connection with the adoption of such child, or any absence for the purpose of caring for such child for a period immediately following such birth or placement. For this purpose, Hours of Service shall be credited for the computation period in which the absence from work begins, only if credit therefore is necessary to prevent the Employee from incurring a 1-Year Break in Service, or, in any other case, in the immediately following computation period. The Hours of Service credited for a "maternity or paternity leave of absence" shall be those which would normally have been credited but for such absence, or in any case in which the Administrator is unable to determine such hours normally credited, eight (8) Hours of Service per day. The total Hours of Service required to be credited for a "maternity or paternity leave of absence" shall not exceed the number of Hours of Service needed to prevent the Employee from incurring a 1-Year Break in Service.

1.47 "Participant" means any Employee or former Employee who has satisfied the requirements of Sections 3.1 and 3.2 and entered the Plan and is eligible to accrue benefits under the Plan. In addition, the term "Participant" also includes any individual who was a Participant (as defined in the preceding sentence) and who must continue to be taken into account under a particular provision of the Plan (e.g., because the individual has an Accrued Benefit under the Plan).

1.48 "Plan" means this instrument, including all amendments thereto.

1.49 "Plan Year" means the Employer's Fiscal Year.

1.50 "Pre-Retirement Survivor Annuity" means an immediate annuity for the life of the surviving Spouse of a Participant who dies prior to the Participant's Annuity Starting Date.

1.51 "Present Value of Accrued Benefit" means the Actuarial Equivalent lump-sum amount of a Participant's Accrued Benefit at date of valuation.

Notwithstanding the above, the Present Value of Accrued Benefit shall not be less than the Employee Contribution Benefit at date of valuation.

1.52 "Qualified Joint and Survivor Annuity" (also appears as "QJSA") means the default annuity form of distribution payable to a Participant in accordance with the provisions of Section 5.6, i.e., for an unmarried Participant, a life annuity, and for a Participant who is married at the time of death, a joint and survivor annuity that provides for an annuity to the Participant during the Participant's lifetime, and upon the death of such Married Participant, an annuity to the surviving Spouse that is equal to 50% of the rate at which such benefits were payable to the Participant. Effective with respect to Plan Years beginning after December 31, 2007, any reference in this Plan to the Qualified Joint and Survivor Annuity requirements shall also generally constitute a reference to the Qualified Optional Survivor Annuity requirements.

1.53 "Qualified Optional Survivor Annuity" (also appears as "QOSA") means an optional form of distribution payable to a married Participant in accordance with Section 5.6, i.e., a joint and survivor annuity that provides for an annuity to the Participant during the Participant's lifetime, and upon the death of such Married Participant, an annuity to the surviving Spouse that is equal to 100% of the rate at which such benefits were payable to the Participant.

1.54 "Regulation" means the Income Tax Regulations as promulgated by the Secretary of the Treasury or a delegate of the Secretary of the Treasury, and as amended from time to time.

1.55 "Retired Participant" means a person who has been a Participant, but who has become entitled to retirement benefits under the Plan.

1.56 "Retirement Date" means the date as of which a Participant retires whether such retirement occurs on a Participant's Normal Retirement Date, Early Retirement Date or Late Retirement Date (see Section 5.1).

1.57 "Self-Employed Individual" means an individual who has Earned Income for the taxable year from the trade or business for which the Plan is established, and, also, an individual who would have had Earned Income but for the fact that the trade or business had no net profits for the taxable year. A Self-Employed Individual shall be treated as an Employee.

1.58 "Social Security Retirement Age" means the age used as the retirement age under Section 216(l) of the Social Security Act, except that such Section shall be applied without regard to the age increase factor and as if the early retirement age under Section 216(l)(2) of such Act were 62.

1.59 "Spouse" means a spouse as determined under federal tax law.

1.60 "Straight Life Annuity" means an annuity payable in equal installments for the life of the participant that terminates upon the participant's death.

1.61 "Terminated Participant" means a Participant who has been a Participant, but whose employment has been terminated with the Employer (including an Affiliated Employer) or applicable Participating Employer, other than by death or retirement.

1.62 "Three-Month Break in Service" means a period of three consecutive calendar months, following a termination of employment, during which an Employee fails to accrue a Month of Service. Further, solely for purposes of determining whether an Employee has incurred a Three-Month Break in Service, Hours of Service shall be recognized for "authorized leaves of absence" and "maternity and paternity leaves of absence."

1.63 "Trustee" means the person or entity named as trustee herein or in any separate trust forming a part of this Plan, and any successors.

1.64 "Trust Fund" means the assets of the Plan and Trust as the same shall exist from time to time.

1.65 "Valuation Date" means the Anniversary Date and may include any other date or dates deemed necessary or appropriate by the Administrator for the valuation of the Participants' accounts during the Plan Year, which may include any day that the Trustee, any transfer agent appointed by the Trustee or the Employer or any stock exchange used by such agent, are open for business.

1.66 "Vested" means the portion of a Participant's benefits under the Plan that are nonforfeitable.

1.67 "Year of Credited Service" means the computation period of twelve (12) consecutive months, herein set forth, during which an Employee has at least 1,000 Hours of Service.

The computation period shall be the Plan Year if not otherwise set forth herein.

Notwithstanding the foregoing, for any short Plan Year, the determination of whether an Employee has completed a Year of Service shall be made in accordance with Department of Labor regulation 2530.203-2(c).

Years of Service with any Affiliated Employer shall be recognized.

ARTICLE II ADMINISTRATION

2.1 POWERS AND RESPONSIBILITIES OF THE EMPLOYER

(a) **Appointment of Trustee (or Insurer) and Administrator.** In addition to the general powers and responsibilities otherwise provided for in this Plan, the Employer shall be empowered to appoint and remove the Trustee and the Administrator from time to time as it deems necessary for the proper administration of the Plan to ensure that the Plan is being operated for the exclusive benefit of the Participants and their Beneficiaries in accordance with the terms of the Plan and the Code. The Employer may appoint counsel, specialists, advisers, agents (including any nonfiduciary agent) and other persons as the Employer deems necessary or desirable in connection with the exercise of its fiduciary duties under this Plan. The Employer may compensate such agents or advisers from the assets of the Plan as fiduciary expenses (but not including any business (settlor) expenses of the Employer), to the extent not paid by the Employer.

(b) **Appointment of Investment Manager.** The Employer may, by written agreement or designation, appoint at its option an Investment Manager (qualified under the Investment Company Act of 1940 as amended), investment adviser, or other agent to provide investment direction to the Trustee with respect to any or all of the Plan assets. Such appointment shall be given by the Employer in writing in a form acceptable to the Trustee and shall specifically identify the Plan assets with respect to which the Investment Manager or other agent shall have authority to direct the investment.

(c) **Employee Mandatory Contribution Procedure.** The Employer shall establish a procedure by which required Employee Mandatory Contributions are to be made to the Trustee pursuant to the Plan. Such procedure may be by payroll deduction or such other method as determined by the Employer.

2.2 DESIGNATION OF ADMINISTRATIVE AUTHORITY

The Employer shall be the Administrator. The Employer may appoint any person, including, but not limited to, the Employees of the Employer, to perform the duties of the Administrator. Any person so appointed shall signify acceptance by filing written acceptance with the Employer. Upon the resignation or removal of any individual performing the duties of the Administrator, the Employer may designate a successor.

2.3 ALLOCATION AND DELEGATION OF RESPONSIBILITIES

If more than one person is appointed as Administrator, the responsibilities of each Administrator may be specified by the Employer and accepted in writing by each Administrator. In the event that no such delegation is made by the Employer, the Administrators may allocate the responsibilities among themselves, in which event the Administrators shall notify the Employer and the Trustee in writing of such action and specify the responsibilities of each Administrator. The Trustee thereafter shall accept and rely upon any documents executed by the appropriate Administrator until such time as the Employer or the Administrators file with the Trustee a written revocation of such designation.

2.4 POWERS AND DUTIES OF THE ADMINISTRATOR

The primary responsibility of the Administrator is to administer the Plan for the exclusive benefit of the Participants and their Beneficiaries, subject to the specific terms of the Plan. The Administrator shall administer the Plan in accordance with its terms and shall have the power and discretion to construe the terms of the Plan and to determine all questions arising in connection with the administration, interpretation, and application of the Plan. Benefits under this Plan will be paid only if the Administrator decides in its discretion that the applicant is entitled to them. Any such determination by the Administrator shall be conclusive and binding upon all persons. The Administrator may establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan; provided, however, that any procedure, discretionary act, interpretation or construction shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to be deemed a qualified plan under the terms of Code §401(a). The Administrator shall have all powers necessary or appropriate to accomplish the Administrator's duties under the Plan.

The Administrator shall be charged with the duties of the general administration of the Plan as set forth under the terms of the Plan, including, but not limited to, the following:

- (a) the discretion to determine all questions relating to the eligibility of Employees to participate or remain a Participant hereunder and to receive benefits under the Plan;
- (b) the authority to review and settle all claims against the Plan, including claims where the settlement amount cannot be calculated or is not calculated in accordance with the Plan's benefit formula. This authority specifically permits the Administrator to settle disputed claims for benefits and any other disputed claims made against the Plan;
- (c) to compute, certify, and direct the Trustee with respect to the amount and the kind of benefits to which any Participant shall be entitled hereunder;
- (d) to authorize and direct the Trustee with respect to all discretionary or otherwise directed disbursements from the Trust;
- (e) to maintain all necessary records for the administration of the Plan;

- (f) to interpret the provisions of the Plan and to make and publish such rules for regulation of the Plan as are consistent with the terms hereof;
- (g) to determine the size and type of any Contract to be purchased from any Insurer and to designate the Insurer from which such Contract shall be purchased. All Policies shall be issued on a uniform basis as of each Anniversary Date with respect to all Participants under similar circumstances;
- (h) to compute and certify to the Employer and to the Trustee from time to time the sums of money necessary or desirable to be contributed to the Plan;
- (i) to consult with the Employer and the Trustee regarding the short and long-term liquidity needs of the Plan in order that the Trustee can exercise any investment discretion (if the Trustee has such discretion) in a manner designed to accomplish specific objectives;
- (j) to prepare and implement a procedure for notifying prospective Eligible Employees of their requirement to make Employee Mandatory Contributions to the Plan as a condition of eligibility;
- (k) to prepare and implement a procedure for notifying Participants and Beneficiaries of their rights to elect Qualified Joint and Survivor Annuity and Qualified Pre-Retirement Survivor Annuity;
- (l) to determine the validity of, and take appropriate action with respect to, any qualified domestic relations order received by it; and
- (m) to assist any Participant regarding the Participant's rights, benefits, or elections available under the Plan.

2.5 RECORDS AND REPORTS

The Administrator shall keep a record of all actions taken and shall keep all other books of account, records, policies, and other data that may be necessary for proper administration of the Plan and shall be responsible for supplying all information and reports to the Internal Revenue Service, Participants, Beneficiaries and others as required by law.

2.6 APPOINTMENT OF ADVISERS

The Administrator, or the Trustee with the consent of the Administrator, may appoint counsel, specialists, advisers, agents (including nonfiduciary agents) and other persons as the Administrator or the Trustee deems necessary or desirable in connection with the administration of this Plan, including but not limited to agents and advisers to assist with the administration and management of the Plan, and thereby to provide, among such other duties as the Administrator may appoint, assistance with maintaining Plan records and the providing of investment information to the Plan's investment fiduciaries.

2.7 INFORMATION FROM EMPLOYER

The Employer shall supply full and timely information to the Administrator on all pertinent facts as the Administrator may require in order to perform its function hereunder and the Administrator shall advise the Trustee of such of the foregoing facts as may be pertinent to the Trustee's duties under the Plan. The Administrator may rely upon such information as is supplied by the Employer and shall have no duty or responsibility to verify such information.

2.8 PAYMENT OF EXPENSES

All reasonable expenses of administration may be paid out of the Plan assets unless paid by the Employer. Such expenses shall include any expenses incident to the functioning of the Administrator, or any person or persons retained or appointed by any named Fiduciary incident to the exercise of their duties under the Plan, including, but not limited to, fees of accountants, counsel, Investment Managers, and other specialists and their agents, and other costs of administering the Plan. Until paid, the expenses shall constitute a liability of the Trust Fund.

2.9 MAJORITY ACTIONS

Except where there has been an allocation and delegation of administrative authority pursuant to Section 2.3, if there is more than one Administrator, then they shall act by a majority of their number, but may authorize one or more of them to sign all papers on their behalf. Alternatively, the Administrators may allocate authority amongst themselves in a written document signed by all Administrators.

ARTICLE III ELIGIBILITY

3.1 CONDITIONS OF ELIGIBILITY

- (a) **Eligibility.** An Eligible Employee shall be eligible to participate hereunder on the date of such Employee's employment with the Employer. However, any Employee who was a Participant in the Plan prior to the effective date of this amendment and restatement shall continue to participate in the Plan.

3.2 EFFECTIVE DATE OF PARTICIPATION

- (a) **Effective date of participation.** An Eligible Employee shall become a Participant effective as of the date on which such Employee satisfies the eligibility requirements of Section 3.1.
- (b) **Ineligible to eligible classification.** If an Employee, who has satisfied the Plan's eligibility requirements and would otherwise have become a Participant in the Plan, shall go from a classification of an ineligible Employee to an Eligible Employee, such Employee shall become a Participant in the Plan on the date such Employee becomes an Eligible Employee or, if later, the date that the Employee would have otherwise entered the Plan had the Employee always been an Eligible Employee.
- (c) **Eligible to ineligible classification.** If an Employee, who has satisfied the Plan's eligibility requirements and would otherwise become a Participant in the Plan, shall go from a classification of an Eligible Employee to an ineligible class of Employees, such Employee shall become a Participant in the Plan on the date such Employee again becomes an Eligible Employee, or, if later, the date that the Employee would have otherwise entered the Plan had the Employee always been an Eligible Employee. However, if such Employee incurs a 1-Year Break in Service, eligibility will be determined under the Break in Service rules set forth in Section 3.5.

3.3 DETERMINATION OF ELIGIBILITY

The Administrator shall determine the eligibility of each Employee for participation in the Plan based upon information furnished by the Employer. Such determination shall be conclusive and binding upon all persons, as long as the same is made pursuant to the Plan.

3.4 CESSATION OF ELIGIBILITY

In the event a Participant shall go from a classification of an Eligible Employee to an ineligible Employee with respect to the Plan, then such Former Participant shall continue to Vest in the Plan for each Year of Service completed while an ineligible Employee.

3.5 REHIRED EMPLOYEES AND BREAKS IN SERVICE

- (a) **Rehired Participant/immediate re-entry.** If any Employee becomes a former Employee due to severance from employment with the Employer and is reemployed by the Employer before one (1) 1-Year Break in Service occurs, then the Employee shall become a Participant as of the reemployment date, unless the Employee is not an Eligible Employee.
- (b) **Duplication of Benefits.** If any Participant becomes a Former Participant due to severance of employment with the Employer and again becomes a Participant, such renewed participation shall not result in duplication of benefits. Accordingly, if such Participant has received a distribution of a Vested Accrued Benefit under the Plan by reason or prior participation (and such distribution has not been repaid to the Plan with interest within a period of the earlier of five (5) years after the first date on which the Participant is subsequently reemployed by the Employer or the close of the first period of five (5) consecutive 1-Year Breaks in Service commencing after the distribution), the Participant's Accrued Benefit shall be reduced by the Actuarial Equivalent (at the date of distributions) of the Present Value of the Accrued Benefit as of the date of distribution. Any repayment by a Participant shall be equal to the total of:

- (1) the amount of the distribution,

A Former Employee shall participate in the Plan as of the date of reemployment, or if later, as of the date that the Former Employee would otherwise enter the Plan pursuant to this Article taking into account all service not disregarded in this subsection.

3.6 OMISSION OF ELIGIBLE EMPLOYEE; INCLUSION OF INELIGIBLE EMPLOYEE

If, in any Plan Year, any Employee who should be included as a Participant in the Plan is erroneously omitted and discovery of such omission is not made until after a contribution by the Employer for the year has been made and allocated, or any person who should not have been included as a Participant in the Plan is erroneously included, then the Employer shall apply the principles described by, and take corrective actions consistent with, the IRS Employee Plans Compliance Resolution System (as described in IRS Revenue Procedure 2013-12 and any superseding Revenue Procedure).

ARTICLE IV CONTRIBUTION AND VALUATION

4.1 PAYMENT OF CONTRIBUTIONS

The Employer shall pay to the Trustee from time to time such amounts in cash as the Administrator and Employer shall determine to be necessary to provide the benefits under the Plan determined by the application of accepted actuarial methods and assumptions. The method of funding shall be consistent with Plan objectives.

4.2 ACTUARIAL METHODS

In establishing the liabilities under the Plan and contributions thereto, the enrolled actuary will use such methods and assumptions as will reasonably reflect the cost of the benefits. The Plan assets are to be valued on the last day of the Plan Year (or on any other date determined by the Administrator) using any reasonable method of valuation that takes into account fair market value pursuant to Regulations. There must be an actuarial valuation of the Plan at least once every year.

4.3 EMPLOYEE MANDATORY CONTRIBUTIONS

- (a) **Authorization.** As a condition for sharing in benefits, each Participant shall agree to contribute 6.00% of Compensation to the Plan. Such contribution must generally be paid to the Trustee within a reasonable period of time after being received by the Employer. Such contribution shall be credited to the Participant's Accumulated Employee Contribution Benefit.
- (b) **Full vesting.** The Employee Contribution Benefit shall be fully Vested at all times.
- (c) **Withdrawals.** Withdrawals from the Accumulated Employee Mandatory Contributions Benefit are not permitted prior to termination of employment. Withdrawals from the Accumulated Employee Contributions Benefit will be permitted as soon as administratively feasible on or after the last day of the calendar quarter following the earlier of a Participant's Retirement Date or the completion of a Three-Month Break in Service. The Participant's Accrued Benefit shall be reduced by the Actuarial Equivalent of any such withdrawals.
- (d) Employee Contributions shall be treated as "picked-up" under Code Section 414(h)(2).

4.4 QUALIFIED MILITARY SERVICE UNDER CODE SECTION 414(U)

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service will be provided in accordance with Code §414(u).

ARTICLE V BENEFITS

5.1 RETIREMENT BENEFITS

- (a) **Normal retirement benefit.** The amount of monthly retirement benefit to be provided for each Participant who retires on the Participant's Normal Retirement Date shall be equal to the Participant's Accrued Benefit (herein called the Participant's Normal Retirement Benefit). A Participant's Normal Retirement Benefit is based on the greater of the Participant's Frozen Accrued Benefit and a retirement benefit formula equal to the greater of:
1. Sixty-Five percent (65%) of such Participant's Average Monthly Compensation, computed to the nearest cent. For Participants who are projected to have earned less than three-hundred (300) Months of Service as of the end of the month in which they attain Normal Retirement Age, the percentage above shall be reduced by one-three-hundredth (1/300) for each such Month of Service less than three-hundred (300).
 2. Seventy percent (70%) of such Participant's Average Monthly Compensation, computed to the nearest cent. For Participants who are projected to have earned less than four-hundred and twenty (420) Months of Service as of the end of the month in which they attain Normal Retirement Age, the percentage above shall be reduced by one-four-hundred and twentieth (1/420) for each such Month of Service less than four-hundred and twenty (420).

Periods of Service prior to July 1, 1968 shall not be recognized for determining the monthly retirement benefit.

The "Normal Retirement Benefit" of each Participant shall not be less than the largest periodic benefit that would be payable to the Participant upon separation from service at or prior to Normal Retirement Age under the Plan exclusive of social security supplements, premiums on disability or term insurance, and the value of disability benefits not in excess of the "Normal Retirement Benefit." For purposes of comparing periodic benefits in the same form, commencing prior to and at Normal Retirement Age, the greater benefit is determined by converting the benefit payable prior to Normal Retirement Age into the same form of annuity benefit payable at Normal Retirement Age and comparing the amount of such annuity payments.

- (b) **Early retirement.** A Participant may elect to retire on an Early Retirement Date. In the event that a Participant makes such an election, such Participant shall be entitled to receive an early retirement benefit equal to the Participant's Accrued Benefit payable at the Participant's Normal Retirement Date. However, if a Participant so elects, such Participant may receive payment of an early retirement benefit commencing on the first day of the month coinciding with or next following the Participant's Early Retirement Date, which early retirement benefit shall equal the Actuarial Equivalent of the Participant's Accrued Benefit.

- (c) **Normal form of distribution.** The Normal Retirement Benefit payable to a Participant pursuant to this Section 5.1 shall be a monthly pension commencing on the Participant's Retirement Date and continuing for life. However, the form of distribution of such benefit shall be determined pursuant to the provisions of Section 5.6.

- (d) **Delayed retirement.** A Participant may continue in employment beyond Normal Retirement Date. In such event, the Participant may elect one of the following:

- (1) To postpone receiving the payment of monthly retirement benefits until actual retirement, subject, however to any required minimum distributions pursuant to Section 5.8. At the close of each Plan Year prior to actual Retirement Date, a Participant shall be entitled to a monthly retirement benefit equal to the greater of (i) the Actuarial Equivalent of the monthly retirement benefit such Participant was entitled to at the close of the prior Plan Year, or (ii) the Participant's monthly Accrued Benefit determined at the close of the Plan Year. The monthly retirement benefit calculated pursuant to clause (i) of the preceding sentence shall be offset by the Actuarial Equivalent of the total benefit distributions, if any, made by the close of the Plan Year, and if any benefits are paid during the Plan Year, then the offset referred to in (ii) of the preceding sentence shall be applied to the total retirement benefit calculated pursuant to this paragraph rather than to the Accrued Benefit.

(2) To commence receiving the payment of monthly retirement benefits provided for in the Plan as though actual retirement had occurred on Normal Retirement Date. At the close of each Plan Year prior to actual Retirement Date, such Participant shall be entitled to a monthly retirement benefit payable each subsequent Plan Year equal to the greater of (i) the Participant's monthly retirement benefit determined at the close of the prior Plan Year, or (ii) the Participant's Accrued Benefit determined at the close of the Plan Year, offset by the Actuarial Equivalent of the total benefit distributions made by the close of the Plan Year.

If as a result of actuarial increases to the benefit of a Participant who delays commencement of benefits beyond Normal Retirement Age the Accrued Benefit of such Participant would exceed the limitations under Section 6.1 for the Limitation Year, then distribution of the Participant's benefit will commence.

Except with respect to a "five (5) percent owner," a Participant's Accrued Benefit is actuarially increased to take into account the period after age 70 1/2 in which the Participant does not receive any benefits under the Plan. The actuarial increase begins on the April 1 following the calendar year in which the Participant attains age 70 1/2 (January 1, 1997 in the case of a Participant who attained age 70 1/2 prior to 1996), and ends on the date on which benefits commence after retirement in an amount sufficient to satisfy Code §401(a)(9).

The amount of actuarial increase payable as of the end of the period for actuarial increases must be no less than the Actuarial Equivalent of the Participant's retirement benefits that would have been payable as of the date the actuarial increase must commence plus the Actuarial Equivalent of additional benefits accrued after that date, reduced by the Actuarial Equivalent of any distributions made after that date. The actuarial increase is generally the same as, and not in addition to, the actuarial increase required for that same period under Code §411 to reflect the delay in payments after normal retirement, except that the actuarial increase required under Code §401(a)(9)(C) must be provided even during the period during which a Participant is in Act §203(a)(3)(B) service.

5.2 PAYMENT OF RETIREMENT BENEFITS

When a Participant retires, the Administrator shall immediately take pursuant to the Plan all necessary steps and execute all required documents to cause the payment of the Participant's Accrued Benefit pursuant to the Plan.

5.3 DISABILITY RETIREMENT BENEFITS

Disability benefit. No disability benefits, other than those payable upon termination of employment, are provided in this Plan.

5.4 DEATH BENEFITS

(a) **Death prior to retirement benefits beginning.** If a Participant dies prior to the Participant's Retirement Date, such Participant's Beneficiary shall receive a death benefit equal to the Actuarial Equivalent of the Accrued Benefit.

(b) **Payment of other death benefits.** Death benefits payable by reason of the death of a Participant or a Retired Participant shall be paid to such Participant's Beneficiary in accordance with the following provisions:

(1) Upon the death of a Participant subsequent to the Participant's Retirement Date, but prior to the Annuity Starting Date, the Participant's Beneficiary shall be entitled to a death benefit in an amount equal to the Actuarial Equivalent of the benefit the Participant would have received at the Participant's Retirement Date, credited with interest subsequent to such date at the rate of 7.5 percent per annum.

(2) Upon the death of a Participant subsequent to the Annuity Starting Date, the Participant's Beneficiary shall be entitled to whatever death benefit may be available under the settlement arrangements pursuant to which the Participant's benefit is made payable.

(3) In the event of a Terminated Participant's death subsequent to termination of employment, the Participant's Beneficiary shall receive the Actuarial Equivalent of such Participant's (remaining) Vested Accrued Benefit. In the event of an active Participant's death prior to termination of employment, the Participant's Beneficiary shall receive the Actuarial Equivalent of such Participant's Accrued Benefit.

(c) **Proof of death and beneficiary.** The Administrator may require such proper proof of death and such evidence of the right of any person to receive the death benefit payable as a result of the death of a Participant as the Administrator may deem desirable. The Administrator's determination of death and the right of any person to receive payment shall be conclusive.

(d) **Beneficiary designation.** Unless otherwise elected in the manner prescribed in this Section 5.4(d), the Beneficiary of the Participant's death benefit shall be the Participant's surviving Spouse. Except, however, the Participant may designate a Beneficiary other than the Spouse.

In such event, the designation of a Beneficiary shall be made on a form satisfactory to the Administrator. A Participant may at any time revoke a designation of a Beneficiary or change a Beneficiary by filing written (or in such other form as permitted by the Internal Revenue Service) notice of such revocation or change with the Administrator. In the event no valid designation of Beneficiary exists, or if the Beneficiary is not alive, at the time of the Participant's death, the death benefit shall be payable to the Participant's estate.

Additionally, if the Beneficiary does not predecease the Participant, but dies prior to the distribution of the death benefit, the death benefit will be paid to the Beneficiary's estate.

(e) **Form of payment.** The benefit payable under this Section shall be paid pursuant to the provisions of Sections 5.7 and 5.9.

(f) **Additional Death Benefits.** In the case of a death occurring on or after January 1, 2007, if a Participant dies while performing qualified military service (as defined in Code §414(u)), the Participant's beneficiary is entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if the Participant had resumed and then terminated employment on account of death. Moreover, the Plan will credit the Participant's qualified military service as service for vesting purposes, as though the Participant had resumed employment under USERRA immediately prior to the Participant's death.

(g) **Simultaneous death of Participant and Beneficiary.** If a Participant and his or her Beneficiary should die simultaneously, or under circumstances that render it difficult or impossible to determine who predeceased the other, then unless the Participant's Beneficiary designation otherwise specifies, the Administrator will presume conclusively that the Beneficiary predeceased the Participant.

(h) **Slayer statute.** The Administrator may apply slayer statutes, or similar rules which prohibit inheritance by a person who murders someone from whom he or she stands to inherit.

5.5 TERMINATION OF EMPLOYMENT BEFORE RETIREMENT

(a) **Payment on severance of employment.** If a Participant's employment with the Employer and any Affiliated Employer is severed for any reason other than death, or attainment of the Participant's Retirement Date, then such Participant shall be entitled to such benefits as are provided herein.

(b) **Earlier payments of benefits.** However, the Administrator shall, at the election of the Participant, direct earlier payment of the Vested portion of the Participant's Accrued Benefit, but not until on or after the Participant has incurred a Three-Month Break in Service following such termination of employment. Any distribution under this paragraph shall be made in a manner which is consistent with and satisfies the provisions of Section 5.6, including, but not limited to, notice and consent requirements of Code §§417 and 411(a)(11) and the Regulations thereunder.

(c) **Full Vesting.** A Participant shall become fully Vested in the Participant's Accrued Benefit immediately upon entry into the Plan.

(d) **Vesting upon subsequent amendment.** The computation of a Participant's nonforfeitable percentage of such Participant's interest in the Plan shall not be reduced as the result of any direct or indirect amendment to this Plan. In the event that the Plan is amended to change or modify any vesting schedule, or if the Plan is amended in any way that directly or indirectly affects the computation of the Participant's nonforfeitable percentage, then each Participant with an Hour of Service after such change and who has at least three (3) Years of Service as of the expiration date of the election period may elect to have such Participant's nonforfeitable percentage computed under the Plan without regard to such amendment or change. If a Participant fails to make such election, then such Participant shall be subject to the new vesting schedule. The Participant's election period shall commence on the adoption date (or deemed adoption date) of the amendment and shall end sixty (60) days after the latest of:

- (1) the adoption date (or deemed adoption date) of the amendment,
- (2) the effective date of the amendment, or
- (3) the date the Participant receives written notice of the amendment from the Employer or Administrator.

5.6 DISTRIBUTION OF BENEFITS

(a) (1) Unless otherwise elected as provided below, a Participant who is married on the Annuity Starting Date and who does not die before the Annuity Starting Date shall receive benefits in the form of a joint and survivor annuity. The joint and survivor annuity is an annuity that commences immediately and shall be the Actuarial Equivalent of the normal form of benefit or if greater any optional form of benefit. Such joint and survivor benefits following the Participant's death shall continue to the Spouse during the Spouse's lifetime at a rate equal to 50% of the rate at which such benefits were payable to the Participant. This joint and fifty percent (50%) survivor annuity shall be considered the designated Qualified Joint and Survivor Annuity and the automatic form of payment for the purposes of this Plan. However, the Participant may, without spousal consent, elect to receive an alternative annuity benefit with continuation of payments to the Spouse at a rate of one hundred percent (100%) of the rate payable to a Participant during the Participant's lifetime, which alternative joint and survivor annuity shall be the Actuarial Equivalent of the designated joint and survivor annuity. An unmarried Participant shall receive the Actuarial Equivalent of such Participant's benefit in the form of a life annuity. Such unmarried Participant, however, may elect in writing to waive the life annuity. The election must comply with the provisions of this Section as if it were an election to waive the joint and survivor annuity by a married Participant, but without the spousal consent requirement.

(2) Any election to waive the Qualified Joint and Survivor Annuity (or Qualified Optional Survivor Annuity) must be made by the Participant in writing (or in such other form as permitted by the Internal Revenue Service) during the election period and be consented to in writing (or in such other form as permitted by the Internal Revenue Service) by the Participant's Spouse. If the Spouse is legally incompetent to give consent, the Spouse's legal guardian, even if such guardian is the Participant, may give consent. Such Spouse's consent shall be irrevocable and must acknowledge the effect of such election and be witnessed by a Plan representative or a notary public. Such consent shall not be required if it is established to the satisfaction of the Administrator that the required consent cannot be obtained because there is no Spouse, the Spouse cannot be located, or other circumstances that may be prescribed by Regulations. The election made by the Participant and consented to by such Participant's Spouse may be revoked by the Participant in writing (or in such other form as permitted by the Internal Revenue

Service) without the consent of the Spouse at any time during the election period. A revocation of a prior election shall cause the Participant's benefits to be distributed as a joint and survivor annuity. The number of revocations shall not be limited. Any new election must comply with the requirements of this paragraph. A former Spouse's waiver shall not be binding on a new Spouse.

(3) The election period to waive the joint and survivor annuity shall be the one hundred eighty (180) day period (ninety (90) day period for Plan Years beginning before January 1, 2007) ending on the Annuity Starting Date.

(4) For purposes of this Section, Spouse or surviving Spouse means the Spouse or surviving Spouse of the Participant, provided that a former Spouse will be treated as the Spouse or surviving Spouse and a current Spouse will not be treated as the Spouse or surviving Spouse to the extent provided under a qualified domestic relations order as described in Code §414(p).

(5) With regard to the election, the Administrator shall provide to the Participant no less than thirty (30) days and no more than one hundred eighty (180) days (ninety (90) days for Plan Years beginning before January 1, 2007) before the Annuity Starting Date a written (or in such other form as permitted by the Internal Revenue Service) explanation of:

- (i) the terms and conditions of the joint and survivor annuity,
- (ii) the Participant's right to make, and the effect of, an election to waive the joint and survivor annuity,
- (iii) the right of the Participant's Spouse to consent to any election to waive the joint and survivor annuity, and
- (iv) the right of the Participant to revoke such election, and the effect of such revocation.

(6) Notwithstanding the above, if the Participant elects (with spousal consent, if applicable) to waive the requirement that the explanation be provided at least thirty (30) days before the Annuity Starting Date, the election period shall be extended to the thirtieth (30th) day after the date on which such explanation is provided to the Participant, unless the thirty (30) day period is waived pursuant to the following provisions.

Any distribution provided for in this Section 5.6 may commence less than thirty (30) days after the notice required by Code §417(a)(3) is given provided the following requirements are satisfied:

- (i) the Administrator clearly informs the Participant that the Participant has a right to a period of thirty (30) days after receiving the notice to consider whether to waive the joint and survivor annuity and to elect (with spousal consent) to receive a form of distribution other than a joint and survivor annuity;
- (ii) the Participant is permitted to revoke an affirmative distribution election at least until the Annuity Starting Date, or, if later, at any time prior to the expiration of the seven (7) day period that begins the day after the explanation of the joint and survivor annuity is provided to the Participant;
- (iii) the Annuity Starting Date is after the date that the explanation of the joint and survivor annuity is provided to the Participant. However, the Annuity Starting Date may be before the date that any affirmative distribution election is made by the Participant and before the date that the distribution is permitted to commence under (iv) below; and
- (iv) distribution in accordance with the affirmative election does not commence before the expiration of the seven (7) day period that begins the day after the explanation of the joint and survivor annuity is provided to the Participant.

(b) **Alternative forms of distribution.** In the event a married Participant duly elects pursuant to paragraph (a)(2) above not to receive benefits in the form of a Qualified Joint and Survivor Annuity, or if such Participant is not married, in the form of a life annuity, the Administrator, pursuant to the election of the Participant, shall direct the Trustee to distribute to a Participant or such Participant's Beneficiary an amount which is the Actuarial Equivalent of the Accrued Benefit in one or more of the following methods:

- (1) If the Participant's Present Value of Accrued Benefit is not more than \$10,000 (\$20,000, effective July 1, 2022), one lump-sum payment in cash.
- (2) Monthly pension payable over the life of the Participant.
- (3) Monthly pension payable over the life of the Participant, with the provision that, if a Retired Participant dies prior to the completion of sixty (60) monthly payments, such monthly payments shall be continued to the Retired Participant's designated Beneficiary until the monthly payments made to the Retired Participant and to the Beneficiary shall total sixty (60).
- (4) Monthly pension payable over the life of the Participant, with the provision that, if a Retired Participant dies prior to the completion of 120 monthly payments, such monthly payments shall be continued to the Retired Participant's designated Beneficiary until the monthly payments made to the Retired Participant and to the Beneficiary shall total 120.
- (5) Monthly pension payable over the life of the Participant and the life of the Participant's designated Beneficiary (50% joint and survivor annuity).
- (6) Monthly pension payable over the life of the Participant and the life of the Participant's designated Beneficiary (100% joint and survivor annuity).

- (7) One lump-sum payment in cash of the Participant's Employee Mandatory Contribution Benefit.

However, any such annuity may not be in any form that will provide for payments over a period extending beyond either the life of the Participant (or the lives of the Participant and the Participant's designated Beneficiary) or the life expectancy of the Participant (or the life expectancy of the Participant and the Participant's designated Beneficiary).

(c) **Consent to timing of distribution.** The Present Value of a Participant's Accrued Benefit derived from Employer and Employee contributions may not be paid without the Participant's written consent (or in such other form as permitted by the Internal Revenue Service) if the value exceeds \$1,000, and the benefit is "immediately distributable." In addition, the Spouse of a Participant must consent in writing (or in such other form as permitted by the Internal Revenue Service) to a distribution only if the value of the Participant's benefit exceeds \$5,000. However, spousal consent is not required if the distribution will be made in the form of a Qualified Joint and Survivor Annuity and the benefit is "immediately distributable." A benefit is "immediately distributable" if any part of the benefit could be distributed to the Participant (or surviving Spouse) before the Participant attains (or would have attained if not deceased) the later of the Participant's Normal Retirement Age or age 62. Any consent required by this Section 5.6(c) must be obtained not more than one hundred eighty (180) days (ninety (90) days for Plan Years beginning before January 1, 2007) before commencement of the distribution and shall be made in a manner consistent with Section 5.6(a)(2).

(d) **Cash-out distribution of small benefit.** If the value of the Participant's benefit derived from Employer and Employee contributions does not exceed \$5,000, then distribution will only be made as an immediate lump-sum payment. This distribution will be made regardless of the Participant's Spouse's written consent. However, the Participant must consent to the distribution if the amount exceeds \$1,000. No distribution may be made under the preceding sentence after the Annuity Starting Date unless the Participant and the Participant's Spouse consent in writing (or in such other form as permitted by the Internal Revenue Service) to such distribution.

(e) **Consent requirements.** The following rules will apply to the consent requirements set forth above:

(1) No consent shall be valid unless the Participant has received a general description of the material features of the optional forms of benefit available under the Plan that would satisfy the notice requirements of Code §417.

(2) The Participant must be informed of the right to defer receipt of the distribution, and for notices provided in Plan Years beginning after December 31, 2006, such notification must also include, for Plan Years beginning after December 31, 2006, the consequences of failing to defer any distribution. If a Participant fails to consent, it shall be deemed an election to defer the commencement of payment of any benefit. However, any election to defer the receipt of benefits shall not apply with respect to distributions which are required under Section 5.8.

(3) Notice of the rights specified under this paragraph shall be provided no less than thirty (30) days and no more than one hundred eighty (180) day period (ninety (90) day period for Plan Years beginning before January 1, 2007) before the Annuity Starting Date.

(4) Written (or such other form as permitted by the Internal Revenue Service) consent of the Participant to the distribution must not be made before the Participant receives the notice and must not be made more than one hundred eighty (180) days (ninety (90) days for Plan Years beginning before January 1, 2007) before the Annuity Starting Date.

(5) No consent shall be valid if a significant detriment is imposed under the Plan on any Participant who does not consent to the distribution.

Any such distribution may commence less than thirty (30) days, subject to Section 5.6(a)(6), after the notice required under Regulation §1.411(a)-11(c) is given, provided that: (1) the Administrator clearly informs the Participant that the Participant has a right to a period of at least thirty (30) days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and (2) the Participant, after receiving the notice, affirmatively elects a distribution.

(f) **Annuity Contracts.** All annuity Contracts (if any) that are purchased under this Plan shall be non-transferable when distributed. Furthermore, the terms of any annuity Contract purchased and distributed to a Spouse shall comply with all of the requirements of the Plan.

5.7 DISTRIBUTION OF BENEFITS UPON DEATH

A Vested Participant who dies before the Annuity Starting Date shall have the death benefit paid to the Participant's Beneficiary in one lump-sum in cash.

5.8 REQUIRED MINIMUM DISTRIBUTION REQUIREMENTS

(a) **General Rules.**

(1) **Requirements of Treasury regulations incorporated.** All distributions required under this Section shall be determined and made in accordance with Code §401(a)(9), including the incidental death benefit requirement in Code §401(a)(9)(G), and the Regulations thereunder.

(2) **Precedence.** Subject to the Qualified Joint and Survivor Annuity requirements of the Plan, the requirements of this Section shall take precedence over any inconsistent provisions of the Plan.

(3) **TEFRA Section 242(b)(2) elections.**

(i) Notwithstanding the other provisions of this Section, other than Section 5.8(a)(1), distributions may be made on behalf of any Participant, including a five percent (5%) owner, who has made a designation in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and in accordance with all of the following requirements (regardless of when such distributions commence):

(A) The distribution by the Plan is one which would not have disqualified such plan under Code §401(a)(9) as in effect prior to amendment by the Deficit Reduction Act of 1984.

(B) The distribution is in accordance with a method of distribution designated by the Participant whose interest in the plan is being distributed or, if the Participant is deceased, by a beneficiary of such Participant.

(C) Such designation was in writing, was signed by the Participant or beneficiary, and was made before January 1, 1984.

(D) The Participant had accrued a benefit under the Plan as of December 31, 1983.

(E) The method of distribution designated by the Participant or the beneficiary specifies the time at which distribution will commence, the period over which distributions will be made, and in the case of any distribution upon the Participant's death, the beneficiaries of the Participant listed in order of priority.

(ii) A distribution upon death will not be covered by the transitional rule of this subsection unless the information in the designation contains the required information described above with respect to the distributions to be made upon the death of the Participant.

(iii) For any distribution which commences before January 1, 1984, but continues after December 31, 1983, the Participant, or the beneficiary, to whom such distribution is being made, will be presumed to have designated the method of distribution under which the distribution is being made if the method of distribution was specified in writing and the distribution satisfies the requirements in (i)(A) and (i)(E) of this Subsection.

(iv) If a designation is revoked, any subsequent distribution must satisfy the requirements of Code §401(a)(9) and the Regulations thereunder. If a designation is revoked subsequent to the date distributions are required to begin, the Plan must distribute by the end of the calendar year following the calendar year in which the revocation occurs the total amount not yet distributed which would have been required to have been distributed to satisfy Code §401(a)(9) and the Regulations thereunder, but for the Section 242(b)(2) election. For calendar years beginning after December 31, 1988, such distributions must meet the minimum distribution incidental benefit requirements. Any changes in the designation will be considered to be a revocation of the designation. However, the mere substitution or addition of another beneficiary (one not named in the designation) under the designation will not be considered to be a revocation of the designation, so long as such substitution or addition does not alter the period over which distributions are to be made under the designation, directly or indirectly (for example, by altering the relevant measuring life).

(v) In the case in which an amount is transferred or rolled over from one plan to another plan, the rules in Regulation §1.401(a)(9)-8, Q&A-14 and Q&A-15, shall apply.

(b) **Time and manner of distribution.**

(1) **Required beginning date.** The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's "Required Beginning Date."

(2) **Death of participant before distributions begin.** If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(i) **Life expectancy rule, spouse is beneficiary.** At the election of the Participant or, if no election is made by the Participant, then at the election of the Participant's "Designated Beneficiary," if the Participant's surviving Spouse is the Participant's sole "Designated Beneficiary," then distributions to the surviving Spouse will begin by December 31st of the calendar year immediately following the calendar year in which the Participant died, or by December 31st of the calendar year in which the Participant would have attained age 70 1/2, if later.

(ii) **Life expectancy rule, spouse is not beneficiary.** At the election of the Participant or, if no election is made by the Participant, then at the election of the Participant's "Designated Beneficiary," if the Participant's surviving Spouse is not the Participant's sole "Designated Beneficiary," then distributions to the "Designated Beneficiary" will begin by December 31st of the calendar year immediately following the calendar year in which the Participant died.

(iii) **5-year rule.** At the election of the Participant or, if no election is made by the Participant, then at the election of the Participant's "Designated Beneficiary," if the Participant dies before distributions begin and there is a "Designated Beneficiary," then the Participant's entire interest will be distributed to the "Designated Beneficiary" by December 31st of the calendar year containing the fifth anniversary of the Participant's death. If the Participant's surviving Spouse is the Participant's sole "Designated Beneficiary" and the surviving Spouse dies after the Participant but before distributions to either the Participant or the surviving Spouse begin, then this Section 5.8(b)(2)(iii) will apply as if the surviving Spouse were the Participant.

Participant or designated beneficiary election. Participants or beneficiaries may elect on an individual basis whether the 5-year rule in Section 5.8(b)(2)(iii) or the life expectancy rule in Sections 5.8(b)(2)(i) or 5.8(b)(2)(ii), and 5.8(e) applies to distributions after the death of a Participant who has a "Designated Beneficiary". The election must be made no later than the earlier of September 30th of the calendar year in which distribution would be required to begin under Sections 5.8(b)(2)(i) or 5.8(b)(2)(ii), or by September 30th of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, surviving Spouse's) death under Section 5.8(b)(2)(iii). If neither the Participant nor beneficiary makes an election under this paragraph, distributions will be made in accordance with Sections 5.8(b)(2)(i) or 5.8(b)(2)(ii), and 5.8(e).

(iv) **No designated beneficiary, 5-year rule.** If there is no "Designated Beneficiary" as of September 30th of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31st of the calendar year containing the fifth anniversary of the Participant's death.

(v) **Surviving spouse dies before distributions begin.** If the Participant's surviving Spouse is the Participant's sole "Designated Beneficiary" and the surviving Spouse dies after the Participant but before distributions to the surviving Spouse begin, then this Section 5.8(b), other than Section 5.8(b)(2)(i), will apply as if the surviving Spouse were the Participant.

For purposes of this Section 5.8(b) and Section 5.8(e), distributions are considered to begin on the Participant's "Required Beginning Date" (or, if Section 5.8(b)(2)(i) applies, the date distributions are required to begin to the surviving Spouse under Section 5.8(b)(2)(i)). If annuity payments irrevocably commence to the Participant before the Participant's "Required Beginning Date" (or to the Participant's surviving Spouse before the date distributions are required to begin to the surviving Spouse under Section 5.8(b)(2)(i)), the date distributions are considered to begin is the date distributions actually commence.

(3) **Form of distribution.** Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the "Required Beginning Date," as of the first "Distribution Calendar Year" distributions will be made in accordance with Sections 5.8(c), 5.8(d), and 5.8(e) and only in a form of distribution provided in Section 5.6 or 5.7, as applicable. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Regulations thereunder. Any part of the Participant's interest which is in a Section 414(k) Account will be distributed in a manner satisfying the requirements of Code §401(a)(9) and the Regulations thereunder applicable to individual accounts.

(c) **Determination of amount to be distributed each year.**

(1) **General annuity requirements.** A Participant who is required to begin payments as a result of attaining his or her "Required Beginning Date," whose interest has not been distributed in the form of an annuity purchased from an insurance company or in a single sum before such date, may receive such payments in the form of annuity payments under the Plan. Payments under such annuity must satisfy the following requirements:

- (i) The annuity distributions will be paid in periodic payments made at intervals not longer than one year;
- (ii) The distribution period will be over a life (or lives) or over a period certain not longer than the period described in Section 5.8(d) or 5.8(e);
- (iii) Once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted.
- (iv) Payments will either be non-increasing or increase only to the extent permitted by one of the following conditions:
 - (A) By an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that for a 12-month period ending in the year during which the increase occurs or the prior year;
 - (B) By a percentage increase that occurs at specified times (e.g., at specified ages) and does not exceed the cumulative total of annual percentage increases in an "Eligible Cost-of-Living Index" since the Annuity Starting Date, or if later, the date of the most recent percentage increase. In cases providing such a cumulative increase, an actuarial increase may not be provided to reflect the fact that increases were not provided in the interim years;
 - (C) To the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in Section 5.8(d) dies or is no longer the Participant's beneficiary pursuant to a qualified domestic relations order within the meaning of Code §414(p);
 - (D) To allow a beneficiary to convert the survivor portion of a joint and survivor annuity into a single sum distribution upon the Participant's death;
 - (E) To pay increased benefits that result from a Plan amendment or other increase in the Participant's Accrued Benefit under the Plan;

(F) By a constant percentage, applied not less frequently than annually, at a rate that is less than five percent (5%) per year;

(G) To provide a final payment upon the death of the Participant that does not exceed the excess of the Present Value of the Participant's Accrued Benefit (within the meaning of Code §411(a)(7)) calculated as of the Annuity Starting Date using the applicable interest rate and the applicable mortality table under Code §417(e) (or, if greater, the total amount of Employee Mandatory Contributions) over the total of payments before the death of the Participant; or

(H) As a result of dividend or other payments that result from "Actuarial Gains," provided:

(i) Actuarial gain is measured not less frequently than annually;

(ii) The resulting dividend or other payments are either paid no later than the year following the year for which the actuarial experience is measured or paid in the same form as the payment of the annuity over the remaining period of the annuity (beginning no later than the year following the year for which the actuarial experience is measured);

(iii) The "Actuarial Gain" taken into account is limited to "Actuarial Gain" from investment experience;

(iv) The assumed interest rate used to calculate such "Actuarial Gains" is not less than three percent (3%); and

(v) The annuity payments are not also being increased by a constant percentage as described in Subsection (F) above.

(2) Amount required to be distributed by required beginning date.

(i) In the case of a Participant whose interest in the Plan is being distributed as an annuity pursuant to Subsection (1) above, the amount that must be distributed on or before the Participant's "Required Beginning Date" (or, if the Participant dies before distributions begin, the date distributions are required to begin under Section 5.8(b)(2)(i) or 5.8(b)(2)(ii)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Participant's benefit accruals as of the last day of the first "Distribution Calendar Year" will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's "Required Beginning Date."

(ii) In the case of a single sum distribution of a Participant's entire accrued benefit during a "Distribution Calendar Year," the amount that is the required minimum distribution for the "Distribution Calendar Year" (and thus not eligible for rollover under Code §402(c)) is determined under this paragraph. The portion of the single sum distribution that is a required minimum distribution is determined by treating the single sum distribution as a distribution from an individual account Plan and treating the amount of the single sum distribution as the Participant's account balance as of the end of the relevant valuation calendar year. If the single sum distribution is being made in the calendar year containing the "Required Beginning Date" and the required minimum distribution for the Participant's first "Distribution Calendar Year" has not been distributed, the portion of the single sum distribution that represents the required minimum distribution for the Participant's first and second "Distribution Calendar Year" is not eligible for rollover.

(3) Additional accruals after first distribution calendar year. Any additional benefits accruing to the Participant in a calendar year after the first "Distribution Calendar Year" will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues. Notwithstanding the preceding, the Plan will not fail to satisfy the requirements of this paragraph and Code §401(a)(9) merely because there is an administrative delay in the commencement of the distribution of the additional benefits accrued in a calendar year, provided that the actual payment of such amount commences as soon as practicable. However, payment must commence no later than the end of the first calendar year following the calendar year in which the additional benefit accrues, and the total amount paid during such first calendar year must be no less than the total amount that was required to be paid during that year under this paragraph.

(4) Death after distributions begin. If a Participant dies after distribution of the Participant's interest begins in the form of an annuity meeting the requirements of this Section, then the remaining portion of the Participant's interest will continue to be distributed over the remaining period over which distributions commenced. If the distribution is another form of payment, then the remaining interest must be distributed at least as rapidly as the method of distribution being used as of the date of the Participant's death.

(d) Annuity distributions that commence during participant's lifetime.

(1) Joint life annuities where the Beneficiary is the Participant's Spouse. If distributions commence under a distribution option that is in the form of a joint and survivor annuity for the joint lives of the Participant and the Participant's Spouse, the minimum distribution incidental benefit requirement will not be satisfied as of the date distributions commence unless, under the distribution option, the periodic annuity payment payable to the survivor does not at any time on and after the Participant's "Required Beginning Date" exceed the annuity payable to the Participant. In the case of an annuity that provides for increasing payments, the requirement of this Paragraph will not be violated merely because benefit payments to

the beneficiary increase, provided the increase is determined in the same manner for the Participant and the beneficiary. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and the Participant's Spouse and a period certain annuity, the preceding requirements will apply to annuity payments to be made to the "Designated Beneficiary" after the expiration of the period certain.

(2) **Joint life annuities where the Beneficiary is not the Participant's Spouse.** If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a beneficiary other than the Participant's Spouse, the minimum distribution incidental benefit requirement will not be satisfied as of the date distributions commence unless under the distribution option, the annuity payments to be made on and after the Participant's "Required Beginning Date" will satisfy the conditions of this Paragraph. The periodic annuity payment payable to the survivor must not at any time on and after the Participant's "Required Beginning Date" exceed the applicable percentage of the annuity payment payable to the Participant using the table set forth in Q&A-2(c)(2) of Regulation §1.401(a)(9)-6 of the Regulations. The applicable percentage is based on the adjusted Participant/beneficiary age difference. The adjusted Participant/beneficiary age difference is determined by first calculating the excess of the age of the Participant over the age of the beneficiary based on their ages on their birthdays in a calendar year. If the Participant is younger than age 70, the age difference determined in the previous sentence is reduced by the number of years that the Participant is younger than age 70 on the Participant's birthday in the calendar year that contains the Annuity Starting Date. In the case of an annuity that provides for increasing payments, the requirement of this Paragraph will not be violated merely because benefit payments to the beneficiary increase, provided the increase is determined in the same manner for the Participant and the beneficiary. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a nonspouse beneficiary and a period certain annuity, the preceding requirements will apply to annuity payments to be made to the "Designated Beneficiary" after the expiration of the period certain.

(3) **Period certain annuities.** Unless the Participant's Spouse is the sole "Designated Beneficiary" and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Regulation §1.401(a)(9)-9 for the calendar year that contains the Annuity Starting Date. If the Annuity Starting Date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Regulation §1.401(a)(9)-9 plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the Annuity Starting Date. If the Participant's Spouse is the Participant's sole "Designated Beneficiary" and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this Section 5.8(d)(3), or the joint life and last survivor expectancy of the Participant and the Participant's Spouse as determined under the Joint and Last Survivor Table set forth in Regulation §1.401(a)(9)-9, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the calendar year that contains the Annuity Starting Date.

(e) **Minimum distributions where participant dies before date distributions begin.**

(1) **Participant survived by designated beneficiary and life expectancy rule.** At the election of the Participant or, if no election is made by the Participant, then at the election of the Participant's "Designated Beneficiary," if the Participant dies before the date distribution of his or her interest begins and there is a "Designated Beneficiary," the Participant's entire interest will be distributed, beginning no later than the time described in Section 5.8(b)(2)(i) or 5.8(b)(2)(ii), over the life of the "Designated Beneficiary" or over a period certain not exceeding:

(i) Unless the Annuity Starting Date is before the first "Distribution Calendar Year," the "Life Expectancy" of the "Designated Beneficiary" determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or

(ii) If the Annuity Starting Date is before the first Distribution Calendar Year, the "Life Expectancy" of the "Designated Beneficiary" determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the Annuity Starting Date.

(2) **Participant survived by designated beneficiary and 5-year rule.** At the election of the Participant or, if no election is made by the Participant, then at the election of the Participant's "Designated Beneficiary," if the Participant dies before distributions begin and there is a "Designated Beneficiary," then the Participant's entire interest will be distributed to the "Designated Beneficiary" by December 31st of the calendar year containing the fifth anniversary of the Participant's death. This Section 5.8(e)(2) will apply to all distributions.

(3) **No designated beneficiary.** If the Participant dies before the date distributions begin and there is no "Designated Beneficiary" as of September 30th of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31st of the calendar year containing the fifth anniversary of the Participant's death.

(4) **Death of surviving spouse before distributions to surviving spouse begin.** If the Participant dies before the date distribution of his or her interest begins, the Participant's surviving Spouse is the Participant's sole "Designated Beneficiary," and the surviving Spouse dies before distributions to the surviving Spouse begin, this Section 5.8(e) will apply as if the surviving Spouse were the Participant, except that the time by which distributions must begin will be determined without regard to Section 5.8(b)(2)(i).

(f) **Restriction on acceleration of Required Minimum Distributions.** If required minimum distributions have commenced, a Participant or Beneficiary may elect to accelerate payments (including electing a lump sum payment) only in accordance with the limited circumstances set forth in Regulations §1.401(a)(9)-6, Q&A-13 & Q&A-14.

(g) **Definitions.**

(1) **Actuarial Gain.** "Actuarial Gain" means the difference between an amount determined using the actuarial assumptions (i.e., investment return, mortality, expense, and other similar assumptions) used to calculate the initial payments before adjustment for any increases and the amount determined under the actual experience with respect to those factors. Actuarial Gain also includes differences between the amount determined using actuarial assumptions when an annuity was purchased or commenced and such amount determined using actuarial assumptions used in calculating payments at the time the Actuarial Gain is determined.

(2) **Designated Beneficiary.** "Designated Beneficiary" means the individual who is designated as the beneficiary under Section 5.4 of the Plan and is the designated beneficiary under Code §401(a)(9) and Regulation §1.401(a)(9)-4.

(3) **Distribution Calendar Year.** "Distribution Calendar Year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Participant's "Required Beginning Date." For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin pursuant to Section 5.8(b).

(4) **Eligible cost-of-living index.** An "Eligible Cost-of-Living Index" means an index described below:

(i) A consumer price index that is based on prices of all items (or all items excluding food and energy) and issued by the Bureau of Labor Statistics, including an index for a specific population (such as urban consumers or urban wage earners and clerical workers) and an index for a geographic area or areas (such as a given metropolitan area or state); or

(ii) A percentage adjustment based on a cost-of-living index described in Subsection (i) above, or a fixed percentage, if less. In any year when the cost-of-living index is lower than the fixed percentage, the fixed percentage may be treated as an increase in an Eligible Cost-of-Living Index, provided it does not exceed the sum of:

(A) The cost-of-living index for that year, and

(B) The accumulated excess of the annual cost-of-living index from each prior year over the fixed annual percentage used in that year (reduced by any amount previously utilized under this Subsection (ii)).

(5) **Life expectancy.** "Life Expectancy" means the life expectancy as computed by use of the Single Life Table in Regulation §1.401(a)(9)-9, Q&A-1.

(6) **Required beginning date.** "Required Beginning Date" means the April 1st of the calendar year following the later of (1) the calendar year in which the Participant attains age 70 1/2, or (2) if the Participant is not a "five (5) percent owner" at any time during the Plan Year ending with or within the calendar year in which the Participant attains age 70 1/2, then the calendar year in which the Participant retires. "5-percent owner" means a Participant who is a 5-percent owner as defined in Code §416(i)(1)(B)(i) at any time during the Plan Year ending with or within the calendar year in which such owner attains age 70 1/2.

5.9 LATEST TIME OF DISTRIBUTION

Except as limited by Sections 5.6 and 5.7, whenever the Trustee is to make a distribution or to commence a series of payments the distribution or series of payments may be made or begun on such date or as soon thereafter as is practicable. Notwithstanding anything in the Plan to the contrary, unless a Participant otherwise elects, payments of benefits under the Plan will begin not later than the sixtieth (60th) day after the close of the Plan Year in which the latest of the following events occurs: (a) the date on which the Participant attains the earlier of age 65 or the Normal Retirement Age specified herein; (b) the tenth (10th) anniversary of the year in which the Participant commenced participation in the Plan; or (c) the date the Participant terminates service with the Employer. The failure of a Participant and, if applicable, the Participant's Spouse, to request a distribution shall be deemed to be an election to defer the commencement of payment of any benefit until the time otherwise permitted under the Plan.

5.10 DISTRIBUTION FOR MINOR OR INCOMPETENT BENEFICIARY

If, in the opinion of the Administrator, a Participant or Beneficiary entitled to a distribution is not able to care for his or her affairs because of a mental condition, a physical condition, or by reason of age, then the Administrator shall direct the distribution to the Participant's or Beneficiary's guardian, conservator, trustee, custodian (including under a Uniform Transfers or Gifts to Minors Act) or to his or her attorney-in-fact or to other legal representative, upon furnishing evidence of such status satisfactory to the Administrator. The Administrator and the Trustee (or Insurer) do not have any liability with respect to payments so made and neither the Administrator nor the Trustee (or Insurer) has any duty to make inquiry as to the competence of any person entitled to receive payments under the Plan.

5.11 LOCATION OF PARTICIPANT OR BENEFICIARY UNKNOWN (MISSING PARTICIPANTS)

In the event that all, or any portion, of the distribution payable to a Participant or Beneficiary hereunder shall, at the later of the Participant's attainment of age 62 or Normal Retirement Age, remain unpaid solely by reason of the inability of the Administrator to

ascertain the whereabouts of such Participant or Beneficiary, the amount so distributable may, in the sole discretion of the Administrator, either be forfeited or be paid directly to an individual retirement account described in Code §408(a) or an individual retirement annuity described in Code §408(b). In addition, if the value of a Participant's Vested benefit derived from Employer and Employee contributions does not exceed \$1,000, then the amount distributable may, in the sole discretion of the Administrator, either be treated as a forfeiture, or be paid directly to an individual retirement account described in Code §408(a) or an individual retirement annuity described in Code §408(b) at the time it is determined that the whereabouts of the Participant or the Participant's Beneficiary cannot be ascertained. In the event a Participant or Beneficiary is located subsequent to the benefit being forfeited, such benefit shall be restored unadjusted for earnings or losses. However, regardless of the preceding, a benefit which is lost by reason of escheat under applicable state law is not treated as a forfeiture for purposes of this Section nor as an impermissible forfeiture under the Code.

The Plan Administrator shall endeavor to ascertain the whereabouts of such Participant or Beneficiary by the following means: (1) provide a distribution notice to the lost Participant at the Participant's last known address by certified or registered mail; (2) check with other employee benefit plans of the Employer that may have more up-to-date information regarding the Participant's whereabouts; (3) identify and contact the Participant's designated Beneficiary; (4) use free Internet search tools; and (5) use a commercial locator service, credit reporting agencies, other Internet tools or other search method. Regarding search methods (2) and (3) above, if the Plan encounters privacy concerns, the Plan may request that the Employer or other plan fiduciary (under (2)), or the designated Beneficiary (under (3)), contact the Participant or forward a letter requesting that the Participant contact the Plan. The purpose of this Section is to reflect DOL Guidance regarding locating missing or unresponsive Participants as of the date the Plan was written, which have changed over time. The Plan Administrator should use the search methods which applied and were available at the time of the search.

5.12 EFFECT OF SOCIAL SECURITY ACT

Benefits being paid to a Participant or Beneficiary under the terms of the Plan may not be decreased by reason of any post-separation Social Security benefit increases or by the increase of the Social Security wage base under Title II of the Social Security Act. Benefits to which a Participant has a Vested interest may not be decreased by reason of an increase in a benefit level or wage base under Title II of the Social Security Act.

5.13 QUALIFIED DOMESTIC RELATIONS ORDER DISTRIBUTION

All rights and benefits, including elections, provided to a Participant in this Plan shall be subject to the rights afforded to any Alternate Payee under a qualified domestic relations order. Furthermore, a distribution to an Alternate Payee shall be permitted if such distribution is authorized by a qualified domestic relations order, even if the affected Participant has not separated from service and has not reached the Earliest Retirement Age.

A domestic relations order that otherwise satisfies the requirements for a qualified domestic relations order ("QDRO") will not fail to be a QDRO: (i) solely because the order is issued after, or revises, another domestic relations order or QDRO; or (ii) solely because of the time the order is issued, including issuance after the Participant's death. A domestic relations order described in this paragraph is subject to the same requirements and protections that apply to QDROs.

5.14 DIRECT ROLLOVERS

(a) **Right to direct rollover.** Notwithstanding any provision of the Plan to the contrary that would otherwise limit a "distributee's" election under this Section, a distributee may elect, at the time and in the manner prescribed by the Administrator, to have any eligible rollover distribution, or any portion of an eligible rollover distribution that is equal to at least \$500, paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(b) **Definitions.** For purposes of this Section the following definitions shall apply:

(1) An "eligible rollover distribution" is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's Designated Beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code §401(a)(9); the portion of any other distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); any hardship distribution; and any other distribution that is reasonably expected to total less than \$200 during a year.

Notwithstanding the above, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax voluntary Employee contributions which are not includible in gross income. However, such portion may be transferred only to (1) a traditional individual retirement account or annuity described in Code §408(a) or Code §408(b), i.e., a traditional IRA or a Roth individual retirement account or annuity described in Code §408A (i.e., a Roth IRA); or (2) to a qualified trust which is part of a defined contribution, defined benefit, or annuity plan described in Code §401(a) or 403(a); or a qualified trust or to an annuity contract described in 403(b), if such trust or contract agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(2) An eligible retirement plan is an individual retirement account described in Code §408(a), for taxable years beginning after December 31, 2006, to a Roth individual account or annuity described in Code §408A (a "Roth IRA"), an individual retirement annuity described in Code §408(b), (other than an endowment contract), a qualified defined contribution or defined benefit plan described in Code §401(a) that accepts the distributee's rollover distribution, an annuity plan described in Code §403(a), an eligible deferred compensation plan described in Code §457(b) which is maintained by a state, political

subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan, and an annuity contract described in Code §403(b), that accepts the distributee's eligible rollover distribution. The definition of "eligible retirement plan" shall also apply in the case of a distribution to a surviving Spouse, or to a Spouse or former Spouse who is the Alternate Payee under a qualified domestic relation order, as defined in Code §414(p). In the case of "distributee" who is a nonspouse designated beneficiary, (1) the direct rollover may be made only to an individual retirement account described in Code §408(a) or annuity described in Code §408(b) ("IRA") that is established on behalf of the designated beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Code §402(c)(11), and (2) the determination of any required minimum distribution required under Code §401(a)(9) that is ineligible for rollover shall be made in accordance with Notice 2007-7, Q&A-17 and Q&A-18.

A Participant may elect to transfer Employee (after-tax) contributions by means of a direct rollover to a qualified plan or to a Code §403(b) plan that agrees to account separately for amounts so transferred, including accounting separately for the portion of such distribution which is includible in gross income and the portion of such distribution which is not includible in gross income.

A Participant or beneficiary may elect to roll over directly an "eligible rollover distribution" to a Roth IRA described in Code §408A(b).

(3) A "distributee" includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving Spouse and the Employee's or former Employee's Spouse or former Spouse who is the Alternate Payee under a qualified domestic relations order, as defined in Code §414(p), are distributees with regard to the interest of the Spouse or former Spouse. A distributee also includes the Participant's nonspouse designated beneficiary as provided below.

(4) A "direct rollover" is a payment by the Plan to the eligible retirement plan specified by the distributee.

(c) **Non-Spouse Beneficiary rollover right.** For distributions after December 31, 2006 a non-Spouse Beneficiary who is a "designated Beneficiary" under Code §401(a)(9)(E) and the Regulations thereunder, may roll over all or any portion an "eligible rollover distribution" to an IRA the Beneficiary establishes for purposes of receiving the distribution by making a direct trustee-to-trustee transfer ("direct rollover") to such IRA.

(1) **Certain requirements not applicable.** Any distribution made prior to January 1, 2010 is not subject to the "direct rollover" requirements of Code §401(a)(31) (including Code §401(a)(31)(B)), the notice requirements of Code §402(f) or the mandatory withholding requirements of Code §3405(c)).

(2) **Trust Beneficiary.** If the Participant's named Beneficiary is a trust, the Plan may make a direct rollover to an IRA on behalf of the trust, provided the trust satisfies the requirements for the beneficiaries thereunder to be a "designated Beneficiary."

(d) **Participant notice.** A Participant entitled to an eligible rollover distribution must receive a written explanation of the right to a direct rollover, the tax consequences of not making a direct rollover, and, if applicable, any available special income tax elections. The notice must be provided within the same 30 – 180 day timeframe applicable to the Participant consent notice as set forth in Section 5.6. The direct rollover notice must be provided to all Participants, unless the total amount the Participant will receive as a distribution during the calendar year is expected to be less than \$200.

ARTICLE VI CODE SECTION 415 LIMITATIONS

6.1 GENERAL PROVISIONS

(a) **Effective date.** The limitations of this Article apply in Limitation Years beginning on or after July 1, 2007, except as otherwise provided herein.

(b) **Limitation on Annual Benefit.** The "Annual Benefit" otherwise payable to a Participant under the Plan at any time shall not exceed the "Maximum Permissible Benefit." If the benefit the Participant would otherwise accrue in a Limitation Year would produce an "Annual Benefit" in excess of the "Maximum Permissible Benefit," then the benefit shall be limited (or the rate of accrual reduced) to the extent necessary so that the benefit that does not exceed the "Maximum Permissible Benefit."

(c) **Adjustment if in two defined benefit plans.** If the Participant is, or has ever been, a participant in another qualified defined benefit plan (without regard to whether the plan has been terminated) maintained by the Employer or a "Predecessor Employer", the sum of the Participant's "Annual Benefits" from all such plans may not exceed the "Maximum Permissible Benefit."

(d) **Grandfather of limits prior to July 1, 2007.** The application of the provisions of this Article shall not cause the "Maximum Permissible Benefit" for any Participant to be less than the Participant's Accrued Benefit under all the defined benefit plans of the Employer or a "Predecessor Employer" as of the end of the last Limitation Year beginning before July 1, 2007 under provisions of the plans that were both adopted and in effect before April 5, 2007. The preceding sentence applies only if the provisions of such defined benefit plans that were both adopted and in effect before April 5, 2007 satisfied the applicable requirements of statutory provisions, Regulations, and other published guidance relating to Code §415 in effect as of the end of the last Limitation Year beginning before July 1, 2007, as described in Regulations §1.415(a)-1(g)(4).

(e) **Other rules applicable.** The limitations of this Article shall be determined and applied taking into account the rules in Section 6.3.

6.2 BENEFIT LIMITATIONS

(a) **Annual Benefit.** "Annual Benefit" means a benefit that is payable annually in the form of a Straight Life Annuity. Except as provided below, where a benefit is payable in a form other than a Straight Life Annuity, the benefit shall be adjusted to an actuarially equivalent Straight Life Annuity that begins at the same time as such other form of benefit and is payable on the first day of each month, before applying the limitations of this Article. For a Participant who has or will have distributions commencing at more than one Annuity Starting Date, the "Annual Benefit" shall be determined as of each such Annuity Starting Date (and shall satisfy the limitations of this Article as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other Annuity Starting Dates. For this purpose, the determination of whether a new Annuity Starting Date has occurred shall be made without regard to Regulations §1.401(a)-20, Q&A-10(d), and with regard to Regulation §§1.415(b)-1(b)(1)(iii)(B) and (C). No actuarial adjustment to the benefit shall be made for (a) survivor benefits payable to a surviving Spouse under a Qualified Joint and Survivor Annuity to the extent such benefits would not be payable if the Participant's benefit were paid in another form; (b) benefits that are not directly related to retirement benefits (such as a qualified disability benefit, preretirement incidental death benefits, postretirement medical benefits, and post-retirement death benefits); or the inclusion in the form of benefit of an automatic benefit increase feature, provided the form of benefit is not subject to Code §417(e)(3) and would otherwise satisfy the limitations of this Article, and the Plan provides that the amount payable under the form of benefit in any Limitation Year shall not exceed the limits of this Article applicable at the Annuity Starting Date, as increased in subsequent years pursuant to Code §415(d). For this purpose, an automatic benefit increase feature is included in a form of benefit if the form of benefit provides for automatic, periodic increases to the benefits paid in that form.

The determination of the "Annual Benefit" shall take into account social security supplements described in Code §411(a)(9) and benefits transferred from another defined benefit plan, other than transfers of distributable benefits pursuant Regulation §1.411(d)-4, Q&A-3(c), but shall disregard benefits attributable to Employee contributions or rollover contributions.

Effective for distributions in Plan Years beginning after December 31, 2003, the determination of actuarial equivalence of forms of benefit other than a Straight Life Annuity shall be made in accordance with (1) or (2) below.

(1) **Benefit forms not subject to Code §417(e)(3).** The Straight Life Annuity that is actuarially equivalent to the Participant's form of benefit shall be determined under this subsection (1) if the form of the Participant's benefit is either (1) a nondecreasing annuity (other than a Straight Life Annuity) payable for a period of not less than the life of the Participant (or, in the case of a Qualified Pre-Retirement Survivor Annuity, the life of the surviving Spouse), or (2) an annuity that decreases during the life of the Participant merely because of (a) the death of the survivor annuitant (but only if the reduction is not below 50% of the benefit payable before the death of the survivor annuitant), or (b) the cessation or reduction of Social Security supplements or qualified disability payments (as defined in Code §401(a)(11)).

(i) **Limitation Years beginning before July 1, 2007.** For Limitation Years beginning before July 1, 2007, the actuarially equivalent Straight Life Annuity is equal to the annual amount of the Straight Life Annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit computed using whichever of the following produces the greater annual amount: (I) the interest rate specified in Section 1.4 and the mortality table (or other tabular factor) specified in Section 1.4 for adjusting benefits in the same form; and (II) a 5 percent interest rate assumption and the Applicable Mortality Table for that Annuity Starting Date.

(ii) **Limitation Years beginning on or after July 1, 2007.** For Limitation Years beginning on or after July 1, 2007, the actuarially equivalent Straight Life Annuity is equal to the greater of (1) the annual amount of the Straight Life Annuity (if any) payable to the Participant under the Plan commencing at the same Annuity Starting Date as the Participant's form of benefit; and (2) the annual amount of the Straight Life Annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using a 5 percent interest rate assumption and the Applicable Mortality Table for that Annuity Starting Date.

(2) **Benefit forms subject to Code §417(e)(3).** The Straight Life Annuity that is actuarially equivalent to the Participant's form of benefit shall be determined under this paragraph if the form of the Participant's benefit is other than a benefit form described in Section 6.2(a) above. In this case, the actuarially equivalent Straight Life Annuity shall be determined as follows:

(i) **Annuity Starting Date in Plan Years beginning after 2005.** If the Annuity Starting Date of the Participant's benefit occurs during a Plan Year beginning after 2005, the actuarially equivalent Straight Life Annuity is equal to the greatest of (I) the annual amount of the Straight Life Annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the participant's form of benefit, computed using the interest rate and the mortality table (or other tabular factor) specified in Section 1.4 for adjusting benefits in the same form; (II) the annual amount of the Straight Life Annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using a 5.5 percent interest rate assumption and the Applicable Mortality Table; and (III) except as provided in the next paragraph, the annual amount of the Straight Life Annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using the Applicable Interest Rate and the Applicable Mortality Table, divided by 1.05.

However, effective for benefits with Annuity Starting Dates during Limitation Years beginning after December 31, 2008, clause (III) in the preceding paragraph does not apply if the Employer is an eligible employer described under Code §408(p)(2)(C)(i) (generally, an Employer having no more than 100 Employees who received at least \$5,000 of Compensation from the Employer during the preceding year).

(ii) **Annuity Starting Date in Plan Years beginning in 2004 or 2005.** If the Annuity Starting Date of the Participant's form of benefit is in a Plan Year beginning in 2004 or 2005, the actuarially equivalent Straight Life Annuity is equal to the annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the participant's form of benefit, computed using whichever of the following produces the greater annual amount: (I) the interest rate specified in Section 1.4 and the mortality table (or other tabular factor) specified in Section 1.4 for adjusting benefits in the same form; and (II) a 5.5 percent interest rate assumption and the Applicable Mortality Table.

(b) **Defined Benefit Compensation Limitation.** "Defined Benefit Compensation Limitation" means 100 percent of a Participant's "High Three-Year Average Compensation," payable in the form of a Straight Life Annuity.

In the case of a Participant who has had a severance from employment with the Employer, the "Defined Benefit Compensation Limitation" applicable to the Participant in any Limitation Year beginning after the date of severance shall be automatically adjusted by multiplying the limitation applicable to the Participant in the prior Limitation Year by the annual adjustment factor under Code §415(d) that is published in the Internal Revenue Bulletin. The adjusted compensation limit shall apply to Limitation Years ending with or within the calendar year of the date of the adjustment, but a Participant's benefits shall not reflect the adjusted limit prior to January 1 of that calendar year.

In the case of a Participant who is rehired after a "Severance from Employment," the "Defined Benefit Compensation Limitation" is the greater of 100 percent of the Participant's "High Three-Year Average Compensation," as determined prior to the severance from employment, as adjusted in the previous paragraph; or 100 percent of the Participant's "High Three-Year Average Compensation," as determined after the "Severance from Employment."

(c) **Defined Benefit Dollar Limitation.** "Defined Benefit Dollar Limitation" means, effective for Limitation Years ending after December 31, 2001, \$160,000, automatically adjusted under Code §415(d), effective January 1 of each year, as published in the Internal Revenue Bulletin, and payable in the form of a Straight Life Annuity. The new limitation shall apply to Limitation Years ending with or within the calendar year of the date of the adjustment, but a Participant's benefits shall not reflect the adjusted limit prior to January 1 of that calendar year. The automatic annual adjustment of the "Defined Benefit Dollar Limitation" under Code §415(d) shall not apply to Participants who have had a separation from employment.

(d) **Employer.** "Employer" means, for purposes of this Article, the Employer that adopts this plan, and all members of a controlled group of corporations, as defined in Code §414(b), as modified by Code §415(h)), all commonly controlled trades or businesses (as defined in Code §414(c), as modified, except in the case of a brother-sister group of trades or businesses under common control, by Code §415(h)), or affiliated service groups (as defined in Code §414(m)) of which the adopting Employer is a part, and any other entity required to be aggregated with the employer pursuant to Code §414(o).

(e) **Formerly Affiliated Plan of the Employer.** "Formerly Affiliated Plan of the Employer" means a plan that, immediately prior to the cessation of affiliation, was actually maintained by the Employer and, immediately after the cessation of affiliation, is not actually maintained by the Employer. For this purpose, cessation of affiliation means the event that causes an entity to no longer be considered the Employer, such as the sale of a member controlled group of corporations, as defined in Code §414(b), as modified by Code §415(h), to an unrelated corporation, or that causes a plan to not actually be maintained by the Employer, such as transfer of plan sponsorship outside a controlled group.

(f) **High Three-Year Average Compensation.** "High Three-Year Average Compensation" means the average 415 Compensation for the three consecutive "Years of Service" (or, if the Participant has less than three consecutive "Years of Service," the Participant's longest consecutive period of service, including fractions of years, but not less than one year) with the Employer that produces the highest average. A "Year of Service" with the Employer is, for purposes of this Subsection, the 12-consecutive month period which is used to determine 415 Compensation under the Plan. A Participant's 415 Compensation for a Year of Service shall not include 415 Compensation in excess of the limitation under Code §401(a)(17) that is in effect for the calendar year in which such year of service begins.

In the case of a Participant who is rehired by the Employer after a "Severance from Employment," the Participant's "High Three-Year Average Compensation" shall be calculated by excluding all years for which the Participant performs no services for and receives no 415 Compensation from the Employer (the break period) and by treating the years immediately preceding and following the break period as consecutive.

(g) **Maximum Permissible Benefit.** "Maximum Permissible Benefit" means the lesser of the "Defined Benefit Dollar Limitation" or the "Defined Benefit Compensation Limitation" (both adjusted where required, as provided below). However, the "Defined Benefit Compensation Limitation" shall not apply to a Plan maintained by an organization described in Code §3121(w)(3)(A) (i.e., a church) except with respect to "highly compensated benefits." For this purpose, "highly compensated benefits" means any benefits accrued for an Employee in any year on or after the first year in which such Employee is a Highly Compensated Employee of the organization described in Code §3121(w)(3)(A). For purposes of applying the "Defined Benefit Compensation Limitation" to "highly compensated benefits," all benefits of the Employee otherwise taken into account (without regard to the preceding sentence) shall be taken into account.

(1) **Adjustment for Less Than 10 Years of Participation or Service:** If the Participant has less than ten (10) "Years of Participation" in the Plan, the "Defined Benefit Dollar Limitation" shall be multiplied by a fraction -- (i) the numerator of which is the number of "Years of Participation" (or part thereof, but not less than one year) in the Plan, and (ii) the denominator of which is ten (10). In the case of a Participant who has less than ten Years of Service with the Employer, the "Defined Benefit Compensation Limitation" shall be multiplied by a fraction, (i) the numerator of which is the number of Years (or part thereof, but not less than one year) of Service with the Employer, and (ii) the denominator of which is ten (10).

(2) Adjustment of "Defined Benefit Dollar Limitation" for Benefit Commencement before Age 62 or after Age 65: Effective for benefits commencing in Limitation Years ending after December 31, 2001, the "Defined Benefit Dollar Limitation" shall be adjusted if the Annuity Starting Date of the Participant's benefit is before age 62 or after age 65. If the Annuity Starting Date is before age 62, the "Defined Benefit Dollar Limitation" shall be adjusted under Section 6.2(g)(2)(i), as modified by Section 6.2(g)(2)(iii). If the Annuity Starting Date is after age 65, the "Defined Benefit Dollar Limitation" shall be adjusted under Section 6.2(g)(2)(ii), as modified by Section 6.2(g)(2)(iii).

(i) Adjustment of "Defined Benefit Dollar Limitation" for Benefit Commencement before Age 62:

(A) Limitation Years Beginning Before July 1, 2007. If the Annuity Starting Date for the Participant's benefit is prior to age 62 and occurs in a Limitation Year beginning before July 1, 2007, the "Defined Benefit Dollar Limitation" for the Participant's Annuity Starting Date is the annual amount of a benefit payable in the form of a Straight Life Annuity commencing at the participant's Annuity Starting Date that is the actuarial equivalent of the "Defined Benefit Dollar Limitation" (adjusted under Section 6.2(g)(1) for years of participation less than ten (10), if required) with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (1) the interest rate specified in Section 1.4 and the mortality table (or other tabular factor) specified in Section 1.4; or (2) a 5-percent interest rate assumption and the Applicable Mortality Table.

(B) Limitation Years Beginning on or after July 1, 2007.

1. Plan Does Not Have Immediately Commencing Straight Life Annuity Payable at Both Age 62 and the Age of Benefit Commencement. If the Annuity Starting Date for the Participant's benefit is prior to age 62 and occurs in a Limitation Year beginning on or after July 1, 2007, and the Plan does not have an immediately commencing Straight Life Annuity payable at both age 62 and the age of benefit commencement, the "Defined Benefit Dollar Limitation" for the Participant's Annuity Starting Date is the annual amount of a benefit payable in the form of a Straight Life Annuity commencing at the Participant's Annuity Starting Date that is the actuarial equivalent of the "Defined Benefit Dollar Limitation" (adjusted under Section 6.2(g)(1) for years of participation less than ten (10), if required) with actuarial equivalence computed using a 5 percent interest rate assumption and the Applicable Mortality for the Annuity Starting Date (and expressing the Participant's age based on completed calendar months as of the Annuity Starting Date).

2. Plan Has Immediately Commencing Straight Life Annuity Payable at Both Age 62 and the Age of Benefit Commencement. If the Annuity Starting Date for the Participant's benefit is prior to age 62 and occurs in a Limitation Year beginning on or after July 1, 2007, and the Plan has an immediately commencing Straight Life Annuity payable at both age 62 and the age of benefit commencement, the "Defined Benefit Dollar Limitation" for the Participant's Annuity Starting Date is the lesser of the limitation determined under Section 6.2(g)(1)(ii)(B)(a) and the "Defined Benefit Dollar Limitation" (adjusted under Section 6.2(g)(1) for years of participation less than ten (10), if required) multiplied by the ratio of the annual amount of the immediately commencing Straight Life Annuity under the Plan at the Participant's Annuity Starting Date to the annual amount of the immediately commencing Straight Life Annuity under the Plan at age 62, both determined without applying the limitations of this Section and without applying the provisions of paragraph (iii) below.

(C) Notwithstanding any other provisions of this Section 6.2(g) the age-adjusted dollar limit applicable to a participant shall not decrease on account of an increase in age or the performance of additional services.

(ii) Adjustment of "Defined Benefit Dollar Limitation" for Benefit Commencement after Age 65:

(A) Limitation Years Beginning Before July 1, 2007. If the Annuity Starting Date for the Participant's benefit is after age 65 and occurs in a Limitation Year beginning before July 1, 2007, the "Defined Benefit Dollar Limitation" for the Participant's Annuity Starting Date is the annual amount of a benefit payable in the form of a Straight Life Annuity commencing at the participant's Annuity Starting Date that is the actuarial equivalent of the "Defined Benefit Dollar Limitation" (adjusted under Section 6.2(g)(1) for years of participation less than ten (10), if required) with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (1) the interest rate specified in Section 1.4 and the mortality table (or other tabular factor) specified in Section 1.4; or (2) a 5-percent interest rate assumption and the Applicable Mortality Table.

(B) Limitation Years Beginning on or after July 1, 2007.

(1) Plan Does Not Have Immediately Commencing Straight Life Annuity Payable at Both Age 65 and the Age of Benefit Commencement. If the annuity starting date for the Participant's benefit is after age 65 and occurs in a Limitation Year beginning on or after July 1, 2007, and the Plan does not have an immediately commencing Straight Life Annuity payable at both age 65 and the age of benefit commencement, the "Defined Benefit Dollar Limitation" at the Participant's Annuity Starting Date is the annual amount of a benefit payable in the form of a Straight Life Annuity commencing at the participant's Annuity Starting Date that is the actuarial equivalent of the "Defined Benefit Dollar Limitation" (adjusted under Section 6.2(g)(1) for years of participation less than ten (10), if required), with actuarial equivalence computed using a 5 percent interest rate assumption and the Applicable Mortality Table for that Annuity Starting Date (and expressing the Participant's age based on completed calendar months as of the Annuity Starting Date).

(2) Plan Has Immediately Commencing Straight Life Annuity Payable at Both Age 65 and the Age of Benefit Commencement. If the Annuity Starting Date for the participant's benefit is after age 65 and occurs in a Limitation Year beginning on or after July 1, 2007, and the plan has an immediately commencing Straight Life Annuity payable at both age 65 and the age of benefit commencement, the "Defined Benefit Dollar Limitation" at the Participant's Annuity Starting Date is the lesser of the limitation determined under Section 6.2(g)(1)(ii)(B)(a) and the "Defined Benefit Dollar Limitation" (adjusted under Section 6.2(g)(1) for years of participation less than ten (10), if required) multiplied by the ratio of the annual amount of the adjusted immediately commencing Straight Life Annuity under the plan at the Participant's Annuity Starting Date to the annual amount of the adjusted immediately commencing Straight Life Annuity under the Plan at age 65, both determined without applying the limitations of this Article and without applying the provisions of paragraph (iii) below. For this purpose, the adjusted immediately commencing Straight Life Annuity under the Plan at the participant's Annuity Starting Date is the annual amount of such annuity payable to the Participant, computed disregarding the Participant's accruals after age 65 but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing Straight Life Annuity under the Plan at age 65 is the annual amount of such annuity that would be payable under the Plan to a hypothetical Participant who is age 65 and has the same accrued benefit as the Participant.

(iii) Notwithstanding the other requirements of this Section 6.2(g)(2), in adjusting the "Defined Benefit Dollar Limitation" for the Participant's Annuity Starting Date under Section 6.2(g)(2)(i)(A), Section 6.2(g)(1)(i)(B)(a), Section 6.2(g)(2)(ii)(A), and Section 6.2(g)(1)(ii)(B)(a), no adjustment shall be made to reflect the probability of a Participant's death between the Annuity Starting Date and age 62, or between age 65 and the Annuity Starting Date, as applicable, if benefits are not forfeited upon the death of the Participant prior to the Annuity Starting Date. To the extent benefits are forfeited upon death before the Annuity Starting Date, such an adjustment shall be made. For this purpose, no forfeiture shall be treated as occurring upon the Participant's death if the Plan does not charge Participants for providing a qualified preretirement survivor annuity, as defined in Code §417(c), upon the Participant's death.

(3) Minimum benefit permitted: Notwithstanding anything else in this Section to the contrary, the benefit otherwise accrued or payable to a Participant under this Plan shall be deemed not to exceed the "Maximum Permissible Benefit" if:

(i) the retirement benefits payable for a Limitation Year under any form of benefit with respect to such participant under this Plan and under all other defined benefit plans (without regard to whether a plan has been terminated) ever maintained by the Employer do not exceed \$10,000 multiplied by a fraction – (I) the numerator of which is the Participant's number of Years (or part thereof, but not less than one year) of Service (not to exceed ten (10)) with the Employer, and (II) the denominator of which is ten (10); and

(ii) the Employer (or a "Predecessor Employer") has not at any time maintained a defined contribution plan in which the Participant participated (for this purpose, mandatory Employee contributions under a defined benefit plan, individual medical accounts under Code §401(h), and accounts for postretirement medical benefits established under Code §419A(d)(1) are not considered a separate defined contribution plan).

(h) **Predecessor Employer.** "Predecessor Employer" means, if the Employer maintains a plan that provides a benefit which the Participant accrued while performing services for a former employer, the former employer is a "Predecessor Employer" with respect to the Participant in the plan. A former entity that antedates the Employer is also a "Predecessor Employer" with respect to a Participant if, under the facts and circumstances, the Employer constitutes a continuation of all or a portion of the trade or business of the former entity.

(i) **Severance from Employment.** "Severance from Employment" means an employee has a severance from employment when the employee ceases to be an employee of the employer maintaining the plan. An Employee does not have a severance from employment if, in connection with a change of employment, the Employee's new employer maintains the plan with respect to the Employee.

(j) **Year of Participation.** For purposes of this Article, a Participant shall be credited with a "Year of Participation" (computed to fractional parts of a year) for each accrual computation period for which the following conditions are met: (1) the participant is credited with at least the number of Hours of Service (or Period of Service if the Elapsed Time Method is used) for benefit accrual purposes, required under the terms of the Plan in order to accrue a benefit for the accrual computation period, and (2) the Participant is included as a Participant under the eligibility provisions of the Plan for at least one day of the accrual computation period. If these two conditions are met, the portion of a "year of participation" credited to the Participant shall equal the amount of benefit accrual service credited to the participant for such accrual computation period. A participant who is permanently and totally disabled within the meaning of Code §415(c)(3)(C)(i) for an accrual computation period shall receive a "Year of Participation" with respect to that period.

In addition, for a Participant to receive a "Year of Participation" (or part thereof) for an accrual computation period, the plan must be established no later than the last day of such accrual computation period. In no event shall more than one "Year of Participation" be credited for any 12-month period.

(k) **Year of Service.** For purposes of Section 6.2(g)(3)(i), a Participant shall be credited with a "Year of Service" (computed to fractional parts of a year) for each accrual computation period for which the Participant is credited with at least the number of Hours of Service (or Period of Service if the Elapsed Time Method is used) for benefit accrual purposes, required under the terms of the Plan in order to accrue a benefit for the accrual computation period, taking into account only service with the Employer or a "Predecessor Employer."

6.3 OTHER RULES

- (a) **Benefits under terminated plans.** If a defined benefit plan maintained by the Employer has terminated with sufficient assets for the payment of benefit liabilities of all plan Participants and a Participant in the plan has not yet commenced benefits under the plan, the benefits provided pursuant to the annuities purchased to provide the Participant's benefits under the terminated plan at each possible Annuity Starting Date shall be taken into account in applying the limitations of this Article. If there are not sufficient assets for the payment of all Participants' benefit liabilities, the benefits taken into account shall be the benefits that are actually provided to the Participant under the terminated plan.
- (b) **Benefits transferred from the Plan.** If a Participant's benefits under a defined benefit plan maintained by the Employer are transferred to another defined benefit plan maintained by the Employer and the transfer is not a transfer of distributable benefits pursuant to Regulation §1.411(d)-4, Q&A-3(c), the transferred benefits are not treated as being provided under the transferor plan (but are taken into account as benefits provided under the transferee plan). If a Participant's benefits under a defined benefit plan maintained by the Employer are transferred to another defined benefit plan that is not maintained by the Employer and the transfer is not a transfer of distributable benefits pursuant to Regulations §1.411(d)-4, Q&A-3(c), then the transferred benefits are treated by the Employer's Plan as if such benefits were provided under annuities purchased to provide benefits under a plan maintained by the Employer that terminated immediately prior to the transfer with sufficient assets to pay all Participants' benefit liabilities under the Plan. If a Participant's benefits under a defined benefit plan maintained by the Employer are transferred to another defined benefit plan in a transfer of distributable benefits pursuant to Regulations §1.411(d)-4, Q&A-3(c), the amount transferred is treated as a benefit paid from the transferor plan.
- (c) **Formerly affiliated plans of the Employer.** A formerly affiliated plan of an Employer shall be treated as a plan maintained by the Employer, but the formerly affiliated plan shall be treated as if it had terminated immediately prior to the cessation of affiliation with sufficient assets to pay Participants' benefit liabilities under the Plan and had purchased annuities to provide benefits.
- (d) **Plans of a "Predecessor Employer".** If the Employer maintains a defined benefit plan that provides benefits accrued by a Participant while performing services for a "Predecessor Employer," then the Participant's benefits under a plan maintained by the "Predecessor Employer" shall be treated as provided under a plan maintained by the Employer. However, for this purpose, the plan of the "Predecessor Employer" shall be treated as if it had terminated immediately prior to the event giving rise to the "Predecessor Employer" relationship with sufficient assets to pay participants' benefit liabilities under the plan, and had purchased annuities to provide benefits; the Employer and the "Predecessor Employer" shall be treated as if they were a single employer immediately prior to such event and as unrelated employers immediately after the event; and if the event giving rise to the predecessor relationship is a benefit transfer, the transferred benefits shall be excluded in determining the benefits provided under the plan of the "Predecessor Employer."
- (e) **Special rules.** The limitations of this Article shall be determined and applied taking into account the rules in Regulations §§1.415(f)-1(d), (e) and (h).
- (f) **Aggregation with Multiemployer Plans.**
- (1) If the Employer maintains a multiemployer plan, as defined in Code §414(f), and the multiemployer plan so provides, only the benefits under the multiemployer plan that are provided by the Employer shall be treated as benefits provided under a plan maintained by the Employer for purposes of this Section 6.3.
- (2) Effective for Limitation Years ending after December 31, 2001, a multiemployer plan shall be disregarded for purposes of applying the compensation limitation of Section 6.2(b) and Section 6.2(g)(1) to a plan which is not a multiemployer plan.

ARTICLE VII PLAN AMENDMENT

7.1 AMENDMENT

- (a) **General rule on Employer amendment.** The Employer shall have the right at any time to amend this Plan, subject to the limitations of this Section. However, any amendment which affects the rights, duties or responsibilities of the Trustee or Administrator may only be made with the Trustee's or Administrator's written consent. Any such amendment shall become effective as provided therein upon its execution, and unless otherwise provided in the amendment, shall only apply to those Participants who have an Hour of Service after the effective date of the amendment. The Trustee shall not be required to execute any such amendment unless the amendment affects the duties of the Trustee hereunder.
- (b) **Impermissible amendments.** No amendment to the Plan shall be effective if it authorizes or permits any part of the Trust Fund (other than such part as is required to pay taxes and administration expenses) to be used for or diverted to any purpose other than for the exclusive benefit of the Participants or their Beneficiaries or estates; or causes or permits any portion of the Trust Fund to revert to or become property of the Employer.
- (c) **Anti-cutback restrictions.** Except as permitted by Regulations, no Plan amendment or transaction having the effect of a Plan amendment (such as a merger, plan transfer or similar transaction) shall be effective to the extent it eliminates or reduces any Section 411(d)(6) protected benefit or adds or modifies conditions relating to Section 411(d)(6) protected benefits which results in a further restriction on such benefit (even if the amendment merely adds a restriction or condition that is permitted under the vesting rules in Code §§411(a)(3) – (11)) unless such Section 411(d)(6) protected benefits are preserved with respect to benefits accrued as of the later of the adoption date or effective date of the amendment. Notwithstanding the preceding,

"Section 411(d)(6) protected benefits" may be eliminated or reduced to the extent permitted by Code §412(d)(2) or Regulations (including Regulation §§1.411(d)-3 and 1.411(d)-4) or other IRS guidance. For purposes of this Subsection, a plan amendment which has the effect of decreasing a Participant's "Section 411(d)(6) protected benefits" with respect to benefits attributable to service before the amendment shall be treated as reducing a "Section 411(d)(6) protected benefit." "Section 411(d)(6) protected benefits" are benefits described in Code §411(d)(6)(A), early retirement benefits and retirement-type subsidies, and optional forms of benefit. Notwithstanding the preceding, a Participant's Accrued Benefit, early retirement benefit, retirement-type subsidy, or optional form of benefit may be reduced to the extent permitted under Code §412(c)(8) (for Plan Years beginning on or before December 31, 2007) or Code §412(d)(2) (for Plan Years beginning after December 31, 2007), or to the extent permitted under Regulations §§1.411(d)-3 and 1.411(d)-4.

(d) **Permissible reductions.** Notwithstanding the subsections above, a Participant's Accrued Benefit, early retirement benefit, retirement-type subsidy, or optional form of benefit may be reduced to the extent permitted under Code §412(c)(8) (for Plan Years beginning on or before December 31, 2007) or Code §412(d)(2) (for Plan Years beginning after December 31, 2007), or to the extent permitted under Regulations §§1.411(d)-3 and 1.411(d)-4.

(e) **Permissible amendments.** In addition to any other provision in the plan authorizing an amendment that will not cause a loss of reliance, the Employer may amend the Plan to accomplish any of the following items without affecting reliance on the advisory letter: (1) amend administrative trust, or custodial provisions (such as the name of the Plan, Employer, Trustee or Custodian); (2) add or change provisions permitted under the Plan and/or specify or change the effective date of a provision as permitted under the Plan; (3) add a list of any "Section 411(d)(6) protected benefits" which must be preserved if such provisions previously had reliance; (4) add certain sample or model amendments published by the Internal Revenue Service or other required good-faith amendments which specifically provide that their adoption will not cause the Plan to be treated as an individually designed plan; (5) conform to the requirements of Act Section 402(a) (relating to named fiduciaries), Act Section 503 (relating to claims procedures), or DOL Field Assistance Bulletin 2008-01 (relating to the duty to collect delinquent contributions); (6) adjust the limitations under Code §§415, 402(g), 401(a)(17) and 414(q)(1)(B) to reflect annual cost-of-living increases; (7) add or modify language when such language is necessary to satisfy Code §415 or 416 because of the required aggregation of multiple plans; and (8) change the volume submitter practitioner's name. Additionally, a plan will not be treated as individually designed if a closing agreement under the Audit Closing Agreement Program or a compliance statement under the Voluntary Correction Program has been issued with respect to the amendment. The sponsor's or employer's adoption of certain interim or discretionary amendments also will not cause the employer's plan to be considered an individually designed plan. An Employer that amends the Plan for any other reason, including a waiver of the minimum funding requirement under Code §412(c) (or for Plan Years beginning on or before December 31, 2007, Code §412(d)), will generally have no reliance with respect to such modification and this Plan will be considered to be an individually designed plan for purposes of reliance.

ARTICLE VIII PLAN TERMINATION

8.1 TERMINATION OF PLAN

(a) **Plan termination.** The Employer shall have the right to terminate the Plan by delivering to the Trustee and Administrator written notice of such termination. Upon any termination (full or partial), all amounts shall be allocated in accordance with the provisions hereof and the Accrued Benefit, to the extent funded as of such date, of each affected Participant shall become fully Vested and shall not thereafter be subject to forfeiture. However, Participants who were not fully Vested at the time they received a complete distribution of their Vested benefits prior to the date of termination, shall not become entitled to any additional Vested benefits on account of Plan termination. The preceding sentence does not apply to Participants affected by a partial termination by operation of law. Upon full termination of the Plan, the Employer shall direct the distribution of the assets in the Trust Fund to the Participants in a manner which is consistent with Section 5.6. In such case, the Trustee shall distribute the assets to the remaining Participants in the Plan and to retired Participants in cash, in Contracts or through the purchase of irrevocable deferred commitments from an Insurer, subject to provision for expenses of administration or liquidation. Such distributions may be allocated in the following order to the extent of the sufficiency of such assets, basing such allocation on the Accrued Benefit for each such Participant at the date of termination of the Plan (or in any other manner that is nondiscriminatory within the meaning of IRC §401(a)(4)):

- (1) to provide pensions to retired Participants who have retired under the Plan prior to its termination without reference to the order of retirement;
- (2) to provide Normal Retirement Benefits to Participants who have reached their Normal Retirement Dates but have not retired on the date of termination, without reference to the order in which they shall have reached their Normal Retirement Date;
- (3) to provide Normal Retirement Benefits to Participants who have not yet reached their Normal Retirement Date on the date of termination, without reference to the order in which they will reach their Normal Retirement Date. Such benefits will be based upon Accrued Benefits as of the date of termination. The balance, if any, of the assets due to erroneous actuarial computation held by the Trust Fund after such allocation shall be returned to the Employer, but only after the satisfaction of all liabilities with respect to Participants and pensions under the Plan. The portion of the excess attributable to mandatory contributions will be paid to the Participants who made these contributions.

(b) If the Employer, in accordance with DOL guidance, abandons the Plan, then the Trustee (or Insurer) or other party permitted to take action as a qualified terminal administrator, may terminate the Plan in accordance with applicable DOL and IRS regulations and other guidance.

8.2 LIMITATION OF BENEFITS ON PLAN TERMINATION

In the event of Plan termination, the benefit of any Highly Compensated Participant or any highly compensated former Employee shall be limited to a benefit that is nondiscriminatory under Code §401(a)(4).

ARTICLE IX MERGER, CONSOLIDATION OR TRANSFER OF ASSETS

9.1 MERGER, CONSOLIDATION, AND TRANSFER REQUIREMENTS

Before this Plan can be merged or consolidated with any other qualified plan, or its assets or liabilities transferred to any other qualified plan, the Administrator must secure (and file with the Secretary of Treasury at least thirty (30) days beforehand) a certification from a government-enrolled actuary that the benefits which would be received by a Participant of this Plan, in the event of a termination of the Plan immediately after such transfer, merger or consolidation, are at least equal to the benefits the Participant would have received if the Plan had terminated immediately before the transfer, merger or consolidation, and such transfer, merger or consolidation does not otherwise result in the elimination or reduction of any "Section 411(d)(6) protected benefits" (as described in Section 7.1) that may not be eliminated or reduced pursuant to Regulations §1.411(d)-4.

ARTICLE X MISCELLANEOUS

10.1 PARTICIPANT'S RIGHTS

This Plan shall not be deemed to constitute a contract between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or Employee at any time regardless of the effect which such discharge shall have upon the Employee as a Participant of this Plan.

10.2 ALIENATION

- (a) **General rule.** Subject to the exceptions provided below, and as otherwise permitted by the Code and the Act, no benefit which shall be payable out of the Trust Fund to any person (including a Participant or the Participant's Beneficiary) shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge the same shall be void; and no such benefit shall in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements, or torts of any such person, nor shall it be subject to attachment or legal process for or against such person, and the same shall not be recognized by the Trustee, except to such extent as may be required by law.
- (b) **Exception for QDROs.** Subsection (a) shall not apply to a "qualified domestic relations order" defined in Code §414(p), and those other domestic relations orders permitted to be so treated by the Administrator under the provisions of the Retirement Equity Act of 1984. The Administrator shall establish a written procedure to determine the qualified status of domestic relations orders and to administer distributions under such qualified orders. Further, to the extent provided under a "qualified domestic relations order," a former Spouse of a Participant shall be treated as the Spouse or surviving Spouse for all purposes under the Plan.
- (c) **Exception for certain debts to Plan.** Subsection (a) shall not apply to an offset to a Participant's accrued benefit against an amount that the Participant is ordered or required to pay the Plan with respect to a judgment, order, or decree issued, or a settlement entered into in accordance with Code §§401(a)(13)(C) and (D).

10.3 PLAN COMMUNICATIONS, INTERPRETATION AND CONSTRUCTION

- (a) **Applicable laws.** This Plan shall be construed and enforced according to the Code and the laws of the California State of, other than its laws respecting choice of law, to the extent not preempted by federal law.
- (b) **Single subsections.** This Plan may contain single subsections. The existence of such single subsections shall not constitute scrivener's errors.
- (c) **Headings.** The headings and subheadings of this Plan have been inserted for convenience of reference and are to be ignored in any construction of the provisions hereof.
- (d) **Masculine and feminine.** Wherever any words are used herein in the masculine, feminine or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply.
- (e) **Singular and plural.** Whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.
- (f) **Tense.** Whenever any words are used herein in the past or present tense, they shall be construed as though they were also used in the other form in all cases where they would so apply.

(g) **Administrator's discretion.** The Administrator has total and complete discretion to interpret and construe the Plan and to determine all questions arising in the administration, interpretation and application of the Plan. Any determination the Administrator makes under the Plan is final and binding upon any affected person. The Administrator must exercise all of its Plan powers and discretion, and perform all of its duties in a uniform and nondiscriminatory manner.

(h) **Communications.** All Participant or Beneficiary notices, designations, elections, consents or waivers must be made in a form the Administrator (or, as applicable, the Trustee or Insurer) specifies or otherwise approves. Any person entitled to notice under the Plan may waive the notice or shorten the notice period unless such actions are contrary to applicable law.

(i) **Evidence.** Anyone, including the Employer, required to give data, statements or other information relevant under the terms of the Plan ("evidence") may do so by certificate, affidavit, document or other form which the person to act in reliance may consider pertinent, reliable and genuine, and to have been signed, made or presented by the proper party or parties. The Administrator, Trustee and Insurer are protected fully in acting and relying upon any evidence described under the immediately preceding sentence.

(j) **Plan terms binding.** The Plan is binding upon all parties, including but not limited to, the Employer, Trustee, Insurer Administrator, Participants and Beneficiaries.

(k) **Parties to litigation.** Except as otherwise provided by applicable law, a Participant or a Beneficiary is not a necessary party or required to receive notice of process in any court proceeding involving the Plan, the Trust or any Fiduciary. Any final judgment (not subject to further appeal) entered in any such proceeding will be binding upon all parties, including the Employer, the Administrator, Trustee, Insurer, Participants and Beneficiaries.

(l) **Fiduciaries not insurers.** The Trustee, Administrator and the Employer in no way guarantee the Plan assets from loss or depreciation. The Employer does not guarantee the payment of any money which may be or becomes due to any person from the Plan. The liability of the Employer, the Administrator and the Trustee to make any distribution from the Trust at any time and all times is limited to the then available assets of the Trust.

(m) **Construction/severability.** The Plan, the Trust and all other documents to which they refer, will be interpreted consistent with and to preserve tax qualification of the Plan under Code §401(a) and tax exemption of the Trust under Code §501(a) and also consistent with the Act and other applicable law. To the extent permissible under applicable law, any provision which a court (or other entity with binding authority to interpret the Plan) determines to be inconsistent with such construction and interpretation is deemed severed and is of no force or effect, and the remaining Plan terms will remain in full force and effect.

(n) **Uniformity.** All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner. In the event of any conflict between the terms of this Plan and any Contract purchased hereunder, the Plan provisions shall control.

(o) **Meaning of "cash".** Subject to the provisions of the Plan governing Contracts, an Employer may, on a uniform and consistent basis, treat Contracts (whether for life insurance or annuities) as cash for purposes of making "cash" distributions.

10.4 LEGAL ACTION

In the event any claim, suit, or proceeding is brought regarding the Trust and/or Plan established hereunder to which the Trustee, the Employer or the Administrator may be a party, and such claim, suit, or proceeding is resolved in favor of the Trustee, the Employer or the Administrator, they shall be entitled to be reimbursed from the Trust Fund for any and all costs, attorney's fees, and other expenses pertaining thereto incurred by them for which they shall have become liable.

10.5 PROHIBITION AGAINST DIVERSION OF FUNDS

(a) **General rule.** Except as provided below and otherwise specifically permitted by law, it shall be impossible by operation of the Plan or of the Trust, by termination of either, by power of revocation or amendment, by the happening of any contingency, by collateral arrangement or by any other means, for any part of the corpus or income of any Trust Fund maintained pursuant to the Plan or any funds contributed thereto to be used for, or diverted to, purposes other than the exclusive benefit of Participants or their Beneficiaries.

(b) **Mistake of fact.** In the event the Employer shall make an excessive contribution under a mistake of fact pursuant to Act Section 403(c)(2)(A), the Employer may demand repayment of such excessive contribution at any time within one (1) year following the time of payment and the Trustees shall return such amount to the Employer within the one (1) year period. Earnings of the Plan attributable to the contributions may not be returned to the Employer but any losses attributable thereto must reduce the amount so returned.

10.6 EMPLOYER'S AND TRUSTEE'S PROTECTIVE CLAUSE

The Employer, Administrator and Trustee, and their successors, shall not be responsible for the validity of any Contract issued hereunder or for the failure on the part of the Insurer to make payments provided by any such Contract, or for the action of any person which may delay payment or render a Contract null and void or unenforceable in whole or in part.

10.7 INSURER'S PROTECTIVE CLAUSE

Except as otherwise agreed upon in writing between the Employer and the insurer, an insurer which issues any Contracts hereunder shall not have any responsibility for the validity of this Plan or for the tax or legal aspects of this Plan. The Insurer shall be

protected and held harmless in acting in accordance with any written direction of the Trustee, and shall have no duty to see to the application of any funds paid to the Trustee, nor be required to question any actions directed by the Trustee. Regardless of any provision of this Plan, the Insurer shall not be required to take or permit any action or allow any benefit or privilege contrary to the terms of any Contract which it issues hereunder, or the rules of the Insurer.

10.8 RECEIPT AND RELEASE FOR PAYMENTS

Any payment to any Participant, the Participant's legal representative, Beneficiary, or to any guardian or committee appointed for such Participant or Beneficiary in accordance with the provisions of the Plan, shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Trustee and the Employer, either of whom may require such Participant, legal representative, Beneficiary, guardian or committee, as a condition precedent to such payment, to execute a receipt and release thereof in such form as shall be determined by the Trustee or Employer.

10.9 ACTION BY THE EMPLOYER

Whenever the Employer under the terms of the Plan is permitted or required to do or perform any act or matter or thing, it shall be done and performed by a person duly authorized by its legally constituted authority.

10.10 NAMED FIDUCIARIES AND ALLOCATION OF RESPONSIBILITY

The "named Fiduciaries" of this Plan are (1) the Employer, (2) the Administrator, (3) the Trustee, and (4) any Investment Manager appointed hereunder. The named Fiduciaries shall have only those specific powers, duties, responsibilities, and obligations as are specifically given them under the Plan, including, but not limited to, any agreement allocating or delegating their responsibilities, the terms of which are incorporated herein by reference. The Employer may, however, modify the preceding sentence to add or remove named Fiduciaries. In general, the Employer shall have the sole responsibility for making the contributions provided for under Section 4.1; and shall have the authority to appoint and remove the Trustee and the Administrator; to formulate the Plan's "funding policy and method"; and to amend or terminate, in whole or in part, the Plan. The Administrator shall have the sole responsibility for the administration of the Plan, including, but not limited to, the items specified at Article II of the Plan, as the same may be allocated or delegated thereunder. The Trustee shall have the sole responsibility of management of the assets held under the Trust, except to the extent directed pursuant to Article II or with respect to those assets, the management of which has been assigned to an Investment Manager, who shall be solely responsible for the management of the assets assigned to it, all as specifically provided in the Plan. Each named Fiduciary warrants that any directions given, information furnished, or action taken by it shall be in accordance with the provisions of the Plan, authorizing or providing for such direction, information or action. Furthermore, each named Fiduciary may rely upon any such direction, information or action of another named Fiduciary as being proper under the Plan, and is not required under the Plan to inquire into the propriety of any such direction, information or action. It is intended under the Plan that each named Fiduciary shall be responsible for the proper exercise of its own powers, duties, responsibilities and obligations under the Plan as specified or allocated herein. No named Fiduciary shall guarantee the Trust Fund in any manner against investment loss or depreciation in asset value. Any person or group may serve in more than one Fiduciary capacity.

10.11 APPROVAL BY INTERNAL REVENUE SERVICE

Notwithstanding anything herein to the contrary, if, pursuant to an application for qualification filed by or on behalf of the Plan by the time prescribed by law for filing the Employer's return for the taxable year in which the Plan is adopted, or such later date that the Secretary of the Treasury may prescribe, the Commissioner of Internal Revenue Service or the Commissioner's delegate should determine that the Plan does not initially qualify as a tax-exempt plan under Code §§401 and 501, and such determination is not contested, or if contested, is finally upheld, then if the Plan is a new plan, it shall be void ab initio and all amounts contributed to the Plan by the Employer, less expenses paid, shall be returned within one (1) year after the date the initial qualification is denied, and the Plan shall terminate, and the Trustee shall be discharged from all further obligations. If the disqualification relates to an amended plan, then the Plan shall operate as if it had not been amended. If the Employer's Plan fails to attain or retain qualification, such Plan will no longer participate in this volume submitter plan and will be considered an individually designed plan.

10.12 ELECTRONIC MEDIA

The Administrator may use any electronic medium to give or receive any Plan notice, communicate any Plan policy, conduct any written Plan communication, satisfy any Plan filing or other compliance requirement and conduct any other Plan transaction to the extent permissible under applicable law. A Participant or a Participant's Spouse, to the extent authorized by the Administrator, may use any electronic medium to make or provide any Beneficiary designation, election, notice, consent or waiver under the Plan, to the extent permissible under applicable law. Any reference in this Plan to a "form," a "notice," an "election," a "consent," a "waiver," a "designation," a "policy" or to any other Plan-related communication includes an electronic version thereof as permitted under applicable law. Notwithstanding the foregoing, any Participant or Beneficiary notices and consent that are required pursuant to the Code must satisfy Regulation §1.401(a)-21.

10.13 PLAN CORRECTION

The Administrator in conjunction with the Employer may undertake such correction of Plan errors as the Administrator deems necessary, including correction to preserve tax qualification of the Plan under Code §401(a) or to correct a fiduciary breach. Without limiting the Administrator's authority under the prior sentence, the Administrator, as it determines to be reasonable and appropriate, may undertake correction of Plan document, operational, demographic and employer eligibility failures under a method described in the Plan or under the IRS Employee Plans Compliance Resolution System ("EPCRS") or any successor program to EPCRS. The Administrator, as it determines to be reasonable and appropriate, also may undertake or assist the appropriate Fiduciary or Plan official in undertaking correction of a fiduciary breach. Furthermore, the Employer may make corrective contributions pursuant to this Section regardless of whether the Plan

otherwise permits such contribution source. In addition, the Plan is authorized to recover benefits from Participants or Beneficiaries that have been improperly distributed.

IN WITNESS WHEREOF, this Plan has been executed this _____ day of _____ 20____.

El Centro Regional Medical Center, an Agency of the City of El
Centro, CA

EMPLOYER

Exhibit B

**AMENDMENT TO
EL CENTRO REGIONAL MEDICAL CENTER RETIREMENT INCOME PLAN**

WHEREAS, El Centro Regional Medical Center, an Agency of the City of El Centro, California (“ECRMC”) has previously adopted the El Centro Regional Medical Center Retirement Income Plan (the “Plan”), originally effective July 1, 1971, and last restated effective July 1, 2020, for the exclusive benefit of its eligible employees; and

WHEREAS, under Section 7.1 of the Plan, ECRMC has the right to amend the Plan; and

WHEREAS, the Plan was previously amended effective January 1, 2010, to close the Plan to new Participants; and

WHEREAS, ECRMC desires to amend the Plan to: (1) cease further benefit accruals under the Plan for all participants, and (2) transfer sponsorship of the Plan from ECRMC to Imperial Valley Healthcare District (“IVHD”), contingent on Closing and effective on the Closing Date (as defined in Section 1.3(a) of the Asset Transfer Agreement by and among the City of El Centro, ECRMC, and IVHD dated August 1, 2025); and

WHEREAS, IVHD has agreed to assume sponsorship of the Plan effective as of the Closing Date.

NOW THEREFORE BE IT RESOLVED, that the Plan is hereby amended, contingent on Closing and effective on the Closing Date, as follows:

1. Section 1.1 of the Plan is amended by adding the following new paragraph to the end thereof:

Notwithstanding any Plan provision to the contrary, each Participant’s Accrued Benefit is frozen as of the Closing Date, and no Participant will accrue any benefit under the Plan for employment after that date. For avoidance of doubt, any Compensation or Periods of Service after the Closing Date shall be disregarded in calculating a Participant’s benefit in accordance with the formula set forth in Section 5.1.

2. The subsection entitled Employee Mandatory Contributions under Section 1.1 of the Plan is amended by adding the following new paragraph to the end thereof:

Notwithstanding any Plan provision to the contrary, no Employee Mandatory Contributions will be required or permitted after the Closing Date, except with respect to Employee Mandatory Contributions due and not yet paid as of the Closing Date.

3. Section 1.12 of the Plan is amended by adding the following new paragraph to the end thereof:

All employment and Compensation after the Closing Date will be disregarded in determining a Participant’s Average Monthly Compensation. Accordingly, Average Monthly Compensation will be determined by considering only employment performed, and Compensation earned on or before the Closing Date.

4. Section 1.16 of the Plan is amended by adding a new subsection (f) thereto to read as follows:

(f) Notwithstanding any Plan provision to the contrary, Compensation earned by a Participant after the Closing Date will not be considered in determining benefit accruals pursuant to the terms of the Plan.
5. Section 1.22 of the Plan is amended by adding a new subsection (f) thereto to read as follows:

(f) Notwithstanding any Plan provision to the contrary, an Employee who is first employed or is reemployed by the Employer after the Closing Date shall not be an Eligible Employee.
6. Section 1.24 of the Plan is amended by adding the following sentence to the end thereof:

Notwithstanding any Plan provision to the contrary, no Employee Mandatory Contributions will be required or permitted after the Closing Date, except with respect to Employee Mandatory Contributions accrued and not yet paid as of the Closing Date.
7. Section 1.35 of the Plan is amended by adding the following sentence to the end thereof:

Notwithstanding any Plan provision to the contrary, no Participant will earn, or be credited with, any Hours of Service after the Closing Date.
8. Section 1.42 of the Plan is amended by adding the following sentence to the end thereof:

Notwithstanding any Plan provision to the contrary, no Participant will earn, or be credited with, any Months of Service for any Hours of Service completed by the Participant after the Closing Date.
9. Section 1.47 of the Plan is amended and restated in its entirety to read as follows:

“Participant” means any Employee or former Employee who has satisfied the requirements of Sections 3.1 and 3.2 and entered the Plan on or before the Closing Date and who must continue to be taken into account under a particular provision of the Plan (e.g., because the individual has an Accrued Benefit under the Plan). Notwithstanding any Plan provision to the contrary, no Employee who is first hired or rehired after the Closing Date shall become a Participant in the Plan with respect to employment or Compensation after the Closing Date.
10. Section 1.67 of the Plan is amended by adding the following new sentence to the end thereof:

Notwithstanding any Plan provision to the contrary, no Participant will earn, or be credited with, any Year of Credited Service after the Closing Date.
11. Article I of the Plan is amended by adding a new Section 1.68 thereto to read as follows:

“Closing Date” means the Closing Date as defined in Section 1.3(a) of the Asset Transfer Agreement by and among the City of El Centro, El Centro Regional Medical Center, and Imperial Valley Healthcare District dated August 1, 2025.

12. Section 2.1(a) of the Plan is amended by adding a new subsection (d) thereto to read as follows:

(d) Effective on the Closing Date, sponsorship of the Plan is transferred from El Centro Regional Medical Center (ECRMC) to Imperial Valley Healthcare District (IVHD) and IVHD replaces ECRMC as the Employer and Plan sponsor. Accordingly, from and after the Closing Date, IVHD shall have all of the duties, obligations, and authority as the Employer and Plan sponsor.

13. Section 3.1(a) of the Plan is amended by adding the following new sentence to the end thereof:

Notwithstanding any Plan provision to the contrary, no person first employed or reemployed by the Employer after the Closing Date shall become an Eligible Employee.

14. Section 3.2 of the Plan is amended by adding the following new subsection (d) to the end thereof:

(d) Notwithstanding any Plan provision to the contrary, no person who is first employed by the Employer after the Closing Date shall become a Participant and no person who is reemployed by the Employer after the Closing Date shall resume participation in the Plan.

15. Section 3.4 of the Plan is amended by adding the following sentence thereto to read as follows:

Notwithstanding any Plan provision to the contrary, no Participant will earn, or be credited with, any Year of Credited Service after the Closing Date.

16. Section 3.5 of the Plan is amended by adding the following new subsection (c) to the end thereof:

(c) Notwithstanding any Plan provision to the contrary, no person who is reemployed by the Employer after the Closing Date shall resume participation in the Plan.

17. Article III of the Plan is amended by adding a new Section 3.7 thereto to read as follows:

3.7 NO NEW PARTICIPANTS

Notwithstanding any Plan provision to the contrary, no person will become a Participant or resume participation in the Plan after the Closing Date.

18. Section 4.3 of the Plan is amended by adding a new subsection (e) thereto to read as follows:

(e) No Employee Mandatory Contributions will be required or permitted after the Closing Date, except with respect to Employee Mandatory Contributions due and not yet paid as of the Closing Date.

19. Article V of the Plan is amended by adding a new Section 5.15 thereto to read as follows:

5.15 ACCRUED BENEFIT FROZEN

Notwithstanding any Plan provision to the contrary, each Participant's Accrued Benefit is frozen as of the Closing Date in accordance with Section 1.1 and no further benefits will accrue after that date. For avoidance of doubt, any Compensation or Periods of Service after the Closing Date shall be disregarded in calculating a Participant's benefit in accordance with the formula set forth in Section 5.1.

20. From and after the Closing Date, "Imperial Valley Healthcare District" replaces "El Centro Regional Medical Center, an Agency of the City of El Centro, CA" wherever used in the Plan as the name of the Employer.
21. From and after the Closing Date, "El Centro Regional Medical Center Frozen Retirement Income Plan" replaces "El Centro Regional Medical Center Retirement Income Plan" wherever used in the Plan as the name of the Plan.
22. ECRMC will cooperate with and take any and all actions reasonably requested by IVHD to implement this amendment.
23. This amendment will supersede the existing provisions of the Plan to the extent those provisions are inconsistent with this amendment. Except as provided herein, the remaining provisions of the Plan will remain in full force and effect.

IN WITNESS WHEREOF, El Centro Regional Medical Center has caused this Amendment to the El Centro Regional Medical Center Retirement Income Plan to be executed as of the date set forth below.

**EL CENTRO REGIONAL MEDICAL
CENTER**

By: _____

Title: _____

Date: _____

Exhibit C

AMENDED AND RESTATED TRUST AGREEMENT

El Centro Regional Medical Center ("ECRMC") and Wilmington Trust Retirement and Institutional Services Company ("WTRIS") as trustee for the El Centro Regional Medical Center Retirement Income Plan ("Plan") previously entered into the Trust Agreement dated May 24, 2011 ("ECRMC Agreement"). WTRIS was subsequently acquired by Matrix Trust Company ("Matrix Trust").

Effective as of [Closing Date], ECRMC transferred all of its assets and liabilities, including sponsorship of the Plan, to Imperial Valley Healthcare District ("Employer") and the Plan was renamed the El Centro Regional Medical Center Frozen Retirement Income Plan. This Agreement constitutes a restatement of the ECRMC Agreement.

THIS AMENDED AND RESTATED TRUST AGREEMENT ("Agreement") is entered into by and between the Employer and Matrix Trust as trustee (the "Trustee") for the Plan is entered into as of this day of Select Month, 2026.

PRELIMINARY STATEMENTS

WHEREAS, the Trustee is a trust company that is subject to supervision of the United States or a State;

WHEREAS, the Employer desires to appoint the Trustee as a nondiscretionary, directed trustee of the Plan for the purposes hereinafter set forth, and the Trustee desires to act as a nondiscretionary, directed trustee of the Plan subject to the terms and conditions stated herein.

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

The Trust; Employer Certifications

1.1 The Trust.

- (a) The Employer hereby establishes with the Trustee a trust, consisting of such sums of money and such other assets acceptable to the Trustee and actually delivered to the Trustee, together with the earnings and profits thereon, less any payments or distributions that are made by the Trustee as provided herein (the "Trust"). This Agreement shall be effective as of the later of the date hereof or the first date on which the assets are transferred to the Trust.
- (b) The Plan, this Agreement and the Trust created hereby are intended to meet the applicable requirements of Sections 401(a) and 501(a) of the Internal Revenue Code of 1986 (the "Code") and the Employee Retirement Income Security Act of 1974 ("ERISA"), as each has been and may be amended from time to time. Notwithstanding the foregoing, the Employer represents that it is a political subdivision of the State of California, and the Plan is a governmental plan within the meaning of Section 3(32) of ERISA and therefore the Plan is not subject to Title I or Title IV of ERISA. Accordingly, any references in this Agreement to provisions of ERISA shall be interpreted only to the extent applicable to a governmental plan and shall not impose any duties or obligations under Titles I or IV of ERISA upon the Employer or Trustee. ~~the Plan, this Agreement, and the Trust are not subject to ERISA and shall be construed and applied as if any provision herein required or permitted by ERISA as if ERISA did not exist in the Plan, this Agreement and the Trust.~~
- (c) This Agreement restates, replaces or amends any existing trust agreement covering assets held or to be held in the Trust. The administration of the Trust shall be subject to all of the terms and conditions of the Operational Guidelines attached hereto as Appendix A, which are hereby incorporated by reference. Notwithstanding anything to the contrary set forth in this Agreement, the Trustee may

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Commented [SM1]: e won't be able to execute this agreement until we have documentation of the plan sponsorship change (e.g., board resolutions).

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amend the Operational Guidelines at any time upon written notice to the Employer.

~~(d)~~ — The Trustee shall rely upon the determination of the Plan Administrator (as defined in Section 2.1) that all assets received by it are properly contributed or transferred to the Trust in accordance with the provisions of the Plan. Such assets may be cash or in-kind, subject to the requirements of the Operational Guidelines and provided that in-kind contributions will be permitted only in defined contribution plans as long as such contributions have been determined by the Plan Administrator to be discretionary and unencumbered. The Employer shall place any assets which are unacceptable to the Trustee with another trustee under a separate trust agreement or shall retain such assets in any other “appropriate account” as defined in Section 401(f) of the Code. The Trustee shall have no responsibility for such assets.

(d) _____

~~(e)~~ — The Trustee shall have such responsibility to enforce the collection from the Employer of any contribution to the Trust or to determine the correctness of the amount or timing of any contribution, or such responsibility for the sufficiency of the Trust, to the extent required by _____

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~~(f)~~(e) applicable law, except to the extent any such responsibility has been properly delegated to another Plan fiduciary or party in compliance with applicable law, including as set forth in Section 1.2(d) below. The Employer or another “named fiduciary” (as defined in Section 402(a)(2) of ERISA) of the Plan or an Investment Manager (as defined in Section 3.2 below), and not the Trustee, shall have all power over and responsibility for determining the correctness, amount and timing of contributions and for the collection of any contributions under or required by the Plan and the collection of loan repayments and any other amount required to be transferred or paid to the Trust. Such responsibility has been assigned to another “named fiduciary” as set forth in Section 1.2(d) below. The Trustee shall rely upon the determination of the Plan Administrator (as defined in Section 2.1) with respect to the matters set forth in this Section 1.1(e).

~~(g)~~(f) Except as otherwise permitted by the terms of the Plan and any applicable law, rule, regulation or order, decision or award of any governmental authority, including without limitation ERISA and the Code (“**Applicable Law**”), no part of the Trust shall be used for or diverted to purposes other than the exclusive benefit of the Plan participants and their beneficiaries, except that payment of administration expenses may be made from the Trust as provided in Article V. The Employer shall have no right, title or interest in the Trust, nor shall any part of the Trust revert or be repaid to the Employer, directly or indirectly, except for contributions properly returned to Employer in accordance with Applicable Law.

~~(h)~~(g) The Trustee shall maintain, or cause to be maintained, such accounts as may be necessary to properly administer the Trust, including accounts with the Trustee, the Appointed Custodian (as defined in Section 3.6(k)) or either of their successors or assigns.

~~(i)~~(h) Except as authorized by Applicable Law, the Trustee shall not maintain indicia of ownership in any assets of the Trust outside the jurisdiction of the District Courts of the United States.

1.2 Employer Certifications. The Employer hereby represents and warrants that:

(a) The Employer has established and will maintain the Plan in compliance with the qualification requirements of Section 401(a) of the Code (including, where applicable, receipt from the Internal Revenue Service of a favorable qualification letter) and shall promptly notify the Trustee of any change in such qualified status.

(b) All instructions under this Agreement, including investment instructions provided pursuant to Section 3.4 below, by the Employer, Plan Administrator, Investment Manager (as defined in Section 3.2) or Authorized Person (as defined in Section 2.1) will be made in accordance with the terms of the Plan and Applicable Law. Further, the Employer represents and warrants that to the extent instructions are required by the Plan or Applicable Law to be made by a fiduciary, the Employer, Plan Administrator, Investment Manager or Authorized Person shall have been properly named or appointed as a fiduciary for such purposes.

(c) The terms of the Plan provide for the creation of a trust and the appointment of a trustee and one or more Investment Managers.

~~(e)~~(d)

~~(d)~~—The Employer is responsible for maintaining the adequacy of the Trust and for transmitting contributions to the Trustee at such times and in such manner as is mutually agreed between the Employer and the Trustee and as required by the Plan and Applicable Law. Further, the Employer represents, warrants, agrees and covenants that either (i) the Plan appoints a “named fiduciary” as defined in Section 402(a)(2) of ERISA (other than the Trustee) who is responsible for determining the correctness, amount and timing of contributions and for the collection of contributions, or (ii) an Investment Manager (as defined in Section 3.2 below) has been properly appointed to have such

responsibility and exercise authority on behalf of the Plan with respect to such matters. In addition, the Employer represents and warrants that either (i) it has responsibility as a “named fiduciary” as

defined in Section 402(a)(2) of ERISA or has properly delegated the responsibility to another such "named fiduciary", or the Plan names another such "named fiduciary" (other than the Trustee) to be responsible, for voting and exercising all other shareholder rights with respect to the assets of the Trust, or (ii) or an Investment Manager has been properly appointed to have such responsibility and exercise authority on behalf of the Plan with respect to such matters.

- (e) The Employer is a United States entity.
- (f) The Employer is the "plan sponsor" of the Plan as defined in Section 3(16)(B) of ERISA (the "Plan Sponsor") and has the authority to act for all related participating employers, if any, designated under the Plan.
- (g) The terms of the Plan do not impose any duties or obligations upon the Trustee that are not contained in, or are inconsistent with, this Agreement.
- (h) The Employer has full power and authority under Applicable Law, and has taken all action necessary, to enter into and perform this Agreement, and the person executing this Agreement on its behalf is duly authorized and empowered to execute and deliver this Agreement.
- (i) This Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.
- (j) No consent or authorization of, filing with, or other act by or in respect of any governmental authority is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement.
- (k) The execution, performance and delivery of this Agreement shall not result in a violation of any Applicable Law or a breach or impairment of any of its contractual obligations.

ARTICLE II

Duties and Responsibilities of the Plan Administrator

- 2.1 Plan Administrator; Authorized Person. The term "**Plan Administrator**" means the person (including any individual, individuals, committee, partnership or corporation) authorized to instruct the Trustee under this Agreement and so designated in writing by the Employer, or, if no such person is so designated, such term shall mean the Employer. The Plan Administrator or the Employer may also designate in writing persons, including a recordkeeper for the Plan ("**Recordkeeper**"), authorized to act on behalf of the appointing party ("**Authorized Person**").
- 2.2 Distributions from the Trust. The Trustee shall make distributions out of the Trust upon instruction from the Plan Administrator or Authorized Person specifying the manner and amount of payment. The Trustee shall have no responsibility for determining the accuracy or appropriateness of any such distribution. The Trustee shall not be required to make any such distribution out of the Trust in excess of the available funds in the Trust.

ARTICLE III

Powers, Duties and Obligations of the Trustee

- 3.1 No Discretion. The Trustee shall have no discretionary control over, or any other discretion regarding, the investment of the Trust or the administration of the Plan. The Employer hereby instructs the Trustee to act solely in accordance with instructions received from the Employer, the Plan Administrator, the Investment Manager, or Authorized Person, as the case may be, with respect to the investment of the assets held in the

Trust and the administration of the Plan. To the full extent permitted by Applicable Law, the Trustee shall have (a) no duty to inquire whether instructions by the Employer, Investment Manager, Plan Administrator or Authorized Person conform to the Plan or Applicable Law, and (b) no liability or responsibility for following any such instruction, or for failing to act in the absence of any such instruction.

3.2 The Investment Manager. The Plan Administrator may designate in writing an “investment manager,” as defined in Section 3(38) of ERISA (the “**Investment Manager**”), to direct investment of the Trust in whole or in part.

~~**3.2.3 Individually Directed Accounts.** If, as provided in the Plan, participants may direct investments in individual accounts, the Plan Administrator shall be responsible for investment selections available in such program and for ensuring that such program complies with the terms of the Plan and Applicable Law, including, to the extent applicable, Section 404(c) of ERISA and the prohibitions of Section 16 of Rev. Proc. 2011-49, I.R.B. 2015-44 (October 28, 2011). Except as otherwise agreed in writing, the Trustee shall not be responsible for the allocation of contributions among participants~~

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3.4 Investments. The Employer or Investment Manager may instruct the Trustee to invest assets of the Trust in any security or other property listed in the Operational Guidelines. A decision by the Trustee that an investment is or is not administratively acceptable shall not constitute a determination by the Trustee of the prudence or advisability of the investment nor shall it constitute investment advice on the part of the Trustee. The Trustee shall have no duty or obligation to review any investment to be acquired, held or disposed of pursuant to proper instructions, to determine the diversification policy of the Plan assets, or to make any recommendation with respect to the suitability, acquisition, disposition or continued retention of any investment. Notwithstanding the appointment, if any, of an Investment Manager, it shall be the responsibility of the Employer to determine the diversification policy with respect to the investment of Plan assets, for monitoring adherence to such policy, and for instructing the Trustee with respect to its compliance with any investment limitations on employer or other securities or property contained in the Plan or imposed on the Plan by Applicable Law. The Trustee is not required to accept to the Trust, or hold or invest any assets of the Trust in securities (“**Employer Securities**”) issued by any employer of employees covered by the Plan or any affiliate of such employer (“**Company**”) except as set forth in the Operational Guidelines. If the Trust includes any Employer Securities, the Employer and Plan Administrator shall not provide any material non-public information regarding the Company or any Employer Securities held by the Trust or otherwise to the Trustee. Further, if the Trustee shall obtain material non-public information regarding any entity in which the Trust assets are invested, or in which the Trustee has been instructed to invest (including the Employer Securities), the Trustee may expend Trust assets to investigate such material non-public information. For so long as the Trust holds Employer Securities, the Plan Administrator shall provide the Trustee copies of public information which may call into serious question the viability of the Company as a going concern, including but not limited to an 8-K filing with the Securities and Exchange Commission or a notice of filing for protection in the bankruptcy courts, within five (5) days of such information becoming public. In addition, the Plan Administrator shall promptly notify the Trustee if the Company and/or one or more of its officers or directors has been formally charged by state or federal regulators with financial irregularities. Notwithstanding anything to the contrary in Section 3.3, Section 3.4

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or the Operational Guidelines, neither the Employer nor Investment Manager shall instruct the Trustee to hold or invest any assets of the Trust in Employer Securities or any other security or property (including without limitation qualifying Employer real property) to the extent such investment or holding would violate the prohibitions of Section 16 of Rev. Proc. 2011-49, I.R.B. 2015-44 (October 28, 2011).

3.5.3.4 Contracts. If the Plan permits life insurance policies, group annuities, guaranteed investment contracts, bank investment contracts or similar vehicles (collectively, “**Contracts**”) as Plan assets, the following provisions shall apply with respect to any such Contracts that become part of the Trust.

- (a) The Trustee shall have no obligation to take any action with respect to any Contract, including to pay any premium on any Contract, except upon instructions from the Plan Administrator or Authorized Person; provided, however, that the Trustee may (although shall not be obligated to) make such payment in order to avoid the lapse of such Contract and the Trustee shall not be liable for the application of any part of the Trust made solely for this purpose in the absence of specific instructions. Contract premiums, assessments, dues, charges and interest shall be paid only from cash available in the Trust. The Trustee shall not be liable for losses arising out of the lapse in such Contract unless such lapse is due to the Trustee’s negligence or willful misconduct.
- (b) The Trustee shall have no responsibility or liability with respect to the selection or monitoring of the issuers of such Contracts. The Trustee is not responsible for (i) the form, genuineness, validity, sufficiency or effect of any Contract, (ii) the failure of any issuing company to make payments provided by any Contract (iii) the action of any person that may delay payment or render a Contract null and void or unenforceable in whole or in part, or (iv) the fact that for any reason whatsoever any Contract shall lapse or otherwise be uncollectible.
- (c) Any company issuing a Contract may deal with the Trustee as owner of any Contract issued by such company and held in the Trust, without inquiry as to the authority of the Trustee to so act, and may accept and rely upon any written notice, instruction, direction, certificate or other communication signed by the Trustee, and shall incur no liability or responsibility by so doing. Any sums paid by an issuing company under any of the terms of a Contract issued by it, either to the Trustee, or, in accordance with the direction of the Trustee, to any other person or persons designated in such Contract as the person or persons to whom such payment shall be made, shall be a full and complete discharge of the liability to pay such sums, and the issuing company shall have no obligation to look into the terms of this Agreement.

3.6.3.5 Nondiscretionary Powers. The Trustee shall have the following nondiscretionary powers which it shall exercise upon the instructions of, as applicable pursuant to the terms of this Agreement, the Employer, Plan Administrator (directly or indirectly through an Authorized Person), or Investment Manager:

- (a) To accept, purchase, or subscribe for any securities or property as permitted by, and subject to the conditions set forth in, the Operational Guidelines and to retain the same in the Trust.
- (b) To sell, exchange, convey, transfer, or otherwise dispose of, any securities or property held by it, by private contract or public auction, with or without notice or advertisement of any kind, and no person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency, or propriety of any such sale or other disposition.
- (c) To purchase or sell, write or issue, puts, calls or other options, covered or uncovered, to enter into financial futures contracts, forward placement contracts and standby contracts and, in connection therewith, to deposit, hold or pledge assets of the Trust.
- (d) To execute any securities transactions and to perform any other services required to be provided by a registered broker dealer through the Trustee’s affiliate brokers, at the affiliate’s normal rates of

compensation and without diminution of the compensation payable to the Trustee hereunder, provided such transactions are executed in accordance with Applicable Law.

- (e) To transfer, from time to time, all or any part of the Trust to any common, collective or commingled trust fund exempt from taxation under the Code, including any such fund maintained, managed or advised by the Trustee or its affiliates, to be held and administered subject to the terms and provisions of the relevant trust agreement, and such trust agreement shall be deemed adopted as part of this Agreement and the Plan to the extent that any portion of the Trust is invested therein.
- (f) To give general or special proxies or powers of attorney with or without powers of substitution; to exercise any conversion privileges, voting rights, subscription rights, rights to participate in voting trusts with other stockholders, or other options, and to make payments incidental thereto; to oppose, or to consent to, or otherwise participate in, corporate reorganizations or other changes affecting corporate securities, and to delegate discretionary powers, and to pay any assessments or charges in connection therewith; to abandon any property determined by it to be worthless; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities and other property held as part of the Trust.
- (g) To lend securities or enter into repurchase agreements, to extend the time of payment of any obligation owing to the Trust, and to borrow money for the purposes of the Trust from others, excluding the Trustee in its corporate capacity and excluding any other "party in interest" (as defined in Section 3(14) of ERISA); provided, however, the Trustee may agree to an arrangement to borrow from a party in interest upon such terms and conditions as it may deem acceptable. Any such loan shall be upon such terms and conditions as the Employer or Plan Administrator may deem comply with the requirements of Applicable Law and, for the sum so borrowed or advanced, the Trustee may issue a promissory note and secure the repayment thereof by creating a lien upon assets of the Trust.
- (h) To settle or compromise claims, debts or damages due or owing to or from the Trust, to commence or defend suits or legal or administrative proceedings, and to represent the Trust in suits and legal and administrative proceedings; provided, however, the Trustee shall have no duty to begin or maintain any legal or administrative proceeding unless it has been indemnified by the Employer to its satisfaction for its counsel fees, costs, disbursements, and all other expenses and liabilities to which it may be subjected as a consequence of beginning or maintaining such legal or administrative proceeding.
- (i) To make, execute, acknowledge and deliver documents of transfer and conveyance and other instruments that may be necessary or appropriate to carry out the powers granted herein.
- (j) To distribute benefits or make payments to participants or their designated beneficiaries, as instructed by the Plan Administrator or Authorized Person.
- (k) To engage a custodian ("**Appointed Custodian**") to perform certain custodial duties and responsibilities for the Trust as instructed by the Plan Administrator. The Trustee shall have no responsibility or liability with respect to the selection or monitoring of the Appointed Custodian, for the actions delegated to the Appointed Custodian upon such instruction, or for the actions or omissions of any Appointed Custodian.

3.7.3.6 Administrative Powers. The Trustee shall have the following administrative powers with respect to the Trust, which it may exercise in its sole discretion:

- (a) To keep any portion of the Trust, including, but not limited to, amounts with respect to which the Trustee has not received instructions from the Employer, Plan Administrator, Investment Manager, or Authorized Person, or for which instructions furnished are, in the opinion of the Trustee, incomplete

or ambiguous, in cash, it being understood that the Trustee shall not be required to pay any interest on any such balances, unless otherwise agreed by the parties.

- (b) To register any investment held by the Trustee as part of the Trust in its own name or in the name of a nominee, including the Appointed Custodian or Sub-Custodian (as defined in Section 3.7(e)), to hold any investment in bearer form or to hold any investment unregistered or in such form that title will pass by delivery; provided, however, that the books and records of the Trustee, the Appointed Custodian and Sub-Custodian shall at all times show that all such investments are part of the Trust, and further provided that to the extent such investment consists of securities held in the name of a nominee or in street name, such securities shall be held by (i) a bank or trust company that is subject to supervision by the United States or a State, or a nominee of such bank or trust company; (ii) a broker or dealer registered under the Securities Exchange Act of 1934, or a nominee of such broker or dealer; or (iii) a "clearing agency", as defined in Section 3(a)(23) of the Securities Exchange Act of 1937, or its nominee.
- (c) To hold such investments for safekeeping or to deposit such securities, or cause them to be deposited, in a clearing system established to settle transfers of securities and cause them to be held in the nominee name of such clearing system.
- (d) To engage attorneys (who may also serve as counsel for the Employer or the Trustee), accountants and other professional advisors, and, anything contained herein to the contrary notwithstanding, to engage in legal or administrative proceedings as the Trustee deems reasonably required in connection with the administration of the Trust, and to compensate any persons so engaged at such wages, fees, remuneration, consideration or otherwise, and upon such terms and conditions as the Trustee deems reasonable under the circumstances. Unless otherwise noted in this Agreement, such compensation shall be a charge upon the Trust and may be paid from the Trust as provided in Article V and shall in no event be deducted from any compensation payable to the Trustee.
- (e) To engage a custodian, which may be an affiliate of the Trustee, to perform certain custodial duties and responsibilities for the Trust, including maintaining physical control of Trust assets, providing record maintenance and producing statements on such assets (the "Sub-Custodian").
- (f) To do all such acts, and exercise all such rights and privileges, although not specifically mentioned, unless specifically prohibited by the Employer or Plan Administrator, which shall be reasonably required in the performance of the Trustee's duties hereunder.

3.8.3.7 Proxies. The Trustee shall have no responsibility to vote proxies or exercise other shareholder rights with respect to the assets of the Trust, including without limitation Employer Securities, unless otherwise agreed by the Trustee under a separate written agreement. The Employer or another "named fiduciary" of the Plan as defined in section 402(a)(2) or an Investment Manager, and not the Trustee, shall have all power over and responsibility for voting proxies and exercising other shareholder rights. Notwithstanding the foregoing, in its sole discretion, the Trustee may (in an administrative but not a fiduciary capacity) carry out the voting of proxies or exercising of shareholder rights with respect to Employer Securities strictly as directed by the Employer or another "named fiduciary" of the Plan or an Investment Manager, it being understood that the discretion with respect to voting or exercising such rights shall remain with the Employer, another "named fiduciary" or an Investment Manager. If the Trustee declines to perform such administrative function, it shall only be responsible for forwarding any proxies or other shareholder materials it receives to the Employer, a "named fiduciary" or an Investment Manager for handling.

ARTICLE IV

Maintenance of Records and Accounts

- 4.1 Records. The Trustee shall keep accurate and detailed records of all its receipts, investments, disbursements and other transactions and shall provide the Plan Administrator with copies of such records upon request. Trustee will retain such records in accordance with its records management policy.
- 4.2 Written Statement of Account. As soon as reasonably practicable after the close of each Plan year (as designated in the Plan), at such other times as agreed to by the Employer and the Trustee, and upon the removal or resignation of the Trustee as provided in Section 7.1 or the termination of the Plan or this Agreement as provided in Article VIII, as applicable, the Trustee shall deliver to the Employer a written statement of account of all its transactions relating to the Trust including the value of the assets held by such Trustee. Values shall be reported in accordance with the Trustee's established reporting procedures, as may be amended from time to time. Such account statements shall be delivered via such means to which the parties may agree from time to time. Upon the expiration of ninety (90) days from the date of the Trustee's account statement, Trustee shall be forever released and discharged from all liability and further accountability to Employer or any other person with respect to the accuracy of such accounting and all acts and failures to act of Trustee reflected in such account, except to the extent that Employer shall, within such 90-day period, file with the Trustee specific written objections to the account.
- 4.3 Judicial Settlement. The Trustee shall have the right at any time to apply to a court of competent jurisdiction for judicial settlement of its accounts or for determination of any questions of construction which may arise or for instructions. The only necessary party defendant to any such action shall be the Plan Administrator, but the Trustee may, if it so elects, join in as a party defendant any other person or persons. The cost, including attorneys' fees, of any such accounting shall be a charge against the Trust and may be paid from the Trust as provided in Article V.
- 4.4 Taxes. Unless otherwise agreed in writing by the Employer and the Trustee, the Trustee shall be responsible for the reporting and withholding of federal and state taxes that may be required to be withheld with respect to payments to participants or their beneficiaries, and for remitting amounts withheld to the appropriate taxing authorities. The Plan Administrator or Authorized Person shall calculate all taxes and withholding and shall provide the Trustee all information necessary for the Trustee to report on, withhold and remit such taxes. Except as provided herein, unless otherwise agreed in writing by the Employer and the Trustee, the Trustee is not responsible for preparation of any tax-related return or report including, but not limited to, the Form 5500 Annual Return/Report of Employee Benefit Plan or any return or report required as a result of liability incurred by the Plan for tax on unrelated business taxable income, windfall profits tax or any return or report necessary to preserve the availability of any credit or deduction with respect thereto.

ARTICLE V

Compensation and Expenses

- 5.1 Compensation. The Trustee shall receive compensation for the performance of its services in accordance with its fee schedule in effect when such services are rendered. The Trustee's compensation shall include, without limitation, earnings ("float") on amounts held by the Trustee uninvested pending investment or disbursement as further described by the Trustee's fee schedule or other disclosure delivered to the Plan Administrator, and also amounts credited to non-interest bearing cash accounts under Section 3.7(a). Trustee's fee schedule or other disclosure delivered to the Plan Administrator shall include the following disclosures: (i) the specific circumstances under which float will be earned and retained, including in the case of float on contributions pending investment direction, the specific time frames within which cash pending investment direction will be invested following direction from the plan fiduciary, as well as exceptions that might apply; (ii) in the case of float on distributions, when the float period commences and

ends and time frames for mailing and other administrative practices that may affect the duration of the float period; and (iii) the rate of the float or the specific manner in which such rate will be determined. In the event that the Trustee shall be called upon to render any extraordinary services, it shall be entitled to additional compensation in accordance with the fee schedule. Such compensation shall constitute a charge against the Trust. The Employer represents that it has determined that the compensation to be paid to the Trustee is reasonable, that it will, upon notice of a fee schedule amendment, determine if the fees to be paid under such amendment are reasonable, and that it will object to the amendment of the fee schedule if it determines such amended fees are not reasonable.

- 5.2 Expenses. Expenses for legal, accounting and all other proper charges and disbursements of the Trustee in connection with the administration of the Trust shall constitute a charge to be paid by the Trust. The Trustee shall also charge against the Trust any taxes paid by the Trustee which may be imposed upon the Trust or which the Trustee is required to pay.
- 5.3 Withdrawals from Trust. The Trustee may withdraw from the Trust amounts sufficient to pay any proper charge against the Trust. The Employer shall be responsible for payment of any deficiency. To the extent permitted by Applicable Law, the Employer may reimburse the Trust for any charges paid from the Trust.
- 5.4 Employer Option. Notwithstanding the foregoing, the Employer may pay directly any fees or expenses that otherwise would be charged against the Trust. If this option is exercised, the Employer hereby covenants and agrees to pay such charges within forty-five (45) days after receiving notice thereof provided that, until paid, such charges shall constitute a charge upon the Trust.

ARTICLE VI

Additional Provisions

- 6.1 Designation of Plan Administrator, Authorized Persons and Investment Manager. The Plan Administrator, Authorized Person and Investment Manager may be designated by providing the name and signatures of such person(s) to the Trustee pursuant to Sections 2.1 and 3.2. The Trustee shall be entitled to rely entirely, without having to make further inquiry, and shall not be held liable for any actions taken in assuming, that the identity and duties of such persons so designated are valid until such time as it is otherwise notified in writing. Notice of authorization or removal of the Plan Administrator shall be accompanied by evidence of proper action of the Employer approving such instruction pursuant to Section 6.6.
- 6.2 Reliance on Instruction. The Trustee may rely in all respects, without having to make further inquiry, upon instructions appearing to be instructions from any person designated as the Employer, Plan Administrator, Investment Manager or Authorized Person. Instructions given by an Authorized Person in accordance with this Agreement shall be treated for all purposes hereof as instructions from the party appointing the Authorized Person. The Trustee shall be deemed to have received proper instructions upon receipt of written instruction given to the Trustee in a form and manner required by or acceptable to the Trustee.
- 6.3 Conflicting Instructions. In the event of any ambiguous or conflicting instructions to, or adverse claims or demands upon, the Trustee, the Trustee shall be entitled, at its option, to refuse to comply with any such instruction, claim or demand as long as such ambiguity or conflict shall continue, and in so refusing the Trustee may elect not to make any payment or other disposition of assets held pursuant to this Agreement. The Trustee shall not be or become liable in any way for its failure or refusal to comply with any such ambiguous or conflicting instructions or adverse claims or demands, and it shall be entitled to continue to so refrain from acting until such ambiguous, conflicting or adverse demands (a) have been resolved and it has been notified in writing thereof or (b) have finally been determined in a court of competent jurisdiction.
- 6.4 Reliance on Professional Advisors. The Trustee may consult with a professional advisor who may also be an advisor for the Employer, and the Trustee shall be fully protected in respect of any action taken or suffered

by the Trustee in good faith and in accordance with the advice or opinion of such professional advisor.

- 6.5 Bond. The Trustee shall not be required to give any bond or other security for the faithful performance of the Trustee's duties under this Agreement, except as may be required by Applicable Law.
- 6.6 Action by Employer. Except as otherwise agreed by Trustee, any action by Employer pursuant to any of the provisions of this Agreement, the Plan, or Applicable Law shall be, (a) in the case of a corporation, partnership or similar organization, evidenced by (i) a resolution of its governing body certified to the Trustee over the signature of its secretary or assistant secretary or other duly authorized agent under seal, if there be one, or (ii) by appropriate written authorization of any person or committee to which the governing body had delegated the authority to take such action, and (b) in the case of a sole proprietorship or any other entity, evidenced by written certification of a duly and legally authorized agent, individual or entity. The Trustee shall not be liable for any actions taken in accordance with any such resolution or other authorization.
- 6.7 Bankruptcy. Trustee shall have no duty, in the event of the Employer's bankruptcy or insolvency, to take any action until directed to do so by the bankruptcy trustee or a court that has jurisdiction over Plan assets.
- 6.8 Scope of Trustee's Liability. To the full extent permitted by Applicable Law, the Trustee shall not be liable for assets that are not included in the Trust or for losses of any kind that may result (a) by reason of any action taken by it in accordance with the instructions of the Employer, the Plan Administrator, the Investment Manager, or Authorized Person, (b) by reason of any failure to act as a result of the absence of, or ambiguity of, instructions, or (c) by reason of any actions taken by any prior trustee, additional trustee, successor trustee or Appointed Custodian. The Trustee has no duty to perform any actions other than those specified in this Agreement or pursuant to proper instructions. The Trustee shall not be responsible for any lost profits or any special, indirect or consequential damages in respect of any breach or wrongful conduct in any way related to this Agreement. The Trustee shall have no liability for any matters beyond its control such as market loss or diminution, impact of government regulations, third-party bankruptcies or otherwise. ~~The Trustee shall not be responsible for any lost profits or any special, indirect or consequential damages in respect of any breach or wrongful conduct in any way related to this Agreement. The Trustee shall have no liability for any matters beyond its control such as market loss or diminution, impact of government regulations, third-party bankruptcies or otherwise.~~
- 6.9 General Indemnity. The Employer shall, to the full extent permitted by Applicable Law, indemnify and hold harmless the Trustee and the Trustee's directors, officers, employees, agents and affiliates ("Trustee Indemnitees") from and against any and all damages, losses, costs, judgments, fines, penalties, and expenses (including attorney's fees and disbursements) of any kind or nature (collectively, "Losses") imposed on or incurred by the Trustee Indemnitees, by reason of its or their service pursuant to this Agreement, including any Losses arising out of any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative (including any such action by or in the right of the Employer), except to the extent such Losses were caused by the negligence or willful misconduct of the Trustee. Reasonable expenses incurred in defending any such claim, action, suit or proceeding shall be paid by the Employer in advance of a final disposition of such claim, action, suit, or proceeding, upon presentation of statements therefor by the Trustee.
- 6.10 Specific Indemnities. In addition to and not in derogation of any other indemnification or hold harmless provisions in this Agreement, the Employer agrees to indemnify and hold the Trustee Indemnitees harmless from and against any liability that it or they may incur because of:
- (a) The Employer's failure to make any contribution to the Trust or the insufficiency of the Trust to discharge any liabilities under the Plan.
 - (b) Actions taken or omitted by the Trustee pursuant to any instructions from the Employer, Plan Administrator, Investment Manager or Authorized Person, as the case may be, or actions not taken in the absence of any such instruction.

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- (c) The application of any part of the Trust by the Trustee in accordance with the instructions of the Employer, Plan Administrator, Investment Manager or Authorized Person.

- (d) The failure of an individually directed account or participant loan to satisfy the requirements of the Plan and Applicable Law.
- 6.11 Waiver. The Trustee shall not, by act, delay, omission or otherwise, be deemed to have waived any right or remedy it may have either under this Agreement or generally, unless such waiver is in writing, signed by the Trustee, and such waiver shall only be effective to the extent expressly therein set forth. A waiver by the Trustee of any right or remedy granted by this Agreement shall not be construed as a bar to, or waiver of, the same or any other such right or remedy which it would otherwise have on any other occasion.
- 6.12 No Affiliation. The Trustee is not affiliated with the Recordkeeper and there is no agency, partnership or joint venture relationship between the Trustee and the Recordkeeper.
- 6.13 Survival. The provisions of Articles V and X and Sections 6.7, 6.8, 6.9, 6.10, 7.5, 7.6 and 9.3 of this Agreement shall survive termination of this Agreement for any reason.

ARTICLE VII

Removal or Resignation of Trustee; Appointment of Successor

- 7.1 Removal or Resignation. The Trustee may be removed by the Employer at any time by written notice to the Trustee and the Trustee may resign at any time by written notice to the Employer; provided that, unless otherwise agreed, the effective date of such removal or resignation shall be greater than sixty (60) days from the date of said written notice. Notice of removal shall be accompanied by evidence of proper action of the Employer approving such removal pursuant to Section 6.6.
- 7.2 Successor. The Employer shall appoint a successor trustee to act hereunder within sixty (60) days after notice provided pursuant to Section 7.1. If within sixty (60) days after such notice the Employer has not designated a successor trustee, which has accepted such appointment, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or may appoint an employee of Employer as successor trustee in accordance with Applicable Law.
- 7.3 Powers of Successor. Each successor trustee shall have the powers and duties conferred upon the Trustee in this Agreement and the term “Trustee” as used in this Agreement shall be deemed to include any successor trustee. Any business entity into which the Trustee may be merged or converted or with which it may be consolidated, or any entity resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any entity succeeding to or receiving by assignment all or substantially all of the corporate trust or retirement services business of the Trustee, shall be the successor of the Trustee hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto.
- 7.4 Delivery of Assets. Upon receipt of a notice that the successor trustee has accepted such appointment, the Trustee shall transfer and deliver the assets comprising the Trust to the successor trustee, except for any such assets held as a charge against the Trust as provided in Section 7.5.
- 7.5 Reserving for Expenses. The Trustee may reserve such sums as it deems necessary to defray its expenses in settling its accounts, to pay any of its compensation due and unpaid, and to discharge any liabilities constituting a charge on or against the assets of the Trust or on or against the Trustee. If the reserve is not sufficient for all amounts otherwise payable hereunder, the resigning or removed Trustee shall be entitled to reimbursement for any deficiency from the successor trustee and the Employer, each of which shall be jointly and severally liable therefor.
- 7.6 Termination of Liability. When the assets comprising the Trust have been transferred and delivered to the successor trustee, and the accounts of the Trustee have been settled pursuant to Section 4.2, the Trustee

shall be released and discharged from all further accountability or liability for the Trust and shall not be responsible in any way for the further disposition of the Trust or any part thereof.

ARTICLE VIII

Plan Termination and Trust Amendment

- 8.1 Plan Termination. If the Plan is discontinued in whole or in part, or this Agreement is terminated, the Trustee, after reserving such sums as the Trustee deems reasonably necessary as provided in Section 7.5, shall apply or distribute the Trust in accordance with the instructions of the Plan Administrator; provided that if the reserve is not sufficient for all amounts otherwise payable hereunder, the Trustee shall be entitled to reimbursement for any deficiency from the Employer. When the Trust has been so applied or distributed, and the accounts of the Trustee have been settled pursuant to Section 4.2, the Trustee shall not be responsible in any way for the further disposition of the Trust (or that part of the Trust so applied or distributed, if the Plan is terminated only in part) or any part thereof so applied or distributed. If the Plan is subject to the jurisdiction of the Pension Benefit Guaranty Corporation ("PBGC"), the Trustee shall have the right to withhold distribution or application of any part of the Trust unless and until written approval of the termination has been granted by the Internal Revenue Service and the PBGC.
- 8.2 Amendment or Termination. Except as otherwise set forth in this Agreement, this Agreement may be amended only by a written agreement signed by the parties hereto. Either party may terminate this Agreement at any time upon sixty (60) days' written notice to the other party. In the event of a termination by the Employer, such notice of termination shall be accompanied by evidence of proper action of the Employer approving such termination pursuant to Section 6.6. In the event of termination of this Agreement, the Trust shall be distributed pursuant to Article VII or VIII.

ARTICLE IX

Discharge of Duties by Trustee; Allocation of Responsibilities

- 9.1 Discharge of Duties. The Trustee shall be responsible only for complying with the terms of this Agreement as amended from time to time and performance of those duties expressly assigned herein. The Trustee shall discharge its duties set forth in this Agreement with respect to the Plan (a) solely in the interests of the Plan participants and their beneficiaries and for the exclusive purpose of providing benefits to Plan participants and their beneficiaries and defraying reasonable expenses of administering the Trust; and (b) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.
- 9.2 Plan Assets Not Held in Trustee's Trust. If, as provided in the Plan, other trustees of separate trusts under the Plan may be appointed, the Trustee under this Trust Agreement shall have no duties or responsibilities for Plan assets not held in the Trust by the Trustee, except as required by Applicable Law. In no event shall the Trustee be considered a co-trustee with any other such trustee.
- 9.3 Relationship of Fiduciaries. To the full extent permitted by Applicable Law, each fiduciary of the Plan shall be solely responsible for its own acts or omissions and the Trustee shall have no duty to question any other fiduciary's performance of its duties. In the event that "knowledge" of the Trustee shall be a prerequisite to imposing a duty upon, or determining liability of, the Trustee, or determining the Trustee's right to indemnification, then it is expressly understood and agreed that the Trustee's performance of ministerial duties (such as processing of investment orders, or custodial, reporting, recording or bookkeeping functions) shall not be deemed to constitute "knowledge" by the Trustee of the substance of matters contained therein. For the purpose of this section, the Trustee shall include its directors, officers, employees, agents and affiliates.

ARTICLE X General Provisions

- 10.1 Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed by interpreting that invalid or unenforceable provision as nearly to the original meaning as possible so as to make it enforceable and valid or, if that is not possible or permitted by Applicable Law, by omitting that invalid or unenforceable provision.
- 10.2 Non-Assignability of Interest. No benefit that is payable out of the Trust to any person (including any participant or beneficiary) shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, garnishment, levy, execution or charge, either voluntary or involuntary, prior to actually being received by the person or persons entitled thereto, and where there is any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge or otherwise dispose of any right to amounts payable hereunder, the same shall be void; and no such benefit shall in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements or torts of any such person, nor shall it be subject to attachment or legal process for or against such person, and the same shall not be recognized by the Trustee. The foregoing provisions notwithstanding, the Trustee is authorized to make any payments required by Applicable Law.
- 10.3 Titles and Headings. The titles and headings of the Articles and Sections in this Agreement are placed herein for convenience of reference only. In the case of any conflict, the text of this Agreement, rather than such titles or headings, shall control.
- 10.4 Notices. Except as the parties may otherwise agree in writing, all notices, reports, accounts and other communications from the Trustee to the Employer, the Plan Administrator, the Investment Manager(s) or any Authorized Person shall be in writing and deemed to have been duly given as of the first date on which the Trustee transmits or otherwise makes the communication available. Except as the parties may otherwise agree in writing, all instructions, notices, objections and other communications to the Trustee shall be in writing and shall be deemed to have been given when received by the Trustee at its office below:

Matrix Trust Company
717 17th Street, Suite 1300
Denver, CO 80202
Attn: Senior Vice President

With a copy to:

Matrix Trust Company
P.O. Box 52129
Phoenix, AZ 85072-2129
Attn: Vice President

- 10.5 Governing Law. This Agreement shall be governed and administered under the laws of the State of ~~Colorado~~~~Colorado~~~~California~~, without regard to conflict of law principles, except to the extent preempted by ERISA. Any suit, action or proceeding arising out of this Agreement may be instituted in any federal or ~~Colorado~~ ~~Colorado~~ ~~California~~ State court sitting in ~~Denver, Colorado~~~~Denver~~~~Imperial County, Colorado~~~~California~~, and the parties irrevocably submit to the nonexclusive jurisdiction of any such court in any such suit, action or proceeding and waive, to the fullest extent permitted by law, any objection which they may now or hereafter have to the venue of any such suit, action, or proceeding, brought in such a court and any claim that such suit, action, or proceeding was brought in an inconvenient forum.

- 10.6 Force Majeure. The Trustee shall have no liability for any losses arising out of delays in performing the services which it renders under this Agreement when such delays result from events beyond its control, including

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e're a Colorado trust company. We cannot accept California.

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without limitation, interruption of the business of the Trustee due to acts of God, acts of

governmental authority, acts of war, terrorism, riots, civil commotions, insurrections, labor difficulties (including, but not limited to, strikes and other work slippages due to slow-downs), unauthorized access to its systems, or any action of any courier or utility, mechanical or other malfunction, or electronic interruption.

10.7 Entire Agreement. This Agreement, including all Appendices hereto and all documentation submitted in connection with the engagement of the Trustee, contains the entire understanding between the parties relating to the subject matter hereof, and supersedes all prior agreements or understandings between the parties relating to the subject matter hereof, whether written or oral, express or implied.

10.8 Confidentiality.

- (a) Definitions. In connection with this Agreement, including without limitation the evaluation of new services contemplated by the parties to be provided by Trustee under this Agreement, information will be exchanged between Trustee and Plan. Trustee shall provide information that may include, without limitation, confidential information relating to the Trustee's products, trade secrets, strategic information, information about systems and procedures, confidential reports, customer information, vendor and other third party information, financial information including cost and pricing, sales strategies, computer software and tapes, programs, source and object codes, and other information that is provided under circumstances reasonably indicating it is confidential (collectively, the "**Trustee Information**"), and Plan shall provide information required for Plan to use the services received or to be received, including customer information, which may include Personal Information (defined below), to be processed by the services, and other information that is provided under circumstances reasonably indicating it is confidential ("**Plan Information**") (the Trustee Information and the Plan Information collectively referred to herein as the "**Information**"). Personal Information that is exchanged shall also be deemed Information hereunder. "**Personal Information**" means personal information about an identifiable individual including, without limitation, name, address, contact information, age, gender, income, marital status, finances, health, employment, social security number and trading activity or history. Personal Information shall not include the name, title or business address or business telephone number of an employee of an organization in relation to such individual's capacity as an employee of an organization. The Information of each party shall remain the exclusive property of such party.
- (b) Obligations. The receiver of Information (the "**Receiver**") shall keep any Information provided by the other party (the "**Provider**") strictly confidential and shall not, without the Provider's prior written consent, disclose such Information in any manner whatsoever, in whole or in part, and shall not duplicate, copy or reproduce such Information, including, without limitation, by means of photocopying or transcribing of voice recording, except in accordance with the terms of this Agreement. The Receiver shall only use the Information as reasonably required to carry out the purposes of this Agreement.
- (c) Disclosure Generally. Trustee and Plan agree that the Information shall be disclosed by the Receiver only to: (i) the employees, agents and consultants of the Plan and the Designated Representative in connection with Receiver's performance or use of the services, as applicable, and (ii) auditors, counsel, and other representatives of the Plan and Designated Representative for the purpose of providing assistance to the Receiver in the ordinary course of Receiver's performance or use of the services, as applicable. Each party will take reasonable steps to prevent a breach of its obligations by any employee or third party.
- (d) Compelled Disclosure. If the Receiver or anyone to whom the Receiver transmits the Information pursuant to this Agreement becomes legally compelled to disclose any of the Information, then the Receiver will provide the Provider with prompt notice before such Information is disclosed (or, in the case of a disclosure by someone to whom the Receiver transmitted the Information, as soon as the

Receiver becomes aware of the compelled disclosure), if not legally prohibited from doing so, so that the Provider may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. If such protective order or other remedy is not obtained, then the Receiver will furnish only that portion of the Information which the Receiver is advised by reasonable written opinion of counsel is legally required and will exercise its reasonable efforts to assist the Provider in obtaining a protective order or other reliable assurance that confidential treatment will be accorded to the Information that is disclosed.

- (e) Exceptions. Except with respect to Personal Information, nothing contained herein shall in any way restrict or impair either party's right to use, disclose or otherwise deal with:
- (i) Information which at the time of its disclosure is publicly available, by publication or otherwise, or which the Provider publicly discloses either prior to or subsequent to its disclosure to the Receiver;
 - (ii) Information which the Receiver can show was in the possession of the Receiver, or its parent, subsidiary or affiliated company, at the time of disclosure and which was not acquired, directly or indirectly, under any obligation of confidentiality to the Provider; or
 - (iii) Information which is independently acquired or developed by the Receiver without violation of its obligations hereunder.

In addition, each employee of the Receiver shall be free to use for any purpose, upon completion of the services rendered under this Agreement, any general knowledge, skill or expertise that (i) is acquired by such employee in performance of those services, (ii) remains part of the general knowledge of such employee after access to the tangible embodiment of the Provider's Information, (iii) does not contain or include any such Information, and (iv) is not otherwise specific to the Provider.

- (f) Return or Destroy. Upon the termination of this Agreement for any reason, the parties shall return to each other, or destroy, any and all copies of Information of the other that are in their possession relating to the terminated Agreement, except for any copies reasonably required to maintain such party's customary archives or computer back-up procedures, and as otherwise required by applicable law, rule or regulation. Notwithstanding the foregoing, Trustee shall have the right to keep one copy of such Information as may be reasonably required to evidence the fact that it has provided the services to Plan. In the event that Plan requires Trustee to return any Plan Information, Plan shall pay Trustee (at the rates set forth in the applicable Schedule, or, if no such rates are set forth, at Trustee's then current charges) for Trustee's actual time spent and incidental expenses actually incurred in connection with such return.

- (g) Nonpublic Personal Information

- (i) Obligations. The Trustee shall not disclose or use any nonpublic Personal Information of the Company's employees except to the extent reasonably required to carry out its obligations under this Agreement or as otherwise directed by Company. In connection with each party's use or provision of the rendered services, as applicable, each party shall comply with any applicable law, rule or regulation of any jurisdiction applicable to such party relating to the disclosure or use of Personal Information (including, without limitation, with respect to Company and its Affiliates and their employees, Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, as the same may be amended or supplemented from time to time).
- (ii) Security Measures. The Trustee shall (a) implement and maintain commercially reasonable measures to protect the security, confidentiality, and integrity of nonpublic Personal

Information of Company's employees against anticipated threats, unauthorized disclosure or use, and improper disposal, and (b) provide the Company with information regarding such security measures upon the reasonable request of Company.

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IN WITNESS WHEREOF, the Employer and Trustee have executed this Agreement, as of the date first written above.

Agreed To By:

TRUSTEE:
MATRIX TRUST COMPANY

BY: _____

NAME: _____

TITLE: _____

EMPLOYER:
IMPERIAL VALLEY HEALTHCARE DISTRICT

BY: _____

NAME: INSERT NAME

TITLE: INSERT TITLE

APPENDIX A

OPERATIONAL GUIDELINES

Capitalized terms used but not otherwise defined have the meanings given to such terms in the Agreement.

INSTRUCTIONS

The Trustee must receive instructions from an Instructing Party, as defined below, for each purchase, sale acquisition and disposition. The Trustee reserves the right not to effect any transaction unless given sufficient time and information to review and process the transaction. All purchases, sales, acquisitions, and dispositions of assets must be made in accordance with terms of the Agreement, the Plan and Applicable Law.

LIQUIDITY

Sufficient liquidity must be maintained in accounts to meet foreseeable obligations of the Trust. The Trustee specifically reserves the right (a) not to follow any instruction that it reasonably believes would result in insufficient liquidity (b) not to make any disbursement unless the Investment Manager, Plan Administrator or other Authorized Person (the “**Instructing Party**”) has provided instruction as to the assets to be converted to cash for the purposes of making such payment, and (c) to sell securities from the Trust to recover any funds advanced for any trades not settled immediately upon placement.

TRUST ASSETS

Acceptable Assets

Assets are considered to be acceptable assets depending upon the Trustee's ability to support and administer the asset, the Trustee's proposed responsibilities with respect to such assets, the type of account, the availability of the asset to be acquired through the Trustee or an affiliate (approved for this purpose by the Trustee) and other factors. The Instructing Party should consult with the Trustee prior to the acquisition of any asset to determine acceptability of such asset. The following types of assets are generally acceptable:

- (1) Cash.
- (2) Publicly traded stock listed on a U.S. stock exchange or regularly quoted over-the-counter.
- (3) Publicly traded bonds listed on a U.S. bond exchange or regularly quoted over-the-counter.
- (4) Mutual funds that are NSCC and DCC&S eligible.
- (5) Registered limited partnership interests, REITs and similar investments listed on a U.S. stock exchange or regularly quoted over-the-counter.
- (6) Commercial paper, bankers' acceptances eligible for rediscounting at the Federal Reserve, repurchase and reverse repurchase agreements and other “money market” instruments for which trading and custodial facilities are readily available.
- (7) U.S. Government and U.S. Government Agency issues.
- (8) Municipal securities whose bid and ask values are readily available.
- (9) Federally insured savings accounts, certificates of deposit and bank investment contracts. The Instructing Party is responsible for determining federal insurance coverage and limits and for diversifying account assets in accordance with those limits.
- (10) American Depositary Receipts, Eurobonds, and similar instruments listed on a U.S. exchange or regularly quoted domestically over-the-counter for which trading and custodial facilities are readily available.
- (11) Life insurance, annuities, and guaranteed investment contracts issued by insurance companies licensed to do business in one or more states in the U.S. The Instructing Party is responsible for determining the safety of such investments and the economic viability of the underwriter and for diversifying account assets accordingly.

In certain circumstances a particular asset which otherwise may be considered an acceptable asset may be determined by the Trustee to be unacceptable or conditionally acceptable.

Unacceptable Assets

Trustee generally cannot acquire or hold the following assets:

- (1) Tangible personal property (e.g., precious metals, gems, works of art, coins, furniture and other household items, motor vehicles, etc.).
- (2) Foreign currency and bank accounts.
- (3) Short sales.
- (4) Commodity futures and forward contracts.
- (5) Oil, gas, and mineral interests.
- (6) Intangible personal property (e.g., patents and rights).
- (7) Unsecured loans.
- (8) Interests in real property.
- (9) Loans secured by first deeds of trust.
- (10) Other secured loans.

Conditionally Acceptable Assets

The Trustee may, but shall not be obligated, to acquire or continue to hold any of the assets listed below:

- (1) General partnerships.
- (2) Unregistered limited partnerships.
- (3) Other unregistered securities closely held stock and other securities for which there is no readily available market, except for qualifying Employer securities.
- (4) The securities of the broker/dealer's corporate entity or its affiliates and subsidiaries. These securities may be subject to legal and regulatory prohibitions or restrictions. In any event, no Trust may acquire and hold securities of the broker/dealer's corporate entity unless specifically authorized by the underlying Trust agreement.
- (5) Foreign securities for which trading and custodial facilities are readily available.
- (6) Options.
- (7) Securities of the Employer.
- (8) Any other asset not listed under "Acceptable Assets" or "Unacceptable Assets" above.

The acquisition and continued retention of the foregoing assets is subject to providing the Trustee with the cost basis, if any, of any such assets and with a valuation of the assets on at least an annual basis. The Trustee, in its sole discretion, may impose other conditions to acquire or hold such assets, including imposing additional fees.

PROXIES AND OTHER SHAREHOLDER ACTION***Calls, Conversions, Expirations, Tenders, etc.***

The Instructing Party must monitor and determine the existence of and initiate all actions necessary or appropriate in connection with calls, conversions, tenders, and similar events or transactions relating to Trust assets. The Trustee will pass on to the Instructing Party any information it receives regarding such actions.

Proxies

The Instructing Party is responsible for voting proxies and exercising other shareholder rights with respect to securities under the Instructing Party's investment authority, and the Trustee shall not vote proxies and exercise other shareholder rights with respect to any securities held by the Trust, including Employer Securities, unless the Trustee agrees to undertake such responsibility under a separate written agreement or as otherwise explicitly provided for in the Trust Agreement. The Instructing Party shall provide the Trustee with instructions as to where to deliver any proxies it receives, and the Trustee will use commercially reasonable efforts to deliver proxies in a timely manner to such party. The Trustee is not responsible for ascertaining whether, or how, the proxies were subsequently voted or disposed of and shall bear no liability for the actions or inactions relating to voting of proxies by the Plan Administrator, Employer, "named fiduciary" of the Plan, or an Investment Manager. The Plan Administrator is exclusively responsible for reviewing whether the provisions of the Trust Agreement and these

Operational Guidelines for the voting of securities and the exercise of other shareholder rights are consistent with the requirements of the Plan documents and Applicable Law.

Employer Securities

If the Trust consists of Employer Securities that are not traded on a recognizable market, or the information necessary to ascertain the fair market value is not readily available, the Plan Administrator shall provide to the Trustee the value of such securities for all purposes under the Plan and the Agreement, and the Trustee shall be entitled to rely upon the value of such Employer Securities provided by the Plan Administrator. If the Plan Administrator fails or refuses to instruct the Trustee on the value of such Employer Securities, the Trustee, in its sole discretion, may engage an independent appraiser to determine the fair market value of such Employer Security and shall be entitled to rely upon the value placed upon such Employer Security by the independent appraiser. Any expenses with respect to such appraisal shall be a charge against the Trust and may be paid from the Trust as provided in the Agreement.

The Plan Administrator is responsible for providing specific instructions to the Trustee regarding any acquisition limits applicable to Employer Securities as required by the Plan or Applicable Law.

Employer Securities may be accepted only if the Employer and Plan Administrator provide the Trustee with all instructions, representations, and assurances and other information that the Trustee may in its sole discretion require from time to time for the proper administration of Employer Securities in the Trust. The Plan Administrator is responsible for providing specific instructions to the Trustee regarding any acquisition limits applicable to Employer Securities as required by the Plan or Applicable Law. The Employer and Plan Administrator, and not the Trustee, shall be responsible to ensure that the Employer Securities are acquired and held under the Plan solely in accordance with all applicable federal and state securities laws and regulations thereunder and law and regulation governing the acquisition and holding of employer securities by plans under ERISA.

Charges

Certain securities may impose charges and penalties on the sale and/or redemption of such security, including, without limitation, sales load, redemption, exchange, account, distribution, administrative and other charges. The Trustee is not responsible for notifying the Employer, any Instructing Party or any other party of the existence, potential or imposition of any such charges or penalties or to negotiate or attempt to negotiate the reduction, waiver, rebate or reimbursement of any such charges or penalties; nor shall the Trustee have any liability or responsibility for any such charges or penalties of any kind or nature, whether current, deferred or contingent, that are charged or imposed pursuant to the terms of any securities purchased, held, sold or redeemed in the Trust, and all such charges and penalties shall be borne by the Trust unless otherwise provided for.

UNITIZATIONS

In General

The Trustee may provide unitization services for Employer Securities or for other assets, if agreed by the Trustee in a separate written agreement with the Plan Administrator. Unitization services are not an investment product, but rather an administrative recordkeeping service that the Trustee provides for the convenience of the Plan and participants on request, and no person (including the Employer or Plan Administrator) may hold out, market, or otherwise indicate that the unitization service is an investment product whose shares may be offered to retirement plans and their participants. The Plan Administrator shall provide the Trustee for approval a copy of any materials to be used by or on behalf of a Plan which refer to the unitization services before their distribution or use.

Unitization services are available only if the account to be unitized consists of assets eligible for daily valuation under the Trustee's procedures, as determined by the Trustee. In order for the Plan to receive unitization services, the Plan Administrator is required to provide the Trustee with all instructions, representations, and assurances and other information that the Trustee may in its sole discretion require from time to time for the proper administration of Employer Securities in the Trust. Such instructions shall include without limitation, instructions with respect to maintaining a cash component adequate to address anticipated distribution activity, the

investment of the cash component, instructions for placing and settling transactions for the unitized account, valuation instructions, and accrual of fees and expenses.

Pricing

The Trustee will obtain pricing information from sources believed to be reliable, but the Trustee shall not be responsible or liable for the accuracy, completeness, timeliness, or correct sequencing of any pricing information received or for any decision made or action taken in reliance upon such information. The Trustee makes no warranty of merchantability, warranty of fitness for a particular purpose, or other warranty of any kind, express or implied, regarding the pricing information received or transmitted by the Trustee. If the Plan Administrator does not, within ninety (90) days of receiving a unitization statement, notify the Trustee of any objection to the valuation, the unitization shall be deemed final, and the Trustee will have no obligation to correct or reimburse the net asset value (NAV).

NAV Correction Procedures

The Trustee will apply its customary standards and procedures for NAV corrections, a copy of which may be provided upon request.

Expenses

Plan expenses can be charged directly to the unitized account. The Plan Administrator must instruct the Trustee as to any specific fees and expenses to be accrued in the unitized account and the rates at which such fees and expenses should be accrued. The Trustee requires five (5) business days advance notice of any adjustment or termination to fee accruals. The Plan Administrator is responsible for notifying the Trustee when money comes in or out of the unitized account and if, as a result of any such money movement, the fee accruals should be adjusted. From time to time, fee accruals may go negative. On a periodic basis, Trustee will provide to the Plan Administrator a written account of the fee accrual(s) for review. The Plan Administrator or Instructing Party is responsible for reviewing such account and for promptly advising Trustee of any necessary adjustments.

Exhibit D



Thank you for engaging **Creative Benefit Strategies, Inc. ("CBS")** to perform the annual Funding and GASB 68 Actuarial Valuations for your Plan. We look forward to developing our relationship with you, and will do our utmost to service your retirement plan in a prompt and efficient manner.

Compensation Systems, Inc. of America ("CSI") previously entered an agreement with El Centro Regional Medical Center ("ECRMC") to perform the annual Funding and GASB 68 Actuarial Valuations to the El Centro Regional Medical Center Retirement Income Plan ("Plan") effective May 24, 1991 ("CSI Agreement"). CSI was subsequently acquired by CBS.

Effective as of [Closing Date], ECRMC transferred all of its assets and liabilities, including sponsorship of the Plan, to Imperial Valley Healthcare District ("IVHD") and the Plan was renamed El Centro Regional Medical Center Frozen Retirement Income Plan. This engagement letter ("Agreement") constitutes a restatement of the CSI Agreement.

This Agreement summarizes the work we are to perform, outlines our fees and billing procedures, and notifies you of your responsibilities under our engagement. Please read it carefully, and then sign and return the enclosed copy to my attention.

1. ENGAGEMENT

We are being retained by you on behalf of the Plan to perform the services outlined in this letter. We understand that you have authority to contract with us on behalf of the Plan. In addition, we require that an officer of IVHD sign this engagement letter, agreeing IVHD will be liable for payment of the balance of our fees in the event of nonpayment by the Plan.

This engagement letter becomes effective on the date a copy of this Agreement, signed by you, is received by CBS and countersigned by an authorized CBS officer and will remain in effect until terminated in accordance with this Agreement.

2. OUR SERVICES: WHAT WE WILL DO FOR YOU

Annual Administration. We will request information from you annually prior to the beginning of each Plan year. This information will include: employee census data, trust accounting for the year, and updated information about your Plan.

Upon receipt of complete information from you, CBS will perform the services shown in *Exhibit B: Base Administration Services* (this Appendix reflects what is included in the Base Fee). Additional services may be performed upon request, as reflected in *Exhibit A*, for the additional fees disclosed in that Appendix.

Plan Termination. If you decide to terminate the Plan and you request us to assist you, CBS will calculate the benefits payable

to the participants as a result of the termination of the Plan, and will prepare distribution forms to be given to the participants regarding these benefits.

General Consulting. From time to time, issues may arise that are not within the scope of our general administration services. These issues will be resolved on a consulting basis, and we will charge additional fees for these services as described in *Exhibit A*.

General consulting includes any item not enumerated in either this Agreement or in any attached fee schedule. Examples of general consulting issues are: revision of your Plan to accommodate new objectives; calculation of minimum distributions to participants who are subject to Code section 401(a)(9); preparation of excise tax returns relating to the Plan; or preparing studies of possible changes to the Plan. Additional examples appear in *Exhibit A*.

Assistance with Government Inquiries, Examinations, or Audits. Another service we provide is to work with you, upon your request, to gather information and prepare responses to IRS or DOL inquiries or examinations. If you so desire, we will also represent you or the Plan in an audit by the government, in our capacity as Enrolled Actuaries. In some circumstances, particularly if sanctions or other fines are likely, we may recommend that you retain the services of an attorney to assist in the audit process.

3. WHAT YOU AGREE TO DO

It is impossible for us to provide services to you without your cooperation. Therefore, you are responsible for the following:

Timeliness and Accuracy of Data. Timely processing of information is essential to the proper administration of the Plan, and avoids costly penalties and other adverse consequences. You will provide us with the requested information on a timely basis, and will be responsible for ensuring that the provided information is accurate and complete. CBS will rely exclusively on information provided by you or, at your direction, by your other advisors, and will have no responsibility to independently verify the accuracy of that information, including the value of trust investments and earnings. We assume no responsibility to acquire information other than to request it from you, and will not be liable for any errors or omissions made as a result of incomplete or incorrect information that you furnish to us.

You agree to promptly furnish to CBS complete and accurate information concerning all pertinent aspects of the Plan, including an executed Plan document and all amendments thereto to which CBS's services are applied.

We cannot be responsible for any late filings, penalties, fines, or taxes that result from your failure to provide us with complete information on a timely basis, as specified above. In



addition, if as a result of incorrect or incomplete data it becomes necessary to repeat any calculations or complete any new forms, CBS may charge an additional fee for the additional work based on the hourly rates reflected in *Exhibit A*.

Participant Information and Distribution Forms. We will prepare necessary information for delivery to your participants, including such items as notices, elections, and reports required by law. You will then be responsible to provide the necessary information to your participants and to obtain participants' and, if required, spouses' signatures on all benefit distribution forms.

Other Plans. The Plan's operation may be affected by other plans sponsored by the IVHD (whether currently active or terminated, and whether or not we administer them). You are responsible for informing us of other plans, and of notifying us when there is a change to this information.

Record Retention and Document Custody. Although we keep copies of the work we perform for you, these copies are for our files. Therefore, you must retain copies of the work we perform for you and the information we send you.

Similarly, you are responsible to maintain signed and dated copies of all Plan documents at all times. These documents must be made available for inspection by participants and beneficiaries at your principal offices. In addition, you must furnish copies of these documents in writing if a participant so requests (you may charge a reasonable fee for reproduction costs).

Duty to Monitor the Performance of Service Providers. As a fiduciary, you are responsible for monitoring the performance of anyone providing services to the Plan, including CBS. You must review the reports or other items that we prepare for you on a regular basis, and notify us immediately of any errors or inconsistencies that you identify on any report, form, or other communication from us. You must similarly monitor your other service providers.

Determination of Reasonableness of Fees. You are responsible for ensuring that the fees paid with Plan assets for services are reasonable. Therefore, you are responsible for reviewing this Agreement and the contracts into which you enter on behalf of the Plan to ensure that you understand what is being paid to all your service providers (including CBS) and can determine that the amount being paid is reasonable. Our recommendation of other service providers or financial institutions for the Plan is not an endorsement of the amount of any compensation paid to those providers or institutions, and should not be considered to be a substitute for your own judgement.

4. SERVICES WE DO NOT PERFORM

CBS does not provide the following services:

Investment Services. CBS does not invest trust assets, value trust assets, or prepare trust accountings. We do not monitor investment performance or the performance of investment managers or advisors. We do not handle Plan assets.

Fiduciary Services You are responsible for all discretionary decisions relating to the Plan, including the interpretation of Plan document provisions, the evaluation of claims made by participants for Plan benefits, and the investment of Plan assets. CBS performs services in an advisory capacity only, and exercises no discretion as to the administration of the Plan and the management of Plan assets. Therefore, CBS and its employees are **NOT** fiduciaries of the Plan and Trust, nor are any of them the Administrator of the Plan.

Participant Communications. CBS is retained by you to perform certain administrative functions for you in relation to the Plan. We do not communicate directly with participants except in enrollment meetings and when we are specifically authorized by you to do so. We are not authorized to, and will not, independently initiate communications with the participants. Unless we have separately and specifically arranged with you, we are not responsible for advising participants regarding their Plan options, any rights they have under the Plan, or any issues in relation to the Plan and its operations of which they should be aware.

5. FEES, BILLING PROCEDURES, AND COLLECTIONS

Fees. Our fees for administration are outlined on the fee schedule attached as *Exhibit A, Our Current Administration Services Fee Schedule*. We will provide our current fee schedule to you as part of our annual information request package.

If we change our fee schedule at any time other than at the time we send you our annual information request package, we will so advise you in advance of the change at least 30 days before it is effective.

We reserve the right to request the payment of certain fees prior to the performance of services or to require a retainer prior to performing annual services.

Statements, Late Charges, Stopping of Work. You will be billed as outlined in our Fee Schedule based upon the type of work being performed.

Subject to legal rules, prohibiting payment of fees related to "settlor functions" and prohibited transactions, the fees charged pursuant to this Agreement may be paid by the Plan or IVHD. If you identify an error on, or have an objection to, a



bill from **CBS**, you agree to notify **CBS** of the error or objection, in writing, within 30 days of the bill, and **CBS** will work with you to resolve the identified concern.

Statements are due and payable within 30 days receipt. Our termination of the Agreement pursuant to the terms outlined herein does not affect your obligation to pay our outstanding balance.

CBS is not responsible for any late tax filings or penalties, fines, taxes, or other charges that may be assessed as a result of our nonperformance of services while our fees remain unpaid.

Costs and Expenses. In addition to the fees quoted in this engagement letter and in the Appendices, you are responsible for payment of any out-of-pocket expenses we may incur on your behalf, such as but not limited to, messenger service fees, overnight delivery fees, and IRS user fees.

6. CONFIDENTIALITY

All information furnished by you on your behalf to **CBS** shall be regarded as confidential. **CBS** shall notify IVHD in writing without undue delay, but in no case later than 72 hours, upon becoming aware of any actual or reasonably suspected unauthorized access to, acquisition of, or loss, disclosure, or compromise of IVHD's confidential information ("Breach"). **CBS** will promptly investigate, take all reasonable steps to contain and remediate the Breach, preserve relevant evidence, and reasonably cooperate with IVHD's requests related to the Breach. Notwithstanding the foregoing, **CBS** will take no action in relation to a breach that contravenes any requirement of its cybersecurity insurance policy, if such a situation should arise. **CBS** will advise IVHD of the concern and will work with its insurer and IVHD to reach an alternative resolution to the issue.

7. INDEMNIFICATION

You agree as part of this engagement to indemnify and hold harmless **CBS** from and against any and all claims, losses, damages, liabilities, costs, and other expenses of any kind whatsoever (including all attorneys' fees and collection or court costs) arising from or in connection with the operation of the Plan or the rendering of plan-related services by IVHD, the Plan Administrator, or any third party. Naturally, this indemnification does not include claims, losses, damages, liabilities, costs, and expenses attributable solely to any negligence or willful misconduct by **CBS** in the performance of our responsibilities under this engagement.

We agree as part of this Agreement to indemnify and hold harmless IVHD and the Plan from and against any and all claims, losses, damages, liabilities, costs, and other expenses of any kind whatsoever (including all attorneys' fees and collection or court costs) (collectively "Claims") arising from or in connection with the operation of the Plan or the rendering

of plan-related services by **CBS**, to the extent that such Claims are attributable solely to negligence or willful misconduct by **CBS** in the performance of our responsibilities under this Agreement.

You also agree to pay our normal hourly rates and copying costs if **CBS** is called to testify or give documentation in regard to any lawsuit in relation to the Plan, whether or not we are named as a party, and whether or not we are still engaged to perform services for you.

The provisions of this Section 7 shall survive the termination of this Agreement.

8. LIABILITY LIMITATION

You agree as part of this Agreement that **CBS** shall have no liability to you (or anyone claiming through you or in your name) in connection with any service provided by **CBS**, except to the extent that **CBS** has engaged in willful misconduct or been negligent. However, our liability and cost shall be limited to the amount payable by our errors and omissions insurance with regard to your claim.

Notwithstanding anything else in the Agreement or otherwise, **CBS** shall not be liable or obligated with respect to the cost of procurement of substitute services, technology, or rights or for the interruption of use or loss or corruption of data. Further, **CBS** shall not be liable for any special, indirect, incidental, or consequential damages of any kind whatsoever (including without limitation, attorneys' fees) in any way due to, resulting from, or arising in connection with any of the services or the performance of or failure to perform obligations under this Agreement. This disclaimer applies without limitation to claims arising from the provision of the services or any failure or delay in connection therewith; to claims for lost profits; regardless of the form of action; and regardless of whether such damages are foreseeable or whether **CBS** has been advised of the possibility of such damages. The provisions of this section shall survive the termination of this Agreement.

We are not responsible for any claims, losses, damages, liabilities, costs, and other expenses of any kind due to factors that are out of our control, including technology issues, acts of God, or any other force majeure, and including, but not limited to, a loss or corruption of data to weather.

Other than as may be specifically set forth herein, **CBS** makes no express or implied warranties of any kind.

9. NO ASSIGNMENT OR DELEGATION

Neither party may assign this Agreement in whole or in part without the prior written consent of the other. However, such consent shall not be required where an entity becomes an assignor due to the purchase of substantially all of your assets



or by virtue of being the successor to your business (whether by merger, consolidation, stock sale or otherwise), if such assignor guarantees and remains fully liable for the obligations of the respective assignee.

10. SEVERABILITY

If any provision of this engagement letter is held to be or is invalid or unenforceable, the validity and/or enforceability of the remaining portions shall not be impaired or affected in any way. A waiver of any provision of this letter does not likewise waive any other provision of this letter.

11. MODIFYING THIS ENGAGEMENT

The terms of this engagement between you and us represented by this letter shall not be subject to modification (except with regard to fees, as outlined above), except as agreed upon in writing by both you and us.

12. TERMINATING THIS ENGAGEMENT

Either you or **CBS** may terminate this engagement on 30 days' written notice. In addition, **CBS** may terminate this Agreement upon 10 days' written notice in the event that you fail to make prompt payment of any invoice, fail to furnish requested information, or otherwise breach the agreement.

Upon termination of this engagement, all fees owed to us, including fees for administrative services for the current year earned through the date of termination, will be immediately payable in full.

CBS will photocopy and send any records to your new administrator upon request and prepayment of the costs of doing so. However, unless there is a bona fide dispute as to the applicability of outstanding fees, no records will be provided while there are fees outstanding.

This engagement will also be considered terminated upon the termination of the Plan covered by this engagement and the preparation by us of a final Annual Return/Report.

At the time that our Agreement is terminated, **CBS** will work with your new third party administrator to transfer information, provide copies of prior year valuations and tax forms, and provide such other services as are necessary for a smooth transition of the Plan. These services will be billed at our standard hourly rates reflected in *Exhibit A*. Any amounts due and payable at the time our engagement is terminated, plus our estimate of the fees for any of the above-described services, must be paid prior to the provision of such services.



* * * * *

ACCEPTANCE AND EXECUTION

We will commence work under this agreement upon receipt of a signed copy of the Agreement.

This Agreement may be executed in two or more counterparts by electronic signature, facsimile signature, or otherwise and delivered by facsimile transmission, electronic media, or other method, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same document.

The terms and conditions of this Agreement are agreed to and accepted by the Chief Executive Officer of the Imperial Valley Healthcare District on behalf of the Plan:

Imperial Valley Healthcare District

Signature of Chief Executive Officer

Date

Creative Benefit Strategies, Inc.

By: _____

Date

Title: Chief Executive Officer



EXHIBIT A – SCHEDULE OF SERVICE FEES

EL CENTRO REGIONAL MEDICAL CENTER FROZEN RETIREMENT INCOME PLAN

Plan Year Ending June 30, 2026

- I. Annual Actuarial and Administration Fees:
- | | |
|---|---------------|
| A. Base Fee | \$ 18,425.00 |
| B. Participant Fees: | |
| 1. Active Participants
<i>(includes mailing annual Participant Statements)</i> | \$ 48.50/each |
| 2. Inactive Participants | \$ 19.15/each |
- II. Annual GASB 67 & 68 Valuation Actuarial & Administration Fees:
- | | |
|--------------------------|---------------|
| A. Base Fee | \$ 3,160.00 |
| B. Participant Fees | |
| 1. Active Participants | \$ 16.80/each |
| 2. Inactive Participants | \$ 8.65/each |
- III. Additions to Administration Fees:
- | | |
|---|---------------|
| A. Participant Distribution and Benefit Projection Fees | \$ 86.00/each |
| B. Mailing of Forms & Statements to Participants | \$ 2.50/each |
- IV. Other Services (Based on Hourly Rates):
- | | |
|--|--|
| A. Plan Document/Amendment Assistance | |
| B. Consulting Services | |
| C. Divorce Valuations/Structured Settlements/Retirement Valuations | |
| 1. Actuarial Study & Certification – Minimum of \$1,750 | |
| 2. Court Appearance/Depositions – Minimum \$2,000 per ½ Day | |
| D. Client/Employee Meetings (Hourly Rates Plus Travel Expenses) | |
| E. Valuation Reruns caused by incomplete or inaccurate information furnished to CBS | |
| F. Trust Accounting – Annual Administration Base Fee includes up to one hour of trust accounting | |
| G. Plan Termination | |
| H. Services Performed in relation to Termination of our Agreement | |
- V. Schedule of Hourly Rates:
- | <u>Classification</u> | <u>Hourly Rate</u> |
|------------------------------|---------------------------|
| Enrolled Actuaries | \$315 - 475 |
| Senior Pension Consultants | \$210 - 265 |
| Actuarial Associates | \$180 - \$230 |
| Pension Consultants | \$140 – 200 |
| Pension Administrators | \$115 - 180 |
| Secretarial/Clerical | \$90 - 115 |
- VI. Terms of Payment
- A. Annual Administration: A retainer equal to fifty percent (50%) of estimated fees will be billed prior to the commencement of the valuation. The balance of annual fees will be billed upon completion of the valuation.
- B. Divorce Valuations/Structured Settlements/Retirement Valuations: A retainer equal to the minimum fee will be required prior to commencement of actuarial study and the balance billed upon completion of study. Court appearances will require a retainer equal to the minimum fee for ½ day.
- C. Other services will be billed on a progress basis. At the discretion of CBS, certain services may require a retainer to be paid prior to the commencement of any work.
- D. All invoices are due and payable within 30 days of receipt. A late charge of 1.5% per month will be added to all invoices over 30 days old.

FAILURE TO NOTIFY CBS OF DISAGREEMENT WITH ANY OF THE TERMS OF THIS FEE SCHEDULE WITHIN THIRTY (30) DAYS OF RECEIPT SHALL CONSTITUTE ACCEPTANCE IN FULL.



EXHIBIT B

BASE ADMINISTRATION SERVICES

Upon receipt of the requested information from you, CBS will perform the following services ("Base and Participant Fee Services") for you:

- Determine benefits for each employee.
- Calculate participants' benefits, subject to your review and approval, and ensure that the limitations on such benefits in Code Section 415 are not exceeded.
- Maintain the service and employment records of the Plan's participants based on the information you have supplied to us for the purposes of determining plan benefits.
- Prepare the regular funding valuation and report.
- Prepare the GASB 68 valuation and report.
- Prepare and mail annual benefit statements for the active participants.
- Prepare and mail distribution forms to participants, as requested, for terminated and retired participants.
- In connection with providing administrative services, we will do our best to reasonably review the activities taken (or omitted to be taken) by IVHD during the plan year to confirm compliance with the IRS and Department of Labor requirements for retirement plans. However, we do not guarantee that all actions taken or not taken by IVHD are in full compliance with such requirements or that we will discover all compliance failures.
- Work with you to provide enrollment and beneficiary designation forms, terminated participant notices, election to waive spousal consent, participant release agreements, and notice of withholding on payments with participant election. CBS can also provide IRS approved prototype documents for a nominal fee.

FAILURE TO NOTIFY CBS OF DISAGREEMENT WITH ANY OF THE TERMS OF THIS FEE SCHEDULE WITHIN THIRTY (30) DAYS OF RECEIPT SHALL CONSTITUTE ACCEPTANCE IN FULL.



Creative Benefit Strategies, Inc.
Retirement Plan Consultants, Actuaries and Administrators

Client Services Agreement

**FAILURE TO NOTIFY CBS OF DISAGREEMENT WITH ANY OF THE TERMS OF THIS FEE SCHEDULE WITHIN THIRTY (30) DAYS OF RECEIPT
SHALL CONSTITUTE ACCEPTANCE IN FULL.**

Exhibit E

UBS Institutional Consulting Group

UBS Financial Services Inc.

CONSULTING SERVICES AGREEMENT

Client Name: Imperial Valley Healthcare District

Plan Type: Defined Benefit

UBS Financial Services Inc. (the "Firm", "UBS", "we" or "us") previously entered into the Consulting Services Agreement dated July 11, 2011 with El Centro Regional Medical Center ("ECRMC") on behalf of the El Centro Defined Benefit Plan (the "ECRMC Agreement"). Effective as of [Closing Date], ECRMC transferred all of its assets and liabilities, including sponsorship of its defined benefit plan, to **Imperial Valley Healthcare District ("IVHD")** and the El Centro Defined Benefit Plan was renamed the **El Centro Regional Medical Center Frozen Retirement Income Plan** (the "Plan") (together with IVHD, "Client" "Client" or "you"). This Agreement constitutes a restatement of the ECRMC Agreement pursuant to which UBS and IVHD on behalf of the Plan agree that the following terms and conditions apply to the services provided to the Plan through the UBS Institutional Consulting Program ("UBS-IC") and shall be effective as of the date the Firm executes this UBS-IC Agreement ("Agreement").

1. Services

The services listed below will be delivered by the Firm, through UBS-IC:

- (a) **Assessment.** Upon execution of this Agreement, we will work with you to assess your long-term investment objectives, risk tolerance, liquidity requirements, and other investment preferences. Based upon this assessment, we may recommend adoption of a new asset allocation, through the process described in Section 1(c) below. Should any of the information collected during the investment profiling assessment change, you agree to notify Firm as soon as possible. We will review this information with you on an annual basis. Initially, and upon notification of a change, we will send you a playback of this information.
- (b) **Investment Policy Statement.** As needed or upon request, assistance in the development and preparation of an Investment Policy Statement ("IPS"), a document that describes your overall investment objectives and guidelines. We will also review the investment policy statement with you on a periodic basis, upon your request. Until such time as an IPS or other investment guideline document is developed and/or provided to the Firm, the Firm will use the asset allocation of Client as stated in the initial UBS performance report provided to you as indicative of the intended IPS guidelines and asset allocation targets of the Client.
- (c) **Asset Allocation Analysis.** As appropriate or upon request, we will perform studies and analysis of your asset allocation strategy, based on, among other things, your liquidity requirements, performance goals and risk tolerance, as outlined in the assessment phase described above.
- (d) **Investment Searches.** As appropriate, we will recommend and present for your consideration separately managed account manager(s) ("SMA Managers"), mutual funds, exchange traded investments, collective trusts, Core Savings Accounts, and/or alternative investments ("Eligible Investments"). All other investment types are ineligible unless otherwise specifically agreed in writing ("Ineligible Investments"). If Firm makes additional investment types eligible in the future, we will notify you of that eligibility in writing. Our recommendations will align with your IPS and asset allocation strategy and will include only investments which are offered by the Firm and/or for which the Firm has conducted due diligence or has otherwise reviewed. We cannot assure you that we will continue to offer or review any of the Investments identified through our searches. Firm, at its discretion, can make particular strategies, securities or issues ineligible for the UBS-IC program or place a "hold" on further trading for certain investments at any time.
- (e) **Portfolio Review, Evaluation and Reporting.** We will provide quarterly portfolio evaluation and review, including reviewing performance on an absolute and relative basis. We may also conduct specific evaluations of managers if we become aware of market events that impact investments between

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UBS Financial Services Inc.

quarterly reviews. On a quarterly basis, individuals at the Firm who are responsible for supervising your Institutional Consultant will monitor your assets for compliance with the asset allocation ranges stated in the IPS you provide to us. This asset allocation monitoring is performed at the broad asset class level (cash or cash alternatives, fixed income, equities, commodities, alternatives and other). If your IPS includes an allocation to a specific asset class but does not include a range, we will monitor based on a range set by UBS in order to account for market movement. The supervisory personnel will also monitor your portfolio against internal UBS proprietary risk ranges that correspond to your risk profile.

Based on your overall objectives and performance of your Investments, we will assist you in evaluating potential adjustments and, if appropriate, we will assist you in conducting a search for new Eligible Investments as identified in paragraph 1(c). We can also provide reports which include performance information, comparisons and other information for a variety of investment strategies. For assets not custodied at the Firm, information provided by your custodian will be used to provide the performance of your Investments and Firm does not guarantee the accuracy of the performance information.

- (f) **Trustee Education.** We will provide investment education seminars as requested by Client. Services may include providing general seminars focused on topics such as asset allocation, the definition of various asset classes, potential risks and rewards and similar subject matter.
- (g) **Additional Consulting Services.** We may also provide consultation on matters related to financial news and developments regarding capital markets, sectors and industries based on information generally available from various Firm investment research groups, or more specifically prepared for Client based on publicly available information.

2. Fiduciary Representations

- (a) Firm represents that it (i) is registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and (ii) will act as a fiduciary under the Advisers Act when providing investment advisory services described in this Agreement.
- (b) Firm acknowledges that we will act as a fiduciary as the term is defined in Section 3(21) of ERISA with respect to any investment advice we provide in the provision of our services.
- (c) Firm will not act as a municipal advisor as defined under Section 15B of the Securities Exchange Act of 1934, Rule 15Ba1 et seq (the "Municipal Advisor Rule"). As a registered investment adviser, Firm and its associated persons are exempt from the Municipal Advisor Rule if we provide investment advice regarding the investment of the proceeds of municipal securities or municipal escrow investments. However, this exemption does not apply to advice on the structure, timing, and terms of issues of municipal securities or derivatives, which is beyond the scope of this Agreement and the Investment Advisers Act.
- (d) We will not be a fiduciary with respect to any other functions, programs or services rendered to you including those provided by investment managers, other entities or persons.
- (e) You acknowledge that we will not (i) exercise any discretionary authority over the management or disposition of Plan assets or otherwise act as an 'investment manager' as such term is defined in Section 3(38) of ERISA; or (ii) have discretionary authority over the administration of the Plan.
- (f) You acknowledge that the decision to appoint Firm has been made by Plan fiduciaries independent of Firm. Neither Firm nor any of their agents or affiliates is or has acted as your fiduciary with respect to the decision to appoint Firm or negotiate the terms of this Agreement. The Plan's fiduciaries have determined that UBS-IC is prudent in light of the Client's overall objectives.

3. Implementation of Investment Advisory Services

(a) Implementation Options

Our services do not include advice with respect to how to implement the results of the investment searches or whether to hold an account at the Firm. You may decide to implement the results of our

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investment searches through an account held at UBS or an account held at another financial institution. IC Program Services are provided with respect to all assets included under your IC Program Agreement, regardless of the manner in which investment searches are implemented. All IC Program Accounts included under your IC Program Agreement will appear in your periodic performance reports.

The IC Program Fee includes Institutional Consulting services as well as custody of securities and all brokerage and execution services for the purchase and sale of securities through advisory accounts held at UBS (i.e., UBS Wrap Fee Program Accounts or an IC Wrap Accounts). **If you decide to implement the results of investment searches performed as part of an Institutional Consulting relationship through an account held at another financial institution, such implementation is not part of the Institutional Consulting service and will result in your payment of custody, brokerage and execution fees collected by the other financial institution.** Those costs may be avoided through utilization of an account held at UBS. **Implementation through accounts at UBS.**

To implement the services provided under this Agreement through accounts held at UBS, you are required to enroll in one of the eligible UBS-sponsored wrap fee investment advisory programs (the ACCESS program ("ACCESS"), the Managed Account Consulting program ("MAC"), the UBS Strategic Wealth Portfolio program ("SWP"), and/or the Strategic Advisor program ("Strategic Advisor"), collectively referred to as "UBS Wrap Fee Programs"), and agree to the terms, conditions, and fees of those programs. This requirement does not apply for alternative investments and certain SMA Managers that are not available in the ACCESS or MAC program, where such investments may be held at UBS in IC-program specific advisory accounts (referred to as "IC Wrap Accounts").

If you implement the results of investment searches through the ACCESS, MAC, SWP, or Strategic Advisor program, you will be required to sign a separate UBS Advisory Relationship Agreement, which governs the terms and conditions, which may be different than the IC Program. The fiduciary acknowledgement contained within this Agreement extends to all assets held in those programs and the assets invested through those programs will receive all services offered under this Agreement, including any asset allocation studies and performance reporting, to the extent not provided through the respective program.

You will pay an annual wrap fee for each account enrolled in the ACCESS, MAC, SWP, or Strategic Advisor program. This fee covers both the services provided by UBS under the respective program as well as the services provided under this Agreement. The UBS portion of the fee will be the same annual fee provided in Schedule A of this Agreement.

For clients who want to implement the UBS-IC services through eligible UBS Wrap Fee Programs, we have attached the Advisory Relationship Agreement for your signature, as Appendix A. The Advisory Relationship Agreement allows you to open advisory accounts in eligible advisory programs in the future by providing verbal instructions to your Consultant.

Programs at the Firm Outside of UBS-IC. The Firm offers other investment advisory programs that are currently ineligible in IC and brokerage accounts. These Firm programs are separate and distinct from UBS-IC and assets included in these programs will not be included in the assets upon which UBS-IC services will be performed or fees billed. If you enroll in other programs, those programs will charge separate fees, which may be greater or lesser than the fee you pay for UBS-IC services, and the terms and conditions of the respective contracts and disclosure statements for these other programs will be applicable.

Implementation Away from UBS. Alternatively, you may decide to implement the results of investment searches through an account held at another financial institution. In instances where you choose to hold assets away from Firm, the IC Program Fee, although still based on assets under management, will not include custody or investment transaction costs. Your UBS-IC Fee will not be adjusted based upon whether you choose to custody and trade with UBS. You agree that UBS shall have no liability

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for any actions or omissions of any third party through which you implement investment searches or that provide custody or execute transactions for your account.

- (b) **Important Differences between Retaining SMA Managers through accounts at UBS.** This Agreement does not cover the asset management services and fees provided by the SMA Manager(s) you elect to retain. Most of the SMA Managers and strategies that are eligible in the IC Program are available through the ACCESS SWP, and/or MAC programs. Certain limited managers that are not available in ACCESS, MAC, or SWP, may be eligible to be held at UBS in IC Wrap Accounts. Your Institutional Consultant will have the ability to recommend SMA Managers and strategies which you may choose to implement through either ACCESS, SWP, MAC, or, where applicable, through an IC Wrap Account.

There are important differences in how the SMA Manager is retained in the ACCESS, SWP and MAC Programs and through IC Wrap Accounts. UBS has negotiated an agreement and fee with each SMA Manager eligible in the ACCESS and SWP programs and there is no separate contract between you and the SMA Manager if you retain an SMA Manager through the ACCESS or SWP Programs. If you retain an SMA Manager through the MAC Program or through an IC Wrap Account, you will need to execute a separate agreement with the manager and you are responsible for negotiating the fees, terms, and conditions of your agreement with such SMA Manager. While the single-contract structure in ACCESS and SWP will generally provide a more cost-effective option, depending upon your asset level, you may be able to negotiate a better price in the MAC Program or through an IC Wrap Account. The program fee you pay in the ACCESS and SWP programs will include both the UBS advisory fee and any investment manager fee as one combined fee. In the MAC program, any investment manager fee will be collected separately, and not as a combined fee. UBS' portion of the investment advisory fee will be the same whether you implement through ACCESS, SWP, MAC, or an IC Wrap Account.

Select strategies in the ACCESS and SWP programs are available with no additional SMA management fee charged to Clients. Firm has negotiated the SMA Management Fee with the managers based on an institutional fee schedule that is substantially lower than average manager fees and will pay that fee out of its own resources. Certain strategies or additional services determined to be premium solutions, such as sustainable investing, are available within this structure for an additional fee. The fees for those value-add services will be paid by Clients. Strategies with no additional SMA management fee are only eligible for clients with a Program Fee priced above certain hard floors, described below.

Although the UBS investment advisory fee in ACCESS and SWP is negotiable and can be waived in certain instances, the ACCESS and SWP programs limit the ability of Financial Advisors to negotiate below certain levels in ACCESS and SWP ("hard floors"). The hard floors differ based on relationship size, strategy type and whether the account will be for a separately managed accounts with no additional manager fee.

All third-party asset managers offered on our platform are invited to participate in this pricing structure. Participation is optional and it does not impact the availability of a third-party manager's strategy on the UBS Financial Services Inc. platform.

- (c) **Additional Information about retaining SMA Managers.** We provide SMA Managers with a trading system to administer, maintain, reconcile and place orders with Firm for accounts in the ACCESS, SWP and MAC programs and for IC Wrap Accounts. Third party SMA Managers, in meeting their requirements around best executions, may determine that this can only be achieved by executing order flow away from the Firm's trading platform, and then having the executing broker "step out" the transactions to Firm for clearance & settlement purposes. If you hold your assets at UBS, your UBS-IC fee covers the costs of trades executed with the Firm but not the costs of trades executed elsewhere. We refer to trades on which we are not the executing broker as "step out trades." These transactions are generally traded from broker to broker and are usually cleared net, without any commissions. However, under certain circumstances, if your SMA Manager trades with another broker, you may be assessed commissions or other trading related costs (for example, mark-ups) by the other broker-dealer.

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which are embedded into the price of the security allocated to your Account. Those fees are in addition to your UBS-IC fee. UBS requests from SMA Managers information regarding step-out details at least annually but typically in the first quarter of each year. We rely upon the information provided by our SMA Managers in an annual client disclosure notice regarding step-outs and UBS does not analyze or evaluate whether your SMA Manager is meeting its best execution obligations on trades executed for your Account. .

In no event will UBS or our affiliates be obligated to effect any transaction for you which we believe would violate any applicable state or federal law, rule or regulation, or of the regulations of any regulatory or self-regulatory body.

SMA managers you retain may request that we provide them with an electronic data download of all transactions they effected on your behalf, as well as account statements and trade confirmations, in order to reconcile your account. By executing this Agreement, you authorize us to provide your SMA Manager(s) such requested data and copies of your account statements and trade confirmations. You may revoke this authorization at any time by notifying us in writing.

Where you have retained the services of an SMA Manager who elects to utilize UBS to effect transactions in securities upon that manager's instructions, we and our affiliates will be acting solely as a broker or dealer in connection with such transactions and not as an investment adviser or fiduciary.

4. Establishing Accounts with UBS

This Agreement outlines the terms and conditions of your UBS-IC relationship with us. When you establish an advisory account with us, we will ask you to sign a brokerage account agreement (if you have not done so already) in addition to this Agreement, so that your UBS advisory accounts will have access to the firm's trading capability and custody services. You will also be required to sign a separate UBS Advisory Relationship Agreement in order to enroll in the ACCESS, MAC, SWP, or Strategic Advisor programs. The brokerage agreement and Advisory Relationship Agreement supplements this Agreement, and together, the agreements and the related documents we provide to you govern your relationship with UBS.

If you will custody your assets at UBS, you may fund your advisory account by depositing cash and/or investments eligible in the IC Program and ACCESS, MAC, SWP, or Strategic Advisor program, as applicable. If you will custody your assets away from UBS, you will be required to instruct your custodian to provide Firm with information required to perform services under this Agreement.

5. Limitations of Consulting Services

- (a) **Investment Policy Statements.** Our services identified in Section (1) include periodic meetings to review your investment policy statement (IPS) and asset allocation, as well as the alignment of your investment portfolio to the IPS and allocation. However, with the exception of the broad asset allocation monitoring described in Section 1(d), we will not monitor the accounts that comprise your Institutional Consulting portfolio and the transactions made in these accounts for compliance with your IPS. In addition, it is your responsibility to provide any investment manager you may retain with a copy of your IPS.
- (b) **Inclusion of other investments in asset allocation and portfolio review.** Our asset allocation studies and analysis and our portfolio review can include investments which are not offered, reviewed or undergone due diligence by the Firm but which are otherwise eligible investment types for UBS-IC ("Non-Researched Investments"). Because we have not reviewed these investments, we cannot provide investment advice on these assets. If these assets are included in our asset allocation and portfolio review services, our asset-based fee will include these investments. Such inclusion does not constitute an endorsement that you continue to hold those Investments and we will ask that you acknowledge, in writing, that the investment has not been offered, reviewed or undergone due diligence by our Firm.

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At your request we may also include Ineligible Investments in our asset allocation studies and our portfolio review, assets that are not subject to this Agreement including assets held at another financial firm and assets held in other UBS ineligible advisory programs or brokerage accounts. These assets are included for informational purposes only and are not part of the assets for which UBS-IC services are provided and no UBS-IC Fee will be charged on these assets.

- (c) Our services do not include advice with respect to how to implement the results of the investment searches or whether to hold an account at the Firm.

6. Important Information About Certain Investments

- (a) **Pooled Investment Funds.** Mutual funds, exchange traded investments, collective trusts and alternative investments are subject to the fees, expenses, terms and conditions contained in the respective prospectus or offering document. You should carefully review the offering documents for these types of securities to ensure that they are suitable for your circumstances prior to investing. If the Firm receives a 12b-1 fee for mutual funds in connection with the purchase or sale of these investments in an IC Wrap Account, such amounts received will be credited directly to your account. While you agree not to name the Firm as broker of record, we will monitor accounts held away from UBS for inadvertent receipt of 12b-1 fees on an annual basis and credit those amounts against your UBS-IC Fee.

If you enroll in a UBS Wrap Fee Program, the receipt of fees and compensation associated with pooled investment funds in those programs will be subject to the terms and conditions of the respective program. The Firm and its affiliates receive additional compensation in connection with certain types of assets in which your Accounts may be invested. This compensation is in addition to the UBS-IC fee you pay us for our investment advisory services. This additional compensation includes revenue sharing, networking, account servicing and omnibus fees in consideration for certain services, which are ancillary to the effecting of mutual fund transactions that we provide on behalf of mutual funds. These fees generally are paid from investor assets in mutual funds, but in some cases may be subsidized in part by affiliates of the mutual funds. We also receive additional compensation as a result of inter-company profit sharing and servicing agreements. For certain alternative investments, the compensation may also include performance fees. The nature of the services provided by, and the compensation paid to, us and our affiliates are described in the offering documents for the respective products, which are available for no charge through your Institutional Consultant. These amounts will not be credited to your UBS-IC Fee.

If you enroll in a UBS Wrap Fee Programs, the rules applicable to those programs with respect to Firm receipt of fees and compensation associated with pooled investment funds will govern assets held in those program accounts. For example, the Firm receives revenue share for mutual funds held in the UBS Wrap Fee Program accounts but does not receive revenue share for mutual funds held in a IC Wrap Account, and the Firm will continue to receive revenue share for mutual funds you hold in those program accounts, whether you include those assets in UBS-IC services or not.

The fees described in this section are not paid to your Institutional Consultant.

- (b) **Funds exclusive to Advisory Programs.** If you have enrolled in a UBS Wrap Fee Program and hold commingled funds in those accounts at UBS, your assets may be invested in funds with share classes that have been created for use or are eligible exclusively within investment advisory programs. Most of these investments contain restrictions that limit their use exclusively to investment advisory programs and may be unavailable for purchase or holding outside of such programs. When you end your participation in a UBS Wrap Fee Program for any reason, that termination will result in the automatic redemption of such investments held by or on your behalf in your advisory account at UBS. We recommend that you consider the potential impact of such liquidations and restrictions carefully before participating in a UBS Wrap Fee Program.

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- (c) **Transferring alternative investments to your IC Wrap Account.** We may accept the transfer of certain assets, including alternative investments, purchased outside of UBS-IC, whether through a UBS brokerage account or at other financial institutions. Assets transferred into your IC Wrap Accounts are referred to as "Transferred Assets." Transferred Assets may have been assessed a sales load, sales charge or distribution fees previously and, once transferred, you will be assessed the UBS-IC Fee based on the value of those assets except as described below.

If your Transferred Assets were purchased in a brokerage account held at UBS and were assessed a front-end sales load, placement fees or syndicate/underwriting fees, those assets will not be charged the UBS-IC Fee until 1 year has elapsed from the date of initial purchase.

Transferred Assets purchased at other financial institutions are subject to the UBS-IC fee immediately. Because the exception is not available for assets and mutual fund shares purchased at another financial institution, the overall cost to you of transferring these assets into the IC Wrap Account may be higher for assets you purchased at another financial institution. Please review the costs carefully before transferring assets into your IC Wrap Account.

- (d) **Alternative Investments.** If you adopt an IPS that permits privately-offered alternative investment funds, such as hedge funds, in your asset allocation, you acknowledge that interests of such funds are sold only to qualified investors, as defined by law, and generally by means of a confidential offering memorandum or prospectus that includes information about the objectives, risks, performance, charges and expenses of the funds. You also acknowledge your understanding and acceptance of the following risks regarding investments in alternative investments: alternative investments are speculative, subject to substantial risks, performance may be volatile, and investors may lose all or a substantial amount of their investment in an alternative investment fund. These funds may engage in leveraging and other speculative investment practices, including investments in futures, forwards, junk bonds, options, swaps and other derivative trading, which is volatile, involves a high degree of leverage and may increase the risk of investment loss. You also understand that alternative investments may not provide periodic pricing or valuation information to investors, there may be delays in distributing tax information to investors, they are not subject to the same regulatory requirements as mutual funds, and they are subject to fees and expenses which will reduce profits. If you invest in an alternative investment that is not distributed by us, you must request offering documents, performance or other materials directly from the alternative investment managers.

Only funds that offer advisory/institutional share classes and permit conversion of the brokerage share class on a tax free basis are eligible and billable in UBS-IC.

The tax free conversion of alternative investment share classes is subject to additional documentation and may take up to 120 days to complete. These assets will not be approved for UBS-IC until the share class conversion is complete. UBS and our Financial Advisors will continue to receive a portion of the management fee and other compensation until the effective date of such conversion.

- (e) **Proprietary/Affiliated Investment Managers/Funds/Core Savings Accounts.** When we present investments or managers that are proprietary/affiliated with Firm, such investments may raise a conflict of interest as purchasing those investments or retaining those managers may result in increased compensation to, depending on the circumstances, the Firm and/or its affiliates in the aggregate. **You acknowledge that conflict when we present for your consideration proprietary or affiliated investments and managers and that your selection of those investments or managers may result in additional compensation to the Firm and our affiliates in the aggregate.**

UBS Bank USA Core Savings Accounts ("Core Savings") are standard savings accounts on deposit at our affiliate, UBS Bank USA. These savings accounts provide an additional option for your short-term cash or uninvested cash holdings. While you will receive interest on the assets deposited in Core Savings, the overall return will be reduced by the IC Program Fee you will pay on those assets. You can access Core Savings through your brokerage accounts in a more cost-efficient manner without

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incurring the investment advisory fees imposed in IC. As such, you should carefully consider the costs and overall return of Core Savings in brokerage versus UBS-IC accounts and whether Core Savings fits within your IC strategy or investment plan before you decide to hold Core Savings Account in a UBS-IC account. Core Savings have limitations on the number of withdrawals that can be made during a calendar month. If you make more than five (5) withdrawals from a Core Savings Account in any calendar month, at the sixth withdraw, your entire UBS Bank USA Core Savings position will be liquidated in full (principal plus accrued interest). UBS Bank USA will not impose withdrawal fees on Core Savings Accounts held in IC. Please review the "UBS Bank USA Core Savings Disclosure Statement" carefully for additional information. Transfers between your UBS-IC Account and Core Savings can only be made on business days. Core Savings is a UBS proprietary product and, as such, UBS Financial Services Inc. and our affiliate UBS Bank USA benefit from, and receive compensation in connection with, the assets you deposit in Core Savings Accounts.

- (f) **Cash Balances in your Accounts.** Generally, a portion of your IC Wrap Account(s) and a portion of your UBS Wrap Fee Program accounts, if enrolled in those programs, may be held in cash, cash equivalents or money market funds as part of the overall investment strategy. We make available an automatic deposit – or "sweep" – feature of your account. This feature is subject to change upon notice to you.

Our sweep feature automatically sweeps available cash balances to accounts or funds managed by our affiliates. This account feature benefits our affiliates and UBS-FS. For the most up-to-date information, please refer to the applicable disclosures at www.ubs.com/sweepyields or available from your Institutional Consultant.

Your UBS-IC fee applies to the cash and cash equivalents in your program account(s), including cash that is swept into the various sweep options. There are available money market funds and other cash equivalent investments for purchase as an alternative to the UBS Deposit Sweep Program.

7. Custody (Applicable only if UBS holds or will hold Client assets)

You represent that Firm is eligible to accept, deposit and custody your securities and related assets, and there are no further steps that Firm must take to assure this eligibility.

8. Client Information

- (a) **Information provided to Firm.** The services we provide to you are based on the information you have shared with us. You agree to provide us with all material and pertinent information regarding your investment objectives, risk tolerance, asset allocation, historical performance of investments, income and liquidity requirements, as well as any other relevant matters that we may request from time to time. You understand that we will rely on the information without further independent verification and represent that such information is true, accurate and complete as of the date provided. You agree to notify us promptly of any material changes in your financial condition, risk tolerance, financial needs or investment objectives.
- (b) **Protection of client information.** We maintain physical, electronic and procedural safeguards to protect the information we collect and we have policies and procedures in place that are designed to comply with applicable data protection laws and regulations. Employees, affiliates, agents and vendors that have access to your information are required to maintain the confidentiality of your information and follow established policies and procedures.
- (c) **Disclosure of information.** You acknowledge that Firm may, from time to time, need to disclose information about you or your accounts to third parties if required by law or regulation, as requested by regulatory, self-regulatory, or taxing authorities, or to fulfill its obligations under this Agreement, which includes disclosure to vendors.

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9. Third Party Sources of Information

The services we provide to you may be based on and/or include information obtained from third-party sources. We may also engage third-party providers to obtain and process information used to facilitate the services we provide to you. Any information we provide to you that has been obtained, computed, formatted or displayed by outside sources is believed accurate, but such third-party information, including information from your custodian, will not be independently verified by us and we cannot guarantee its accuracy or validity.

10. Fees

(a) Fees. In consideration of services provided under this Agreement, you agree to pay the Firm an annual fee as provided in Schedule A to this Agreement ("UBS-IC Fee"). Client understands that the UBS-IC Fee is negotiable and a portion of the UBS-IC Fee is paid to the UBS Financial Services Inc. Institutional Consultants and Financial Advisor(s) assigned to provide the services outlined in this Agreement.

For assets held at Firm in an eligible UBS Wrap Fee Program account or an IC Wrap Account, this UBS-IC Fee includes custody of securities and all brokerage and execution services for the purchase and sale of securities at our Firm with respect to those assets subject to this Agreement.

The UBS-IC Fee may be renegotiated over the course of your relationship with Firm. Fee increases will require your prior written consent. Fee decreases will be changed by sending you a confirmation of the fee decrease and your continued use of our services will constitute your agreement to the decrease. Unless otherwise stated, the fee change will be effective for the next quarterly billing cycle.

The UBS-IC Fee does not include: (i) the asset management fees charged by your investment manager(s); (ii) commission charges and mark-ups/mark-downs for transactions for your account that your manager(s) may effect through other broker-dealers; (iii) commission charges, mark-ups/mark-downs, sales credit or other compensation related to the purchase of securities not subject to this Agreement (i.e., alternative investments and individual securities purchased outside of a Firm managed account program); (iv) custody fees imposed by other financial institutions if you chose to custody your assets at other financial institutions; (v) internal trust fees; (vi) charges imposed by law; (vii) costs relating to trading in foreign securities (other than commissions otherwise payable to us); (viii) internal administrative and management fees that may be imposed by collective investment vehicles such as open-end and closed-end mutual funds, UITs, exchange-traded funds or real estate investment trusts; (ix) redemption fees imposed by mutual funds for active trading; and (x) other specialized charges, such as transfer taxes, exchange and/or regulatory agency transaction fees.

(b) Fee payment methods. In the event you direct that our fees be paid out of assets of or generated by the Plan, it shall be a representation that such payments are permissible under the Plan and applicable law.

Assets held at another custodian.

(1) **Invoice.** If you select payment by invoice, we will invoice you in arrears on a quarterly basis. These fees shall be due 30 days from the date of the invoice. If your fees are asset based and you are using a custodian or record keeper not approved by our firm, you must direct them to provide us with copies of quarterly statements for purposes of calculating fees.

(2) **Automatic Payment by Plan Provider.** If you select automatic payment by Plan provider, you agree to instruct your custodian or record keeper to calculate and remit the UBS-IC Fee in arrears on a quarterly basis. We will provide an annual statement to you detailing all fees we have received each year. We will not independently verify the fee calculation made by the custodian or record keeper.

Assets Held in a UBS an IC Wrap Account.

You authorize us to deduct the UBS-IC Fee from your UBS IC Wrap Account and to adjust that fee on a quarterly basis, as described in this paragraph. We will deduct the UBS-IC Fee in advance, in quarterly

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installments at the start of each quarter. The initial UBS-IC Fee will be due in full as soon as your UBS-IC Agreement is approved. This initial UBS-IC Fee will be calculated based on the value of the Eligible Investments as of the date your Agreement is approved, pro-rated to cover the period from that date through the end of the initial calendar quarter. Thereafter, the fee will be based on the value of your Eligible Investments on the last business day of each calendar quarter and will cover the next calendar quarter. Both the initial UBS-IC Fee and all quarterly UBS-IC Fees thereafter will be adjusted on a quarterly basis to the average daily balance during that quarter. At the end of each quarter, we will recalculate the quarterly fee using the account's average daily balance during the quarter. Any difference above \$25 from the quarterly fee assessed in advance will be debited from or credited to the account. Using the average daily balance to adjust the fee captures both contributions to and withdrawals from your account, as well as changes in market value during the quarter. Adjustments will be due and payable within the first month of the new quarter and will be reflected on your monthly account statement as a "Prior Quarter Fee Adjustment."

We will provide a statement to you detailing the fees that were deducted from your account. If there are insufficient funds in your IC Wrap Account to cover the fees, you must deposit additional funds or instruct the money manager to liquidate assets to cover the fees. To determine the value of eligible assets in your account we will generally rely on third party quotation services we believe to be reliable. If prices are unavailable or believed to be unreliable, we may determine values in good faith, based on the last recorded transactions.

Assets Held in a UBS Wrap Fee Program Account.

For assets custodied at UBS in the ACCESS, MAC, SWP, or Strategic Advisor programs, fees will be billed according to the terms and conditions of the applicable program. The program fee you pay in the ACCESS, MAC, SWP, or Strategic Advisor programs covers both the services provided by UBS under the respective program as well as the IC Program Services provided under this Agreement. UBS' portion of the program fee charged in the UBS Wrap Fee Programs will be the same asset-based fee listed in Schedule A of your IC Program Services Agreement.

11. Client Representations

Client confirms it is the "plan sponsor" and "plan administrator" of the Plan. Client is a political subdivision of the State of California, and the Plan is a governmental plan within the meaning of Section 3(32) of ERISA. Accordingly, the Plan and this Agreement are not subject to ERISA and shall be construed and applied as if any provision herein required or permitted by ERISA as if ERISA did not exist in the Plan and this Agreement. Client represents that it is authorized and empowered to enter into this Agreement. If this Agreement is being signed on behalf of a corporation, trust, partnership or other business or legal entity, the person signing this Agreement represents that he or she is authorized to execute and enter into this Agreement and to act on behalf of the client in connection with all matters relating to the Agreement. It is further represented that applicable law and/or governing documents both authorize and permit this Agreement and provide for the authority of the person signing this Agreement. If this agreement is being signed on behalf of a government entity, the individuals signing below represent and certify that the Client's governing body has: (1) Approved this Agreement; (2) Authorized the individuals signing below to execute and deliver this Agreement for and on behalf of the Client; and (3) Authorized and directed each individual signing below to act on the Client's behalf in connection with opening the Client's account(s) with Firm, obtaining services from Firm, and in directing investment for the Client's account(s) with Firm.

Client further represents and warrants that the retention of the Firm for the provision of consulting services is prudent and that Client has received sufficient information about the UBS-IC Fee and the compensation that the Firm will receive to determine (and has determined) that the fees payable by the Plan hereunder are reasonable. Client also represents that any expenses that Client directs to be charged to the Plan are necessary for the operation of the Plan and properly payable from the Plan under the Plan documents and applicable law.

Client understands that Firm requires that Plan information be provided by the Plan record-keeper or custodian to Firm either by quarterly custodial statements to Firm or through the Firm monthly Secure File Transfer Protocol.

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Client agrees not to name Firm as broker of record.

12. Termination

You may terminate this Agreement within five business days of its signing and receive a full refund of the UBS-IC Fee already paid to us. Thereafter, either party may terminate this Agreement by notifying the other in writing and termination will become effective upon the receipt of this notice. However, termination will not affect your responsibilities under this Agreement for fees owed as a result of services rendered prior to termination. For UBS-IC Fees paid in advance on IC Wrap Accounts, upon termination during a calendar quarter, you will receive a pro rata refund of the fee paid based on the average daily balance for the days the IC Wrap Account was enrolled in UBS-IC. Upon termination, we will have no further obligation under this Agreement. Such termination will not, however, affect the provisions regarding arbitration, which shall be deemed to survive any expiration or termination of the Agreement.

If you enroll in other UBS investment advisory programs, you will need to terminate those accounts separately.

When your UBS-IC Agreement is terminated, any IC Wrap Accounts that you have become brokerage accounts and will be subject to the terms and conditions of your brokerage account agreement.

13. Services to Other Clients

You understand that Firm and its affiliates perform, among other things, investment banking, research, brokerage and investment advisory services for persons other than Client, including to managers or fund companies for products that are eligible investments in UBS-IC. You recognize that Firm and its affiliates may give advice and take action in the performance of their duties to clients that may differ from advice given or the timing and nature of action taken, for your IC program relationship. Nothing in this Agreement will be deemed to impose upon Firm or its affiliates any obligation to purchase or sell or recommend for purchase or sale any security or other property that Firm or its affiliates may purchase or sell, or recommend for purchase or sale, for their own accounts or the accounts of any other client.

By reason of investment banking and other activities, Firm and its affiliates may from time to time acquire confidential information about corporations or other entities and their securities. You recognize that Firm and its affiliates will not be free to divulge such information to you, or to act upon it.

14. Additional Contractual Matters

You acknowledge that the Firm does not provide legal, tax or actuarial advice. We will not be responsible for ensuring that your IPS, asset allocation and/or plan documents comply with specific legal requirements that apply to you. That responsibility rests solely with you, and you should consult with your legal and tax advisors regarding those matters.

You further acknowledge that you have retained, and will exercise, final decision-making authority and responsibility both for the selection of any record keeper, custodian, trustee, investments or investment manager(s) as well as for the implementation of any investment plan or strategy resulting from the services provided under this Agreement.

With respect to retirement plans, our services do not include advice or monitoring of the funding of the plan or providing investment or other advice regarding same.

This Agreement represents the entire understanding with regard to the matters specified herein. If any part of this Agreement is found to be invalid or unenforceable, it will not affect the validity or enforceability of the remainder of the Agreement. This Agreement is made and shall be interpreted under the laws of the State of California without giving effect to the principles thereof relating to the conflicts of laws. The Firm may not assign (as defined in the Investment Advisers Act of 1940, as amended) this Agreement without your consent; provided, however, that an assignment by UBS-FS to an affiliate of UBS-FS capable of providing the services

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contemplated herein will not constitute an assignment and will not require consent from you, but will be subject to the notice of Firm-wide changes below. Further, to the extent permitted by applicable law, UBS-FS may delegate any of its responsibilities hereunder.

Modifications to this Agreement by the Firm that affect your specific services shall not be made without prior written consent by you. It is agreed, however, that where certain Firm-wide or UBS-IC program-wide changes may affect the terms of this Agreement, Firm may modify the Agreement subject to the mailing of prior written notice to you at least 30 days prior to the change; your continued acceptance of services after the effective date of the change shall be deemed consent to the change.

All written communication from Client regarding the matters covered by this Agreement shall be sent to Client's Institutional Consultant unless Client is specifically directed otherwise. All such written communication to Client shall be sent to the address contained in the Firm's records.

Each party agrees that this Agreement and any other documents to be delivered in connection herewith may be electronically signed utilizing the Firm's approved e-signature software, and that any electronic signatures appearing on this Agreement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

This Agreement only governs the services and fees specified herein, and it shall not affect or be applicable to any other services provided to Client or any related person or entity by the Firm pursuant to separate Agreement or understanding. Any other services provided to Client outside of this Agreement will be subject to separate fees or charges.

UBS shall not be liable for losses caused directly or indirectly by government restrictions, exchange controls, exchange or market rulings, suspension of trading, acts of god, acts of war, strikes or other conditions beyond our control, including but not limited to, extreme market volatility or trading volumes.

15. Trade Confirmations, Proxies and Other Legal Notices for IC Wrap Accounts

For assets held in an IC Wrap Account, you agree to have all trade confirmation information for trades placed by your investment manager(s) provided to you on your Firm account statement and also provided to your investment manager(s). Doing so will waive your right to receive immediate trade confirmations for transactions directed by your investment manager(s). You are not required to select this option in order to receive or continue to receive consulting services. In addition, you will not pay any additional fee for your election. You may change this instruction at any time by giving us written notice.

By executing this agreement, you designate any SMA Manager(s) held in an IC Wrap Account to receive and vote all proxy and related materials for securities held in your accounts. You may change or cancel these instructions at any time by giving us prior written notice. When you delegate proxy voting authority to your SMA Manager, they will vote on matters requiring a proxy vote for the securities held in accounts. Your SMA Manager will also vote on other corporate actions, like tender offers, which do not require a proxy or are not solicited via a proxy. Firm will not be responsible for voting on proxies, tender offers or other corporate actions. Your proxy related preferences do not apply to legal proceedings, including bankruptcies and class actions, relating to securities in an IC Wrap Account, or their issuers, except to the extent required by law.

16. Arbitration

This Agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement the parties agree as follows:

- **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.**
- **Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.**

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- 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, 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.
- The panel of arbitrators will typically 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 to them, shall be incorporated into this Agreement.

By providing Institutional Consulting services to you and/or by opening an account at UBS, and by UBS Financial Services Inc. accepting your application and carrying your account, you, and UBS Financial Services Inc. agree as follows:

- We agree to resolve any controversy, claim or issue in any controversy that may arise by arbitration, whether it happened before or after, or at the time this Agreement was executed, including but not limited to controversies, claims or issues in any controversy concerning any account, transaction, dispute or the construction, performance or breach of this Agreement or any other agreement
- Any arbitration under this Agreement shall be governed by the Federal Arbitration Act and shall be conducted before an arbitration panel convened by the Financial Industry Regulatory Authority (FINRA) or any other national securities exchange's arbitration forum, upon which UBS Financial Services Inc. is legally required to arbitrate the controversy with you, including, where applicable, the Municipal Securities Rulemaking Board.
- Such arbitration shall be governed by the rules of the organization convening the panel.
- All parties to this Agreement agree that the arbitrators shall resolve any controversy in accordance with applicable law.
- The arbitrators will apply state and federal statutes of limitation the same as if the claim were brought as a civil action in court.
- The award of the arbitration panel are generally final and binding; a party's ability to have a court to reverse and modify is very limited and judgment upon the award may be entered in any court of competent jurisdiction.
- No person shall bring a putative or certified class action to arbitration nor seek to enforce any pre-dispute 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:
 - the class certification is denied; or
 - the class is decertified; or
 - 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.
- Parties expressly agree that service of process in any action shall be sufficient if served by certified mail, return receipt requested, at your last address known to UBS.
- Parties expressly waive any defense to service of process as set forth above.

17. References

If you consent to our inclusion of your name on our client list, which can be used in presentations with existing or prospective clients, please check the box next to "yes". If you would prefer not to have your name on our client list, please check the box next to "no". If you do not check either box, we will not add your name to our client list.

Yes ☐

No ☐

Existing and prospective clients sometimes request that we provide client references. If you consent to have your name used as a reference, please check the box next to "yes". If you would prefer not to have your

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name used as a reference, please check the box next to "no". If you do not check either box, we will not use your name as a reference. If you consent to being used as a reference below, contact names and phone numbers will be provided to current or prospective clients when you are included as a reference.

Yes ☐

No ☐

[Signature Page Follows]

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By signing below, you acknowledge receipt of a copy of this Agreement and Schedule A for billing. You also acknowledge that you have received and reviewed a copy of UBS Financial Services Disclosure Wrap Fee Brochure Form ADV for the UBS-IC program, which includes important information regarding the program, including Fees and Compensation (Item 4) and Participation or Interest in Client Transactions (Item 11B). These documents together with this Agreement fulfill the disclosure requirements under the Department of Labor's regulations under Section 408(b)(2) of ERISA. To access the ADV Disclosure Brochure online, visit <https://www.ubs.com/us/en/wealth-management/about-us/disclosure-documents.html>

After this Agreement is executed, you will also receive a copy of the Form ADV Supplement Brochure which provides important information about your Institutional Consultant and their Financial Advisor team members (if applicable) and includes information regarding their education, professional experience, disciplinary history, other business activities and also provides information about how UBS supervises them.

If you wish to custody your assets at UBS in one of the UBS Wrap Fee Programs you must also execute the Advisory Account Relationship Agreement, included as Appendix A. By signing Appendix A, you acknowledge receipt of the UBS Advisory Relationship Agreement and UBS Wrap Fee Programs Form ADV Disclosure Brochure for the UBS Wrap Fee Programs, which includes important information regarding the UBS Wrap Fee Programs, including Fees and Compensation (Item 4) and Participation or Interest in Client Transactions (Item 11B).

By signing this Agreement you consent to electronic delivery of documents and notices related to the UBS-IC Program to the extent permitted by law.

Important note regarding the effective date of this advisory agreement: This UBS-IC agreement also requires review and acceptance by your Institutional Consultant and both the Market Director and Market Supervisor. Once fully executed by all parties, it will become effective. Until such time, if you hold assets at Firm, your account remains a brokerage account and it is governed by the terms and conditions of your brokerage account agreement.

You acknowledge that this Agreement contains a pre-dispute arbitration clause in Section 15.

AGREED TO: Imperial Valley Healthcare District on behalf of **El Centro Regional Medical Center Frozen Retirement Income Plan**

BY:

Plan Fiduciary Signature
Print Name:

Title

Date

Plan Fiduciary Signature
Print Name:

Title

Date

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UBS Financial Services Inc.

AGREED TO:
UBS Institutional Consulting Group
UBS Financial Services Inc.

BY:

_____ <i>UBS Institutional Consultant Signature</i>	_____ <i>Print Name</i>	_____ <i>Date</i>

_____ <i>Market Director/Supervisor Signature</i>	_____ <i>Print Name</i>	_____ <i>Date</i>

_____ <i>Market Director/Supervisor Signature</i>	_____ <i>Print Name</i>	_____ <i>Date</i>

UBS Institutional Consulting Group
UBS Financial Services Inc.

Schedule A

Client Name: **Imperial Valley Healthcare District**
Client Type: **Defined Benefit**
UBS Institutional Consultant(s) and FAID: **Blair Cannon - 2UBC**
Contract Number: **IC5302**
Ongoing Services

For the services described in the Consulting Services Agreement, Client agrees to pay the Firm an annual fee, payable in quarterly installments, as indicated below:

UBS Institutional Consulting Fee

Asset based fee based on the number of days per calendar quarter:
0.15% of assets (15 bps)

Billing Period

Advance- (assets held at UBS)

Arrears- (assets held away only)

Method of Payment

Direct Debit (assets held at UBS)

Invoice/Check (assets held away only)

AGREED TO Schedule A: Imperial Valley Healthcare District

BY:

Plan Fiduciary Signature
Print Name:

Title

Date

Plan Fiduciary Signature
Print Name:

Title

Date

UBS Institutional Consulting Group

UBS Financial Services Inc.

Appendix A- UBS Advisory Relationship Agreement for Assets Held at UBS

Trade Confirmation Selection

Please ensure any items selected below are consistent with your elections and discussions with your Financial Advisor

Monthly Trade Confirmations

I elect to have all trade confirmations delivered to me on a monthly basis rather than trade-by-trade. I understand that this election applies to all applicable Advisory Accounts I establish now or in the future. I understand that I may provide different instructions for separate Accounts and that I may also revoke this instruction at any time by notifying UBS Financial Services Inc. in writing. For information and availability of this service at the program level, please refer to Section O. Trade Confirmations; Statements and Performance Reporting of the Advisory Relationship Agreement.

BY SIGNING BELOW, I ACKNOWLEDGE AND AGREE TO THE FOLLOWING:

1. I have full power and authority to enter into this UBS Advisory Relationship Agreement ("Agreement") and to authorize and effect all instructions, transactions and investments for the Advisory Account(s) under this Agreement. If signing this Application and Agreement as a guardian, executor, trustee or on behalf of an entity, I represent that I have the authority to execute and enter into this Agreement and to act on behalf of the client in connection with all matters relating to the Agreement.
2. I understand that I have received, reviewed and agree to be bound by this Application and Agreement. I understand that UBS will not serve as my fiduciary under the Investment Advisers Act on any account until this Application is accepted by UBS and I have opened an Advisory Account. I further understand that the Agreement will provide me with the ability to open new Advisory Accounts in the future with verbal consent and the Agreement includes information that is relevant to accounts I establish in advisory programs in the future.
3. I understand that UBS Financial Services Inc. ("UBS") does not provide legal or tax advice.
4. I have supplied all of the information contained in this Application and declare it is true and accurate and agree to notify UBS of any material changes.
5. I agree and consent to all Investment Services outlined in the preceding Section B of this Application. I understand that they will be applied (where such preferences are offered) in the future to all new and applicable Advisory Accounts unless I provide different instructions. I understand that I may change my preferences and services at any time by notifying my Financial Advisor in writing.
6. I acknowledge receipt of the Form ADV Disclosure Brochure along with this Application and Agreement. I understand that this Agreement is not effective until I open my first Advisory Account. When I open my first Advisory Account and each time I establish a new Advisory Account, I may terminate that account and receive a full refund of program fees within five (5) business days from the day UBS sends me confirmation of my new account. I may change my Advisory program or terminate my Advisory relationship at any time.
7. **THE ADVISORY RELATIONSHIP AGREEMENT AND ALL ACCOUNTS I ESTABLISH UNDER ITS TERMS ARE SUBJECT TO THE PRE-DISPUTE ARBITRATION AGREEMENT IN THE CLIENT RELATIONSHIP AGREEMENT (OR OTHER BROKERAGE ACCOUNT AGREEMENT) I SIGN WITH UBS BY SIGNING THIS APPLICATION AND AGREEMENT I CONFIRM MY UNDERSTANDING AND AGREE TO ARBITRATE ALL DISPUTES THAT MAY ARISE WITH UBS IN CONNECTION WITH MY INVESTMENT ADVISORY ACCOUNTS IN ACCORDANCE WITH THE TERMS OF THE CLIENT RELATIONSHIP AGREEMENT.**
8. **Fees and Proprietary Products:** If I select strategies, funds, products managed by UBS or its affiliates, I understand and acknowledge that such selections may result in increased compensation to UBS and/or its affiliate(s).
9. **Important Information about Program Fees, Program Selection and Conflicts of Interest:** (a) **Account and Investments Selection (Brokerage vs. Advisory):** Advisory fees, or other account charges incurred when implementing an investment strategy will vary based on the Program and account type(s) (brokerage or advisory) I select. The portion of these fees and charges which will be paid to my Financial Advisor also varies based on the products and account type(s) I select and create financial incentives for my Financial Advisor to recommend arrangements for which they receive higher compensation. **The initial, ongoing and total overall costs of purchasing and holding investments in an advisory or brokerage account vary, in some cases significantly, and may be higher, depending on the length of time in which I own the security, especially if I hold them in a fee based account instead of a brokerage account.** (b) **Portfolio Management Program & Advisor Allocation Program:**

UBS Institutional Consulting Group

UBS Financial Services Inc.

Financial Advisors who participate in the PMP and AAP Programs may also provide services to me and other clients outside of the Programs, including in their capacity as broker-dealer representatives and as such, may dedicate time to activities other than discretionary portfolio management. Financial Advisors who participate in the PMP and AAP Program have an incentive to recommend their services in PMP and AAP over those of third party SMA Managers in other Advisory Programs or over traditional commission based brokerage services. **(c) SMA Manager Fees in the ACCESS, MAC, SWP and AAP Programs:** The ACCESS, MAC, SWP and AAP programs offer some of the same SMA Managers for different SMA Manager fees. The SMA Manager Fee is a function of that SMA Manager's investment style and the fee negotiated with the SMA Manager either by UBS (in ACCESS, SWP and AAP) and by the client in the MAC Program. Based on the combination of the UBS Investment Advisory fees and the SMA Manager's fees, the overall fee for SMA account(s) in MAC may exceed 3% of the account value. **I understand that certain strategies may be available to me on a more cost-efficient basis in other UBS programs.**

10. I have reviewed, understand, and agree to the representations and acknowledgements in section Z. Retirement Account Representations, of the Advisory Relationship Agreement. 11. If I have elected to receive trade confirmations on a monthly basis in Section B of this Application, then by signing below I confirm: (a) that I have waived immediate receipt of trade confirmations; (b) that I have authorized monthly delivery of trade confirmations for my account; (c) that I am not required to select this option in order to participate or continue to participate in the Programs; (d) that I will not pay any additional fee for this monthly delivery option; (e) that I may rescind my election at any time by informing UBS in writing; and (f) that these elections will apply to all future applicable Advisory accounts I establish with UBS unless I provide different instructions.

AGREED TO: Imperial Valley Healthcare District on behalf of El Centro Regional Medical Center Frozen Retirement Income Plan

BY:

Plan Fiduciary Signature
Print Name:

Title

Date

Plan Fiduciary Signature
Print Name:

Title

Date

AGREED TO:
UBS Institutional Consulting Group
UBS Financial Services Inc.

BY:

UBS Institutional Consultant Signature

Print Name

Date

Market Director/Supervisor Signature

Print Name

Date

Market Director/Supervisor Signature

Print Name

Date

UBS Institutional Consulting Group
UBS Financial Services Inc.

For Assets Held at Another Financial Institution
Authorization to Access Client Custodial Information

Imperial Valley Healthcare District hereby authorizes their Custodians to establish and maintain a secure data connection with or provide online access to UBS approved service provider, Rage Frameworks ("Rage"), and electronically make available statements, account transactions, position detail, market value and other account activity through that connection or screen until such time as Imperial Valley Healthcare District accounts are closed or Custodian is instructed to terminate any transfers of information to Rage by Imperial Valley Healthcare District.

Client/Institution Name: Imperial Valley Healthcare District

Authorized Signature: _____

Printed Name: _____

Title: _____

Date: _____

Return Signed Document to: **Blair Cannon**
UBS Financial Services

For UBS Branch Office Use Only:

Contract ID: **IC5302**

IC FA ID: **2UBC**

UBS Institutional Consulting Group

UBS Financial Services Inc.

Clearwater Authorization to Access Client Custodial Information

Clearwater Authorization to Access Client Custodial Information

The purpose of this letter is to formally grant authorization by Imperial Valley Healthcare District allowing **Millenium International Ltd** to provide Clearwater Analytics, LLC® access to your current accounts listed below and any future accounts that are part of the Institutional Consulting relationship with UBS:

Millennium International, Ltd. - Class GG - Series 01A

Imperial Valley Healthcare District hereby authorizes their Custodians to (i) send to UBS approved service provider, Clearwater Analytics, LLC ("Clearwater"), a duplicate copy of **Millenium International, Ltd.** paper statements to

the following email addresses: ubsicteam@clearwateranalytics.com (ii) establish and maintain a secure data connection with Clearwater and (iii) electronically make available statements, account transactions, position detail, market values and other account activity through that connection until such time as Imperial Valley Healthcare District accounts are closed or Custodian is instructed to terminate any transfers of information to Clearwater by Imperial Valley Healthcare District.

Clearwater requires machine-readable (TXT, CSV, Excel, etc.) files to be transferred daily to provide information on holdings and daily transactions, such as trades, principal, and interest.

Connection Details and Instructions

This request is typically handled by the IT personnel or back office team at your company.

Please respond to this email to advise if account(s) are authorized to be added to the existing connection, as well as information regarding when this request will be processed. Contact UBS-LOA@clearwateranalytics.com with any questions.

Clearwater requires machine-readable (TXT, CSV, Excel, etc.) files to be transferred daily to provide information on holdings and daily transactions, such as trades, principal, and interest.

Connection Details and Instructions

This request is typically handled by the IT personnel or back office team at your company.

Please respond to this email to advise if account(s) are authorized to be added to the existing connection, as well as information regarding when this request will be processed. Contact UBS-LOA@clearwateranalytics.com with any questions.

Authorized Signature: _____

Printed Name: _____

Title: _____

Date: _____

UBS Institutional Consulting Group
UBS Financial Services Inc.

Authorized Signature: _____

Printed Name: _____

Title: _____

Date: _____

Authorized Signature: _____

Printed Name: _____

Title: _____

Date: _____

Return Signed Document to:

Clearwater Client Services
UBS-LOA@clearwateranalytics.com

For UBS Branch Office Use Only:

Contract ID: IC5302

IC FA ID: 2UBC

UBS Financial Services Inc.
1000 Harbor Boulevard
Weehawken, NJ 07086
201-352-3000
<http://financialservicesinc.ubs.com>

SEC File Number 801-7163
March 31, 2025

Discretionary Programs

Portfolio Management Program (PMP)
Advisor Allocation Program (AAP)
UBS Advice Portfolio Program (Digital Discretionary Program)

Separately Managed Accounts Programs

ACCESS
Managed Accounts Consulting (MAC)

Unified Managed Accounts Program

UBS Strategic Wealth Portfolio (SWP)

Non-Discretionary Advisory Programs

UBS Strategic Advisor
Personalized Asset Consulting and Evaluation (PACE)
PACE Multi Advisor Program
PACE Select Advisors Trust

Portfolio Advisory Programs

UBS Consolidated Advisory Program (UBS-CAP)
UBS Institutional Consulting Program (IC)

Alternative Investments Advisory Program

UBS Consolidated Advisory Program Select (CAP Select)

This Form ADV disclosure brochure provides information about the qualifications and business practices of UBS Financial Services Inc. and our retail and institutional wrap fee and advice-only investment advisory programs that you should consider before becoming a client of any of these programs.

If you have any questions about the content of this brochure, please contact us at 888-526-7454. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about UBS Financial Services Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Please note that registration as an investment adviser does not imply a certain level of skill or training.

This Form ADV Disclosure Brochure applies to all of your accounts at UBS Financial Services Inc. established in the Programs described in this Brochure, including any advisory accounts you may open in the future. We will not provide another copy of the Form ADV Disclosure Brochure when you establish new advisory accounts unless there is an updated version or there are material changes to the document we originally provided to you. Annually we will provide you with a copy of our updated Form ADV Disclosure Brochure or a summary of material changes from the brochure previously provided to you.

Please retain all these documents for future reference as they contain important information if you decide to add services or open new advisory accounts with our Firm.

Our Client Relationship Agreement, Disclosure booklet and other related documents are available at ubs.com/accountdisclosures or by calling your Financial Advisor. **You may obtain a copy of the current Form ADV Disclosure at any time by contacting your Financial Advisor.**

Item 2. Material Changes

This section describes the material changes to our Wrap Fee Programs Form ADV Disclosure Brochure since the amendment of our Form ADV on March 30, 2024.

The Section **"About UBS Financial Services Inc."**

"Our Responsibilities as an Investment Adviser" has been revised to state that where UBS recommends proprietary or affiliated investments on a non-discretionary basis to you regarding your covered retirement accounts and would receive increased compensation, we may operate under the US Department of Labor's Prohibited Transaction Exemption 2020-02, where relevant, a special rule that requires us to act in your best interest and not put our interest ahead of yours when we provide investment advice or recommendations as a fiduciary.

Item 4. Services, Fees and Compensation has been revised as follows:

Item 4.B (Advisory Programs: Fee schedules, Minimum Investments and Minimum Annual Fees) has been updated to reflect that the minimum account opening size for Strategic Wealth Portfolio has been reduced from \$100,000 to \$25,000 (but can be higher if SMA sub-accounts are included in the target allocation).

In **Item 4. B. 1 (Your Program Fee; Services Included in Your Program Fee)**, the discussion of affiliated or proprietary SMA Advantage strategies that charge a Premium Services Fee has been revised to state that they are not available to Retirement Plan clients enrolled in the IC Program with a Limited Power of Attorney for Financial Advisor Discretion Services. Premium Services Fees may be charged to Retirement Plan clients in IC non-discretionary programs and other IC clients. Recommending affiliated managers raises a conflict of interest, because retaining those entities will result in increased compensation to UBS and/or a UBS affiliate. Current Retirement Plan clients in IC non-discretionary programs may execute a contract amendment to permit SMA Advantage strategies with a premium service fee.

Item 4. D (Compensation to Financial Advisors, Market Directors and Associate Market Executives ("Advisors") Who Recommend Advisory Programs) has been updated to reflect changes to the standard compensation plan for Financial Advisors by revising the Incentive Grid Rate range and the available awards.

In **Item 4.G.2** the subsection titled **Rebalancing Your Asset Allocation: Rebalancing Options, Process, Thresholds and Limitations** has been revised to reflect changes to certain automatic rebalancing thresholds. In PACE and SWP, the single mutual fund, ETF and SMA concentrations, as applicable, of 70% have increased by 1% before automatic rebalancing is triggered. In AAP, the single mutual fund and ETF concentrations of 35% and the single SMA strategy concentration of 70% have also increased by 1%. Accounts are subject to rebalancing as provided in that subsection.

Item 4. H (Portfolio Advisory and Alternative Investments Advisory Programs) has been revised to state that for Retirement Plan clients enrolled in the IC Program with a Limited Power of Attorney for Financial Advisor Discretion Services, our investment searches will not include UBS affiliated/proprietary mutual or sub advised funds unless such investments or strategies are eligible within the IC Program and made available at no additional cost to client. Such funds or strategies may be available to Retirement Plan clients in IC non-discretionary programs and other IC clients.

Section E.1 (Description of our Discretionary Programs; UBS Advice Portfolio Program)

UBS Advice Portfolio Program: The UBS Advice Portfolio Program was closed to enrollment for new clients or new accounts on March 21, 2025. On or about June 13, 2025, any existing UBS Advice Portfolio accounts will transition to a similar UBS House View multi-asset portfolio in the ACCESS program. The House View portfolios are managed by the same portfolio management team currently responsible for the UBS Advice Portfolios and will continue to leverage asset allocation guidance from the UBS Chief Investment Office (CIO) and portfolio construction and execution capabilities from UBS Asset Management.

Accounts enrolled in the UBS Advice Portfolio Program will be automatically transitioned to the UBS ACCESS—Separately Managed Account (SMA)—Advisory program unless a client takes action to select another program or no program prior to June 9, 2025.

Ongoing management and maintenance activities for any existing UBS Advice Portfolio Program (cash flows, withdrawals, etc.) accounts will remain available until June 13.

Item 5 Account Requirements and Client Types has been revised as follows:

Item 5.B.2 (Investment strategies; Eligible and Ineligible Assets), the subsection titled "Single Share Class Mutual Funds" has been updated to reflect that 12b-1 fees paid by legacy A, B, C or other share classes of mutual funds in UBS brokerage accounts will be retained by UBS and no longer shared with Financial Advisors unless certain conditions apply. This change will take effect on or around the middle of 2025, and creates a conflict of interest because it influences the recommendations that you receive from your Financial Advisor.

In **Item 5.C.7.** (the Debiting/Invoicing Program Fees sub-section) has been revised to clarify details about the Bill To feature and when the feature will be terminated. The feature will not automatically terminate when there is a title/ownership change, or new authorized parties are

added to the Bill To account. It is your responsibility to contact your Financial Advisor in order to update your billing features.

Section 6. Portfolio Management Selection and Evaluation has been revised to add the following section.

A. Alternative Investments Due Diligence, Review and Approval and Allocation of Investment Opportunities

Unified Global Alternatives (UGA) is a new business unit established in January 2025 through a collaboration between the Global Wealth Management and Asset Management divisions of UBS.

UGA combines the Global Alternatives Investment Solutions teams within Global Wealth Management with Asset Management's Hedge Fund Solutions, Real Estate and Private Markets Multi-Manager businesses along with their respective sales and distribution support teams. UGA is designed to serve the needs of clients from both divisions.

UBS Financial Services Inc. the sponsor of the advisory programs described in this Brochure is part of the Global Wealth Management (GWM) Division.

Prior to the creation of UGA, GWM (including UBS-FS) managed an open architecture platform of alternative investments, while the AM areas which are part of UGA, structured and managed proprietary alternative investments that could be offered to brokerage and advisory clients on the UBS-FS Platform. AM funds underwent investment and operational due diligence on an arm's-length basis and the respective business units operated separately without common revenue targets. Not approving an AM fund for the UBS-FS platform had no impact on the overall goals or compensation of the GWM team.

The creation of UGA gives rise to new conflicts of interest as it brings together the formerly independent teams with a common goal to grow the alternative investment franchise, increase revenues and gain better value for clients. GWM has delegated initial and ongoing due diligence responsibilities, negotiation of placement agreements and onboarding of alternatives investments for the GWM platforms to UGA.

To address the conflicts of interest, UGA has adopted policies, procedures that require (1) the consistent and objective application of due diligence requirements for all funds approved for the GWM platforms; (2) revenue targets for the business teams to be product type neutral so as to not favor proprietary products vs. non-proprietary products; (3) the allocation of capacity and investment opportunities among GWM and AM clients to be subject to a fair and reasonable process that complies with fiduciary obligations. Notwithstanding the foregoing, in instances in which the fund capacity allocated to UBS is limited (for example, private markets), fiduciary portfolios will be given priority access versus non-fiduciary accounts.

Item 9.B. has been updated to include the following disciplinary items:

Date of Action: December 30, 2024

Brought by: FINRA

Entity: UBS Financial Services Inc.

Without admitting or denying the findings, the Firm consented to the sanctions and to the entry of findings that from February 2014 through November 2024, it sent its customers millions of trade confirmations that either (1) disclosed that the price shown was or may be an average price when it was not an average price or (2) failed to disclose that the price shown was in fact an average price. The findings also stated that the firm failed to establish and maintain a supervisory system reasonably designed to achieve compliance with Exchange Act Rule 10B-10 and FINRA rule 2232.

Disposition: Censure and fine of \$1.1 million.

Date of Action: December 18, 2024

Brought by: FINRA

Entity: UBS Financial Services Inc.

The firm entered into an Acceptance Waiver & Consent under which the firm, without admitting or denying the findings, consented to the sanctions and to the entry of findings that it failed to establish and maintain a supervisory system reasonably designed to assess whether its registered representatives recommended to retail customers short-term trades of syndicate preferred stocks that were unsuitable.

Disposition: Censure, fine of \$500,000, restitution of \$343,914.66 plus interest, and disgorgement of \$2,645,537 plus interest.

Date of Action: July 8, 2024

Brought by: FINRA

Entity: UBS Financial Services Inc.

Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish and maintain a supervisory system reasonably designed to achieve compliance with the firm's obligation to monitor transmittals of customer funds to third parties and to respond reasonably to red flags of private securities transactions. The findings stated the firm failed to detect that a registered representative, who was acting outside the scope of their employment with the firm, sold to their customers unapproved securities that were offered by a third party. The firm repaid the customers their principal plus the amount of appreciation reported to them by the third party totaling more than \$17 million.

Disposition: Censure and fine of \$850,000.

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Definitions. References in this brochure to:

"Account", "account", "Investment Advisory Account" or "Advisory Account" means your advisory account(s) established in the advisory programs described in this Brochure.

"Advisory Programs" or "Programs" as used in this Brochure means our ACCESS, Portfolio Management Program, Managed Accounts Consulting, UBS Strategic Advisor, UBS Strategic Wealth Portfolio, Advisor Allocation Program, Advice Portfolio Program, PACE programs, UBS-CAP, CAP Select, and IC.

"Agreement" means the Advisory Relationship Agreement.

"Asset Allocation" refers to the asset allocation selected for your program account.

"UBS-CAP Portfolio" means, collectively, the eligible Advisory Accounts you enroll in UBS-CAP and, in limited circumstances, accounts you hold at other financial institutions that you elect to include in UBS-CAP.

"CAP Select Portfolio" means the 100% diversified alternative investments portfolio you hold in the CAP Select Program.

"IC Account" means an IC Program-specific account held at UBS and opened under the UBS Institutional Consulting Program ("IC Program").

"IC Held Away" means a non-discretionary Account in the IC Program where the client elects to hold the assets away from UBS.

"IC Portfolio" means, collectively, the eligible Advisory Accounts you enroll in IC and/or the accounts you hold at other financial institutions that you elect to include in IC.

"Model Provider" means SMA Managers who provide their investment strategy models to UBS for implementation or an Overlay Manager hired by UBS to implement such models.

"Overlay Manager" means the investment adviser(s) hired by UBS to implement the models provided by Model Providers.

"Plan" means employee benefit plans qualified under Section 401(a) or Section 403(b)(7) of the Internal Revenue Code of 1986, as amended, or under any other employee retirement or welfare plan subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA) or a defined benefit employee benefit plan for a municipal entity or a nonqualified retirement plan.

"Portfolio Based Advisory Programs" means the UBS Consolidated Advisory Program or UBS-CAP and the UBS Institutional Consulting Program or IC, advisory programs in which our services are provided to you on a portfolio level instead of individually at each Account level for certain eligible UBS Advisory Accounts (and, in certain circumstances, accounts you hold at other financial institutions).

"Program Assets" means the assets you invest through our Advisory Programs.

"Program Fee" means, collectively, the UBS Investment Advisory Fee and if applicable, given your Program selection, the SMA Manager Fee.

"Questionnaire" or "Risk Profile Questionnaire" means the Account Risk Profile Questionnaire you complete to determine your investment needs, objectives and risk tolerances for the assets being invested in *each* Advisory Account. For UBS-CAP and IC, your Questionnaire will define the risk tolerances and objectives that you have for *all* your eligible assets and accounts included in the UBS-CAP Portfolio or the IC Portfolio as a whole.

"Retirement Accounts" include all types of Individual Retirement Accounts including SEPs, SIMPLEs, Coverdell Education Savings Accounts, and "Plans".

"SMA Manager" means your ACCESS, MAC, AAP, SWP, or IC separately managed account investment manager, Overlay Manager or Model Provider, as applicable.

"SMA Manager Fee" means the separately managed account investment management fee payable to your ACCESS, MAC, SWP, AAP, IC investment manager or, as applicable, Model Provider (if any) in our Programs.

"Share Class Conversion" refers to the conversion of mutual fund, offshore fund and/or alternative investment brokerage share classes to advisory/institutional share classes which are eligible and billable in certain Programs.

"Single Share Class(es)" refers to the single share class of mutual funds with no front-end loads, back-end loads or 12b-1s offered for purchase in our brokerage platform effective January 2020 subject to a per-transaction commission.

"UBS" unless otherwise noted, means UBS Financial Services Inc.

"UBS Investment Advisory Fee" means the portion of the Program Fee payable to UBS for its investment advisory services.

"UBS Portfolio Manager" means the UBS Asset Management investment professionals who manage assets on a discretionary basis in UBS Advice Portfolio Program or your Portfolio Management Program Financial Advisor.

About UBS Financial Services Inc.

UBS Financial Services Inc. ("UBS") is one of the nation's leading securities firms, serving the investment and capital needs of individual, corporate and institutional clients. We are a member of all principal securities and commodities exchanges in the United States including the New York Stock Exchange ("NYSE"). Our parent company, UBS Group AG, is a global, integrated investment services firm and one of the world's leading banks. We are registered to act as a broker-dealer, investment adviser, and futures commission merchant.

As a registered investment adviser, we complete Part I of Form ADV, which contains additional information about our business and our affiliates. This information is publicly available through our filings with the U.S. Securities and Exchange Commission (SEC) at www.adviserinfo.sec.gov.

This information is current as of the date of this Brochure and is subject to change at our discretion.

Conducting Business with UBS: Investment Advisory and Broker Dealer Services

Important distinctions between brokerage and advisory services. As a wealth management firm providing services to clients in the United States, UBS Financial Services Inc. is registered with the U.S. Securities and Exchange Commission (SEC) as a broker-dealer and an investment adviser, offering both investment advisory and brokerage services.¹

Our clients work with their Financial Advisors to determine the services that are most appropriate given their financial goals and circumstances. Based on the services you request, we can act as an investment adviser, as a broker-dealer, or as both. Most of our Financial Advisors are qualified and licensed to provide both brokerage as well as investment advisory services.

You may obtain information about your Financial Advisor, their licenses, educational background, employment history, and if they have had any problems with regulators or received serious complaints from investors through the FINRA BrokerCheck service available from FINRA at <http://www.finra.org>, or from the Securities and Exchange Commission at www.adviserinfo.sec.gov.

In addition, some of our Financial Advisors hold educational credentials, such as the Certified Financial Planner™ (CFP®)² designation. Holding a professional designation typically indicates that the Financial Advisor has completed certain courses or continuing education. However, a Financial Advisor's professional designation does not change the obligations of UBS as a firm in providing investment advisory or brokerage services to you.

It is important to understand that investment advisory and brokerage services are separate and distinct and each is governed by different laws and separate arrangements that we may have with you. The specific services we provide, our relationship with you and our legal duties to you in each arrangement are described in our applicable contracts with you.

This section summarizes the key distinctions between brokerage and investment advisory services and our respective duties and

obligations. We encourage you to review this information carefully, along with your applicable contracts, and discuss it with your Financial Advisor

Our services as an Investment Adviser and Relationship with You

We believe that professional investment advisory programs can help investors pursue their investment objectives. However, the fees and expenses associated with advisory services may exceed those that apply to brokerage services. Advisory programs are not for everyone. Please speak with your Financial Advisor for additional information.

- In our capacity as an investment adviser under the Investment Advisers Act, we offer a number of investment advisory services and programs, including financial planning for a fee, discretionary investment management and non-discretionary investment advisory programs, and advice on the selection of investment managers, mutual funds, exchange traded funds and other securities offered through our investment advisory programs.
- The fees for these services and programs are calculated as a percentage of assets in the account or a flat or annual fee and are charged on an ongoing basis.
- When we act as your investment adviser, we will enter into a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our specific obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure which provides detailed information about, among other things: the program(s) you select; the advisory services we provide; our fees, personnel, other business activities and financial industry affiliations; and conflicts between our interests and your interests.

Our Responsibilities as an Investment Adviser

When you participate in one of our investment advisory programs, we are considered to have a fiduciary relationship with you under the Investment Advisers Act of 1940. Our responsibilities include the obligation to:

- Disclose: Disclose all material facts, including conflicts between our interests and your interests, to you.
- Inform: Inform you if we or our affiliates receive additional compensation from you or a third-party as a result of our relationship with you.
- Seek best execution: Where we direct trading, to seek best execution of your securities transactions.
- Obtain consent for principal trades and agency cross trades: Obtain your informed consent after providing appropriate disclosure before engaging in transactions with you for our own account or that of an affiliate (principal trades) or transactions where we or our affiliates act as broker for parties on both sides of the transactions.
- Treat you fairly: Treat you and our other advisory clients fairly and equitably, without unfairly favoring one client to

the International Resource Management Account.

²Certified Financial Planner Board of Standards Inc. owns the certification marks CFP®, Certified Financial Planner™ and federally registered CFP (with flame design) in the U.S., which it awards to individuals who successfully complete CFP Board's initial and ongoing certification requirements.

¹Examples of our advisory programs and services include our fee-based financial planning services and our ACCESS, Portfolio Management Program, Managed Accounts Consulting, UBS-CAP, UBS Institutional Consulting, Retirement Plan Consulting Services Program, UBS Strategic Advisor, UBS Strategic Wealth Portfolio, Advisor Allocation Program, UBS Advice Portfolio Program and PACE programs. Examples of our brokerage accounts include Resource Management Account® and Page 8 of 91

the disadvantage of another.

- Act in your best interest: Act in what we reasonably believe to be your best interests and in the event of a conflict of interest, place your interests before our own.
- Make informed recommendations: Provide investment advice and recommendations that we reasonably determine are suitable for you given your individual financial situation, investment objectives and goals (based on information you provide) and that are consistent with any restrictions you have placed on us.
- When we provide investment advisory services, our fiduciary status under the federal retirement laws depends on the nature of the specific services we have agreed to provide to you. Please see your applicable agreement and related disclosures for more information.

Ongoing advice and monitoring

If specified in your client agreement:

- We will provide advice and management services (as applicable) on an ongoing basis.
- We will also monitor your account investments (including cash and cash equivalents) and provide investment recommendations on an ongoing basis.

Conflict of interest—asset-based compensation

- When we act as your investment adviser, we and our representatives earn more when you invest more in your advisory account, and we earn the same advisory fee rate regardless of how frequently you trade. We also receive payments from third parties, including the investment products in which you invest and their sponsors. These third-party fees are disclosed in this Form ADV Brochure and the investment product's prospectus and other offering documents.
- This creates an incentive for us to recommend that you:
 - Increase the assets in your advisory accounts to increase our fees;
 - Invest in investment products that result in greater compensation to us (including products and services provided by us and our affiliates or those for which we receive a portion of product-level fees that you pay); and
 - Maintain cash balances in a sweep investment.

Conflict of Interest—principal trades and underwriting

- We may trade with you for our own accounts—a practice known as **“principal trading.”** This means that we can buy investments from you, or sell them to you, including securities that we buy in bulk (or in an underwriting/IPO) and then distribute to individual investors. But, we can only do this upon **written disclosure and with your specific consent to each transaction.**
- When we trade on a principal basis, we earn compensation by marking up the price of securities we sell to you, or by marking down the price of securities we buy from you, and from discounts and selling concessions for underwritings and IPOs.

This creates a UBS **firm-level incentive** to:

- Offer securities that we have in inventory or where we are participating in an underwriting syndicate; and
 - Execute your trade against our proprietary accounts
- Types of securities commonly traded on a principal basis include fixed income securities, IPOs, certain closed-end

funds and municipal securities. Notwithstanding the foregoing, principal trading is subject to certain restrictions and generally not permitted in the Programs described in this Brochure.

This Form ADV Disclosure Brochure describes the various conflicts of interests, compensation practices, and limitations of our Advisory Programs. It is important that before you decide to enroll in an Advisory Program you review this Form ADV carefully and understand these conflicts of interest and limitations, including but not limited to that you will pay a separate ongoing asset-based fee for our services.

The Form ADV Disclosure Brochures for all of our advisory programs can be found at ubs.com/advisorydisclosures. If you have any questions or concerns, please speak with your Financial Advisor.

Additional information about the Firm's brokerage business, related conflicts of interest and compensation practices is available in the “Your Relationship with UBS” disclosure which is available online at ubs.com/relationshipwithubs.

If you do not want to pay for fee-based ongoing investment advice and monitoring through an investment advisory program, then consider opening a brokerage account with us instead.

Termination of your advisory account or agreement will end our fiduciary relationship with you under the Investment Advisers Act as it pertains to the terminated account or services and, depending on the terms of your investment advisory agreement with us, will cause your account to be converted to, and designated as, a brokerage account.

When we provide “investment advice” or recommendations (as defined in Department of Labor regulation section 2510.3-21) on a non-discretionary basis to you regarding your covered retirement accounts, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money or are otherwise compensated creates certain conflicts with your interests, so when recommending investments where UBS would increase its compensation (including recommendations of an affiliate) we may operate under the US Department of Labor's Prohibited Transaction Exemption 2020-02 (“PTE 2020-02”), where relevant, a special rule that requires us to act in your best interest and not put our interest ahead of yours when we provide investment advice or recommendations as a fiduciary.

Under PTE 2020-02, when providing individualized investment advice and recommendations regarding your retirement accounts that is based on our review of your particular needs and individual circumstances, we must also:

- Meet a professional standard of care (give prudent advice);
- Not put our financial interests ahead of yours (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

Limitations.

The retirement laws limit the types of products and services we can offer in your retirement account. This fiduciary acknowledgment

does not create or modify a contractual obligation or fiduciary status under state law or federal laws other than retirement laws. Not all services or activities we provide to your retirement account(s) or interactions with you are subject to the provisions above. For example, we are not fiduciaries, and you should not expect us to be acting as a fiduciary with respect to:

- Communications consisting of general information and education about the financial markets, asset allocations, financial planning illustrations and scenarios or the advantages and risks of particular investments;
- General information and educational materials we may provide regarding options and alternatives that should be considered when deciding whether to roll over or transfer retirement accounts to UBS;
- Advice or recommendations we provide with respect to accounts that are not retirement accounts (this includes taxable accounts);
- Transactions you enter into that are unsolicited or self-directed (i.e. where UBS does not provide a recommendation);
- Advice or recommendations we provide on a one-time or episodic basis;
- Advice or recommendations that are not based on our review of your individual needs or your specific circumstances; and Advice or recommendations that you execute at another financial institution where we do not receive compensation.

Our Services as a Broker-Dealer and Relationship with You

Although a brokerage relationship can be a cost-effective way of investing your assets, it is not for everyone. As a brokerage client, you need to understand and agree to our service limitations and conflicts.

- As a full-service broker-dealer, our services are not limited to taking customer orders and executing securities transactions. In our capacity as a broker-dealer, we provide a variety of services relating to investments in securities, including investment research, trade execution and custody services. We may also make recommendations to our brokerage clients about whether to buy, sell or hold securities, and/or access banking-related services such as credit cards, mortgages, credit lines and margin for your accounts. We do not make investment decisions for you or manage your accounts on a discretionary basis. We will only buy or sell securities for brokerage clients based on specific directions from you.
- We receive **transaction-based compensation** for trades you decide to enter into, which includes commissions, administrative fees and compensation from third parties that are disclosed to you.
- Unlike how we charge for investment advisory services, **we do not charge or receive a separate fee for our advice or recommendations** and our recommendations are provided solely incidental to our brokerage services.

Our Responsibilities to You as a Broker-Dealer

When UBS acts as a broker-dealer, including when we recommend securities transactions and/or banking-related services in your account or make any recommendation on an account that has

terminated investment advisory services, **UBS does not act as a registered investment adviser.**

When we act as your broker-dealer, we are subject to the Securities Exchange Act of 1934, the Securities Act of 1933, the rules of self-regulatory organizations such as the Financial Industry Regulatory Authority (FINRA), the rules of the New York Stock Exchange and applicable state laws. When you have a brokerage account with us, we have the following responsibilities:

- **Fairness obligation:** We have a **duty to deal fairly** with you. Consistent with our duty of fairness, we are obligated to make sure that the prices you receive when we execute transactions for you are reasonable and fair in light of prevailing market conditions and that the commissions and other **fees we charge you are not excessive.**
- **Seek best execution:** Where we direct trading, to seek best execution of your securities transactions.
- **Suitability:** We must have a reasonable basis for believing that any **securities recommendations we make to you are suitable and appropriate** for you, given your individual financial circumstances, needs and goals.
- **Best interest:** If you are an “individual wealth management client”³ we must have a reasonable basis for believing that a recommendation of any securities transaction or investment strategy involving securities is in your best interest, without placing the financial or other interest of the firm or Financial Advisor ahead of your interests. As part of our best interest obligation, we must provide written full and fair disclosure of all material facts relating to the scope and terms of our relationship with you.
- **Principal trading:** **We are permitted to buy** securities from you or sell securities to you from our (or our affiliates) own inventory, known as **“principal trading”** and earn a profit on those trades. When we engage in principal trades, we disclose the capacity in which we acted on your trade confirmation, though we are not required to communicate this or obtain your consent in advance or to inform you of the profit earned on the trades. Absent special circumstances, **we are not held to the same legal standards that apply when providing investment advisory services to you.** Our legal obligations to disclose detailed information to you about the nature and scope of our business, personnel, fees, conflicts between our interests and your interests and other matters are more limited than when we are providing investment advisory services to you. Notwithstanding the foregoing, principal trading is subject to certain restrictions—and in many cases not allowed—with respect to retirement plans subject to ERISA.
- **No monitoring:** We have no duty to provide ongoing recommendations or monitor your investments. We are not obligated to provide recommendations to you, or to update recommendations made previously, and not doing so should not be viewed as a recommendation to hold an investment.
- **Your responsibility:** You are responsible for independently ensuring that the investments in your accounts remain appropriate given your investment objective, risk tolerance, financial circumstances and investment needs.
- **Transaction-based compensation:** We receive transaction-based compensation for trades you decide to enter into, which includes commissions, administrative fees and compensation from third parties that are disclosed to you.

³ “Individual Wealth Management Client” is a natural person, or the legal representative of a natural person, who receives a recommendation from UBS and uses it primarily for personal, family or household purposes. This disclosure does not create or modify any agreement, relationship or Page 10 of 91

obligation between UBS (or your financial professional). Please consult your UBS agreements for all terms and conditions controlling your account and relationship with us.

- **No separate fee for advice:** Unlike how we charge for investment advisory services, we do not charge or receive a separate fee for our advice or recommendations and our recommendations are provided solely as incidental to our brokerage services.

Conflict of interest: Transaction compensation

- When we act as a broker-dealer, we are compensated by the **commissions and fees you pay us** as well as through **revenue we receive from third-parties** that often include the sponsors of investment products on our platform. Your Financial Advisor does not receive a portion of all of these amounts so that some conflicts apply at the Financial Advisor level and some apply only to UBS at the firm level.

Financial Advisor conflicts include incentives to recommend:

- Investments that result in greater compensation.
- That you trade more frequently.

UBS firm-level conflicts include incentives to:

- Offer products and services that we or our affiliates create.
- Offer products and services from companies that offer us revenue.
- Maintain a sweep program for uninvested cash balances

using our affiliate bank or money market funds of our affiliates.

- Route trades to our affiliate for execution.

Conflict of interest: Principal trades and underwriting

- We may trade with you for our own accounts. This means that we can buy investments from you, or sell them to you, including securities that we buy in bulk or in an underwriting/initial public offering (IPO) and then distribute to individual investors.
- When we trade on a principal basis, we earn compensation by **marking up the price of securities** we sell to you, or **by marking down the price of securities** we buy from you, and from discounts and selling concessions for underwritings and IPOs. This creates a **UBS firm-level incentive** to:
 - Offer securities that we have in inventory or where we are participating in an underwriting syndicate; and
 - Execute your trade against our proprietary accounts.

Types of securities commonly traded on a principal basis include fixed income securities, IPOs, certain closed-end funds and municipal securities.

Item 4. Services, Fees and Compensation

A. About Our Investment Advisory Programs

This brochure describes our retail and certain institutional wrap fee and non-wrap fee investment Advisory Programs. We offer a variety of advisory services to address different investment needs, including:

Program type	Programs included
Discretionary Programs	Portfolio Management Program UBS Advice Portfolio Program (not available for new enrollments after March 21, 2025) Advisor Allocation Program
Separately managed account (SMA) programs	ACCESS and Managed Accounts Consulting
Unified managed account program	UBS Strategic Wealth Portfolio
Non-Discretionary Advisory programs	PACE UBS Strategic Advisor
Portfolio Based Advisory Programs	UBS Consolidated Advisory Program Institutional Consulting
Alternative Investments Advisory	UBS CAP Select

We do not hold ourselves out as specializing in a particular type of advisory service or strategy. Instead, our Programs offer a broad variety of strategies, SMA Managers, asset allocations and features. In certain cases, the Advisory and consulting services available in our programs may be provided by Financial Advisors that are registered with companies that are affiliated with us.

These Programs offer advisory services which allow you to manage your account in a number of ways:

- You can delegate investment discretion to our Financial Advisors or UBS Asset Management
- You can access the discretionary investment services of SMA investment managers
- You can work with your Financial Advisor in those programs over which you retain investment discretion
- You can use any combination of the above

Generally, these Programs are designed for:

- Clients who want to implement a medium to long term investment plan
- Clients who seek and use the advice and guidance of an investment professional either in their self-directed accounts or by delegating management of their assets to a portfolio manager and/or SMA Manager
- Investors who prefer the consistency of fee-based pricing
- Clients who are looking for investment advice, custody, trading and execution services, and performance reporting in an all-inclusive account instead of accessing those services separately
- For CAP Select: clients who are looking for a diversified asset allocation of alternative investment vehicles
- The IC Program also provides consulting services to

institutional clients who choose to custody their assets away from UBS. Under those circumstances, the consulting services are offered in a non-wrap fee relationship.

However, these programs may not be appropriate for clients with the following preferences:

- A short-term investment horizon
- A desire to maintain consistently high levels of cash or money market funds in their accounts
- Clients who want to maintain highly concentrated positions that will not be sold regardless of market conditions
- Investors who anticipate continuous withdrawals from their accounts.

Cash and Securities Concentration: Advisory Programs are not appropriate for clients who want to maintain a high level of cash and/or highly concentrated positions that will not be sold regardless of market conditions. If you hold high level of cash and/or highly concentrated positions in your Advisory Accounts, then you do so against our recommendation and with the understanding that the value of those securities will be included for purposes of calculating the Program fee, resulting in a higher fee to us. Cash in advisory accounts is automatically swept to sweep programs offered by our affiliated Bank. The interest you earn from the sweep is significantly lower than the advisory fee you pay to us.

You may hold excess cash or concentrated positions in a brokerage account without incurring the Program Fee. If your account continues to be outside of the cash and concentration guidelines over a specified period of time, then your account will be removed from the Program.

Concentrated equity positions may be held in Concentrated Equity Solutions ("CES") SMA strategy (See section F. 2. **Managed Accounts** (Managed Account Consulting Program for additional information).

Limitations of Product Offerings: While we offer an extensive list of investment options and SMA strategies, the offerings are limited to those approved for sale or recommendation at the Firm. We do not offer or recommend every SMA Manager, investment or strategy available in the industry.

There are important differences among these Programs in terms of services, structure and administration, the depth of research conducted on the managers available in the programs, Program Fees and the compensation that Financial Advisors receive. Please review this brochure carefully as you decide which program is appropriate for your investment needs.

In the future, we envision most of the Advisory Programs evolving to a "Unified Advisory Solution" (UAS). UAS will consolidate certain distinct Advisory Programs described in this Brochure and make these advisory options available in a single client account. If at that time, you have more than one Advisory Account with us, we may combine these accounts into the one Unified Advisory Solution account. We will provide prior written notice to you regarding these changes and how they would affect your Accounts, fees and the services we provide to you.

We offer other Advisory services not described in this brochure. If you would like more information, please ask your Financial Advisor for the Form ADV Disclosure Brochure for these programs and services: See Item 6, "Section C **Advisory Services**–

Advisory Business; Advisory Services" for additional details.

B. Advisory Programs: Fee Schedules, Minimum Investments and Minimum Annual Fees

The following programs offer the flexibility to negotiate either a flat-fee or a tiered (break-point) fee schedule:

- ACCESS
- Managed Accounts Consulting (MAC)
- Portfolio Management Program (PMP)
- Institutional Consulting (IC)

Flat Fee Option: the agreed-upon annual fee is a fixed percentage of the assets in the Account. That percentage does not change as the value of your Account changes.

Tiered (Break-point) Fee Schedule: the negotiated fee, also a percentage of the assets, varies based on asset levels and changes as you increase or decrease assets in your account. Specific "break-points" for each asset level are defined in your Program application (the "Application"). You may request to have two or more eligible Advisory Accounts treated as related accounts to qualify for certain break-point discounts. Please discuss your options with your Financial Advisor. If you negotiated a discount to the UBS Investment Advisory Fee schedule, that discount will apply only to the break-point asset level (i.e., the asset level that qualifies you for reduced fees) indicated in your Application. As a result, your UBS Investment Advisory Fee and overall Program Fee may change in the future as you increase the assets in your account and trigger the breakpoints listed in your application.

Fixed Fees: The IC Program also permits fixed annual hard-dollar fees when IC services are provided on a non-discretionary basis and the assets are held away from UBS. With a flat hard-dollar fee, your fee remains the same dollar amount, regardless of changes in your assets.

All rates listed below indicate the maximum annual fees in each Program. These fees do not include management and administrative fees and expenses of pooled investment vehicles that may be held in the account.

DISCRETIONARY PROGRAMS

Program Name	ADVISOR ALLOCATION PROGRAM	UBS ADVICE PORTFOLIO PROGRAM	PORTFOLIO MANAGEMENT PROGRAM (PMP)
Minimum Account Size	The minimum account opening size: \$25,000. Will be higher when SMA sub-accounts are included in the Target Allocation and will depend on the SMA Managers' minimums. Some SMA strategies have different minimums in AAP and SWP than in the ACCESS or MAC Programs. SMA strategies in SWP/AAP have minimums ranging from \$5,000 to \$1,000,000	Closed to new clients or accounts on March 21, 2025.	\$25,000 in eligible assets
Fee Schedule Maximum Fee	UBS Investment Advisory Fee: All assets: 2.50% (SMA Manager Fee is additional) The Advisor Allocation Program has a "Blended Program Fee" that includes a UBS Investment Advisory Fee which applies to all assets in the Account and additional SMA Manager fees for the investment management services in the SMA sub-accounts. SMA Manager Fees vary depending on the strategy and manager(s) selected by your Financial Advisor.	All Assets: 1.25%	All Assets and strategy types (Equity, Balanced and Fixed Income Accounts): 2.50% PMP Liquidity Portfolios: 1.00%
Minimum Annual Fee	No minimum annual fee	No minimum annual fee	No minimum annual fee
SMA Manager's Fee (including Premium Services Fee)	The SMA Manager's Fee is in addition to the UBS Investment Advisory Fee. Not all strategies have an additional SMA Manager Fee. Fees are based on a percentage of assets under management and generally range from 0.00% to 0.50% for all accounts.	Not applicable. UBS Financial Services will pay UBS Asset Management for its sub-advisory services from its own resources. Clients will not pay a separate investment management fee.	Not applicable
Fee Options	Asset-based fee	Asset-based fee	Asset-based fee
Automatic Rebalancing Options	Yes	Yes	No

SEPARATELY MANAGED ACCOUNTS PROGRAMS AND UNIFIED MANAGED ACCOUNTS PROGRAM

Program Name	ACCESS	Managed Accounts Consulting (MAC)	Strategic Wealth Portfolio (SWP)
Relationship Type	Single contract, sub-advisory program. Client hires UBS-FS and authorizes UBS-FS to hire manager and make manager changes on client's behalf.	Dual contract, consulting program. Client hires UBS-FS as consultant and hires manager (directly) to manage the account.	A unified managed account (with discretionary (SMA-sub-accounts) and non-discretionary subaccounts) that offers separately managed accounts, mutual funds, and exchange traded funds (ETFs), within a single account. Separately managed accounts are sub-advised as in ACCESS.
Minimum Account Size	\$25,000. Certain strategies have minimums from \$5,000 to over \$1,000,000	\$100,000 or the manager's minimum (whichever is greater). \$10,000,000 for MAC accounts held at an outside custodian, subject to limited exceptions.	The minimum account opening size: \$25,000. Can be higher when SMA sub-accounts are included in the Target Allocation and will depend on the SMA Managers' minimums. Some SMA strategies have different minimums in SWP than in the ACCESS or MAC Programs. SMA strategies in SWP/AAP have minimums ranging from \$5,000 to \$1,000,000
Fee Schedule Maximum Fee	UBS Investment Advisory Fee: All assets and strategy types: 2.50% (SMA Manager Fee is additional)	UBS Investment Advisory Fee: All assets and strategy types: 2.50% (SMA Manager Fee is additional)	UBS Investment Advisory Fee: All assets: 2.50% (SMA Manager Fee is additional) The Strategic Wealth Portfolio Program has a "Blended Program Fee" that includes a UBS Investment Advisory Fee which applies to all assets in the Account and additional SMA Manager fees for the investment management services in the SMA sub-accounts. SMA Manager Fees vary depending on the strategy and manager(s) you selected.
Minimum Annual Fee	No minimum annual fee	No minimum annual fee	No minimum annual fee
SMA Manager's Fee (including Premium Services Fee)	The SMA Manager's fee is in addition to the UBS Investment Advisory Fee. Fees are based on a percentage of assets under management Generally range from 0.00% to 0.50% for all accounts.		
		Fee is negotiated between the client and the manager. Generally range from 0.02% to 2.00% for all accounts.	. Generally range from 0.00% to 0.50% for all accounts.
Fee Options	Asset-based fee	Asset-based fee	Asset-based fee
Automatic Rebalancing Options	No	No	Yes

The ACCESS, SWP, AAP, MAC and IC programs offer some of the same SMA strategies for different SMA Manager fees. The amount of the fee paid to each SMA Manager is a function of that SMA Manager's investment style and the fee negotiated with the SMA Manager either by UBS (in ACCESS, SWP, AAP, IC with Power of Attorney for Limited Financial Advisor Discretion) or by you in the MAC and IC non-discretionary Programs. Depending on your asset level and ability to negotiate the investment management fee with the SMA Manager in the dual- contract structure of the MAC and IC programs, you may find that the single-contract structure in ACCESS, AAP and SWP provides a more cost-effective option or vice versa. In addition, based on the combination of our UBS Investment Advisory Fees and your SMA Manager's Fees, the overall Program Fee for your SMA account in MAC or IC may exceed 3% of the account value. ***Please review your options and overall costs carefully with your Financial Advisor before investing.***

NON-DISCRETIONARY ADVISORY PROGRAMS			
Program Name	PACE Select	PACE Multi	UBS Strategic Advisor
Eligible Investments	Affiliated Mutual Funds (100% mutual funds)	Affiliated and Non-Affiliated Mutual Funds (100% mutual funds)	A combination of equities, open- and closed-end mutual funds, ETFs, fixed-income securities, approved unit investment trusts (UITs), options, certain alternative investments, structured products and other securities.
Minimum Account Size	\$10,000	\$5,000	\$25,000 in eligible billable assets. If you link to another Strategic Advisor account, only one of the Related Accounts is subject to this minimum requirement. Each other Related Account is subject to a minimum account size of \$10,000 in eligible assets.
Fee Schedule Maximum Fee	All assets: 2.50%	All assets: 2.50%	All assets: 2.50%
Minimum	No minimum annual fee	No minimum annual fee	No minimum annual fee
Fee Options	Asset-based fee	Asset-based fee	Asset-based fee
Automatic Rebalancing Options	Yes	Yes	No

PORTFOLIO BASED ADVISORY PROGRAMS

Name	UBS Consolidated Advisory Program (UBS-CAP)	UBS Institutional Consulting (IC)																		
UBS-CAP and IC services include, but are not limited to: 1) assistance in the development and preparation of investment policy guidelines, or an investment policy statement for IC clients; 2) the preparation of an asset allocation study and analysis that allocates your investment assets among various asset categories or classes; 3) selection of separate account managers, mutual funds and alternative investments; 4) portfolio evaluation and review; 5) ongoing investment management consulting on items such as reviewing the asset allocation and investment policy and the impact of capital market developments on the overall investment strategy.																				
Implementation Options and Eligible Programs	All implementation Options: Alternative Investments, Non-Researched Assets and Held Away Assets permitted at certain levels. Non-Discretionary: All advisory programs are eligible for the CAP Relationship except PACE Select, PACE Multi and the Advice Advantage Program. Strategic Advisor accounts are eligible only if they do not hold alternative investments.	Non-Discretionary: All programs eligible except PMP, AAP, PACE Select, PACE Multi and UBS Advice Portfolio Program.																		
	Limited Power of Attorney for Implementation of Client Directed Investment Activities: All programs eligible except PACE Select, PACE Multi. MAC is limited to Researched Managers only. LPOA excludes Strategic Advisor accounts, non-researched assets, non-researched managers (MAC Eligible), Publicly Registered Non-Traded REITs and BDCs. Client retains all authority over the implementation of investment advice in those accounts and investments.	N/A																		
	Power of Attorney for Limited Financial Advisor Discretion Services: Eligible programs include ACCESS, MAC (Researched Managers only) and PMP. PACE Select, PACE Multi and Advice Portfolio Program accounts are not eligible for this relationship type. Strategic Advisor (only accounts without alternative investments) and SWP accounts and non-researched assets, private equity, private real estate, REITs and BDCs may be included in the CAP relationship but are excluded from the LPOA. Client retains all authority over the implementation of investment advice in those accounts and investments. Discretion over private equity and real estate assets may be granted on a limited exception basis for unsolicited client requests for relationships that meet certain asset thresholds.	Power of Attorney for Limited Financial Advisor Discretion: Eligible programs include ACCESS, MAC (Researched Managers only), and Advisor Allocation Program. Alternative investments can be included.																		
Minimum Relationship Size	\$10,000,000 (relationship size)	Non-Discretionary Services: \$1 million Discretionary Services: \$5 million																		
Eligible Clients	All clients that meet the minimum relationship size other than qualified, defined benefit, and employee directed plans are eligible for UBS-CAP.	All institutional clients that meet the minimum relationship size are eligible for IC.																		
Fee Schedule	All assets: 2.50% (the SMA Manager Fee in ACCESS, MAC, SWP and AAP is in addition to the UBS-CAP fee). See the ACCESS, MAC, SWP and AAP Program descriptions for details.	The SMA Manager Fee in ACCESS, MAC, and AAP is in addition to the IC program fee). See the ACCESS, MAC, and AAP Program descriptions for details. Non-discretionary services. <table><tr><th>Assets</th><th>Maximum program fee</th></tr><tr><td>\$1 – 10 million</td><td>2.00%</td></tr><tr><td>\$10 – 25 million</td><td>1.50%</td></tr><tr><td>\$25 – 50 million</td><td>1.30%</td></tr><tr><td>\$50 – 100 million</td><td>1.10%</td></tr><tr><td>\$100 – 250 million</td><td>0.90%</td></tr><tr><td>\$250 – 500 million</td><td>0.70%</td></tr><tr><td>\$500 – 1 Billion</td><td>0.50%</td></tr><tr><td>> \$1 Billion</td><td>0.30%</td></tr></table>	Assets	Maximum program fee	\$1 – 10 million	2.00%	\$10 – 25 million	1.50%	\$25 – 50 million	1.30%	\$50 – 100 million	1.10%	\$100 – 250 million	0.90%	\$250 – 500 million	0.70%	\$500 – 1 Billion	0.50%	> \$1 Billion	0.30%
Assets	Maximum program fee																			
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PORTFOLIO BASED ADVISORY PROGRAMS

Name	UBS Consolidated Advisory Program (UBS-CAP)	UBS Institutional Consulting (IC)																
		Discretionary services: <table><thead><tr><th>Assets</th><th>Maximum program Fee</th></tr></thead><tbody><tr><td>\$5 – 25 million</td><td>1.80%</td></tr><tr><td>\$25 – 50 million</td><td>1.55%</td></tr><tr><td>\$50 – 100 million</td><td>1.30%</td></tr><tr><td>\$100 – 250 million</td><td>1.05%</td></tr><tr><td>\$250 – 500 million</td><td>0.80%</td></tr><tr><td>\$500 – 1 Billion</td><td>0.58%</td></tr><tr><td>> \$1 Billion</td><td>0.33%</td></tr></tbody></table> In limited circumstances, IC can offer one-time project services for a flat fee.	Assets	Maximum program Fee	\$5 – 25 million	1.80%	\$25 – 50 million	1.55%	\$50 – 100 million	1.30%	\$100 – 250 million	1.05%	\$250 – 500 million	0.80%	\$500 – 1 Billion	0.58%	> \$1 Billion	0.33%
Assets	Maximum program Fee																	
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\$500 – 1 Billion	0.58%																	
> \$1 Billion	0.33%																	
For those clients eligible for both UBS-CAP and IC, your financial advisor has a conflict of interest in recommending the program with the higher overall compensation to us and our affiliates and higher cost to the client.																		
Minimum Annual Fee	No minimum annual fee	\$10,000 or the maximum program fee based on the fee schedule with respect to services selected and the value of Eligible Investments, whichever is less.																
Fee Options	Asset-based fee	Asset-based or hard dollar for held away only; project services available as a one-time fee																

ALTERNATIVE INVESTMENTS ADVISORY PROGRAM

Program Name	UBS Consolidated Advisory Program Select (CAP Select)
UBS Consolidated Advisory Program - Select	CAP Select services include, but are not limited to: 1) assistance in the development and preparation of investment policy guidelines; 2) the preparation of an asset allocation study and analysis that allocates your investment assets among various alternative investments asset categories or classes; 3) selection of alternative investments; 4) portfolio evaluation and review; 5) ongoing investment management consulting on items such as reviewing the asset allocation and investment policy and the impact of capital market developments on the overall investment strategy.
Implementation Options	You may establish a CAP Select relationship on a fully non-discretionary basis (without any limited power of attorney) or you may delegate certain activities to your Financial Advisor in this Program by selecting the Limited Power of Attorney option in the CAP Select Application and executing the Agreement and Application. CAP Select offers (1) Limited Power of Attorney for Implementation of Client Directed Investment Activities and (2) Power of Attorney for Limited Financial Advisor Discretion Services. You may establish a CAP Select Program Account on a stand-alone basis, or in conjunction with a UBS CAP Program Account. CAP Select eligible assets are limited to alternative investment vehicles held at UBS. Discretion over private equity and real estate assets may be granted on a limited exception basis for unsolicited client requests for relationships that meet certain asset thresholds.
Minimum Relationship Size	\$10,000,000 (relationship size)
Fee Schedule Maximum Fee	All assets: up to 1.00% CAP Select is an advice-only program in which the fee you pay is solely for the investment advice and performance reporting provided in the Program. Custody, trading and execution fees are not applicable or assessed in this Program.
Minimum Annual Fee Options	No minimum annual fee
Asset-based fee (Advice-Only / Non-Wrap)	

Billing practices vary by Program. Please see “*Account Requirements and Types of Clients—Billing Practices*” for a description. **We reserve the right, in our sole discretion, to institute special pricing features, change account minimums for new accounts, impose higher account minimums for certain strategies or portfolios that may be offered from time to time, terminate accounts that fall below the minimum account value requirements, or require that additional cash or securities be deposited to bring an account up to the required minimum.**

Limited Advisory Program Options in Wealth Advice Center:

The Wealth Advice Center (WAC) supports primarily the needs of mass affluent investors through a team-based approach. The advice and services provided by the WAC Financial Advisors is limited to an offering and service model designed for these households. As such, not all products and services available at UBS Financial Services Inc. are available through the UBS Wealth Advice Center. New clients to the UBS Wealth Advice Center are currently limited to the ACCESS and Strategic Wealth Portfolio Programs. Clients already enrolled in the PACE Multi Advisor Program or the PACE Select Advisor Program are permitted to enroll additional accounts in those programs, if appropriate. In addition, select employers have limited their participants to the PACE Multi Advisor Program and PACE Select Advisor Program. WAC clients in this scenario are permitted to enroll in PACE Multi Advisor or PACE Select Advisor, if appropriate. We can change the products and services available through the Wealth Advice Center at any time, in our discretion.

Limited Advisory Program Options in the International Wealth Solutions Group: The International Wealth Solutions Group (IWSG) supports primarily the needs of non-U.S. resident mass affluent investors through a team-based approach. The advice and services provided by the IWSG Financial Advisors is limited to an offering and service model designed for these

households. As such, not all products and services available at UBS Financial Services Inc. are available through the IWSG. Clients to the IWSG are currently limited to two different advisory programs: ACCESS and MAC. We can change the products and services available through the IWSG at any time, in our discretion.

Various Roles and Services of your UBS Financial Advisor:

The services of our Financial Advisors vary depending on the Program you select and can encompass different levels of discretion available in our Advisory Programs. For example, Financial Advisors who manage accounts on a discretionary basis in the PMP and AAP Programs may also provide services to you and to other clients outside of those Programs as non-discretionary investment advisers in PACE, SWP, Strategic Advisor and the SMA Programs. The same Financial Advisors can also provide services to you and other clients in connection with brokerage accounts in their capacity as broker-dealer representatives. As a result, Financial Advisors participating in PMP and AAP may dedicate time to activities other than discretionary portfolio management. Further, the management of accounts for which they exercise discretion in PMP and AAP will differ from each other and from other accounts for which they provide services, including differences in investment methodology, asset allocation and/or investment recommendations. In addition, we, our Financial Advisor and our affiliates may give advice and take action in the performance of our duties to clients which differs from advice given, or the timing and nature of actions taken, with respect to other clients’ accounts.

Financial Advisors who participate in the PMP and AAP Programs have an incentive to recommend their services in PMP and AAP over those of third party SMA Managers in other Advisory Programs or over traditional commission-based brokerage services. In addition, we and our Financial Advisors have a conflict of interest in recommending the services of related persons in

managing client accounts because this will result in higher overall compensation to us and our affiliates than if third-party managers were used.

Only Financial Advisors who have received the internal designation of Institutional Consultant may provide IC services. For more information on the Institutional Consultant title see "Education and Business Standards for Financial Advisors Participating in Our Advisory Programs."

1. Your Program Fee; Services Included in Your Program Fee:

The Programs described in the Brochure, except for CAP Select, charge a "wrap fee". The IC Program charges a "wrap fee" if the assets are held at UBS. For IC clients that hold their assets away from UBS, the IC program fee is for advice only, but it is still based on assets under management.

That means the total Program Fee that you pay in the Programs described in this brochure covers:

- the UBS Investment Advisory Fee which covers investment advice and consulting services of UBS and your Financial Advisor
- trading, execution and settlement for trading through UBS
- custody at UBS
- performance reporting for accounts custodied at UBS (IC also provides performance reporting for accounts custodied away from UBS) and
- related account services that we provide to you depending on the program that you select
- may include portfolio management as well.

If applicable, given your Program selection, the total Program Fee includes the SMA Manager Fee.

Since your Program Fee for the wrap-fee programs covers trading and execution costs, separate brokerage commissions will not be charged to your Account. **However, because our Programs are investment advisory programs and the advice and guidance of your Financial Advisor is the primary service of the Programs, you should not enroll in our Programs in order to obtain ancillary services such as custody, trading and execution, or assume that you will receive any particular benefit from the availability of those services in the Programs. For example, depending on the circumstances, Program Accounts may have low or no trading (such as may be the case with a "buy and hold" strategy) or the securities or other investments traded might not typically incur commissions or other transaction-based charges (such as can be the case with some fixed income securities and mutual funds). Moreover, other broker-dealers offer custody and trade execution services on discounted or complimentary basis.**

The maximum annual rates for the UBS Investment Advisory Fee are listed in the fee schedules above.

CAP Select is an advice-only program in which the fee you pay is solely for the investment advice and performance reporting provided in the Program. If you hold assets away from UBS, the IC Program is available on an advice-only basis. Custody, trading and execution fees are not applicable or assessed in the CAP Select Program and in the IC Program if you elect to hold assets away from UBS.

Your Fees Can Change: The UBS Investment Advisory Fee, SMA Manager Fees (or Premium Services Fees) and overall Program Fee for your Account(s) may change over the course of your relationship with us.

The Fees for an Account may be changed either by sending you prior written notice of the change with an opportunity for you to object to the change, or obtaining your prior verbal consent which we will confirm in writing for your records when fees are increased or decreased. The IC Program requires written consent for a fee increase. The fee change will be effective for the next quarterly billing cycle. Your continued use of our services will constitute your agreement to the change.

Your Financial Advisor receives a percentage of the UBS Investment Advisory Fees you pay to us.

Fees are Negotiable. The fees we charge in our Programs are negotiable and may differ from client to client, and for clients in the Wealth Advice Center, based on a number of factors. These factors include, but are not limited to, the type and size of the account, the number and range of supplemental Advisory and client-related services to be provided to the account, the scope of the engagement and the complexity of services.

Although the UBS Advisory Fee is negotiable and can be waived in certain instances, we limit the ability of Financial Advisors to negotiate below certain levels ("hard floors"). The hard floors differ based on relationship size, strategy type, and for separately managed accounts offered in the ACCESS, SWP, and AAP Programs with no additional manager fee.

Discount Sharing: We have discount sharing requirements in our Advisory Programs to ensure fees are not priced below specified levels. Discount sharing does not apply to accounts in the Wealth Advice Center or to certain Managed Options Strategies. Discount sharing levels and hard floors vary by style and in some instances by the types of strategies available in a Program. For example: the discount sharing levels and hard floors for an equity strategy are different than for a fixed income strategy; and, within those categories, hard floors levels differ for separately managed accounts offered in the ACCESS, SWP and AAP programs with no additional manager fee.

Financial Advisors receive less than their standard payout when accounts are priced below the discount sharing levels. This creates an incentive for Financial Advisors to price accounts at or above those levels. If a Financial Advisor wishes to discount the UBS Investment Advisory Fee below certain levels (but not below the hard floors), he/she may have the opportunity to do so but may earn reduced compensation associated with the discount.

These discount sharing fee levels are typically higher for equity and balanced strategies than for fixed income strategies, and as such this creates an incentive for Financial Advisors to recommend fixed income strategies. However, the Advisory fee charged to clients for fixed income strategies is traditionally lower than for equity and balanced strategies. Financial Advisors are incentivized to price accounts at the stated fee schedules. All assets held at UBS (including brokerage assets) that are part of your marketing relationship may be used by your Financial Advisor to determine pricing for your Advisory Accounts.

Customized pricing and Financial Advisor compensation may be approved for advisory relationships with assets over a certain amount. Advisory Accounts enrolled in UBS-CAP and CAP Select are subject to the Equity/Balanced and Pooled Investment Vehicle (PIV) Discount Sharing schedule that is the same for all programs, and account types.

Discount sharing is waived for client accounts enrolled in the IC Program, except for accounts enrolled in an SMA Advantage strategy. IC clients priced below certain levels may not be eligible

for SMA Advantage strategies, or if they are eligible, your Financial Advisor may be subject to a reduced payout for those accounts which creates a conflict of interest by incentivizing them to recommend allocations to other investments that do not have a reduced payout. We address our conflicts of interest by maintaining policies and procedures requiring that Advisors act in your best interest, reasonably supervising their activities and disclosing these conflicts so that you can make fully informed decisions. Affiliated or Proprietary SMA Advantage strategies that charge a Premium Services Fee are not available to Retirement Plan clients enrolled in the IC Program with a Limited Power of Attorney for Financial Advisor Discretion Services.

During a promotional period in 2023, discount sharing thresholds were temporarily suspended for certain accounts that invested in fixed income strategies in ACCESS, MAC and PMP when specified criteria were met. The minimum fees for such accounts were also reduced to 15 basis points. Client pricing and Financial Advisor discount sharing waivers remain for the life of the Advisory account while invested in a fixed income strategy – unless there are changes to the program or Advisory fee. This creates a conflict of interest as it incentivizes Financial Advisors to recommend maintaining accounts in these fixed income strategies over other strategy types. While clients can benefit from the reduced fee, Financial Advisors also benefit by receiving compensation based on the entire fee charged to the accounts instead of having those payouts reduced by discount sharing.

UBS offers a dedicated liquidity strategy available to Financial Advisors and their clients in the discretionary PMP Advisory program. The maximum UBS Advisory fee for clients enrolled in the liquidity strategy is 1.%, with Financial Advisors not subject to discount sharing on applicable accounts, regardless of account assets or relationship size.

Fees as well as other account requirements vary as a result of the application of prior policies depending on when your account was first opened. Fees for certain Advisory services described in this Brochure are reduced for our employees, certain family members or employees of our affiliates. We reserve the right to change those fees upon termination of employment with the firm.

Discount sharing waivers provide Financial Advisors the flexibility to price advisory accounts at lower fee levels which can benefit clients, but also provide an incentive for them to recommend moving from brokerage to advisory programs to their clients which creates a conflict of interest between the interest of the Financial Advisor and the interest of the Client.

Other types of fee arrangements—such as a fixed fee arrangement—are available in certain programs. We may enter into special agreements to provide other services involving specific clients, Financial Advisors or any of our branch offices. For more information regarding the above, contact your Financial Advisor.

Program Fees are expressed as an annual rate that is prorated for the quarterly or other billing period and is applied to the asset value of the account. For billing purposes, asset value means the total fair market value of the eligible securities in your Advisory Account, including, where applicable, the value of margin loans, dividends and accrued interest.

Options Overlay Strategy and Mandate Amounts: The Program Fee for Options Overlay Strategies is typically based on a "Mandate" amount of the strategy, selected by the client, not the value of eligible assets in the Account, as is the practice for most

Advisory Programs. The Mandate amount is the amount of collateral you are willing to put at risk. While the actual value of assets in your Account will fluctuate over time, the Mandate remains constant unless you change it by notifying your Financial Advisor or UBS lowers the Mandate. In cases where UBS lowers the Mandate, we will notify you in writing of the change.

Depending on the value of your account, this practice of billing on the Mandate amount will result in higher compensation to UBS and your Portfolio Manager than if the Program Fee was based on the value of eligible assets in your account. See "Account Requirements and Types of Clients; Billing Practices" for more information. You should consider the impact of these billing practices carefully before investing in these strategies.

Important Considerations of an Asset-Based Fee Option.

We set and evaluate the reasonability of UBS Investment Advisory Fees in the Programs based on the investment advisory services we offer, without regard – and attributing no economic benefit – to any ancillary services such as custody, trading and execution available in the Programs. You should expect that lower fees are available from other firms offering the same or comparable services. You may pay more or less in a UBS Financial Services Inc. wrap- fee program than you might otherwise pay if you purchased the services separately, through other firms, or if you chose to purchase the same or similar securities in a brokerage account without the investment advisory services of your Financial Advisor.

For example, depending on your asset allocation or strategy selection, you may find that the individual investments of your strategy or allocation are available to you outside of the Program for more or less than you would pay in the Program. Several factors affect whether your fees and costs are more or less in a fee-based program, including:

- Size of the portfolio
- Whether we serve as custodian for your account assets
- The types of investments you select, or are made by the SMA Manager, Portfolio Manager or Financial Advisor
- Whether such investments carry additional administrative or management fees
- The trading activity in the Account and the types of securities traded
- Whether your SMA Manager uses our trading and execution capabilities or those of other broker-dealers to execute transactions for your accounts
- Whether you have large cash holdings (i.e., cash or cash equivalents such as bank account deposits or money market funds offered as so-called sweep vehicles) in an Account and whether investment advisory fees are charged on those cash holdings
- The actual costs of the services if purchased separately

Your Program Fee will not be adjusted if, among other things:

- Your Account has low or no trading activity,
- Your SMA Manager chooses to trade away from us, and your trades are subject to commissions or other charges imposed by other broker-dealers,
- You choose to custody or trade your assets at another financial institution,
- You have large cash holdings, or
- You decide not to implement or follow the investment advice we provide to you.

Accordingly, you should evaluate UBS Investment Advisory Fees based solely on the investment advisory services we provide, without regard to any ancillary services provided such as custody, trading and execution services.

SMA Manager Fees: Certain SMA strategies are available in several programs at different fee levels. Therefore, the Program and/or SMA Manager Fee you pay will vary, depending on the Program you select and the structure of the program (dual, single contract, unified account, discretionary or non-discretionary program). For example:

The ACCESS, MAC and IC programs offer some of the same SMA strategies. Depending on your asset level and ability to negotiate the SMA Manager Fee with the SMA Manager in the dual-contract structure of the MAC or IC non-discretionary programs, you may find that the single-contract structure in ACCESS provides a more cost-effective option or vice versa. In addition, based on the combination of our UBS Investment Advisory Fees and your SMA Manager's Fees, the overall Program Fee for your SMA account in MAC or IC may exceed 3% of the account value.

We may, in our discretion, and in order to address fiduciary obligations, offer the Programs to trust clients for which our affiliate serves as trustee at substantially discounted rates than those listed.

Fees charged by SMA Managers can vary significantly, depending on the type of investment services offered. See the SMA Program description tables above for the fee ranges in the various Programs.

SMA Advantage Strategies: Select strategies referred to as "SMA Advantage strategies" in the ACCESS, AAP and SWP Programs, including those offered by our affiliate UBS Asset Management (AM), are available with no additional SMA Manager fee charged to Clients. UBS Financial Services negotiates the SMA Manager Fee with the Managers based on an institutional fee schedule that is substantially lower than the ranges listed above and will pay that fee out of its own resources. The Managers charge additional fees for certain strategies or additional services determined to be premium solutions, such as personalized tax management and sustainable investing. The fees for those value-add services will be paid by Clients ("Premium Services Fee").

All Managers are invited to participate in SMA Advantage and may choose to participate at any time during their relationship with UBS. Participation is optional and it does not impact the availability of a Manager's strategy on the UBS Financial Services Inc. platform. If a manager elects to participate in SMA Advantage for some or all of its strategies, existing clients invested in those strategies will see a decrease in the SMA Manager fee, which we will communicate to you.

Managers in SMA Advantage may opt out of the SMA Advantage Program at any time. A manager's decision to no longer participate in SMA Advantage will not impact the availability of the strategy(s) on the UBS platform. Clients invested in strategies being removed from SMA Advantage will be required to pay the Investment Manager Fee for that strategy, which will increase their overall fee, depending on the Investment Manager Fee and if the strategy included a premium fee within SMA Advantage. Existing clients enrolled in a strategy that is removed from the SMA Advantage program will receive notification prior to being charged the Investment Manager Fee.

We do not charge an SMA Manager Fee or Premium Services Fee to Retirement Plan or IRA clients invested in a SMA strategy managed by a UBS affiliated Investment Manager in the AAP

Program or to Retirement Plan clients in the IC Program with a Limited Power of Attorney for Financial Advisor Discretion Services.

Some UBS SMA programs charge a negotiable UBS Advisory Fee only, while others charge a negotiable UBS Advisory Fee, plus a separate portfolio manager fee. As explained above, for SMA Advantage strategies clients are not charged a separate portfolio manager fee (except for applicable Premium Services Fees). Because of this difference in fee structure, **Financial Advisors have a conflict of interest and an opportunity to charge a higher UBS Investment Advisory Fee when clients enroll in Investment Advisory Programs that do not include an additional SMA Manager fee. Similarly, differences in SMA Manager fees create a conflict of interest and provide an opportunity for Financial Advisors to charge a higher UBS Investment Advisory Fee for a strategy with lower or no SMA Manager Fees than they would for strategies that charge a higher SMA Manager Fee.** Since UBS receives a portion of the UBS Advisory Fee charged in SMA Program accounts, there also is an incentive for UBS to promote Programs/Strategies that do not charge a separate third party SMA Manager Fee. **UBS applies higher hard floors on the UBS Advisory Fee when accounts enroll in SMA Advantage. Depending on the size of the overall relationship, this can limit the ability to negotiate a lower UBS Investment Advisory Fee when the SMA Advantage strategies are used compared to strategies that charge a separate SMA Manager Fee.**

C. Fees/Other Charges Not Covered by your Program Fee

Depending on your Program and investment selections, you will pay other charges in addition to the wrap fee, some of which may add to the compensation that we receive. Program Fees will not be reduced or offset by these fees. These additional fees will reduce the overall return of your account.

Our UBS Investment Advisory Fees do not include:

SMA Manager Fees. Our UBS Investment Advisory Fee does not include the services of your SMA Manager in programs that offer those services. Your SMA Manager will charge a separate fee for discretionary portfolio management services, which UBS negotiates in the ACCESS, AAP and SWP Programs. You are responsible for negotiating SMA Manager fees in the MAC and IC Programs, except for MAC Accounts in the UBS CAP or IC Program with Limited Power of Attorney, where your Financial Advisor negotiates on your behalf. **The SMA Manager Fees when added to UBS Investment Advisory Fees, comprise your total "Program Fee."**

Trade Execution Cost through other Broker Dealers:

Commission charges for transactions for your account that your SMA Manager or we, at your direction, effect through other broker-dealers. **See Item 5** Error! Reference source not found. for important information about step-out trades and how they can impact the overall costs of trading for your portfolio. **If your SMA Manager will not be executing transactions with UBS, our SMA programs may not be an appropriate option if your SMA Manager does not take action to ensure that you do not incur additional costs;**

- custody fees and trading fees imposed by other financial institutions if you choose to custody and/or trade your assets at other financial institutions (for example, investments held away from UBS in UBS-CAP or IC);
- fees associated with custody, delivery and conversion of precious metals imposed by affiliates, or other financial

institutions;

- mark-ups/mark-downs on principal transactions with us, our affiliates or other broker-dealers;
- internal trust fees;
- costs relating to trading in and holding foreign securities (other than commissions otherwise payable to us);
- internal administrative, management, redemption (see below) and performance fees imposed by collective investment vehicles such as open-end and closed-end mutual funds, UITs, hedge funds and other alternative investments, exchange-traded funds or real estate investment trusts;
- subject to certain exceptions, redemption fees charged by mutual funds for active trading in your Accounts (see *"Mutual Fund Redemption Fees for Active Trading"* below); and
- other specialized charges, such as transfer taxes, and fees we charge to customers to off-set fees we pay to exchanges and/or regulatory agencies on certain transactions.

Either UBS Financial Services or UBS Bank USA will also charge interest on any outstanding loan balances (including margin loans) to clients who borrow money from us or UBS Bank USA. Clients also may be charged additional fees for specific account services, such as:

Account Transfer Fee

Wire transfer charges

Annual Account Service Fees for retirement accounts

Fees relating to custody and transactions in physical securities

Voluntary corporate action fees

Fees for RMA and BSA services where such services are available for the account

Mutual Fund Redemption Fees for Active Trading. The mutual funds you hold in your Accounts may charge redemption fees if shares are sold within a certain period of time after they are purchased, also known as active trading. These fees may also apply to the redemption portion of an exchange transaction if shares are exchanged among funds (whether through direct exchanges or through sales and new purchases) in the same family of funds more frequently than is permitted by each fund's prospectus. The amount charged as a redemption fee, the length of time you must hold your shares to avoid a redemption fee and the number and frequency of exchanges among funds you may make without paying a redemption fee, varies from one mutual fund to another. This information is included in each Fund's prospectus. If you have questions about whether a redemption fee will apply to a transaction you wish to make, please ask your Financial Advisor for a prospectus for the applicable mutual fund. **If charged, redemption fees will be in addition to the Program Fee and will be your responsibility.**

You will not be charged redemption fees for mutual fund assets in UBS Strategic Wealth Portfolio, AAP, ACCESS, UBS Advice Advantage, and PACE programs, resulting solely from automatic transactions effected for your allocation, including periodic automatic account rebalancing, periodic automatic withdrawals from your account or withdrawals to pay your Program Fee if you have selected these features. If due to system limitations or errors, your account is charged redemption fees as a result of periodic automatic account rebalancing, periodic automatic withdrawals from your account or withdrawals to pay your Program Fee, we will credit your Account for the amount of those fees.

Redemption fees incurred for any other reason and as a result of your trading instructions (including tax harvest instructions in our SMA programs) will be your

responsibility.

D. Compensation to Financial Advisors, Market Directors and Associate Market Executives ("Advisors") Who Recommend Advisory Programs

Our standard compensation plan for Advisors consists of (1) a guaranteed monthly minimum draw required by applicable law; (2) a monthly earned payout based on the Advisor's production if it is greater than the monthly minimum draw; (3) a Year-End Award; and (4) a Growth Award.

Both the monthly production payout and any Year-End Award are derived separately using an Incentive Grid Rate (a percentage) for each Advisor. Incentive Grid Rates range from 28% to 59.5%, with 10% to 15% of the rate assigned each month and applied to applicable production for a potential Year End Award consideration. The Year End Award is generally paid on a deferred schedule. The Incentive Grid Rate increases as an Advisor's production and length of service with UBS increase. Financial Advisors are eligible for various incentive awards based on a variety of factors including but not limited to length of service, net new assets, and production levels.

Monthly Earned Payout

The payout is a percentage (referred to as a production payout rate) of the production (generally transaction revenue and investment advisory program fees) that each Advisor generates during that month, minus deferrals and adjustments specified in our Advisor Compensation Plan. Account maintenance fees and advisory fees that are priced below a specific level are not eligible for a production payout or monthly credit(s) towards the determination of the year end award. Advisors working as part of a fully approved documented and active team that meets minimum production requirements can qualify for a higher production payout rate than they would receive working as an individual.

Generally, Advisors are not paid on households that fall under the following thresholds:

- Wealth Management US households: \$250,000
- International households: \$2,000,000
- Private Wealth Management households: \$2,000,000

However, Advisors receive compensation at a reduced incentive grid rate for production generated by those households if they transfer or refer them to the Wealth Advice Center or the International Wealth Solutions Group.

Because Financial Advisors are generally not paid on households below the thresholds if they support them directly in the branches, there is a conflict of interest and an incentive for the Financial Advisor to transfer/or refer such households to the Wealth Advice Center or to the International Wealth Solutions Group because it will generate compensation for the referring Financial Advisor that would not otherwise be received.

We reserve the right, at our discretion and without prior notice, to change the methods by which we compensate our Advisors and employees, including reducing and/or denying production payout and/or awards at our discretion for any reason.

For our Investment Advisory Programs (asset-based fee programs) the Incentive Grid Rate is applied to the program fees credited to the Financial Advisor by the Firm, but the payout is generally reduced for accounts priced below certain thresholds.

See "*Discount Sharing*". Advisory accounts in relationships with assets over certain thresholds may have customized pricing and/or payout rates as approved by the Firm.

The differences in the way we compensate Advisors for the products we offer creates financial incentives for Advisors to recommend certain products and account types over others, to encourage clients to purchase multiple products and services, and to choose a payment structure for products and services that generates greater compensation.

We address our conflicts of interest by maintaining policies and procedures reasonably designed to ensure that Financial Advisors meet the required standard of conduct applicable to each account type, supervising their activities and disclosing these conflicts so that you can make fully informed decisions.

Other compensation practices

Under certain circumstances (e.g., acquisitions and recruitment or particular programs or designations, such as Wealth Advice Center, Wealth Planning Associate, Financial Advisor Associates, Institutional Consulting ("IC"), Retirement Plan Consulting Services ("RPCS"), Retirement Plan Advisor ("RPA"), and Retirement Plan Manager ("RPM")), some Financial Advisors or producing Market Directors and Associate Market Executives are compensated differently.

Compensation for Advisors recruited from other firms: In general, if your Advisor is joining UBS from another firm, you should discuss the reasons your Advisor decided to change firms and any costs or changes in services you incur by transferring your accounts to UBS. Typically, UBS pays Financial Advisors financial incentives when they join and on an ongoing basis as described below.

Advisors are eligible to receive incentives at the time they join (based on prior firm revenue) and are eligible to receive additional incentives while employed at UBS, based on reaching certain minimum asset and/or production levels or other targets within a specified period of time after joining UBS. In some cases, to maintain the incentives, the recruited Financial Advisors are required to achieve and maintain asset levels as determined at the time of joining UBS.

Generally these incentives are the continuance of monthly payments for up to 12 years, unless the threshold/levels are not met.

These payments can be substantial and take various forms, including salary guarantees, loans, transition bonus payments and various forms of compensation to encourage Financial Advisors to join UBS, and are also contingent on your Financial Advisor's continued employment. Therefore, even if the fees you pay at UBS remain the same or are less, the transfer of your assets to UBS contribute to your Financial Advisor's ability to meet such targets and to receive additional loans and/or compensation even if not directly related to your account or the fees you pay to us.

These practices create an incentive and a conflict of interest for your Financial Advisor to recommend the transfer of your account assets to UBS since a significant part of the Financial Advisor's compensation is often contingent on the Financial Advisor achieving a pre-determined level of revenue and/or assets at UBS. You should carefully consider whether your Financial Advisor's advice is aligned with your investment strategy and goals.

Compensation for Field Leadership

Elements of our field leader compensation are based on revenues and sources of profit to the firm. This creates an incentive for our

management team to encourage Advisors to recommend products and services that result in more revenue and/or are more profitable to the firm, and can create a conflict of interest. Regardless of these incentives, we maintain policies and procedures and supervisory processes designed to ensure that Financial Advisors meet the standard of conduct applicable to each client.

Compensation to Financial Advisors in the UBS Wealth Advice Center, the International Wealth Solutions Group and the Access Desk:

All UBS Wealth Advice Center, International Wealth Solutions Group and the Access Desk Financial Advisors receive an annual salary and are also eligible to earn an annual discretionary incentive compensation award. Financial Advisors in the Wealth Advice Center receive more production credits for investment advisory enrollments and additional investments than for products or transactions in brokerage accounts. This creates a conflict of interest and an incentive for the Financial Advisors to recommend Advisory Accounts over other products, services and transactions. Production credits earned on Advisory products are based on the time required to execute, which includes Financial Advisor effort, product complexity and time required to complete the transaction.

1. Compensation to UBS Portfolio Managers and Financial Advisors in our Advisory Programs.

The Advice Portfolio Program is managed by Portfolio Managers employed by our affiliated, UBS Asset Management. Those Portfolio Managers do not receive a portion of the UBS Investment Advisory Fee paid by clients in the Program.

Financial Advisors receive a portion of the UBS Investment Advisory Fee you pay to us. The entire UBS Investment Advisory Fee you pay is allocated to the branch office and it is used as the basis to calculate the percentage of the UBS Advisory Program Fee that is paid to your Financial Advisor.

The percentage payable to Financial Advisors acting in the PMP and AAP Programs is based on their total production level at UBS. Although, generally, the percentage is the same across all advisory accounts serviced by the Financial Advisor, the actual amount paid to the Financial Advisor can vary by Program depending on the fees.

Financial Advisors who participate in the PMP and AAP Programs have a conflict of interest and an incentive to recommend their discretionary services in those Programs over those of third party SMA Managers in other Advisory Programs or over traditional commission-based brokerage services. Some UBS SMA strategies charge a negotiable UBS Advisory Fee only, while others charge a negotiable UBS Advisory Fee, plus a separate SMA Manager fee. Because the UBS Financial Advisor provides the discretionary portfolio management services in PMP, the client does not pay a separate SMA Manager fee in PMP. This difference in fee structure for PMP provides an opportunity for the Financial Advisor to charge a higher UBS Advisory Fee and, therefore, receive higher compensation. This same conflict exists in situations where Financial Advisors in the AAP Program choose to allocate all or a portion of the AAP account assets to mutual funds and ETFs only, or to SMA managers with no additional SMA Manager Fee. Since UBS receives a portion of the UBS Advisory Fee charged in SMA Program accounts, there also is an incentive for UBS to promote the PMP and AAP Programs over other SMA Programs or strategies that include a separate SMA Manager fee.

Generally, Financial Advisors in UBS-CAP and IC will receive the

same payout level across all Accounts enrolled in UBS-CAP or IC, respectively, regardless of Program type or strategy in which those assets are invested.

Financial Advisors who do not participate in PMP or AAP may refer their clients to Financial Advisors acting as Portfolio Managers in the PMP Program or to Financial Advisors in AAP. In those instances, the PMP Portfolio Manager or AAP Financial Advisor shares a portion of his/her fee with the referring Financial Advisor.

2. Compensation to SMA Managers in the ACCESS, MAC, SWP and AAP Programs.

We pay the SMA Manager Fee (including Premium Services Fees) portion of the total Program Fee to your SMA Manager as compensation for their services. The amount of the Program Fee paid to each SMA Manager is a function of that SMA Manager's investment style and the fee we negotiated with the SMA Manager or for MAC and IC non-discretionary Programs, the fee you negotiated directly with the Manager.

SMA Manager fees can vary significantly, depending on the type of investment services offered. Not all strategies in ACCESS, SWP and AAP have an additional SMA Manager Fee (See *Item 4 section 1. Your Program Fee SMA Advantage Strategies.*)

When fees are charged, the annual fees paid to SMA Managers are based on a percentage of assets under management and, for ACCESS, SWP and AAP, generally range from 0.00% to 0.50% for all accounts. For MAC accounts the annual fees paid to SMA Managers generally range from .02% to 2.00% of assets under management. The compensation payable to SMA Managers is typically higher for equity and balanced strategies than it is for fixed income strategies.

We calculate SMA Manager Fees for ACCESS, SWP and AAP and for MAC accounts where the SMA Manager Fee is deducted directly from the account, in accordance with UBS's billing practices as described in **Item 5.C. Billing Practices**. We pay the SMA Manager Fees on your behalf based on all activity (i.e., initial billing, quarterly billing, prior quarter fee adjustment) and assets in their strategies.

E. Description of Our Discretionary Programs: Portfolio Management Program (PMP) and Advisor Allocation Program

The Discretionary Programs described in this brochure offer you the portfolio management services of UBS Financial Advisors (PMP Program, Advisor Allocation Program).

By selecting our Discretionary Programs, you authorize: (1) UBS to act as your investment adviser and give UBS the power to execute transactions (i.e., buy, sell or otherwise trade securities or other investments) for your Program account without consulting you; (2) to take any actions necessary to open and maintain your account or to complete and pay for transactions for your account and, (3) if we deem appropriate, to delegate investment management discretion of all or a portion of your Account to a sub-advisor, model provider or overlay manager, including those affiliated with UBS.

Your delegation of investment authority gives UBS the sole authority to manage your account and make all investment decisions for your account without discussing these transactions with you. This authority specifically includes the authority to hire and fire SMA Managers and sub-advisers for your account, who will, depending on the strategy selected, charge additional fees for

the services they provide, including fees for premium services such as personalized tax management and sustainable investing. You will be responsible for the payment of any SMA Manager Fees (including Premium Services Fees).

Generally, your UBS Portfolio Manager or Financial Advisor will be limited to investing in those securities classified as eligible for the Program you selected.

See *"Account Requirements and Types of Clients—Eligible and Ineligible Assets"* for a description of our practices and consult your Financial Advisor for the specific details regarding the eligibility of specific assets and securities in the Program you select.

Your PMP and AAP applications will include the name of the Financial Advisor(s) who will be exercising discretion over your assets in those Programs, or the name of his/her group (although only a dedicated PMP or AAP Financial Advisor may exercise discretion over your account). He/she will have primary responsibility for the day-to-day management of your account. For PMP and AAP accounts opened after you have established your first Advisory account, we will confirm in writing your UBS Portfolio Manager or AAP Financial Advisor or the name of his/her group. Primary responsibility for the supervision of the PMP and AAP accounts lies with the PMP/AAP Financial Advisor's Branch Office Manager.

Portfolio Manager Termination from the Discretionary Programs. We retain the authority to remove any UBS Portfolio Manager, AAP Financial Advisor, sub-advisor or model portfolio or strategy from the Discretionary Programs at any time and to transfer day-to-day management responsibility of your account to another UBS Portfolio Manager, AAP Financial Advisor(s), sub-advisor or Branch Office Manager at any time without first notifying you or obtaining your consent.

Financial Advisors who participate in the AAP or PMP Programs may also provide services to you outside of the Program as non-discretionary investment advisers and in their capacity as broker-dealer representatives. Please see *"Various Roles and Services of Your UBS Financial Advisor"* and *"Conducting Business with UBS: Investment Advisory and Broker-Dealer Services"* for a description of the material distinctions between our Advisory and broker-dealer services and our obligations.

1. UBS Advice Portfolio Program

As of March 21, 2025, the UBS Advice Portfolio Program is no longer accepting new clients or new accounts. In addition, on or about June 13, 2025, we will be closing the UBS Advice Portfolio, and all existing clients enrolled in the UBS Advice Portfolio Program will have the option to elect a new advisory program or no advisory program or do nothing and be moved to a new advisory program. Any new advisory program will have a Program Fee.

The UBS Advice Portfolio Program is a wrap fee program that offers clients a digital solution in which UBS Asset Management manages the assets under a specific investment strategy/style selected by the client.

UBS Asset Management is responsible for the development and ongoing maintenance of the model portfolios used in the Program and leverages a proprietary portfolio management algorithm licensed from Nvest, Inc., parent company of SigFig Wealth Management LLC ("SigFig"), for ongoing monitoring, rebalancing and tax loss harvesting.

The algorithm, which is used to manage individual Accounts, has been customized to incorporate UBS views on capital market assumptions, asset allocation, security selection, trade and rebalancing thresholds and profiling questionnaire. The algorithm generates a recommended target allocation and recommended portfolio based on your responses to the Questionnaire. Once your Account is enrolled in the Program, the algorithm reviews your Account on a daily basis to determine if rebalancing is necessary or, if selected, if tax harvesting opportunities are available. Because these reviews occur automatically, the algorithm might rebalance accounts without regard to market conditions or on a more frequent basis than you might expect and does not address prolonged changes in market conditions.

Pursuant to the terms of its licensing agreement with SigFig, UBS pays SigFig a fee based on the assets enrolled in the UBS Advice Portfolio Program in addition to software maintenance and other fees. SigFig is an SEC-registered investment adviser; however, SigFig is not acting as an investment adviser or sub-adviser to clients in the UBS Advice Portfolio Program. SigFig offers investment advisory services using their proprietary algorithm but without the UBS customizations, research and portfolio management. Those products are available to you away from UBS at different, and sometimes lower, fees than the UBS Advice Portfolio Program.

UBS Financial Services Inc. and SigFig entered into a strategic alliance to develop financial technology for UBS Global Wealth Management, which included an equity investment in SigFig. Neither UBS Financial Services Inc. nor any of its affiliates or employees control directly or indirectly the operations of SigFig or its affiliated companies.

The UBS Advice Advantage service is a digital service that features UBS analytics, including portfolio diagnostics on your investments at UBS and held away. The service is a broker-dealer service that is available to you free of charge. **You do not have to enroll in the Program in order to use the free service.** UBS Advice Advantage will also be closed on or about June 13, 2025.

Key Assumptions of the Algorithm: The key assumptions of the algorithm are rooted in the UBS Capital Market Assumptions (CMAs), Strategic Asset Allocation (SAA), and covariance matrix assumptions.

CMAs can be defined broadly as the estimated returns, variances (risk), and correlations between individual asset classes. The CMAs are a core component of the process used to measure the estimated risk and return of a portfolio and also establish the Firm's Strategic Asset Allocation (SAA) models. Our SAAs consist of a series of portfolio allocation models – each designed with different client types in mind. Each SAA reflects our capital market assumptions and a set of typical investor characteristics, such as tax status and risk tolerance. Our risk bands represent the lower and upper bound risk levels for each of the five investor risk profiles: Conservative; Moderately Conservative; Moderate; Moderately Aggressive; and Aggressive. UBS Advice Portfolio model portfolios are constructed to generally deliver the strategic asset allocation for a given investor risk profile, with asset class exposure typically implemented with exchange traded funds (ETFs). Model ETFs are selected based upon a number of criteria, including but not limited to asset allocation fit, cost, liquidity, and implementation ability in the context of minimum investment requirements for the UBS Advice Portfolio program. Replacement or restriction securities for the models are also selected under these criteria, but also follow other selection criteria that may allow for clients to benefit from tax loss harvesting trades.

A guiding assumption of the algorithm is that it will keep clients within their selected risk profile by monitoring account level volatility according to the CMAs and SAAs. In instances where an account drifts beyond the bands of its risk profile, it will be automatically rebalanced to the target model SAA. Further, individual asset classes also have thresholds regarding the amount that they may deviate from the target model SAA. In instances where any asset class has drifted beyond a set threshold, the algorithm will automatically rebalance the entire account to the target model SAA.

There are additional limitations in relation to the automated Tax Loss Harvesting (TLH) logic within the algorithm. See "Tax Loss Harvesting" Section below for details. UBS Asset Management Portfolio Managers oversee the algorithm. They are responsible for setting the model's strategic asset allocation, identifying the appropriate securities, identifying the tax loss harvesting securities and the creation of the "white list," which are equivalent securities that can be used in place of the primary portfolio holdings when there is an account restriction or tax loss harvesting transaction that necessitates an alternative holding. Portfolio Managers may manually override the algorithm in the scenarios listed above. Beyond this oversight, human involvement in the management of individual client accounts includes, but is not limited to, the following: corporate action monitoring, monitoring for ineligible securities for strategy and trading activity, position control (monitoring the allocation of accounts to align to model within designated thresholds), review and release of trades, Principal Agency (ineligible transactions), and monitoring of individual account volatility.

Circumstances that may cause the Portfolio Managers to manually override the algorithm include the following situations:

- Volatile market conditions
- Investment Committee discretion
- Technology failures
- Trading volumes
- The availability of funds
- Other matters reasonably beyond our control

Strategies and Models. The UBS Advice Portfolio Program offers investment strategies that consist of diversified portfolios of exchange traded funds (ETFs) and cash in a single account that is managed on a discretionary basis by UBS Asset Management consistent with the investment strategy you select. ETFs not chosen for inclusion in the portfolios may have characteristics similar or superior to the mutual funds or ETFs selected for inclusion. There is no guarantee the diversified portfolios will meet their objectives or will result in positive investment returns.

Digital Investment Advisory Program. UBS Advice Portfolio is a digital program in which all documents and disclosures pertaining to your Account(s) in the Program will be delivered to you electronically. Your enrollment in the Program is conditioned on your acceptance of electronic delivery for all Program related documents and disclosures. You may change your electronic delivery instructions at any time by contacting your Financial Advisor or by logging onto www.ubs.com/edelivery. However, removal of the electronic delivery preference for the UBS Advice Portfolio account will result in termination from the Program and the preference for Accounts enrolled in other Advisory Programs will be changed to paper delivery of documents.

The UBS Advice Portfolio Program does not consider your concentration in any securities, income, debt, assets held outside the Account, or other financial considerations and as such is not a complete investment program and may not

be suitable for all investors. You should consider the suitability of the Program based on your financial needs and investment objectives.

You may change your investment strategy at any time by going online and completing a new Questionnaire. Any assistance you may receive from a Financial Advisor is for educational purposes only. You are solely responsible for choosing your investing strategy. Neither UBS nor any of its employees are responsible for your decisions. The Program is intended for medium to long-term investors and is not a cash management program.

Updates to your Information and Financial Advisor Support.

If a material change occurs to your goals, financial circumstances, or investment objectives, or if you wish to impose or modify reasonable restrictions on the management of your Account, it is your responsibility to promptly update your information online or contact your Financial Advisors so that they can update the information on your behalf.

UBS will not change your portfolio selection unless you update your investment profile through UBS Online Services. A UBS Financial Advisor will be available by telephone or web chat to respond to your questions and assist you with any changes or updates to your Account or personal information. Changes to the goals, financial circumstances or investment objectives for other Accounts you have with UBS will not change the information for your UBS Advice Portfolio Program.

Investment Restrictions. You may elect to impose investment restrictions on the management of your Account. See Item 5B.3 Investment Restrictions & investment Policy Statement 3. Investment Restrictions for details regarding the types of restrictions available in these ETF portfolios. Imposing investment restrictions on the management of your Account, will not disqualify you from enrolling in the tax loss harvesting service.

Aggregation. UBS aggregates purchase or sale orders for your Account(s) in the UBS Advice Portfolio Program. In certain circumstances, such as terminations, withdrawals, risk profile changes, additional funds, or similar events, UBS may not aggregate your purchase or sale order.

No Trading Access. UBS will make the trading decisions in your Account. Once you enroll in the Program, you will not be able to place trades in your Account.

Tax Loss Harvesting. You can add tax loss harvesting services at any time during or after enrollment in the UBS Advice Portfolio Program. The service is available for taxable accounts only and applies to select UBS Advice Portfolio model securities and other securities that we have designated as acceptable substitutes to the primary model securities. The service has important limitations which you should consider prior to enrolling as such limitations may impact the overall value of the service to you. If you enroll, it will apply to all taxable UBS Advice Portfolio Program accounts in which you are the owner, including joint accounts. **We may not execute tax loss harvesting for specific securities in your account if we determine doing so will impact UBS's ability to manage your account.**

Once this feature is added, your election will be applied to all additional taxable accounts you establish in the Program. We will implement tax loss harvesting services during the ongoing management of your account subject to the following limitations: (1) Securities must be held for at least 30 days to be eligible for tax loss harvesting and must have a qualifying loss as defined in (4) below; (2) Tax loss harvesting will be applied to securities in your Account only if we have designated an acceptable replacement

security. The designation of acceptable replacements can change frequently due to availability of the securities and at the discretion of UBS; (3) the feature is applied to accounts enrolled in the UBS Advice Portfolio program, not to your entire portfolio at UBS. This is important because tax losses are subject to "wash sales" rules. A wash sale occurs when you sell a security and buy within a 30-day period a substantially identical security. If you or a spouse buy or sell any securities that overlap with the UBS Advice Portfolio's selected securities in another account during the wash sale period, these losses may be disallowed; (4) for ETFs, only tax lots with losses with certain minimum levels from the cost basis are considered an eligible lot for tax loss harvesting, and within each individual security these eligible lots must be equal to or greater than \$500.

Tax loss harvesting (TLH) opportunities depend on a variety of factors, including but not limited to market fluctuations, position cost basis, and account size. Securities prices must fluctuate to some degree to create unrealized losses for potential TLH opportunities. Generally, declining markets produce more conducive environments for tax loss harvesting. The algorithm conducts daily scans for 1) a specific percentage level loss in qualifying lots and 2) a pre-determined dollar loss for that security. These two criteria in combination serve to trigger a tax loss harvesting trade. Generally, larger accounts will meet the criteria for tax loss harvesting more frequently than smaller accounts due to the dollar loss threshold. Frequent or recurring deposits may also impact our ability to tax loss harvest. There is no guarantee that the necessary conditions will exist on a frequent basis for meaningful TLH trades to occur in your account.

Tax loss harvesting will not be performed on asset classes that do not have suitable replacement securities. The availability of suitable replacement securities for asset classes is subject to change (without notice to you) as it is based on the availability of qualifying replacement securities as determined by UBS in its discretion.

Tax loss harvesting is not intended to eliminate taxes altogether, but to offset current year taxable gains.

UBS does not provide tax advice and the tax loss harvesting service is not meant and should not be construed as such. You are responsible for any tax implications and/or tax obligations resulting from your decision to enroll in the Program, your selection of investment strategies, and the selection of Tax Loss Harvesting features for your Accounts. You should consult with your own professional tax counselor with respect to tax matters.

We attempt to select "similar" investments to replace existing investments as part of the strategies based on certain established security attributes, e.g., historical returns, correlations, and portfolio construction. We do not warrant or guarantee that these similar investments will, in fact, perform similarly to the replaced investments, nor do we warrant or guarantee that this tax loss harvest with a replacement will in fact lower the investor's tax obligations.

We require written notification of specific restricted securities if you are prohibited from investing in any individual investment. Such prohibitions may alter the "similar" investment we select as part of the strategies and may alter the effectiveness of the strategies. You must notify us immediately if any of the investments recommended or purchased as part of the strategy violate such restrictions.

Withdrawals – You may withdraw assets from your Account by completing an online request or contacting your Financial Advisor. If the market value of the Account falls below the minimum asset

threshold due to withdrawal of assets, UBS will require you to deposit additional money or eligible securities to bring the Account to the required minimum. UBS reserves the right to terminate the Account if the Account is not brought up to the required minimum. Withdrawals from IRA accounts may incur tax consequences, which will be your sole responsibility.

Rebalancing. UBS will use portfolio management software to rebalance your UBS Advice Portfolio Program Accounts periodically by buying and selling ETF shares. Your Advice Portfolio Account's asset allocation and/or the risk profile for your chosen investment strategy will be considered when evaluating the need to rebalance. UBS will rebalance accounts if the allocation of the ETFs in your Account deviates from target levels by more than an amount specified in the Program's parameters, which are subject to change from time to time. Your Account(s) will be rebalanced if your Account moves outside its targeted risk profile, if you change your risk profile or when you seek to impose or modify restrictions on the management of your Account. While the system will monitor your Account daily, it does not mean your Account will be traded daily. During periods where your Account does not drift outside of the established parameters, no rebalancing trades will be required. In instances where the account value drops below a minimum account value, UBS may be unable to rebalance the account to meet the parameters. In these situations, you may be required to restore your account assets to a minimum account value or, in certain circumstances, may be required to end your participation in the Program.

UBS Advice Portfolio Program; Automatic Services and Redemptions

For assets in the UBS Advice Portfolio, you may instruct UBS to make cash available to you by redeeming portfolio shares in accordance with your instructions. When making redemptions from your account, we first consider your investment strategy and redeem those investments where your account is overweighted. You may select the day of the month that the funds are desired (in months where your selected day is not available, funds will be made available the prior business day). Note that if automated redemption takes your account balance below the technical minimum required for the Program, UBS may terminate your account from the Program.

2. Portfolio Management Program (PMP) Strategies and Models.

The Portfolio Management Program offers a variety of investment strategies and models managed by trained Financial Advisors who manage client assets on a discretionary basis.

Concentrated Strategies Risks: Concentrated strategies are available in PMP, through Portfolio Managers whose strategies have been pre-approved at UBS. Please review these descriptions carefully and contact your Portfolio Manager with any questions. With our approval, you may authorize your Portfolio Manager to implement a concentrated strategy—focusing heavily on securities in certain sectors or geographic regions. This type of concentrated strategy can be more volatile and presents a greater risk of loss, especially over the short term. The more concentrated your portfolio, the higher your risk exposure will typically be. These portfolios may not be diversified, may hold securities representing only one or a limited number of economic sectors or only be invested in international securities, may include only a limited number of companies in certain sectors and may invest in new or emerging businesses or securities of foreign companies that present risks not typically associated with U.S. equity investments. Because a concentrated portfolio may hold a limited number of securities, movements in securities prices

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could have a greater impact on the value of the portfolio than would occur if the portfolio held more securities. These portfolios may not be appropriate for investors who are not willing to accept a much greater risk of loss and volatility of investment returns than the general stock market (as typically measured by the S&P 500 Index) and may not be an appropriate investment for a significant portion of a client's investable assets. We may impose special suitability requirements with respect to these portfolios.

3. Advisor Allocation Program

The Advisor Allocation Program is a discretionary unified managed account. Please see the section below "Unified Managed Accounts" for a description of the features and services of the Program.

F. Separately Managed Accounts Programs, SMA Manager Sub-Accounts in the Strategic Wealth Portfolio and Advisor Allocation Programs

SMA Programs: Structure/Hiring the SMA and Overlay Managers: ACCESS, AAP and SWP are "sub-advised" programs. That means you enter into an investment advisory agreement with us and we, in turn, hire the SMA Manager(s) on your behalf, or for the select SMA model strategies, including Strategist Models, an Overlay Manager, to manage your assets in the strategy selected or implement models from the Model Providers. Once we accept your Account, we provide the SMA Manager or Overlay Manager, as applicable, with your responses to the completed Risk Profile Questionnaire and restrictions prior to the manager accepting the account.

MAC and ACCESS are different in some very important ways. In particular, in the ACCESS program, you delegate discretion to us and direct us to hire a sub-advisor or Overlay Manager to manage your assets or implement the selected strategies through Model Providers. However, in the MAC program, your relationship and your investment agreement are directly with your SMA Manager. UBS will act as your consultant, but you delegate discretionary authority over your accounts directly to your SMA Manager in a separate agreement with them. The MAC program requires that you enter into two separate agreements, one with UBS for advisory services and one directly with your SMA Manager for investment management services. You are responsible for negotiating the terms, fees and conditions of your agreement with your MAC SMA Manager. If your MAC SMA strategy is also available in other Programs, you should consider that based on the combination of our fees and your MAC SMA Manager fees, the overall fee for your MAC Account may be higher than the total fee you would pay in other Programs. You should consider these options carefully as some may be more cost-efficient to you.

We have a conflict in recommending the services of affiliated managers in managing client accounts because this will result in higher overall compensation to us and our affiliates than if third-party managers were used.

1. ACCESS (single contract)

ACCESS offers you the portfolio management services of a select, pre-screened group of SMA strategies.

ACCESS is a "sub-advised" program in which you hire UBS to assist you in the selection of SMA strategies and authorize us to hire the SMA Manager or Overlay Manager on your behalf.

Model SMA Strategies

For Model Strategies, the Overlay Manager manages your assets in accordance with the selected strategy as developed by a "Model Provider." The Model Provider develops the strategy and maintains a Model that they provide to the Overlay Manager for implementation. Model Providers that manage discretionary strategies based on the same Model Strategies available in the Programs will generally trade their discretionary accounts first prior to providing the model updates to the Overlay Manager. Depending on the trading volume, that trading activity can impact the price (up or down) at which clients in the Model Strategies purchase the same securities. UBS does not offer SMA strategies in which Model Providers manage discretionary strategies based on the same Models available in the Programs. You will not enter into a separate investment advisory agreement with a Model Provider or Overlay Manager. The Model Provider will not know your identity, does not manage your Account and is not a fiduciary to you in connection with the services it provides. The investment decisions for the Model Strategies will be implemented by the Overlay Manager in accordance with the investment recommendations and instructions provided to it by the Model Provider. Model Providers provide advisory services under agreements with UBS and the Overlay Manager by providing investment recommendations for the Models. The Overlay Manager will generally implement the Model Provider's recommendations without change, subject to any investment restrictions you place on your Account, cash requests or deposits, and other operational or investment considerations. The Overlay Manager may determine, in its sole discretion, in light of operational or investment considerations, to deviate from the Strategist Model (e.g., to select another security or increase the cash allocation within a model portfolio).

By choosing a Model Strategy for your Account, you grant the Overlay Manager investment discretion and trading authority for investments in the account. The Overlay Manager has full trading authority and may invest, reinvest, purchase, sell, exchange, convert and otherwise trade assets, without any prior notice. UBS does not select or otherwise advise the Overlay Manager in the selection of securities for your Account.

Model Provider and Overlay Manager Fees.

The Model Strategies are available in the ACCESS, Strategic Wealth Portfolio and Advisor Allocation Programs with the following two fee structures:

- **Client pays the investment management fee to the Overlay Manager.**

In this arrangement, the client pays a fee to the Overlay Manager for the services provided in implementing the Model in the strategy account. The Overlay Manager and Model Provider separately negotiate a fee to be paid by Overlay Manager to Model Provider for access to the Model. UBS does not compensate the Overlay Manager for its services. Neither UBS, nor the client, pays any compensation to the Model provider.

- **UBS pays the investment management fee to the Overlay Manager.**

In this arrangement, utilized for Strategist Models (see "Strategist Models" below), the client does not pay a separate Overlay Manager Fee. UBS compensates the Overlay Manager for its services out of its own resources. The Model Provider is not paid an account management fee by UBS or clients invested in the Strategist Model. The Model Provider is compensated in this arrangement by the management fees the Model Provider or its affiliate(s) receive for the management services it provides to the Model Provider's proprietary products (generally mutual funds and ETFs) the Model Provider includes in the Strategist Models. For

select strategies, the Overlay Manager may offer additional, premium services such as tax management. If you select a strategy with premium services, you will be responsible for paying the Overlay Manager fee for those services. The Overlay Manager fees for models that include a premium offering such as tax management range from 10bps to 13bps.

Model Providers provide additional compensation to UBS in the form of revenue sharing for Model Provider's proprietary mutual funds included in the models. ***See Mutual Fund Revenue Sharing.*** In the Strategist Model fee arrangement, due to the compensation arrangement described above, the Model Providers will in most circumstances exclusively utilize only their proprietary products, such as mutual funds or exchange traded funds, when selecting investments for the model. The Model Provider receives compensation for investments in their proprietary products and therefore has an incentive to include them in their model(s). By doing so, the Model Provider is not considering alternative products from other firms that may have features, including cost and fee structures, that may be preferable as compared to the Model Provider's proprietary products. When selecting products from among its proprietary products for inclusion in the Model, Model Provider will have an incentive to choose products that pay them higher fees. The Model Provider may also have trading or other policies that favor the Model Provider's proprietary products and directly managed strategies over the Strategists Models on the UBS platform. The respective Form ADV disclosure brochures for the Model Provider and the Overlay Manager will provide additional important information regarding these arrangements.

Review of Model Providers and Overlay Managers

The Model Provider and Overlay manager are subject to the research process applied to all researched SMA Managers. As is standard in the ACCESS, Strategic Wealth Portfolio and Advisor Allocation Programs, UBS can replace or terminate a Model Provider or Overlay Manager with notice to you.

Strategist Models

Strategist Models are separately managed account models ("Strategist Models") provided by affiliated and third-party investment managers ("Model Providers") to a third-party manager we have selected to serve as an overlay manager (the "Overlay Manager") to implement the model in strategy client accounts. The Strategist Models consist of a selection of securities identified by the Model Provider in various assets classes, holdings and weightings that are designed by the Model Provider to meet the objectives of a particular investment style or discipline. Model Providers provide changes to the Strategist Models directly to the Overlay Manager for implementation.

2. Managed Accounts Consulting (MAC) (dual contract)

MAC Manager Research. We provide different levels of SMA Manager due diligence and reviews in our MAC program. The level of due diligence we undertake varies depending on whether a Manager's strategy is considered MAC Researched or MAC Eligible. Please see *"Portfolio Manager Selection and Evaluation—Selecting an SMA Manager; Our Investment Manager Evaluation Process."*

MAC SMA Manager Fee: In the MAC Program, you are solely responsible for negotiating your investment management agreement and the SMA Manager fees directly with the manager. We will not hire your MAC SMA Manager nor will we negotiate fees or execute agreements on your behalf, unless you have delegated such responsibility to us in UBS-CAP through one of the Limited Power of Attorney implementation options. However, even in those circumstances our negotiations on your behalf are limited to fees (as long as there is an LPOA) and not to any

other contractual matters. You should consider that based on the combination of our fees and your SMA Manager's fees, the overall fee for your MAC account may exceed 3% of the account value. ***The services we offer through MAC may be available to you on a more cost-efficient basis in other UBS programs. You should consider all those options and costs carefully before selecting an SMA Manager and an SMA Program.***

Important information regarding Options Overlay Strategies

Options Overlay Strategies are available in MAC.

Options Overlay Strategies seek to generate income through the strategic sale and purchase of index or equity options. Most of these strategies are designed to perform best when the markets are relatively range bound and/or historical patterns of market volatility in the market persist. Some strategies perform best when markets are increasing and others while markets are decreasing. Option writing strategies are most challenged and are not designed to perform well during periods when markets make extreme directional moves and/or experience extreme changes in volatility. The options trades are collateralized with marginable securities such as bonds, stocks or cash held in an account. Using the margin release of securities in order to purchase or sell short the options positions for the Options Overlay Strategy is known as leverage. You may be required to contribute additional cash or securities as collateral to support the strategy. The maximum losses incurred can be significantly higher than the premiums received. As a result, the potential downside risk of the strategy exceeds the potential upside gain. In addition, it is possible that the investment advisory fee you pay for this strategy or any losses resulting from this strategy could potentially cause a margin debit to occur. Carrying a margin debit would cause margin interest to be charged. The interest rate charged on any negative balances (margin loans) may exceed the rate of return on accounts the client uses as collateral. Options are complex instruments that are not suitable for every investor, may involve a high degree of risk, and may be appropriate investments only for sophisticated investors who are capable of understanding and assuming the risks involved.

Options Overlay Strategies are aggressive and carry a high degree of risk. You should not authorize the use of sophisticated option strategies unless you are prepared to sustain large losses. You should understand the risks of options trading and margin borrowing thoroughly before investing in this type of strategy. Investing in an Options Overlay Strategy will involve the use of leverage, which increases the risk associated with your collateral accounts, in some instances substantially, especially for collateral accounts that have an account profile of conservative or moderate, and as a result, increases your overall risk profile. In addition, you should see the section of this brochure which further describes the risks and potential conflicts of utilizing margin and lending in our investment advisory programs. The Program Fee imposed for the Options Overlay Strategy is in addition to any commissions, fees, or advisory fees you are charged on the accounts you use as collateral. Specifically, for Advisory accounts used as collateral, we will include any margin balances in the calculation of your account's asset based fee; the use of margin in your advisory account will increase the compensation paid to UBS FS and our affiliates.

Concentrated Equity Solutions

The MAC Program offers Concentrated Equity Solutions ("CES"). CES are separately managed account ("SMA") strategies that seek to address the risk (specific to an individual equity security, rather than general market risk inherent in equity securities) associated with a concentrated individual equity holding. Generally, these

strategies implement the strategy objectives using options trades on a client's existing concentrated equity position. Options are complex instruments and you should ensure you understand their features and risks, as well as how they will be utilized by the strategy manager, before investing in a CES strategy. These strategies have various investment objectives typically seeking to generate cash flows from options premium, help exit a stock holding, or provide a degree of downside protection should the stock go down in value. The pursuit of these objectives will limit (to varying degrees depending on the strategy) your ability to fully participate in potential future appreciation of the stock price.

CES strategies where covered calls are written against the underlying stock position will significantly reduce the investor's upside participation in the underlying concentrated equity position, especially during rapidly rising markets. The asymmetric return profile of the option component of covered call writing strategies (limited upside benefits for strategy investors, as compared to much greater potential downside risk) can be attributed to the strategy's negatively skewed return characteristics. If the account incurs losses in connection with repurchasing outstanding call option positions and the losses are not offset by the option premiums received, investors will need to fund the account to close the outstanding option positions. Therefore, strategies that include covered call writing should only be considered by investors with the ability to deposit additional cash into the account to offset potential losses in their option positions over time.

Concentrated Equity Solutions Manager Fees

For CES strategies, the manager is not involved in the selection of the underlying stock position(s) held in the account and will manage the account in order to pursue the strategy in connection with the underlying stock position(s) you deposit in the account. Although the CES strategy manager will not research or manage the underlying equity positions held in the account, the asset-based billing for your CES strategy advisory account will include billing for the value of the concentrated equity position held in the account.

Certain CES strategies will require the account to be approved for margin which means you may incur a margin debit balance in your account. We charge interest according to our Firm's usual credit practices if payment of our fees or certain trading/market activity results in a debit balance in your Account.

A portion of your CES Advisory Account may be held in cash, cash equivalents or money market instruments which are subject to the Program Fees so long as they remain in the account. Some CES strategies seek to generate cash flows and, therefore, cash may accumulate in the account over time. CES strategy managers do not manage cash positions in the account. Cash, however, may be utilized to cover security purchases made by the Investment Manager. Since you will be billed advisory fees on the cash held in the account, you should monitor the levels of cash in your CES account over time to determine if such levels are necessary for the account based on your selected strategy.

Concentrated Equity Solutions Account Performance

The underlying stock position deposited into the CES account will be unique to each client and, therefore, performance for each CES investor will vary significantly.

Management of Your SMA Account and SMA sub-accounts in SWP and AAP.

For the SMA Programs described in this brochure and the SMA sub-accounts in SWP and AAP, your SMA Manager has the sole authority to manage your account (or the portion they manage in SWP and AAP, referred to as sub-accounts), and will make all investment decisions for your

account/sub-account without discussing these transactions with you or us. Your SMA Manager will generally be limited to investing in those securities classified as eligible for the program you selected. Please see *"Account Requirements and Types of Clients—Eligible and Ineligible Assets"* for a description of our practices and consult your Financial Advisor for the specific details regarding asset/security eligibility in your program.

We will execute transactions in your program accounts/sub-accounts based on the instructions we receive from your SMA Manager. In addition, neither UBS Financial Services nor your Financial Advisor will have discretionary authority with respect to, nor will we solicit your SMA Managers regarding, the purchase or sale of securities for your SMA accounts/sub-accounts.

We are not responsible for:

- Your choice of SMA Manager
- Their day-to-day investment decisions (including their selection of tax lots for sale or redemption)
- Their performance
- The SMA Manager's compliance with applicable laws, rules or regulations
- The SMA Manager's compliance with best execution obligations
- Other matters within the SMA Manager's control, including implementation of your rebalancing election where the manager has assumed the responsibility to manage your account.

We reserve the right to refuse to execute any transaction in our program accounts if we reasonably believe that it would violate any applicable law or rule—including the rules of any regulatory agency or self-regulatory organization. We may also refuse to execute any transaction that would be inconsistent with any of our policies and procedures.

3. Asset Allocation Services in our Non-Discretionary, Unified Managed Account, Portfolio Advisory Programs and Alternative Investments Advisory Programs

We will provide you with an asset allocation proposal for accounts you establish in our UBS-CAP, CAP Select, PACE, Strategic Advisor, Strategic Wealth Portfolio and Advisor Allocation Programs. For non-discretionary Programs, your Financial Advisor will review the results of your Risk Profile Questionnaire with you and assist you in developing an asset allocation for your Advisory Account, your UBS-CAP, CAP Select portfolio, or your IC portfolio. For AAP, your Financial Advisor has discretion to select the asset allocation of your AAP Account based on the results of your Risk Profile Questionnaire. The asset allocations are based on the information you provided to us in your Risk Profile Questionnaire and discussions with you regarding an appropriate allocation (Target Allocation) of your Program Assets. The Target Allocation represents an investment strategy that seeks to balance your investment objectives with your risk tolerance.

You may accept the Target Allocation for the Program Assets in your Account, or your UBS-CAP, CAP Select, or IC Portfolio, or you may customize it based on your preferences to include different asset categories or different allocations to one or more asset classes as long as it is consistent with the risk tolerance and investment objectives for your Account or CAP or IC Portfolio. You may consult with your Financial Advisor about these choices. The allocation you or your AAP Financial Advisor select for your Target Allocation is intended to be the basis for the

initial and ongoing investment advice of your Program Assets. However, you, or your Financial Advisor in AAP, may decide to implement your Target Allocation over a period of time, or change it from time to time as long as it does not exceed your stated risk tolerance. Once you or your AAP Financial Advisor select your Target Allocation, we will implement the Asset Allocation without taking into consideration your potential tax consequences.

If the allocation includes SMA accounts/sub-accounts, the SMA Managers manage their strategies and trade their accounts/sub-accounts independent of each other. In addition, when reducing the allocation to an SMA account/sub-account, we generally do not transfer securities to other accounts/sub-accounts. This can result in you holding and transacting in the same securities across different accounts/sub-accounts, including sales and purchases of the same security in a short timeframe or during rebalancing or reallocation.

Implementing and changing the Target Allocation, rebalancing and other transactions may result in tax consequences to you. You are responsible for any tax liabilities which result from transactions in your Account(s) (including any redemptions or upon the termination of participation in the Programs). Please consult a qualified tax professional regarding the potential tax implications of these transactions before investing in these Programs. For more information on our asset allocations please see *"Methods of Analysis, Investment Strategies and Risk of Loss—Our Asset Allocations."*

Due to the non-discretionary nature of your SWP, PACE, Strategic Advisor accounts, Client Directed CAP and CAP Select options, and IC non-discretionary Program it is your responsibility to determine whether and how to implement the target asset allocation/investment strategy, and to ensure that your asset allocation continues to be consistent with your goals and risk tolerance over time. The asset allocation for UBS-CAP and IC encompasses all Advisory Accounts in your UBS-CAP Portfolio or IC Portfolio respectively, while for other Programs, your asset allocation reflects only your assets invested in your individual Program Account and do not constitute advice regarding other accounts, whether held at UBS or elsewhere.

You may deviate from your target asset allocation only by a pre-determined level based on your risk tolerance. The rebalancing feature, where available, will assist you in maintaining your Account(s) in line with your target asset allocation. However, deviations from your Target Allocation or risk tolerance will occur for a variety of reasons, including fluctuations in the market value of securities, any investment restrictions you impose on the management of the account, any tax selling agreement, or for accounts that do not meet the rebalancing thresholds. See **Rebalancing Your Asset Allocation** for information about Programs that offer rebalancing options and the rebalancing process overall.

We will notify you if your allocation shifts and is no longer consistent within your risk profile and if those inconsistencies continue for a period of time. You are responsible for addressing any inconsistencies between your asset allocation and your risk tolerance. If you do not take action to update the account profile or modify your asset allocation, the account may be terminated.

Your Program Fees will be assessed regardless of whether or not you follow our recommended allocation.

4. Unified Managed Account Programs: UBS Strategic Wealth Portfolio Program (SWP) and Advisor Allocation Program (AAP)

The Advisor Allocation Program and Strategic Wealth Portfolio Program are Unified Managed Account Programs that offer different levels of discretion to accommodate individual client preferences. SWP and AAP share certain features, services and basic requirements which are outlined below. Both Programs offer the option to invest in SMA strategies, mutual funds and ETFs which are held in separate "sub-accounts". The primary difference between the SWP and AAP Programs is the level of discretion you will delegate to your Financial Advisor. If you or your Financial Advisor selects SMA strategies for your Account, you will be charged the applicable SMA Manager Fee or Premium Services Fee, which will vary depending upon the strategy, in addition to the UBS Investment Advisory Fee.

UMA Account Structure: Depending on your asset allocation, your Account will be invested in a combination of investment products—including individual equities or fixed-income in the SMA sub-accounts,— mutual funds, exchange traded funds and other securities available through the Programs. In both Programs, your assets will be held in one account, but divided within that account into investment sub-accounts. For example, your assets may be divided among SMA sub-accounts and a subaccount with mutual funds and ETFs. The sub-accounts offer different levels of discretion, features, and services as described below.

- The SWP Program requires a minimum of 3 investments, or at least 2 if both are SMA sub-accounts.
- The AAP Program account requires a minimum of 5 investments if the allocation includes only mutual funds and ETFs, or at least 3 if one is an SMA sub-account.

Currently each of these Programs have a maximum of 35 sub-accounts.

SWP Non-Discretionary Services by UBS Financial Services Inc.:

If you select to include SMA strategies in your SWP Account, the SMA Manager(s) you select will manage those assets on your behalf on a discretionary basis. The Advisory services we provide to you in SWP are non-discretionary - —meaning that you retain sole discretion over the purchase and sale of mutual funds, ETFs and the selection of SMA strategies for your Account and must authorize each transaction and SMA manager selection in advance. If you select SMA strategies for your Account, the SMA Managers will manage the assets allocated to them on a discretionary basis without the input or recommendation of your Financial Advisor. You may impose investment restrictions for the assets managed by SMA Managers. You may not impose investment restrictions for the mutual funds and ETF sub-accounts. Note that Accounts without an SMA sub-account are serviced on a fully non-discretionary basis with the client retaining all investment decisions over the assets invested in those Accounts. The SWP Program does not offer overlay management services at the Account level.

AAP Discretionary Services: Your Financial Advisor has discretion to: (1) select a Target Allocation based on your responses to the Risk Profile Questionnaire; (2) implement the Target Allocation by investing in mutual funds, ETFs and researched SMA strategies, including those managed by UBS affiliates; (3) change the Target Allocation and investments at any time as long as those changes remain consistent with the risk profile and investment objectives you provided for your Account; (4) establish, and change, the rebalancing frequency and thresholds which are designed to maintain your Account in line

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with the Target Allocation. Your Financial Advisor can rebalance or reallocate the account at any time. The initial Target Allocation, investments and rebalancing thresholds for your AAP Account will be described in a written proposal and we will notify you when your Financial Advisor makes changes. Your Financial Advisor has discretion over the purchase and sale of mutual funds and ETFs and the selection of the SMA strategies in AAP, however, only the SMA manager has discretion over the purchase and sales of assets in the SMA sub-accounts.

SMA Sub-Accounts; Management of Your Account; Discretionary Authority of Separately Managed Assets.

The SMA sub-accounts in SWP and AAP are managed on an individual basis by the selected SMA Manager(s).

The SMA Managers will manage the SMA sub-accounts on a discretionary basis and are responsible for rebalancing the SMA sub-account they manage. (See Item 5D below for additional information on Execution and Trading Practices). Neither UBS Financial Services nor your Financial Advisor will have discretionary authority with respect to, nor will we solicit your SMA Managers regarding, the purchase or sale of securities for your SMA accounts/sub-accounts.

Transactions in Mutual Fund and ETF Sub-Accounts

The following rules apply to mutual fund and ETF purchases authorized by you in SWP ("Non-Discretionary Asset") or purchased by your Financial Advisor in AAP ("FA-Discretionary Assets"):

- All purchases and redemptions of Non-Discretionary Assets and FA Discretionary Assets, as applicable, will be made proportionally based on the Target Allocation selected for the Account.
- Investments will be subject to maintaining the minimum cash level required for billing and other liquidity needs, and to meet the minimum trade requirements (currently \$200 and subject to change).
- The initial cash level will be approximately 1% of the asset value of the Non-Discretionary Assets or FA Discretionary Asset sub-account, as applicable, and can fluctuate between 0.5% and 1.5%. If the cash level is outside of this range, the sub-account will be rebalanced to a cash level of approximately 1%; however, if the trade dollar amount required is at or below the minimum trade requirement, no trades will be executed. The per-share value of certain investments can cause the cash level to exceed 1.5% of the asset value of the Non-Discretionary Asset or FA Discretionary Assets sub-account, as applicable. In the event the cash level does increase, it will be maintained at this higher percentage.

All account changes, including transactions in Non-Discretionary Assets, are subject to a systematic administrative review to ensure consistency with your Target Allocation. We will also ensure that any required paperwork is complete. As a result, transactions are not executed until after the administrative review is completed, and it may take several days for your allocation changes to be effected in your account. Because prices fluctuate during the trading day, the prices you receive at the time the trades are executed may be better or worse than the prices at the time you authorized the changes to your account.

Rebalancing and Reallocation of your SWP and AAP Asset Allocation

The SWP and AAP Programs offer several rebalancing options. See below, **Rebalancing Your Asset Allocation**: Rebalancing Options, Process, Thresholds and Limitations for a description of rebalancing.

For information about our asset allocation services, see Asset Allocation Services in our Non-Discretionary, Unified Managed Account, Portfolio Advisory Programs and Alternative Investments Advisory Programs.

Contributions and Withdrawals: Contributions to and Withdrawals from your SWP and AAP Accounts will be handled as follows:

- (i) Cash contributions will be allocated to the most under-weighted sub-account(s), relative to the target weight of the investment strategy selected.
- (ii) If you contribute securities to your account, either UBS and/or your SMA Manager will liquidate those securities and allocate the proceeds to the most underweighted sub-accounts first.
- (iii) If you request a withdrawal from your Account, monies will be withdrawn from the overweighted sub-account(s) with the greatest deviation from the Target Allocation. We will follow that process unless those withdrawals would result in the sub-accounts falling below their respective investment minimum. In those circumstances, withdrawals will be made first, proportionally, from those sub-accounts that do not have investment minimums. Withdrawals that cause the value of any sub-account to go below the respective investments' minimum may require that you (for SWP) or your Financial Advisor (for AAP) change the target weightings of your investment strategy or select new investments in order to meet investment minimums.
- (iv) If you do not withdraw the cash from the account within 35 days it will be reinvested according to the Program funding rules. We will continue to charge the Program Fee on cash until it is withdrawn.

G. Non-Discretionary Advisory Programs

Depending on your Program selection, your account will be invested in the following manner:

PACE: all mutual funds

Strategic Advisor: A combination of equities, open- and closed-end mutual funds, ETFs, fixed-income securities, approved unit investment trusts (UITs), options, certain alternative investments, structured products and other securities.

Both PACE and Strategic Advisor are asset allocation programs. ***Please see the section "Asset Allocation Services in our Non-Discretionary and Unified Managed Account Programs" for information about our asset allocation services, notification process for inconsistencies between your Target Allocation and Risk Profile.***

Transactions for Your Strategic Advisor Account and PACE Asset Allocation. We will execute transactions for your Strategic Advisor account and PACE investments based solely on your instructions; and neither UBS nor your Financial Advisor will have any discretion over the investment of your Program assets in the PACE and Strategic Advisor accounts.

Unsolicited Transactions. You may execute security transactions that we have recommended to you (solicited transactions) as well as select transactions in Strategic Advisor you execute without consultation with, or recommendation from, us (unsolicited transactions on eligible investment products). These unsolicited transactions are solely your responsibility and neither UBS nor your Financial Advisor will act as your investment adviser with respect

to those transactions.

The advice and guidance of your Financial Advisor is a key service of the Programs. A pattern of unsolicited trading may indicate that the Program you selected is no longer appropriate for you as you are not leveraging the advice of your Financial Advisor. This may result in the revocation of your online trading access (for Strategic Advisor Accounts) and/or termination of your Account from the Program. Strategic Advisor is the only advisory program that provides clients with access to online trading. Clients with Strategic Advisor Accounts enrolled in the IC Program are not eligible for access to online trading.

After you have completed an unsolicited transaction and have acquired a security on your own and without our advice, for so long as you hold that position in your Program Account, we will take that asset into consideration:

as part of your overall account assets,
when we give you periodic asset allocation advice,
when we value your account holdings,
when we provide you with analyses and reports on your account's performance, and
we may also make recommendations that you consider selling the asset if, and when, we deem it appropriate.

As a result, we will include any security you acquire in an unsolicited transaction as part of your account assets in calculating your Advisory fee if you continue to hold the asset in your account.

1. UBS Strategic Advisor Program Eligible Assets and Non-Billable Assets in Strategic Advisor

The Section "Account Requirements Eligible and Ineligible Assets" describes our general policies regarding eligible assets in our Advisory programs. Strategic Advisor provides a greater level of flexibility than other Advisory programs as it pertains to eligible assets—i.e., those assets held in your account that are subject to our advice.

Specifically, the Strategic Advisor program permits you to hold, **but not to purchase**, certain assets deemed ineligible in other programs such as the following:

- B share class and C share class mutual funds
- Open-end mutual funds not approved for the Program
- UITs not approved for the Program
- ETFs and closed-end funds not approved for the program
- Alternative investments not approved for the Program, including hedge funds, hedge fund of funds, managed futures, and restricted stock.
- Private equity, private real estate funds, and private placements are not eligible to be held or purchased in a Strategic Advisor account even if the asset is non-billable, except for certain REIT funds and accounts grandfathered under prior guidelines.

While these assets may be held in Strategic Advisor Accounts, and therefore subject to our ongoing advice, they are excluded from the calculations of your Program Fees due to the additional compensation that we receive in connection with those investments. These "Non-billable assets" will not be included when determining the minimum account opening requirement, but they will be included in the performance reports for your Strategic Advisor account.

Strategic Advisor Accounts holding Eligible Non-Billable Assets may not be enrolled in UBS-CAP or the IC Program.

2. PACE—Personalized Asset Consulting and Evaluation

Note: This subsection also includes a description of rebalancing features and processes relating to the SWP and AAP Programs (see **Rebalancing Your Asset Allocation: Rebalancing Options, Process, Thresholds and Limitations**, below).

PACE Select Advisors Trust (“PACE Select”) and PACE Multi Advisor (“PACE Multi”) Programs

PACE Select and PACE Multi share certain features, services and basic requirements which are outlined below. PACE combines our ability to evaluate your investment objectives and risk tolerance with professional investment advice and offers the convenience of style specific mutual funds in PACE Select, and a broad array of mutual funds (non- proprietary and proprietary) available in PACE Multi.

In PACE Select, you may choose a combination of the investment styles and asset classes available through the PACE Select Advisors Trust (the “Trust”), a series of proprietary mutual fund investment portfolios (the “Select Portfolios”). In PACE Multi, you may choose among a variety of no load and load waived shares of mutual funds (“Funds”).

The PACE Select Trust is a UBS proprietary product managed by our affiliate, UBS Asset Management. PACE Multi offers both affiliated and non-affiliated mutual funds. We and/or our affiliates are compensated for providing investment management, distribution and other services to the Select Portfolios and affiliated Funds (“Affiliated Funds”) available through these Programs.

In addition to our wrap fee services, a PACE client also receives the following services:

Asset Allocation and Investment Selection. There are differences in the allocations and investment options available in PACE Multi and PACE Select. The PACE Multi default for equity allocations is a Large-Mid-Small allocation. PACE Select only offers a Large/SMID (“SMID” is a combination of small and mid-cap mutual funds) asset allocation for the equity portion of your investment.

Based on your Questionnaire, we will recommend a mix of assetclasses that are consistent with your tolerance for risk. Once you select an appropriate asset allocation for your Program Assets and investments from the investment styles available in each Program, we will execute those transactions in your Program Accounts according to your Target Allocation.

You will make all investment decisions in the Program other than automatic service transactions, if you choose that option (described under “PACE Automatic Investment Options”). Your account contributions and withdrawals will be invested and redeemed in accordance with your Target Allocation.

Please see “*Classification and Availability of Investments, SMA Managers, Mutual Funds, Alternative Investments and PACE Select Trust Portfolios*” for a description of our practices regarding the availability of investments in our Programs.

Removal of a fund from the Program may cause you to have a taxable event or incur other costs. If you are invested in a

discontinued Select Portfolio or fund, your Financial Advisor can help you determine what action to take. You may decide to replace the discontinued Select Portfolio or fund or sell your shares. We will notify you of the removal or termination of a Select Portfolio or fund and will indicate what action, if any, is suggested. If we discontinue a Select Portfolio, you may incur a tax liability.

PACE Select:

You may choose from among the following fifteen (15) Select Portfolios of the Trust:

1. UBS Government Money Market Investments	8. PACE Large Cap Growth
2. PACE Mortgage-Backed Securities	9. PACE Small/Medium Value
3. PACE Municipal Fixed Income	10. PACE Small/Medium Growth
4. PACE Intermediate Fixed Income	11. PACE International Equity
5. PACE Strategic Fixed Income	12. PACE Global Real Estate
6. PACE High Yield	13. PACE International Emerging Markets
7. PACE Large Cap Value	14. PACE Global Fixed Income
	15. PACE Alternative Strategies

PACE Multi Advisor: You may choose shares of non-affiliated funds and certain designated share classes of affiliated funds and an affiliated money market fund.

Account Structure, Fund Eligibility and Impact on PACE Multi Asset Allocation.

The PACE allocation is held as a separate investment or sub-account in a brokerage account. As a result, you may buy and hold assets in your account that are not invested through the PACE Program, including mutual funds that are not eligible in PACE (“Non-PACE Assets”).

You do not need to liquidate securities prior to your participation in PACE because you may hold those securities in your brokerage portion of your account. Neither UBS nor your Financial Advisor will act as your investment advisor with respect to your Non-PACE assets. We will execute transactions in your Non-PACE assets as you direct, as your broker-dealer, and will charge you our customary brokerage commissions or other fees. The PACE Fee does not apply to these other assets or transactions. Non-PACE assets will not be included in your PACE asset allocation or performance report but will be included in your account statements.

We review our offerings in the PACE Multi Program periodically and make new funds eligible for the Program. If a new fund or new share class is made eligible in PACE Multi and you already own that fund or share in the same brokerage account in which you hold the PACE allocation, those existing holdings will be automatically moved to your PACE allocation when the fund/share is made eligible. **Those changes may impact your asset allocation and risk tolerance as well as increase the level of assets on which the PACE fee is charged. You will need to include a target allocation for such funds in order to avoid liquidation upon account rebalancing (see below).** These changes should be discussed with your Financial Advisor.

Automatic rebalancing will consider all eligible funds whether a target allocation is established or not. If an eligible Fund does not have a target allocation assigned to

it, it will be fully liquidated. If you have a target allocation to a fund not currently held in your PACE account, it will be purchased. By executing the Relationship Agreement you authorize us to liquidate and purchase those positions, as applicable under the circumstances. We are not responsible for the tax implications of such liquidations.

The shares will be included for performance purposes once they are eligible regardless of how long they are held. **The newly eligible fund or share class will be included in the calculation of the account's average daily balance during the applicable quarter and will be included in your Program Assets on the last day of the quarter for billing purposes unless the exception explained above applies. Please see Item 5.C. *Billing Practices* for details.** See also **Transferred Shares** for a description of billing practices applicable to Transferred Shares.

PACE Automatic Investment Options. We offer several automatic investment options to PACE Multi and PACE Select clients, including:

- Automatic Rebalancing
- Automatic Redemptions
- Automatic Purchases

The investment options are administrative in nature and will normally be done on the day or date selected by you on the application. We may delay the processing of these services under certain circumstances as described below.

Rebalancing Options. The PACE Program includes mandatory annual rebalancing. Your PACE asset allocation will be reviewed automatically for rebalancing on an annual basis unless you choose to have rebalancing occur on a semi-annual basis or quarterly basis. See: **Rebalancing Your Asset Allocation** for a description of the rebalancing process, thresholds and limitations.

PACE Automatic Purchases. You may choose to have funds automatically invested based on your Target Allocation, with an amount between \$250, an amount determined by UBS, or an amount you specify. Depending on your selection, funds will be invested as follows:

Monthly: on the 15th of every month (or, if the 15th is not a business day, the next business day), or the last business day of every month,

Quarterly: the last business day of every calendar quarter. You may also designate the duration of your automatic purchases or the total target investment amount on the Application. The contribution will first buy the Funds/ Portfolios that are underweighted, as compared to your Target Allocation and then invest the remaining portion according to the Target Allocation.

We process this service by automatically withdrawing the designated dollar amount from your brokerage account (either cash balances or money market redemption proceeds) and subsequently investing in PACE Program Assets. If there are insufficient funds in your account on the trade date to purchase the full amount specified in your PACE Application, no purchase will be made.

If you invest Plan assets through PACE and select the automatic purchase option, please note that you must carefully monitor your contributions to prevent them from inadvertently exceeding federal limits on your annual contribution.

As of the date of this Brochure, depending on your account type and/or account ownership, the following cash sweep options from the brokerage account that holds your PACE asset allocation are available for the PACE auto services: UBS Bank Sweep Programs, UBS FDIC-Insured Deposit Program, UBS RMA Government Money Market Fund or UBS Liquid Assets Government Fund.

PACE Automatic Redemptions. You may have \$250 or more of Program Assets redeemed automatically from Program Assets in proportion to your Target Allocation. Based on your instructions, redemptions will be processed so that cash is available in your account on:

the 15th (or, if the 15th is not a business day, the prior business day) of every month,

the last business day of every month, or

the last business day of every calendar quarter.

Shares will be redeemed from each fund that is currently overweighted as compared to your Target Allocation and then redeeming the remaining portion according to your Target Allocation. Additional methods in which a client may redeem shares may be introduced including offering redemptions on a pro-rata basis. We will request redemption two Business Days before the date you select, or such other date as may be necessary to ensure that cash is available in your account on the date selected. **Redemption proceeds are deposited in your account and are not automatically forwarded to you.**

Automatic Redemptions: If an automatic redemption causes PACE Program Assets to be reduced below levels that impact the management or servicing of the Account, we may ask you to restore your Program Assets to the amount of the Opening Date account minimum within 30 days. If you do not restore your Program Assets to this minimum as requested, we will have the right to terminate your participation in PACE.

No automatic redemption will occur if (i) insufficient shares in any Fund are available to process the redemption proportionately in accordance with your Target Allocation; (ii) when the auto redemption request is greater than the account value; and (iii) the redemption request pertains to fund no longer eligible in the Program.

We may delay the automatic services described above under certain circumstances to ensure the orderly processing of services. See "Delays in Rebalancing Process and Automatic Services."

Rebalancing Your Asset Allocation: Rebalancing Options, Process, Thresholds and Limitations

PACE Program: includes mandatory annual rebalancing. Your PACE asset allocation will be reviewed automatically for rebalancing on an annual basis unless you choose to have rebalancing occur on a semi-annual basis or quarterly basis. and will bring your asset allocation back to your target allocation, overriding the Rebalancing Thresholds described below.

SWP: you must select a rebalancing option (annual, semi-annual or quarterly) when you establish an Account in the Program.

AAP: your Financial Advisor can rebalance or reallocate the AAP Account at any time and will also select an automated rebalancing option (quarterly, annual or semi-annual) to help ensure the account remains aligned with the Target Allocation.

In addition to automatic rebalancing, you have the option to rebalance upon request at any time.

Your PACE, SWP and AAP Program Assets will be automatically reviewed for rebalancing to your Target Allocation based on the rebalancing frequency selected for the Account.

Rebalancing Thresholds: Rebalancing will occur (subject to our minimum trade requirement) if, on the rebalancing date, your Account is above the minimum funding requirement and the current allocation in any one PACE eligible mutual fund or SWP/AAP sub-account deviates from their Target Allocation by more than 3%, 5% of the total Program Assets, or 10% for taxable accounts ("Rebalancing Thresholds"). Taxable accounts have the option of selecting annual rebalancing when there is a deviation of more than 10% from the Target Allocation in any mutual fund in PACE or SWP / AAP sub-account. For example, in an account that rebalances annually with a +/- 5% deviation, a mutual fund in PACE or SWP / AAP sub-account with a 30% target allocation would trigger a rebalance if its value reached 25% or 35% of the account value.

Automatic Rebalancing to the Client Target Allocation – with updates to the Capital Market Assumptions (Available to PACE Select clients only) – By selecting this option, you elect to have Program Assets reviewed, and if necessary, automatically rebalanced on a periodic basis to be consistent with the UBS capital market assumptions. Your Client Target Allocation is based on our proprietary capital market assumptions; those allocations may be updated and may change periodically. Your affirmative consent is not required to implement these changes; however, you will receive notice and an opportunity to elect out of automatic rebalancing when we change the Asset Allocation. When the automatic rebalance is performed, the rebalance will override your 3%, 5% or 10% threshold which was elected when your PACE account was opened. Additionally, we may re-schedule your rebalance earlier or later than your scheduled annual, semi-annual, or quarterly rebalance if necessary in order to rebalance your account when the Capital Market Assumptions are updated.

Accounts are rebalanced as follows:

- **Annual rebalancing:**
 - PACE: Annual Rebalancing will occur on or near 13 months from the anniversary of your account opening date, and then, subsequently, 13 months from the previous rebalance date. Accounts scheduled for annual rebalancing in Nov/Dec will be rebalanced in January to avoid tax trading at year end.
 - SWP/AAP: generally will occur during the week following the anniversary of your account opening date.
- **Semi-annual rebalancing:**
 - PACE: Semi-Annual Rebalancing is generally done in February and August.
 - SWP / AAP: generally will occur during the week following each sixth month (180 day) and annual anniversary of your account opening date.
- **Quarterly rebalancing:**
 - PACE: Quarterly Rebalancing is generally done during the third week in February, May, August and November.
 - SWP / AAP: will generally occur during the week following each three month (90 day), sixth month (180 day), nine month (270 day) and annual anniversary of your account opening date.
- SWP / AAP Accounts scheduled for rebalancing (quarterly, annual, semi- annual or automatic) in November, December and January, will be rebalanced in or around the first week of

February of the following year to avoid any impact to tax trading at the end of the year.

- Automatic rebalancing for any account where the risk of the current allocation is higher (more aggressive) (or, for AAP, also lower) than the Account's stated risk tolerance for 6 consecutive quarters for SWP and PACE and 4 consecutive quarters for AAP will take place during the 7th quarter for SWP and PACE, and the 5th quarter for AAP
- Rebalancing will bring your asset allocation back to your Target Allocation, overriding the Rebalancing Threshold selected or applicable to the Account. If in the 7th quarter for SWP and PACE or 5th quarter for AAP, the account comes back into its risk band but is still out by the Rebalancing Threshold selected, the account will be rebalanced according to the option selected for the Account. Your Advisory Account Review will show whether your allocation is no longer within the standard deviation range for your stated risk profile.

In addition, regardless of the Rebalancing Threshold selected, automatic rebalancing will be conducted based on the following program guidelines:

- In SWP and PACE, single mutual fund or exchange traded fund (ETF) position concentration, as applicable, of 70%. If the concentration of a single fund exceeds this limit by 1% or more for 6 consecutive quarters, the account will be rebalanced. Rebalancing will take place during the 7th quarter if the concentration continues to violate the guideline and will bring the asset allocation back to your Target Allocation.
- In SWP, single SMA strategy concentration of 70%. If the concentration of a single SMA strategy exceeds this limit by 1% or more for 6 consecutive quarters, the account will be rebalanced. Rebalancing will take place during the 7th quarter if the concentration continues to violate the guideline and will bring the asset allocation back to your Target Allocation.
- In AAP, single mutual fund or ETF position concentrations greater than 35% and single SMA strategy concentration of 70%. If a single fund or SMA strategy exceeds these guidelines by 1% or more for 4 consecutive quarters, the account will be rebalanced. Rebalancing will take place during the 5th quarter if the concentration remains in violation of the guideline and will bring the asset allocation back to the Target Allocation.

Note: accounts that are evaluated as part of an Advisory Account Group will have higher concentration guidelines.

Your SMA Manager(s) are responsible for the separately managed portion of your SWP and AAP Accounts, while UBS will rebalance your SWP Non-Discretionary assets and your AAP FA Discretionary Assets.

Your accounts will be rebalanced by selling investments in the overweighted mutual funds in PACE and SWP/AAP sub- accounts and purchasing a corresponding dollar amount of investments in the underweighted mutual funds or sub-accounts, as applicable. Rebalancing transactions will be processed provided that the sale and the purchase meet our trade minimums, which for PACE are the greater of \$50 or 50 basis points, not to exceed \$2500. A \$25 dollar trade minimum will be used if all trades during the rebalance are below \$50. The minimum trade requirement in SWP/AAP is currently \$200. We reserve the right to change the rebalancing percentage measure or the minimum dollar amount

of individual rebalancing transactions. Rebalancing is completed as promptly as possible. In the event that we are unable to initiate rebalancing as described above due to reasons beyond our control, we will initiate rebalancing as soon as practicable.

Rebalancing will not occur if the account:

- has a pending/unprocessed trade
- has a margin debit or
- value is below the minimum funding required for the target weight of the investment strategy selected; however, reallocation/rebalancing will occur for an account that is below the minimum funding required so long as the reallocation rebalancing will not further reduce the asset levels of those sub-accounts.

Rebalancing and reallocation may take up to seven (7) business days to fully implement. However, rebalancing or reallocation of fixed income strategies may take significantly longer to fully implement.

Delays in Rebalancing and Automatic Services: We will process the automatic services and rebalancing as described above unless market conditions, technology failures, illiquid securities, securities with limited redemption schedules, trading volumes, the availability of funds and orderly purchase and redemption procedures or other matters beyond our control reasonably preclude us from accurately processing on the required dates or otherwise cause delays in processing, in which case we may alter the date (day) to the next available date that such processing can be accurately completed. **In addition, we may adjust the date on which reviews and rebalancing are done, if necessary, to ensure accurate processing of the review or rebalancing. We may also adjust the rebalancing date if UBS is in the process of reviewing its proprietary capital market assumptions to avoid duplicative rebalancing of accounts and ensure accurate and orderly processing.**

Depending on the circumstances and in order to ensure the accurate processing of the automatic investment options, including rebalancing, we may take any of the following actions:

- **Alter or delay the rebalancing day to the next available date**
- **Change the rebalancing percentage for that rebalancing event only or the minimum dollar amount of the individual rebalancing transactions**
- **Process rebalancing for accounts for PACE Select and PACE Multi on different days**
- **Process rebalancing for taxable and non-taxable accounts on different days**
- **Rebalance all accounts based on a random rotation process**

We may also suspend a rebalancing event or an automatic service event (purchases and redemptions), if based on the factors described above, we cannot ensure the orderly and accurate processing of the rebalancing or the automatic service. We will notify you of that suspension and offer you the option to have your account manually rebalanced for that period.

H. Portfolio Advisory and Alternative Investments Advisory Programs

UBS-CAP and IC are "Portfolio Based Advisory Programs" which means that they are advisory programs in which our services are provided to you for certain eligible UBS Advisory Accounts on a

portfolio level instead of individually at the account level. The primary difference between the programs is that UBS-CAP is designed for retail investors and IC is designed for institutional investors. While the UBS-CAP program permits assets that are held away from UBS to be included only on a limited basis, IC permits clients to elect to hold at UBS or to hold away without limits. The programs also offer differing levels of investment discretion, and they permit different advisory programs to be included within the respective program, **(See Portfolio Based Advisory Programs in Item 4)**. Finally, both programs are available only through a select group of Financial Advisors who provide specialized investment advisory consulting services to investors, but the eligibility criteria for those advisors differs between the Programs. **See Section Education & Business Standards for FA Education**

In addition to being available as an overall advisory contract per client tax ID or client identifier, UBS-CAP is also available, where appropriate, to multiple related entities (multi-TINs) owned by or related to the same party which based on the structure and ownership should be managed under the same Investment Policy Guideline ("IPG") Asset Allocation and aggregated for performance reporting.

It is important that you understand how the portfolio level services available to you in UBS-CAP and IC alter or modify the services and options available in the individual UBS advisory programs in which your Portfolio may be invested. Those distinctions include the review and application of certain Advisory Program guidelines to your UBS-CAP and IC Portfolio respectively instead of individually to each Advisory Account and, if selected, the delegation of certain activities to UBS and your Financial Advisor through the execution of a limited power of attorney.

CAP Select and IC held away are advice-only programs in which the fee you pay is solely for the investment advice and performance provided in the Program. Custody, trading and execution fees are not applicable or assessed in CAP Select or when you elect to hold your assets away from UBS in the IC Program. While the UBS-CAP Program offers clients the ability to hold a certain percentage of their asset allocation in alternative investments, CAP Select is designed for clients who want 100% of their assets in CAP Select invested in a diversified asset allocation consisting only of alternative investment vehicles. Only alternative investments held at UBS are eligible to be held in the Program. You may establish a CAP Select Program Account on a stand-alone basis or in conjunction with a UBS-CAP Account Portfolio.

UBS-CAP, CAP Select and IC services include, but are not limited to: 1) assistance in the development and preparation of an investment policy guideline (in UBS-CAP and CAP Select) and an investment policy statement in IC; 2) the preparation of an asset allocation analysis for the allocation of your investment assets among various asset categories or classes; 3) for UBS-CAP and IC, selection of separate account managers, mutual funds, ETFs and alternative investments; 4) for CAP Select the selection of alternative investments; 5) portfolio evaluation and review; 6) ongoing investment management consulting on such items as review of the asset allocation and investment policy and the impact of capital market developments on the overall investment strategy.

You may establish a UBS-CAP, CAP Select, or IC relationship on a fully non-discretionary basis (without any limited power of attorney) or you may delegate certain activities to your UBS Financial Advisor by selecting that option in the respective Program's Application and executing the Agreement, Application and Limited Power of Attorney.

You are not required to provide limited power of attorney authority to your Financial Advisor or any other UBS employee in order to participate in the Programs. If you provide such authority, you can terminate the limited power of attorney at any time by notifying your Financial Advisor in writing.

Asset Allocation and Investment Policy Guidelines.

The Programs provide assistance in the development and preparation of an asset allocation and an investment policy guideline (in UBS-CAP) or investment policy statement (in IC) which, in the case of UBS-CAP and IC can encompass a portfolio level review across a variety of advisory accounts held at UBS and accounts held away, as agreed. These services typically involve analyzing your liquidity requirements, performance goals and risk tolerance levels based on the information you provided to us. We will review the investment policy guidelines or statement with you on an annual basis and will assist you in incorporating any changes you determine are appropriate. We will monitor your portfolio to determine if it is in compliance with your asset allocation guidelines as stated in your investment policy guidelines or statement and will recommend changes to you when we determine they are appropriate. The Firm does not provide legal, tax or actuarial advice. We will not be responsible for ensuring that your investment policy guidelines or statement and asset allocation choices comply with all specific legal, actuarial or other requirements that apply to you. That responsibility rests solely with you and you should consult with your legal and tax advisors regarding those matters.

Investment Searches. As appropriate, we will recommend and present for your consideration eligible investment types for each Program. For UBS-CAP and IC that includes investment manager(s) and/or other investments, such as mutual funds, exchange traded investments, collective trusts, and/or alternative investments, while CAP Select recommendations are limited to alternative investments held at UBS (eligible investments in all three programs are collectively referred to as "investments") that align with your investment policy guidelines and asset allocation strategy. Investment recommendations are limited to those which are offered by the Firm and/or for which the Firm has conducted due diligence or has otherwise reviewed. We cannot assure you that we will continue to offer or review any of the investments identified through our searches.

IC Program Retirement Accounts and Proprietary Funds. For Retirement Plan clients enrolled in the IC Program with a Limited Power of Attorney for Financial Advisor Discretion Services, our investment searches will not include UBS affiliated/proprietary mutual or sub advised funds unless such investments or strategies are eligible within the IC Program and made available at no additional cost to client.

Portfolio Review, Evaluation and Reporting. In addition to individual performance reports for your individual Program Accounts, we will provide annual portfolio evaluation and review of all Accounts in your CAP Select Account and for UBS-CAP Portfolio (the latter on a consolidated basis), including reviewing performance on an absolute and relative basis. Clients in the IC Program will not receive individual performance reports for your individual Program Accounts. Instead, IC clients receive a quarterly portfolio evaluation and review of all Accounts in your IC Portfolio on a consolidated basis, including performance on an absolute and relative basis. For accounts held at other institutions, those reports and evaluations will be based on information provided by your custodian. Based on your overall objectives and performance of your investments, we will assist you in evaluating potential adjustments and, if appropriate, we will assist you in conducting a search for new investment managers or investments.

We can also provide reports which include performance information, comparisons and other information for a variety of investment strategies. UBS-CAP and CAP Select will provide quarterly performance reports to you upon request.

In IC, our portfolio evaluation and review may also include investment managers or investments which you retained or purchased without our recommendation. Our inclusion of these investments is solely for the purpose of providing a holistic portfolio evaluation and does not constitute an endorsement that you continue to hold those investments or retain those managers, and we will ask you for a written acknowledgment that UBS does not provide recommendations regarding such investments. In addition, assets held in other UBS programs outside of your IC Program relationship may also be included in our portfolio evaluation in order to provide a holistic evaluation of your portfolio, but those assets are included for informational purposes only and are not part of the assets for which IC services are provided.

Investment Advisory Program Selection; Implementation of UBS-CAP, CAP Select, and IC Services. You can implement your UBS-CAP and IC asset allocation and the results of investment searches through one or several advisory programs offered by the Firm. It is important you understand that these programs are separate and distinct and offer different services, features, fee schedules, structure and administration, depth of research conducted on the managers available in the programs, and compensation to Financial Advisors. ***Please review the descriptions of those programs included in this Form ADV Disclosure Brochure carefully as you decide which programs are appropriate for your investment needs.*** We will provide UBS-CAP or IC Services described above for all Program Accounts established under your name and social security number, TIN, or multi-TIN or client identifier where appropriate – the eligible Advisory Programs based on the implementation option you have selected (i) Non-Discretionary; (ii) Non-Discretionary Limited POA for implementation of Client Directed Investment Activities (available in CAP and CAP Select only); and (iii) POA for Limited FA Discretion Services.

The UBS Advisory Programs eligible for UBS-CAP and IC as well as the different implementation options are described in the section "Advisory Programs; Fee Schedules, Minimum Investments and Minimum Annual Fees; UBS Consolidated Advisory and IC Programs".

Unless you select the POA for Limited FA Discretion Services option, you retain and will exercise, final decision-making authority and responsibility for the selection of any investment advisory program, establishment of specific accounts at UBS, selection of alternative investments and selection and hiring of investment managers, as well as for the implementation of any investment plan or strategy resulting from the services provided under UBS-CAP, CAP Select and/or IC, as applicable.

Limited Power of Attorney Implementation Options.

UBS-CAP and CAP Select offer two types of limited power of attorney implementation options. IC offers only one limited power of attorney implementation option. Although the activities covered under each option are similar, the most important distinction, and one you should consider carefully when reviewing these options, is the level of involvement you will have, and the discretion you grant to your Financial Advisor to **select** advisory programs, investment managers, alternative investments and establish accounts on your behalf.

Regardless of the power of attorney option you choose, if any, the actions taken by your Financial Advisor will be based on the Investment Policy Guidelines or IPS and asset allocation you select and approve for your UBS-CAP, CAP Select, and/or IC Portfolios. Neither your Financial Advisor nor any UBS employee is authorized to change or approve your Investment Policy Guidelines or IPS, or your asset allocation on your behalf.

You can terminate the limited power of attorney at any time by notifying your Financial Advisor in writing. Termination of a power of attorney will result in the conversion of your UBS-CAP and/or CAP Select relationship, as applicable, to fully non-discretionary, and you will be responsible for all activities previously delegated to UBS and your Financial Advisor under the relevant power of attorney. Termination of a power of attorney in IC will result in termination of the IC relationship and conversion of IC Accounts to brokerage accounts, unless you execute an Institutional Consulting Services Agreement for non-discretionary services. Any Advisory Accounts (for example, ACCESS, SWP, Strategic Advisor, etc.) that were part of the IC relationship will remain in those Programs unless you also terminate the Advisory Accounts in those Programs. Upon termination, you will be responsible for all activities previously delegated to UBS and your Financial Advisor under the power of attorney.

Limited Power of Attorney for Implementation of Client Directed Investment Activities in UBS-CAP and CAP Select.

This option authorizes UBS and your Financial Advisor to take actions on your behalf to implement your program and investment selections based on your instructions.

With this option, you determine how you want to implement your asset allocation by selecting the Advisory Programs in which you want to participate, the investment managers you want to engage, and the alternative investments in which you want to invest. Your Financial Advisor then implements your instructions on your behalf, negotiates and executes agreements at your direction, and establishes accounts in the programs you selected. If you include assets held away from UBS, your Financial Advisor will also be authorized to establish an additional account at UBS for tracking and billing purposes if applicable. Under this option for CAP Select, you will select the alternative investments in which you want to invest and your Financial Advisor will execute the subscription documents based on your instructions.

Power of Attorney for Limited Financial Advisor Discretion Services for UBS-CAP, CAP Select and IC

In contrast to the Limited Power of Attorney for Implementation of Client Directed Investment Activities, the Power of Attorney for Limited FA Discretion Services authorizes your Financial Advisor to implement your asset allocation by selecting the UBS advisory programs, investment managers and alternative investments in which your assets will be invested without first consulting with you. For CAP Select, this power of attorney will authorize your Financial Advisor to select the alternative investments to implement your CAP Select asset allocation without consulting with you first. Financial Advisors will also have the authority, as applicable based on the eligible assets in each Program, to replace investment managers, redeem alternative investments, close Advisory Program accounts, and transfer funds between Advisory Accounts at UBS in compliance with your asset allocation and Investment Policy Guidelines or Investment Policy Statement.

Power of Attorney for Limited Financial Advisor Discretion Services including private equity and Real Estate

The Limited Power of Attorney for Discretion excludes private

equity and real estate investments in UBS-CAP and CAP Select. A LPOA over private equity and real estate assets may be granted on a limited exception basis in UBS-CAP and CAP Select for unsolicited client requests for relationships that meet certain asset thresholds. The Limited Power of Attorney executed in IC permits discretion over private equity and real estate assets.

Core Activities Covered Under all Types of LPOA:

- **Client-Directed Option (not available in IC): You approve your IPG and Asset Allocation; you decide, your Financial Advisor implements.**
- **Limited FA Discretion Option: You approve your IPG or IPS and Asset Allocation; your Financial Advisor decides how to implement your asset allocation and selects, as applicable, the Advisory Programs, investment managers and alternative investments without consulting you.**
 1. Negotiating investment management fees (only) with affiliated and unaffiliated third party researched investment managers in the MAC Program and executing investment management agreements on your behalf for your UBS-CAP or IC Portfolio.
 2. Establishing advisory accounts on your behalf in eligible Advisory Programs **(See Advisory Programs; Fee Schedules, Minimum Investments and Minimum Annual Fees; UBS Consolidated Advisory and IC Programs "for details on eligible Programs")**. For the Client Directed Option you will provide the Risk Profile for each Account to your Financial Advisor. For the Limited FA Discretion option, your Financial Advisor will complete the Risk Profile Questionnaires for individual Accounts based on the Program Questionnaire you completed at the time you established your UBS-CAP, CAP Select, or IC Relationship (or as such may be amended throughout your relationship with us).
 3. Establishing an account at UBS for billing purposes for Assets Held Away if such assets are included as part of your UBS-CAP Portfolio, if applicable.
 4. Completing risk profiles required to establish Advisory Accounts based on UBS-CAP or IC Portfolio Questionnaire.
 5. Executing subscription, redemption and tender documentation for researched alternative investments you select in UBS-CAP or CAP Select or that your Financial Advisor selects on your behalf in IC (proprietary and non-proprietary hedge funds, fund of funds and, where available as an option, private equity) **to purchase in UBS accounts**, including forms for the conversion of brokerage share classes to advisory/institutional share classes when applicable in UBS-CAP, CAP Select, or IC;
 6. Take any actions necessary to open and maintain your account(s) in the eligible Advisory Programs, complete and pay for transactions, UBS Investment Advisory Fees, and SMA Manager Fees in your account(s); and
 7. Except as described below, execute any other document or agreement which UBS considers necessary or appropriate to carry out the intent of your UBS-CAP, CAP Select or IC Agreement and your investment instructions.

In addition to the core POA services described above, the Limited FA Discretion Implementation options also covers:

8. The selection of UBS investment advisory programs to implement the client approved asset allocation and IPG or IPS for UBS-CAP or IC Portfolio from the list of eligible programs;
9. Select, hire and fire third party investment managers in

eligible Advisory Programs for UBS-CAP and IC, as well as select, subscribe and redeem alternative investments on your behalf;

10. Transfer and reallocate UBS-CAP assets between ACCESS, MAC, Portfolio Management Program Accounts
11. Transfer and reallocate IC assets between ACCESS, MAC, AAP and IC Accounts.
12. Select, hire and fire internal PMP Portfolio Managers for UBS-CAP, inclusive of negotiating advisory fees with internal PMP Portfolio Managers (where your Financial Advisor is not the portfolio manager).
13. Authority to select, subscribe and redeem alternative investments on your behalf for Private Equity and Real Estate investments.

In addition to the core POA services described above, the LPOA in IC and the Limited FA Discretion including Private Equity and Real Estate Implementation option in UBS-CAP and CAP Select also covers:

The Limited Power of Attorney Options do *NOT* grant UBS or its Financial Advisors the authority to:

1. Execute the Advisory Relationship Agreement;
2. Execute the UBS Client Relationship Agreement for Brokerage Accounts;
3. Change Program Fees for any Advisory Account without first discussing it with you and obtaining your consent;
4. Change account preferences (proxy voting, trade confirmations, or investment restrictions) without first discussing it with you and obtaining your consent;
5. Exercise investment discretion in the selection to purchase or sell any securities in the Strategic Advisor, PACE and SWP, ACCESS and MAC Programs or with respect to assets held at other financial institutions;
6. (For the Client Directed Option and the Limited FA Discretion Option in UBS-CAP and CAP Select) Establish accounts in the PACE and UBS Advice Portfolio Programs. For the Limited FA Discretion option for UBS-CAP and CAP Select, the restriction also applies to establishing accounts in Strategic Advisor and Strategic Wealth Portfolio;
7. Exercise proxy voting authority for your Accounts in Strategic Advisor, PACE and the non-discretionary sleeves in SWP;
8. Execute the Client Acknowledgement Form for Non-Researched Assets on your behalf, or execute any documents, agreements, forms or subscription or redemption documents in connection with Non-Researched Assets or issue any investment instructions to the custodian of such assets;
9. (For Limited FA Discretion in UBS-CAP and CAP Select) Execute subscription, redemption, tender or any other documentation for any private equity and private real estate investments. This applies to UBS-CAP and CAP Select. The LPOA for Limited FA Discretion over private equity and real estate investments is a separate document for UBS-CAP and CAP Select available only on a limited exception basis for clients who specifically requests such services on an unsolicited basis and who meet certain qualification thresholds;
10. For both the Client Directed Option and the Limited FA Discretion option in UBS-CAP and CAP Select execute subscription, redemption, tender or any other documentation for any REITs and any forms for the conversion of brokerage share classes to advisory/institutional share classes where applicable;
 - Sign any complex products risk disclosure statements

required to be signed by clients, including but not limited to, the documents and disclosures required to enroll in any third-party options overlay SMA manager or Concentrated Equity Solutions strategy or any structured product related documents;

11. Name beneficiaries for any IRA accounts.

The Power of Attorney for Client Directed Implementation in UBS-CAP and CAP Select also excludes the following:

1. Deciding the manner in which your assets will be allocated or the programs in which accounts will be established;
2. Designating him/herself as your portfolio manager in the PMP Program without your consent;
3. Transferring assets between your accounts without your instructions and consent.

UBS will not be required to sign or complete (i) any certificate regarding your tax status, (ii) documentation for non-advisory products, including brokerage account agreements for trading accounts, (iii) trust certificates or corporate resolutions, or (iv) any document to the extent that you have not provided UBS with sufficient current information to complete the document accurately and completely.

Additional Services available in IC

IC also offers several additional services available as part of your IC program fee or on a project basis. IC offers oversight services where, for a negotiated rate, we will review services performed by third party financial advisors or consultants under parameters agreed to in your IC service agreement. We may also consult with you on matters related to news and developments in the capital markets and asset classes based on information generally available from us or our affiliates, or more specifically prepared for you based on publicly available information. We can provide education services. Additional services may be available as agreed to between us.

UBS Investment Advisory Fees, Additional Fees for Investment Management Services and Important Information About Certain Investments.

UBS Investment Advisory Fees. The annual UBS Investment Advisory Fee is a fixed percentage of the assets in all of your account(s) under the Programs. For UBS-CAP and IC, the UBS Investment Advisory Fee covers the investment advice provided by UBS and your Financial Advisor, custody, trading and execution services for account(s) held at UBS Financial Services Inc. and performance reporting services. Except in limited situations, all accounts you establish, or those established on your behalf, will be billed at the same rate selected in the Application (or as such may be changed with your consent during the course of the relationship established). The fees must be leveled for IC relationships and for UBS-CAP relationships with a POA for Limited FA Discretion Services.

UBS-CAP offers the option to have all of your accounts in your CAP Portfolio priced at the same level such that Financial Advisors in UBS-CAP who also act as your portfolio manager in PMP will receive the same payout level across all Accounts enrolled in UBS-CAP regardless of Program type or strategy. However, based on discussions with your Financial Advisor, you may agree to different fee schedules for different account types. If you do so, you understand that for accounts with higher fees, your Financial Advisor will receive higher compensation than for other accounts in your UBS-CAP Portfolio.

CAP Select is an advice-only program in which the fee you pay is

solely for investment advice and performance reporting provided in the Program. Custody, trading and execution fees are not applicable or assessed in this Program.

The UBS-CAP and IC Investment Advisory Fee **does NOT include** the investment management fees charged by any SMA Manager in the Programs. In addition, certain investments such as mutual funds, ETFs and alternative investments have internal expenses (for example, management, shareholder servicing and performance fees) that are not included in the UBS Investment Advisory fee. You will pay those fees separately to the managers and sponsors of those investments (including UBS affiliates if you have invested in UBS products) in your role as shareholder of those funds. ***See "Fees / Other Charges Not Covered by your Program Fee" for more information about other fees not covered by the Investment Advisory Fee.***

Assets Held Away; Custody: UBS-CAP and CAP Select are not designed for clients who hold all or a substantial portion of their Portfolio at other financial institutions. CAP Select is limited to alternative investments offered on the UBS platform. Generally, we require clients with Advisory Accounts to custody their account assets at UBS. In limited circumstances, for UBS-CAP, we may accept certain relationships that hold a limited portion of their alternative investment assets or separately managed accounts in the custody of other financial institutions that meet the definition of a qualified custodian. If you decide to include these assets as part of your UBS-CAP Portfolio, you may be required to establish an account at UBS for tracking of the investments and billing purposes of these assets.

While this option is available as an accommodation to clients in the UBS-CAP and CAP Select Programs, we do not recommend doing so, for the following reasons:

- You will incur additional costs in excess of your UBS program fee (for example, custody costs).
- Billing for your Account, including the accurate processing of rebates if applicable, is the responsibility of your custodian, not UBS.

Non-discretionary IC services are available to institutional clients that elect to hold the assets in the IC relationship away from UBS ("IC Held Away"). If clients elect IC Held Away, our services do not include custody, trade execution, or any other fees imposed by the other financial institution. Your Financial Advisor will not offer advice about whether to hold assets away from UBS.

If you decide to implement the results of investment searches performed as part of an IC relationship through an account held at another financial institution, such implementation is not part of IC services and will result in your payment of custody, brokerage and execution fees collected by the other financial institution.

Because all of the assets covered by a UBS-CAP or IC Agreement will be billed at the same UBS Investment Advisory Fee rate, if you decide to include assets held at other financial institutions, you will be paying for services that you are not utilizing as it pertains to those assets, specifically, custody, trading and execution. **Your UBS Investment Advisory Fee will not be reduced as a result of additional costs you incur as a result of holding assets at other financial institutions.**

Alternative Investments Funds. When consistent with your investment objectives, risk tolerance and financial circumstances, and upon your request, we may recommend to you alternative investments approved for distribution through the Firm.

Investments presented for your consideration will be limited to

those that offer advisory/institutional share classes designed to be purchased and held in fee-based accounts. **Offering documents for appropriate investment vehicles will be delivered directly to you even in instances in which you have executed a power of attorney for Limited FA Discretion Services.**

If you selected a non-discretionary or a client-directed investment activities implementation option, you are solely responsible for your decision to invest in an alternative investment fund. Alternative investments are speculative in nature and the investors bear the costs and fees of these funds, including asset-based fees, expenses, and incentive-based compensation.

If you hold or purchase (or we purchase on your behalf) an alternative investment fund sponsored or offered by UBS or its affiliates, the Firm or its affiliate will receive compensation, possibly including a share of investment advisory fees by the Fund and performance fees, for providing various services to the alternative investment fund that will be based, in part, on the amount of assets you invest in the fund.

With the exception of retirement clients in IC, if in IC, if you selected the POA for Limited FA Discretion Services, you consent to UBS directing your Account to invest in portfolios, hedge funds or funds of funds managed or sponsored by UBS or its affiliates (each an "Affiliated Fund").

Privately-offered alternative investment funds, such as hedge funds, funds or funds or private equity are sold only to qualified investors, and only by means of offering documents that include information about the risks, performance and expenses of the funds. Please review and consider those risks carefully before adopting Investment Policy Guidelines or IPS that include such investments.

Alternative investment funds are speculative and involve significant risks, performance may be volatile, and investors may lose all or a substantial amount of their investment in an alternative investments fund. An alternative investment may engage in leverage and other speculative investment practices that may increase the risk of investment loss. Interests in alternative investments funds typically will be illiquid and no secondary market for interests usually develops, they are long-term investments (e.g., 10-15 years), are subject to restrictions on transfer, may suspend redemptions, and may not be required to provide periodic pricing or valuation information to investors. In addition, an alternative investment fund may hold back a portion of redemption proceeds, usually in the range of 10%, to cover accrued expenses, contingencies and liabilities.

Although only funds that offer advisory or institutional share classes are available in UBS-CAP and IC, such investments will be subject to the respective Program Fee. Given the long-term nature of these investments, it may be more cost-efficient in the long term for you to invest in the brokerage share class and maintain these investments in a brokerage account. We cannot, and do not, guarantee that investing in the advisory share class plus the Program Fee is the more cost-efficient option in the long-term. You must review those options carefully before investing.

Eligible Non-Researched Investments in UBS-CAP and IC.

You may request that "Eligible Non-Researched" investments be included in the asset allocation analysis and performance reports for your UBS-CAP or IC relationship. In UBS-CAP and IC, Eligible Non-Researched Investments are limited to hedge funds, funds of funds and private equity investments held away from UBS and MAC Eligible strategies only. In IC, Eligible Non-

Researched can also include any eligible investment type for which you sign a letter acknowledging that UBS will not provide advice on such assets. The UBS-CAP and IC POA cannot be used for Eligible Non-Researched investments of any kind.

UBS's investment advice in UBS-CAP and IC as it pertains to Eligible Non-Researched Investments is limited to asset allocation, IPG or IPS development, and performance reviews. Specifically, the inclusion of these investments in an asset allocation analysis does not constitute a recommendation that you continue to hold or add to those investments. **Financial Advisors and any other UBS employees are prohibited from making specific investment recommendations to buy or hold these investments on an ongoing basis as UBS does not perform initial or ongoing due diligence on these investments or strategies.** Inclusion of Eligible Non-Researched Investments is an accommodation only and they cannot represent a significant portion of the portfolio. High levels of these investments may lead to termination of the relationship.

Non-Researched investments. Non-Researched Investments are not subject to the Firm's due diligence or research process or otherwise approved for sale, solicitation or recommendation by UBS and its Financial Advisors and employees. Only Eligible Non-Researched Investments for which there is a written acknowledgement on file may be included in UBS-CAP or IC services and for purposes of calculating the UBS-CAP or IC Program Fee.

Because the value of such Eligible Non-Researched Investments will be included for purposes of calculating your Program Fee, you should carefully consider that, as it pertains to those non-researched assets, you will be incurring costs and not fully utilizing the benefits and services offered in UBS-CAP or IC. We reserve the right to accept or decline these requests. Non-researched assets may not constitute a significant portion of the UBS-CAP or IC Portfolio.

Your decision to include non-researched assets in UBS-CAP or IC is against our recommendation and doing so will result in additional costs to you and higher compensation to UBS and your Financial Advisor.

See Asset Allocation & Investment Policy Guidelines; Asset Allocation for information about Implementing your Asset Allocation

Item 5. Account Requirements and Types of Clients

Types of Clients

We provide Investment Advisory services to individuals, banks, thrift institutions, mutual funds and other investment companies, pension and employee benefit plans, trusts, estates, charities, corporations and other business and government entities. Generally, the majority of our clients in the Advisory programs (except IC) are individuals. Registered and private investment companies, and other types of pooled investment vehicles are generally not eligible to participate in the Advisory Programs described in this Brochure. The IC Program is designed to provide advisory services to sponsors of qualified retirement plans, corporations, endowments and foundations, municipalities, Taft-Hartley plans, and religious and charitable organizations. Legacy retail clients and trusts for the benefit of retail clients can receive the IC services described in this Brochure. IC services are not offered to new retail clients or trusts for the benefit of retail clients.

Foreign entity clients: Please note that as a foreign entity, your participation in a Discretionary, Separately Managed Account or Unified Account Program will likely prevent you from having a FATCA classification of Passive Non-Financial Foreign Entity. This could result in your entity having more burdensome documentation and reporting requirements. Please consult your tax advisor with regard to the possible tax consequences associated with your FATCA status.

A. Account Requirements for Establishing and Maintaining Advisory Accounts with Our Firm

Please see Section 4(B) above *"Advisory Programs: Fee Schedules, Minimum Investments and Minimum Annual Fees"* for a description of the minimum investments required to establish an Account in the Programs described in this Brochure. Generally, accounts with balances of \$1000 or below will be terminated from the Programs. However, we reserve the right, in our sole discretion, to change account minimums for new accounts, impose higher account minimums for certain strategies or portfolios that may be offered from time to time, to terminate accounts that fall below certain thresholds that may impact the management or servicing of the Account, or require that additional monies or securities be deposited in the Account in order to remain in the Program.

B. Your Investment Advisory Agreement

With the exception of Held Away IC clients and Cash Advisory Investment Management (CAIM, which is a Portfolio Management Program) clients, we will provide you with an Advisory Relationship Agreement and Application which, when signed by you, will apply to all future Advisory accounts you establish with our Firm. After we receive and accept your signed Application and Agreement, you may establish advisory accounts with us by contacting your Financial Advisors and providing verbal or written instructions, or for some Programs, by signing a new Application and Agreement. The IC Program and CAIM each require an additional contractual relationship outlining the IC services.

The Advisory Relationship Agreement and our Form ADV Disclosure Brochure apply to all of your Advisory accounts at UBS, including any Advisory accounts you may open in the future and those accounts established on your behalf by your Financial Advisor under the terms and conditions of UBS-CAP and CAP Select. We will notify you when there are updates and amendments to your account agreements. We will not provide another copy of the Form ADV Disclosure Brochure when you establish new Advisory accounts unless there is a new version or material changes to the document we originally provided to you. In addition, annually we will provide you with a copy of our updated Form ADV Disclosure Brochure or a summary of material changes.

Because the Agreement and the Form ADV Brochure apply to all the different types of Advisory accounts you can establish with us, some of the information in those documents and the other disclosures we send you may not apply to you now, but may apply in the future as you or, for UBS-CAP, IC or CAP Select, your Financial Advisor establish other accounts with us. **Please retain all these documents for future reference as they contain important information if you decide to add services or open new Advisory accounts with our Firm.**

When you establish an Advisory account with us, you will be required to execute both an investment advisory agreement (the Advisory Relationship Agreement) and a brokerage account

agreement (if you have not done so already). The brokerage agreement allows your account to have trading capability and custody services. Once executed, the brokerage agreement supplements your advisory agreement, and all, collectively, govern your relationship with us. Accounts established under the Advisory Relationship Agreement are designated as "Advisory" and our obligations to you as they pertain to that account will be that of an investment adviser as described in that Agreement.

Termination of your advisory Account will end our fiduciary relationship with you under the Investment Advisers Act as it pertains to that Account and will cause your account to be converted to, and designated as, a brokerage account. Your investment advisory agreement and our advisory services will no longer apply to that account and it will be governed solely by the terms and conditions of your brokerage account agreement. Participation in our Programs, our obligations to you under the Programs, and your ability to hold shares that, in some cases, are available exclusively through our Programs are contingent on you returning an executed Advisory Relationship Agreement to us. Failure to return the signed Application and Agreement to us will result in your investments being deemed and charged as brokerage and the liquidation of investments that may be held exclusively in our Advisory Programs, for example, PACE Money Market fund shares.

Some of our Programs permit you to delegate proxy voting authority to your SMA Manager or a third party, and/or suppress your receipt of daily trade confirmations in your account(s). We ask you to provide these instructions when you establish your first Advisory account under the relationship Agreement. We will apply your preferences (where those features are available) to all Advisory accounts you establish under the Agreement, unless you provide different instructions for specific accounts.

Opening Advisory Accounts on Verbal Instructions After Execution of the Advisory Relationship Agreement: You may decide to open additional Advisory accounts or take advantage of new services and account features in the future without signing additional documents or agreements. When that happens, we will confirm your instructions in writing and provide any relevant agreements and disclosures you have not already received. For certain accounts and services, you may be required to sign additional documents and agreements. All of the confirmations, agreements and disclosures we send you are considered part of the Advisory Relationship Agreement.

Account Risk Profile Questionnaires: To become a Program client you must complete an application that includes an Account Risk Profile Questionnaire (the "Questionnaire") to determine your investment needs, objectives and risk tolerances for the assets being invested in *each* Account. For UBS-CAP and IC, your Questionnaire will define the risk tolerances and objectives that you have for *all* your eligible assets included in the UBS-CAP or IC Portfolio as a whole. However, a Questionnaire needs to be completed for each account, based on the holdings of that account, in your UBS-CAP or IC relationship. The Questionnaire forms the basis of your selection of an investment strategy or asset allocations for your Program account. Questionnaires do not apply to the MAC Program.

Confirmation of Your Account Record: After a new Advisory Account is opened or whenever your investment objectives or risk tolerance is updated, we confirm your personal information and/or responses to the Questionnaire to verify that our records and our understanding of your objectives and risk tolerance for the assets in that Account are correct. Please review those

materials carefully and report any discrepancies to your Financial Advisor as soon as possible. Updates to existing Accounts are confirmed to you in writing and your investment objectives are reflected in your monthly account statements. Information for new Advisory Accounts is confirmed and sent promptly after account acceptance. It is your responsibility to inform us of any material changes in your objectives, financial condition or other changes that could affect how your Program Assets are being invested.

In addition, changes you make to Advisory Accounts, such as target asset allocations or investment selections (for example, replacement of SMA strategies in your ACCESS or SWP Accounts), can be implemented without requiring additional documents from you, and we will confirm these changes to you in writing.

You are responsible for providing us with your current address. If we are unable to contact you by mail, we will be required to terminate your Account from the Program(s). Upon termination, the assets will continue to be invested in the existing positions when permissible given the nature of the securities, and will be held in a brokerage account. Your Advisory Relationship Agreement and IC agreement with us will no longer apply to those accounts or our relationship with you. Any securities that cannot be held in a brokerage account will be liquidated.

Ownership of Securities and Investment Discretion. You are the beneficial owner of all securities in your Account and, other than as specifically delegated to us in your Agreement, you retain all rights related to the ownership of those securities. You retain trading authority for Accounts in Non-Discretionary Programs and SWP Non-Discretionary Assets. All transactions in those Accounts and sub-accounts will be executed by UBS based on your instructions to us. Neither UBS nor your Financial Advisor will have any discretion with respect to the investment of those Program assets.

Please note that securities transactions in your Account(s), liquidations, redemptions, rebalancing and other portfolio changes may result in you incurring gains or losses for income tax purposes. Neither UBS Financial Services Inc. nor its employees provide legal or tax advice. Please consult with your legal and tax advisors regarding this matter.

ACCESS/MAC/SWP/AAP/IC. Based on the authority you delegate to us in your Agreement, and as applicable given your Program selection, we will engage the SMA Managers to manage your Accounts. You also authorize UBS to take any actions necessary to open and maintain your Accounts or to complete and pay for transactions for your Accounts.

Discretionary Programs. If you select one of our Discretionary Programs in your executed Advisory Relationship Agreement or IC Agreement, you authorize and delegate to UBS investment discretion over those Program accounts. For the Discretionary Programs and UBS-CAP and IC with POA for Limited FA Discretion Services, your signature also authorizes us to delegate investment selection for your accounts to sub-advisors. With that authority, we may delegate the selection of all or a portion of the securities for your Account to sub-advisors/model providers, including engaging SMA Managers, or Overlay Managers for inclusion in the portfolio.

Transactions in your SMA Programs, Discretionary Programs and your SWP and AAP SMA Manager Sub-accounts; Tax planning. After your Account is accepted for a Discretionary, SMA or Unified Managed Account Program, you

can no longer place orders to trade those Discretionary or SMA Accounts or sub-accounts.

However, we may accept your instructions for transactions associated with tax planning (i.e., tax gain and loss sales), if your instructions are consistent with your Portfolio Manager/SMA Manager's strategy.

Except for the PMP Program and the UBS Advice Portfolio Program, if you selected tax loss harvesting services, neither UBS nor your Financial Advisor exercises any discretion over the selection of securities or tax lots to fulfill tax planning requests. Currently, in the ACCESS Program, and the SMA sub-accounts of SWP and AAP, you can work with your Financial Advisor to submit requests for tax harvesting trades to the SMA Managers.

You may make requests to raise a specific dollar amount of gain/loss, which will be submitted through an automated process that systematically reviews the equity positions in a separately managed account/subaccount to identify the least number of trades needed to fulfill the request.

You can make requests to raise maximum gains/losses from the equity positions in separately managed accounts/subaccounts and an automated process systematically identifies transactions to maximize gains/losses, depending on your request.

You can also work with your Financial Advisor to identify specific securities (equity or fixed income) in the separately managed accounts/subaccounts that can be sold for tax planning purposes.

You may request tax harvest requests using long-term then short-term or vice versa.

A combination of these options may be used to maximize total gain/loss requests. The automated process is subject to minimum gain/loss thresholds and managers may also have their own tax sale policies. The SMA Manager may fulfill, reject or modify the request. In addition, to ensure orderly processing of requests, **tax sales should be requested before November 30 of each calendar year.**

Tax loss harvesting requests apply to the individual specific account for which a request is made. If you buy or sell securities in an account that overlaps with the securities sold for tax purposes in another account, the tax loss may be disallowed under IRS wash sale rules.

We cannot accept requests to halt or freeze trading in an Account at any time as a way to prevent additional gains or losses, or for any other reason.

Custody. Generally, the programs described in this brochure require your account assets to be held in custody with UBS. However, we may, on an exception basis, accept certain accounts whose assets are custodied with other financial institutions who meet the definition of a qualified custodian. Those accounts are referred to as delivery versus payment ("DVP") accounts. For UBS-CAP and IC, we may accept certain relationships that hold their assets in the custody of other financial institutions who meet the definition of a qualified custodian.

However, we do not recommend doing so, for the following reasons:

- You will incur additional costs in excess of your Program Fee (for example, custody costs).
- Billing for your Account, including the accurate processing of rebates if applicable, is the responsibility of the financial institution holding your assets, not UBS.
- Generally, all of the assets covered by UBS-CAP or IC will be

billed at the same UBS Investment Advisory Fee rate. If you decide to include assets held at other financial institutions in UBS-CAP or IC, you will be paying for services that you are not leveraging as it pertains to those assets, specifically, custody, trading and execution. Your UBS Investment Advisory Fee will not be reduced as a result of additional costs you incur as a result of holding assets at other financial institutions. **You also agree to establish an account at UBS for billing purposes of these assets if applicable and requested by UBS.**

- Except for accounts enrolled in UBS-CAP or IC, you will not receive a Performance Review from us.
- Quarterly Fee Adjustments (explained in Billing Practices), do not apply to assets not custodied at UBS.

For accounts held at other financial institutions, you agree to use only a qualified custodian that is a bank, a U.S. registered broker-dealer, a futures commission merchant or a foreign financial institution. This custodian must meet the definition of a "qualified custodian" that is established in Rule 206(4)-2 under the Investment Advisers Act of 1940.

In addition, neither UBS nor Institutional Shareholder Services Inc. will act as proxy voting agent for DVP accounts in Discretionary Programs (for details, see *Voting of Client securities (Proxy Voting)*).

We will send you periodic account statements reflecting the transactions in your Account. We urge you to compare those statements with the ones you receive from your custodian.

1. Funding Your Account.

You may fund your Advisory Account by depositing cash and/or eligible securities designated as "eligible" for the specific Program; funding Accounts with UBS securities is permitted only for certain programs.

If you sold mutual funds, unit investment trusts or alternative investment securities either before entering into an Advisory Program or while in a Program (for example, funding your account with B or C shares), you may have paid either upfront or back-end charges, or redemption fees depending on the share class. When proceeds of those sales are used in an Advisory Program, you will incur our Program Fees, in addition to the operating fees and expenses charged by the mutual funds.

Class A shares, and for PMP and Strategic Advisor accounts, Class C shares (that are not subject to a contingent deferred sales charge (CDSC)) used to fund accounts subsequent to the Share Class Conversions will be automatically converted, on a tax-free exchange basis (subject to availability of that service by the mutual fund sponsor), to the new share class available for the relevant fund when free of the CDSC period. We will undertake this action on your behalf based on your authorization in the Advisory Relationship Agreement or IC Agreement, or, if you already have an agreement on file, by continuing to accept the services in the Program after receipt of notice of these changes. Class C shares are not eligible for funding Strategic Wealth Portfolio or Advisor Allocation Program accounts.

If you fund your Account with securities, you authorize and direct UBS and/or your SMA Manager, as applicable, given the terms of your program, to liquidate those securities on your behalf and to allocate the proceeds in accordance with your selected investment style. **We will not advise you regarding the liquidation of these securities. We will execute those transactions free of commission charges; however, depending on the type of security involved, those**

liquidations may result in you incurring redemption charges and taxable gains or losses. You should review the potential tax consequences of these liquidations with your tax advisor before funding your Account with securities.

When liquidating these securities for purposes of establishing your Account, we will be acting as your broker, not your investment adviser. Liquidations will be effected promptly after acceptance of your Account at the then prevailing market prices.

We will not be responsible for the liquidations and any consequences due to your failure to notify us of other existing security holdings, the overall effect of liquidations once effected, or the loss of potential gains due to movements in the market prices or changes in market conditions.

Securities that are ineligible for an Investment Advisory program should be transferred to a brokerage account. If immediately prior to funding an Advisory Account, you choose to liquidate eligible and/or ineligible securities to fund an Account with the cash proceeds, those liquidations will not be subject to commission charges or if charged, commissions will be reversed.

For SWP and AAP Accounts Only—Funding Multiple Investment Managers.

If the Target Allocation for your SWP or AAP accounts has two or more SMA Managers either at the time you initially open the Account, or upon reallocation when changing SMA Managers, funding will occur as follows:

If funding with cash alone, UBS will fund the SMA sub-accounts in the order that would result in the least amount of cash being left uninvested. For instance, if there are two Managers, the Manager with the highest minimum investment will be funded first and then the additional Managers.

If two Managers have the same minimum funding requirements, UBS will use a random selection methodology to identify the Manager to be funded.

Cash that remains after the maximum number of Managers are funded, will be invested in mutual funds and/or ETFs according to your Target Asset Allocation. Or the cash may be invested/swept depending on the sweep option for the account.

If you fund your SWP or AAP accounts with securities (either completely or partially):

Fixed income securities: all fixed income funding securities will be allocated to the fixed income SMA Managers first in order to determine whether they should be held or sold—even if the total value of the fixed income securities used to fund your Account exceeds the value that is allocated to the fixed income investment managers. If securities are sold, the proceeds will be allocated to your other SMA Managers and/or other investments as described above.

Equity securities will be allocated to the SMA Manager whose investment strategy comprises the greatest amount of equity funding securities, based on dollar value.

Equity securities that are not part of the equity SMA Manager's portfolio will be sold as described in the **"Funding Your Account"** section above, to the extent necessary to meet the SMA Manager's investment minimum. If additional SMA Managers can be funded based on available funds, they will be funded in order of highest to lowest match of equity funding securities to securities in the SMA Managers' respective investment strategies.

Therefore, certain sub-accounts will not be funded if there is not sufficient cash and/or securities to fully fund the account

according to your Target Allocation.

Your initial SWP and AAP Program Fee will be based on the Target Allocation you selected in SWP, and selected by your Financial Advisor in AAP, rather than on your actual asset allocation, as in certain circumstances, one or more Investment Managers may not be fully funded for a limited period of time and your Target Allocation may not be fully implemented.

2. Investment strategies; Eligible and Ineligible Assets

We employ a variety of investment strategies in connection with our wrap fee and other Investment Advisory services, depending upon:

- The type of client involved
- The Program chosen
- The objective selected by the client

These strategies may involve the use of proprietary models or research blends, long-term and short-term investments and covered option writing. In special circumstances, these strategies may rely on short sales, options or other hedging techniques. We may, in our discretion, expand the offerings in our programs to include multiple style accounts and investment strategies that include, but are not limited to, margin and short sales, leveraged and option strategies, complex products and concentrated strategies.

We may impose special suitability and investment requirements with respect to these portfolios.

Eligible Assets and Ineligible Assets

We require that you hold and purchase only eligible assets in your Advisory accounts. Generally, with respect to most of the Programs described in this brochure, you or your SMA Manager or Portfolio Manager may purchase and sell securities of any kind which may include the following eligible assets:

U.S. and foreign stocks	Bonds	Options (in certain programs)
American Depositary Receipts	Closed-end funds	Open-end mutual funds (in certain programs)
Exchange traded notes	Collective trusts	Eligible UITs (in certain programs)
ETFs	Money market funds (in certain programs)	Public REITs
Publicly Registered Non-Traded REITs (in certain programs)	Offshore Funds and ETFs	Eligible Structured Products (PMP and Strategic Advisor programs only)
Hedge Funds, Funds of Funds and Private Equity, Private Real Estate, Private Credit, Private Infrastructure (in certain programs) – limited to only to Advisory/Institutional Share classes.		Small Business Administration Loans
UBS Bank USA Core Savings Accounts "Core		

Savings Account" (in PMP and Strategic Advisor only).		

UBS Bank USA Core Savings Accounts "Core Savings Account" (in PMP and Strategic Advisor only). Core Savings Accounts are standard savings accounts on deposit at our affiliate, UBS Bank USA. These savings accounts became eligible in IC, PMP and Strategic Advisor and provide an additional option for your short-term cash or uninvested cash holdings.

While you will receive interest on the assets deposited in the Core Savings Accounts, the overall return will be reduced by the Program Fee you will pay on those assets.

You can access Core Savings Accounts through your brokerage accounts in a more cost efficient manner without incurring the investment advisory fees imposed in IC, PMP and Strategic Advisor. As such, you should carefully consider the costs and overall return of the Core Savings Accounts in brokerage versus advisory accounts and whether the Core Savings fits within your IC, PMP or Strategic Advisor strategy or investment plan before you decide to hold the Core Savings Account in an advisory account.

Core Savings Accounts have limitations on the number of withdrawals that can be made during a calendar month. **If you make more than five (5) withdrawals from a Savings Account in any calendar month, at the sixth withdrawal, your entire UBS Bank USA Core Savings position will be liquidated in full (principal plus accrued interest).** UBS Bank USA will not impose withdrawal fees on Core Savings Accounts held in IC, PMP and Strategic Advisor. Please review the "UBS Bank USA Core Savings Disclosure Statement" carefully for important information regarding the features, deposit and withdrawal processes, fees and compensation related to Core Savings. Transfers between your Securities Account and your Savings Account can only be made on business days.

Core Savings is a UBS proprietary product and, as such, UBS Financial Services Inc., its Financial Advisors and our affiliate, UBS Bank USA, benefit from and receive compensation in connection with the assets you deposit in Core Savings Accounts. Please see "Additional Compensation" Section for additional details.

UBS Bank USA Core Savings is not intended for clients who need to have frequent access to the funds in their Savings Account.

UBS, at its discretion, can make particular securities or issuers ineligible for the Programs or place a "hold" on further trading for certain investments at any time.

UBS, also in its discretion, may limit investment allocations to particular mutual funds, ETFs, closed end funds, UITs and other registered investment companies ("Funds"), including where additional investments may adversely impact the ability of one or more of our affiliates to trade with such Funds due to regulatory restrictions. In these circumstances, such Funds will be placed on "hold", thereby restricting additional purchases of such Funds in Advisory Accounts, and a different Fund will then be selected for investment in order to increase exposure to a particular strategy or asset class for such Accounts. These limitations cause a conflict of interest because UBS is taking into consideration the potential impact on trading relationships and business of its affiliates in making decisions on the availability of investments for Advisory clients. UBS mitigates this conflict by ensuring the availability of alternative Funds that can provide exposure similar to the initial Fund where additional purchases were restricted.

Ineligible Assets. The following products are not eligible ("*Ineligible Assets*") for our Advisory Programs:

Insurance and annuity products	Limited partnership interests (excluding Master Limited Partnerships in certain programs)	Private Placements (excluding hedge funds, and other alternative investments listed as eligible above)
IPOs	Non-Publicly Traded REITs	Syndicate offerings (in certain programs)
All other Non-Daily Traded Alternative investments including, but not limited to, brokerage share classes of Hedge Funds, Funds of Funds, Real Estate and Private Equity	Alternative Investment funds that do not offer an Advisory or Institutional Share class.	UBS securities (in certain programs)
Auction-rate securities (in certain programs)	Floating-rate securities	Listed or OTC index warrants
Commodities and futures (in certain programs)	Class B and class C share mutual funds (not available for purchase but may be held in Strategic Advisor accounts and are not subject to the Program Fee)	Certain Institutional mutual fund share classes if the Advisory share class has been selected as the eligible share class for the Program.
Penny Stocks, microcaps, and other high risk-securities as defined by OTC Markets	Letters of Credit	Participant loans
Inverse and leveraged ETFs (except for those ETFs eligible in PMP)	Special Purpose Acquisition Companies (SPACs)	Virtual Currency

The list above describes the products which are usually (but not always) eligible or ineligible in our Programs. The list can change at any time in our discretion. Eligibility of investments can vary by Program and strategy type. Please contact your Financial Advisor for the list of eligible investments in your specific Program.

In the IC Program, SMA Manager and strategy eligibility is determined in accordance with IC eligibility requirements, regardless of whether an SMA Manager or strategy is available in ACCESS, MAC, SWP, or AAP.

Our Advisory Programs do not offer the ability to conduct principal trades. As such, in these Accounts, you may not hold, purchase or sell securities that trade only on a principal basis. Currently, you have access to principal execution in your Advisory account only for tax loss sales transactions in worthless securities in all Programs.

UBS Stock. Subject to the exception described below, our Advisory Programs **do not offer UBS stock or UBS securities, except for the UBS mutual funds and money market funds (including money market funds used as cash sweep**

vehicles) in the Programs and UBS Exchange Traded Notes in certain programs. Advisory Accounts may not be funded by depositing UBS stock.

SMA Managers in the ACCESS, MAC, AAP and SWP Programs who are not affiliated with UBS may be able to purchase UBS securities for your Accounts (this is limited to the common stock of UBS AG and certain money market funds for retirement accounts). We may expand this option to other Programs in the future. UBS securities are issued by UBS Group AG, the parent company of UBS, or another UBS affiliate under common control. As a UBS Group AG subsidiary, we have a control relationship (we are either controlled by or under common control) with the issuer of such securities.

Impact of Ineligible Assets in Your Accounts: Neither UBS, your SMA Manager nor your Financial Advisor will act as your investment advisor with respect to Ineligible Assets, including investments and securities that UBS makes ineligible after your Account is enrolled in a Program. If you hold such products, investments or securities in your Advisory Account and you also have a separate UBS commission-based brokerage account, we may transfer those assets from your Program Advisory Account to your UBS commission-based brokerage account in order to facilitate our billing and performance reporting. However, you understand that we are not obligated to transfer those assets and you remain responsible for monitoring and moving these assets from the Programs. The transfer of Ineligible Assets from your Advisory Account to your brokerage account will not result in liquidation of your securities or taxable events, commissions or any other compensation either to UBS or your Financial Advisor. It may also lead to termination of your Account.

If you do not have a separate UBS commission-based brokerage account and you decide to hold Ineligible Assets in your Advisory Account, you do so against our recommendation and with the understanding that the value of those securities may impact a variety of services offered in the Programs and be included for purposes of calculating and reporting the performance of your account, and calculating the Program Fee and other account billing events, resulting in a higher fee to us. It may also cause a trade error(s) due to overinvestment and may lead to termination of your Account.

Classification and Availability of Investments, SMA Managers, Mutual Funds, Alternative Investments and PACE Select Trust Portfolios.

We categorize all eligible SMA strategies, mutual funds, ETFs, alternative investments and other pooled investment vehicles into asset categories. These categories are defined by UBS. We may add or remove asset categories at any time. We also may change an investment's asset category, based on various factors, including, for example, a mutual fund's portfolio holdings. In assigning each mutual fund to an asset category, we may rely solely on third-party vendors or on the fund's prospectus and other information that is publicly available or provided to us by the fund's agents.

In the event of these changes, you will be required to accept such changes to the Advisory Program, investment, and/or the funds. If you choose not to accept such changes, you will no longer be eligible to participate in the Advisory Program.

There can be no assurance that any of the investments that are available or eligible in our Advisory Programs will always remain available for purchase through the Program. We may add or remove securities or issuers at any time, or an issuer or sponsor

may stop offering its securities through or participating in the Program. Depending on the circumstances, those investments may be sold, transferred to a brokerage account or registered directly in your name with the issuer's transfer agent. This may result in additional costs or be a taxable event for you.

UBS, also in its discretion, may limit investment allocations to particular mutual funds, ETFs, closed end funds, UITs and other registered investment companies ("Funds"), including where additional investments may adversely impact the ability of one or more of our affiliates to trade with such Funds due to regulatory restrictions. In these circumstances, such Funds will be placed on "hold", thereby restricting additional purchases of such Funds in Discretionary Program accounts, and a different Fund will then be selected for investment in order to increase exposure to a particular strategy or asset class for such Discretionary Program accounts. These limitations cause a conflict of interest because UBS is taking into consideration the potential impact on trading relationships and business of its affiliates in making decisions on the availability of investments for Discretionary Program clients. UBS mitigates this conflict by ensuring the availability of alternative Funds that can provide exposure similar to the initial Fund where additional purchases were restricted.

Share Class Conversion: Advisory/Institutional Share Classes of Mutual Fund, Offshore Funds, and Alternative Investments Eligible in (certain) Programs. For Programs that offer mutual funds and alternative investments, the offering includes affiliated and non-affiliated investments. We will provide you with mutual fund prospectuses, the offering documents for alternative investments and other fund information as you may reasonably request to assist you in completing appropriate forms for purchases, redemptions, account designations, address changes and other transactions involving these investments.

Institutional and/or Advisory share classes are the primary eligible domestic and offshore mutual fund share classes for proprietary and non-proprietary mutual funds available for purchase in Advisory Programs, although not all Programs offer mutual funds or offshore funds. Your Financial Advisor can provide additional information. Class A shares are available for mutual funds that do not offer Institutional or Advisory share classes or that declined to make those shares available in the Programs.

If you hold Institutional Shares in your Advisory Account and the Advisory share class becomes the share class eligible for purchase, your Institutional shares will become "hold only" (even if, in the case of offshore funds, you elect not to convert your Class A shares to Advisory shares.). That means you may sell but you may not add to those positions in the Advisory Accounts.

If you transfer Class A shares of mutual funds to your Advisory Account, or use such shares to fund your Account, we will automatically convert the Class A shares to the advisory or institutional share class if available for purchase in the Programs, including Class C shares that are out of the CDSC period, except in PACE Multi, where such conversion will convert only upon Financial Advisor request. Class A and C shares of interval funds and Class A shares of offshore funds are **not** automatically converted to the advisory share class. If you hold Class A shares of offshore mutual funds, you may elect (but you are not required) to convert those positions to advisory share classes upon reviewing your Account and providing an attestation regarding your understanding of tax consequences that may occur as a result of the conversion.

Class A shares normally impose a shareholder servicing fee,

commonly referred to as a 12b-1 fee, which you pay directly to the fund company. As a distributor of mutual funds, we receive the 12b-1 fees for services we provide.

The Class A shares available in the Advisory Programs do not impose a load or sales charge at the time of purchase but include 12b-1 fees. Because most Institutional or Advisory share classes do not impose a 12b-1 fee shareholder servicing fee, these share classes are usually more cost effective than the Class A shares.

The treatment of 12b-1 fees and offshore fund trails varies by Program. While some fees are rebated or offset against the Program fee in certain Programs, others are retained by the Firm. See *"Offsets, Credits and Rebates and Billing Exclusions Available in Certain Programs"* for a description of applicable billing practices.

Availability of Institutional Shares of Mutual Funds in Brokerage Accounts: For both domestic and offshore mutual funds you may be able to purchase and hold Institutional shares and/or Advisory shares in your brokerage account and exclude these assets from your Program Fee. Other share classes, including some that may be more cost effective and for which we receive no revenue sharing compensation, may be available to you in brokerage accounts or through advisory programs designed primarily for institutional clients.

Single Share Class Mutual Funds: We offer a single share class of mutual funds with no front-end loads, back-end loads or 12b-1s for purchase in our brokerage platform subject to a per-transaction commission, with certain limited exceptions including, but not limited to, offshore funds, interval funds and money market funds. This share class is, in most instances, the same share class available in our Advisory Programs. Clients who hold A, B, C or other share classes in their brokerage accounts may continue to hold those assets. Financial Advisors will continue to receive 12b-1s until late 2025, at which point, subject to certain exceptions, the 12b-1 fees will be retained by the Firm. Clients may continue to incur CDSCs and other fees associated with such share classes so long as clients continue to hold them. However, new purchases of mutual funds (other than the limited exceptions referred to above) will be limited to the commission-based single share classes.

The difference in compensation structure between the single share class and previously offered share classes as well as the planned changes for 12b-1 compensation create a conflict of interest since Financial Advisors have an incentive to recommend alternative solutions to A, B, C or other share class holdings ("Legacy Shares") such as a commission-based investment product, or an advisory account.

Additional Compensation: To the extent permissible by applicable law, UBS receives revenue sharing for Advisory shares in Eligible Advisory Programs. This additional compensation presents a conflict of interest and is an incentive to designate as "eligible" the share class for which we receive higher compensation.

Advisory/Institutional Share Classes of Alternative Investments: Certain Programs (UBS-CAP, CAP Select, IC and Strategic Advisor) permit you to hold advisory/institutional share classes of certain alternative investments (proprietary and non-proprietary) as part of your Advisory Account or UBS-CAP, CAP Select, or IC Relationship. Generally, and subject to limited situations, only funds that offer advisory/institutional share classes and permit conversion of the brokerage share class on a tax-free basis are eligible and billable in the Programs.

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Unlike mutual funds where the conversion of share classes is automatic, the tax-free conversion of share classes is subject to additional documentation and may take up to 120 days to complete. These assets will not be approved for the Advisory Programs until the Share Class Conversion is complete. UBS and our Financial Advisors will continue to receive a portion of the management fee and other compensation until the effective date of such conversion. See *"Additional Sources of Compensation in Connection with Investments in Advisory Accounts"*

Transferring Mutual Funds and Alternative Investment Shares and other Assets into Your Advisory Accounts. We may accept the transfer of certain assets and shares of mutual funds and alternative investments purchased outside of our Advisory Programs at UBS or at other financial institutions into Advisory Accounts. Assets transferred into your Advisory Accounts are referred to as "Transferred Assets." Transferred Assets may have been assessed a sales load, sales charge or distribution fees previously and, once transferred, you will be assessed the Program Fee based on the value of those assets except in certain instances.

If your Transferred Assets were purchased in a UBS brokerage account and were assessed a:

front-end sales load,
placement fees, or
syndicate/underwriting fees

those assets will not be charged the Program Fee until 12 months has elapsed from the date of initial purchase.

If your transferred mutual fund or alternative investment shares (for example Class A shares of mutual funds or where applicable the brokerage share class of an alternative investment purchased with a sales charge) are converted to an Institutional or Advisory share class on transfer to the Advisory Program, the new share class will be designated as a "Transferred Asset" and will be excluded from the Program Fee until 12 months have elapsed from the initial purchase date of the Class A share or brokerage share class.

However, if you transfer mutual fund shares purchased under the new Single Share Class offering to an Advisory Account, those shares will be subject to the UBS Investment Advisory Fee upon transfer and any commissions charged within a certain period prior to such transfer will be rebated to your Account.

Transferred Assets purchased at other financial institutions will be assessed the Program Fee immediately.

Because the exceptions are not available for assets and mutual fund shares purchased at another financial institution, the overall cost to you of transferring these assets into the Programs will be higher for assets you purchased at another financial institution. Please review the costs carefully before making a decision to transfer assets into your Advisory Accounts. If you sold mutual fund shares or alternative investment funds prior to entering into, or while in our Programs, you may have paid certain fees with respect to that sale or incurred charges on the initial purchase of certain share classes. You will now incur the Program Fee on eligible shares held in your Accounts, in addition to the operating fees and expenses applicable to mutual funds and alternative investments.

Termination of your Advisory Account and Impact on Share Classes: Generally, you may continue to hold most Institutional and/or Advisory share classes after you terminate your

Advisory Account. However, in certain limited cases, mutual fund companies and alternative investment fund sponsors require that Institutional and/or Advisory share classes that have been created for use or are eligible exclusively within wrap fee advisory programs be converted to the respective brokerage share class of the fund (for example, Class A shares for mutual funds) on termination of the Advisory Account. When required by the prospectus for mutual funds, on termination of your Advisory Account, we will convert your Institutional and/or Advisory share classes to Class A shares of the same fund on a tax-free basis unless you are terminating your account to establish another one in a separate program where the same share class is eligible. **Unless the issuer requires automatic redemption of these investments, you can continue to hold them in your brokerage account.** Single share class holdings that move from Advisory to Brokerage accounts will be subject to commission charges on buys, exchanges and sells. Please see *"Automatic Liquidation or Exchange of Certain Assets at Account Termination"* for more information.

3. Investment Restrictions & Investment Policy Statements

Investment Restrictions. Our Discretionary and SMA Programs offer you the ability to impose reasonable investment restrictions on the management of your Accounts including restrictions as to permissible securities, industries, industry sectors, maturity or credit ratings depending on program selected.

Investment restrictions will apply only to those assets over which we or your SMA Manager have discretion. Investment restrictions are **not** applicable to, and may not be imposed on, the non-discretionary portion of your SWP Account, "ineligible" assets you may hold in Advisory Accounts, the alternative investment sleeve in UBS-CAP, IC non-discretionary Program or Options Overlay / Concentrated Equity Solutions Strategy Accounts.

These preferences will apply only to the account you designate and vary by type of program, account or strategy. When you establish your accounts in these Programs, we will ask you if you want to impose any investment restrictions on the management of your Account. Depending on the structure of the program you selected, we or your SMA Manager, as the case may be, will seek to adhere to these restrictions on a reasonable basis. However, if the strategy utilizes commingled vehicles (for example, mutual funds, exchange traded funds or alternative investments), any restrictions you place on your account will not flow through to the securities held in the commingled vehicles. **Also, given the structure of most pooled investment vehicles, strategies composed of 100% mutual fund/ETF portfolios and the FA Discretionary sub-accounts in AAP can accommodate restrictions only on individual investment vehicles (for example, by fund or ETF name or CUSIP).**

We or your SMA Manager may refuse to accept an account for management in cases where we find the restriction to be onerous. In this circumstance, you, or your Financial Advisor if they have discretion over SMA Manager selection, would need to select a new SMA Manager (or other investment). This may delay investment of the entire account.

Accounts with investment restrictions may perform differently from accounts without restrictions and performance may be lower. To comply with your investment restrictions, we obtain and rely on information about company and industry classifications, credit ratings, maturity, and industry groupings from third parties. The information we obtain and use for

purposes of imposing restrictions may differ from the information available from other sources and other areas within UBS. The category restrictions we offer may be overly or less inclusive, depending on the methodology used to define the categories for example, considering factors such as a company's direct/indirect involvement in an industry or activity or the proportion of a company's revenue derived from an industry or activity. Although we believe this information to be reliable, we do not independently verify or guarantee the accuracy. The change of the classification of a company, the grouping of an industry or the credit rating of a security may force UBS, your Portfolio Manager, Financial Advisor, or the SMA Manager, as the case may be, to sell securities in an account at an inopportune time, possibly causing a taxable event. In addition, due to corporate actions at an issuer, including but not limited to mergers, spin-offs and other types of reorganizations, new securities may be issued and/or certain securities will no longer exist following the corporate action and we may or may not restrict the security owned following a corporate action depending on the classification of those securities by the vendor.

Although your SMA Manager or Portfolio Manager is responsible for complying with the investment restrictions they accepted for your Accounts if you have selected the POA for Limited FA Discretion Services in UBS-CAP or IC we will periodically review your UBS-CAP or IC Portfolio to determine whether such managers are complying with the restrictions.

Investment Restrictions for MAC and IC Program. Clients in the MAC and IC Program must communicate investment restrictions directly to the MAC SMA Manager and SMA Managers that are approved only for use in IC (unless we serve as your SMA Manager). It is also the client's and the SMA Manager's responsibility to monitor compliance with specific investment restrictions. Neither UBS nor your Financial Advisor will monitor such compliance. If you have selected the POA for Limited FA Discretion Services option in UBS-CAP or IC, your Financial Advisor will communicate investment restrictions for your MAC Account to the MAC SMA Manager. In those instances, and where our Portfolio Managers serve as your MAC SMA Manager, we will seek to comply with reasonable restrictions you place on your accounts and will review your MAC SMA Manager's adherence with such restrictions.

Investment related restrictions are limited in options overlay investment strategies (including iron condor and broad index option writing strategies) because the accounts generally will trade and hold only option contracts tied to broad indices (e.g. S&P 500 index) or concentrated stock positions selected and deposited by the client. Clients must communicate such requests directly to the MAC SMA Manager.

Investment Policy Statements. Since an Advisory Account is generally only one component of a client's overall portfolio, we will not approve or otherwise monitor compliance with investment policy statements (IPS) when provided in connection with the opening of an Account in the Programs described in this brochure, at account conversion (for acquisitions) or otherwise. Except for UBS-CAP, IC and CAP Select, the Programs described in this Brochure do not provide IPS services. In connection with accounts covered by UBS-CAP, IC and CAP Select, our review is limited to assessing whether your UBS-CAP, IC or CAP Select Portfolio is consistent with your Investment Policy Guidelines (or IPS in IC) at the broad asset class level (i.e., equity, cash, fixed income). We will not be responsible for ensuring that your Investment Policy Guidelines (or IPS in IC) and asset allocation choices comply with all specific legal, actuarial or other requirements that apply to you. That responsibility rests solely with you and you should consult with your legal and

tax advisors regarding those matters.

4. Performance Reporting for Your Account

For the Programs in this brochure other than IC, we provide you with an annual performance review once your Account is enrolled in our Program(s) for one full calendar quarter. In the IC Program, we provide you with a quarterly performance review once you are enrolled in the IC Program for two calendar quarters. The performance review summarizes the performance of your Account during the preceding quarter as well as historical periods, if applicable. We use our best efforts to ensure timely delivery of these reports, but reserve the right to delay delivery to ensure accuracy and completeness. You are responsible for reviewing these materials and reporting any discrepancies to your Financial Advisor as soon as possible. With limited exceptions (such as relationships established through our UBS-CAP or IC programs), performance reporting is not available for accounts whose assets are not custodied with us.

You may, at your discretion, request quarterly or more frequent performance reports by contacting your Financial Advisor. Accounts enrolled in a MAC-Eligible strategy and accounts enrolled in Options Overlay Strategies will receive performance reporting on a quarterly basis instead of annual.

Please see “Portfolio Management Selection and Evaluation—Performance Reviews of SMA Managers, Portfolio Managers and Financial Advisors in our Advisory Programs” for a description of our performance evaluation process and our selection of indices in the various Programs.

If you are enrolled in the IC Program, you may not receive the performance review for your individual MAC, ACCESS or other Advisory Program Accounts. Instead, you will receive a portfolio review according to the guidelines you established under your IC Program agreement. The option to suppress the performance reports for your individual Advisory Accounts and to have a tailored performance review is only available when your IC Program consolidated reviews and agreement cover those accounts. The Program Fee you pay in the ACCESS, MAC and other Advisory Programs will not be reduced as a result of the receipt of performance reporting services under the IC Program.

Impact of ineligible assets on performance reporting: Since ineligible assets are not considered Program Assets, the inclusion of such securities will impact the actual performance of the Program Assets in your Account and, therefore, we may exclude the Account from receiving an annual performance review and/or remove it from the Program until the ineligible assets are removed.

Aggregating Accounts for annual performance reviews. Related Accounts may also be aggregated for performance reporting. Please contact your Financial Advisor to have your related Accounts aggregated for performance reporting.

Accounts with a negative value will not receive an annual performance review, for instance, certain specialized strategies that utilize margin or collateral from other accounts.

5. Trade Confirmations and Account Statements

We will send you confirmations of transactions for your Accounts, as well as periodic account statements. For our Discretionary Programs (for AAP accounts this applies to the SMA sub-accounts), SMA Programs, UBS-CAP, and the SMA Manager assets in your Strategic Wealth Portfolio Account, we offer you Page 50 of 91

the option of receiving your trade confirmations monthly instead of as the transactions take place. Simply check the box labeled “TRADE CONFIRMATIONS” on the Program Application. If you are enrolled in the IC Program and you hold assets in an IC Account, you will elect to receive trade confirmations monthly on your firm account statement as provided in the IC Program agreement. **Unless you provide different instructions, we will deliver your trade confirmations the same way for Advisory Accounts you establish now and in the future.**

Doing so will waive your right to receive immediate trade confirmations for those Accounts and any future Advisory Accounts you establish with us and will instruct UBS to send immediate trade confirmations to your SMA Manager.

You are not required to select this option in order to participate or continue to participate in our Programs, nor will you pay additional fees if you choose to elect this option. You may change this instruction for all or individual accounts at any time by notifying UBS in writing. All trade confirmations for mutual funds and ETFs purchased or sold in your AAP or SWP Accounts will be sent to you immediately following the transaction.

Trade Confirmation for Automatic Transactions in the PACE Program: Automated services in your PACE Account include automatic rebalancing, purchases or redemptions. Trade confirmations for transactions resulting from those services will be provided to you, as well as for transactions completed in order to debit your PACE Program Fee, on a monthly basis with your account statement. You will not pay or incur additional fees by opting to receive monthly trade confirmations. You may change this instruction at any time by contacting your Financial Advisor. Changes will be effective with your next scheduled automatic service. For any other transactions effected in your PACE asset allocation outside of the automatic services, you will receive immediate confirmations following the transaction.

6. Electronic delivery of documents

To the extent permissible by applicable law, we may, with your prior consent, deliver trade confirmations, Form ADV Disclosure brochures, performance reports, prospectuses, offering documents and other documents and notices related to your Accounts, trades and relationship with us via electronic format.

UBS offers certain communications through electronic delivery. Examples include: statements, trade confirmations and notices; shareholder communications, including fund reports, prospectuses and proxies, and all account documents related to Advisory Accounts and fee-based financial planning services; performance reports; tax reporting documents; client and account information documents; other firm documents that may be available now or in the future.

Documents related to Advisory Accounts will be delivered electronically when you enroll in electronic delivery of Shareholder Communications. The documents related to Advisory Accounts include, but are not limited to, Form ADV disclosure brochures, account enrollment and change confirmations, manager profiles, asset allocations, performance reports, and other disclosures, reports and notices related to advisory accounts and your advisory agreement. These reports and notices contain information relating to your accounts and investments, such as account attributes, account profile, investment elections and preferences, investment strategy and fees. We may deliver documents relating to Advisory Accounts as a link to a UBS website or as an attachment to an email.

When sending attachments to emails, for your protection, we will exclude and/or mask certain personal information such as name, address, and account number. We may also include important notices, disclosures and updates relating to your Advisory Accounts in or with your monthly account statements or performance reports.

By signing the Advisory Relationship Agreement, you confirm that 1) your Electronic Delivery elections apply to your Advisory Accounts, and 2) your enrollment in electronic delivery of Shareholder Communications authorizes UBS Financial Services Inc. to electronically deliver all reports, disclosures and notices related to your Investment Advisory accounts. Based on that authority, we will automatically enroll you in electronic delivery for your Advisory Accounts if you select the electronic delivery of Shareholder Communication option in your brokerage account agreement. **If you are enrolled in UBS Online Services, you may change your delivery preferences at any time by logging into UBS Online Services at: <http://www.ubs.com/edelivery>. You may also change your delivery preferences by contacting your Financial Advisor.**

Mutual Fund Prospectus(es): When a new prospectus is available, we will send you an e-mail notification to the e-mail address you have provided to us. The e-mail will include a link that will take you directly to where the prospectus can be viewed and downloaded. Prospectuses contain important information regarding your investments. We recommend that you read them carefully and consider investment objectives, risks, charges and expenses before investing, and maintain them in your files for future reference. If you have any questions, please contact your Financial Advisor.

If your e-mail address becomes outdated or we receive messages that a document sent to you is not deliverable to the e-mail address you provided, we will send the document to you via regular mail.

7. Valuation and Other Information

To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian, we will generally rely on the value provided by that custodian.

If your investment strategy includes mutual funds, in computing the value of your Program Assets, shares of UBS mutual funds will be valued at their respective net asset values on the valuation date calculated in accordance with the fund's current prospectus. Shares of non-affiliated funds will be valued at their net asset values on the valuation date as provided by pricing sources that we believe to be reliable. This pricing information may not be accurate, complete or provided in a timely manner. If the net asset value for particular shares is not available for the valuation date, the most recent available net asset value will be used. Similarly, valuation data for certain private or illiquid investments may not be provided to us in a timely manner, resulting in valuations that are not current in your statements and Performance Reports.

We will generally rely on the value provided by you (through your custodial statement), the custodian or issuer of that security, when (i) securities are held at another custodian and security-specific detail is not provided to UBS to value them; (ii) investments you hold in your accounts are not available through UBS or that our systems do not recognize.

8. UBS Sweep Programs and Cash Balances in your Advisory Accounts

This section describes important information and conflicts of interest that arise in connection with UBS sweep programs, and specifically, those in connection with cash sweeps in Advisory Accounts. It is not a full description of the requirements, account type eligibility criteria or other processes and requirements related to the sweep programs.

For more detailed information on the sweep programs, including sweep money market funds, please contact your Financial Advisor for a copy of the money market fund prospectus(es) and the disclosure statements (Program Disclosures) for the UBS Bank Sweep Programs and the UBS FDIC-Insured Deposit Program.

You may obtain the prospectuses and Program Disclosures and view current yields on available sweep options online at www.ubs.com/sweepyields.

We may change or discontinue the sweep feature, sweep programs or specific sweep options at any time in our sole discretion. We will notify you of material changes to this account feature.

Generally, a portion of your Advisory Account(s) may be held in cash, cash equivalents or money market funds as part of the overall investment strategy for the account. When permitted by applicable law and subject to eligibility requirements (see below), the cash in your Advisory Account automatically sweeps into bank deposit accounts through either the UBS Bank Sweep Programs or the UBS FDIC-Insured Deposit Program (collectively, **UBS Deposit Sweeps**). For certain account types, cash balances are invested in money market funds (**Sweep Funds**) managed by our affiliate, UBS Asset Management.

Uninvested cash in our sweep program is used to generate revenue for us and our affiliates. These cash balances earn a lower rate of return on that cash than might otherwise be obtained. We also charge the advisory fee on your uninvested cash balances in advisory accounts. The advisory fee exceeds the amount you will earn on those balances. There is an incentive to maintain a program where uninvested cash is swept to our affiliate and to keep uninvested cash balances in advisory accounts. UBS Bank USA is an affiliate of UBS and uses the cash balances in the deposit accounts to fund new lending and investment activity. The bank profits by the difference between the interest paid to clients and the costs associated with its deposits, and the interest and other income earned by the bank on its loans, investments and other assets. UBS Bank USA improves profits when it pays lower interest rates on deposits. You may hold cash in your brokerage account without incurring the Program Fee.

Balances with FDIC-insured banks are eligible for insurance provided by the FDIC up to applicable FDIC insurance limits. See "**FDIC Insurance Coverage and Limitations**" below for details. FDIC deposit insurance only covers the failure of an insured bank. UBS-FS is not an FDIC-insured bank. Certain legal conditions must be satisfied for deposit insurance coverage to pass through to clients' funds placed by UBS-FS at FDIC-insured banks. Shares in money market funds are securities protected by SIPC coverage. They are not insured by the FDIC, are not deposits, and may lose value.

Opting Out of the UBS Deposit Sweeps: You may opt out of

the sweep programs at any time and maintain your cash balances in your brokerage or advisory account without earning any yields or FDIC insurance. Cash held in your brokerage or advisory accounts for the purchase of securities is protected by SIPC up to \$250,000. You are solely responsible for deciding whether or not your account will have a sweep feature. If you wish to opt out, please contact your Financial Advisor.

1. UBS Deposit Sweeps; Sweep Features for your Brokerage Account(s) and Conversion to Advisory Program(s)

UBS-FS makes available to its brokerage and advisory clients at the time of account opening a default account feature that automatically sweeps their free credit balances to bank sweep deposit accounts at UBS Bank USA and other banks participating in UBS Deposit Sweeps. Unless you have opted out of the UBS Deposit Sweeps, in your agreements with UBS you authorize UBS-FS to automatically sweep cash balances your account as described below. Certain account types are not eligible for UBS Deposit Sweeps and instead sweep to an affiliated money market fund.

The sweep options available in UBS-FS accounts are determined by client type and account type.

If you are invested in an Options Overlay Strategy, accounts only sweep in excess of the margin debits.

Sweep Program Default Feature. As it is a default feature, when you establish a brokerage account with us and unless you opt out of the sweep programs, one of the sweep options will be **automatically** assigned to your brokerage account depending on the account type (individual, business, trust, etc.) and client type without the recommendation or advice of your Financial Advisor either under Regulation Best Interest, or as a fiduciary under the Investment Advisers Act.

- **Sweep Options and Eligibility:** UBS offers two main UBS Deposit Sweeps options – (1) the FDIC-Insured Deposit Program and (2) the UBS Bank Sweep Programs, which consist of three sub-programs: (i) the UBS Deposit Account Sweep Program (**Deposit Program**), (ii) the UBS Business Account Sweep Program (**Business Program**), and (iii) the UBS Insured Sweep Program (**UBS-ISP**).
 - The **UBS FDIC-Insured Deposit Program** and the **UBS-ISP** are “multi-bank” programs in which cash balances sweep to UBS Bank USA and to other FDIC-insured banks participating in the programs (collectively **Program Banks**) that have entered into an agreement with UBS. The order in which deposits sweep to UBS Bank USA and other Program Banks in the UBS FDIC-Insured Deposit Program and the UBS-ISP is described in the Priority List applicable to your Account available at ubs.com/bankprioritylists.

The UBS FDIC-Insured Program is only available as a sweep option if you are a U.S. resident and your Account is owned by a revocable or irrevocable trust where our records indicate that all beneficiaries are either individuals and/or not-for-profit organizations.

The UBS-ISP is currently the default sweep option for most eligible retail and business accounts including most brokerage retirement accounts. For purposes of UBS Deposit Sweeps, “**Retirement Accounts**” mean (i) individual retirement accounts including traditional, Roth, SEP, and SIMPLE, and

Coverdell education savings accounts, and (ii) employee benefit plans qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended, or under any other employee retirement or welfare plan subject to the Employee Retirement Income Security Act of 1974, as amended including individual participant accounts under a defined contribution plan.

- The **Deposit Program** and the **Business Program** are legacy sweep options that are available respectively, to retail and business accounts. These programs do not accept new accounts except as follows:

Retirement Accounts in the following programs will enroll in the Deposit Program: Discretionary Programs, SWP, CAP, Institutional Consulting, and Separately Managed Account Programs (ACCESS or MAC) managed by a UBS affiliate. Individual participant accounts under a defined contribution plan in these programs will sweep to the Business Program.

UBS Bank USA is the only bank available in the Deposit Program and the Business. Cash balances for these programs sweep to UBS Bank USA without regard to FDIC insurance limit.

Account Types Sweeping to Money Market Funds: An account is not eligible for any of the UBS Deposit Sweeps (**Ineligible Account**) if the account is (1) owned by a financial institution (insurance companies, broker-dealers, investment advisors, fund companies, hedge fund companies, private pension funds, public retirement funds, state and federal chartered banks, state and federal chartered credit unions, state and federal chartered savings associations, and state and federal chartered trust companies), (2) is a Qualified Plan pool account, (3) plans established under Section 403(b)(7) of the Internal Revenue Code, or (4) a corporate cash management account. Ineligible Accounts sweep to Sweep Funds, specifically the UBS Liquid Assets Government Fund (for retirement accounts) or UBS RMA Government Money Market Fund (for non-retirement accounts). Shares in Sweep Funds are not insured by the FDIC, are not deposits and may lose value. Please see the “Alternative to the UBS Deposit Sweeps – Sweep Funds” section below. UBS-FS and our affiliates receive compensation in addition to the Program Fees you pay us for investments in Sweep Funds. UBS at its discretion will consider a client to be ineligible if UBS becomes aware that the entity is prohibited as a matter of law from holding funds at any bank.

Accounts for Puerto Rico residents are eligible for the UBS Deposit Sweeps but will not be assigned a default sweep option. Clients may enroll in a program by contacting their Financial Advisor.

Converting a Brokerage Account to an Advisory Program and Impact on Sweep Options: When you convert your brokerage account into an Advisory account, the original default sweep option for your brokerage account will remain the same unless your brokerage account is a retirement account, (including Individual Retirement Accounts, individual participant accounts under a defined contribution plan, and Qualified Plans) and you are enrolling the account in one of our Discretionary Programs, SWP, UBS-CAP, Institutional Consulting, or Separately Managed Account Programs (ACCESS or MAC) where your advisory account will be managed by a UBS affiliate. The default sweep option for Retirement Advisory Accounts those accounts in the Advisory Programs will be the Deposit or Business Program.

If cash balances in your brokerage account were sweeping to the UBS-ISP, the change to the Deposit Program will mean you will lose the benefit of receiving FDIC insurance for balances above the deposit limit of \$250,000 per depositor insurable ownership category offered by the multi-bank structure of the UBS-ISP. See

"UBS Deposit Sweeps – FDIC Insurance Coverage and Limitations" below for important information on FDIC insurance coverage limitations.

Cash balances in brokerage accounts ineligible for the UBS Deposit Sweeps will continue to sweep to the Sweep Funds upon enrollment in an Advisory Program. For qualified plans with a pooled structure and 403(b)(7) accounts, our affiliate's compensation from the money market fund will be limited to reimbursement of its direct costs and expenses for providing services to the fund. All fees and reimbursements for direct costs and expenses paid to our affiliate by such a fund are in addition to the fees you pay us.

Financial Advisor Compensation and Advisory Program Fees

Financial Advisors are compensated on brokerage assets in the UBS Deposit Sweeps or the Sweep Funds under qualifying conditions as described in the Program Disclosures. When your brokerage account is converted into an Advisory Account those same assets, cash and cash alternatives, including assets deposited in UBS Bank USA Core Savings, are subject to the Program Fee charged in the investment advisory programs which reduces the value of any interest you receive on those assets. Your Financial Advisor receives a portion of the Program Fee you pay in the Advisory Programs. This creates a conflict of interest and an incentive for your Financial Advisor to recommend that you hold your cash assets in an Advisory Account. See ***"Billing on Cash and Cash Equivalents in Your Advisory Accounts"*** for a description of the practices in place to address these conflicts of interest.

Your Financial Advisor does not currently receive compensation over and above your Program Fee in connection with UBS Deposit Sweep in Advisory accounts. UBS reserves the right to pay a fee to your Financial Advisor in connection with UBS Deposit Sweep at any time without prior notice. Upon request, UBS will provide you with information about UBS's compensation arrangements with respect to its sweep options.

Deposit Programs - Interest Rates: Interest rates on the deposit accounts in the UBS Deposit Sweeps are tiered based on your total eligible deposits in a Marketing or Qualified Plan Relationship as defined in the "General Terms and Conditions" of the Agreements and Disclosures booklet, which is available at ubs.com/accountdisclosures or by contacting your Financial Advisor.

Interest rates for sweep programs may be higher or lower than interest rates available on other cash alternatives, such as money market mutual funds. Interest rates are generally lower in a high interest rate market cycle but may be higher in low interest rate market cycles. In addition, interest rates may be higher or lower than interest rates available to depositors making deposits directly with a Program Bank in the UBS FDIC-Insured Deposit Program or the UBS-ISP, or other depository institutions in comparable accounts.

The interest rates in all UBS Deposit Sweeps programs are generally the same but may differ by account type (advisory and brokerage accounts). As of December 31, 2024, for Advisory Accounts, the annual percentage yield on the lowest tier of the UBS Deposit Sweeps was 0.25% and 2.30% for the highest tier, while the seven-day current yield on the Sweep Funds ranged from 3.71% - 4.34%.

Deposit sweep balances in advisory accounts established after the 5th business day of the month will accrue interest at the brokerage rate assigned to their tier until the beginning of the next interest

period. If the advisory rate for your tier is higher than the brokerage rate, we will credit your account for the difference at the beginning of the next interest period.

Determination of Sweep Programs Interest Rates. UBS-FS does not set the interest rates for the sweep programs. UBS Bank USA reviews the rates payable to clients on a daily basis in the UBS Deposit Sweeps versus other sweep programs available through broker-dealers to ensure such rates are aligned with the industry and market.

These rates of interest paid on sweep deposits are determined by a UBS Bank USA interest rate committee that considers prevailing business and economic conditions, as well as interest rates paid by competitors' bank deposit sweep programs. The committee is comprised of employees of UBS Bank USA, including those who also undertake activities on behalf of UBS-FS in managing the sweep programs. The interest rate is determined prospectively not retroactively. In addition, on an annual basis, the UBS-FS Board reviews the interest rates with the Head of Deposits of UBS Bank USA. The unaffiliated banks in the UBS-ISP and UBS FDIC-Insured Program set their rate for UBS-FS accounts using the rate established by UBA Bank USA. Those same banks may offer different or higher interest rates for deposits placed directly with their institution or through sweep programs offered by other broker-dealers.

Employees involved in the business of UBS-FS as a registered investment adviser are not involved in setting the rate of interest for the sweep programs or in determining the sweep options for UBS-FS brokerage or advisory accounts.

The default options for your Accounts will not be changed based on differences in yields between the UBS Deposit Sweeps, the Sweep Funds or any other cash alternatives. For example, if Sweep Funds yield a higher interest rate than the UBS Deposit Sweeps, and the default option for your account is the bank sweep, that will remain unchanged. Please see "UBS Deposit Sweeps - Interest rates" for information on interest rates applicable to UBS Deposit Sweeps.

See "Financial Conflicts of Interest: Benefits to UBS and its Affiliates" for a description of the compensation received by UBS in connection with this program.

FDIC Insurance Coverage and Limitations: Deposit balances in the UBS Deposit Sweeps are eligible for deposit insurance provided by the FDIC at each bank up to a total of \$250,000 including principal and accrued interest for each depositor per each insurable ownership capacity (e.g., individual, joint, IRA), provided that the requirements for deposit insurance have been met. Deposit balances in the UBS Deposit Sweeps are not eligible for protection by SIPC. Qualified Plan accounts are eligible for FDIC insurance up to a total of \$250,000 per plan participant based on each participant's non-contingent interest in the employee benefit plan. Please see FDIC coverage limitations below:

- If your Advisory Account is enrolled in the Deposit Program or the Business Program (after November 2019), cash in all Advisory Accounts will be swept into deposit accounts at UBS Bank USA **without any limit**, which means your deposits can exceed FDIC coverage
- If you are enrolled in the UBS-ISP or the UBS FDIC-Insured Deposit Program, cash balances up to \$249,000 per account (\$498,000 for accounts with two or more joint owners) (**Deposit Limit**) will be swept into deposit accounts at UBS Bank USA and each Program Bank in the order in which the

banks are listed in the Priority List applicable to your account. UBS Banks USA is the first bank in any Priority List. Once funds equal to the Deposit Limit have been deposited for you through the UBS-ISP or the FDIC-Insured Deposit Program at each Program Bank, any additional cash balances will be swept to the deposit account at UBS Bank USA without regard to the FDIC insurance limit. Please note that FDIC insurance covers deposit balances at UBS Bank USA up to \$250,000 per depositor per insurable ownership capacity.

As of the date of this Brochure, the total amount of deposits eligible for FDIC insurance in each program (**Program Deposit Limit**) is as follows: Program Deposit Limit for (1) the UBS-ISP offers insurance coverage is up to \$3.735 million for individual accounts (\$7.47 million for accounts with two or more joint owners), \$3.735 million for retirement accounts, and \$3.486 million for business accounts; and (2) the UBS FDIC-Insured Deposit Program offers insurance coverage up to \$2.49 million (\$4.98 million for accounts with two or more joint owners). The Program Deposit Limits are subject to change depending on the number of Program Banks participating in each program. For the current list of Program Banks, please see the Priority List applicable to your program and Account available at ubs.com/bankprioritylists. *See "Conflicts of Interest: Benefits to UBS" for a description of the compensation received by UBS in connection with this program.*

For all UBS Deposit Sweeps, assets eligible for FDIC coverage include all of your deposits with UBS Bank USA, or any Program Bank in the UBS-ISP or the UBS FDIC-Insured Deposit Program as applicable. For your deposits with UBS Bank USA, those balances, including cash swept through eligible UBS-FS accounts or through a third-party broker-dealer sweep program, any certificates of deposit issued by UBS Bank USA and any UBS Bank USA Core Savings deposits you own in the same insurable ownership category, will be aggregated for purposes of the FDIC coverage limit which, depending on the total amount, may exceed the maximum limit covered by FDIC insurance.

In addition, the amount deposited at UBS Bank USA and other Program Banks may exceed the amount covered by FDIC insurance if you have more than one Account that sweeps through the UBS Deposit Sweeps or hold other deposits at the banks in addition to the sweeps.

You are responsible for monitoring the total amount of deposits that you have with UBS Bank USA and each Program Bank to determine the extent of FDIC deposit insurance coverage available to you. FDIC deposit insurance only covers the failure of an insured bank. UBS-FS is not an FDIC-insured bank. Deposit balances in the UBS Deposit Sweeps are not eligible for protection by SIPC. Please refer to the Program Disclosures for the UBS Deposit Sweeps for more detailed information regarding FDIC insurance. You may obtain a copy of each Program Disclosure by contacting your Financial Advisor. It is also available at ubs.com/accountdisclosures.

2. Alternatives to the UBS Deposit Sweeps – Sweep Funds

Investors who are not eligible to participate in the UBS Deposit Sweeps – such as financial institutions, qualified plans with a pooled structure, 403(b)(7) accounts and corporate cash management accounts – will be assigned an available money market fund as their sweep option. UBS RMA Government Money Market Fund and UBS Liquid Assets Government Fund are the funds currently available for non-retirement accounts and retirement accounts, respectively.

For more information about any of the money market funds available as a sweep option, including all charges and expenses, please contact your Financial Advisor for a prospectus or go to ubs.com/sweepyields.

Non-U.S. residents are not eligible for any of the money market funds available as sweep options.

UBS Asset Management (US) Inc. is the distributor for the Sweep Funds.

Other sweep options may be available from time to time, and you should discuss your options with your Financial Advisor. You may also choose to maintain any cash component of an asset allocation strategy outside of your UBS Advisory Accounts.

You could lose money by investing in a money market fund. Although each of the money market funds named above seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, is not a deposit, and may lose value. Each money market fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

Conflicts of Interest and Benefits to UBS and its Affiliates:

UBS Bank USA and UBS-FS receive substantial financial benefits for activities related to the deposit accounts and investments in the money market funds.

UBS Deposit Sweeps - Benefits to UBS-FS: Your Program Fee applies to the cash and cash equivalents in your Advisory Account, including cash that is swept into the various sweep options. You can hold cash in a brokerage account without incurring the Advisory Program Fee. Please see section "Billing Practices—Billing on Cash and Cash Equivalents in Your Program Accounts" for details. UBS Bank USA pays UBS-FS an annual fee of up to \$50 per securities account that sweeps to UBS Bank USA through the UBS Deposit Sweeps.

UBS Deposit Sweeps - Benefits to UBS Bank USA: UBS Bank USA uses deposit balances in the UBS Deposit Sweep Programs to fund new lending and investment activity. Its profitability is determined largely by the difference between the interest paid and costs associated with deposit balances, and the interest or other income earned on its loans, investments and other assets. UBS Bank USA improves its profitability when it lowers the interest rates paid and the costs associated with deposit balances. The yield UBS Bank USA provides is based on industry comparables (selected by UBS Bank USA) such as the yields of other banks, as well as prevailing business and economic conditions; it is not based on the yields provided by other cash or cash equivalents such as money market funds and treasuries. Having more assets sweeping to UBS Bank USA provides significant economic benefits to UBS as a whole.

Compensation to UBS Bank USA in the UBS-ISP and to UBS in the UBS FDIC-Insured Deposit Program: Third party banks that benefit from the cash deposited with them pay UBS Bank USA in the UBS-ISP and UBS-FS in the UBS FDIC-Insured Deposit Program a percentage-based amount based on a stated index, typically the Fed Funds rate plus a spread, known as the Total All-in Cost of Funds rate ("TACF"). The TACF includes an accrual for both (i) interest on deposit balances that is accrued and credited to client's deposit account and (ii) a custodial agent fee that is payable to UBS Bank

USA or UBS, as applicable. The TACF as of the date hereof averages approximately 0.22% annually on the deposit accounts. A portion of the TACF is also paid by UBS Bank USA or UBS-FS to a third party administrator and the balance is retained by UBS Bank USA or UBS-FS, as applicable. The compensation to UBS Bank USA or UBS-FS significantly exceeds the amount paid to clients as interest on their deposit account balances at the third party banks. Also, because the yields for both the UBS Bank Sweeps Program and the UBS FDIC-Insured Deposit Program may vary over time, the amount retained by UBS Bank USA or UBS will fluctuate. Clients with Advisory Accounts will earn the same interest rate in all of the UBS Deposit Sweep Programs, regardless of which banks their cash is deposited in.

In the UBS-ISP, UBS Bank USA receives additional deposits from these non-affiliated banks and financial institutions in the network, which provides additional benefits to UBS Bank USA. Deposits received by UBS Bank USA through the network are less costly for UBS Bank USA because the deposits are fully insured. This lower cost should allow UBS Bank USA to increase its earnings on its loans, investments and other assets.

Conflicts of Interest: To address the conflicts of interest associated with the UBS Deposit Sweep we have program guidelines designed to promote diversification and limit the maximum percentage of cash held in an Advisory Account. Accounts that exceed the maximum cash threshold over a specified period of time in the PACE, Strategic Advisor, and PMP Programs will be removed from the programs and converted to brokerage accounts. In addition, money market funds may be available for purchase as an alternative to the UBS Deposit Sweep Programs.

Our monitoring of cash in Advisory Accounts **does not** include a review of cash balances being swept to deposit accounts at UBS Bank USA through the UBS Deposit Sweep to determine if there are cash balances sweeping in excess of the FDIC insurance limit. **You are responsible for monitoring the total amount of deposits that you have with UBS Bank USA and other participating banks to determine the extent of FDIC deposit insurance coverage available to you on those deposits.**

Clients seeking higher yielding cash equivalent investments should consider the several cash alternatives we have available, including the aforementioned money market funds, short-term certificates of deposit (CDs) and treasuries.

We may change or discontinue the sweep feature, sweep programs or specific sweep options at any time in our sole discretion. We will notify you of material changes to this account feature.

3. Important Information about Your Sweep Options for PACE Investments Only:

PACE is an asset allocation program that is fully invested and does not have a cash sweep feature. However, since your PACE investment is held within a UBS brokerage account (e.g., RMA, basic investment account, etc.), available cash balances in the brokerage portion of the basic investment accounts and RMA accounts are automatically swept in accordance with the terms of your brokerage account agreement which differ from those available to Advisory Accounts.

4. SIPC Protection:

Please note the following:

UBS-FS is a member of SIPC. SIPC provides protection for securities in your accounts with us up to \$500,000, including \$250,000 for free cash balances in the unlikely event that we fail financially. For details please see www.sipc.org. The SIPC asset protection limits apply, in total, to all accounts that you

hold in a particular capacity. Investments in the sweep money market funds are not deposits and are not protected by the FDIC. However, money market funds, are protected by SIPC as securities and are covered by the excess SIPC insurance that we have obtained for the benefit of our clients. The maintenance of a given share price value (e.g., \$1.00 per share) by the funds is not insured or guaranteed. **See the Account Information Booklet and the Disclosure Statement for more information regarding SIPC protection.**

C. Billing Practices

The billing process described below is subject to change upon prior written notice to you.

1. Relating Accounts for Billing Purposes

You may request to have two or more eligible Advisory Accounts be treated as related accounts for purposes of taking their assets into consideration in order to calculate the Program Fee. This means that all eligible assets in those accounts will be considered together when determining breakpoints, if applicable, in the fee schedule.

Relating Advisory accounts can provide the opportunity for price reductions at certain breakpoints. Advisory Accounts that are part of UBS-CAP will be automatically related for billing purposes unless prohibited by applicable rules or regulations (for example, ERISA).

If you choose a breakpoint fee schedule for your Account, you should review and consider the potential benefits of relating advisory accounts. Beginning January 2021, the Program Fee for Advisory Accounts outside the IC Program with a breakpoint fee schedule that are terminated prior to the quarterly billing process will be based on the relationship rate for that Account, not the contractual rate as previously done. Please contact your Financial Advisor for more information on the definition of eligible accounts and how to choose this billing option. Retirement Accounts may not be linked where a prohibited transaction under ERISA or the Internal Revenue Code may result.

2. Minimum Annual Fees

With the exception of IC, our Programs do not impose a minimum annual fee. In IC, the minimum fee is \$10,000 or the maximum program fee with respect to services selected and the value of Eligible Investments, whichever is less.

3. Initial Program Fee

Generally, we will deduct your Initial Program Fee from your Account during the same month in which your Account is accepted for the Program. The fee is calculated on the market value of the eligible assets on your billing start date or the following day, pro-rated to cover the period from the date your account is accepted through the end of the calendar quarter. However, if the Account is opened in the last four business days of the calendar quarter, billing includes those days plus the next full calendar quarter. Thereafter, the fee will be based on the value of your Account on the last business day of each calendar quarter. The Initial Fee is then adjusted in the following quarter based on the average daily value of the account, as described below in Quarterly Fee Adjustment.

To enhance internal billing processes, initial billing for accounts that enroll during the last four days of the prior quarter will change in the future. This update is an administrative change only

and will not impact the total account fees paid by clients. Initial billing for these accounts will no longer use the enrollment date account value to calculate a Program Fee for the final four days of the prior quarter plus the subsequent quarter. Instead, the Program Fee will consist of two calculations, aggregated to a single fee: 1) the actual daily account value will be used to determine the Program Fee for the last four days of the quarter using the fee rate(s) included in the program application; and 2) the account value on the last business day of that quarter will be used to determine the Quarterly Fee for the subsequent quarter (see 4. Quarterly Fee below for more details) details).

4. Quarterly Fee

After the assessment of the Initial Program Fee, your subsequent Program Fees will be assessed quarterly based on the net asset value (i.e., fair market value of the eligible assets including dividends and, where applicable, accrued interest, the value of margin loans) in the Account on the last business day of each calendar quarter. Fees will be charged directly to your account in the month following the close of a calendar quarter unless you have either designated another eligible UBS account to pay the Program Fee or elected to have your fee invoiced to you (non-IRA qualified plans only). Your fee is an annual percentage of your account assets, and you will pay the fee quarterly in advance, pro-rated according to the number of calendar days in the billing period. The Quarterly Fee is then adjusted in the following quarter based on the average daily value of the account, as described below in Quarterly Fee Adjustment.

Account statements display a total account value less any margin loans or short positions held in your Account. Generally, because the billing calculation does not deduct the value of short positions, the amount on which we calculate your fee may be higher than the account value displayed on your account statement.

For MAC and IC, certain assets are considered ineligible for billing purposes. For example, option securities, and the value of those assets will not count toward the billable value of the assets in your MAC or IC Account. Both long options positions and short positions are not taken into consideration for billing purposes.

Since short positions reduce the overall value of the account, to the extent the short positions in your account exceed the value of any long positions, the billing for your account will be higher than would be the case if option positions were considered for billing purposes. Because the billing calculation excludes options positions, the amount on which we calculate your fee may be higher or lower than the account value displayed on your account statement.

Below is an example of how an annual fee for an account would be calculated:

Quarterly fee = Account Value x Annual Fee % x (Billing days/Number of days in the year)

For example:

A typical second quarter period begins on April 1st.

Possible account net asset value on March 31 = \$100,000 (or the last business day of the first quarter)

The annual fee percentage = 2.5% (the maximum fee in our Advisory Programs)

Billing days = 91 (i.e., April 1 – June 30)

The quarterly fee = \$100,000 x 0.025 x (91/365)

= \$623.29

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Program Fee Billing for Options Overlay Strategies

Generally, Program Fees for Advisory Accounts are calculated based on the value of eligible assets in your Account. As the value of the assets in your Account changes due to appreciation, depreciation, contributions or withdrawals, those changes impact the actual Program Fee charged on the Account. The billing practice for Options Overlay Strategies is different from the standard process described in the Advisory Relationship Agreement and Form ADV. In order to enroll in an Options Overlay Strategy, you will be required to select a "Mandate" for the Strategy. The Mandate amount is the amount of collateral you are willing to put at risk. For example, you have accounts with \$10 million in assets and decide to commit \$3 million out of the \$10 million as collateral for the Options Overlay Strategy, the Mandate amount is therefore \$3 million.

Unlike other advisory strategies where your Program Fee is typically determined on the value of eligible assets in an account, billing for Options Overlay Strategies is based on the Mandate amount of the strategy (which in the above example, is \$3 million). However, the Options Overlay Strategy account may have significantly less than \$3 million in actual asset value (the value of the options/calls/puts/cash in the account). While the actual value of assets in your account will fluctuate over time, the Mandate remains constant unless you change it by notifying your Financial Advisor or UBS lowers the Mandate. In cases where UBS lowers the Mandate, we will notify you in writing of the change. Depending on the value of your Options Overlay account, this practice of billing on the Mandate amount will result in higher compensation to UBS, your Financial Advisor, and the strategy manager than if the Program Fee was based on the value of eligible assets in your Options Overlay Strategy account in MAC.

Number of Contracts and Market Exposure: Options Overlay Strategies employ a varying number of contracts at any point in time. While your mandate will determine the maximum amount at risk and maximum market exposure, it also indicates to the Portfolio Manager a maximum number of contracts at any point in time. The actual number of contracts in your account will vary and can be significantly less than the maximum. Regardless of the number of contracts employed, you will still be billed on your selected mandate.

5. Quarterly Fee Adjustment

We will adjust the Quarterly Fee that was charged in advance based on the account's average daily balance during that quarter. At the end of each quarter we will recalculate the Quarterly Fee using the account's average daily balance during the quarter. Any difference greater than \$25 from the quarterly fee assessed in advance will be debited from or credited to the Account. **Using the average daily balance to adjust the fee captures both contributions/withdrawals and changes in market value during the quarter.** If the market value of the Account increases during the quarter, the fee you pay will increase (unless offsetting withdrawals are made from the Account). Similarly, if the market value of the Account decreases during the quarter, your fee will decrease (unless offsetting deposits are made to the Account).

Adjustments will be due and payable within the first month of the new quarter and will be reflected on your monthly account statement as a Prior Quarter Fee Adjustment. This process will also be applied to adjust the Initial Program Fee.

For example:

- Value of account on the last day of the prior calendar quarter: \$250,000

- Annual Advisory Fee Rate: 1.5%
- Quarterly Fee charged in advance = \$945.21 - calculated as follows (\$250,000 (quarter end value) x 1.5% (annual fee rate) X (92 days (days in the quarter) / 365 days (days in the year) = 945.21).
- Avg. Daily Balance Adjustment: Following the end of the calendar quarter, the Quarterly Fee will be re-calculated and adjusted based on the average daily balance during that quarter.

If the average daily balance of the account during the quarter was \$265,000, the recalculated fee would be \$1,001.92 and the difference between the original fee and recalculated fee of \$56.71 would be charged to your Account.

The quarterly adjustment fee = \$265,000 x 0.015 x (92/365) = \$1,001.92
 \$1001.92 - \$945.21 = \$56.71

This Quarterly Fee Adjustment does not apply to assets held away from UBS (including DVP accounts). Advisory Assets not held at UBS are invoiced and billed quarterly based on the value of the eligible assets in the account at the end of the prior quarter as reported by the custodian to UBS. Assets held away from UBS in the IC Program are billed quarterly in arrears while assets held away for the other Programs described in this Brochure are billed quarterly in advance. Fees for assets not held at UBS are not adjusted for contributions or withdrawals or changes in market value during the quarter.

6. Impact of Alternative Investments Valuation and Redemptions on your Program Fee.

The valuation of alternative investments held at UBS, or at other financial institutions, reflects the records of the issuers and administrators of those funds. UBS does not guarantee the accuracy of the information. The value shown is not necessarily the value you would receive from the issuer if you sold the assets. Funds actively sold by UBS are subject to ongoing due diligence, although the level performed may vary. In very limited circumstances, a closed fund may be subject to no ongoing diligence. A fund that you purchased elsewhere may never have been subject to UBS FS diligence.

The NAV is primarily based on **estimated** portfolio values provided by the underlying fund sponsor. Reported estimates may not reflect resale, liquidation or repurchase value, if any, and may not reflect distributions of capital until the next valuation is reported, generally on an annual or semi-annual basis. ***These valuation practices are important because we calculate the Program Fee for alternative investments you hold in Advisory Accounts based on these estimates.***

For purposes of calculating the Program Fee, we will use the valuation of alternative investments available/reported to us as of the billing date. Valuation for alternative investments is often delayed, sometimes significantly, and is not provided to us in a timely manner. As a result, the valuation we use for purposes of calculating the Program Fee may not be current with the actual value of your investments at the time billing is processed and, depending on the circumstances, may result in a higher Program Fee. You should carefully consider the impact of these valuation delays on the Program Fee you pay to us.

Redemptions and "Hold Back" Promissory Notes: For Program Accounts holding eligible alternative investments, proceeds from redemptions are not to be received into the Advisory Account for a period that can extend over several months after a redemption request is submitted and is effective. As a

result, the Program Fees charged originally are based on the value of the alternative investment fund inclusive of the value of the alternative fund pending redemption. Proceeds from "hold back" promissory notes are usually received within 18 months of issuance.

You will receive a credit of the Program Fee imposed on alternative investments you redeem in whole or in part while you hold these investments in Advisory Programs. Credits will be based on the effective date of redemption.

Example for illustration purposes only.

Fund ABC has a quarterly redemption period. Notice of redemption is due 9/30 and processed 12/31 (the "effective date"). Although the redemption is processed by the fund on 12/31, UBS may not receive the proceeds of the redemption for up to 120 days *after* the effective date of 12/31. Once received by UBS, the cash proceeds due to client will include a promissory note if the fund imposes a "holdback."

Program Fees will be imposed on the value of the alternative investment only until the effective date of redemption (in this example: 12/31). Thereafter, the Program Fee may not include the investment proceeds until such time as the cash proceeds are received which could be 120 days later. Fees previously imposed will be credited to your Account.

In addition, Program Fees may not be imposed on any promissory notes received as a result of a holdback.

7. Additional Billing Practices.

SMA Manager Fees: We calculate SMA Manager Fees for ACCESS, SWP and AAP accounts/sub-accounts, and for MAC and IC Accounts where the SMA Manager fee is deducted directly from the Account, in accordance with our billing practices described above. The SMA Manager Fee is included in the Quarterly Fee and Prior Quarter Fee Adjustment reflected on your account statements. We pay the SMA Manager Fees on your behalf based on all activity (i.e., initial billing, quarterly billing, prior quarter fee adjustment) and assets in their strategies.

Withdrawals from ACCESS, SWP and AAP Programs: We will liquidate securities to raise sufficient funds to satisfy withdrawal requests. The cash will be subject to the Program Fee until it is withdrawn from the account. Cash pending withdrawal will be reinvested in the account if not withdrawn within 35 days of the request in ACCESS, SWP and AAP Programs.

There may be instances when available funds to satisfy withdrawal requests are unavailable due to differences in the settlement dates of traded securities. In those instances, available funds may be delayed for up to two days. Because of the funding and withdrawal rules in SWP and AAP, and depending on the overall allocation of the account, raising funds to fulfill a withdrawal request may take additional time.

Billing Practices in the UBS Strategic Wealth Portfolio program (SWP) and Advisor Allocation Program (AAP)

The Strategic Wealth Portfolio and Advisor Allocation Programs have a "Blended Program Fee" that includes: the UBS Investment Advisory Fee that is applicable to all assets in the Account and fees for the portfolio management services in the SMA sub-accounts.

Fees for your sub-accounts and SMA Managers will vary depending on the strategy selected. Please consider the following information about fees and discuss any questions with

your Financial Advisor:

- Because each sub-account may be subject to different fees, your Blended Program Fee will change depending on a variety of factors, including, the value of the assets in each sub-account, market movements, your contributions and withdrawals, any changes to your allocation or the selection of a new SMA strategy. As a result, the Blended Program Fee may be more or less than the Blended Program Fee shown in your account application or confirmation letters. Changes to your Target Allocation and/or investments will be confirmed to you in writing.
- The Initial Program Fee for the Strategic Wealth Portfolio and Advisor Allocation programs will be calculated based on the value of the assets on the date your Account is accepted and the Target Allocation selected by you in SWP and by your Financial Advisor in AAP (even if the Target Allocation is not fully implemented at that time). Thereafter, the Blended Program Fee will be based on the net asset value and the actual allocation across sub-accounts on the last business day of each calendar quarter and will cover the next calendar quarter. However, if your Account is pending a change to the investment selection(s) to the target allocation at or about the time the Program Fee is calculated, the Blended Program Fee will be based on the Target Allocation.
- When SMA sub-accounts are included, the Blended Program Fee rate is calculated at the time of the billing event based on the allocation as described above, and is rounded to three decimal places. Future changes to your fee and/or asset allocation made by you and/or your Financial Advisor will also be calculated in this manner and you will receive a letter reflecting these changes.
- If sufficient funds are not available in your Account to cover the fee, then assets from each sub-account in your account will be liquidated to pay the portion of the fee attributable to that sub-account. Bear in mind that your Target Allocation may not be fully implemented when you initially open your Account or if you, or your Financial Advisor in AAP, happen to reallocate your assets, for reasons that include the time lag in receiving proceeds from transactions or a lack of funding to completely fund multiple SMA Managers. See the section "Account Requirements and Types of Clients—Funding Your Account—SWP and AAP Programs: Funding Multiple Investment Managers" for additional information.
- During the quarter, if you (for SWP), or your Financial Advisor (for AAP), add an investment to or remove an investment from the target allocation, we will make the fee adjustment at the end of the quarter based on the account's average daily balance (and the balance of each sub-account) during the quarter, as described in *Quarterly Fee Adjustments* above. This adjustment includes any charges or refunds to your SMA Manager Fees (see *SMA Manager Fees* above) and will be reflected on your monthly account statement as a Prior Quarter Fee Adjustment.

Debiting/Invoicing Program Fees. Program Fees are debited from your Account unless you have designated another eligible UBS account to pay the Program Fee, or you have chosen to have your fee invoiced. Payment of your Program Fee will be reflected on the monthly account statement of the account that is paying the fee. If you direct us to automatically debit your Program Fees from another UBS account (referred to as a "Bill To" account), at the time billing is processed, we will confirm that the UBS Bill To account has sufficient funds to cover your Program Fee. Failure to maintain sufficient funds to satisfy the Program Fee from the other account you designated will result in deduction of the Program Fee directly from your Advisory Account. If you wish to revert to direct debiting the Program Fees from the Advisory Account, please contact your Financial Advisor.

The authorization to bill the other account will be terminated and your Advisory Account will revert back to direct debit if the Bill To account is deemed no longer eligible or is terminated. However, the Bill To feature is not automatically terminated when there is a title/ownership change, or new authorized parties are added to the Bill To account. It is your responsibility to contact your Financial Advisor in order to update your billing features. There may be tax consequences associated with the selection of a Bill To account to pay the advisory fees of another account, and, therefore, you should discuss this option with your tax adviser.

IRAs and ERISA Qualified Plans cannot pay the managed account fees for another account.

Qualified employee benefit plans may choose to be invoiced for the Program Fee by directing us to do so in writing. Payment will be due within 30 days of the mailing of the invoice. If the fee is not received within 30 days, the Account may be debited. Failure to pay invoices in a timely manner may result in a loss of the feature and your account will revert back to a direct debit status. All other account ownership types are not eligible for invoicing. From time to time and in our sole discretion, however, we may make the invoicing feature available to select IRA or IC Accounts for the invoicing of the Program Fee.

MAC and IC SMA Manager Fees: When requested by the SMA Manager UBS will deduct the SMA Manager's fee directly from your Account. Otherwise, the SMA Manager in the MAC and IC Programs will bill you directly. When the Manager's fee is deducted directly from the account, the fee billing will be done in accordance with UBS's billing practices which in some cases may be different from those described in the Investment Management Agreement you signed with your MAC or IC Manager. This could result in Manager fee billing that is higher or lower than if the Manager were to bill you directly.

PACE and Program Fee Payment Hierarchy: You may choose to have your PACE Program Fee paid from assets within your PACE investment or non-PACE participating assets that are held in your Account. **The PACE program automatically defaults to deducting your Program Fee out of your non-PACE assets unless you instruct us otherwise.** Payments from your PACE assets will be processed by selling shares of PACE Money Market Investments. If sufficient funds are not available, then Program Assets in your account will be liquidated by selling shares of the mutual funds or Multi Funds/Select Portfolios in your account. The specific order (i.e., first to last) for redeeming shares for this purpose is listed below. Sales will be made first from the largest fund position in the first asset.

PACE Select Advisors:

(1) UBS Government Money Market Investments	(8) PACE Large Cap Growth
(2) PACE Mortgage-Backed	(9) PACE Small/Medium Value
(3) PACE Municipal Fixed	(10) PACE Small/Medium Growth
(4) PACE Intermediate	(11) PACE International Equity
(5) PACE Strategic Fixed	(12) PACE Global Real Estate
(6) PACE High Yield	(13) PACE International Emerging
(7) PACE Large Cap Value	(14) PACE Global Fixed Income
	(15) PACE Alternative Strategies

PACE Multi Advisor:

(1) UBS Government Money Market Investments	(13) REITS – US Equity
(2) Mortgage Back Securities	(14) REITS – Medium Cap
(3) Municipals	(15) REITS – Small Cap

(4) US Fixed Income	(16) Global Equity
(5) High Yield Corp	(17) International Equity
(6) Global Fixed Income	(18) Develop Markets
(7) Balanced	(19) Emerging Markets
(8) Large Cap Equity	(20) Emerging Mkts Fixed Income
(9) Medium Cap Equity	(21) Hedge Funds
(10) Small Cap Equity	(22) Non Traditional
(11) US Equity – Other	(23) Commodities
(12) Convertibles	(24) Other

If you instruct us to deduct the Program Fee from non-PACE assets, we will do so by debiting first any available cash or non-PACE eligible money market funds in your brokerage account. If sufficient funds are not available, we will debit the fee from the PACE assets as indicated above.

Debit balances in your accounts: We charge interest according to our firm's usual credit practices if payment of the Program Fees result in a debit balance in your account. These charges may include:

- Compound interest
- Increases in interest rates that reflect adjustments in the base loan rate (as defined in our Statement of Credit Practices)
- Charges to cover the cost of the firm's facilities and extra services

Payment of the fees and any interest may be made at any UBS office. Please refer to the UBS Statement of Credit Practices for more information.

Offsets, Credits and Rebates and Billing Exclusions Available in Certain Programs

12b-1 Fees Offsets for Accounts in Discretionary Programs and IC Accounts. In Discretionary Programs and in IC Accounts, we will reduce your Program Fee by the amount of any trailers or 12b-1 fees associated with those Class A mutual fund shares in your Account by depositing the 12b-1 fees and trailers into your Account to reduce your Program Fee.

Treatment of 12b-1 Fees in Non-Discretionary Programs. In PACE, Strategic Advisor and SWP, the 12b-1 fees for Class A shares of domestic funds that remain in the Programs are retained by UBS and are not paid to Financial Advisors. However, these amounts are allocated to the individual branch offices as "non-compensable revenue" (revenue that is not paid out to Financial Advisors or Branch Office Managers) but are considered as part of the overall profitability of the branch, and as one of several components used in determining Branch Office Manager compensation.

Treatment of Offshore Fund Trails: For offshore funds, trails on the Class A shares are credited to clients in Strategic Advisor and SWP. Clients in Discretionary Programs continue to receive a credit of 12b-1 fees and trails for Class A shares held in those Accounts.

The different treatment of 12b-1 fees for domestic funds and offshore fund trails in the various Advisory Programs means UBS receives higher compensation in connection with Class A shares of domestic mutual funds held in Non-Discretionary Advisory Accounts.

PACE Select Retirement Account Credits. Plan or IRA Accounts in PACE Select receive a credit of a portion of the advisory Program Fee. The credit varies among the PACE Select Portfolios

and is based on the amount by which the Fund Advisory Fees paid to UBS Asset Management (the "Fund Advisory Fee") exceeds twenty basis points (0.20%) after payment by UBS AM of the fee to that Proprietary Fund's sub-advisor(s).

Portfolio Management Program and Advisor Allocation Program Retirement Account Credits Related to UBS Proprietary Funds.

Plan and IRA Accounts invested in a UBS Proprietary Fund in our Discretionary Programs will receive a credit to the account of a portion of the Advisory Program Fee. The credit varies by Fund and corresponds to the portion of the net Fund Management Fees that UBS AM earns from a Proprietary Fund after payments to third-party service providers or sub-advisor(s).

The credits for Plan and IRA Accounts in PACE Select and in Discretionary Programs described above may change in the event that: (i) UBS AM waives some or all of the Fund Management Fee or UBS AM reimburses other expenses paid by a Proprietary Fund, these credits may be reduced or eliminated; and/or (ii) UBS AM receives any expense recoupment from a Proprietary Fund, these reduction factors may be increased.

Transferred Shares of Mutual Funds and Alternative Investments.

You may have previously purchased mutual funds and alternative investments with upfront sales charges through UBS. If you decide to transfer and convert those shares to your Advisory Accounts, we will exclude those shares from the Program Fee for up to 12 months after you initially purchased them. See section "Account Requirements and Types of Clients—Mutual Fund Share Classes Available in the Programs—Transferring Mutual Fund Shares and other assets into Your Advisory Accounts" for more information.

If the credits remain in your Account at the time of billing, they will be subject to the Program Fee charged to your Account; they are also included in the account's average daily balance for purposes of calculating quarterly fee adjustments.

Billing on Cash and Cash Equivalents in Your Advisory Accounts; Cash Concentration.

Cash and cash equivalents in your Advisory Accounts—including deposit balances in our UBS Deposit Sweeps and money market funds, including the UBS RMA Government Money Market Funds as well as the UBS Government Money Market Funds, and deposits in the UBS Bank USA Core Savings are subject to the Program Fees.

Advisory Programs are not appropriate for clients who want to maintain a high level of cash for extended periods of time. If you hold high levels of cash in your Advisory Accounts, then you do so against our recommendation and with the understanding that the value of those investments, securities, deposits or sweep balances will be included for the purposes of calculating the Program Fee, resulting in a higher fee to UBS, our Financial Advisors as well as additional compensation to our affiliates that sponsor or manage such products or use those assets for other business purposes including lending. **You may hold excess cash in a brokerage account without incurring the Program Fee.**

PACE, Strategic Advisor, PMP, IC, SWP and AAP have maximum cash concentration guidelines. Those guidelines are for the purpose of managing our conflicts and fiduciary obligations. They are not the Firm's recommended cash allocations for your Account(s) and differ significantly from the cash allocation percentages recommended by our CIO Research team and our Strategic Asset Allocations. Instead, the guidelines are meant to set a maximum cash threshold that, if not resolved within a specified period of time, will result in termination of your

Accounts from PACE, Strategic Advisor, PMP, IC, SWP and AAP. For UBS-CAP only, US Treasury Bills are treated as cash. All other advisory programs treat US Treasury Bills as fixed income securities.

D. Trading and Execution Practices

This section is a general summary of our execution practices as they relate to Advisory accounts. You should note that in order to comply with principal trade restrictions, orders for most of our Advisory Programs are routed for agency execution. Where permissible by applicable law, and after complying with applicable regulatory requirements, we may route orders for our Advisory clients for execution as principal.

If your account is managed by a third-party investment manager, your manager is responsible for meeting its best execution obligations to you, and you should review carefully the manager's trading for your account. UBS does not analyze or evaluate whether your manager is meeting its best execution obligations on trades executed for your account.

All trading in your accounts is at your risk including risks of illiquidity and market volatility. In executing transactions for your accounts, we will not be liable for losses caused directly or indirectly by government restrictions, exchange controls, exchange or market rulings, suspension of trading, acts of war, strikes or other conditions beyond our control, including but not limited to, extreme market volatility or trading volumes. **Order delays can create system capacity challenges for UBS Financial Services Inc. and other market participants to which we route orders. As a result, clients may suffer market losses during periods of volatility in the price and volume of a particular security when systems problems result in the inability to place buy or sell orders. During volatile markets UBS Financial Services Inc. will process transactions unless market conditions, technology failures, trading volumes or other matters beyond our control preclude us from accurately processing transactions on the order entry date. In those circumstances, we will process the transactions as soon as practicable.**

Execution Practices for transactions in your Advisory Account(s)

For the majority of our advisory orders for Advisory Accounts, we use automated systems to route and execute orders for the purchase and sale of securities for all Advisory Accounts. Generally, an order is routed to an execution center that we believe will provide the best execution. Certain large orders that may require special handling may be routed to a market center for execution via the telephone or in the case of large ETF orders, an Authorized Participant for that ETF. We regularly monitor existing and potential execution venues and may route orders in exchange listed or OTC securities to other venues if we believe that such routing is consistent with best execution principles.

In order to fulfill our best execution obligation and help reasonably determine the best market for a security (for non-step out flow) we consider several factors, including, but not limited to (1) the speed and certainty of execution, (2) the price and size improvement, and (3) the overall execution quality.

Exchange-listed securities, NASDAQ and OTC Securities

We route the vast majority of our exchange-listed securities and over-the-counter (OTC) orders to our affiliate, UBS Securities LLC, for execution either principal or as agent, depending on the circumstances and type of program involved. The Advisory

Programs described in this Brochure do not permit principal trades except in limited circumstances. For orders requiring agency execution, UBS Securities LLC routes the orders to unaffiliated execution centers for execution. In some instances, however, for certain securities, we place OTC orders directly with unaffiliated market makers for execution. All routing decisions are in accordance with the principles of best execution. When principal execution is permitted, the orders will be executed by UBS Securities LLC as principal when there is an opportunity for execution at a price equal to or superior to the price quoted on the primary exchange. If that is not the case, the order will be routed immediately to a different execution center for execution. UBS Securities LLC may have a profit or loss when executing orders as principal.

If we (or another investment manager managing the portfolio) execute securities transactions through other broker-dealers, we may choose brokers who provide us with research services if the commissions charged by these broker-dealers are reasonable in relation to the value of the brokerage and/or research services. We do not try to place specific dollar value on the research or brokerage services of any broker-dealer or to allocate the relative costs or benefits of research, because we believe that the research we receive is beneficial in fulfilling our overall responsibilities to clients. Accordingly, research received for a particular client's brokerage commissions may not be used for that client's account or may be useful not only for that client but for other clients' accounts as well. Similarly, some clients may benefit from the research received for the commissions of other clients.

Best execution; Step Out Trades Third party investment managers in meeting their best execution obligations may determine that this can only be achieved by executing order flow for the UBS Advisory Accounts they manage away from UBS trading platform and then having the executing broker "Step Out" the transactions to UBS for clearance & settlement purposes.

SMA Managers typically place transactions through UBS on an unsolicited basis, as your SMA Manager deems appropriate. This means that neither UBS nor our Financial Advisors provide advice or recommendations to the SMA Managers regarding the securities transactions they execute for your Advisory Accounts.

In ACCESS, SWP and our Discretionary Programs, we provide all managers in the programs with trading systems to administer, maintain, reconcile and place orders with UBS for accounts managed in those Programs.

In MAC and IC, SMA Managers have access to and utilize a trading system we make available or elect to establish electronic connectivity with their own trading system in order to administer, maintain, reconcile and place orders with UBS for accounts managed in the Program. Some MAC and IC managers trade through our branch offices and place orders directly with the Financial Advisor for your MAC or IC Account.

Regardless of the Program or trading system used for investing, your SMA Manager has the option to trade through us or with other financial institutions, in accordance with the manager's obligation to achieve best execution on all trades for your account. Although use of our trading systems is not required for a manager to participate in our programs, doing so streamlines trading and may encourage an SMA Manager to place trades for program accounts with UBS instead of with other financial institutions. However, since your Program Fee covers the costs of trades executed with UBS but not any additional costs of trades executed elsewhere, trading away from UBS may result in increased trading costs to you. "Step out" trades refers to trades

executed by your SMA Manager away from UBS and on which we are not the executing broker. These transactions are generally traded from broker to broker and are usually cleared net, without any commissions. However, under certain circumstances, if your SMA Manager trades with another firm, you may be assessed commissions or other trading related costs (for example, mark-ups) by the other broker-dealer, which are embedded into the price of the security allocated to your account. Those fees are in addition to your Program Fee. For this reason, your SMA Manager may find that placing trades with UBS is often the most favorable trading option for you. However, your manager may direct transactions to other broker-dealers (for additional fees or sometimes, commissions) if your manager decides that its best execution obligations so require. Some managers have historically directed 100% of their trades to outside broker-dealers.

We request information from SMA Managers regarding step-out details at least annually, but typically in the first quarter of each year. We rely on the information provided by our SMA Managers in preparing an annual client disclosure notice regarding step-outs.

Your SMA Manager is responsible for meeting its best execution obligations to you, and to ensure that any additional commissions or mark-ups assessed to you when they decide to step-out trades to other broker-dealers are consistent with their best execution obligations. If your SMA Manager will not be executing transactions with UBS, our SMA programs may not be an appropriate option if your SMA Manager does not take action to ensure that you do not incur additional costs.

UBS does not analyze or evaluate whether your SMA Manager is meeting its best execution obligations on trades executed for your account. See the description of our execution and order routing practices above.

Trade Allocation Practices in Discretionary Programs

Financial Advisors in the PMP, AAP and IC Programs are not required to aggregate orders across the different strategies or accounts they manage. However, in an effort to reduce market impact and to obtain best execution, Financial Advisors in PMP may purchase or sell securities in bulk (or orders may be "batched") on the same day for some or all of the Program accounts in the same strategy they manage.

Financial Advisors in AAP may process account changes and reallocations for multiple accounts with the same Target Allocation and investments at the same time. Orders for ETFs in AAP are executed in four intervals per day. Orders for the same ETFs processed at the same time will be aggregated and clients will receive, or be charged, an average price per unit and, when applicable, a pro-rata share of any fees.

Financial Advisors will not trade Accounts in the PMP Program with Accounts in the AAP Program and orders for the same ETFs across the Programs will not be aggregated.

Financial Advisors in PMP and AAP are permitted to trade in the same securities they purchase for client accounts as long as they trade their personal and related accounts in the same batch as client accounts. Therefore, when executing orders in PMP, we may batch orders for your Account with orders entered for other Accounts in the same PMP strategy, including those of the Financial Advisor assigned to your Account, and the Financial Advisor's related accounts. Similarly, when executing orders in

AAP, we may batch orders for multiple AAP accounts, including those of the Financial Advisor assigned to your Account and the Financial Advisor's related accounts.

Allocation of Securities and Opportunities Across Advisory Accounts. Portfolio Managers and Financial Advisors in our Discretionary Programs and SMA Managers have broad discretion to trade their Advisory Accounts. There can be no assurance that they can purchase or sell the same securities for all such Accounts at the same time, or that they will aggregate your orders with those of other clients and charge an average price per share or unit and, when applicable, a pro-rata share of any fees. As a result, you may receive different prices and executions for the same securities as compared to other clients investing in the same strategy, or, in the case of AAP, the same Target Allocation. In addition, although we monitor performance and other characteristics of Accounts, investment opportunities will not necessarily be allocated among participating Accounts proportional to their overall amount invested.

Aggregation of trades for Advisory clients

We may aggregate transactions for Advisory clients for execution under appropriate circumstances. This practice will not ordinarily affect or otherwise reduce fees, commissions or other costs charged to clients for these transactions but may provide price improvement. Partial fill of a block security transaction may be allocated among Advisory clients' accounts randomly, pro rata, or by some other equitable procedure adopted by the investment manager. In certain cases, investment managers may use a computer system that allocates purchases and sales transactions either on a random or pro rata basis. In any case, clients may pay higher or lower prices for securities than may otherwise have been obtained.

Account rebalancing and reallocations

Market conditions, technology failures, illiquid securities, securities with limited redemption schedules, trading volumes, the availability of funds and orderly purchase and redemption procedures, and client imposed investment restrictions may cause a delay in the processing and/or completion of the rebalancing or reallocation. In addition, we may adjust the date on which reviews and rebalancing are done, if necessary, to ensure accurate processing of the review or rebalancing. We may also adjust the rebalancing date if UBS is in the process of reviewing its proprietary capital market assumptions to avoid duplicative rebalancing of accounts and ensure accurate and orderly processing.

Payment for order flow

At this time, we do not direct the order flow from our Advisory Programs to specific destinations in exchange for payment for that order flow. Payment for order flow is defined to include any monetary payment, service, property or benefit that result from remuneration, compensation or consideration to a broker-dealer from another broker-dealer in return for routing customer orders to that broker-dealer. We may route orders to electronic communication networks (ECNs) or similar enterprises in which we may have a minority ownership interest. If we direct orders for our Advisory Program accounts to such a trading network, we may receive indirect compensation from the ECN with respect to these trades due to our ownership interest. These arrangements will not cause you to pay additional fees directly to us. We believe that, in the course of executing trades for our clients, we may be able to obtain best execution through other exchanges or trading networks. We may direct order flow for these programs to trading networks in which we have an

interest in the future if we determine that it is in the interest of our clients and consistent with our obligations under applicable laws.

Transaction Reviews and Impact on Timing of Execution for SWP, UBS Advice Portfolio and Advisor Allocation Program:

All account changes, including transactions in SWP's Non-Discretionary assets and AAP, and strategy and risk category changes for the UBS Advice Portfolio Program are subject to a systematic administrative review to ensure consistency with your Target Allocation in SWP and AAP or your risk profile in the Advice Portfolio Program. We will also ensure that any required paperwork is complete. As a result, transactions are not executed until after the administrative review is completed and allocation changes may take several days to fully implement. Because prices fluctuate during the trading day, the prices you receive at the time the orders are executed may be better or worse than the prices at the time you authorized the changes to your Advisory Accounts.

Due to limitations in the trading system used to execute orders in ETF shares in AAP, the purchase and sale orders in ETF shares placed by Financial Advisors on behalf of unrestricted, discretionary accounts enrolled in AAP will be executed on an aggregated basis during intervals each trading day, generally expected to be approximately four times each trading day. Although this interval trade execution process may mean that an individual client may not receive the very best execution of each and every trade in ETF shares, this process is designed to ensure that clients are treated equitably and fairly under the circumstances over time. As a result, you may receive different prices and executions for the same ETFs as compared to other clients following the same Target Allocation.

E. Closing your Advisory Accounts; Terminating your Agreement

The Advisory Relationship Agreement is effective and deemed to be accepted by UBS on the date your Account is coded as "advisory" or for UBS-CAP and IC, the date the Agreement is approved by the program manager for that Program. We will send you confirmation of our acceptance and provide you with a copy of our Form ADV Disclosure Brochure. You may cancel that Agreement within five (5) business days from the day it is accepted by UBS and receive a full refund of Program Fees. Thereafter, either we or you may terminate the Advisory Relationship Agreement at any time. Each time you establish a new Advisory account with us, you may terminate that account and receive a full refund of Program Fees within five (5) business days from the day we send you confirmation of your instruction. Closing one or more of your Advisory Accounts does not terminate the Advisory Relationship Agreement if you continue to have other types of Advisory Accounts with us. You may terminate the Agreement only by notifying us in writing. In addition, the Agreement will terminate if we receive instructions to deliver all your Advisory assets to another firm, effective promptly after receipt of those instructions.

For MAC and IC clients, termination of the Agreement with UBS does not result in the termination of your agreement with your MAC or IC investment manager. For MAC Accounts enrolled in UBS-CAP with Limited FA Discretion Services we will notify your MAC Manager of the account and investment management agreement termination. **However, for any other MAC Account that is not part of Limited FA Discretion Services UBS-CAP, you are responsible for terminating your agreement with the MAC investment manager** and we do not assume responsibility for notifying the investment manager.

We will notify you in writing of our decision to close any or all of your accounts. We may close your accounts in our discretion, including if you fail to adhere to program requirements.

Ending your participation in these programs as well as our Advisory relationship is effective promptly after receipt and processing of your request. Requests to terminate your participation in a program (i.e., closing an account) may be made in writing or verbally to your Financial Advisor. We will confirm your instructions in writing and notify you when we have terminated you from the program and/or closed your account.

Termination of the Limited Power of Attorney in the IC Program will terminate your IC relationship. However, if you are also enrolled in the ACCESS, MAC, SWP, AAP, or Strategic Advisor programs at UBS, termination of your IC relationship will not automatically terminate your ACCESS, MAC, SWP, AAP, or Strategic Advisor relationships.

Upon termination, you are responsible for the assets in your account, and neither we nor your SMA Manager will have further obligations to act or advise with respect to these assets.

Automatic Liquidation or Exchange of Certain Assets at Account Termination

In certain cases, your assets may be invested in securities, special mutual funds or shares of mutual funds or alternative investments, including in some instances, Advisory share classes of mutual funds or alternative investments that have been created for use or are eligible exclusively within wrap fee Advisory Programs. Some of these investments contain restrictions that limit their use exclusively in wrap fee Advisory Programs, and may be unavailable for purchase or holding outside of wrap fee programs. When you end your participation in those strategies, for any reason, that termination results in the **automatic redemption** of such mutual fund shares or investments held by or on your behalf—which, except in instances of tax-free exchanges of Advisory share classes for another share class, will have tax consequences for you. **Unless the issuer requires automatic redemption of these investments, you can continue to hold them in your brokerage account.**

When you select one of these types of strategies or investments for your portfolio, you agree to the automatic sale of the investments upon termination of your account and you direct us to execute these sales. The compulsory conversion of alternative investments may require additional documentation from you. We recommend that you consider the potential impact of such sales and restrictions carefully before participating in these types of strategies.

PACE Program: Unless you direct us to sell your other holdings, all other assets will continue to be invested in the existing positions and will be held in a brokerage account, subject to prospectus rules.

Transactions in your Accounts Prior to Receipt of your Termination Request:

We are not responsible to you for the purchase or sale of a security by your SMA Manager or your UBS Portfolio Manager/Financial Advisor prior to our receipt of your request to close your Advisory account. Any transactions initiated by your SMA Manager and/or your UBS Portfolio Manager/Financial Advisor on the day your account is closed will be processed, if practicable.

Liquidation Requests: As part of your instructions to withdraw from a Program, you may request us to liquidate your securities. If you select or discontinue use of an SMA strategy without consulting us, you are solely responsible for that

decision. We do not restrict your access to the SMA strategy during the selection process or thereafter.

We will liquidate the securities held in your Program account if you specifically instruct us to do so when you tell us to close your account. Liquidation of your account will depend upon market conditions at the time and, absent unusual circumstances, generally will be processed by the end of the next business day after instructions have been received by us. However, certain managers may take longer to liquidate securities for terminated accounts, including high yield securities, convertible securities and other less liquid securities.

If we are unable to obtain an agency bid on small bond or illiquid fixed-income positions, after a number of attempts, we will seek to sell the position on a principal basis if a bid is available. This will allow us to comply with your liquidation request in an expeditious manner.

Security sales will be executed free of commission charges. Trade confirmations for liquidating transactions executed on an agency basis (i.e., by a third-party on behalf of UBS) will be sent to you monthly or "bulked" if you selected that option for your account.

If your Account includes securities with limited liquidity or redemption schedules, such as alternative investments, we may be unable to sell those securities upon your request. When processing your liquidation request in such cases, we will sell readily marketable and otherwise unrestricted securities in your account, leaving any securities that we are not able to sell in your account. Once the account is closed, you may have to wait for specific liquidity windows and process your liquidation request through procedures that are specific to the illiquid investment you own. **In addition, an alternative investment fund may hold back a portion of redemption proceeds, usually in the range of 10%, to cover accrued expenses, contingencies and liabilities.**

Brokerage Relationship: You should note that terminating your account from an Advisory Program will end our investment Advisory relationship with you as it pertains to that account and will cause your account to be converted to and designated as a brokerage account only. Your Investment Advisory Relationship Agreement will no longer apply to that account and it will be governed solely by the terms and conditions of your brokerage account agreement.

Closing your account will not affect your obligation to pay balances due on the account.

Estate Administration Instructions: Upon our receipt of notice of your death, we will cease management of the Account without liquidating the investments (except for assets that can be held only in wrap fee advisory programs as explained in the section titled *Automatic Liquidation of Certain Assets at Account Termination*). Your account will no longer be enrolled in the Program while instructions from a court appointed executor/ administrator regarding the disposition of your assets is pending. However, for trust accounts, the death, removal or resignation of a trustee—including the settlor/trustee of a revocable living trust—will not result in termination unless the substitute fiduciary/trustee requests termination. For the MAC program, we do not assume responsibility for notifying the MAC SMA Manager of the client's death and we do not require the SMA Manager to follow any particular procedures.

Program Fees for Closed Accounts:

Upon termination, a pro-rated refund of any prepaid fees will be

made or, if no fees have been paid, a pro-rated fee will be charged. If you terminate your account prior to the calculation of a quarterly fee, a pro-rated fee based on the average daily balance for the days the account was enrolled in the program will be charged. If you terminate the account after the quarterly fee has been charged, a pro-rated fee adjustment based on the average daily balance for the period the account was enrolled in the program will be assessed. If you provide liquidation instructions when you terminate your Account, the refund will be processed once liquidations are complete which is generally, depending on market conditions, two to three business days after receipt of your request.

Margin. For accounts with strategies that use margin, we may, at our discretion, choose to cover all existing short positions when you close your account. Those liquidations will be executed in our capacity as broker-dealer and creditor and may, as permitted by law, result in executions on a principal basis in your Account.

Item 6. Portfolio Management Selection and Evaluation

A. Alternative Investments Due Diligence, Review and Approval and Allocation of Investment Opportunities

Unified Global Alternatives (UGA) is a new business unit established in January 2025 through a collaboration between the Global Wealth Management and Asset Management divisions of UBS.

UGA combines the Global Alternatives Investment Solutions teams within Global Wealth Management with Asset Management's Hedge Fund Solutions, Real Estate and Private Markets Multi-Manager businesses along with their respective sales and distribution support teams. UGA is designed to serve the needs of clients from both divisions.

UBS Financial Services Inc. the sponsor of the advisory programs described in this Brochure is part of the Global Wealth Management (GWM) Division.

Prior to the creation of UGA, GWM (including UBS-FS) managed an open architecture platform of alternative investments, while the AM areas which are part of UGA, structured and managed proprietary alternative investments that could be offered to brokerage and advisory clients on the UBS-FS Platform. AM funds underwent investment and operational due diligence on an arm's-length basis and the respective business units operated separately without common revenue targets. Not approving an AM fund for the UBS-FS platform had no impact on the overall goals or compensation of the GWM team.

The creation of UGA gives rise to new conflicts of interest as it brings together the formerly independent teams with a common goal to grow the alternative investment franchise, increase revenues and gain better value for clients. GWM has delegated initial and ongoing due diligence responsibilities, negotiation of placement agreements and onboarding of alternatives investments for the GWM platforms to UGA.

To address the conflicts of interest, UGA has adopted policies, procedures that require (1) the consistent and objective application of due diligence requirements for all funds approved for the GWM platforms; (2) revenue targets for the business teams to be product type neutral so as to not favor proprietary products vs. non-proprietary products; and (3) the allocation of capacity and investment opportunities among GWM and AM clients to be

subject to a fair and reasonable process that complies with fiduciary obligations. Notwithstanding the foregoing, in instances in which the fund capacity allocated to UBS is limited (for example, private markets), fiduciary portfolios will be given priority access versus non-fiduciary accounts.

B. Selecting an SMA Manager; Our Investment Manager Evaluation Process

Manager Research Process

We select investment managers and strategies to participate in UBS programs in order to offer our clients the choice among a range of investment styles and products, such as:

- Value
- Growth
- Growth and income
- Income
- Contrarian
- Tactical asset allocation
- Strategic asset allocation (through multi-style accounts)
- Municipals
- Global
- International
- Convertible bonds
- Long/short investing
- Real estate investment trusts (REITs)
- Preferred Securities
- MLPs

Our Investment Manager Analysis Group conducts a thorough review of each SMA Manager that participates in our ACCESS, SWP, AAP, IC and MAC Researched programs. The Investment Manager Analysis Group may first identify a pool of potential candidates by using public and proprietary databases and industry contacts of the Investment Manager Analysis Group or others at UBS (including Financial Advisors). We also consider those investment managers who approach the Investment Manager Analysis Group directly on an unsolicited basis. General screens such as assets under management, portfolio manager longevity, investment style, and risk-adjusted performance are often used to narrow the initial pool of candidates.

As of the date of this brochure, our selection procedures include an examination of performance, performance drivers, investment philosophy and process, and may include interviews with portfolio managers, principals and key staff members, a review of trading practices and portfolio performance, and other criteria. We may also use third parties to help gather and analyze information used in the review process. We review SMA Managers on a periodic basis to confirm and validate our earlier conclusions. That process may include contact with the portfolio managers and key staff members as well as ongoing performance monitoring.

Some SMA Managers in turn, delegate their management responsibilities to affiliated and non-affiliated sub-advisors. All SMA strategies and associated strategies in our programs and their sub-advisors, with the exception of those managers categorized as Managed Accounts Consulting (MAC) Eligible, are subject to the initial and ongoing due diligence process.

Our review process leverages resources of third party research firms and data providers to gather and analyze information regarding the SMA Managers and strategies. The final review and decision to include the Manager/Strategy in the UBS researched programs continues to be conducted by the UBS Investment Manager Analysis Group.

IMA Review of CIO Research Based Investment Strategies.

We may work with an established investment manager, either third-party or affiliated within UBS, to construct an investment strategy to fulfill a specific investment objective. The strategy may be developed for purposes of fulfilling a platform need or other demand, such as the implementation of a UBS Chief Investment Office (CIO) research theme. The research conducted for UBS CIO based strategies will take into consideration the CIO influence within the strategy. To the extent a strategy is specifically based on UBS CIO content, a CIO model, or UBS Strategic Asset Allocation Models (SAAs) we will not conduct research on the CIO content or the Asset Allocation process, as that research is conducted and provided by UBS CIO or the UBS Wealth Management USA Asset Allocation Committee, respectively. For example, to the extent the strategy is based on SAAs or other sector allocation guidance, the research would include focus on the manager's security selection expertise. To the extent that CIO provides guidance regarding specific security selection in the strategy and the manager's goal is to implement the CIO strategy primarily as published by CIO, the research may be focused towards other aspects, such as the manager's execution and implementation expertise, rather than security selection.

IMA Review of Models and Model Providers. We may work with an established manager, either third-party or affiliated within UBS, to construct an investment model (Model Provider) to fulfill a specific investment objective. In these instances, we also will work with an Overlay Manager to develop a separately managed account (SMA) strategy based on an investment model maintained by the Model Provider. It is expected that the Overlay Manager will generally follow the model, however, the Overlay Manager will have ultimate discretion regarding selection and timing of SMA strategy trades.

Research will be conducted on the Model Provider investment strategy as well as the Overlay Manager identified to construct the SMA strategy for our programs. The Model Provider will often utilize only their proprietary products, such as mutual funds or exchange traded funds, when selecting investments for the model. The Model Provider receives compensation for investments in their proprietary products and therefore has an incentive to include them in their model(s). By doing so, the Model Provider oftentimes is not considering alternative products from other firms that may have features including cost and fee structures that may be preferable as compared to the Model Provider's proprietary products.

The Model Provider may also have trading or other policies that favor the Model Provider's proprietary products and strategies they manage on a discretionary basis over the SMA strategy on the UBS platform. The respective Form ADV disclosure brochures for the Overlay Manager and the Model Provider will provide additional important information regarding these arrangements.

MAC Eligible Investment Strategies

We provide different levels of SMA Manager due diligence and reviews in our MAC program. The level of due diligence and review we undertake varies depending on whether the Manager's strategy is considered MAC Researched or MAC Eligible.

Unlike the MAC Researched universe of SMA Managers strategies that are subject to the review process outlined above, MAC Eligible strategies are used as an accommodation for either newly recruited Financial Advisors whose clients use managers not on our researched list; or clients who wish to join the MAC program and may want to retain a previously hired manager's

strategy not on the investment researched list (unsolicited strategies). The Investment Manager Analysis Group's review of MAC Eligible strategies is very limited in scope and does not provide enough information for us to express an opinion regarding the investment capabilities of those strategies. The limited review is performed once and provides a broad overview of the manager's organizational structure and history, together with information about their assets under management, net worth and regulatory record, and is not updated. **UBS does not make initial or ongoing recommendations on MAC Eligible strategies to existing and/or prospective clients.**

Selecting an SMA Manager

With the exception of MAC Eligible strategies (see above), our SMA Programs, AAP and Unified Managed Accounts Program offer you the portfolio management services of a select, pre-screened group of SMA strategies, Model Providers and Overlay Manager. Our role is to identify managers that have been examined and deemed suitable for your investment needs.

Your Financial Advisor will review the results of the Risk Profile Questionnaire with you (in the MAC program, your Financial Advisor will review with you the information provided in your account application)—after which, in ACCESS, MAC, IC and SWP, you will select your SMA strategies for your accounts from a group of SMA strategies and model portfolios approved for the SMA, AAP and/or Unified Managed Accounts Program by us. During your selection process, you have the option of choosing managers who may or may not be affiliated with us. In AAP, or if you have selected the POA for Limited FA Discretion Services option in UBS-CAP or an LPOA in IC, your Financial Advisor is authorized to undertake these actions on your behalf.

While we offer a number of different investment strategies for your wealth management needs, we do not offer every investment manager or strategy available in the marketplace. Instead, we provide you with access to those managers who have been approved by our firm and, in our professional judgment, are appropriate to help you pursue your financial goals. We cannot guarantee, however, that the managers presented will be the best available managers either in the industry or the best available managers among the managers included in our firm-sponsored programs.

If we decide, in our sole discretion, that circumstances make a change necessary or appropriate, you authorize UBS to delegate management discretion of your account to a Model Provider or Overlay Manager and/or to remove or replace your SMA Manager, for all or a part of your ACCESS or SWP Account, and to hold the existing assets in your Account until we receive instructions from you. We will notify you in advance of any change in your SMA manager, Model Provider or Overlay Manager unless the change is in your AAP account or you have granted discretion to us to hire, fire and change such strategies under the terms of UBS-CAP or IC. Your continued acceptance of services under the Account Agreement will constitute your approval and agreement of any replacement SMA Manager, Overlay Manager or Model Provider.

Diversification. Unless the asset allocation or investment strategy you selected is identified as a fully diversified strategy (for example, diversified across all asset classes), your investment in a particular strategy should only be viewed as a portion of your overall portfolio. It should not, however, be considered as a diversified asset allocation plan either overall or within a single asset class/style.

SMA Manager Searches. To help you select an SMA Manager, at your request, we may provide information from third party or proprietary databases regarding different strategies. We do not verify or guarantee this information, including past performance information, which may not be calculated on a uniform or consistent basis. Our inclusion of an SMA strategy in the database or in a manager strategy search report is not an endorsement or recommendation of that SMA strategy by us.

SMA Manager Terminations from our Researched List and Program Offerings: We retain the authority to remove any SMA Manager, Model Provider or Overlay Manager or strategy from our programs and from the researched list at any time. Circumstances under which we may terminate or discontinue a manager or strategy include (but are not limited to) persistent underperformance, significant departure from the Manager's stated investment discipline, or material changes in the Manager's organization.

If you participate in our ACCESS, MAC, AAP and Strategic Wealth Portfolio programs, we will notify you in advance if your SMA strategy or Model strategy is terminated from the program and/or from our researched list. In AAP, your Financial Advisor is authorized to hire, change and remove SMA strategies on your behalf. If you have selected the POA for Limited FA Discretion Services option in UBS-CAP or an LPOA in IC, your Financial Advisor is authorized to hire, change and remove strategies in the ACCESS and MAC Programs on your behalf.

SMA Managers, Model Providers and Overlay Managers in our Advisory programs are asked to contribute to our overall training and education costs for Financial Advisors in our managed accounts programs. Neither contribution towards these educational expenses, nor lack thereof, is considered as a factor in analyzing or determining whether a Manager should be included or should remain in our Advisory programs.

See "Participation or Interest in Client Transactions—Additional Sources of Compensation from SMA Managers or Vendors whose products we may recommend to Our Advisory Clients—Contributions to Training and Education Expenses."

Standards Used to Calculate Portfolio Manager Performance.

Performance Composites. We may make available profiles of selected investment strategies that include past performance information. Profiles are not available for every Portfolio Manager, SMA Manager or strategy available in the Programs.

We believe that composite performance information is meaningful. Composites that we provide may be prepared by us, or, in the case of SMA Managers, by the managers.

For the PMP Program, we calculate a strategy's composite performance based on standards drawn from industry sources—taking the following into account:

A return calculated using an asset weighted methodology in PMP

Cash flows into and out of the accounts

Monthly valuations

Income accrued on individual fixed-income securities

For strategies that are billed based on the mandate amount, the returns are calculated based on the net yield generated in relation to the mandate amount and not the actual account value.

The performance reflected in the composite information includes

all accounts managed in the relevant style at least one full calendar month for the PMP Program. We eliminate accounts that impose restrictions. For this reason, and because past performance is not indicative of future results, you should not consider the performance shown in the composite as representative of the historical performance of the manager or the performance you should expect in the future for either a restricted or unrestricted account. Accounts may be excluded from the composite if there appears to be a discrepancy in the report or if they contain material client directed constraints.

For SMA Managers, we use the managers' performance information in strategy profile(s) and in investment proposals for the ACCESS, AAP and SWP programs. Strategy profiles for the MAC Researched universe of managers are available upon request. We do not provide strategy profiles for strategies that are available solely in the IC Program. Details regarding the performance composites and the sources of performance information are included in the profiles we make available.

While we believe that information provided by managers is accurate, we do not independently verify or guarantee it. While a manager's investment process for a strategy is consistently applied across all UBS Programs where the strategy is offered, performance results achieved in each UBS Program will differ among programs, and from the performance shown. In addition, we cannot assure you that any performance information provided has been calculated on a uniform or consistent basis. As such, the performance shown should not be considered actual UBS Program account performance and should not be relied upon in making a decision to select a strategy or continue to have an account managed in a strategy.

As with other investments, past performance does not guarantee or indicate future results.

a. Performance Reviews of SMA Managers, Portfolio Managers and Financial Advisors in our Advisory Programs

We provide annual performance reviews for Accounts in our Programs whose assets are held at our firm (we provide quarterly performance reviews for accounts enrolled in IC, MAC-Eligible strategies and Options Overlay Strategies). The performance reviews display the performance of your Account, Portfolio Manager and/or SMA Manager compared to certain indices. These benchmarks are shown for informational purposes only.

The comparisons relate to the historical performance of market indexes (e.g., S&P 500, Russell 1000 Value, etc.) and not the performance of actual investments. Our selection and use of benchmarks for comparison purposes is not a promise or guarantee that your Account will meet or exceed the stated benchmark. UBS identifies benchmark references from among indexes for which the firm has licensing rights and does not consider the entire universe of potential indexes. The benchmarks we use can differ from those listed in the prospectuses and other offering or marketing materials used by the funds/managers.

Please note that the investment strategy in your Account(s) is not restricted to the securities in the benchmark. Also, indexes are not available for direct investment and represent an unmanaged universe of securities that does not take into account advisory or transaction fees, all of which will reduce overall return.

Benchmark Selection for Performance Evaluation

SMA Programs: We assign index benchmarks to those SMA

Managers that we have researched, based on our understanding of their strategy, their investment style and our research. Those benchmarks are used for researched SMA Managers in ACCESS, AAP, MAC, IC and SWP. MAC Eligible strategies are assigned broad equity, fixed income, or a blend of both broad equity and fixed income market indexes (e.g., S&P 500, Russell 1000 Value, etc.) that are readily recognized, but cannot be used for direct performance comparisons against your Accounts and the SMA Manager's investment strategy.

The performance comparisons for SMA Managers may differ from those presented by your SMA Managers in their materials.

In the IC Program, your performance report may reflect an additional benchmark, as selected by you in consultation with your Financial Advisor.

Discretionary Programs: We also assign comparative benchmarks to the strategies managed by Portfolio Managers in PMP and Advice Portfolio. In AAP, performance reviews will illustrate a benchmark that is reflective of the account's Target Allocation.

Non-Discretionary Programs: Due to the non-discretionary nature of the Strategic Advisor program, performance reviews will also illustrate the historical performance of certain broad equity and fixed-income market indexes (e.g., S&P 500, Russell 1000 Value, etc.).

Depending upon the composition of your portfolio and your investment objectives, the broad market indexes used with MAC Eligible strategies and in Strategic Advisor may not be an appropriate measure for comparison purposes, and as such, are represented for illustration only. Your portfolio holdings and performance may vary significantly from the index.

In the PACE and SWP programs, performance reviews will illustrate a benchmark that is reflective of your Target Allocation.

SMA Managers in our SMA, Unified Managed Account and AAP Programs:

The performance of SMA strategies is part of the ongoing due diligence performed by the Investment Manager Analysis Group. Performance for the SMA strategies is calculated as described above. We do not review or evaluate performance for MAC Eligible strategies.

The standards applied to the performance review of third party managers varies significantly from the review of performance applicable to Financial Advisors in the Portfolio Management Program. Those differences can result in situations in which an SMA Manager is placed on hold or terminated from participating in our Programs, while Financial Advisors in the PMP Program remain available for investment. The different standards of review create a conflict of interest in our recommendation of the strategies managed by our Financial Advisors.

UBS Asset Management Portfolio Managers in UBS Advice Portfolio:

Until the closure of the UBS Advice Portfolio Program on or about June 13, 2025, the UBS Asset Management team continuously oversees the UBS Advice Portfolio Program investment portfolios for many metrics, including performance. On an ongoing basis, UBS Financial Services, as sponsor of the Program, will provide an annual review of the performance of the portfolios managed by UBS Asset Management. The review will include a review of performance, identified issues, and any other relevant information, including information provided by the Investment Manager Analysis Group regarding any material change that may arise in connection with their review of Asset Management.

Portfolio Managers in the PMP Programs: On a quarterly basis, local branch management reviews PMP account performance and risk as compared to its assigned benchmark.

Financial Advisors in the AAP Program: We do not calculate, review or publish the performance of individual Financial Advisors in AAP. We calculate the performance of your Account in the AAP Program and provide those reviews to you on an annual basis.

Financial Advisors in our Non-Discretionary Programs and SWP: Given the non-discretionary nature of the PACE, Strategic Advisor and SWP programs, we do not calculate, review or publish the performance of individual Financial Advisors in those Programs. We calculate the performance of your Accounts in those Programs and provide those reviews to you on an annual basis.

C. UBS or UBS Affiliates and Employees Acting as Portfolio Managers.

UBS Affiliated Managers and UBS Financial Services Inc. investment portfolios and research exceptions for proprietary strategies.

We offer the services of UBS affiliated managers. We also offer the services of Financial Advisors as portfolio managers in PMP and AAP, and UBS Asset Management in the UBS Advice Portfolio Program.

While we seek to apply the same review criteria to all researched managers available in our SMA and Unified Managed Accounts Programs, certain UBS affiliated strategies and UBS discretionary investment portfolios, may not have been screened or approved as researched strategies at the time they were initially included in the SMA Programs.

For example, for our discretionary investment portfolios, while the Firm itself would satisfy the general research screens, an investment portfolio on its own, may fail to meet several research screens, including: total assets under management, length of a performance track record with client assets, and a requirement of having a minimum number of accounts that are normally imposed on third-party managers. In these cases, however, we may either research these managers subsequent to being included in our SMA Program or we may monitor them periodically to ensure that they meet specific criteria.

The manager research process described above does not apply to our Financial Advisors participating in our Advisory Programs, including AAP; UBS Asset Management as sub-advisor in the Advice Portfolio Program; and the PMP Program Portfolio Managers.

To the extent PMP Portfolio Managers will promote a PMP strategy as sustainable (see "Important information about sustainable investments" section below), the Investment Manager Analysis (IMA) group conducts a limited review of the strategy solely to determine whether it meets our standards and criteria for sustainable investments.

Education and Business Standards for Financial Advisors Participating in Our Advisory Programs.

Our Financial Advisors can participate in our Advisory Programs in a variety of ways:

They can assist clients in the selection of SMA strategies in ACCESS, MAC, SWP, and IC non-discretionary Programs or select strategies on clients' behalf in AAP and the discretionary version of IC.

They can manage assets on a discretionary basis in the PMP, AAP and IC Programs.

They can assist clients with the development of asset allocations offered in the Advisory Programs, or create an asset allocation on clients' behalf in AAP.

They can recommend specific securities on a non-discretionary basis in PACE, Strategic Advisor and the Non-Discretionary Assets in SWP.

Generally, we require our personnel who provide investment Advisory services to clients to have a college degree or securities industry experience.

Most of our Financial Advisors are registered as broker-dealer and investment adviser representatives. With the exception of the PMP, AAP and IC Programs, we do not impose special requirements such as education or qualification requirements (other than the required registrations) for Financial Advisors who participate in our Programs. Some Programs require that Financial Advisors fulfill certain internal training requirements in order to undertake certain activities. In addition, all FAs are required to complete a mandatory web-based training course on UBS Advisory Solutions in order to familiarize them with the firm's advisory offerings, as well as some of the key risks associated with the business.

We will provide to you a Brochure Supplement which includes information regarding your Financial Advisor's education, business experience, disciplinary history, outside business activities, their compensation and supervision. You may also obtain information about your Financial Advisor, their licenses, educational background, employment history, and if they have had any problems with regulators or received serious complaints from investors through the FINRA BrokerCheck service available from FINRA at <http://www.finra.org> or from the Securities and Exchange Commission at www.adviserinfo.sec.gov.

You can also contact your state securities regulator through the North American Securities Administrators Association's website at <http://www.nasaa.org> and request information about our firm and your Financial Advisor.

You may receive Brochure Supplements and other disclosure documents for your SMA Managers and their investment management personnel directly from your SMA Manager.

Portfolio Manager Nomination Criteria for the PMP, AAP and IC Programs.

Financial Advisors are nominated for participation in the PMP, AAP and IC Programs by members of their Branch management team. The respective Program Management team reviews each nomination and ensures applicants meet minimum stated criteria before being admitted to the Programs.

PMP Program: Applicants are generally required to have at least five years of industry experience (for PMP), meet certain asset thresholds, and hold either the Chartered Financial Analyst designation, the Certified Portfolio Manager designation, or have completed the firm's PMP's Portfolio Management Training requirement. These requirements are waived under certain circumstances including recruitment situations where a waiver of the educational requirement is granted if the Financial Advisor has approved portfolio management credentials from a major competitor firm or relevant professional experience.

AAP: AAP financial advisors must complete the AAP Portfolio

Management Training requirement prior to using the program. These requirements are waived for existing PMP Portfolio Managers, Financial Advisors with the CIMA designation, or under certain circumstances including recruitment situations where a waiver of the educational requirement is granted if the Financial Advisor has approved credentials from a major competitor firm or relevant professional experience.

IC Institutional Consultant Nomination Criteria. Financial Advisors who provide Institutional Consulting services are given UBS firm designations as either Institutional Consultants or Senior Institutional Consultants. Senior Institutional Consultants and Institutional Consultants are typically required to have at least five years of industry experience and meet certain client asset thresholds at UBS. Senior Institutional Consultants have either the CIMA⁴ designation from the Investments & Wealth Institute or the CFA⁵ designation from the CFA Institute, while Institutional Consultants have either the CIMA, the CFA, or both the Investment Management Essentials certification and the Endowment and Foundation Consultant certification, both of which are issued by Investments and Wealth Institute (IWI). Waivers of the education requirements may be granted for Financial Advisors who have sufficient industry experience. The timeframe to meet the requirements may be extended under certain circumstances including recruitment situations. Certain Financial Advisors holding other firm designations may also provide institutional consulting services.

Recommendation of Affiliated/proprietary SMA Managers, Securities and Investments: We may, after a review of your investment needs and available options, recommend, or in our Discretionary Programs select or purchase on your behalf, affiliated/proprietary money managers or securities. Affiliated/proprietary managers are not subject to the same research standards as third-party managers. Recommending or selecting proprietary or affiliated products and managers raises a conflict of interest, because retaining those entities or purchasing those securities will result in increased compensation to UBS and/or a UBS affiliate. If you or we select SMA Managers, funds, products or other investment vehicles that are managed or sponsored by us or our affiliates, the management fees will be payable to either UBS or the affiliated entities. Your Account's actual investment return will be reduced by those fees, plus any related expenses and the Program Fees. Please review the applicable prospectus and offering documents carefully for a detailed description of the additional fees associated with these products.

We address the conflicts of interest presented by the recommendation of affiliated managers and application of different research standards by disclosing our practices to you to ensure you make fully informed decisions in your selection of investment strategies.

See "Services, Fees and Compensation—Advisory Programs—Compensation to Financial Advisors and UBS Portfolio Managers in Our Discretionary Programs"

D. Advisory Business

1. Corporate Structure

UBS Financial Services Inc. was organized as a Delaware corporation on June 30, 1969. UBS Financial Services Inc. became a registered investment adviser on January 22, 1971. It is a wholly owned subsidiary of UBS Americas Inc., a Delaware

corporation. UBS Americas Inc. is a wholly owned subsidiary of UBS Americas Holding LLC, which in turn is a wholly owned subsidiary of UBS AG, a Swiss stock corporation whose business purpose is the operation of a bank, with a scope of operations extending to all types of banking, financial, advisory, trading and service activities in Switzerland and abroad. UBS AG is in turn a wholly owned subsidiary of UBS Group AG, the holding company of the UBS Group.

2. Advisory Services

The advisory services we offer are described in *Item 4 "Services, Fees and Compensation"* of this brochure. We also offer:

Financial Planning Services: We offer financial planning for a fee as an investment advisory service. These services are separate and distinct from our brokerage services and other investment advisory services. Our Financial Planning Services are tailored to each client to provide a comprehensive review of client goals and financial planning topics, which may vary based on a client's level of wealth and the complexity of their planning needs. Our financial planning services do not include initial or ongoing advice regarding specific securities or other investments, or implementation of the financial plan. For more information, please discuss with your Financial Advisor and request the Form ADV Disclosure Brochure for our Financial Planning Services.

Retirement Plan Consulting Services and Retirement Plan Guided Solutions. We offer advisory services to defined contribution retirement plans for an asset-based, or fixed fee, or a combination thereof. Services may include, but are not limited to, helping a client establish or amend investment policies and objectives; assistance determining the number and type of investment alternatives to be offered to plan participants; developing criteria to select and evaluate service providers; providing performance evaluations; and providing education consulting, which can include a variety of educational seminars with subjects such as investing, saving for retirement, distribution planning and transition, and enrollment seminars. Unless a discretionary mandate is agreed to, all investment decisions are made by the client. For more information, please discuss with your Financial Advisor and request the Form ADV Disclosure Brochure for our Retirement Plan Consulting Services and Retirement Plan Guided Solutions programs.

3. How we tailor accounts for clients.

We tailor Advisory accounts to the specific investment objectives, risk tolerance and investment preferences of our clients in the following ways:

Investment strategies offered in our PMP program, MAC Researched and ACCESS programs are assigned a risk category rating. The responses to Questionnaires in each of these Programs are used to determine an appropriate manager or strategy that aligns to the client's stated risk tolerance. The risk category ratings were developed to approximate investor expectations of risk and reward, and to reflect the preferences of a range of investors from conservative to aggressive. Investment strategies within a particular risk category may employ a variety of investment approaches but are expected to share similar return and volatility characteristics over the long term. There can be no assurance that the stated investment

⁴ CIMA® is a registered certification mark of the Investments & Wealth Institute in the United States of America and worldwide.

⁵ CFA® and Chartered Financial Analyst® are trademarks owned by the CFA Institute.

objectives of the investment strategies will be realized.

Non-Discretionary, Unified Managed Accounts Program and AAP: Our asset allocations are based on a proprietary process which offers several possible asset allocation models. As in the case of our other Programs, a client's responses to their Program Questionnaire are used to determine an appropriate asset allocation. Clients with the advice of their Financial Advisors in Non-Discretionary Programs and Unified Managed Accounts Program, may tailor their allocations to their needs from the recommended asset allocation as long as they are within the internally determined risk bands. Financial Advisors in AAP establish an asset allocation aligned with the internally determined risk bands based on the client's risk profile.

We may change, at our sole discretion, the number and types of asset allocation models offered in our Programs. To better personalize the investment strategy selected, clients in Programs with SMA Managers and in Discretionary Programs may impose reasonable investment restrictions on the management of their accounts. (See "Account Requirements and Types of Clients—Investment Restrictions & Investment Policy Statements" above.)

4. Performance Fees and Side by Side Management

We offer our own portfolio management services and those of our Financial Advisors in our Portfolio Management Program and Advisor Allocation Program. Financial Advisors in the PMP and AAP Programs may also have clients with accounts in brokerage or other Advisory programs. The services and management of those accounts differ. Due to the discretionary nature of the PMP and AAP Programs, Financial Advisors in these programs should place transactions for their discretionary clients' accounts prior to soliciting the same securities in their non-discretionary advisory and brokerage clients' accounts. PMP and AAP Financial Advisors are also subject to an internal personal trading policy.

UBS Financial Services Inc. does not impose performance fees in our wrap fee advisory programs. UBS Financial Services does not serve as investment manager to hedge funds, private equity or similar types of investment vehicles. However, as a distributor of alternative investments, including hedge funds and fund of funds, UBS receives a portion of the performance fees charged by the investment adviser to those funds. Financial Advisors who sell those alternative investments, including those investments held in Advisory accounts, receive a portion of those fees.

5. Methods of Analysis, Investment Strategies and Risk of Loss

As a result of a reorganization in January 2023, the product and sales support areas for investment advisory programs, financial planning, insurance & annuities, mutual funds and sustainable investing were combined with the independent research areas of Wealth Management US Chief Investment Office under the leadership of Solita Marcelli, Chief Investment Officer of Global Wealth Management Americas. In order to address the conflicts of interest that arise as a result of having independent research and investment product organizations under the same leadership, we have implemented policies and procedures to ensure the continued separation of the research function as required by applicable rules and regulations, including, but not limited to, ensuring that no research personnel, including Ms. Marcelli, is subject to, accountable for, or compensated on sales or revenues key performance indicators for the product areas within the combined CIO & Investment Solutions organization.

All investments carry the risk of loss. Please review the documents, profiles and investment proposals we provide to you when you establish accounts in the Programs for a description of the specific risks associated with the investment strategy you selected.

We obtain information from various sources, including:

- Financial publications
- Company press releases and securities filings
- Research and due diligence material prepared by UBS Financial Services Inc., our affiliates and third parties
- Rating or timing services
- Regulatory and self-regulatory reports
- Third party data providers and research consultants
- Outside consultants, experts and other professionals
- Other public sources

In addition, we receive a broad range of research and information about the following:

- The economy
- Industries
- Groups of securities and individual companies
- Statistical information
- Market data
- Accounting and tax law interpretations
- Political developments
- Credit analysis
- Risk measurement analysis
- Performance analysis
- Other information that may affect the economy or securities prices

Research can be received through various channels, including:

- Written reports
- Telephone contacts and personal meetings with research analysts
- Economists
- Government representatives
- Corporate and industry spokespersons

We may receive research, model portfolios and asset allocation services generated by UBS, UBS affiliates, third parties, by or through brokers or dealers or investment advisers, including research, model portfolios and asset allocation advice purchased through economic arrangements with such parties.

Our Investment Advisory services generally rely on a variety of fundamental, technical, quantitative and statistical tools and valuation methodologies. As a result of these different methodologies employed, technical or quantitative research recommendations may differ from, or be inconsistent with, fundamental opinions for the same security. We may use computer technology to more readily display these factors and to create asset allocation recommendations. Personnel involved in providing Investment Advisory services may have access to specialists or other information for all major industry groups.

Our Financial Advisors and clients have access to research from UBS CIO Americas Wealth Management (CIO A WM), which is part of UBS Wealth Management USA. CIO A WM is designed specifically for use by private clients and our Financial Advisors. As a result, subject to certain exceptions, we expect that product areas in UBS Financial Services Inc. will incorporate insights and economic perspectives of CIO A WM, where appropriate, in their products and services.

Clients and Financial Advisors also have access to certain categories of UBS Investment Research (INV Research) that is issued by UBS Investment Bank. Because both sources of research reflect the different assumptions, views and analytical

methods of the analysts who prepared them, there may be a difference of opinions between CIO A WM and INV Research. Neither source is necessarily more reliable than the other. The various research content provided does not take into account the unique investment objectives, financial situation, or particular needs of any specific individual investor.

Investments and strategies available in our Advisory Programs are subject to varying degrees of due diligence (quantitative and/or qualitative) and depth of research. For example, the Investment Manager Analysis Group conducts enhanced research on a select group of SMA Managers and mutual funds and makes that research available to Financial Advisors. These "Select Lists" represent a diversified selection of mutual funds and SMAs within various investment categories with different investment philosophies. The Select Lists are published for internal use only and can be, but are not required to be, used as a resource by Financial Advisors when recommending SMAs and mutual funds to clients. These lists are updated periodically. Financial Advisors have access to various resources to review and select the investments and managers they recommend to clients. As such, the SMA managers and mutual funds in which you invest may or may not be part of these Select Lists.

We will not notify you if the SMA or investment you select is on one of these Lists initially or if it is removed after you invest.

Important information about sustainable investments:

Various products and services use terms or labels related to sustainable investments. However, industry standards and terminology related to sustainable investments will differ and are evolving. You should carefully review the offering materials to understand how a particular product or strategy approaches sustainable investing and if the approach aligns with your goals and objectives.

At UBS Financial Services Inc., we continue to maintain and evolve our own standards and framework for sustainable investing. We believe sustainable investment strategies should have an explicit focus on sustainability objectives or outcomes. Although we serve as a distributor of sustainable investment strategies, we do not review every product to determine consistency with our standards for sustainable investing, nor do all products that we make available align with our approach. Notably, not all strategies that use terms or labels related to sustainable investing, ESG, impact, or related themes are classified as sustainable by UBS.

For researched SMA strategies and certain mutual funds, our Investment Manager Analysis (IMA) group classifies investment strategies as sustainable if they meet our review standards and requirements. Managers may have their own standards for determining sustainability. Strategies are subject to re-review by IMA and the classification of a strategy as sustainable or not sustainable according to UBS's parameters, is subject to change. The sustainable classification is only one component of the IMA review process, and a change to a classification will not necessarily impact the ongoing availability of a strategy. Although we notify clients when a separately managed account strategy is no longer available on the platform or through SMA Advantage, we do not communicate changes to our sustainability classifications directly to clients. Speak to your Financial Advisor for more information about UBS's approach and IMA's classification process, or for assistance identifying specific products that we have reviewed and determined to be consistent with our standards for sustainable investing.

It is also important to know that sustainable investments across geographies and styles approach the integration of environmental, social and governance (ESG) factors and other

sustainability considerations and incorporate the findings in a variety of ways. Sustainable investing-related strategies may or may not result in favorable investment performance and the strategy may forego favorable market opportunities in order to adhere to sustainable investing-related strategies or mandates. Issuers may not necessarily meet high performance standards on all aspects of ESG or other sustainability considerations. In addition, there is no guarantee that a product's sustainable investing-related strategy will be successful. Companies, as well as related investment strategies, face increasing risks associated with different and evolving industry and regulatory standards as well as public sentiment toward sustainable (ESG) and diversity (DEI) approaches; these risks include, but are not limited to, becoming the subject of investigations and enforcement actions, litigation, public boycott, and reputational harm.

Discretionary programs

UBS Portfolio Managers in our Discretionary Programs and Financial Advisors in AAP use a variety of research sources in making their investment decisions for your account, including research issued by the firm, UBS affiliates and independent sources.

UBS Portfolio Managers are not required to follow the firm or UBS issued research except in limited circumstances and may, in their discretion, take positions for your account that contradict the research issued by UBS and its affiliates.

SMA Managers

Managers in our Advisory programs are not required to use UBS research as the source of their investment decisions. SMA Managers participating in our ACCESS, MAC, AAP and SWP programs may utilize various fundamental, technical, quantitative or statistical research, tools and valuation methodologies in order to determine which securities to purchase for your program accounts. They may rely on their proprietary research, and/or they may receive research from a variety of sources, including UBS or one of our affiliates, as part of their investment process. Any research that we or one of our affiliates may provide to an SMA Manager is separate and apart from our Advisory programs and does not affect or otherwise limit the manager's discretionary investment responsibility for your program account. **You should be aware that we or our affiliates (or employees thereof) may have conflicts of interest in connection with the research reports we publish.** UBS and its affiliates (or any of our employees) may happen to fall into any one of these categories, which could potentially create a conflict of interest:

- Holding long or short positions in a specific security being researched
- Deal as principal or agent in a specific security being researched
- May provide Advisory or other services to an issuer or their affiliate that is covered in research reports issued by CIO A WM and/or INV Research

CIO A WM and INV analyst compensation is not based on investment banking, sales and trading or principal trading revenues, however, their compensation may relate to the revenues of UBS business groups as a whole, of which investment banking, sales and trading and principal trading are a part.

Financial Advisors also have access to proprietary models

covering equities, fixed income, mutual funds and municipal securities developed by our various business areas.

Our Proprietary Asset Allocations

Our asset allocations are based on a proprietary methodology. In developing those allocations, UBS considers asset class risk and return results that are based on estimated forward-looking return and risk (measured by standard deviation) assumptions ("capital market assumptions" or "CMAs"). These CMAs are also based on UBS proprietary research, with the development process including a review of a variety of factors, such as the return, risk, correlations and historical performance of various asset classes, inflation and risk premium. These CMAs are vetted and approved by the UBS Wealth Management USA Asset Allocation Committee and may differ or be contrary to those established by other business areas or divisions of UBS as a result of using different assumptions and/or criteria.

The CMAs have two sets of return assumptions, designed for different investment time horizons, but a single set of risk assumptions. The "strategic" return assumptions are used for investing over one full economic cycle, whereas the "equilibrium" returns have an investment horizon of multiple economic cycles. The strategic returns have multiple uses, including developing Strategic Asset Allocations, custom portfolio analysis, and risk monitoring. The equilibrium CMAs are used for long term planning purposes and financial planning purposes, and can be used under certain circumstances with institutional clients.

UBS periodically reviews the economic or market conditions or other general investment considerations that it believes may impact the capital market assumptions. The capital market assumptions may change from time to time at the discretion of UBS. UBS has changed its risk and return assumptions in the past and may do so in the future. We will not provide you with an updated investment proposal automatically based upon changes to these or other underlying assumptions, but you may request an updated proposal from your Financial Advisor. Changes in the assumptions may affect your Target Allocation on the broad asset class, subclass or style level. We may also add or remove asset classes, subclasses and styles from our allocation methodology at any time. We will send you a written notice in the event that changes in our capital market assumptions result in a change to your Target Allocation. It is important to note that changes to your Target Allocation may result in tax consequences to you. Please consult your tax advisor if this occurs.

The CMAs are not guaranteed, do not represent the risk or return of a particular security, investment, portfolio or strategy, and do not take into consideration the fees, costs or charges associated with any particular product, investment, portfolio or strategy. Actual performance can differ, perhaps significantly, from these CMAs. In addition, UBS employs a variety of asset allocation models and tools. As a result, our modeling outside of the programs may vary depending upon the asset allocation model, amount invested and software program used for analysis.

6. Voting of Client Securities (Proxy Voting)

You have the option to elect to vote your own proxies, however, our Discretionary and SMA Programs permit you to delegate proxy voting authority. For assets invested in SMA Programs, and the SMA sub-accounts of SWP and AAP, you may delegate proxy

voting authority to your Separately Managed Account (SMA) Manager. For assets invested in Discretionary Programs, and in the case of AAP, the FA-Discretionary Sub-accounts, and custodied at UBS, you may delegate proxy voting authority to Institutional Shareholder Services Inc. ("ISS"), a proxy voting service we have engaged and made available to you. ISS will not act as proxy voting agent for DVP accounts.

You may not delegate proxy voting authority to UBS or any of its employees. Neither your Financial Advisor nor UBS will exercise voting discretion or have input regarding voting decisions made on your behalf for the securities held in our Programs or assets you hold at UBS or at other financial institutions. We will not vote proxies, file claims, or provide any advice about the voting of proxies related to the securities you hold in your Accounts at UBS or at other financial institutions, including claims or proxies related to corporate actions or legal proceedings (including bankruptcies and class actions) except to the extent required by law.

We ask you to provide these instructions when you establish your first Advisory account under the relationship Agreement. We will apply your preferences (where those features are available) to all Advisory accounts established under the relationship Agreement, unless you provide different instructions for specific accounts.

For Discretionary Programs, if you designate ISS or another firm or SMA Manager to vote proxies on your behalf (a "Proxy Voting Agent"), the Proxy Voting Agent will serve as your agent and attorney-in-fact to receive and vote all proxy and will be responsible for voting on matters requiring a proxy vote for the securities held in your Account in accordance with its proxy voting guidelines or other proxy voting guidelines to which you and your Proxy Voting Agent agree. ISS will vote proxies in your Discretionary Accounts, and in the case of AAP the FA-Discretionary Sub-accounts, based on its Benchmark U.S. Voting Guidelines. If assets are not custodied at UBS (DVP accounts), proxy materials are sent to the clients and clients are responsible for voting proxies for these assets.

A summary of ISS' Proxy Voting Guidelines, ISS' Form ADV Part 2A and the complete Proxy Voting Guidelines Benchmark Policy Recommendations are available at ubs.com/advisorydisclosures.

UBS will pay ISS fees and expenses related to proxy services, but not those of any separate Proxy Voting Agent you engage. UBS reserves the right, at our discretion and in accordance with this Agreement, to designate a different independent Proxy Voting Agent to act as your agent and attorney-in-fact to vote proxies for your Account and to pay for such proxy service-related fees and expenses.

ISS will not vote in the following circumstances: (a) the securities are no longer held in your Account; (b) assets are not held at UBS; or (c) the proxy or other relevant materials are not received by ISS in sufficient time to allow an appropriate analysis or to allow a vote to be cast by the voting deadline. In addition, ISS generally does not make recommendations, and will not vote proxies or file claims in respect to bankruptcies and class actions, limited partnership or bond issues, preferred stock, and certain foreign securities, if voting may cause the sale of the security to be prohibited under foreign law for a period of time, usually the time between the record and meeting dates ("share blocking"). Also, ISS will not vote or advise you on other corporate actions, like tender offers, which do not require a proxy or are not solicited via a proxy. Those materials will be forwarded to you. Neither we nor your UBS Portfolio Manager

will be authorized to respond to such correspondence or advise you on actions you should take.

UBS-CAP and IC: Proxy voting for Advisory Accounts enrolled in UBS-CAP or IC will vary based on the terms of the Advisory Program(s) selected. In IC Accounts, you retain the right and obligation to vote any proxies or corporate actions, like tender offers, relating to mutual funds, exchange traded funds or alternative investment funds held in your IC Wrap Account. For SMA managers in IC Accounts, you delegate proxy voting authority to the investment manager, unless you change or cancel these instructions.

PACE; Strategic Advisor; SWP Non-Discretionary Assets; UBS-CAP Alternative Investments: You expressly retain the right and obligations to vote any proxies relating to the securities held in your PACE and Strategic Advisor Accounts, as well as for your SWP Non-Discretionary Assets, and alternative investments in UBS-CAP but you may delegate these rights and obligations to a properly authorized agent.

SMA Programs; Discretionary Programs; SMA Managers in Strategic Wealth Portfolio and AAP: By signing the Application and Agreement, you designate (as relevant given your Advisory Program selection) your SMA Manager to receive and vote all proxy and related materials for securities held in the Advisory Accounts or sub-accounts they manage on your behalf or ISS to receive and vote all proxy and related materials for securities held in Discretionary Programs or in the case of AAP the FA-Discretionary Sub-accounts. Unless you provide different instructions, we will apply your proxy-related preferences to all Advisory Accounts you establish under the Agreement, assuming your preferences are available in each program.

When you delegate proxy voting authority to your SMA Manager, they will vote on matters requiring a proxy vote for the securities held in your Account/sub-account. Your SMA Manager will also vote on other corporate actions, like tender offers, which do not require a proxy or are not solicited via a proxy.

Neither UBS, your Portfolio Manager or your Financial Advisor exercise voting discretion or have input regarding voting decisions made on your behalf for the securities held in your Discretionary Program account.

YOU MAY CHANGE YOUR PREFERENCES AT ANY TIME BY NOTIFYING US IN WRITING.

Your proxy-related preferences do not apply to class action lawsuits, legal proceedings and bankruptcy proceedings involving an issuer whose equity or debt securities are held in your Accounts, even if you delegated proxy voting authority to us or your SMA Manager. Correspondence related to such lawsuits will be mailed to you directly and will be your responsibility (except as noted below regarding class action claims filing service). Neither UBS, the SMA Manager nor your Financial Advisor will respond to such correspondence.

Securities Class Action Claims Filing Service: Financial Recovery Technologies LLC (FRT), an unaffiliated third-party service provider to UBS, provides class action recovery solutions for eligible UBS clients. To enroll in the service, eligible clients must sign a separate enrollment agreement and appoint FRT as their agent for class action purposes. Neither UBS nor FRT provides legal advice. When clients are enrolled in the service, FRT will monitor the client's eligibility to participate in covered lawsuits and will automatically file claims with administrators. Any recoveries are paid to UBS and credited to client accounts. Clients are not

charged for this service; the fee is paid for by UBS. This service is not part of our advisory programs and we do not act in an advisory capacity when making this service available to you.

Securities of Non-US Issuers: If your Account contains securities issued by a non-US issuer, unless you, your SMA Manager or the issuer have made other arrangements with us specifically with regard to such securities, or to the extent required by applicable law, we are not obligated to distribute issuer communications to you or your Proxy Voting Agent (including your SMA Manager or ISS). Pursuant to the Shareholder Rights Directive II (Directive EU 2017/828), and the related Implementing Regulation and national laws (together, "SRD II"), UBS, in its capacity as an intermediary, may be required to distribute communications from issuers that have their registered office in an EEA member state and the shares of which are admitted to trading on a regulated market situated or operating within an EEA member state. UBS may distribute such communication and facilitate the exercise of certain shareholder rights, including the right to participate and vote in general meetings of such issuers, through a third party service provider. If you hold securities covered by SRD II, you will need to enroll in our e-delivery service for shareholder communications to ensure you receive information about upcoming meetings and have access to our proxy voting service. Under SRD II, we may also provide information to these issuers regarding the identity of shareholders of their securities in response to a valid request by that issuer. UBS will have no liability to you for actions taken, or not taken, by UBS or its agents in good faith and intended to comply with any provisions of SRD II.

Limitations of our Authority: We have no authority, direct or implicit, and accept no responsibility for taking any action or rendering any advice with respect to the voting of proxies related to securities held in your SMA Account or sub-accounts. Our obligations with respect to any such solicitation are limited exclusively to forwarding, within a reasonable period of time, to your SMA Managers any materials or other information received by us with respect to such solicitation.

Proxy Voting Policies: Copies of ISS' proxy voting policies and procedures as well as those of your SMA Managers are available to you upon your request. You may also request specific information as to how proxies for your securities were voted. Some of the information, format, and period covered by the proxy reports will vary depending on the individual investment manager's policies and procedures. **Please contact your Financial Advisor regarding your requests.**

Proxy Voting in our Capacity as a Broker-Dealer: Except for ERISA Plans and Individual Retirement Accounts, if we forward proxy materials to you or your SMA Manager, as applicable given the Program you selected, but we do not receive voting instructions from you (or from your SMA Manager) within the designated time frame, we will, in our capacity as a broker-dealer vote these uninstructed shares in proportion to the voting instructions we have received from our brokerage clients on "routine" ballot items under the rules of the New York Stock Exchange, or as otherwise permitted under such rules. We may in some circumstances decide not to vote the uninstructed shares, however, upon request from an issuer or other party or where casting a vote as described above would have the unintended consequence of impacting the voting results on "non-routine" ballot items.

Fees related to shareholder communications: UBS outsources production and delivery of shareholder communications, including proxies, to a third party. The third party charges issuers standard industry fees on our behalf to recover costs related to production and distribution of the communication materials. It also shares a

portion of these fees with UBS in accordance with our agreement. Proxies and other shareholder communications that are sent to SMA Managers or to ISS in accordance with the option selected by clients for their Advisory Accounts, are included in the calculation of fees collected and shared with us. Total fees collected are generally in the range of \$21 million annually, and the amount paid to UBS averages approximately \$7 million per year. We receive payments monthly and allocate it to the branches as non-compensable revenue; it is not paid to Financial Advisors or branch managers.

Item 7. Client Information Provided to Portfolio Managers

We share certain information you provide to us during the account opening process, including the information discussed below, with your SMA Managers, Financial Advisors and Portfolio Managers in order to assist them in the management and servicing of your Account.

For accounts in the ACCESS, AAP and SWP Programs we provide information to the SMA Managers systematically. The information we provide includes your personal information, such as your name, address, social security number (TIN) and account type. We also provide your responses to the Profile Questionnaire and general account information, such as risk profile, account objectives, and any investment restrictions on the account. We report account activity and make trade confirmations and monthly ACCESS account statements available systematically. With your approval, we also provide trade confirmations to certain Investment Managers for accounts in the MAC and IC Programs. Certain account activity is also communicated through our system, including withdrawal, termination and tax harvest requests.

Our Portfolio Managers and Financial Advisors who service your Account have access to the same information as listed above. Portfolio Managers also receive copies of trade confirmations for transactions they execute in your Accounts as well as copies of the quarterly Performance Reviews for your Accounts.

Data Downloads. To service and reconcile your Discretionary and SMA Account or sub-accounts efficiently, we automatically provide your SMA Managers or sub-advisors with copies of the confirmations for trades they place in the Accounts/sub-accounts they manage for you as well as, for ACCESS managers, copies of your monthly account statements.

We also provide account statements to MAC and IC managers upon their request. From time to time, your SMA Managers or sub-advisors may request that we provide them with a data download that can include account statements and all transactions they effected on your behalf in order to reconcile your Account. SMA Managers and sub-advisors can also receive statements and confirmation and other account and client information when you grant them access via UBS Online Services.

By selecting a Discretionary Program or a Program in which SMA Managers will manage your Accounts/sub-accounts, and by your continued participation in those Programs, you consent, authorize and direct us to provide your Account data and copies of your trade confirmations and account statements to your SMA Managers.

Item 8. Client Contact with Portfolio Managers

We do not restrict your ability to contact or consult with your

SMA Managers, Portfolio Managers or Financial Advisors.

Item 9. Additional Information

A. Executive Officers and Board of Directors

Michael Camacho is Head of Global Wealth Management US and President and Chair of the Board of UBS Financial Services Inc.

Robert Karofsky is Managing Director and is Co-President of GWM and President of UBS Americas.

Peter Mozer is a Managing Director and a member of the Board of UBS Financial Services Inc.

Ralph Mattone is Managing Director and the Chief Financial Officer and a member of the Board of UBS Financial Services Inc.

CIO Wealth Management Research Americas

Solita Marcelli is a Managing Director and Chief Investment Officer Americas for UBS Global Wealth Management, which comprises the registered broker-dealer, UBS Financial Services Inc. In this capacity within Wealth Management US, she oversees Investment Research, as well as Investment Solutions which includes wealth planning, insured solutions, investment manager analysis, and the investment advisory programs described in this Brochure.

She is a member of the global CIO and WM USA management committees, in addition to serving as a participant in the House View Investment Committee, which is responsible for formulating the UBS Global Wealth Management Investment House View.

Management for the Investment Advisory Products Covered in this Brochure

Daniel Cohen – is a Managing Director of UBS Financial Services Inc., and is the Head of Investment Solutions, CIO Americas

David Giffen – is a Managing Director of UBS Financial Services Inc. and is the Head of Advisory Solutions and Mutual Funds.

General Counsel, Director of Compliance and Chief Compliance Officer

Kiye Sakai is a Managing Director and General Counsel for UBS Financial Services Inc., a US registered broker-dealer and investment advisor for UBS's Global Wealth Management US business, and head of the legal team supporting that business, which includes UBS Bank USA and UBS Trust Company of Puerto Rico Inc.

Lauren Munfa is a Managing Director, the Americas Head of Global Wealth Management Compliance & Operational Risk Control and is the Chief Compliance Officer of UBS Financial Services Inc.

Lisa M. Francomano is a Managing Director, Head of GWM C&ORC Products & Solutions and Chief Compliance Officer for UBS Financial Services' advisory business.

B. Disciplinary History

Below is a summary of the material legal and disciplinary events against UBS Financial Services Inc. during the last ten years. As of the date of this brochure, there are no reportable legal and disciplinary events for our senior management personnel or those individuals in senior management responsible for determining the general investment advice available to our clients.

The disciplinary reporting requirements for broker-dealers and investment advisers differ in some ways, with FINRA requiring broker-dealers to report on matters (for example, pending complaints and arbitrations) which are not required to be reported by investment advisers. Since our firm operates as both broker-dealer and investment adviser we file the information as required by each entity. The information in this report is not the only resource you can consult. You can access additional information about our firm and our management personnel on the Securities and Exchange Commission's website, located at www.adviserinfo.sec.gov, as well as the Financial Industry Regulatory Authority's website, brokercheck.finra.org.

Please note that in each instance described below, the Firm entered into the various orders, consents and settlements without admitting or denying any of the allegations.

Disciplinary History	
1	Date of Action: December 30, 2024 Brought by: FINRA Entity: UBS Financial Services Inc. Without admitting or denying the findings, the Firm consented to the sanctions and to the entry of findings that from February 2014 through November 2024, it sent its customers millions of trade confirmations that either (1) disclosed that the price shown was or may be an average price when it was not an average price or (2) failed to disclose that the price shown was in fact an average price. The findings also stated that the firm failed to establish and maintain a supervisory system reasonably designed to achieve compliance with Exchange Act Rule 10B-10 and FINRA rule 2232. Disposition: Censure and fine of \$1.1 million.
2	Date of Action: December 18, 2024 Brought by: FINRA Entity: UBS Financial Services Inc. The firm entered into an Acceptance Waiver & Consent under which the firm, without admitting or denying the findings, consented to the sanctions and to the entry of findings that it failed to establish and maintain a supervisory system reasonably designed to assess whether its registered representatives recommended to retail customers short-term trades of syndicate preferred stocks that were unsuitable. Disposition: Censure, fine of \$500,000, restitution of \$343,914.66 plus interest, and disgorgement of \$2,645,537 plus interest.
3	Date of Action: July 8, 2024 Brought by: FINRA Entity: UBS Financial Services Inc. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish and maintain a supervisory system reasonably designed to achieve compliance with the firm's obligation to monitor transmittals of customer funds to third parties and to respond reasonably to red flags of private securities transactions. The findings stated the firm failed to detect that a registered representative, who was acting outside the scope of their employment with the firm, sold to their customers unapproved securities that were offered by a third party. The firm repaid the customers their principal plus the amount of appreciation reported to them by the third party totaling more than \$17 million. Disposition: Censure and fine of \$850,000.
4	Date of Action: September 27, 2022 Brought By: Securities and Exchange Commission Entity: UBS Financial Services Inc. On September 22, 2022, UBS Financial Services Inc. became the subject of an order by the U.S. Securities and Exchange Commission ("SEC"), whereby it acknowledged that its conduct violated the Securities Exchange Act of 1934, Section 17(A)-4 regarding books and records retention requirements and Section 15 9B0(4)(E) regarding supervision of same. From at least January 2018 to September 2021, UBS employees sent and received off-channel communications that related to the business of the broker-dealer operated by UBS. Respondents did not maintain or preserve the substantial majority of these written communications. Disposition: The commission imposed a cease-and-desist order, a censure, a civil monetary fine of a total of \$125,000,000 against both UBS Broker-Dealers jointly, and joint undertakings and remedial action including the retention of an independent Compliance Consultant to undertake a comprehensive review of UBS's supervisory, compliance, and other policies and procedures designed to ensure that UBS's electronic communications, including those found on personal electronic devices, including without limitation, cellular phones are preserved in accordance with the requirements of the federal securities laws. UBS agreed to pay \$125,000,000

5	Date of Action: September 27, 2022 Brought by: Commodity Futures Trading Commission Entity: UBS Financial Services, Inc. On September 27, 2022, UBS failed to supervise diligently its officers, employees, and agents in violation of regulation 166.3 Disposition: The firm shall cease-and-desist from violating section 4G of the Exchange Act, 7 U.S.C. § 6G, and regulations 1.31, 1.35 and 166.3 UBS agreed to pay, jointly and severally, a civil monetary penalty in the amount of \$75,000,000
6	Date of Action: July 27, 2022 Brought by: Securities and Exchange Commission Entity: UBS Financial Services, Inc. On July 27, 2022, UBS Financial Services Inc. consented to and became the subject of an order by the U.S. Securities and Exchange Commission ("SEC") for the failure to adequately develop and implement a written Identity Theft Prevention Program as required by Rule 201 of Regulation S-ID (17 C.F.R. § 248.201). Disposition: Without admitting or denying the findings in the order, UBS consented to the entry of an Order Instituting Administrative and Cease-and-Desist Proceedings pursuant to Sections 15(b) and 21C of the Exchange Act, and Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 (the "Advisers Act") (collectively, the "Order"). Pursuant to the Order, from at least January 1, 2017 to October 3, 2019, UBS violated Rule 201 of Regulation S-ID because its written Identity Theft Prevention Program lacked reasonable policies and procedures to: (i) identify relevant red flags for the covered accounts UBS offered and maintained, and incorporate those red flags into its Program; (ii) detect red flags that have been incorporated into its Program; (iii) respond appropriately to detected red flags to prevent and mitigate identity theft; and (iv) ensure that the Program was updated periodically. There was no finding of customer harm. UBS agreed to pay a civil money penalty in the amount of \$925,000.00.
7	Date of Action: June 29, 2022 Brought By: Securities and Exchange Commission Entity: UBS Financial Services Inc. On June 29, 2022, UBS Financial Services Inc. consented to and became the subject of an order by the SEC in connection with allegedly inadequate training of its Financial Advisors offering the Yield Enhancement Strategy ("YES Strategy") to clients in the UBS Portfolio Management Program during February 2016 to February 2017. Disposition: Without admitting or denying the findings in the order, UBS consented to the entry of an Order Instituting Administrative and Cease-and-Desist Proceedings pursuant to Sections 15(b) of the Exchange Act and Sections 203(e) and 203(k) of the Advisers Act, making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order"). Pursuant to the Order, UBS willfully violated Section 206(4) of the Advisers Act and Rule 206(4)-7, which requires a registered investment adviser to adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder. UBS agreed to pay disgorgement, prejudgment interest, and a civil monetary penalty totaling \$24.6 million as follows: (i) disgorgement of \$5.8 million plus prejudgment interest of \$1.4 million for a total of \$7.2 million, which was deemed satisfied by the payments previously made by UBS to investors in excess of that amount; and (ii) a civil monetary penalty in the amount of \$17.4 million.
8	Date of Action: December 20, 2021 Brought BY: FINRA Entity: UBS Financial Services Inc. UBS Financial Services Inc. consented to a censure and to the entry of a finding that it failed to establish and maintain a supervisory system reasonably designed to supervise 529 plan share-class recommendations in violation of MSRB Rule G-27. Disposition: Letter of Acceptance Waiver & Consent; the firm was censured and agreed to pay \$4,059,653 plus interest in restitution to customers. The firm voluntarily self-reported the issue to FINRA as part of FINRA's 529 share class disclosure initiative; accordingly, no fine was imposed.
9	Date of Action: July 19, 2021 Brought By: Securities and Exchange Commission Entity: UBS Financial Services Inc. The SEC issued an Order finding that UBS violated Section 206(4)-7 of the Advisers Act in connection with the firm's failure from January 2016 through January 2018 to adopt written policies and procedures that were reasonably designed to prevent the unsuitable use of VXX, a volatility exchange-traded product, as a buy-and-hold investment in the firm's discretionary portfolio management program ("PMP"). The Order noted that even though the Firm had mandatory training and a concentration limit for VXX in PMP, it did not have a control to prevent PMP advisors from holding VXX for unsuitably long periods. The Order also noted that UBS on its own decided to remove VXX from the PMP program altogether in late 2017. Disposition: Cease & Desist Order; Censure; civil monetary penalty of \$8,000,000; disgorgement and pre-judgment interest of \$112,274.

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- 10 **Date of Action: July 20, 2020**
Brought By: Securities and Exchange Commission
Entity: UBS Financial Services Inc.
The SEC issued an order finding that UBS violated MSRB Rules G-11(k), G-17, G-27 and Section 15B(c)(1) of the Exchange Act between August 2012 and June 2016. The SEC alleged UBS did not comply with certain retail order period restrictions in new issue municipal bond offerings it distributed by allocating bonds intended for retail customers to certain customers, who immediately resold or "flipped" the bonds to other broker-dealers at a profit. The Order also found UBS, through certain registered representatives, improperly obtained negotiated new issue bonds for UBS's inventory by placing indications of interest with the flippers who then placed customer orders with the underwriting syndicate, instead of UBS submitting dealer orders directly with the syndicate on its own behalf. This practice was found to have circumvented the priority of orders and given UBS access to a higher priority in the bond allocation process than it typically would have had.
Disposition: Cease and Desist; Censure; disgorgement of \$6,740,000, prejudgment interest of \$1,549,336, and a civil penalty in the amount of \$1,750,000 for a total of 10,039,336.
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- 11 **Date of Action: September 28, 2016**
Brought By: Securities and Exchange Commission
Rule: Section 15(b)(4)(E) of the Exchange Act
Allegations: The SEC alleged that during the period of 2011-2014, UBS failed reasonably to fulfill supervisory responsibilities within the meaning of Section 15(b)(4)(E) of the Exchange Act because UBS failed to establish reasonable policies and procedures, and a system for applying such procedures, that would reasonably be expected to prevent and detect the violations of Section 17(a)(3) of the Securities Act of 1933. The product under review was the Reverse Convertible Note ("RCN") with a single stock as the underlying asset, also called single-stock-linked RCNs. The Order finds that the Firm failed to reasonably supervise its RCN sales by failing to develop and implement adequate education and training for its Financial Advisors regarding certain aspects of single stock-linked RCNs, including for example, the role of implied volatility of the underlying stock in the selection of the stock as the asset underlying the RCN. The Order highlighted the Firm's significant cooperation and prompt enhancement of procedures addressing the SEC's concerns.
Disposition: SEC censure order and fine
Fine: \$8,227,566 in disgorgement (to the SEC), \$798,316 in interest, and \$6 million in penalty, for a total of \$15,025,882.
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Item 10. Other Financial Industry Activities and Affiliations

UBS Financial Services Inc. is a member of all principal securities and commodities exchanges in the United States including the New York Stock Exchange ("NYSE"). Our parent company, UBS AG, is a global, integrated investment services firm and one of the world's leading banks. We are registered to act as a broker-dealer, investment adviser and a futures commission merchant. Please note that registration as an investment adviser does not imply a certain level of skill or training.

As a full service broker-dealer and investment adviser, we offer our customers and investment advisory clients a broad range of financial services and products, and we are engaged in various aspects of the securities and investment business. Our financial services include:

- Underwriting securities offerings.
- Acting as a market maker in securities.
- Trading for our own account.
- Acting as a clearing firm for other broker-dealers.
- Buying or selling securities, commodity futures contracts and other financial instruments for customers as their broker or buying them from or selling them to clients, acting as principal for our own account,
- Providing investment advice and managing investment accounts or portfolios.
- Acting as a commodity pool operator, futures commission merchant or commodity trading advisor and providing custodial services.
- Through our affiliates, we provide clients with trust and custodial services.
- We manage, sponsor and distribute registered investment companies and other public and private pooled investment vehicles, including hedge funds, whose shares or other interests are sold to clients.

UBS Financial Services Inc. is a registered broker-dealer that provides a full suite of wealth management advisory services. Our investment advisory business is the principal business in terms of revenues.

UBS Financial Services Inc. Subsidiaries & Other Affiliates

There are a number of related persons that provide investment management and other financial services and products to our investment advisory clients, which may be material to our advisory business. UBS Financial Services Inc., our subsidiaries or affiliates act in one or more capacities, including investment adviser, sub-adviser, consultant, administrator and principal underwriter (as applicable) to a number of open-end and closed-end investment companies with varying investment objectives. As a futures commission merchant, and through affiliates registered as commodity pool operators and commodity trading advisors, we or an affiliate also provide advice on commodities and commodity-related products.

Certain of our subsidiaries, affiliates and related entities include the following:

- UBS Financial Services Insurance Agency Inc.
- UBS Trust Company of Puerto Rico.
- UBS Credit Corp. provides loans to clients that are either unsecured or secured by securities or other financial

instruments. These loans may be used to buy securities or for other purposes. These loans are not subject to the maintenance requirements and potential capital charges that are imposed on broker-dealers.

- UBS Bank USA is an FDIC-insured Utah industrial bank. UBS Bank USA provides deposit services and secured and unsecured loans to clients, including loans secured by securities, other financial instruments and residential real estate. The securities based loans made by UBS Bank USA are predominately loans that are "non-purpose" and may be used for purposes other than buying, trading or carrying securities. Non-purpose securities backed loans are not subject to the maintenance requirements and potential capital charges that are imposed on broker-dealers.
- UBS Business Solutions US LLC is an affiliate of UBS Group AG that provides certain services to UBS Group AG's affiliates and subsidiaries that operate in the United States. Services currently include Finance, Risk Control, Compliance, Legal, Human Resources, Technology and Operations.

UBS Group AG (UBS Financial Services Inc.'s ultimate parent) offers investment advisory services through a variety of direct and indirect subsidiaries. These entities are separately registered investment advisors and, in some cases, registered broker-dealers and commodity-trading advisors. Their principal lines of business range from developing and distributing investment products including wrap fee products, mutual funds, closed-end funds, privately placed funds and other pooled investment products, providing investment advice to individuals, pension and other employee benefit plans, other tax-exempt organizations, insurance companies, investment companies, commingled trust funds, corporations, and other institutional investors, and serving as investment managers, administrators, distributors and/or placement agents for a number of funds, including, in the case of UBS Asset Management (US) Inc., the PACE Select Advisors Trust, and a number of UBS AG and UBS Asset Management-advised mutual funds. Certain investment advisers listed below may serve as the respective investment manager for clients participating in our MAC, ACCESS, SWP or AAP programs, or as investment managers for products we offer.

UBS Group AG has several subsidiaries registered as investment advisers in the United States, including the entities listed below. These companies manage the assets of or serve as general partners or managers of registered investment companies and private investment funds that may be offered and sold to our advisory clients. Information on those investment vehicles can be found on the respective Form ADV of each affiliated advisor.

- UBS Farmland Investors, LLS
- UBS Asset Management (Americas) Inc.
- UBS Realty Investors LLC
- Credit Suisse Asset Management Limited

Item 11. Investment Adviser Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Investment Adviser Code of Ethics

The Firm maintains and enforces a written code of ethics in accordance with Rule 204A-1 under the Investment Advisers Act of 1940. The code and any subsequent amendments are provided to all Global Wealth Management Americas

employees of the Firm and each employee is responsible for acknowledging receipt.

The code, which supplements the Firm's code of conduct, has a dual purpose:

- To set forth standards of conduct that apply to all employees of the firm and reflect the firm's fiduciary obligation to its clients.
- To address conflicts of interest associated with the personal trading activities of employees defined under the '40 Act as "access persons."⁶

Employees are required to promptly report any suspected violation of the code. Violations of the code may result in discipline, up to and including termination. Clients or prospective clients may obtain a copy of the Investment Adviser Code of Ethics upon request.

B. Participation or Interest in Client Transactions

1. Principal transactions and agency cross trades.

Under applicable rules and regulations, we may enter into principal transactions for investment advisory clients after making appropriate disclosure and obtaining client consent when necessary. However, as a matter of policy, UBS does not permit principal trading in Advisory Programs.

In accordance with the provisions of Section 11(a) of the Securities Exchange Act of 1934, we may execute transactions on the floors of national or regional securities exchanges for managed client accounts where appropriate. Additionally, if appropriate client consent is obtained and required disclosure is made, agency cross transactions may be effected for customer accounts to the extent permitted by law. Agency cross transactions are transactions in which we or our affiliates act as broker for the party or parties on both sides of the transactions. In these circumstances, we will receive compensation from parties on both sides of these transactions (the amount of which may vary) and, consequently, we will have a potentially conflicting division of loyalties and responsibilities.

Your consent to "agency cross" transactions may be revoked at any time by written notice to us. For MAC accounts, we may execute "agency cross" transactions on a routine basis, consistent with best execution, unless UBS or one of our affiliates is acting as investment manager.

Conflict of Interest

UBS and our affiliates expect to earn a profit whenever we engage in principal transactions with you, and depending on the type of security, we may include a profit margin in the price we pay or charge you, by marking up or marking down the price of the security.

The profits we or our affiliates earn on these transactions will be in addition to the fees you pay us under the Program for investment advice, trading, execution, custody and other program services. As a result, principal transactions present a conflict between your interests and our interests and those of our affiliates, because we have a financial incentive to recommend these transactions to you when they might not be

in your best interest.

When we execute a principal transaction for your account, it is possible that better prices or other terms for the trade could be obtained from alternative sources not known to UBS. Since there may be securities offered by other dealers only to their clients, you may not be able to compare the price on securities offered by these dealers to those offered by UBS. These conflicts are addressed as follows:

- We have an obligation to provide you with best execution and we believe we can provide best execution to you by routing certain orders to our affiliate, UBS Securities LLC, for execution on a principal basis.
- We monitor our execution services and measure how we meet our best execution obligation by taking into account many factors, including the degree to which our affiliate, UBS Securities, executes principal trades in client accounts and, specifically, the pricing and service quality that we receive in connection with principal trades versus the costs associated with foregoing a trade (if UBS is the only dealer in a security) or executing on an agency basis through another dealer.
- The mark-up or mark-down on securities in advisory accounts is not shared with your Financial Advisor.
- Although we are not required to waive or offset our compensation under applicable rules or regulations, for certain security types such as new issue fixed-income securities, we may waive some of the compensation we earn in executing principal trades, or waive a portion of the fee imposed on your account for a period of time as an offset for other compensation we receive.

Advice/Services to Other Clients and Activities in our Proprietary Accounts

We and our affiliates provide investment banking, research, brokerage, investment advisory and other services for different types of clients, and may give advice to or take actions for those clients, or for our own accounts for those of our affiliates that differs from advice given to, or the timing and nature of actions taken for you. We and our affiliates may buy and sell securities for our own or other accounts, or we may act as a market maker or an underwriter for securities recommended, purchased or sold. UBS and our affiliates occasionally may not be free to divulge or act upon certain information in their possession on behalf of investment advisory or other clients. We are not obligated to execute any transaction for your account that we believe to be improper under applicable law or rules or contrary to our own policies. In particular, you should note that some of our programs may recommend asset allocations or analyze markets and the economy in a different way than would be recommended by some of our research, trading or other departments.

We have adopted policies and procedures that limit transactions for our proprietary accounts and the accounts of our employees. These policies and procedures are designed to prevent, among other things, improper or abusive conduct trades on behalf of money managers who participate in the Firm's advisory programs. Additional home office employees may be deemed Access Persons depending upon their work location when there may be a potential conflict with the interests of a client.

Trading Activity

location.

⁶ Access Person: all branch office employees, regardless of their job function, or certain home office employees depending upon their job function and/or work

The vast majority of our exchange-listed securities and over-the-counter (OTC) orders are executed through our affiliate, UBS Securities LLC—which executes orders as either principal or as agent, depending on the circumstances and type of program involved. See the section Trading and Execution Practices—*Execution of Transactions for your Account* for more information.

Trade Errors

We have a trade error procedure, pursuant to which we resolve trading errors that may occur from time to time. We require the appropriate supervisory personnel to review and approve the correction for certain trades. The correction must be processed on a timely basis and may not adversely affect a client, with very minor exceptions. The firm maintains an error account to facilitate handling trading errors. Gains may be offset by losses in the error account. At the end of the calendar year, if the net ending value of the Firm's error account is a gain the firm would donate funds to a charity. If an outside investment adviser causes a trade error, the outside investment adviser's trade error procedure will govern, unless it conflicts with our internal procedure.

2. Additional Sources of Compensation from SMA Managers or Vendors Whose Products We May Recommend to Our Advisory Clients

Contributions to Training and Education Expenses.

Investment managers, mutual fund vendors, unit investment trust sponsors, annuity, life insurance companies or their affiliates and sponsors of ETFs whose products are available on our platform may contribute funds to support our Financial Advisor education programs. The contributions are used to subsidize the cost of training seminars we offer to Financial Advisors through specialized firm-wide programs and regional training forums. These seminars are designed to provide training and education to Financial Advisors, Branch Office Managers, Field Leadership, and other personnel who regularly solicit clients to participate in the various types of businesses listed above. These contributions also subsidize a significant portion of the costs incurred to support the Financial Advisor training, Financial Advisor and Client education, and product marketing efforts conducted regionally and nationally by product specialists employed by UBS. The training events and seminars can (and often) include a non-training element to the event such as business entertainment which is not subsidized by vendors.

Not all vendors contribute to our education efforts. Neither contribution towards these training and educational expenses, nor lack thereof, is considered as a factor in analyzing or determining whether a vendor should be included or should remain in our programs or our platform. Contributions can vary by vendor and event. In some instances, the contributions per vendor (as well as the aggregate received from all vendors) are significant. Some vendors may decide to contribute at levels different than those we request. Additional contributions may be made by certain vendors in connection with specialized events or education or training forums. Your Financial Advisor does not receive a portion of these payments. However, their attendance and participation in these events, as well as the increased exposure to vendors who sponsor the events, tends to lead Financial Advisors to recommend the products and services of those vendors as compared those who do not.

Please see the section "Non-Cash Compensation" for a description of additional types of support and/or contributions we receive

from vendors.

Directed brokerage compensation from managers available in our advisory programs

Financial Advisors who recommend or otherwise solicit the hiring of investment managers in our Advisory Programs, including but not limited to, ACCESS, MAC, AAP and SWP programs are generally not permitted to receive any directed commission income or other transaction revenue from any investment manager who is also employed in any of their ACCESS, MAC, AAP or SWP, account relationships subject to certain exceptions. However, UBS and other Financial Advisors may execute securities transactions directed to us by affiliated and unaffiliated investment managers for other clients. These transactions and the compensation we receive may not be pursuant to any specific oral or written arrangement between us and any of the affiliated and unaffiliated investment managers.

3. Additional Sources of Compensation in Connection with Investments in Advisory Accounts

UBS, our Financial Advisors and affiliates receive additional compensation in connection with certain types of assets in which your Advisory Accounts may be invested. This compensation is in addition to the Program Fee you pay us for our investment advisory services, and it is a result of distribution, shareholder servicing, administration, marketing, investment management, revenue sharing or referral agreements we and/or our affiliates have with vendors or sponsors of those securities and other services.

We also receive additional compensation as a result of inter-company profit sharing and servicing agreements. The nature of the services provided by, and the compensation paid to, us and our affiliates are described in the offering documents for the respective products, which are available at no charge through your Financial Advisor. Certain securities, mutual funds for example, are sold by prospectus only. Please read the prospectus carefully before investing.

Not all Advisory Programs permit the purchase and sale of domestic mutual funds, offshore funds, unit investment trusts, or alternative investments. Please review the eligibility of investments in your advisory program with your Financial Advisor for more details.

The amount of fees paid to us, and therefore your Financial Advisors, may vary depending on the arrangement between us and the vendors/sponsors and, if applicable for mutual funds, and the terms and conditions of the relevant fund's 12b-1 or trailing commission plan. If you hold these assets in your advisory accounts, we receive these payments for the duration of your advisory program account. In some circumstances, our receipt of such compensation may extend beyond your participation in our advisory programs if you continue to hold those assets at our firm.

As a result of the various payments to us or our affiliated companies, the amount of compensation that UBS entities receive with respect to the sale of affiliated or proprietary products including mutual funds, and alternative investments, is greater than the amount payable to the organization as a whole from the sale of unaffiliated mutual funds or products.

For UBS proprietary products, our affiliates receive fees for providing investment management and other services ancillary to the execution of purchases of shares in affiliated funds, including, administration and shareholder services to the affiliated funds in the Programs. These fees are rebated to client retirement accounts enrolled in Discretionary Programs.

UBS only distributes funds/products that compensate UBS and its affiliates and/or UBS Financial Advisors for its distribution and

placement agent services, even though there may be other funds, managers or investments with better performance results and/or more preferential terms.

Differences in fees received by UBS and/or UBS Financial Advisors create an incentive to recommend funds / investments (and in certain cases, specific share classes) in which UBS and/or UBS Financial Advisors will receive a fee or higher fees.

Unless otherwise noted, we receive the payments described below for affiliated and non-affiliated products.

Offshore Mutual Funds			
Payment Type	Current Rate	Source of Payment	Do Financial Advisors Receive a Portion of These Fees?
Trails	Equity offshore funds: 0.75%. Fixed income offshore funds: 0.50%. Please ask your Financial Advisor for our fee schedule that shows the specific trails that are paid to your Financial Advisor as these amounts are typically not clearly disclosed in the offering materials of offshore funds.	Asset-based fees typically paid by the distributor or advisor of the offshore fund.	Yes - Trails are received in brokerage accounts only. Trails are rebated to clients in the advisory programs.
Revenue Sharing	Most offshore funds pay revenue sharing to UBS. Percentages listed below are paid per annum of the average daily net asset value of the fund attributable to the shares owned by our clients, during each month. Affiliated Offshore Funds: ranges from 0.05% to 0.70% per annum Unaffiliated Offshore Funds: ranges from 0.10% to 0.50% Alternately, this could be paid as a percentage of the fund's stated management fees and could be up to 65% of these fees, which would include both revenue sharing payments and trails/commissions.	Revenue-sharing compensation is paid directly from the distributor or advisor, and not from the offshore funds or indirectly through fund portfolio trading commissions Revenue- sharing compensation is intended to compensate us for ancillary services related to the sales of offshore fund shares.	No

Domestic Mutual Funds

Payment Type	Current Rate	Source of Payment	Do Financial Advisors Receive a Portion of These Fees?
Trailers & 12b-1 Fees	Affiliated funds in Advisory Programs: No trailers or 12b-1 fees. Non-affiliated funds: Fees on A shares generally range from 0.04% to 0.50% per year—although the average current annual rate is approximately 0.25%; however, the majority of assets in the Programs are Advisory and Institutional shares and carry no trailers or 12b-1 fees.	Investors/Shareholders pay these fees to the sponsors of the Funds. We receive these payments from the sponsors for distribution and shareholder services we provide in connection with the purchase and sale of mutual fund shares.	No. 12b-1 fees for Class A shares in PACE, Strategic Advisor and SWP are retained by the Firm and are not paid to Financial Advisors. In late 2025, unless certain exceptions apply, all 12b-1 fees will be retained by the Firm and not paid to Financial Advisors. The 12b-1 fees retained by are treated as non-compensable revenue. See “Revenue Sharing” below for a description of that process.
Networking Fees	up to \$14 for each mutual fund position that is held at UBS but typically \$13-\$14. Some fund companies may choose to calculate this rate expressed in basis points on assets. Exclusions may apply to positions below \$500 and certain discretionary retirement accounts.	These fees are paid by mutual fund sponsors from investor assets, but in some cases may be subsidized, in part, by affiliates of the mutual fund. Networking fees are paid in consideration for services provided by us ancillary to effecting mutual fund transactions including transmission of shareholder data between UBS and the fund companies.	No
Omnibus Processing Fees ⁷	These payments, which usually range from \$10 to \$26 per position but are typically between \$15-\$26, can vary by share class. Some fund companies may choose to calculate this rate expressed in basis points on assets, which may result in payments in excess of \$26 per position. The asset managers making these payments may consider the excess of what the mutual fund would otherwise have paid for these services on a per position fee schedule as a form of revenue sharing. Exclusions may apply to positions below an asset level mutually agreed upon by UBS and the fund company, certain discretionary advisory and retirement accounts, and certain funds and/or shares classes. A portion of the payments we receive for Omnibus processing is paid to a sub-account vendor contracted by UBS.	These fees are paid by mutual fund sponsors from investor assets, but in some cases may be subsidized, in part, by affiliates of the mutual fund.	No

⁷ For an individual fund company, UBS may receive either Networking Fees or Omnibus Processing Fees.

Alternative Investment Funds

Payment Type	Current Rate	Source of Payment	Do Financial Advisors Receive a Portion of These Fees?
Placement Fees charged by Financial Advisors	For investments made through a UBS brokerage account, UBS charges a one-time placement fee of up to 2.00% of the invested or committed amount, at the time of the investment or commitment. The placement fee charged is in addition to the amount of the investment/commitment and can be waived or lowered by the Financial Advisor prior to the investment.	Clients/Investors pay these fees	Yes. Financial Advisors typically receive 100% of the placement fee.
Placement Fees charged by UBS	For investments made through a UBS brokerage account, UBS may also receive a placement fee for placing the investments with the third-party fund or underlying fund. These additional fees range between 0.50% and 2.00% of the commitment/investment amount.	The fund or its distributor, investment manager or investment adviser pays these fees.	No
Distribution Fees	For Investments made through a UBS Brokerage Account: UBS receives an annual fee for distribution services generally between 0.35% and 1.20% of the net asset value for affiliated funds, and 0.40% and 1.25% of either the net asset value or commitment amount for third party funds.	The fund or its investment manager or adviser pays these fees.	Yes. Financial Advisors receive approximately 80-100% of the distribution fees.
Administrative and shareholder servicing fees	For Advisory Investments: For advisory share classes, the administrative and shareholder servicing fees UBS receives are typically in the range of 0% to 0.25% per annum, calculated based on either the net asset value or commitment amount. This fee is not paid in connection with IRA or Qualified Plan assets.	The fund or its investment manager or adviser pays these fees.	No
Distribution Fees	Managed Futures funds: For Investments made through a UBS Brokerage Account, UBS generally receives a distribution fee from the fund sponsor between 2.00% and 2.50% per annum calculated based on the net asset value.	The fund or its investment manager or adviser pays these fees.	Yes. Financial Advisors receive approximately 80-100% of the distribution fee.
Distribution Fees – transferred investments	For brokerage investments in third-party funds clients purchased at other financial institutions and transferred to UBS (but which UBS does not distribute), UBS compensation ranges between 0.10% and 1.05% per annum, calculated based on either the net asset value or commitment amount.	The fund or its investment manager or adviser pays these fees.	Yes. Financial Advisors receive approximately 80-100% of the distribution fee.
Revenue Sharing	For certain private funds, UBS receives additional compensation (commonly referred to as “revenue sharing”) based on a percentage of the incentive fees paid to the fund’s investment manager or affiliate. For those funds, UBS is paid up to 25% of the fund manager’s incentive fees attributable to investors through a UBS brokerage account.	The fund’s investment manager or adviser pays these fees.	No
	For other certain funds (private and registered), UBS receives revenue sharing ranging between 0.10% and 0.25% per annum calculated based on the net asset value, attributable to investors through a UBS brokerage account for ancillary services in connection with effecting sales of these third-party funds.	The fund or its distributor, investment manager or investment adviser pays these fees.	No
Referral Fees	In limited circumstances, UBS may refer a brokerage client to a third-party manager for investment into one of the manager’s funds for a negotiable referral fee.	The fund or its investment manager or adviser pays these fees.	Yes. Financial Advisors receive approximately 80-100% of the distribution fees.

UBS allocates investments to investors in priority of the chronological order of investors who successfully submit completed fund documentation; however, specific funds may have different parameters with respect to eligibility, minimum investment amounts, suitability or fund discretion, among other things, that will change the priority.

Mutual Fund Revenue sharing compensation. The revenue sharing information below is current as of the date of this brochure and is subject to change in our discretion. Updated and current information on these arrangements is available at our website, www.ubs.com/mutualfundrevenuesharing.

Generally, we receive revenue sharing compensation in connection with all mutual fund assets in Program Accounts except for assets held by:

- Qualified Plans and IRA clients in our Discretionary Programs (PMP, AAP and UBS Advice Advantage) and in PACE Select.
- IC clients that hold mutual funds in an IC Account.
- Clients invested in funds that have been created at the request of UBS to meet a specific investment objective ("Purpose Built Funds") in Discretionary Programs. Purpose Built Funds are funds which UBS requests be established either by affiliates or third parties in order to fulfill a product need.
- Clients whose accounts are custodied at other financial institutions.

Revenue sharing compensation will not be rebated or credited to you. However, to the extent we receive revenue sharing compensation for Qualified Plans and IRA assets in our Discretionary Programs or PACE Select, that compensation will be rebated to Plan and IRA clients.

In addition to sales loads, 12b-1 fees and processing fees, UBS receives other compensation from certain distributors or advisors of mutual funds that we sell. These separate compensation amounts (commonly referred to as revenue sharing) may be a negotiated flat fee or may be based on two components:

The amount of sales by UBS of a particular mutual fund family to our clients (excluding sales through wrap-fee programs).

The asset value of a particular mutual fund family's shares held by our clients at UBS in eligible programs.

We require that these payments be made directly from the distributor or advisor, and not from the mutual funds or indirectly through mutual fund portfolio trading commissions. Revenue-sharing payments are intended to compensate us for assisting with the sales and distribution support and ancillary services related to sales of mutual fund shares. **Except as noted, none of these amounts are rebated to you or paid to the Financial Advisor or his or her branch office.**

Revenue sharing payments are allocated to the individual branch offices as "non-compensable revenue" (revenue that is not paid out to Financial Advisors or Branch Office Managers) but are considered as part of the overall profitability of the branch, and as one of several components used in determining Branch Office Manager compensation.

Many mutual funds companies pay revenue sharing to us, including our affiliate, UBS Asset Management. UBS determines the level of access to our branches based on our own review

and evaluation of mutual funds and fund families. There are multiple factors involved in determining a particular mutual fund's level of access to our branches. Although revenue sharing may be one factor, others include understanding of business goals, quality of sales personnel and marketing material, range of products, level of service to Financial Advisors and Branch Managers, participation of funds in researched investment models, and branch discretion.

In general, we charge each mutual fund family up to the following amounts:

- Up to 0.15% per year (paid quarterly) on all sales of mutual fund shares (excluding sales through wrap-fee programs); generally, the amount ranges from 0.05%-0.15%.
- Up to 0.20% per year (paid quarterly) of the asset value of all equity mutual fund shares held at UBS (other than money market or offshore funds); the most common rate on equity mutual fund shares is 0.15%.
- Up to 0.20% per year (paid quarterly) of the asset value of all fixed-income mutual fund shares held at UBS (other than money market or offshore funds); the most common rate on fixed-income mutual funds shares is 0.10%.
- Some mutual fund families may be subject to a minimum annual payment which, in some instances, may result in a fee that exceeds the percentages described above.
- Certain mutual fund companies may pay a flat-fee annually which may or may not exceed the rates listed above.

Generally, we receive revenue sharing compensation in connection with all mutual fund assets, including assets in Institutional and Advisory shares. This additional compensation we receive presents a conflict of interest and is an incentive to allow certain Institutional and/or Advisory share classes to be purchased in Investment Advisory Programs for which we receive higher compensation.

Except as noted below, this calculation includes shares of affiliated and non-affiliated funds in our wrap-fee programs, mutual fund assets held at other financial institutions. Although we seek to apply a level, standard payment schedule for all of the mutual fund companies whose funds we sell, mutual fund companies approach revenue sharing in a variety of ways, and some mutual fund companies decline to pay revenue sharing exactly at the levels listed above or at all. As a result, such funds present a financial disincentive for us to promote the sale of those funds that do not pay us at the levels listed above.

Revenue sharing payments present a conflict between our interests and those of our customers, because the payments give us a financial incentive to recommend that our customers buy and hold shares of those funds that we maintain on our distribution platform and for which we receive revenue-sharing payments. Although mutual funds from over 400 different fund families are available on our distribution platform, this represents only part of the universe of mutual funds that are available in the financial services marketplace.

Unit Investment Trusts, Proprietary Money Market Funds and Banking Products

Payment Type	Investment Type and Current Rate	Source of Payment	Do Financial Advisors Receive a Portion of These Fees?
Volume based payments	Unit Investment Trusts. additional payments to the firms that sell their UITs, including UBS. Calculated as a percentage of the total volume of sales of the sponsor's UITs made by the firm during the UIT's initial offering period. The percentage typically increases as higher sales volume levels are achieved. These payments are only made on the sale of units subject to a transactional sales charge in brokerage accounts.	These payments are made by the UIT sponsor and not out of UIT assets.	No.
Proprietary Money Market Funds used as Sweep Vehicles	UBS RMA Government Money Market Fund and UBS Liquid Assets Government Fund. Payments to UBS Financial Services: shareholder services fees (non-12b-1) from UBS RMA Government Money Market Fund at an annual rate of 0.25% of the fund's average daily net asset (unless otherwise waived). Revenue Sharing: UBS RMA Government Money Market Fund assets at the annual rate of up to 0.12% of the fund's average daily net assets. We also provide certain services with respect to both funds pursuant to a delegation of authority from BNY Mellon Investment Servicing (US) Inc. ("BNY Mellon"), the transfer agent of the funds, for which we receive compensation from BNY Mellon with respect to UBS RMA Government Money Fund.	UBS Asset Management (Americas) Inc. ("UBS AM Americas"), BNY Mellon Investment Servicing (US) Inc. ("BNY Mellon"),	No.
Banking Products and Sweep Program	UBS Bank Core Savings Accounts: annual fee of up to \$50 for each account UBS Bank Sweep Programs and the UBS FDIC-Insured Deposit Program annual fee of up to \$50 for each UBS account that sweeps into deposit accounts at UBS Bank USA. UBS-ISP (part of the UBS Bank Sweep Programs) and the UBS FDIC-Insured Deposit Program: All Program Banks, except UBS Bank USA, pay UBS a fee equal to a percentage of the average daily deposit balance in the Deposit Accounts at each Program Bank. The fee varies from bank to bank and ranged between 4.97% to 5.53% from March 2023 to March 2024 for both programs. The service fee is paid monthly.	UBS Bank USA UBS Bank USA UBS Bank USA Program Banks	Brokerage: FAs received monthly production credits of 10bps if the client relationship meets certain qualifying criteria relating to cash management transactions. Advisory accounts are not included

Compensation for Data Analytics (Strategic Insights): Our Strategic Insights program offers vendors whose products are offered on the UBS Financial Services platform the opportunity to enter into agreements with us pursuant to which, for a fee ranging from \$170,000 – \$370,000, we will provide analytics and data relating to Financial Advisors in order to help vendors streamline and tailor the way they do business with our Financial Advisors. The list of Financial Advisors is a complete list of all of our Financial Advisors including those that sell their products and those who do not.

Vendors that have this data have an advantage over others as they have a greater level of information and can tailor their wholesaling efforts in our branches, which may result in increased sales of those products by our Financial Advisors. Financial Advisors do not receive a portion of these fees. Although opportunities for these strategic relationships are available to all vendors whose products are available on our platform, not all vendors participate in these relationships.

Participation in this program is optional and is not a consideration when determining whether or not a vendor's products will be made available on the platform.

Fees related to shareholder communications: UBS outsources production and delivery of shareholder communications, including proxies, to a third party. The third party charges issuers standard industry fees on our behalf to recover costs related to production and distribution of the communication materials. It also shares a portion of these fees with UBS in accordance with our agreement. Proxies and other shareholder communications that are sent to SMA Managers or to ISS in accordance with the option selected by clients for their Advisory Accounts, are included in the calculation of fees collected and shared with us. Total fees collected are generally in the range of \$21 million annually, and the amount paid to UBS averages approximately \$7 million per year. We receive payments monthly and allocate it to the branches as non-compensable revenue; it is not paid to Financial Advisors or branch managers.

Non-cash compensation: We and our Financial Advisors receive non-cash compensation from mutual fund companies, investment managers, unit investment trust sponsors, annuity providers, insurance vendors and sponsors of investment products (including, but not limited to, ETFs) that we distribute. This compensation includes the following:

- Occasional gifts up to \$100 per vendor per year
- Occasional meals, tickets or other entertainment of reasonable and customary value. The thresholds and limits for gifts and entertainment are designed to mitigate conflicts related to recommending the products of the providers of such gifts, meals or entertainment.
- Sponsorship support of educational events the Financial Advisors arrange for clients and prospective clients.
- Contributions made at the firm-level toward seminars and educational programs for Financial Advisors. These contributions are significant both per vendor and in the aggregate. While Financial Advisors do not receive any portion of these payments, the conflict presented is that a Financial Advisor's attendance and participation in educational or training forums, and the increased exposure to vendors who sponsor these events, tend to lead Financial Advisors to recommend the products and services of those vendors over the products of other vendors. These seminars and educational programs often include non-educational elements. (See above, *Contributions to Training and Education Expenses*, for additional details).
- Various forms of marketing support and, in certain limited circumstances, the development of tools used by the Firm for training or record-keeping purposes.

The receipt of cash and non-cash compensation from sources other than clients, and the differences in the way we compensate Financial Advisors for the products we offer, create an incentive for Financial Advisors to recommend certain products and account types over others. We address our conflicts of interest by maintaining policies and procedures requiring that Financial Advisors act in your best interest, reasonably supervising their activities and by disclosing these conflicts to you so that you can make fully informed decisions.

Non-cash compensation can vary by vendor and event.

Other compensation: In addition, our affiliates receive trading commissions and other compensation from mutual funds and insurance companies whose products we distribute.

UBS or our affiliates may engage in a variety of transactions with (or provide other services to) the investment managers, mutual funds, their affiliates or service providers with which you are doing business. We may, in turn, receive compensation from these entities. Those transactions and services that we or our affiliates provide may include:

- Executing transactions in securities or other instruments
- Broker-dealer services for our own account
- Research services
- Consulting services
- Performance evaluation services
- Investment banking services
- Banking or insurance services

4. Margin and Lending

You may choose to engage in leverage strategies involving the assets in your eligible non-retirement, non-custodial accounts. Margin is generally not recommended or permitted in advisory
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accounts. However, we may from time to time, approve margin on an exception basis when requested by a client or for use in specialized strategies available in our advisory programs. You may also use certain managed account assets to collateralize margin loans and purpose credit lines, as described below, in your brokerage account. Certain accounts in Strategic Advisor may use margin upon request.

You must meet certain eligibility requirements and complete loan documentation prior to using margin in your advisory account or applying for a credit line loan. Specifically, you will be required to execute a separate margin agreement with us or loan documents with UBS Bank USA or UBS Credit Corp.

Your Financial Advisor does not receive any portion of the interest or fees paid to UBS, UBS Bank USA or UBS Credit Corp. on margin or purpose loans.

Margin and Purpose Credit Lines. Using margin loans or purpose credit lines in an Advisory Account or using the advisory assets as collateral for margin loans or purpose credit lines used in another account is a more aggressive, higher cost and higher risk approach to pursuing your investment objectives. Before you decide to use margin or a purpose credit line in your managed account or to use such assets as collateral for margin or a purpose credit line, you must carefully consider:

- whether or not you can afford, and want, to assume the additional risks that losses in your account may be significantly greater than if you decide not to invest with borrowed funds (i.e., not to use leverage).
- that the use of leverage will increase your costs of investing, as well as your risks, and depending upon the return achieved through the use of margin or a purpose credit line, may make your investment objectives more difficult to realize.
- If we provide a margin loan or purpose credit line to you, you will pay us interest on the outstanding loan balance. Since the wrap fee is calculated as a percentage of assets under management, the use of margin or a purpose credit line to purchase securities in a managed account generally will increase the amount of (but not the percentage of) the wrap fee that you pay to us. This will result in additional compensation to us, the Financial Advisor and your selected investment manager.

The decision to use leverage in a managed account or use those assets as collateral rests with you and should only be made if you understand:

- The risks of margin and purpose credit line borrowing and the impact of the use of borrowed funds on a managed account
- How the use of margin and purpose credit lines may affect your ability to achieve investment objectives.
- **You may lose more than your original investment.**
- A positive or negative performance of a leveraged managed account, net of interest charges and other account fees, will be magnified by virtue of using borrowed money. As a result, gains or losses in a leveraged managed account will be greater than would be the case with an unleveraged managed account.
- **You will not benefit from using leverage in an Advisory Account if the performance of your account does not exceed the interest expense being charged on the loan plus the additional advisory account fees incurred by your account as a result of the deposit of the loan proceeds.**

Credit Lines. You also may apply to borrow money from our affiliates, UBS Bank USA or UBS Credit Corp., using an eligible

securities account. These eligible securities accounts may include one or more of your advisory accounts, which may be used as collateral pursuant to the UBS Credit Line Program. Credit line loans are either non-purpose or purpose loans. Non-purpose loans may **not** be used to purchase, trade or carry securities and may be used for other liquidity needs such as personal expenses, real estate transactions, or other needs. However, non-purpose proceeds may be used (i) on an exception basis when requested by a client, to invest in select private equity funds or other non-purpose margin stock (for example floating rate notes) and (ii) be used to purchase precious metals (for example gold), which results in Financial Advisor compensation on both the non-purpose loan and the use of loan proceeds. Purpose loans may be used to purchase, trade or carry securities or may be used for other liquidity needs such as personal expenses, real estate transactions, or other needs. Please review your loan agreement to make sure you understand which type of loan you have and that you ensure you are in compliance with its terms. In order for an Advisory Account to be eligible to serve as collateral for a credit line loan, the Advisory Account may not also serve as collateral for any margin lending.

You are responsible for independently evaluating if the loan is appropriate for your needs, if the lending terms are acceptable, and whether the loan will have potential adverse tax or other consequences to you. Your decision whether to arrange a loan or draw down on your loan and how you use your loan proceeds is not encompassed within our advisory relationship. The lending relationship is governed exclusively by the Credit Line Agreement between you and UBS Bank USA or UBS Credit Corp., and any interaction you have with your Financial Advisor in connection with applying for or obtaining a credit line is in his or her capacity as broker, not as an investment adviser.

If you wish to collateralize a credit line loan with an advisory account, we will automatically discontinue the margin for that Account. Since your Advisory Account will be pledged to support any loans extended under the UBS Credit Line Program, you will not be permitted to withdraw any of the assets in the Account unless there is a sufficient amount of collateral otherwise supporting the loans (as determined by UBS Bank USA or UBS Credit Corp. in its sole discretion).

You will pay interest to UBS Bank USA or UBS Credit Corp. on the loans you obtain from them in addition to the Advisory Account Program Fees paid to UBS. The interest rate charged in connection with a credit line loan from our affiliates may be higher than that charged by other lenders.

UBS Bank USA pays a servicing fee to UBS based on the amount of outstanding loan balances, irrespective of the type or level of interest rate, to compensate UBS for referring clients and for administrative and operational support relating to the loan. In the event you maintain a loan balance on a non-purpose loan, your Financial Advisor will receive compensation primarily based upon the outstanding balance and the corresponding spread on the loan. This provides an incentive for your Financial Advisor to refer you for a non-purpose loan and to draw down on the loan. In certain circumstances, the loan approval amount and spread on the loan may determine whether your Financial Advisor is eligible for compensation, but even in those circumstances compensation paid to your Financial Advisor depends on the outstanding balance.

Since UBS and your Financial Advisor are compensated primarily through advisory fees paid on your Account, we (and your Financial Advisor) benefit if you draw down on your loan to meet liquidity needs rather than sell securities or other investments in your Account, which would reduce our advisory fee. A draw down would preserve your Financial Advisor's advisory fee revenue and may generate additional loan-related compensation for the Financial Advisor. This presents a conflict of interest for your

Financial Advisor when addressing your needs for liquidity. UBS mitigates this conflict by training and supervising Financial Advisors to make investment decisions that are in your best interest.

Our affiliates will have a lien on assets in your Account to secure a credit line loan, which creates a conflict of interest with respect to the management of your Account. Specifically, in order to preserve sufficient collateral value to support the loan and avoid a margin call, depending upon your leverage, a Financial Advisor may be inclined to invest your Account in more conservative investments, which may result in lower investment performance than more aggressive investments (depending on market conditions). We mitigate this risk by requiring and monitoring to ensure that your Account is managed consistent with your respective investment strategies. In addition, where a loan is secured by both brokerage and advisory assets, a Financial Advisor will benefit if your brokerage assets are liquidated prior to or instead of your advisory assets because he would then be able to maintain advisory fee revenue.

Defaults Margin and Credit Lines are full recourse, demand loans. UBS, UBS Bank USA or UBS Credit Corp., as the case may be, may demand repayment at any time. You may need to deposit additional cash or collateral, repay part or all of the loan or sell securities if the value of the portfolio declines below the required loan-to-value ratio or if the required collateral is not maintained (commonly referred to as a "margin call"). You are personally responsible for repaying the margin loan or Credit line loan in full, regardless of the value of the collateral.

Failure to promptly meet a request for additional collateral (a margin call) or repayment or other circumstances (e.g., a rapidly declining market) could cause us, in the case of margin loans, or our affiliate, in the case of credit lines, and in our discretion, to liquidate or instruct us to liquidate some or all of the collateral account(s) to meet the margin loan or credit line requirements or to repay all or a portion of the outstanding margin or credit line obligations. It is possible that neither you nor your Financial Advisor will be provided advanced notice of a liquidation of securities that you have pledged as collateral. Furthermore, neither you nor your Financial Advisor may be entitled to choose the securities to be liquidated. Depending on market circumstances, the prices obtained for the securities may be less than favorable. When securities are forcibly liquidated pursuant to a margin call or demand for full or partial repayment of the loan, either UBS Bank USA or UBS Credit Corp. will instruct UBS to liquidate (in its capacity as a broker-dealer) some or all of the collateral account(s).

UBS will benefit if your brokerage assets are liquidated prior to or instead of your advisory assets because UBS would then be able to maintain advisory fee revenue. However, UBS follows procedures, agreed upon with UBS Bank USA and UBS Credit Corp., relating to such liquidations to address and eliminate this potential conflict by prioritizing the position(s) with the most exposure and highest maintenance requirement, irrespective of which account type holds such securities.

Any required liquidations may result in adverse tax consequences. UBS, our affiliates and employees do not provide legal or tax advice. You should consult your legal and tax advisors regarding the legal and tax implications of margin borrowing and using securities as collateral for a loan.

Neither UBS, our affiliates nor our Financial Advisors will act as investment adviser to you with respect to the liquidation of securities held in an advisory account to meet a margin or purpose loan call or credit line loan demand. In addition, as creditors, we and our affiliates have interests that are adverse to you. Our affiliated lenders have the right to

protect their own commercial interests and take actions that adversely affect the management of your Account and related performance. Additional limitations and availability may vary by state. Those liquidations will be executed in our capacity as broker-dealer and creditor and may, as permitted by law, result in executions on a principal basis in your Account.

Securities backed financing involves special risks (including, without limitation, being subject to a margin call if certain collateral value requirements are not met) and is not suitable for everyone. For further information, please see the UBS Financial Services Inc. Loan Disclosure Statement, which is available from your Financial Advisor.

Item 12. Personal Trading

The Investment Advisers Act of 1940 imposes a fiduciary duty on portfolio managers to always act in the best interests of clients and to put their clients' interests ahead of their own. With respect to trading in a Financial Advisor's own account or one over which he/she has control or a beneficial interest (a "Control Account"), there is a potential conflict of interest in situations where Financial Advisors buy or sell securities for their own accounts as well as the accounts of their clients.

To ensure that the AAP Financial Advisors, PMP Portfolio Managers, Financial Advisors with a power of attorney for limited discretion in IC, and UBS Financial Services Inc. avoid any potential conflicts with respect to personal trading, we have a Personal Trading Policy for Control Accounts. Generally, when a security is bought or sold in a PMP or AAP account, that security may not be bought or sold in the PMP/AAP Financial Advisor's Control Account(s) during a defined timeframe.

The Personal Trading Policy applies to trades in an advisor's Control Account unless the Control Account participates in PMP or AAP and is traded in a block transaction receiving an average price along with other PMP/AAP client accounts.

Item 13. Review of Accounts

We have various policies and procedures applicable to the review and supervision of client accounts in our investment advisory programs. Those policies are designed to comply with the requirements of the Investment Advisers Act of 1940, and where applicable, ERISA and other applicable rules and regulations.

There are general policies applicable to all advisory accounts as well as individually tailored guidelines for each of the wrap fee programs described in this brochure. Because the Programs offer different services and have different features, the guidelines for supervision vary by Program.

Accounts are reviewed periodically (usually quarterly), although certain guidelines for specific Programs are reviewed daily (for example, principal trades and trading errors). Items generally reviewed include, but are not limited to the following (as applicable given program features and services):

- consistency of the client's investment profile with their selection of SMA Managers in the ACCESS program, asset allocations in PACE, SWP, AAP and Strategic Advisor, and investment strategies managed by our Portfolio Managers in PMP;
- levels of security and cash concentration;
- compliance with principal trade restrictions where those trades are not permitted;

- levels of unsolicited trading in Strategic Advisor;
- asset allocation and investment policy guidelines in UBS-CAP and investment policy statements in IC;
- trading activity in the PMP program, and trading guidelines for PACE, Strategic Advisor, SWP, AAP UBS-CAP and IC; and
- review of researched SMA Managers.

Advisory Account Groups; Impact on your Accounts and Investment Advisory Fees:

Advisory Account Group ("AAG") applies certain Advisory program guidelines across all, or some accounts across a client tax identification number (or other unique identifier). The AAG aggregates guidelines across multiple accounts held by the same client in either the same program or across programs, depending on the specific guideline and program. The AAG impacts the application and resolution of guidelines at the account level including, but not limited to:

- Single security concentration (i.e., equity, bond, mutual fund, etc.)
- Aggregate security concentration (i.e., complex mutual fund, structured products, etc.)
- Cash concentration
- Trading level activity
- Minimum positions

The standard AAG will be automatically applied to all existing and new Advisory accounts with the same client tax identification number (or other unique identifier). At your request and pursuant to a letter of authority, we may also establish a custom AAG by combining two or more standard AAGs and expanding the group of accounts considered for purposes of the program guidelines.

UBS-CAP and IC do not use the standard or custom AAGs. The UBS-CAP and IC Programs apply Program guidelines on investments, restrictions and activity at the portfolio-level across a client's accounts enrolled in the respective Program, not on an account-by-account basis. This means that an individual client account will be deemed to be in alignment with program guidelines (for example, as to position concentration, trade activity, etc.) when considered together with the client's other UBS-CAP or IC Program accounts, even when the individual account would not align with program guidelines if viewed separately.

For example, an individual client account with no trading activity over a given period will be deemed to be in alignment with program guidelines if the client's CAP Program accounts viewed together demonstrate that the client is receiving investment advisory services under the CAP Program consistent with program guidelines. This is even though, if not enrolled in the CAP Program, the Account would otherwise be terminated and transitioned to a brokerage account for not fully leveraging the wrap fee services offered in the Program and covered by the Program Fee.

The use of the AAG or, for UBS-CAP and IC, a portfolio based approach for the supervision of Program guidelines means that:

- Some or all of such accounts may remain in the UBS Investment Advisory Programs although they would have been terminated from the Program(s) due to concentration levels or low trading levels if reviewed on a stand-alone basis;
- For UBS-CAP and IC, accounts with no trading can remain in the Program for an extended period of time so long as clients are receiving and leveraging the investment advice provided in the respective Program;
- The continued participation of such accounts in UBS Investment Advisory Programs will result in UBS receiving revenue that it may not have otherwise received had the

accounts been reviewed individually and terminated from the program;

- Unless you are paying a levelized UBS Investment Advisory Fee for all assets in the AAG relationship, it is possible that the trading or concentration levels of accounts with lower fees will benefit those in which you are paying higher fees or vice versa; and
- While the ongoing advice of your Financial Advisor is the principal component of the services you pay for in the Programs, if you trade infrequently you may not be taking full advantage of all of the services offered.

Annual Review of Accounts: Financial Advisors are required to conduct an annual internal review and a review with clients of Accounts enrolled in Advisory Programs. Reviews are conducted on a household basis.

Branch or Market Managers and other supervisory personnel are responsible for the supervision and review of these accounts, while home office Program Managers are responsible for enforcing the various program guidelines. Reports are generated either by the Program Management team or automatically through our systems, and provided to Financial Advisors and Branch or Market Managers for follow-up. These reports are for internal use and are not provided to clients. If the report item is not remedied within a pre-determined period of time, the accounts may be terminated from the Programs or other action taken to bring the account back into compliance with Program guidelines or document an exception to the guidelines.

Clients in the Advisory programs receive an annual review of their account which identifies shifts in the asset allocation in their Advisory Account Review documents.

Item 14. Client Referrals and Other Compensation

Arrangements with Affiliates: We have referral agreements with our affiliates that outline: (1) how we refer clients to them, (2) how they refer clients to us, (3) how we act as solicitor for their advisory services and/or wrap fee programs, (4) how we refer clients to them for services other than advisory services, and (5) how we are compensated when we refer investors into private funds they manage and promote.

Under those agreements, we share fees with or receive fees from our affiliates for the referral or solicitation of clients or for services provided to clients. These payments will vary, depending on the type of agreement, product or the nature and extent of the services provided, and may continue as long as the client account is maintained with UBS or our affiliate, for an agreed upon period, or as compensation for distribution services in the case of interests in financial products sold (such as interests in private funds). Arrangements may also be based on a percentage of revenue received.

Third Party Arrangements: We also have a referral program in which UBS enters into solicitation arrangements with third parties that we compensate for referring or soliciting their clients to participate in our Advisory or trust services programs. The compensation these solicitors receive is generally a portion of the advisory fees we receive from referred clients. There are conflicts of interest that arise when we compensate third parties for solicitation activities. The fees solicitors receive may provide greater compensation to the third party than other similar arrangements and motivate the third party to recommend our services or Programs over other similar services or Programs that involve less lucrative fee-sharing arrangements. Third-party solicitors will

provide detailed information at the time of the referral regarding the compensation arrangement with UBS and the related conflicts of interest.

We also have solicitation arrangements under which we and/or our Financial Advisors receive compensation for referring clients to a third party who will provide investment advisory or other services to the client. The compensation we receive is usually a portion of the advisory fee the third party receives from its clients and will continue as long as the referred client remains invested in an advisory program with the third party. In certain circumstances we may also receive commission revenue for transactions those third parties execute through our firm. It is our practice to disclose to the client being referred the terms of the arrangement, including the maximum compensation payable to us and/or our Financial Advisors or a third party, as the case may be. We also may refer clients to a third party for investment in private funds managed by the third party. In those cases, we will typically enter into a placement agent agreement with the third-party manager (or a private fund that it manages) that describes the terms of the arrangement and compensation paid to UBS. The compensation we receive under these arrangements with third parties presents a conflict of interest since it provides an incentive for UBS and its Financial Advisors to refer clients to a third party that offers us compensation, or greater levels of compensation for their products or services over other third parties. We address these conflicts by providing detailed information at the time of the referral regarding the compensation arrangement with the third party and the related conflicts of interest.

We and our affiliates also have arrangements with some third party investment managers under which we and/or certain of our Financial Advisors provide research (within the meaning of Section 28(e) of the Securities Exchange Act of 1934), and in return, the investment manager places brokerage transactions with us for execution, subject to best execution practices and requirements.

The research services provided generally may be in the form of written reports or telephone contacts or personal meetings with security analysts, economists, or meetings hosted by our Financial Advisors with corporate or industry spokespersons. UBS or our Financial Advisors also may recommend or refer clients to third-party investment managers that place brokerage transactions with us.

The differences in the form or amount of compensation paid to us by different investment managers for client referrals or research products create a conflict between our interests and the interests of the clients referred because of the incentive to make referrals to those investment managers that offer us greater compensation than others.

Referral arrangements for financing business. We have certain agreements whereby we refer our customers to certain lenders, on a non-exclusive basis, for specific financing opportunities not available at UBS or its affiliates. These lenders may be able to assist clients in securing financing for specialized borrowing needs.

It is our practice to disclose to the client being referred the roles of UBS and the lender in connection with such referral and that we receive a referral fee from the lender. Upon the successful completion of a transaction, the lender will pay us a referral fee, which will vary depending upon the lender and/or the amount of the financing. A portion of the fee we receive is paid to the Financial Advisor.

Referral Arrangements for Annuities for Insurance Business. UBS offers a referral program for property and casualty insurance,

high-limit disability insurance, certain life insurance products and products for certain international clients, pension risk transfer services, and Medicare supplemental insurance plans. Under these programs, a Financial Advisor refers a client to a third party general agency ("General Agency") or other third party firm ("Third-Party Firm") that sells the insurance or annuity policy directly to the client. The General Agency or Third-Party Firm then pays UBS a portion of the commission it receives from the insurance company that issues the policy or the fee that the Third-Party Firm receives from the client (the "Referral Fee"). The fees and charges paid by clients, as well as the Referral Fee paid to UBS, will differ based on the type of policy and a variety of other factors. Financial Advisors receive a portion of the amounts UBS receives based on the grid rate applicable to them. Clients will receive disclosures from their Financial Advisor when a referral is going to be made.

Item 15. Financial Information

UBS Financial Services Inc. is a qualified custodian (as defined in SEC Rule 206(4)-2). As a result, we have not included the balance sheet required under the "Financial Information" of this Form ADV.

As of the date of this Brochure, there is no financial condition that is reasonably likely to impair our ability to meet our contractual commitment to our clients.

Our Firm has not been the subject of a bankruptcy petition at any time during the last ten years.

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UBS Financial Services Inc. ubs.com/fs 110106-2700-134



Advisory Relationship Agreement

UBS FINANCIAL SERVICES INC. ADVISORY RELATIONSHIP AGREEMENT

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Establishing Investment Advisory Accounts with UBS

At UBS we understand that we succeed only if our clients succeed. With that in mind, we provide a customized approach to wealth management, built on your personal relationship with your Financial Advisor and shaped by an understanding of your needs and aspirations.

This Investment Advisory Relationship Agreement ("Agreement") applies to accounts in any of the Advisory programs described herein, as well as other advisory programs that we may offer in the future (Programs) under this Agreement. This Agreement outlines the terms and conditions of your Investment Advisory relationship with us with respect to accounts enrolled in the Programs. We consider deposits of cash or securities and your continued use of your Advisory Accounts and services at UBS as your Agreement to the terms and conditions in this Agreement and the related documents and disclosures we refer to here.

This Agreement is not effective and UBS will not serve as your fiduciary under the Investment Advisers Act on any account until UBS accepts your Advisory Relationship Application and you enroll in an investment advisory program. We will confirm your enrollment in an Advisory Account in writing. Until you enroll in an Advisory Account, your account is considered a brokerage account only, and it is governed solely by the terms and conditions of your brokerage account agreement. We are not a fiduciary to you under the Investment Advisers Act with respect to your brokerage accounts.

Brochure: We will send you the Form ADV Disclosure, which provides details of the Advisory programs. Please retain all these documents for future reference. You may terminate this Agreement within five (5) business days from the day we accept your signed Agreement and receive a full refund of Program fees.

We currently offer the following types of Advisory services:

- **Discretionary Programs:** Portfolio Management Program ("PMP"), Advisor Allocation Program ("AAP") and UBS Advice Portfolio Program
- **Separately Managed Accounts:** ACCESS and Managed Accounts Consulting ("MAC")
- **Unified Accounts:** Strategic Wealth Portfolio ("SWP")
- **Non-Discretionary Advisory Programs:** PACE and UBS Strategic Advisor Program ("Strategic Advisor")
- **Portfolio Based Advisory Program:** UBS Consolidated Advisory Program ("UBS-CAP")

The term "Advisory Account(s)" as used in this Agreement refers to accounts established in the Programs described above.

Please note: This Advisory Relationship Agreement and the Form ADV Disclosure Brochure **apply to all of your Advisory Accounts at UBS**, including any Advisory Accounts you may open in the future
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and those accounts established on your behalf by your Financial Advisor under the terms and conditions of UBS-CAP. We will not provide another copy of the Advisory Relationship Agreement unless there are material updates and amendments to your Account Agreements. Likewise, we will not provide another copy of the Form ADV Disclosure Brochure when you establish new Advisory Accounts unless there are material changes to the Form ADV we originally provided to you. Annually, we will provide you with a copy of our updated Form ADV Disclosure Brochure or a summary of material changes from the Form ADV we originally provided to you. Because this Agreement and the Form ADV Brochure apply to all the different types of Advisory Accounts you can establish with us, some of the information in those documents and the other disclosures we send you may not apply to you now, but may apply in the future as you or, for UBS-CAP, your Financial Advisor establish other accounts with us.

Please retain all these documents for future reference as they contain important information if you decide to add services or open new Advisory Accounts with UBS.

Our Obligations, Your UBS Advisory Relationship Agreement and Your Account/Program Selection

Understanding the different ways in which we conduct business is essential to the relationship you have with UBS. It is important to understand that investment advisory and brokerage services are separate and distinct and each is governed by different laws and separate arrangements with you. While there are certain similarities among the brokerage and Advisory services we provide, depending on the capacity in which we act, our contractual relationship and legal duties to you are subject to a number of important differences. Please read the Agreements and disclosures carefully, as they explain our role as well as the specific features, services and risks that are associated with the products or services you may be considering.

We strive to describe our services clearly in our published materials. If, however, you have questions or require clarification on the nature of your accounts or the services we are providing, please speak with your Financial Advisor. You may also review **"Conducting Business With UBS: Investment Advisory and Broker Dealer Services"** in the Form ADV Brochure or visit the website at www.ubs.com/relationshipsummary for our relationship summary for individual wealth management clients.

This Agreement is divided into two main sections:

- I. General Terms and Conditions Applicable to All of the Advisory Programs.**
- II. Program Specific Schedules: This section describes features that apply only to certain programs.**
 - A. Consolidated Advisory Program.**
 - B. Discretionary Programs: UBS Advice Portfolio Program, Portfolio Management Program, Advisor Allocation Program.**
 - C. Unified Accounts: UBS Strategic Wealth Portfolio Program**
 - D. Non-Discretionary Advisory Programs: Strategic Advisor**
 - E. Non-Discretionary Advisory Programs: PACE**

UBS Advisory Relationship Agreement

I. General Terms and Conditions Applicable to All Advisory Programs

A. Introduction

The terms and conditions in this UBS Advisory Relationship Agreement apply to all Advisory Accounts you open with UBS and those accounts established on your behalf by your Financial Advisor under the terms and conditions of UBS-CAP.

By signing the Application and Agreement and depositing cash or securities in your Advisory Account, you agree that these terms and conditions govern any new Advisory Accounts, features or services. If you do not agree to the terms and conditions, you may cancel a feature or service or close your Account.

Some of the Programs permit you to delegate proxy voting authority to your Separately Managed Account (SMA) Manager or a third party and/or suppress your receipt of daily trade confirmations.

We ask you to provide these instructions when you execute this Advisory Relationship Agreement. We will apply your preferences (where those features are available only) to all Advisory Accounts established under this Agreement, unless you provide different instructions for specific accounts.

As a UBS client, you may decide to open new Advisory Accounts or take advantage of new services and account features in the future without signing additional documents or Agreements. When that happens, we will confirm your instructions in writing and provide any relevant Agreements and disclosures you have not already received. For certain accounts and services, you may be required to sign additional documents and Agreements. All of the confirmations, agreements and disclosures we send you are considered part of this Agreement.

References in this Agreement to:

- **"Account"**, "account", "Investment Advisory Account" or "Advisory Account" means the account(s) you have established in the relevant programs including those established on your behalf by your Financial Advisor and covered under the terms and conditions of the UBS Consolidated Advisory Program ("UBS-CAP").
- **"Advisory Programs"** or **"Programs"** as used in this Agreement means our ACCESS, Portfolio Management Program, Managed Accounts Consulting, UBS Strategic Advisor, UBS Strategic Wealth Portfolio, UBS Advisor Allocation Program, UBS Advice Portfolio Program, PACE programs and UBS-CAP.
- **"Agreement"** means the Advisory Relationship Agreement.
- **"Asset Allocation"** and **"Portfolio Review"** are used interchangeably in this document and refer to the asset allocation/investment strategy you have selected for your program account.
- **"UBS-CAP Portfolio"** means the eligible Advisory Accounts you enroll in UBS-CAP and, in limited circumstances, accounts you hold at other financial institutions that you elect to include in UBS-CAP.
- **"Model Provider"** means SMA managers who provide their investment strategy models to UBS for implementation or an Overlay Manager hired by UBS to implement such models.
- **"Overlay Manager"** means the investment adviser(s) hired by UBS to implement the models provided by Model Providers.
- **"Plan"** means: an individual retirement account (IRA), a retirement plan for self-employed individuals, or an employee benefit plan subject to the Employee Retirement Income Security Act (ERISA) of 1974, as amended.
- **"Portfolio Based Advisory Program"** means the UBS Consolidated Advisory Program or UBS-CAP, an advisory program in which our services are provided to you for certain eligible UBS Advisory Accounts (and, in limited circumstances, accounts you hold at other financial institutions that you elect to include in UBS CAP) on a portfolio level instead of individually at the Account level.
- **"Program Assets"** means the assets you invest through our Advisory programs.
- **"Program Fee"** means, collectively, the UBS Investment Advisory Fee and if applicable, given your Program selection, the SMA Manager Fee.
- **"Questionnaire"** or **"Risk Profile Questionnaire"** means the Account Risk Profile Questionnaire you complete to determine your investment needs, objectives and risk tolerances for the assets being invested in *each* Advisory Account. For UBS-CAP, your Questionnaire will define the risk tolerances and objectives that you have for *all* your eligible assets and accounts included in the *UBS-CAP Portfolio* as a whole.
- **"Retirement Accounts"** include all types of Individual Retirement Accounts including SEPs, SIMPLEs, Coverdell Education Savings Accounts, and "Plans".
- **"SMA Manager"** means your ACCESS, MAC, SWP or AAP separately managed account investment manager, Overlay Manager or Model Provider, as applicable.
- **"SMA Manager Fee"** means the separately managed account investment management fee payable to your

ACCESS, MAC, SWP, AAP investment manager or, as applicable, Model Provider (if any in our Programs).

- **"Share Class Conversion"** refers to the conversion of mutual fund, offshore fund and/or alternative investment brokerage share classes to advisory/institutional share classes which are eligible and billable in certain Programs.
- **"Single Share Class(es)"** refers to the single share class of mutual funds with no front-end loads, back-end loads or 12b-1s offered for purchase in our brokerage platform effective January 2020 subject to a per-transaction commission.
- **"UBS"** unless otherwise noted, means UBS Financial Services Inc.
- **"UBS Investment Advisory Fee"** means the portion of the Program Fee payable to UBS for its investment advisory services.
- **"UBS Portfolio Manager"** means the UBS Asset Management investment professionals who manage assets on a discretionary basis in the UBS Advice Portfolio Program or your Portfolio Management Program Financial Advisor.

B. Our Investment Advisory Programs

We offer a variety of advisory services to address different investment needs, including Discretionary Programs, Non-Discretionary Programs, Unified Accounts, Separately Managed Accounts and Portfolio Based Advisory Programs. There are important differences among these Programs in terms of services, fees and how they are structured and administered.

In the future, we envision the advisory Programs evolving to a "Unified Advisory Solution" (UAS). UAS will consolidate certain distinct Advisory programs described in this Agreement and make these advisory options available in a single client account. If at that time, you have more than one Advisory account with us, we may combine these accounts into the one Unified Advisory Solution account. This means that you may have an account where parts of your relationship are managed by SMA Managers, your PMP Portfolio Manager, a UBS investment management team, as well as assets directed by you depending on the options you have selected. We will provide prior written notice to you regarding these changes and how they would affect your accounts, fees and the services we provide to you.

Generally, these Programs are designed for clients who (i) want to implement a medium-to long-term investment plan; (ii) seek and use the advice and guidance of an investment professional either in their self-directed accounts or by delegating management of their assets to a portfolio manager or SMA Manager; (iii) prefer the consistency of fee-based pricing; and (iv) are looking for investment advice, custody, trading and execution services, and performance reporting in an all-inclusive account

instead of accessing those services separately.

These Programs may not be appropriate for clients who: (i) seek a short-term investment; (ii) want to maintain consistently high levels of cash, money market funds, or invest primarily in load-waived or no-load mutual funds; (iii) want to maintain highly concentrated positions that will not be sold regardless of market conditions; or (iv) anticipate continuous withdrawals from the Account.

If you would like additional information about the Programs or have questions about your accounts, please ask your Financial Advisor or refer to the Form ADV Disclosure Brochure.

C. Account Opening Documentation; Account Risk Profile Questionnaire; Update of Personal Information

When you establish an Advisory Account with us, we will ask you to sign a brokerage account agreement (if you have not done so already) in addition to this Agreement, so that your Advisory Account will have access to the firm's trading capability and custody services. The brokerage agreement supplements this Agreement, and together, the agreements and the related documents we provide to you govern your relationship with us. Accounts established under this Agreement are designated as "Advisory" and our obligations to you as they pertain to that Account will be that of an investment adviser as described in the Form ADV Disclosure Brochure under the section **"Conducting Business With UBS: Important distinctions between brokerage and advisory services"**

To establish an Advisory Account you must complete a Risk Profile Questionnaire to determine your investment needs, objectives and risk tolerances for the assets being invested in *each* Account. For UBS-CAP, your Questionnaire will define the risk tolerances and objectives that you have for *all* your eligible assets and accounts included in UBS-CAP Portfolio as a whole. However, a Questionnaire needs to be completed for each account, based on the holdings of that account, in your UBS-CAP relationship. The Questionnaire forms the basis of your selection of an investment strategy or asset allocations for your account.

The objectives and preferences you designate for each Account or for your UBS-CAP Portfolio guide the investments of your assets in the respective Program(s). The MAC Program Application does not include a separate Advisory Risk Profile Questionnaire. The MAC Program relies on your responses to the Risk Tolerance Questionnaire you completed when you established your brokerage account.

To confirm your instructions and ensure that our records are complete and correct **for each Advisory Account you establish including those established on your behalf, or whenever your investment objectives or risk tolerance is updated for an existing Account**, we will send you a record of the personal information and/or responses to the Questionnaire you provided to

us. We rely on this information to provide Advisory services so we require you to review the information and notify us promptly if there are any discrepancies or if your objectives, risk tolerance or financial condition have changed. You agree to review this information and provide us with updates as necessary or in the case of any material change in your circumstances which may affect how your Program Assets should be invested.

Likewise, we rely on you to provide us with your current address and email address if it changes. If we are unable to contact you by mail, or, for the UBS Advice Program Portfolio, by email, we will be required to close your Advisory Accounts. If your Advisory Accounts are closed, your assets will be held in a non-Advisory brokerage account and remain in the same securities as they were in your Advisory Account, if possible. Please note that certain securities may be held only in Advisory programs and are automatically liquidated when the Advisory account is terminated. See the section "Closing Your Advisory Accounts; Terminating this Agreement" for more information. Once your Advisory Account is terminated, your assets will no longer be subject to the services, advice and management offered in the Advisory Programs.

In addition, changes you make to Advisory program accounts, such as target asset allocations or investment selections (for example, replacement of SMA Managers and strategies in your ACCESS or SWP Accounts), can be implemented without requiring additional documents from you, and we will confirm these changes to you in writing.

Foreign entity clients: Please note that as a foreign entity, your participation in a Discretionary, Separately Managed Account or Unified Account Program will likely prevent you from having a FATCA classification of Passive Non-Financial Foreign Entity. This could result in your entity having more burdensome documentation and reporting requirements. Please consult your tax advisor with regard to the possible tax consequences associated with your FATCA status.

D. Investment Authority

You understand that you are the beneficial owner of all securities in your Account and, other than as specifically delegated in this Agreement, you retain all rights related to such ownership.

By signing the Application and Agreement, you authorize UBS to act on your behalf for your Advisory Accounts in accordance with the terms of the Advisory Program(s) you select.

You retain all trading authority for Accounts in Non-Discretionary Programs and SWP Non-Discretionary Assets, which means we will effect transactions only at your instruction. UBS, your Financial Advisor and the SWP SMA Manager will not have any discretion with respect to the investment of those Program assets.

Based on the authority you are giving to us, and as applicable

given your Program selection, we will engage the SMA Managers you select to have discretion over the assets and to manage your Accounts. You also authorize UBS to take any and all actions necessary to open and maintain your Accounts in the Programs and to effect, complete and pay for transactions for your Accounts.

If you select one of the Discretionary Programs, your signature gives UBS investment discretion over the management of the assets in those Program Accounts. For the Discretionary Programs and UBS-CAP with POA for Limited FA Discretion Services, your signature also authorizes us to delegate investment management and/or security selection for your Accounts to sub-advisors. With that authority, we may delegate the selection of all or a portion of the securities for your Account to a sub-advisor/model provider or overlay manager, including those affiliated with UBS, for inclusion in the portfolio. This authority specifically includes the authority to hire and fire SMA Managers for your account, who will, depending on the strategy selected, charge additional fees for the services they provide, including premium fees for services such as personalized tax management and sustainable investing. You will be responsible for the payment of any SMA Manager Fees and Premium Services Fees (see section I.U. Program Fees for details).

Depending on which Program you choose, your SMA Manager, you, your UBS Financial Advisor or your UBS Portfolio Manager as indicated on the Program application, proposal or Program confirmation, will have primary responsibility for the day-to-day management of your Account and has full discretionary authority over all investments, including the timing of the investment of your assets. For PMP and AAP accounts opened after you have established your first Advisory Account, we will confirm in writing your UBS Portfolio Manager for discretionary Financial Advisor. For Accounts managed by UBS employees and those with Limited FA Discretion Services in UBS-CAP, we reserve the right to transfer management responsibility to another Program-approved Portfolio Manager or Financial Advisor at any time without first notifying you or obtaining your consent.

We will execute transactions in your SMA Program accounts and the SMA sub-accounts in SWP and AAP based on the instructions we receive from your SMA Manager. In addition, in these accounts/sub-accounts, with the exception of UBS and UBS-affiliated strategies, neither UBS nor your Financial Advisor will have discretionary authority, nor will we solicit your SMA Managers to buy or sell securities for your accounts/sub-accounts.

We are not responsible for:

- Your choice of SMA Manager
- Their day-to-day investment decisions (including their selection of tax lots for sale or redemption)
- Their performance
- The SMA Manager's compliance with applicable laws, rules or regulations
- The SMA Manager's compliance with best execution obligations

- Other matters within the SMA Manager's control, including implementation of your rebalancing election where the manager has assumed the responsibility to manage your account

We reserve the right to refuse to execute any transaction in our program accounts if we reasonably believe that it would violate any applicable law or rule --including the rules of any regulatory agency or self-regulatory organization. We may also refuse to execute any transaction that would be inconsistent with any of our policies and procedures.

For Discretionary and Separately Managed Accounts Programs, UBS-CAP with Limited FA Discretion Services and the SMA Manager sub-accounts of SWP and AAP, your signature authorizes, as applicable, UBS, as sponsor of the Program, SMA Manager and/or Overlay Manager of your Account (depending on the circumstances) and your SMA Managers to buy, sell or otherwise trade securities or other investments (including, in certain cases, UBS securities) for your Accounts or sub-accounts in those programs including the selection of tax lots for redemption or liquidation in your Accounts, without discussing these transactions with you in advance. These securities may include stocks, bonds, options and other securities. Since your SMA Manager(s) is responsible for the day-to-day management of your SMA Accounts/sub-accounts, we will execute transactions for your SMA Accounts/sub-accounts upon instructions from your SMA Manager(s) on an unsolicited basis.

E. Asset Allocation Services in our Non-Discretionary, Unified Managed Account, Portfolio Advisory Programs, and Advisor Allocation Program

We will provide you with an asset allocation proposal for accounts you want to open in our Non-Discretionary Programs, SWP and UBS-CAP. The proposal contains UBS's advice based on the information you provide to us and discussions with you regarding an appropriate allocation (Target Allocation) of your Program Assets. The Target Allocation represents a long-term investment strategy that seeks to balance your investment objectives with your risk tolerance. It is your responsibility to determine whether and how to implement the target asset allocation/investment strategy and to ensure that your asset allocation continues to be consistent with your goals and risk tolerance over time. The asset allocation for UBS-CAP encompasses all Accounts in your UBS-CAP Portfolio, while for other Programs, your asset allocation reflects only your assets invested in your Program Account.

You may accept the Target Allocation for the Program Assets in your Account or your UBS-CAP Portfolio, or you may customize it based on your preferences to include different asset categories or to allocate a different amount of your Program Assets to one or more asset classes. You may consult with your Financial Advisor about these choices. The allocation you select as your Target Allocation is the basis for the initial and ongoing investment of your Program Assets. However, you may decide to implement your Target Allocation over a period of time, or change it from time to time as

long as it is within your stated risk tolerance.

In the Advisor Allocation Program, your Financial Advisor establishes a Target Allocation based on your answers to the Risk Profile Questionnaire for the account and selects from mutual funds, ETFs and researched SMA strategies to fill the allocation. The initial Target Allocation for the account will be set forth in a written proposal and we will notify you when your Financial Advisor makes changes the Target Allocation and investments.

Automatic Rebalancing and Your Asset Allocations: The rebalancing feature in the PACE and SWP Programs will assist you in maintaining your account in line with your target asset allocation. However, deviations from your Target Allocation or risk tolerance will occur due to, among other things, fluctuations in the market value of securities in the account before rebalancing, any investment restrictions you impose on management of the account and any tax selling agreement or for accounts that do not meet the rebalancing thresholds. In PACE we will notify you if your allocation shifts and is more aggressive than those limits. In the AAP Program, your Financial Advisor will establish automatic rebalancing thresholds and time periods, and also can rebalance or reallocate the account at any time in their discretion. In addition, accounts will be automatically rebalanced to the Target Allocation if not aligned with the account's risk tolerance, or if other program guidelines are breached for a specified period (see Schedule B.3 for details). For Non-Discretionary Programs, you are responsible for addressing those inconsistencies between your asset allocation and your risk tolerance. Once you select your Target Allocation, we will implement the Asset Allocation without taking into consideration your potential tax consequences. You are responsible for any tax liabilities which result from transactions in your Account (including any redemptions or upon the termination of participation in the Program). Your Program Fees will be assessed regardless of whether or not you follow our recommended allocation.

Changes to the Target Allocation may result in tax consequences to you. We encourage you to seek the advice of a qualified tax professional. Our asset allocations are based upon a proprietary methodology that uses capital market assumptions, which are also based on UBS proprietary research. The capital market assumptions may change from time to time at our discretion. These assumptions are not guarantees of any level of return or performance and do not represent the return of a particular security or investment. UBS has changed its risk and return assumptions in the past and may do so in the future. We will not provide you with an updated investment proposal automatically based upon changes to these or other underlying assumptions, but you may request an updated proposal from your Financial Advisor. Changes in the assumptions may affect your Target Allocation on the broad, subclass or style level. We may also add or remove asset classes, subclasses and styles from the allocation methodology at any time. We will send you a written notice in the event that changes in our capital market assumptions result in a change to your Target Allocation.

The capital market assumptions are not guaranteed and do not represent the risk or return of a particular security or investment. The actual performance of any particular security,

investment or strategy can differ, perhaps significantly, from these CMAs. In addition, UBS employs a variety of asset allocation models and tools and, as a result, our modeling outside of the Advisory Programs may vary depending upon the asset allocation model, amount invested, and software program used for analysis.

F. SMA Manager Selection in our SMA, Unified Account Programs and Advisor Allocation Program

In our SMA and Unified Account Programs, our role is to identify managers and strategies that have been researched and determined to be appropriate for your investment needs. We will present to you those managers who, in our professional judgment, are appropriate to help you pursue your financial goals. We do not represent that the managers presented will be the best available manager either in the industry or offered through UBS. We will not remove or replace your SMA Manager without your consent except in AAP and pursuant to authority you grant to make hire and termination decisions under UBS-CAP and as otherwise provided below. If we decide, in our sole discretion, that circumstances make a change necessary or appropriate, you authorize UBS to delegate management discretion of your account to a model service provider or overlay manager and/or to remove or replace your SMA Manager, for all or a part of your ACCESS or SWP Account, and to hold the existing assets in your Account until we receive instructions from you. We will notify you in advance of any change in your SMA Manager unless the change is in your AAP account or you have granted discretion to us to hire, fire and change such managers under the terms of UBS-CAP. Your continued acceptance of services under this Agreement will constitute your approval and agreement of any replacement SMA Manager, overlay manager or model service provider. We do not restrict your ability to retain the Investment Manager(s) outside of the Programs.

Once we accept your Account in ACCESS, SWP, and AAP we provide the SMA Manager with your responses to the Risk Profile Questionnaire and restrictions before the SMA Manager accepts your account. The SMA Managers have discretion to accept or reject any Account.

While we seek to apply the same review criteria to all researched managers available in our SMA Programs, Unified Managed Accounts Programs, and AAP, certain UBS affiliated strategies and UBS discretionary Investment Portfolios may not have been screened or approved as researched strategies at the time they were included in the Programs or, if screened, may not have met the required criteria.

For example, for certain strategies, while the firm itself would satisfy the general research screens, a strategy on its own may fail to meet several research screens, including: total assets under management, length of a performance track record with client assets, compliance with GIPS standards, and minimum number of accounts which are

normally imposed on third party managers.

MAC Program/MAC Eligible Strategies: The level of research or review we undertake for SMA strategies in the MAC Program varies depending on whether a Manager or Strategy is considered MAC Researched or MAC Eligible. The due diligence and reviews conducted by our Investment Management Research Group can range from a very limited general review for MAC Eligible strategies to an in-depth review of investment strategies, performance data and management for Researched strategies. For MAC Eligible strategies, our review is limited in scope and does not provide enough information for us to express an opinion on or about the investment capabilities of those firms or strategies. **If you select MAC Eligible Strategies, you represent and acknowledge that you have selected those Strategies without our recommendation and that you understand the limitations of our review described in this paragraph.**

Hiring Your MAC SMA Manager: You confirm your understanding that, in the MAC Program, you must enter into a separate Agreement with your MAC SMA Manager and you are responsible for negotiating the agreement, including fees, directly with the manager. Unless you have delegated such responsibility to us in UBS-CAP, we will not hire your SMA Manager in the MAC Program nor will we negotiate fees or execute agreements on your behalf, however, even in those circumstances our negotiations on your behalf are limited to fees (as long as there is an LPOA) and not to any other contractual matters. If your MAC SMA Manager strategy is also available in other Programs, you should consider that, based on the combination of our fees and your SMA Manager's fees, the overall fee for your MAC account may be higher than the total fee you would pay in other Programs. Therefore, it is important that you understand that the services we offer through MAC may be available to you on a more cost-efficient basis in other UBS programs.

Concentrated Equity Solutions

During the fourth quarter of 2021, we expect to make Concentrated Equity Solutions ("CES") available through the Managed Accounts Consulting ("MAC") Program. CES are separately managed account ("SMA") strategies that seek to manage the idiosyncratic risk (specific to an individual equity security, rather than general market risk inherent in equity securities) associated with a concentrated individual equity holding. Generally, these strategies implement the strategy objectives using options trades on a client's existing concentrated equity position. These strategies have various investment objectives typically seeking to generate incremental income, help exit a stock holding, or provide a degree of downside protection should the stock go down in value. The pursuit of these objectives will limit (to varying degrees depending on the strategy) your ability to fully participate in potential future appreciation of the stock price.

Concentrated Equity Solutions Fees

For CES strategies, the manager is not involved in the selection of the underlying stock position(s) held in the account and will manage the

account in order to pursue the strategy in connection with the underlying stock position(s) you deposit in the account. Although the CES strategy manager will not research or manage the underlying equity positions held in the account, the asset-based billing for your CES strategy advisory account will include billing for the value of the concentrated equity position held in the account.

The options strategies pursued by CES strategy managers will in some cases create short positions in the account. Short positions are not taken into consideration for billing purposes on your advisory account. Since short positions reduce the overall value of the account, to the extent you have short positions in your account, the billing for your account will be higher than would be the case if short positions were considered for billing purposes.

Unless prohibited by account type (e.g. retirement accounts), CES strategies will require the account to be approved for margin which means you may incur a margin debit balance in your account. We charge interest according to our Firm's usual credit practices if payment of our fees or certain trading/market activity results in a debit balance in your Account.

A portion of your CES Advisory Account may be held in cash, cash equivalents or money market instruments which are subject to the Program Fees so long as they remain in the account. Some CES strategies seek to generate incremental income and, therefore, cash may accumulate in the account over time. CES strategy managers do not manage cash positions in the account. Cash, however, may be utilized to cover security purchases made by the Investment Manager. Since you will be billed advisory fees on the cash held in the account, you should monitor the levels of cash in your CES account over time to determine if such levels are necessary for the account based on your selected strategy.

Concentrated Equity Solutions Account Performance

The underlying stock position deposited into the CES account will be unique to each client and, therefore, performance for each CES investor will vary significantly.

G. Transactions in Your Accounts

You understand that all trading in your Accounts is at your risk and that investments in your Accounts are subject to a variety of market and other risks, including illiquidity and volatility. You also understand that investment performance of any kind can never be and is not guaranteed. Past performance is not an indicator of future results.

Non-Discretionary Programs and SWP Non- Discretionary Assets:

Since you retain control over the trading in these Program Accounts, you may execute security transactions which we have recommended to you (solicited transactions) as well as transactions which you execute without consultation with, or recommendation from us (unsolicited transactions on eligible investment products). These unsolicited transactions are solely your responsibility, and neither UBS nor your Financial Advisor will act as your investment

adviser with respect to those transactions.

The advice and guidance of your Financial Advisor is a key service of the Non-Discretionary Programs. A pattern of unsolicited trading may indicate that the program you selected is no longer appropriate for you as you are not leveraging the advice of your Financial Advisor. In Strategic Advisor, this may result in the revocation of your online trading access (if applicable) and/or termination of your Account from the program.

Cash and Securities Concentration: Advisory Programs are not appropriate for clients who want to maintain a high level of cash and/or highly concentrated positions that will not be sold regardless of market conditions. (Concentrated equity positions may reasonably be held in Concentrated Equity Solutions ("CES") SMA strategy accounts available in the Managed Account Consulting ("MAC") Program.) If you continue to hold high level of cash and/ or highly concentrated positions then you do so against our recommendation and with the understanding that the value of those securities will be included for the purposes of calculating the Program fee, resulting in a higher fee to us. Please note that you may hold excess cash or concentrated position in a brokerage account without incurring an Advisory Program Fee. If your account continues to be outside of the concentration guidelines over a specified period of time then your account will be removed from Program(s).

Unsolicited Transactions: After you have completed an unsolicited transaction and have acquired a security on your own and without our recommendation or advice, for so long as you hold that position in your Account, we will take that asset into consideration, as part of your overall Account assets when we give you periodic asset allocation advice, when we value your account holdings and provide you with analyses and reports on your Account's performance. We may also make recommendations that you consider selling the asset, if and when we deem it appropriate. We will, therefore, include any security you acquire in an unsolicited transaction as part of your Account assets in calculating your Advisory fee, going forward, if you continue to hold the asset in your Account on the date we next calculate your Program Fee.

Review of Accounts: We have various policies and procedures applicable to the review and supervision of client accounts in our investment advisory programs. Those policies are designed to comply with the requirements of the Investment Advisers Act of 1940, and where applicable, ERISA and other applicable rules and regulations.

There are general policies applicable to all Advisory Accounts as well as individually tailored guidelines for each of the wrap fee programs described in this agreement. Because the Programs offer different services and have different features, the guidelines for supervision vary by Program. In addition, **we apply certain guidelines including but not limited to single security and aggregate security concentration, cash concentration, trading level activity and minimum number of positions across an Advisory Account Group ("AAG"). The AAG aggregates guidelines across multiple accounts held by the same client in either the same program or across programs, depending on**

the specific guideline and program.

CAP does not use the standard or custom AAGs.

The CAP Program applies Program guidelines on investments, restrictions and activity at the portfolio-level across a client's accounts enrolled in the Program, not on an account-by-account basis. This means that an individual client account will be deemed to be in alignment with program guidelines (for example, as to position concentration, trade activity, etc.) when considered together with the client's other CAP Program accounts even when the individual account would not align with program guidelines if viewed separately.

For example, an individual client account with no trading activity over a given period will be deemed to be in alignment with program guidelines if the client's CAP Program accounts viewed together demonstrate that the client is receiving investment advisory services under the CAP Program consistent with program guidelines. This is even though, if not enrolled in the CAP Program, the Account would otherwise be terminated and transitioned to a brokerage account for not fully leveraging the wrap fee services offered in the Program and covered by the Program Fee.

You understand and agree that the use of the AAG or, for CAP, a portfolio based approach for the supervision of Program guidelines means that:

- Some or all of such accounts may remain in the UBS Investment Advisory Programs although they would have been terminated from the Program(s) due to concentration levels or low trading levels if reviewed on a stand-alone basis;
- For CAP, accounts with no trading can remain in the Program for an extended period of time so long as clients are receiving and leveraging the investment advice provided in the Program;
- The continued participation of such accounts in UBS Investment Advisory Programs, will result in UBS receiving revenue that it may not have otherwise received had the accounts been reviewed individually and terminated from the program;
- Unless you are paying a levelized UBS Investment Advisory Fee for all assets in the AAG relationship, it is possible that the trading or concentration levels of accounts with lower fees will benefit those in which you are paying higher fees or vice versa; and
- While the ongoing advice of your Financial Advisor is the principal component of the services you pay for in the Programs, if you trade infrequently you may not be taking full advantage of all of the services offered.

Transactions in your SMA Programs, Discretionary Programs and your SWP SMA Manager sub-accounts: After your Account is accepted for a Discretionary or SMA Program, you can no longer place orders to trade those Accounts. However, we may accept your instructions for transactions associated with tax planning (i.e., tax gain and loss sales), if your instructions are consistent with your Portfolio Manager/SMA Manager's strategy for your Account.

Except for the PMP Programs and the UBS Advice Portfolio Program (if you select tax loss harvesting services), neither UBS nor your Financial Advisor exercises any discretion over the selection of

securities or tax lots to fulfill tax planning requests. Currently, in the ACCESS program and the SMA sub-accounts of SWP and AAP, you can work with your Financial Advisor to submit requests for tax harvesting trades to the SMA Managers.

- You may make requests to raise a specific dollar amount of gain/loss, which will be submitted through an automated process that systematically reviews the equity positions in a separately managed account/subaccount to identify the least number of trades needed to fulfill the request.
- You can make requests to raise maximum gains/losses from the equity positions in separately managed accounts/subaccounts and an automated process systematically identifies transactions to maximize gains/losses, depending on your request.
- You can also work with your Financial Advisor to identify specific securities (equity or fixed income) in the separately managed accounts/subaccounts that can be sold for tax planning purposes.
- You may request tax harvest requests using long-term then short-term or vice versa.

A combination of these options may be used to maximize total gain/loss requests. The automated process is subject to minimum gain/loss thresholds and managers may also have their own tax sale policies. The SMA Manager may fulfill, reject or modify the request. In addition, to ensure orderly processing of requests, **tax sales should be requested before November 30 of each calendar year.**

Tax loss harvesting requests apply to the individual account for which a request is made. If you buy or sell securities in an account that overlaps with the securities sold for tax purposes in another account, the tax loss may be disallowed under IRS wash sale rules.

We cannot accept requests to halt or freeze trading in an account at any time as a way to prevent additional gains or losses or for any other reason.

H. Funding Your Account

You may fund your Accounts by depositing cash and/or securities designated as "eligible" for the specific Program; funding Accounts with UBS securities is permitted only for certain programs.

Class A shares and, for PMP, UBS Advice Portfolio Program and Strategic Advisor accounts, Class C shares (that are not subject to a contingent deferred sales charge) (CDSC) used to fund accounts will be automatically converted, on a tax-free exchange basis (subject to availability of that service by the mutual fund sponsor), to the new share class available for the relevant fund when free of the CDSC period. By executing the Application and Agreement you authorize us to make these exchanges on your behalf. Class C shares are not eligible for funding Strategic Wealth Portfolio, Advisor Allocation Program accounts.

If you fund your Accounts through the transfer of securities, you authorize and direct UBS and your SMA Manager to liquidate those securities on your behalf and to allocate the proceeds in accordance with the investment style, strategy or asset allocation you selected for those Accounts. We will not advise you regarding the liquidation of these securities. We will execute those transactions free of commission charges, but, depending on the type of security involved, those liquidations may result in you incurring redemption charges and taxable gains or losses. As UBS Financial Advisors do not provide tax advice, we recommend that you review the potential tax consequences of these liquidations with your tax advisor before funding Accounts with securities.

When liquidating these securities for purposes of establishing your account, we will be acting as your broker, not your investment adviser. Liquidations will occur promptly at prevailing market prices after you fund your Accounts. We are not responsible for the liquidations and any consequences if we are not informed by you of existing Account portfolios or other security holdings, the overall effect of liquidations on your portfolio, or the loss of potential gains due to movements in the market prices or changes in market conditions.

Securities that are ineligible for an Investment Advisory program should be transferred to a brokerage account. If immediately prior to funding an Advisory Account, you choose to liquidate eligible and/or ineligible securities to fund an advisory account with the cash proceeds, those liquidations will not be subject to commission charges, or if charged, commissions will be reversed.

Please see Section II Schedule C: UBS SWP for a description of account funding practices in that Program.

I. How Your Assets will be Invested ("Eligible Assets")

We require that you hold only eligible assets in your Advisory Accounts. Eligible assets may vary by Program and strategy type and may change at our discretion. Please contact your Financial Advisor for the current list of Eligible assets in your Program. In general, "Eligible Assets" are securities of any kind, including U.S. and foreign stocks, bonds, options (in certain programs), American Depositary Receipts, open-end mutual funds (in certain programs), closed-end funds, eligible UITs (in certain programs), exchange-traded funds, money market mutual funds (in certain programs), public real estate investment trusts, offshore funds and ETFs, eligible Structured products (PMP and Strategic Advisor programs only), Hedge Funds, Funds of Funds and Private Equity (Proprietary and Non-Proprietary) (in certain programs) but limited only to Advisory/ Institutional share classes, and Small Business Administration Loans.

UBS, at its discretion, can make particular securities or issuers ineligible for the Programs or place a "hold" on further trading for certain investments at any time.

UBS, also in its discretion, may limit investment allocations to particular mutual funds, ETFs, closed end funds, UITs and other registered investment companies ("Funds"), including where

additional investments may adversely impact the ability of one or more of our affiliates to trade with such Funds due to regulatory restrictions. In these circumstances, such Funds will be placed on "hold", thereby restricting additional purchases of such Funds in Advisory accounts, and a different Fund will then be selected for investment in order to increase exposure to a particular strategy or asset class for such Advisory accounts. These limitations cause a conflict of interest because UBS is taking into consideration the potential impact on trading relationships and business of its affiliates in making decisions on the availability of investments for Advisory clients. UBS mitigates this conflict by ensuring the availability of alternative Funds that can provide exposure similar to the initial Fund where additional purchases were restricted.

There may be instances or circumstances where UBS, at its discretion, makes particular investments, securities or issuers ineligible for the Programs.

In addition, the following "Ineligible Assets" are not eligible in the Advisory Programs: Insurance and annuity products, limited partnership interests, private placements, IPOs, Non-Publicly Traded REITs, syndicate offerings (in certain programs), all other Non-Daily Traded Alternative investments including, but not limited to, brokerage share classes of Hedge Funds, Funds of Funds, Real Estate and Private Equity - Proprietary and Non-Proprietary, alternative investment funds that do not offer an Advisory or Institutional Share class or a tax free conversion among such classes, UBS securities (in certain programs), auction rate securities (in certain programs), floating rate securities, listed or OTC index warrants, commodities and futures (in certain programs), and, for those programs which permit open-end mutual funds, B and C class shares (these assets are not available for purchase but may be held in Strategic Advisor accounts and are not subject to the Program Fee) and certain Institutional mutual fund share classes if the Advisory share class is selected as the eligible share class for purchases in the Program, Penny Stocks, microcaps and other high risk-securities as defined by OTC Markets, Non-Daily traded alternative investments - brokerage share classes, Letters of Credit, Participant loans and Inverse and leveraged ETFs (except for those ETFs eligible in PMP), Special Purpose Acquisition Companies (SPACs).

We may change the list of Eligible and Ineligible Investments at any time.

Our Advisory programs do not offer the ability to conduct principal trades. As such, in these accounts, you may not hold, purchase or sell securities which only trade on a principal basis. Currently, you have access to principal execution in your Advisory Account for tax loss sales in worthless securities in all Programs.

Generally, our Programs do not offer UBS stock or UBS securities, except for the UBS mutual funds and money market funds (including money market funds used as cash sweep vehicles) in the Programs and UBS exchange traded notes in certain programs. However, SMA Managers who are not affiliated with UBS may purchase UBS securities for your Accounts. UBS securities are issued by UBS Group AG, the parent company of UBS, or another UBS affiliate

under common control. As a UBS Group AG subsidiary, we have a control relationship (we are either controlled by or under common control) with the issuer of such securities.

Classification and Availability of Investments, SMA Managers, Mutual Funds, Alternative Investments and PACE Select Trust Portfolios: The inclusion of any particular PACE Select Portfolio, mutual fund or other investment or strategy in our Programs does not mean that UBS endorses or recommends that you invest in that security.

UBS categorizes all eligible SMAs, mutual funds, ETFs alternative investments and other pooled investments into asset categories. We may add or remove asset categories from our asset allocations and the Programs at any time. We also may change an investment's asset category based on various factors, including, for example, a mutual fund's portfolio holdings. In the event of changes described in this paragraph, you will be required to accept such changes to the Programs and/or the funds or strategies in order to continue your participation in the Program. If you choose not to accept such changes, you will no longer be eligible to participate in the Programs or invest in the asset or strategy.

There can be no assurance that any of the investments or strategies available or eligible in our programs will remain available for purchase through the Programs. We may add or remove securities or issuers at any time, or an issuer or sponsor may stop offering its securities through or participating in the Programs. Depending on the circumstances those investments may be redeemed, transferred to a brokerage account or registered directly in your name with the issuer's transfer agent. This may result in additional costs or be a taxable event for you.

Please See Section II, Schedule A for additional information on strategies available in our Discretionary Programs.

If you hold such products investments or securities in your Accounts and you also have a separate UBS commission-based brokerage account, we may transfer those assets from your Advisory Accounts to your UBS commission-based brokerage account to facilitate the UBS method of billing and performance reporting. By signing the Application and Agreement, you authorize us to implement those transfers. However, you understand that we are not obligated to transfer those assets and you remain responsible for monitoring and moving these assets from the Programs. The transfer of Ineligible Assets from your Advisory Accounts to your brokerage account will not result in liquidation of your securities or taxable events, commissions or any other compensation either to UBS or your Financial Advisor.

If you decide to hold Ineligible Assets in your Advisory Account, you do so against our recommendation and with the understanding that the value of those securities may impact a variety of services offered in the Programs and be included for

purposes of calculating and reporting the performance of your Account - including the calculation of the Program Fee or other account billing events, which could result in you paying a higher fee to UBS and your investment manager and cause trade error(s) due to overinvestment. If you do not move these Ineligible Assets to another account, we may close your Advisory Account.

FOR STRATEGIC ADVISOR and PMP ACCOUNTS ONLY:

As an accommodation, we may permit the holding of certain Ineligible Assets in your Account so long as doing so does not disrupt the investment and billing of the Eligible Assets in the Account. These assets are referred to as "Non-Billable Assets." Non-Billable Assets generally include: commodities, futures, Alternative Investments (e.g., hedge funds and funds of hedge funds), B share class and C-share class mutual funds, and certain unit investment trusts (UITs). While you may hold and liquidate these assets in your Account, they are not eligible for purchases of new positions or increasing an existing position. Purchases may only be made through a non-Advisory commission-based brokerage account. **Non-billable assets held in your Account will not be assessed the Program Fee.** Additionally, non-billable assets will not be included when determining the minimum account opening requirement, but they will be included in the performance reporting for the Account. In Strategic Advisor, non-billable assets are included in the strategy review.

Neither UBS, your SMA Manager nor your Financial Advisor will act as your investment adviser with respect to Ineligible Assets, including investments and securities that UBS makes ineligible after your account is enrolled in a Program.

Strategic Advisor Accounts holding Eligible Non-Billable Assets may not be enrolled in UBS-CAP.

Recommendation or purchase of UBS affiliated/proprietary SMA Managers, Securities and Investments: We may, after a review of your investment needs and available options, recommend, or in our Discretionary Programs select or purchase on your behalf, affiliated/proprietary money managers or securities. Our selection or recommendation of proprietary or affiliated products and managers raises a conflict of interest as retaining those entities or purchasing those securities will result in increased compensation to UBS and/or an affiliated company in the UBS organization, depending on your specific circumstances. If you or we select funds, products or other investment vehicles managed or sponsored by us or our affiliates, those management fees will be payable to those affiliated entities. Your Account's actual investment return will be reduced by those fees and expenses as well as the Program Fee. Please review the applicable prospectus and offering documents carefully for a detailed description of the additional fees associated with these securities.

J. Mutual Fund Share Classes; Eligible Share Classes and Mutual Fund Share Class Conversion:

For Programs which offer mutual funds, the offering includes affiliated and non-affiliated mutual funds. We will provide you with mutual fund prospectuses and other fund information as you may reasonably request to assist you in completing appropriate forms for purchases, redemptions, account designations, address changes and other transactions involving these investments.

Historically, our Advisory Programs offered Class A shares of mutual funds, which are sold on a no-load or load-waived basis. These Class A shares normally impose a shareholder servicing fee, commonly referred to as a 12b-1 fee, which you pay directly to the fund company. As a distributor of mutual funds, we receive a portion of the 12b-1 fees for services we provide.

Institutional and/or Advisory share classes are the primary eligible domestic and offshore mutual fund share classes for proprietary and non-proprietary mutual funds available for purchase in the Advisory Programs. Institutional and/or Advisory share classes are also the primary eligible offshore mutual fund share classes, and are available for purchase in UBS Strategic Wealth Portfolio, UBS Strategic Advisor, Portfolio Management Program and Advisor Allocation Program. We refer to these changes in share class eligibility in our Programs as the "Share Class Conversion". These share classes do not impose a load or sales charge at the time of purchase; however, because most Institutional or Advisory share classes do not impose a 12b-1 fee shareholder servicing fee, these share classes are usually more cost effective than the Class A shares.

If you hold Institutional Shares in your Advisory Account and the Advisory share class becomes the share class eligible for purchase, your Institutional shares will become "hold only" (even if, in the case of offshore funds, you elect not to convert your Class A shares to Advisory shares.). That means you may sell but you may not add to those positions in the Advisory Accounts.

If you transfer Class A shares of mutual funds to your Advisory Account, or use such shares to fund your Account, we will automatically convert such shares to the advisory or institutional share class if available for purchase in the Programs, including Class C shares that are out of the CDSC period, except in PACE Multi, where such conversion will occur upon Financial Advisor request.. Class A shares of offshore funds are **not** automatically converted to the advisory share class. If you hold Class A shares of offshore mutual funds, you may elect (but you are not required) to convert those positions to advisory share classes upon reviewing your Account and providing an attestation regarding your understanding of tax consequences that may occur as a result of the conversion.

For both domestic and offshore mutual funds you may be able to purchase and hold these Institutional and/or Advisory shares in your brokerage account and exclude these assets from your Program Fee. Other share classes, including some that may be more cost effective and for which we receive no revenue sharing compensation, may be available to you in brokerage accounts or through advisory programs designed primarily for institutional

clients.

Domestic Funds: Certain Class A shares may continue to be eligible for purchase for mutual funds that do not offer an Institutional or Advisory share class. Class A shares eligible for transfer to Advisory Accounts will be converted on a tax-free basis to the Institutional or Advisory share class. In addition to converting Class A Shares, we will also convert Class C shares that you hold in your Advisory Account so long as those shares are not subject to a contingent deferred sales charge. Institutional and Advisory share classes do not pay a 12b-1 distribution fee. Financial Advisors earned 12b-1 fees in connection with Class A shares held in Non- Discretionary Programs and Strategic Wealth Portfolio until the Share Class Conversion was completed. After the completion of the Share Class Conversion, 12b-1 fees for Class A shares of domestic funds that remain in the Programs will be retained by the Firm but will not be paid to Financial Advisors. Those 12b-1 fees will be treated as non-compensable revenue. See "Revenue Sharing" below for a description of that process. Clients in Discretionary Programs will continue to receive a credit of 12b-1 fees for Class A shares held in those Accounts.

Class A and Class C shares (that are not subject to a contingent deferred sales charge) that are used to fund accounts subsequent to the Share Class Conversions in each Program will be automatically converted, on a tax-free exchange basis, if possible, to the new share class available for the relevant fund. You authorize these changes by executing the Advisory Relationship Agreement, or, if you already have an Agreement on file, by continuing to accept the services in the program after we notify you of the upcoming changes.

Single Share Class Mutual Funds: We offer a single share class of mutual funds with no front-end loads, back-end loads or 12b-1s offered for purchase in our brokerage platform subject to a per-transaction commission, with certain limited exceptions including, but not limited to, offshore funds, interval funds, and money market funds. This share class will be, in most instances, the same share class available in our Advisory programs. Clients who hold A, B, C or other share classes in their brokerage accounts may continue to hold those assets. Financial Advisors will continue to receive 12b-1s, and clients may continue to incur CDSCs and other fees associated with such share classes so long as clients continue to hold them. However, new purchases of mutual funds (other than the limited exceptions referred to above) will be limited to the commission-based single share classes.

The difference in compensation structure between the single share class and previously offered share classes creates a conflict of interest as Financial Advisors have an incentive to recommend that clients continue to hold the A, B, C or other share classes or recommend that those shares (including single share class shares) be moved to an Advisory Program to maintain the level of revenue they receive.

Additional Compensation: To the extent permissible by applicable law, UBS-FS receives revenue sharing for Advisory shares in Eligible Advisory Programs. This additional compensation presents a conflict

of interest and is an incentive to designate as "eligible" the share class for which we receive higher compensation.

Advisory/Institutional Share Classes of Alternative Investments:

Certain Programs (UBS-CAP and Strategic Advisor) permit you to hold advisory/institutional share classes of certain alternative investments (proprietary and non-proprietary) as part of your Advisory Account or UBS-CAP Relationship. Only funds that offer advisory/institutional share classes and permit conversion of the brokerage share class on a tax free basis are eligible and billable in the Programs.

Unlike mutual funds where the conversion of share classes is automatic, the tax free conversion of share classes is subject to additional documentation and may take up to 120 days to complete. These assets will not be approved for the Advisory Programs until the Share Class Conversion is complete. UBS and our Financial Advisors will continue to receive a portion of the management fee and other compensation until the effective date of such conversion. *"See Additional Sources of Compensation in Connection with Investments in Advisory Accounts"*

Termination of your Advisory Account and Impact on Share Classes: Generally, you may continue to hold most Institutional and/or Advisory share classes after you terminate your Advisory Account. However, in certain limited cases, mutual fund companies and alternative investment fund sponsors require that Institutional and/or Advisory share classes that have been created for use or are eligible exclusively within wrap fee Advisory programs be converted to the respective brokerage share class of the fund (for example, Class A shares for mutual funds) on termination of the Advisory Account. When required by the prospectus for mutual funds, on termination of your advisory account, we will convert your Institutional and/or Advisory share classes to Class A shares of the same fund on a tax-free basis unless you are terminating your account to establish another one in a separate program where the same share class is eligible. **Unless the issuer requires automatic redemption of these investments, you can continue to hold them in your brokerage account.** Single share class holdings that move from Advisory to Brokerage accounts will be subject to commission charges on buys and sells. Please see *"Automatic Liquidation or Exchange of Certain Assets at Account Termination"* for more information.

Transferring Mutual Funds and Alternative Investment Shares and other Assets into Your Advisory Accounts: We may accept the transfer of certain assets and mutual fund and alternative investments shares purchased outside of our Advisory Programs at UBS or at other financial institutions into Advisory Accounts. Assets transferred into your Advisory Accounts are referred to as "Transferred Assets." Transferred Assets may have been assessed a sales load, sales charge or distribution fees previously, and, once transferred, you will be assessed the Program

Fee based on the value of those assets except in certain instances.

If your Transferred Assets were purchased in a UBS brokerage account and were assessed a front-end sales load, placement fees or syndicate/underwriting fees, those assets will not be charged the Program fee until 12 months have elapsed from the date of initial purchase. If your transferred mutual fund or alternative investment shares (for example Class A shares of mutual funds or where applicable the brokerage share class of an alternative investment purchased with a sales charge) are converted to an Institutional or Advisory share class on transfer to an Advisory Program, the new share class will be designated as a "Transferred Asset" and will be excluded from the Program Fee until 12 months have elapsed from the initial purchase date of the Class A share or brokerage share class. Transferred Assets purchased at other financial institutions will be assessed the Program fee immediately. Because the exceptions are not available for assets and mutual fund shares purchased at another financial institution, the overall cost to you of transferring these assets into the Programs may be higher for assets you purchased at another financial institution. Please review the costs carefully before making a decision to transfer assets into your Advisory Accounts.

If you sold mutual fund shares or alternative investment funds prior to entering into, or while in our Programs (for example, funding your Account with B or C shares), you may have either upfront or back-end charges, or redemption fees with respect to that sale or incurred charges on the initial purchase of certain share classes. You will now incur the Program fee on eligible shares held in your Accounts, in addition to the operating fees and expenses applicable to mutual funds and alternative investments.

However, if you transfer mutual fund shares purchased under the new Single Share Class offering to an Advisory Account, those shares will be subject to the UBS Investment Advisory Fee upon transfer and any commissions charged within a certain period prior to such transfer will be rebated to your account.

Mutual Fund Redemption Fees for Active Trading: The mutual funds you hold in your Accounts may charge redemption fees if shares are redeemed within a certain period of time after they are purchased, also known as active trading. These fees may also apply to the redemption portion of an exchange transaction if shares are exchanged among funds (whether through direct exchanges or through sales and new purchases) in the same family of funds more frequently than is permitted by each fund's prospectus. The amount charged as a redemption fee, the length of time you must hold your shares to avoid a redemption fee and the number and frequency of exchanges among funds you may make without paying a redemption fee, varies from one mutual fund to another. This information is included in each Fund's prospectus. If you have questions about whether a redemption fee will apply to a transaction you wish to make, please ask your Financial Advisor for a prospectus for the applicable mutual fund. *If charged, redemption fees will be in addition to the Program Fee and will be*

your responsibility.

For mutual fund assets in the SWP, UBS ACCESS, UBS Advice Advantage and PACE programs, you will not be charged redemption fees resulting solely from automatic transactions effected for your allocation, including periodic automatic account rebalancing, periodic automatic withdrawals from your Account or withdrawals to pay your Program Fee, if you have selected these features. If due to system limitations or errors, your Account is charged redemption fees as a result of periodic automatic account rebalancing, auto redemption withdrawals from your Account or withdrawals to pay your Program Fee, we will credit your Account for the amount of those fees. **Redemption fees incurred for any other reason, and as a result of trading you direct, will be your responsibility.**

K. Diversification

Unless the asset allocation or investment strategy you select is identified as a fully diversified strategy (for example, diversified across all asset classes), an investment in that strategy should not be considered as a diversified asset allocation plan (either overall or within a single asset class or style), but should be viewed only as the equity or fixed income portion, as applicable, of your overall portfolio.

L. Cash Balances

Generally, a portion of your Advisory Account(s) may be held in cash, cash equivalents or money market funds as part of the overall investment strategy for the account. We make available an automatic sweep feature for your account where available cash balances are automatically invested or deposited, respectively in shares of an available money market mutual fund or to deposit accounts at FDIC-insured banks, which balances may be insured by the FDIC up to applicable FDIC insurance limits of \$250,000 per insurable ownership category per bank (e.g., \$250,000 for individual accounts and \$500,000 for joint accounts). "Available cash" in your Advisory Accounts eligible for the sweep program will vary. For example, if you are invested in an Options Overlay Strategy, accounts only sweep in excess of the margin debits.

The description of the sweep feature and options included below are current as of the date of this Brochure and are subject to change. For the most up-to-date information, please refer to the applicable disclosures at www.ubs.com/sweepyields or available from your Financial Advisor.

You should consider the following important information regarding these sweep options:

- 403b plan accounts, Qualified Plans with a pooled structure, corporate cash management accounts and financial institution accounts will continue to sweep directly to money market funds, specifically the UBS Liquid Assets Government Fund (for retirement accounts) or UBS RMA Government Money Market

Fund (for non-retirement accounts). These funds are referred to together as "Sweep Funds".

- All other accounts sweep to FDIC-insured deposit accounts through the UBS Bank Sweep Programs or the UBS FDIC-Insured Deposit Program. The UBS Bank Sweep Programs consist of three programs: (1) the UBS Deposit Account Sweep Program (the Deposit Program), (2) the UBS Business Account Sweep Program (the Business Program), and (3) the UBS Insured Sweep Program (the UBS-ISP), which is available as of late November, 2021. The UBS FDIC-Insured Deposit Program is the sweep option for accounts owned by a trust where all beneficiaries are natural persons and/or non-profit entities. The UBS-ISP is the sweep option for most other accounts, with the exception of retirement accounts. The Deposit Program is the sweep option for retirement accounts. These programs are referred to together as the UBS Deposit Sweep Programs. UBS Bank USA receives deposits through all of the programs and is the only bank that receives deposits through the Deposit Program and the Business Program. In the FDIC-Insured Deposit Program and the UBS-ISP, non-UBS banks may also receive deposits. These programs are described in more detail below.

Conflicts of Interest and Benefits to UBS and its affiliates:

UBS Bank USA and UBS receive substantial financial benefits for activities related to the deposit accounts and investments in the money market funds.

Your Program Fee applies to the cash and cash equivalents in your Advisory Account, including cash that is swept into the various sweep options. Interest rates on the deposit accounts held at UBS Bank USA are determined by UBS Bank USA and are competitive relative to similar deposit sweep programs in the industry. These interest rates depend on the general level of interest rates in the US economy and generally are lower than the prevailing yield on money market mutual funds and other cash alternatives and can be significantly lower. See *UBS Deposit Sweep Programs-Interest Rates* below for additional information. **You can hold cash in a brokerage account without incurring the Advisory Program Fee.** Please see section *"Billing Practices—Billing on Cash and Cash Equivalents in Your Program Accounts"* for details.

UBS Deposit Sweep Programs - Benefits to UBS Bank USA: UBS Bank USA uses deposit balances in the UBS Deposit Sweep Programs to fund new lending and investment activity. Its profitability is determined largely by the difference between the interest paid and costs associated with deposit balances, and the interest or other income earned on its loans, investments and other assets. UBS Bank USA improves its profitability when it lowers the interest rates paid and the costs associated with deposit balances. The yield UBS Bank USA provides is based on industry comparables (selected by UBS Bank USA) of the yields of other banks; it is not based on the yields provided by other cash or cash equivalents such as money market funds and treasuries. Having more assets sweeping to UBS Bank USA provides significant economic benefits to UBS as a whole.

In addition, the UBS-ISP uses a network of banks that includes UBS Bank USA and third-party banks and other non-affiliated financial institutions. UBS Bank USA, acting as sub-custodian for UBS, places deposits received from UBS's customers that are individuals with the third-party banks in the network and receives compensation from those third-party banks for such deposits. The third-party banks pay UBS Bank USA a percentage-based amount based on a stated index, typically the Fed Funds rate plus a spread, known as the Total All-in Cost of Funds rate ("TACF"). The TACF includes an accrual for both (i) interest on deposit balances that is accrued and credited to each client's deposit account and (ii) a custodial agent fee that is payable to UBS Bank USA. A portion of the TACF is also paid by UBS Bank USA to a third party administrator, and the balance is retained by UBS. The compensation to UBS Bank USA may significantly exceed the amount paid to clients as interest on their deposit account balances at the third-party banks.

UBS Bank USA may receive additional deposits from these non-affiliated banks and financial institutions in the network, which provides additional benefits to UBS Bank USA. Deposits received by UBS Bank USA through the network are less costly for UBS Bank USA because the deposits are fully insured. This lower cost should allow UBS Bank USA to increase its earnings on its loans, investments and other assets.

Deposit accounts at UBS Bank USA and third party banks that receive cash through the UBS FDIC-Insured Deposit Program and the UBS-ISP are FDIC-insured in accordance with FDIC rules. For more information, please visit www.fdic.gov.

UBS Deposit Sweep Programs - Benefits to UBS: UBS Bank USA pays UBS Financial Services Inc. ("UBS") an annual fee of up to \$50 per securities account that sweeps to the UBS Deposit Sweep Programs.

In the UBS FDIC-Insured Deposit Program, third party banks that benefit from the cash deposited with them pay UBS a percentage-based amount based on a stated index, typically the Fed Funds rate plus a spread, known as the Total All-in Cost of Funds rate ("TACF"). The TACF includes an accrual for both (i) interest on deposit balances that is accrued and credited to client's deposit account and (ii) a custodial agent fee that is payable to UBS. The TACF as of the date hereof averages approximately 0.17% annually on the deposit accounts. A portion of the TACF is also paid by UBS to a third party administrator and the balance is retained by UBS. The compensation to UBS significantly exceeds the amount paid to clients as interest on their deposit account balances at the third party banks. Also, because the yields for both the UBS Bank USA Sweeps Program and the UBS FDIC-Insured Deposit Program are the same and can vary over time, the amount retained by UBS will fluctuate. Clients will earn the same interest rate in all of the UBS Deposit Sweep Programs, regardless of which banks their cash is deposited in.

Your Financial Advisor does not currently receive a fee in connection with UBS Deposit Sweep Programs. UBS reserves the right to pay a fee to your Financial Advisor in connection with UBS Deposit Sweep Programs at any time without prior notice. Upon request, UBS will

provide you with information about UBS's compensation arrangements with respect to its sweep options.

To address the conflicts of interest associated with the UBS Deposit Sweep Program we have program guidelines designed to promote diversification and limit the maximum percentage of cash held in an Advisory Account. Accounts that exceed the maximum cash threshold over a specified period of time in the PACE, Strategic Advisor, and PMP Programs will be removed from the programs and converted to brokerage accounts. In addition, money market funds may be available for purchase as an alternative to the UBS Deposit Sweep Programs.

Our monitoring of cash in Advisory Accounts **does not** include a review of cash balances being swept to deposit accounts at UBS Bank USA through the UBS Deposit Sweep Programs to determine if there are cash balances sweeping in excess of the FDIC insurance limit. **You are responsible for monitoring the total amount of deposits that you have with UBS Bank USA and other participating banks to determine the extent of FDIC deposit insurance coverage available to you on those deposits.**

Clients seeking higher yielding cash equivalent investments should consider the several cash alternatives we have available, including the aforementioned money market funds, short-term certificates of deposit (CDs) and treasuries.

We may change or discontinue the sweep feature, sweep programs or specific sweep options at any time in our sole discretion. We will notify you of material changes to this account feature. You may obtain information about current yields on available sweep options online at www.ubs.com/sweepyields.

UBS Sweep Programs: Account Eligibility

- **Advisory Accounts:** When permitted by applicable law and subject to eligibility requirements (see below), we will automatically sweep available cash balances in your Advisory accounts into bank deposit accounts (through either the UBS Deposit Sweep Programs or the UBS FDIC-Insured Deposit Program) and/or money market funds affiliated with UBS for which we or our affiliates receive compensation in addition to the Program Fees you pay us. For more information, please contact your Financial Advisor for a copy of the money market fund prospectus(es) and the disclosure statement (each a "Program Disclosure") for the UBS Bank Sweep Programs, and the UBS FDIC-Insured Deposit Program. If your sweep option changes to a money market fund as a result of your Advisory program selection, the applicable money market fund prospectus will be sent to you as part of your Welcome Package when we confirm that your Account has been accepted.
- For most clients, the UBS Deposit Sweep Programs described below are the only available sweep option.

Retirement accounts in Advisory Programs: With the exception of qualified plans with a pooled structure and 403(b)(7) accounts, UBS offers only the Deposit Program as a

primary sweep feature for the automatic investment of available cash balances in Individual Retirement Accounts ("IRAs") and securities accounts held by employee benefit plans and plan participants. For qualified plans with a pooled structure and 403(b)(7) accounts, our affiliate's compensation from the money market fund will be limited to reimbursement of its direct costs and expenses for providing services to the fund excluding overhead costs or profits. All fees and reimbursements for direct costs and expenses paid to our affiliate by such a fund are in addition to the fees you pay us.

When your Advisory Account is closed, it becomes a brokerage account and it is subject to the terms and conditions of your brokerage account agreement. The sweep options for Advisory and brokerage accounts may be different and, depending on the circumstances, may yield significantly different rates of return on the free cash in your brokerage account. The resulting change in sweep options may result in additional compensation to UBS, its Financial Advisors and UBS affiliates. The sweep options for the cash held in brokerage accounts are described in the brokerage account agreement.

UBS Bank Sweep Programs: The UBS Bank Sweep Programs consist of the UBS Deposit Account Sweep Program (the Deposit Program), the UBS Business Account Sweep Program (the Business Program), the UBS Insured Sweep Program (the UBS-ISP). UBS at its discretion will consider a client to be ineligible if UBS becomes aware that the entity is prohibited as a matter of law from holding funds at any bank.

In addition, an account is not eligible for the UBS Bank Sweep Program (an "Ineligible Account") if the account is (1) owned by a financial institution, (2) is a Qualified Plan pool account, (3) owned by trust if all trust beneficiaries are natural persons and/or nonprofit organizations, (4) plans established under Section 403(b)(7) of the Internal Revenue Code or (5) a corporate cash management account.

The term "financial institution" includes the following entities and any others that UBS may add from time to time: Insurance companies, broker-dealers, investment advisors, fund companies, hedge fund companies, private pension funds, public retirement funds, state and federal chartered banks, state and federal chartered credit unions, state and federal chartered savings associations, and state and federal chartered trust companies.

The sweep option for an Ineligible Account will be either an available UBS money market fund or deposit accounts through the UBS FDIC-Insured Deposit Program.

Deposit Program: The Deposit Program is available only to:

- Individual Retirement Accounts (IRAs), including traditional, Roth, SEP and SIMPLE IRAs
- Employee benefit plans qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended (the Code), or

under any other employee retirement or welfare plan subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA) (Plans)

- In cases where a participant in a Plan has established a Securities Account for purposes of participation in the Plan (each a Plan Participant), the Plan Participant is also eligible
- Retail accounts that were enrolled in the Deposit Program prior to November 18, 2019 and elected to have Free Cash Balances swept to UBS Bank USA up to a maximum of \$250,000 per account owner, with excess funds deposited without limit at AG Stamford Branch

Business Program: The Business Program is available only to:

- Business accounts that were enrolled in the Business Program prior to November 18, 2019 and elected to have free cash balances swept to UBS Bank USA up to a maximum of \$250,000 per account owner, with excess funds deposited without limit at AG Stamford Branch.

UBS-ISP: The UBS-ISP is available to:

- Individuals
- Sole proprietorships
- Governmental entities
- Custodial accounts (if none of the beneficiaries is a business entity)
- Business entities, such as corporations, partnerships, limited liability companies, and associations
- Nonprofit organizations
- Estates
- Revocable and irrevocable trusts owned by US residents (if one or more beneficiaries is a business entity)
- Trusts owned by non-US residents

Sweeps to UBS Bank USA. For eligible Accounts in the UBS Bank Sweep Programs:

- Cash balances will be deposited automatically—or "swept"—to interest bearing deposit accounts (Retail Accounts or Business Accounts as the case may be) at UBS Bank USA an FDIC member institution and an affiliate of UBS. Cash in all accounts other than those held by individuals will be swept into deposit accounts at UBS Bank USA without limit. As a result, you may have balances in excess of the FDIC insurance limit. See important information about FDIC coverage below.

The Program Disclosure is available online at www.ubs.com/sweepyields.

UBS FDIC-Insured Deposit Program:

This program provides a sweep of cash balances of certain UBS client accounts to deposit accounts at UBS Bank USA and several third-party banks that have entered into an agreement with UBS to accept such deposits. Deposit accounts through the UBS FDIC-Insured Deposit Program will be your sweep option if you are a U.S. resident and your Account is owned by a revocable or irrevocable trust where our records indicate that all beneficiaries are either individuals and/or not-for-profit organizations. Non-U.S. residents and retirement accounts are not

eligible for the UBS FDIC-Insured Deposit Program.

Through this program, available cash balances in your Account up to \$249,000 will be swept into deposit accounts at each participating FDIC-insured bank (each a "Program Bank") on a Bank Priority List ("Priority List") applicable to your Account. UBS Bank USA will be the first Program Bank on the Priority List.

Available cash balance will be swept into deposit accounts at each Program Bank in the order in which the Program Banks are set forth on the Priority List, up to a total of \$2.49 million ("Program Deposit Limit"). Once deposit balances are equal to the Program Deposit Limit, any additional available cash balances will be deposited in deposit accounts at UBS Bank USA. ***See "Conflicts of Interest: Benefits to UBS" above for a description of the compensation received by UBS in connection with this program.***

The Program Disclosure and Priority List are available at ubs.com/sweepyields or from your Financial Advisor.

UBS Deposit Sweep Programs - FDIC Insurance coverage and limitations: Deposit balances in the UBS Deposit Sweep Programs are eligible for deposit insurance by the FDIC up to a total of \$250,000 including principal and accrued interest for each insurable ownership capacity (e.g., individual, joint, IRA). Deposit balances are not eligible for protection by SIPC. Qualified Plan accounts are eligible for FDIC insurance up to a total of \$250,000 per plan participant based on each participant's non-contingent interest in the employee benefit plan.

All of your deposits with UBS Bank USA or any other Program Bank (including cash swept through eligible UBS accounts and any certificates of deposit you own), will be aggregated for purposes of the FDIC coverage limit. In addition, if you exceed the Program Deposit Limit, your balances at UBS Bank USA will exceed the amount covered by FDIC insurance. Also, if you have more than one Account that sweeps to a Program Bank, the amount deposited at the Program Bank may exceed the amount covered by FDIC insurance. You are responsible for monitoring the total amount of deposits that you have with each Program Bank to determine the extent of FDIC deposit insurance coverage available to you. Please refer to the Program Disclosures for the UBS Deposit Sweep Programs for more detailed information regarding FDIC insurance. You may obtain a copy of each Program Disclosure by contacting your Financial Advisor. It is also available at ubs.com/accountdisclosures

UBS Deposit Sweep Programs - Interest rates: Interest rates on the deposit accounts in the UBS Deposit Sweep Programs are tiered based on your total eligible deposits in a Marketing or Qualified Plan Relationship as defined in the "General Terms and Conditions" of the Agreements and Disclosures booklet, which is available at ubs.com/accountdisclosures or by requesting one from your Financial Advisor. Interest rates generally are lower than the prevailing yield on money market mutual funds. As of September 21,

2021, the Annual Percentage Yield on the lowest tier of the UBS Deposit Account Sweep Program was 0.01%, while the seven-day current yield on the money market funds available to certain clients or as secondary sweep options ranged from 0.01% to 0.06%. You may view current interest rates, yields and important disclosures at ubs.com/sweepyields. If you hold cash in your investment advisory account you should have a discussion with your Financial Advisor because it will be swept automatically as described above.

In addition, interest rates may be higher or lower than interest rates available to depositors making deposits directly with a third-party bank, or in the UBS-ISP or in the UBS-FDIC Insured Deposit Program or other depository institutions in comparable accounts.

See "Conflicts of Interest: Benefits to UBS" above for a description of the compensation received by UBS in connection with these programs.

Alternatives to the UBS Deposit Sweep Programs: Investors who are not eligible to participate in the Deposit Programs – such as financial institutions, qualified plans with a pooled structure, 403(b)(7) accounts and corporate cash management accounts – may select an available money market fund as their sweep option. UBS RMA Government Money Market Fund and UBS Liquid Assets Government Fund are the funds currently available for non-retirement accounts and retirement accounts, respectively.

- For more complete information about any of the money market funds available as a sweep option or secondary sweep option, including all charges and expenses, please contact your Financial Advisor for a prospectus or go to ubs.com/sweepyields. Read the prospectus carefully before you invest or send money.
- **Non-U.S. residents are not eligible for any of the money market funds available as sweep options.**

Other sweep options may be available from time to time, and you should discuss other options with your Financial Advisor. You may also choose to maintain any cash component of an asset allocation strategy outside of your UBS Advisory Accounts.

We, and our affiliates, receive additional compensation in connection with these investments. Please see Section V of this Agreement for more information.

You could lose money by investing in a money market fund. Although each of the money market funds named above seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Each money market fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

Investors should consider the investment objective, risks, and charges and expenses of a money market fund carefully before investing. The fund's prospectus contains this and other information about the fund. You may obtain a prospectus from your Financial Advisor. The prospectus should be read carefully before investing.

Money Market Funds - Not FDIC Insured. May lose value. No bank guarantee.

UBS Asset Management (US) Inc. is each money market fund's distributor.

By signing the Application and Agreement, you authorize and direct UBS Financial Services Inc. to sweep your cash balances as described in this Agreement and to liquidate the money market fund holdings in your Advisory Accounts on your behalf under the terms and conditions described above.

Important Information About Your Sweep Options for the PACE Program Only: Your PACE asset allocation is fully invested and does not have a sweep vehicle. However, the PACE assets are held in a "commingled account" which also has brokerage assets (for example a Resource or Business Management Account or, if available, a Basic Investment Account). For eligible clients, available cash balances in Basic Investment, Resource and Business Management Accounts are **automatically** swept to deposit accounts in one of the UBS Bank Sweep Programs in accordance with the term of your brokerage account agreement which differ from those available to Advisory Accounts. **You should review the Program Disclosure carefully before selecting sweep options for your account.**

SIPC Protection: Please note the following:

- We are a member of SIPC. SIPC provides protection for securities in your accounts with us up to \$500,000, including \$250,000 for free cash balances in the unlikely event that we fail financially. For details please see www.sipc.org. The SIPC asset protection limits apply, in total, to all accounts that you hold in a particular capacity. Investments in the sweep money market funds are not bank accounts and are not protected by the FDIC. However, balances in those funds, are covered by both the SIPC as well as the excess SIPC insurance that we have obtained for the benefit of our clients. The maintenance of a given share price value (e.g., \$1.00 per share) by the funds is not insured or guaranteed. **See the Account Information Booklet and the Disclosure Statement for more information regarding SIPC protection.**

M. Investment Restrictions

The Discretionary, Unified Accounts and SMA Programs offer you the ability to impose reasonable investment restrictions on the management of your Accounts. These restrictions will apply only to the Account you designate and vary by type of program, account or strategy. UBS and your SMA Manager, as applicable, will seek to adhere to your restrictions on a reasonable basis. We or your

SMA Manager may refuse to accept an Account for management in cases where we find the restrictions to be onerous. In this circumstance, you or your Financial Advisor in AAP would need to select a new SMA Manager (or other investment). This may delay investment of the entire Account.

Investment restrictions will apply only to those assets over which we or your SMA Manager have discretion. Investment restrictions are not applicable to, and may not be imposed on, the non-discretionary portion of your SWP Account or "ineligible" assets you may hold in the Accounts or the alternative investment sleeve in UBS-CAP.

Different strategies may accept only a limited type of investment restriction. For example, given the structure of most pooled investment vehicles, strategies utilizing mutual funds and/or ETFs can only accommodate restrictions on an individual investment vehicle. Restrictions you place on those Accounts will not flow through to the underlying securities owned by the pooled investment vehicles. **Similarly, in AAP restrictions do not flow through to the underlying holdings of pooled investment vehicles. Therefore, restrictions for mutual funds/ETFs in the FA-Discretionary sub-accounts can only be accommodated on individual investment vehicles.**

Accounts with investment restrictions may perform differently from accounts without restrictions and performance may be lower. To comply with your investment restrictions, we obtain and rely on information about company and industry classifications, credit ratings and industry groupings from third parties. The information we obtain and use for purposes of imposing restrictions may differ from information available from other sources and other areas within UBS. The category restrictions we offer may be overly or less inclusive, depending on the methodology used to define the categories for example, considering factors such as a company's direct/indirect involvement in an industry or activity or the proportion of a company's revenue derived from an industry or activity. Although we believe this information to be reliable, we do not independently verify or guarantee its accuracy. The change of the classification of a company, the grouping of an industry or the credit rating of a security may force UBS, your Portfolio Manager, Financial Advisor or the SMA Manager, as the case may be, to sell securities in a client's account at an inopportune time, possibly causing a taxable event to the client. In addition, due to corporate actions at an issuer, including but not limited to mergers, spin-offs and other types of reorganizations, new securities may be issued and/or certain securities will no longer exist following the corporate action and we may or may not restrict the security owned following a corporate action depending on the classification of those securities by the vendor.

Although your SMA Manager or Portfolio Manager is responsible for complying with the investment restrictions they accepted for your Accounts if you have selected the POA for Limited FA Discretion Services option in UBS-CAP, we will periodically review your UBS-CAP Portfolio to determine whether such managers are complying with the restrictions.

Investment Restrictions for MAC Accounts. Clients in the MAC program must communicate investment restrictions directly to the MAC SMA Manager (unless we serve as your SMA Manager). It is also the client's and the SMA Manager's responsibility to monitor compliance with specific investment restrictions. Neither UBS nor your Financial Advisor will monitor such compliance. If you have selected the POA for Limited FA Discretion Services option in UBS-CAP, your Financial Advisor will communicate investment restrictions for your MAC Account to the MAC SMA Manager. In those instances and where our Portfolio Managers serve as your MAC SMA Manager, we will seek to comply with reasonable restrictions you place on your accounts and will review your MAC SMA Manager's adherence with such restrictions.

N. Investment Policy Statements

As an Advisory Account is generally only one component of an overall portfolio, we will not approve or otherwise monitor compliance with investment policy statements when provided in connection with the opening of Advisory Accounts in the Programs described in this Agreement, account conversions (for acquisitions) or otherwise. Except for UBS-CAP, the Advisory Programs covered by this Agreement do not offer investment policy statement services. In connection with these Advisory Accounts, including those covered by UBS-CAP, our review is limited to assessing whether your UBS-CAP Portfolio is consistent with your Investment Policy Guidelines at the broad asset class level (i.e., equity, cash, fixed income). We will not be responsible for ensuring that your investment policy guidelines and asset allocation choices comply with all specific legal, actuarial or other requirements that apply to you. That responsibility rests solely with you and you should consult with your legal and tax advisors regarding those matters.

O. Trade Confirmations; Statements and Performance Reporting

Trade Confirmations: We will send you confirmations of transactions and periodic statements for your Accounts. For the Discretionary, (for AAP accounts this applies to the SMA sub-accounts) SMA and UBS-CAP Programs, and the SMA Manager assets in your SWP and AAP Accounts, we offer the option of receiving your trade confirmations monthly instead of as the transactions take place. Simply select the option labeled "TRADE CONFIRMATIONS" on the Program Application. **Unless you provide different instructions, we will deliver your trade confirmations the same way for Advisory Accounts you establish now and in the future.** Choosing monthly confirmation delivery will waive your right to receive immediate trade confirmations for those Accounts and any future Advisory Accounts you establish with us and will instruct UBS to send immediate trade confirmations to your SMA Manager.

You are not required to select this option in order to participate or continue to participate in our Programs, nor will you pay additional fees if you choose to elect this option. You may change this

instruction for all or individual accounts at any time by notifying UBS in writing.

All trade confirmations for Non-Discretionary Assets purchased or sold in your SWP Account, and for mutual fund and ETF transactions by your Financial Advisor in AAP will be sent to you immediately following the transaction.

Trade Confirmations for Automatic Transactions in the PACE Program:

Automated services in PACE include automatic rebalancing, purchases or redemptions. Trade confirmations for transactions resulting from those services will be provided with your monthly account statement. Monthly trade confirmations will also be sent for any sales made to pay the Advisory fees. You will not pay or incur additional fees by opting to receive monthly trade confirmations. You may change this instruction at any time by contacting your Financial Advisor. Changes will be effective with your next scheduled automatic service. For any other transactions effected in your PACE asset allocation outside of the automatic services, you will receive immediate confirmations following the transaction.

Performance Reporting: Currently, we send or make available to you an annual Performance Report summarizing your portfolio and value of your Account assets held at UBS. Subject to limited exceptions (such as relationships established through UBS-CAP), we do not provide Performance Reports for accounts where the assets are not in UBS' custody.

We use our best efforts to provide these reports in a timely manner, but availability may be delayed to ensure accuracy and completeness. Please review your Performance Report regularly and report any discrepancies to your Financial Advisor.

We will provide annual performance reporting for your Advisory Accounts. **You may, at your discretion, request quarterly or more frequent performance reports by contacting your Financial Advisor.** Accounts enrolled in a MAC-Eligible strategy and accounts enrolled in options overlay strategies will receive performance reporting on a quarterly basis instead of annual. This does not affect the MAC-Researched program. Accounts enrolled in a MAC-Researched strategy will continue to receive performance reporting annually.

Performance Reports use benchmarks for informational purposes only. Those comparisons relate to the historical performance of market indexes and not the performance of actual investments. The use of benchmarks for comparison purposes is not a promise or guarantee that your Account will meet or exceed the stated benchmark. The investment strategy in your Account(s) is not restricted to the securities in the benchmark. As a result, your portfolio holdings and performance may vary significantly from the benchmark. Indexes are not available for direct investment and reflect an unmanaged universe of securities, which does not take into account Advisory or transaction fees, all of which will reduce the overall return.

For SMA strategies, we assign index benchmarks to those SMA Managers that we have researched, based on our understanding of their strategy, their investment style and our research. Those benchmarks are used for researched SMA Managers in ACCESS, AAP, MAC and SWP.

MAC Eligible strategies are assigned broad equity, fixed-income, or a blend of both broad equity and fixed income market indexes (e.g., S&P 500, Dow Jones, etc.) that are readily recognized, but cannot be used for direct performance comparisons against your Accounts and the SMA Manager's investment strategy.

The performance comparisons for SMA Managers may differ from those presented by your SMA Managers in their materials.

For Discretionary Programs, we assign comparative benchmarks to the strategies managed by Portfolio Managers in PMP, and Advice Portfolio. In AAP, performance reviews will illustrate a benchmark that is reflective of the account's Target Allocation.

For Non-Discretionary Programs: Performance Reports for Strategic Advisor accounts will illustrate the historical performance of broad equity and fixed income market indexes that are readily recognized, but given the non-discretionary nature of the program, are not intended for direct performance comparisons against your accounts. Depending upon the composition of your portfolio and your investment objectives, these indexes may not be an appropriate measure for comparison purposes and, as such, are represented for illustration only. In the PACE and SWP programs, performance reviews will illustrate a benchmark that is reflective of the Target Allocation for the account.

Although Ineligible Assets are not considered Advisory assets, the inclusion of such securities in your Accounts will impact the actual performance of the Advisory assets in your Account and may prevent us from providing the Performance Report to you until those assets are removed from the Account. Your Program Fee covers our performance reporting services. Your Program Fee will not be reduced or waived in connection with such requests.

Accounts with a negative value will not receive a performance review, for instance, certain specialized strategies that utilize margin or collateral from other accounts. Your Program Fee will not be reduced or waived in such circumstances.

We will not provide individual Performance Reports for your MAC, ACCESS or other Advisory program Account(s) if you participate in a consulting program for which you pay a separate fee for portfolio-wide performance analysis, such as our UBS Institutional Consulting Program. The option to suppress the performance reports for your individual Advisory Accounts and to have a tailored performance review is only available when your UBS Institutional Consulting Program consolidated reviews and agreement cover those accounts. The Program Fee you pay in the ACCESS, MAC and other Advisory Programs will not be reduced as a result of the receipt of performance reporting services under the UBS Institutional Consulting Program.

Electronic Delivery of Program Documents; Shareholder Communications and Prospectus(es). This Advisory Relationship Agreement and all Accounts you establish under its terms are subject to the Electronic Delivery agreement in the Client Relationship Agreement (or other agreements governing your account) you signed with UBS. By signing this Advisory Relationship Agreement you confirm that 1) your Electronic Delivery elections apply to your Investment Advisory Accounts, and 2) your enrollment in electronic delivery of Shareholder Communications authorizes UBS Financial Services Inc. to electronically deliver all reports, disclosures and notices related to your Advisory accounts. Based on that authority, we will automatically enroll you in electronic delivery for your Investment Advisory accounts if you select the electronic delivery of Shareholder Communication option in your brokerage account agreement. **If you are enrolled in UBS Online Services, you may change your delivery preferences at any time by logging into UBS Online Services at: <http://www.ubs.com/edelivery>. You may also change your delivery preferences by contacting your Financial Advisor.** Please refer to the Client Relationship Agreement for additional information.

Documents related to Advisory Accounts will be delivered electronically when you enroll in electronic delivery of Shareholder Communications. The documents related to Investment Advisory Accounts include, but are not limited to, Form ADV disclosure brochures, account enrollment and change confirmations, manager profiles, asset allocations, performance reports, and other disclosures, reports and notices related to advisory accounts and your advisory agreement. These reports and notices contain information relating to your accounts and investments, such as account attributes, account profile, investment elections and preferences, investment strategy and fees. We may deliver documents relating to Investment Advisory Accounts as a link to a UBS website or as an attachment to an email. When sending attachments to emails, for your protection, we will exclude and/or mask certain personal information such as name, address, and account number. We may also include important notices, disclosures and updates relating to your investment Advisory Accounts in or with your monthly account statements or performance reports. Notwithstanding your electronic delivery enrollment, you may receive certain document in hard copy if materials are not available in electronic format, or at our sole discretion.

Custody/DVP Accounts: Generally, we require clients with Advisory Accounts to custody their account assets at UBS. As custodian, we will credit your account with dividends, interest and other earnings on securities in your Account, including principal paid on called or matured securities. We provide these custodial services to you at no additional charge. On an exception basis, we may occasionally accept certain accounts whose assets are in the custody of other financial institutions who meet the definition of a qualified custodian. Those accounts are referred to as delivery versus payment ("DVP") accounts. For UBS-CAP, we may accept certain relationships that hold a limited portion of their assets in the custody of other financial institutions that meet the definition of a qualified custodian. However, we do not recommend doing so,

for the following reasons:

- You will incur additional costs in excess of your Program Fee (for example, custody costs).
- Except for accounts enrolled in UBS-CAP, you will not receive a Performance Review from us.
- Billing for your Account, including the accurate processing of rebates if applicable, is the responsibility of your custodian, not UBS.

In addition, neither UBS nor Institutional Shareholder Services Inc. will act as proxy voting agent for DVP accounts in Discretionary Programs (for details, see *Proxy Voting, Corporate Actions, Class Actions and Other Related Events*).

All of the assets covered by UBS-CAP Agreement will be billed at the same UBS Investment Advisory Fee rate. If you decide to include assets held at other financial institutions in UBS-CAP, you will be paying for services that you are not utilizing as it pertains to those assets, specifically, custody, trading and execution. Your UBS Investment Advisory Fee will not be reduced as a result of additional costs you incur as a result of holding assets at other financial institutions. **You also agree to establish a cash account at UBS for billing purposes of these assets if applicable and requested by UBS.**

For DVP accounts, you agree to use only a “qualified” custodian that is a bank, a U.S. registered broker-dealer or futures commission merchant or a foreign financial institution and meets the definition of “qualified custodian” set forth in Rule 206(4)-3(c)(3) under the Investment Advisers Act of 1940.

Online Services: As a UBS Advisory Account client, you are eligible to use UBS Online Services (OLS) by agreeing to the terms and conditions of the OLS service. We do not charge additional fees or charges for use of this service while you are paying the Program fee for Accounts under this Agreement. If you close your Accounts or change to a commission-based account, UBS may charge separate fees to continue using this service.

P. Proxy Voting, Corporate Actions, Class Actions and Other Related Events

You have the option to elect to vote your own proxies, however, our Discretionary and SMA Programs permit you to delegate proxy voting authority. For assets invested in SMA Programs and the SMA sub-accounts of SWP and AAP, you may delegate proxy voting authority to your Separately Managed Account (SMA) Manager. For assets invested in Discretionary Program and custodied at UBS, and in the case of AAP the FA-Discretionary sub-accounts, you may delegate proxy voting authority to Institutional Shareholder Services Inc. (“ISS”), a proxy voting service we have engaged and made available to you. ISS will not act as proxy voting agent for DVP accounts.

You may not delegate proxy voting authority to UBS or any of its employees. Neither your Financial Advisor nor UBS will exercise voting discretion or have input regarding

voting decisions made on your behalf for the securities held in our Programs or assets you hold at UBS or at other financial institutions. We will not vote or provide any advice about the voting of proxies solicited by, or with respect to, legal proceedings, including bankruptcies and class actions, relating to securities in those Accounts, or their issuers, except to the extent required by law.

We ask you to provide these instructions when you establish your first Advisory account under the relationship Agreement. We will apply your preferences (where those features are available) to all Advisory accounts established under this Agreement, unless you provide different instructions for specific accounts.

For Discretionary Programs, if you designate ISS or another Proxy Voting Agent, the Proxy Voting Agent will serve as your agent and attorney-in-fact to receive and vote all proxy and will be responsible for voting on matters requiring a proxy vote for the securities held in your Account, or in the case of AAP, the securities held in the portion of your account managed by your Financial Advisor, in accordance with its proxy voting guidelines or other proxy voting guidelines to which you and your Proxy Voting Agent agree. ISS will vote proxies in your Discretionary Accounts based on its Benchmark U.S. Voting Guidelines. If assets are not custodied at UBS (DVP accounts), proxy materials are sent to the clients and clients are responsible for voting proxies for these assets.

A summary of ISS' Proxy Voting Guidelines, ISS' Form ADV Part 2A and the complete Proxy Voting Guidelines Benchmark Policy Recommendations are available at ubs.com/advisorydisclosures. UBS will pay ISS fees and expenses related to proxy services, but not those of any separate Proxy Voting Agent you engage. UBS reserves the right, at our discretion and in accordance with this Agreement, to designate a different independent Proxy Voting Agent to act as your agent and attorney-in-fact to vote proxies for your Account and to pay for such proxy service related fees and expenses.

ISS will not vote in the following circumstances: (a) the securities are no longer held in your Account; (b) assets are not held at UBS; or (c) the proxy or other relevant materials are not received in sufficient time to allow an appropriate analysis by the proxy service provider or to allow a vote to be cast by the voting deadline. In addition, ISS generally does not make recommendations, and will not vote proxies in respect to bankruptcies and class actions, limited partnership or bond issues, preferred stock, and certain foreign securities, if voting may cause the sale of the security to be prohibited under foreign law for a period of time, usually the time between the record and meeting dates (“share blocking”). Also, ISS will not vote or advise you on other corporate actions, like tender offers, which do not require a proxy or are not solicited via a proxy. Those materials will be forwarded to you. Neither we nor your UBS Portfolio Manager will be authorized to respond to such correspondence or advise you on actions you should take.

UBS-CAP: Proxy voting for Advisory Accounts enrolled in UBS-CAP will vary based on the terms of the Advisory Program(s) selected.

PACE/Strategic Advisor/SWP Non-Discretionary Assets: UBS-CAP Alternative Investments: You expressly retain the right and obligations to vote any proxies relating to the securities held in your PACE and Strategic Advisor Account, as well as for your SWP Non- Discretionary Assets, and alternative investments in UBS-CAP but you may delegate these rights and obligations to a properly authorized agent.

SMA Programs/Discretionary Programs/SMA Managers in SWP and AAP: By signing this Agreement, you designate (as relevant given your Advisory Program selection) your SMA Manager or for Discretionary Programs, ISS, to receive and vote all proxy and related materials for securities held in the Advisory Accounts or sub-accounts they manage on your behalf. **Unless you provide different instructions, we will apply your proxy-related preferences to all Advisory Accounts you establish under this Agreement, assuming your preferences are available in each program. You may change your preferences at any time by notifying us in writing.**

When you delegate proxy voting authority to your SMA Manager, they will vote on matters requiring a proxy vote for the securities held in your Account/sub-account. Your SMA Manager will also vote on other corporate actions, like tender offers, which do not require a proxy or are not solicited via a proxy.

Neither UBS, your Portfolio Manager or your Financial Advisor exercise voting discretion or have input regarding voting decisions made on your behalf for the securities held in your Discretionary Program account.

Your proxy-related preferences do **not** apply to class action lawsuits, legal proceedings and bankruptcy proceedings involving an issuer whose equity or debt securities held in your Accounts, even if you delegated proxy voting authority to us or your SMA Manager. Correspondence related to such lawsuits will be mailed to you directly and will be your responsibility. Neither UBS, the SMA Manager, nor your Financial Advisor will respond to such correspondence.

Securities of Non-US Issuers: If your Account contains securities issued by a non-US issuer, unless you, your SMA Manager or the issuer have made other arrangements with us specifically with regard to such securities, or to the extent required by applicable law, we are not obligated to distribute issuer communications to you or your Proxy Voting Agent (including your SMA Manager or ISS). Pursuant to the Shareholder Rights Directive II (Directive EU 2017/828), and the related Implementing Regulation and national laws (together, "SRD II"), UBS, in its capacity as an intermediary, may be required to distribute communications from issuers that have their registered office in an EEA member state and the shares of which are admitted to trading on a regulated market situated or operating within an EEA member state. UBS may distribute such

communication and facilitate the exercise of certain shareholder rights, including the right to participate and vote in general meetings of such issuers, through a third party service provider. If you hold securities covered by SRD II, you will need to enroll in our e-delivery service for shareholder communications to ensure you receive information about upcoming meetings and have access to our proxy voting service. Under SRD II, we may also provide information to these issuers regarding the identity of shareholders of their securities in response to a valid request by that issuer. UBS will have no liability to you for actions taken, or not taken, by UBS or its agents in good faith and intended to comply with any provisions of SRD II.

Limitations of Authority: We have no authority, direct or implicit, and accept no responsibility for taking any action or rendering any advice with respect to the voting of proxies related to securities held in your SMA Accounts or sub-accounts. Our obligations with respect to any such solicitation are limited exclusively to forwarding, within a reasonable period of time, to your SMA Managers any materials or other information received by us with respect to such solicitation.

Proxy Voting Policies: Copies of ISS' and your SMA Manager's proxy voting policies and procedures are available to you upon request. We will also provide specific information as to how proxies for your securities were voted upon your request. Some of the information, format and period covered by the proxy reports will vary depending on the individual investment manager's policies and procedures. **Please contact your Financial Advisor to request this information.**

Proxy Voting in our Capacity as a Broker-Dealer: Except for ERISA Plans and Individual Retirement Accounts, if we forward proxy materials to you or your SMA Manager, as applicable given the Program you selected, but we do not receive voting instructions from you (or from your SMA Manager) within the designated time frame, we will, in our capacity as a broker-dealer vote these uninstructed shares in proportion to the voting instructions we have received from our brokerage clients on "routine" ballot items under the rules of the New York Stock Exchange, or as otherwise permitted under such rules. We may in some circumstances decide not to vote the uninstructed shares, however, upon request from an issuer or other party, or where casting a vote as described above would have the unintended consequence of impacting the voting results on "non-routine" ballot items.

Q. Principal and Agency Cross Transactions in Your Accounts

Our Advisory Programs do not offer the ability to conduct principal trades. As such, in these Accounts, you may not hold, purchase or sell securities which only trade on a principal basis. Access to principal trade execution in Advisory Accounts is limited tax loss sales in worthless securities in all the Programs.

As your SMA Manager deems appropriate, SMA Managers typically direct purchase and sale transactions for your Accounts to UBS for execution on an unsolicited basis. UBS may act as your agent or as

principal for its own account in these transactions, when permitted by law, and may execute "principal transactions" for its own account if it is not acting as your investment adviser in that transaction. This means that we can execute those types of transactions in connection with the liquidation of securities in a brokerage account in order to establish your Program Accounts or the liquidation of illiquid securities following termination of the Program Accounts.

Your SMA Manager may direct transactions to other broker-dealers if best execution obligations so require. However, since your Program Fee covers the cost of executing trades, your SMA Manager may find that executing trades with UBS is often the most favorable trading option for your Accounts. In accordance with Section 11(a) of the Securities Exchange Act of 1934, we may use an affiliated or unaffiliated broker to execute certain transactions for your Account on the floors of national or regional securities exchanges. When you sign this Agreement, you authorize us to make these trading arrangements when necessary and to retain any additional compensation that is earned on these transactions.

There may be instances when we or an affiliate will have an opportunity to act as agent for both buyer and seller in a securities transaction. This is called an "agency cross." We believe that it is to our clients' advantage to do agency crosses in appropriate instances. Since UBS generally receives compensation from each party to an agency cross transaction, there is a potential conflict between our responsibilities and loyalties to you and the other party to the transaction. When you sign this Agreement, UBS has permission to make agency cross transactions for your Accounts when we consider them advisable. You may revoke your consent at any time by notifying us in writing.

You understand that all trading done in your Account is at your risk and that investment performance of any kind can never be guaranteed.

When acting for our own account in a trade with you, there are several potential conflicts of interest that arise. UBS and our affiliates maintain inventories and make a market in certain securities that we can buy from or sell to you on terms that generally are as favorable or sometimes more favorable than could be obtained elsewhere. In some cases, it may be difficult to obtain the securities you wish to buy, such as certain municipal securities from other sources, or to obtain a buyer for those securities when you wish to sell them. For these reasons, it may be to your advantage to buy them from or sell them to us. However, these possible advantages may be outweighed by the disadvantages and conflicts of interest described below.

We and our affiliates may earn a profit whenever we engage in principal transactions with you, and depending on the type of security, we may include a profit margin in the price we pay or charge you by marking up or marking down the price of the security. The mark-up or mark-down is not shared with your Financial Advisor.

The profits we or our affiliates earn on these transactions will be in addition to the fees you pay us under the Advisory Program for investment advice, brokerage, custody and other program services. As a result, principal transactions present a conflict between your interests and our interests and those of our affiliates, because we have a financial incentive in these transactions.

When we execute a principal transaction for your account, it is possible that better prices or other terms for the trade could be obtained from alternative sources which are not known to UBS. Since there may be securities offered by other dealers to only their clients, you may not be able to compare the price on securities offered by these dealers to those offered by UBS.

We seek to address these conflicts as follows: (1) we have an obligation to provide you with best execution, and we believe we can provide best execution to you by routing certain orders to our affiliate, UBS Securities LLC, for execution on a principal basis; (2) we monitor our execution services and measure how we meet our best execution obligation by taking into account many factors, including the degree to which our affiliate, UBS Securities LLC, executes principal trades in client accounts and, specifically, the pricing and service quality that we receive in connection with principal trades versus the costs associated with foregoing a trade (if UBS is the only dealer in a security) or executing on an agency basis through another dealer; (3) although we are not required to waive or offset our compensation under applicable rules or regulations, for certain security types such as new issue fixed income securities, we may waive some of the compensation we earn in effecting principal trades or waive the wrap fee imposed on your Account for a period of time as an offset for other compensation we receive.

Our ability to act as principal in a transaction with you may be limited or restricted by other applicable law, and nothing in this Agreement requires that we act as principal in any transaction. In addition, we may act as principal in a transaction with you apart from the circumstances described in this Section where we are not acting as investment adviser in relation to the transaction or, if we are, where we disclose to you in writing before the completion of the transaction the capacity in which we are acting and obtaining your consent.

R. Data Downloads

To service and reconcile your Discretionary, SMA or Unified Account efficiently, we automatically provide your SMA Managers and sub-advisors with copies of the confirmations for trades they place in the Accounts they manage for you, unless you instruct us otherwise in writing and you elected to receive immediate trade confirmations for your account. Upon request by your SMA Managers, we provide copies of your trade confirmations and SMA or Unified Account statements. From time to time, your SMA Managers and sub-advisors may request that we provide them with a data download of all transactions they effected on your behalf in order to reconcile your Account. We consider your selection of the SMA Managers and sub-advisors for your Accounts and your

continued participation in the program as your consent to our providing that data and copies of your trade confirmations and account statements.

S. Best Execution

We provide SMA Managers and employees who manage assets in our Discretionary Programs with a trading system to administer, maintain, reconcile and place orders with UBS for Accounts managed in our Programs.

Your SMA Manager has the option to trade through us or with other financial institutions, in accordance with the manager's obligation to achieve best execution on all trades for your Account. Although we do not require your SMA Manager to use our trading systems to participate in our Programs, doing so streamlines trading and may encourage an SMA manager to place trades for Program Accounts with UBS instead of with other financial institutions. Your SMA Manager typically will place transactions through UBS on an unsolicited basis, as your manager deems appropriate.

Third party investment managers in meeting their requirements around best executions may determine that this can only be achieved by executing order flow for UBS managed accounts away from UBS trading platform, and then having the executing broker "Step Out" the transactions to UBS for clearance & settlement purposes. The Program Fee covers the costs of trades executed with UBS but not the costs of trades executed elsewhere. We refer to trades on which we are not the executing broker as "step out trades." These transactions are generally traded from broker to broker and are usually cleared net, without any commissions. However, under certain circumstances, if your SMA Manager trades with another firm, you may be assessed commissions or other trading related costs (for example, mark-ups) by the other broker-dealer which are embedded into the price of the security allocated to your Account. Those fees are in addition to your Program Fee. For this reason, your SMA Manager may find that placing your trades with UBS is often the most favorable trading option for you. However, your SMA Manager may direct transactions to other broker-dealers (for additional fees or sometimes, commissions) if your manager decides that its best execution obligations so require. Some managers have historically directed 100% of their trades to outside broker-dealers. UBS requests from SMA Managers information regarding step-out details at least annually but typically in the first quarter of each year. UBS relies upon the information provided by our SMA Managers in an annual client disclosure notice regarding step-outs.

Your SMA Manager is responsible for meeting its best execution obligations to you, and to ensure that any additional commissions or mark-ups assessed to you when they decide to step-out trades to other broker-dealers are consistent with their best execution obligations. **If your SMA Manager will not be executing transactions with UBS, our SMA programs may not be an appropriate option if your SMA Manager does not take**

action to ensure that you do not incur additional costs. We recommend that you review the manager's trading for your Account carefully. UBS does not analyze or evaluate whether your SMA Manager is meeting its best execution obligations on trades executed for your Account.

Non-discretionary transactions in the SWP Program: All Account changes, including transactions in Non- Discretionary assets, are subject to a systematic administrative review to ensure consistency with your Target Allocation. We will also ensure that any required paperwork is complete. As a result, transactions are not executed until after the administrative review is completed and allocation changes may take several days to fully implement. Because prices fluctuate during the trading day, the prices you receive at the time the orders are executed may be better or worse than the prices at the time you authorized the changes to your account.

Discretionary transactions in the UBS Advice Portfolio Program and the Advisor Allocation Program: All strategy and risk category changes within the UBS Advice Portfolio Program are subject to a systematic administrative review. This review also applies if you change your risk tolerance for your Advisor Allocation Program account, which may require changes to your Target Allocation. We will also ensure that any required paperwork is complete. As a result, transactions are not executed until after the administrative review is completed and strategy or allocation changes may take several days to fully implement. Because prices fluctuate during the trading day, the prices you receive at the time the orders are executed may be better or worse than the prices at the time you authorized the changes to your account.

Transactions in PMP and AAP: Financial Advisors have broad discretion to trade their PMP Advisory Accounts and there can be no assurance that a Financial Advisor can purchase or sell the same securities for all such Accounts at the same time, or that the Financial Advisor will aggregate your orders with those of other clients and charge an average price per share or unit and, when applicable, a pro-rata share of any fees. As a result, you may receive different prices and executions for the same securities as compared to other clients investing in the same PMP strategy. In addition, although we monitor performance dispersion and other characteristics of Accounts participating in PMP, investment opportunities will not necessarily be allocated among participating Accounts proportional to their overall amount invested.

Financial Advisors in the AAP Program process transactions and reallocations for accounts through an administrative system that evaluates each account for consistency with its Target Allocation and adherence to program guidelines. The system generates orders for ETFs and mutual funds, and sends account instructions to SMA managers for any SMA sub-accounts. Financial Advisors in AAP may use templates, or models, that enable them to process account changes and reallocations for multiple accounts with the same Target Allocation and investments at the same time. However, due to limitations in the trading system used to execute orders in ETF shares,

each Financial Advisor will not be able to place trades in ETF shares for individual client accounts at all times during the trading day. Accordingly, purchase and sale orders in ETF shares placed by Financial Advisors on behalf of unrestricted, discretionary accounts enrolled in the Advisor Allocation Program will be executed on an aggregated basis during intervals each trading day, generally expected to be approximately four times each trading day. Although this interval trade execution process may mean that an individual client may not receive the very best execution of each and every trade in ETF shares, This process is designed to ensure that clients are treated equitably and fairly under the circumstances over time. We will monitor this interval trading to ensure it produces fair treatment to and does not systematically disadvantage, clients over time. Given this limitation, and because Financial Advisors have broad discretion to manage their AAP Advisory Accounts, there can be no assurance that a Financial Advisor can purchase or sell the same ETFs for all such Accounts at the same time, or that orders for the same ETFs will be aggregated and receive an average price, and, when applicable, a pro-rata share of any fees. As a result, you may receive different prices and executions for the same ETFs as compared to other clients following the same Target Allocation. In addition, ETF investment opportunities will not necessarily be allocated among participating Accounts proportional to their overall amount invested.

We will process the transactions described above unless market conditions, technology failures, trading volumes or other matters beyond our control preclude us from accurately processing on the specified dates. In those circumstances, we will process the transactions as soon as practicable.

Order delays can create system capacity challenges for UBS FSI and other market participants to which UBS FSI routes orders. As a result, clients may suffer market losses during periods of volatility in the price and volume of a particular security when systems problems result in the inability to place buy or sell orders.

T. Using your Advisory Account Assets to Collateralize a Margin Loan in a Brokerage Account or Non-Purpose Loans and Using Margin as Part of Your Advisory Account Strategy

You may choose to engage in leverage strategies involving the assets in your eligible non-retirement, non- custodial accounts. Margin is generally not recommended or permitted in advisory accounts. However, we may from time to time, approve margin on an exception basis when requested by a client or for use in specialized strategies available in our advisory programs. You may also use certain managed account assets to collateralize margin and purpose loans in your brokerage account or non-purpose loans referred to as credit line loans below. Certain accounts in Strategic Advisor may use margin upon request.

You must meet certain eligibility requirements and complete loan documentation prior to using margin or purpose loans in your advisory account or applying for a UBS Credit Line Loan.

Specifically, you will be required to execute a separate margin agreement with us or loan documents with UBS Bank USA or UBS Credit Corp.

Margin and Purpose Loans. Using margin or purpose loans in an Advisory Account or using the advisory assets as collateral for margin used in another account is a more aggressive, higher risk approach to pursuing your investment objectives. Before you decide to use margin or purpose loans in your managed account or to use such assets as collateral for margin or purpose loan, you must carefully consider:

- whether or not you can afford, and want, to assume the additional risks that losses in your account may be significantly greater than if you decide not to invest with borrowed funds (i.e., not to use leverage).
- that the use of leverage will increase your costs of investing, as well as your risks, and depending upon the return achieved through the use of margin or purpose loans, may make your investment objectives more difficult to realize.
- If we provide a margin or purpose loan to you, you will pay us interest on the outstanding loan balance. Since the wrap fee is calculated as a percentage of assets under management, the use of margin or purpose loans to purchase securities in a managed account generally will increase the amount of (but not the percentage of) the wrap fee that you pay to us. This will result in additional compensation to us, the Financial Advisor and your selected investment manager.
- Financial Advisors do not receive any portion of the interest paid to us; however, Financial Advisors meeting a minimum length of service period (generally 24 months) receive credit for the amounts of the margin loan drawn as of December 31st for purposes of bonuses, awards, and club status.

The decision to use leverage in a managed account or use those assets as collateral rests with you and should only be made if you understand:

- The risks of margin and purpose loan borrowing and the impact of the use of borrowed funds on a managed account
- How the use of margin and purpose loans may affect your ability to achieve investment objectives.
- **You may lose more than your original investment.**
- A positive or negative performance of a leveraged managed account, net of interest charges and other account fees, will be magnified by virtue of using borrowed money. As a result, gains or losses in a leveraged managed account will be greater than would be the case with an unleveraged managed account.
- **You will not benefit from using leverage in an Advisory Account if the performance of your account does not exceed the interest expense being charged on the loan plus the additional advisory account fees incurred by your account as a result of the deposit of the loan proceeds.**

Credit Lines. You also may apply to borrow money from our affiliates, UBS Bank USA or UBS Credit Corp., using an eligible securities account. These eligible securities accounts may include one or more of your advisory accounts, which may be used as collateral pursuant to the UBS Credit Line Program. Credit line loans are either non-purpose or purpose loans. Non-purpose loans may not be used to purchase, trade or carry securities and may be used for other liquidity needs such as personal expenses, real estate transactions, or other needs. Purpose loans may be used to purchase, trade or carry securities or may be used for other liquidity needs such as personal expenses, real estate transactions, or other needs. Please review your loan agreement to make sure you understand which type of loan you have and that you ensure you are in compliance with its terms. In order for an Advisory Account to be eligible to serve as collateral for a credit line loan the Advisory Account may not also serve as collateral for any margin lending. You are responsible for independently evaluating if the loan is appropriate for your needs, if the lending terms are acceptable, and whether the loan will have potential adverse tax or other consequences to you. Your decision whether to arrange a loan or draw down on your loan and how you use your loan proceeds is not encompassed within our advisory relationship. The lending relationship is governed exclusively by the Credit Line Agreement between you and UBS Bank USA or UBS Credit Corp., and any interaction you have with your Financial Advisor in connection with applying for or obtaining a credit line is in his or her capacity as broker, not as an investment adviser.

If you wish to collateralize a credit line loan with an advisory account, we will automatically discontinue the margin for that Account. Since your Advisory Account will be pledged to support any loans extended under the UBS Credit Line Program, you will not be permitted to withdraw any of the assets in the Account unless there is a sufficient amount of collateral otherwise supporting the loans (as determined by UBS Bank USA or UBS Credit Corp. in its sole discretion).

If you participate in the UBS Credit Line Program, you will pay interest to UBS Bank USA or UBS Credit Corp. separately and in addition to any Advisory Account Program Fees paid to UBS. The interest rate charged in connection with a credit line loan from our affiliates may be higher than that charged by other lenders. UBS Bank USA pays to UBS a servicing fee based on the amount of outstanding loan balances, irrespective of the type or level of interest rate, to compensate UBS for referring clients and for administrative and operational support relating to the loan. In the event you maintain a loan balance on a non-purpose loan, your Financial Advisor will receive compensation primarily based upon the outstanding balance and the corresponding spread on the loan. This provides an incentive for your Financial Advisor to refer you for a non-purpose loan and to draw down on the loan. In certain circumstances, the loan approval amount may determine whether your Financial Advisor is eligible for compensation, but even in those circumstances compensation paid to your Financial Advisor depends on the outstanding balance. Your Financial Advisors does not receive any portion of the interest or fees paid to UBS Bank USA or UBS Credit Corp on a purpose loan; however, Financial Advisors

meeting a minimum length of service period (generally 24 months) receive credit for the amounts of the purpose loan drawn as of December 31st for purposes of bonuses, awards, and club status.

Moreover, as UBS and your Financial Advisor are compensated primarily through advisory fees paid on your Account, we (and your Financial Advisor) benefit if you draw down on your non-purpose loan to meet liquidity needs rather than sell securities or other investments in your Account, which would reduce our advisory fee. A draw down would preserve your Financial Advisor's advisory fee revenue and generate additional loan-related compensation for him. This presents a potential conflict of interest for your Financial Advisor when addressing your needs for liquidity. UBS mitigates this potential conflict by training and supervising Financial Advisors to make investment decisions that are in your best interest.

Our affiliates will have a lien on assets in your Account to secure a credit line loan, which creates a potential conflict of interest with respect to the management of your Account. Specifically, in order to preserve sufficient collateral value to support the loan and avoid a house call, depending upon your leverage, a Financial Advisor may be inclined to invest your Account in more conservative investments, which may result in lower investment performance than more aggressive investments (depending on market conditions). We mitigate this risk by requiring and monitoring to ensure that your Account is managed consistent with your respective investment strategies. In addition, where a loan is secured by both brokerage and advisory assets, a Financial Advisor will benefit if your brokerage assets are liquidated prior to or instead of your advisory assets because he would then be able to maintain advisory fee revenue.

Defaults

- **Margin and Purpose Loans:** Margin and purpose loans are full recourse, demand loans and clients may need to deposit additional cash or collateral or repay part or all of the margin loan if the value of the portfolio declines below the required loan-to-value ratio. We may demand repayment at any time. You are personally responsible for repaying the loan in full, regardless of the value of the collateral.
- **Credit Lines:** Likewise, credit line loans extended under the UBS Credit Line Program are full recourse demand loans and are "margin loans" subject to collateral maintenance requirements. UBS Bank USA or UBS Credit Corp. may demand repayment at any time. If the required collateral value is not maintained, UBS Bank USA or UBS Credit Corp. can require you to post additional collateral (commonly referred to as a "margin call"), repay part or all of your loan and/or sell your securities. You are personally responsible for repaying the Credit Line in full, regardless of the value of the collateral.

Failure to promptly meet a request for additional collateral (a margin call) or repayment or other circumstances (e.g., a rapidly declining market) could cause us, in the case of margin loans, or our affiliate, in the case of credit lines, and in our discretion, to liquidate or instruct us to liquidate some or all of the collateral account or accounts to meet the margin loan or credit line requirements or to repay all or a

portion of the outstanding margin or credit line obligations. It is possible that neither you nor your Financial Advisor will be provided advanced notice of a liquidation of securities that you have pledged as collateral. Furthermore, neither you nor your Financial Advisor may be entitled to choose the securities to be liquidated. Depending on market circumstances, the prices obtained for the securities may be less than favorable. When securities are forcibly liquidated pursuant to a house call or demand for full or partial repayment of the loan, either UBS Bank USA or UBS Credit Corp. will liquidate or instruct UBS to liquidate (in its capacity as a broker-dealer) some or all of the collateral account(s). UBS will benefit if your brokerage assets are liquidated prior to or instead of your advisory assets because UBS would then be able to maintain advisory fee revenue. However, UBS follows procedures, agreed upon with UBS Bank USA and UBS Credit Corp., relating to such liquidations to address and eliminate this potential conflict by prioritizing the position(s) with the most exposure and highest maintenance requirement, irrespective of which account type holds such securities.

Any required liquidations may result in adverse tax consequences. UBS, our affiliates and employees do not provide legal or tax advice. You should consult your legal and tax advisors regarding the legal and tax implications of margin borrowing and using securities as collateral for a loan.

When you sign this Agreement, you authorize your SMA Manager and UBS to maintain in your Account such positions and margin as required by all applicable statutes, rules, regulations, procedures and customs or as we deem necessary or advisable, and where applicable, to satisfy any and all margin calls issued in connection with the account.

Neither UBS, our affiliates nor our Financial Advisors will act as investment adviser to you with respect to the liquidation of securities held in an advisory account to meet a margin or purpose loan call or credit line loan demand. In addition, as creditors, we and our affiliates may have interests that are adverse to you. Our affiliated lenders have the right to protect their own commercial interests and take actions that adversely affect the management of your Account and related performance. Additional limitations and availability may vary by state. Those liquidations will be executed in our capacity as broker- dealer and creditor and may, as permitted by law, result in executions on a principal basis in your Account.

Securities backed financing involves special risks (including, without limitation, being subject to a margin call if certain collateral value requirements are not met) and is not suitable for everyone. For further information, please see the UBS Financial Services Inc. Loan Disclosure Statement, which is available from your Financial Advisor. Please speak with your Financial Advisor about how your Account may be used in connection with a credit line loan and how the loan should be taken into consideration when discussing the management of your Account.

We can exercise our rights for a variety of reasons, including (i) in accordance with our general policies on margin maintenance requirements then in effect; (ii) if we consider it necessary for your or our protection; (iii) in the event a petition in bankruptcy, or for the appointment of a receiver, is filed by or against you; (iv) an attachment is levied against any account you have with us; or (v) in the event of your death or dissolution (if an entity).

We may make those sales or purchases on any exchange or other market where such business is usually transacted, or at public auction or private sale, and we may be the purchaser for our own account. In those transactions, we will be acting as broker, not your investment advisor. Depending on market conditions, we may profit from the future sale of those securities. We are not responsible for losses you incur if we sell your holdings, regardless of whether we notified you or your SMA Manager of a margin call giving rise to such sale.

You are personally responsible for repaying the margin loan or credit line in full, regardless of the value of the collateral.

We may amend the requirements applicable to your margin account at any time, including changing the level of credit available to you and applicable maintenance requirements. It is understood that a prior demand, or call, or prior notice of the time and place of such sale or purchase will not be considered a waiver of our right to sell or buy without demand/or notice as provided in this Agreement.

U. Program Fees

We will provide you with a proposal that includes your Program Fee or, when we accept the accounts you want to establish with us, we will send you written confirmation of the Program Fee for each Account. Payment of your Program Fee will be reflected on the monthly account statement of the account that is paying the fee. If payment is made through this Account. You authorize UBS to deduct your Program Fee from your Account, on or after the due date. Program Fees are deducted from your account unless you have designated another eligible UBS account to pay the Program Fee or you elect to have your fee invoiced (invoicing is available only to ERISA accounts all other account ownership types are not eligible). If you direct us to automatically debit your Program Fees from another UBS account, (referred to as a "Bill To" account), at the time billing is processed, we will confirm that the other UBS account has sufficient funds to cover your Program Fee. If that account does not have sufficient funds, we will debit your investment Advisory Account for those fees. IRAs and ERISA Qualified Plans cannot pay the managed account fees for another account. Failure to maintain sufficient funds to satisfy the Program Fee from the other account you designated may result in loss of the feature and deduction of the Program Fee directly from your Program Account. Your account will revert back to a direct debit status. In addition, the authorization to bill the other account will be terminated and your Advisory Account will revert back to direct debit status if there is a change to the title of Bill To account, if withdrawals from the Bill To account can no longer be made without the consent of another party, or the Bill To account is no longer eligible or is terminated. There may be tax consequences associated with the selection of a Bill To account to

pay the advisory fees of another account, and, therefore, you should discuss this option with your tax adviser.

If your account is subject to ERISA, as amended, you may elect to be invoiced for fees. If we do not receive full payment of the fee within the time stated on the invoice, we will automatically deduct any remaining balance from your account. Failure to pay invoices in a timely manner may result in a loss of the feature. Your Account will revert back to a direct debit status. **IRA accounts may not elect the invoice feature.**

Our Programs charge a "wrap fee" at the maximum annual rates listed in the fee schedules listed in the Form ADV Brochure. The total Program Fee that you pay in the Programs described in this brochure covers:

- The UBS Investment Advisory Fee investment advice and consulting services of UBS and your Financial Advisor
- trading, execution and settlement for trading through UBS
- Custody at UBS
- performance reporting for accounts custodied at UBS and related account services that we provide to you
- depending on the program that you select, may include portfolio management as well.
- If applicable, given your Program selection, the total Program Fee includes the SMA Manager Fee

Because our Programs are investment advisory programs, you should not enroll in our Programs in order to obtain ancillary services such as custody, trading and execution, or assume that you will receive any particular benefit from the availability of those services in the Programs. For example, depending on the circumstances, Program Accounts may have low or no trading (such as may be the case with a "buy and hold" strategy) or the securities or other investments traded might not typically incur commissions or other transaction-based charges (such as can be the case with some fixed income securities and mutual funds). Moreover, other broker-dealers offer custody and trade execution services on discounted or complimentary basis.

The UBS Investment Advisory Fee, SMA Manager Fees (or Premium Services Fees) and overall Program Fee for your Account(s) may change over the course of your relationship with us. The Program Fee for an Account may be changed either by sending you prior written notice of the change, or by obtaining your prior verbal consent which we will confirm in writing for your records when the fees are increased and decreased. The fee change generally will be effective for the next quarterly billing cycle. Your continued use of our services will constitute your agreement to the change.

The ACCESS, Managed Accounts Consulting and Portfolio Management Program offer the flexibility to negotiate either a flat-fee or a tiered (break- point) fee schedule.

Flat Fee Option: the agreed-upon annual fee is a fixed percentage of the assets in the Account; that percentage does not change as the value of your Account changes. Tiered (Break-point) Fee

Schedule: , the negotiated fee, also a percentage of the assets, varies based on asset levels and changes as you increase or decrease assets in your account. Specific "break- points" for each asset level are defined in the Application. (See Relating Accounts for Billing Purposes, below for additional information.

Fees as well as other Account requirements vary as a result of the application of prior policies depending on when your account was first opened. Fees for certain Advisory services are reduced for our employees, certain family members or employees of our affiliates. We reserve the right to change those fees upon termination of employment with the firm.

Allocation changes or switches among advisory programs for IRA and Qualified Plan accounts and new retirement advisory relationships will be required to have a level fee structure if they cannot be determined to be consistent with your financial plan or otherwise in your best interest.

Program Fees are expressed as an annual rate that is prorated for the quarterly or other billing period and is applied to the asset value of the Account. For billing purposes, asset value means the total fair market value of the eligible securities in your account, including, where applicable, the value of margin loans, dividends and accrued interest.

Program Fee Billing for Option Overlay Strategies

Generally, Program Fees for investment advisory accounts are calculated based on the value of eligible assets in your Account. As the value of the assets in your Account changes due to appreciation, depreciation, contributions or withdrawals, those changes impact the actual Program Fee charged on the Account. The billing practice for Option Overlay Strategies is different from the standard process described in the Advisory Relationship Agreement and Form ADV. In order to enroll in an Options Overlay Strategy, you will be required to select a "Mandate" for the Strategy. The Mandate amount is the amount of collateral you are willing to put at risk. For example, you have accounts with \$10 million in assets and decide to commit \$3 million out of the \$10 million as collateral for the Options Overlay Strategy, the Mandate amount is therefore \$3 million.

Unlike other advisory strategies where your Program Fee is typically determined on the value of eligible assets in an account, billing for Option Overlay Strategies is based on the Mandate amount of the strategy (which in the above example, is \$3 million). However, the Option Overlay Strategy account may have significantly less than \$3 million in actual asset value (the value of the options/puts/cash in the account). In addition, your Option Overlay Strategy account may not utilize the full amount of the collateral available in the Mandate amount. While the actual value of assets in your account will fluctuate over time, the Mandate remains constant unless you change it by notifying your Financial Advisor or UBS FS lowers the Mandate. In cases where UBS lowers the Mandate, we will notify you in writing of the change. Depending on the value of your Options Overlay account, this practice of billing on the Mandate amount

will result in higher compensation to UBS FS, your UBS FS Financial Advisor, and the strategy manager than if the Program Fee was based on the value of eligible assets in your YES Strategy account or other Option Overlay Strategies in MAC.

Relating Accounts for Billing Purposes: You may request to have two or more eligible Advisory Accounts be treated as related accounts for purposes of taking their assets into consideration in order to calculate the Program Fee. This means that all eligible assets in those Accounts will be considered together when determining breakpoints, if applicable in the fee schedule. Relating Advisory accounts can provide the opportunity for price reductions at certain breakpoints.

Advisory Accounts that are part of UBS-CAP will be automatically related for billing purposes unless prohibited by applicable rules or regulations (for example, ERISA).

If you choose a break-point fee schedule for your Account, you should review and consider the potential benefits and discuss with your Financial Advisor. Beginning January 2021, the Program Fee for Advisory Accounts with breakpoint fee schedules that are terminated prior to the quarterly billing process will be based on the relationship rate for that Account, not the contractual rate as previously done. Please contact your Financial Advisor for more information on the definition of eligible accounts and how to choose this billing option. Retirement Accounts may not be linked where a prohibited transaction under ERISA or the Internal Revenue Code may result.

If you negotiate a discount to the UBS Advisory Fee Schedule, that discount will apply only to the break-point asset level (i.e., the asset level that qualifies you for reduced fees) indicated in the Application. As a result, your UBS Investment Advisory Fee and overall Program Fee may change in the future as you increase the assets in your Account and trigger the other breakpoints listed in your application.

SMA Manager Fees in the ACCESS, MAC, SWP Programs and AAP: The SMA Manager Fee (including Premium Services Fees) portion of your Program fee will be paid to your SMA Manager in ACCESS, MAC, SWP and AAP. The UBS Investment Advisory Fee covers your Financial Advisor's investment advice, or advice and management by your UBS Financial Advisor in AAP, and UBS custody, trading and execution services.

The investment management services of your SMA Manager in the ACCESS, MAC, SWP and AAP programs are not included in the UBS Investment Advisory Fee. Those services are covered, in the ACCESS, SWP and AAP Programs, by agreements between UBS and the SMA Managers, and in MAC, by the separate Agreement you sign with your MAC SMA Manager. Your total Program Fee is comprised of both the SMA Manager Fee and the UBS Investment Advisory fee.

Financial Advisors have a conflict of interest and an opportunity to charge a higher UBS Investment Advisory Fee

when clients enroll in Investment Advisory Programs that do not include an additional SMA Manager fee. Similarly, differences in SMA Manager fees create a conflict of interest and provide an opportunity for Financial Advisors to charge a higher UBS Investment Advisory Fee for a strategy with lower SMA Manager Fees than they would for strategies that charge a higher SMA Manager Fee.

We calculate SMA Manager Fees for ACCESS, SWP and AAP accounts/sub-accounts and for MAC accounts where the SMA Manager Fee is deducted directly from the account, in accordance with UBS's billing practices. We pay the SMA Manager Fees on your behalf based on all activity (i.e., initial billing, quarterly billing, prior quarter fee adjustment) and assets in their strategies.

Select strategies in the ACCESS, AAP and SWP Programs, including those offered by our affiliate UBS Asset Management (AM) are available with no additional SMA management fee charged to Clients. UBS Financial Services negotiates the SMA Management Fee with the SMA Managers based on an institutional fee schedule that is substantially lower than the ranges listed above and will pay that fee out of its own resources. SMA Managers will charge additional fees for certain strategies or additional services determined to be premium solutions, such as personalized tax management and sustainable investing. The fees for those value-add services will be paid by Clients ("Premium Services Fee"). All Managers are invited to participate in this pricing structure. Participation is optional and it does not impact the availability of a Manager's strategy on the UBS Financial Services Inc. platform. Managers may choose to participate in this pricing structure at any time. If a manager elects to participate in this pricing structure for some or all of its strategies, existing clients invested in those strategies will see a decrease in the SMA Manager fee, which we will communicate to you.

In the AAP Program no SMA Manager Fee or Premium Services Fee will be charged for a Plan or IRA client invested in a SMA strategy managed by a UBS affiliated Investment Manager.

The lower pricing structure creates a conflict of interest and provides an opportunity for Financial Advisors to charge a higher UBS Investment Advisory Fee for these strategies than they would for strategies that charge an additional SMA Manager Fee. In addition, UBS applies higher hard floors on the UBS Advisory Fee when accounts enroll in strategies participating in this pricing structure. Depending on the size of the overall relationship, this can limit the ability to negotiate a lower UBS Investment Advisory Fee when these strategies are used compared to strategies that charge a separate SMA Manager Fee.

If your Program assets are held at another financial institution or if your SMA Manager will not be executing transactions with UBS, you will also incur separate custodial and trading costs. Please review these costs carefully before establishing accounts.

Our billing process is outlined in this section and details are

included in the ADV Disclosure Brochure, Item 5.C.4 Billing Practices. We will notify you in writing of any material changes to this process.

Please refer to the Form ADV Disclosure Brochure for the Programs' fee schedules. The fees charged by us for the Programs are negotiable and may differ from client to client, and for clients in the Wealth Advice Center, based on a number of factors. These factors include, but are not limited to, the type and size of the Account, and the number and range of supplemental Advisory and client-related services to be provided to the Account.

In addition, although the UBS Advisory Fee is negotiable and can be waived in certain instances, we limit the ability of Financial Advisors to negotiate below certain levels ("hard floors"). The hard floors differ based on relationship size, strategy type, and for separately managed accounts offered in the ACCESS, SWP, and AAP Programs with no additional manager fee.

Discount Sharing: We have discount sharing requirements in our Advisory Programs to ensure fees are not priced below specified levels. Discount sharing levels and hard floors vary by style and in some instances by the types of strategies available in a Program: For example, the discount sharing levels and hard floors for an equity strategy are different than for a fixed income strategy; and, within those categories, hard floors levels differ for separately managed accounts offered in the ACCESS, SWP and AAP programs with no additional manager fee. Financial Advisors receive less than their standard payout when accounts are priced below the discount sharing levels. This creates an incentive for Financial Advisors to price accounts at or above those levels. If a Financial Advisor wishes to discount the program fee below certain levels (but not below the hard floors), he/she may have the opportunity to do so but may earn reduced compensation associated with the discount. These discount sharing fee levels are typically higher for equity and balanced strategies than for fixed income strategies, and as such this creates an incentive for Financial Advisors to recommend fixed income strategies. However, the Advisory fee charged to clients for fixed income strategies is traditionally lower than for equity and balanced strategies. Financial Advisors are incentivized to price accounts at the stated fee schedules. All assets held at UBS (including brokerage assets) that are part of your marketing relationship, may be used by your Financial Advisor to determine pricing for your Advisory Accounts.

Exceptions or waivers to the discount sharing policy in Advisory Programs may be provided to certain Financial Advisors for a period not to exceed two years. **These waivers provide those Financial Advisors the flexibility to price advisory accounts at lower fee levels which can benefit clients, but also provides an incentive for them to recommend moving from brokerage to advisory programs to their clients to recoup future compensation lost potentially due to the single share class initiative (see below) which creates a conflict of interest between the interest of the Financial Advisor and the interest of the Client.**

Customized pricing and Financial Advisor compensation may be approved for advisory relationships with assets over a certain amount. Advisory Accounts enrolled in UBS-CAP are subject to the Equity/Balanced and PIV Discount Sharing schedule that is the same for all programs, and account types.

Initial Program Fee: Generally, we will deduct your initial fee from your Account during the same month your Account is accepted for the Program. The fee is calculated on the market value of the eligible assets on your billing start date or the following day, pro-rated to cover the period from the date your Account is accepted through the end of the calendar quarter. However, if the Account is opened in the last four business days of the calendar quarter, billing includes those days plus the next full calendar quarter. Thereafter, the fee will be based on the value of your Account on the last business day of each calendar quarter. Fees for the next calendar quarter are due the following business day. The Initial Fee is then adjusted in the following quarter based on the average daily value of the account as described below in Fee Adjustments.

Quarterly Program Fee: You will pay a quarterly Program Fee for each subsequent calendar quarter that you participate in the Program. Fees will be assessed quarterly based on the net asset value (i.e., fair market value of the eligible assets including dividends and, where applicable, accrued interest, the value of margin loans) in the Account on the last business day of each calendar quarter. Fees will be charged directly to your account in the month following the close of a calendar quarter (unless you have either designated another eligible UBS account to pay the Program Fee or elected to have your fee invoiced to you (non-IRA qualified plans only)). Your fee is an annual percentage of your account assets—and you will pay the fee quarterly in advance, pro-rated according to the number of calendar days in the billing period. The Quarterly Fee is then adjusted in the following quarter based on the average daily value of the account as described below in Fee Adjustment.

Billing on Cash and Cash Equivalents: Cash and cash equivalents --including deposit balances in our Sweep Programs, money market funds and PACE holdings in the UBS Government Money Market Funds --are subject to the Program Fees (without any cap) so long as the cash remains in the Account. For accounts that hold high levels of cash, this will result in increased compensation to UBS and to your Financial Advisor. Accounts that continue to hold high level of cash over a specified period of time will be removed from PACE, Strategic Advisor, PMP, SWP and AAP.

Impact of Alternative Investments Valuation and Redemptions on your Program Fee: The valuation of alternative investments held at UBS, or at other financial institutions, reflect the records of the issuers and administrators of those funds. UBS does not guarantee the accuracy of the information. The value shown is not necessarily the value you would receive from the issuer if you sold the assets. Funds actively sold by UBS are subject to ongoing due diligence, although the level performed may vary. A closed fund may be subject to no ongoing diligence. A fund that you purchased elsewhere may never have been subject to UBS FS diligence.

The NAV is primarily based on **estimated** portfolio values provided by the underlying fund sponsor. Reported estimates may not reflect resale, liquidation or repurchase value, if any, and may not reflect distributions of capital until the next valuation is reported, generally on an annual or semi-annual basis. *These valuation practices are important because we calculate the Program Fee for alternative investments you hold in Advisory Accounts based on these estimates.*

For purposes of calculating the Program Fee, we will use the valuation of alternative investments available/reported to us as of the billing date. Valuation for alternative investments is often delayed, sometimes significantly, and is not provided to us in a timely manner. As a result, the valuation we use for purposes of calculating the Program Fee may not be current with the actual value of your investments at the time billing is processed and, depending on the circumstances, may result in a higher Program Fee. You should carefully consider the impact of these valuation delays on the Program Fee you pay to us. In addition, For Program Accounts holding eligible alternative investment (non-daily traded alternative funds), initial cash proceeds from redemptions may not be received into the account for a period that can extend over several months. Proceeds from "hold back" promissory notes are usually received within 18 months of issuance.

Redemptions and "Hold Back" Promissory Notes: For Program Accounts holding eligible alternative investments, proceeds from redemptions are not to be received into the Advisory Account for a period that can extend over several months after a redemption request is submitted and is effective. As a result, the Program Fees charged originally are based on the value of the alternative investment fund inclusive of the value of the alternative fund pending redemption. Proceeds from "hold back" promissory notes are usually received within 18 months of issuance.

You will receive a credit of the Program Fee imposed on alternative investments you redeem in whole or in part while you hold these investments in Advisory Programs. Credits will be based on the effective date of redemption.

Example for illustration purposes only.

Fund ABC has a quarterly redemption period. Notice of redemption is due 9/30 and processed 12/31 (the "effective date"). Although the redemption is processed by the fund on 12/31, UBS may not receive the proceeds of the redemption for up to 120 days after the effective date of 12/31. Once received by UBS, the cash proceeds due to client will include a promissory note if the fund imposes a "holdback."

Program Fees will be imposed on the value of the alternative investment only until the effective date of redemption (in this example: 12/31). Thereafter, the Program Fee may not include the investment proceeds until such time as the cash proceeds are received which could be 120 days later. Fees previously imposed will be credited to your Account.

In addition, the advisory fee may not be imposed on any promissory notes received as a result of a holdback.

Fee Adjustments: We will adjust the Quarterly Fee that was charged in advance based on the account's average daily balance during that quarter. At the end of each quarter we will recalculate the Quarterly Fee using the account's average daily balance during the quarter. Any difference above \$25 from the quarterly fee assessed in advance will be debited from or credited to the account. **Using the average daily balance to adjust the fee captures both contributions/withdrawals and changes in market value during the quarter.** If the market value of the account increases during the quarter, your fee will increase (unless offsetting withdrawals are made from the account). Similarly, if the market value of the account decreases during the quarter, your fee will decrease (unless offsetting deposits are made to the account).

Adjustments will be due and payable within the first month of the new quarter and will be reflected on your monthly account statement as a Prior Quarter Fee Adjustment. This process will also be applied to adjust the Initial Program Fee.

This fee adjustment does not apply to DVP accounts.

For example:

- Value of account on the last day of the prior calendar quarter: \$250,000
- Annual Advisory Fee Rate: 1.5%
- Quarterly Fee charged in advance = \$945.21 - calculated as follows (\$250,000 (quarter end value) x 1.5% (annual fee rate) X (92 days (days in the quarter) / 365 days (days in the year) = 945.21).
- Avg. Daily Balance Adjustment: Following the end of the calendar quarter, the Quarterly Fee will be re-calculated and adjusted based on the average daily balance during that quarter.
- If the average daily balance of the account during the quarter was \$265,000, the recalculated fee would be \$1,001.92 and the difference between the original fee and recalculated fee of \$56.71 would be charged to your account.
- The quarterly adjustment fee = \$265,000 x 0.015 x (92/365) = \$1,001.92
- \$1001.92 - \$945.21 = \$56.71

Withdrawals from ACCESS, SWP and AAP: We will liquidate securities to raise sufficient funds to satisfy withdrawal requests. The cash will be subject to the Program Fee until it is withdrawn from the account. Cash pending withdrawal will be reinvested in the account if not withdrawn within 35 days of the request in ACCESS, SWP and AAP Programs.

There may be instances when available funds to satisfy withdrawal requests are unavailable due to differences in the settlement dates of traded securities. In those instances, available funds may be delayed for up to two days. Because of the funding and withdrawal

rules in SWP and AAP, and depending on the overall allocation of the account, raising funds to fulfill a withdrawal request may take additional time.

- **Important Considerations of an Asset-Based Fee Option.** We set and evaluate the reasonability of UBS Investment Advisory Fees in the Programs based on the investment advisory services we offer, without regard – and attributing no economic benefit – to any ancillary services such as custody, trading and execution available in the Programs, and you should expect that lower fees are available from other firms offering the same or comparable services. You may pay more or less in a UBS Financial Services Inc. wrap-fee program than you might otherwise pay if you purchased the services separately or through other firms. For example, depending on your asset allocation or strategy selection, you may find that, the individual components of your strategy or allocation are available to you outside of the Program for more or less than you would pay in the Program. Several factors affect whether your fees and costs are more or less in a wrap fee program, including size of the portfolio; whether we serve as custodian for your Account assets; the types of investments that you select or that are made by the SMA Manager, Portfolio Manager or Financial Advisor; whether such investments carry additional administrative or management fees; the trading activity in the Account and the types of securities traded; whether your SMA Manager uses our trading execution capabilities or those of other broker-dealers to execute transactions for your Accounts; whether you have large cash holdings (i.e., cash or cash equivalents such as bank account deposits or money market funds offered as so-called sweep vehicles) in an Account and whether investment advisory fees are charged on those cash holdings and the actual costs of the services if purchased separately.

You should consider these factors carefully before establishing accounts in the Programs. You should not enroll in our Programs in order to obtain ancillary services such as custody, trading and execution, or assume that you will receive any particular benefit from the availability of those services. For example, while you may be receiving investment advice and other services from us in the Programs, if your Account has little or no trading activity (either through your direction or that of your Portfolio Manager or SMA Manager - for example - for low turn-over fixed income strategies) you should consider whether a wrap fee program continues to be appropriate to your investment needs.

- **Your Program Fee will not be adjusted if, among other things:** your account has low or no trading activity; your SMA manager chooses to trade away from us, and your trades are subject to commissions or other charges imposed by other broker-dealers; you choose to custody or trade your assets at another financial institution; you have large cash holdings or you decide not to implement or follow the investment advice we provide to you.

Accordingly, you should evaluate UBS Investment Advisory Fees based solely on the investment advisory services we

provide, without regard to any ancillary services provided such as custody, trading and execution services.

Certain SMA strategies are available in several programs at different fee levels. Therefore, the Program and/or SMA Manager Fee you pay will vary, depending on the Program you select and the structure of the program (dual, single contract, unified account, discretionary or non-discretionary program). For example:

- The ACCESS and MAC programs offer some of the same SMA strategies. Depending on your asset level and ability to negotiate the SMA Manager Fee with the SMA Manager in the dual-contract structure of the MAC program, you may find that the single-manager contract structure in ACCESS provides a more cost-effective option or vice versa. In addition, based on the combination of our fees and your SMA Manager's Fees, the overall fee for your SMA account in MAC, may exceed 3% of the account value.

When you select an investment portfolio managed by a UBS, affiliate, our Firm overall earns more compensation than it would if you selected a third-party SMA Manager because the fees you pay for investment management are retained by our affiliates.

For SWP and AAP Accounts Only: The SWP and AAP Program Fee is a "Blended Program Fee" that includes the UBS Investment Advisory Fee, applicable to all assets in the Account, for trade execution, administrative services, consulting services (which includes the advice and guidance of your UBS Financial Advisor to develop an asset allocation and evaluate investment options, rebalancing to your Target Allocation and performance reports), and, in AAP, the discretionary services of your Financial Advisor. The Blended Program Fee also includes SMA Manager Fee(s) for the investment management of the SMA sub-accounts. Fees for your sub-accounts and SMA Managers will vary depending on the strategy selected by you in SWP and by your Financial Advisor in AAP. Please consider the following and discuss with your Financial Advisor:

- Because each sub-account may be subject to a different fee, your Blended Program Fee will change as the value of the assets in each sub-account fluctuates with market movement, contributions and withdrawals, or if you, or your Financial Advisor in AAP, make changes to your allocation or new SMA Strategies. As a result, the Blended Program Fee may be more or less than the Blended Program Fee shown in your account application. Changes to your Target Allocation and/or investments will be confirmed to you in writing.
- At initial Account funding or upon reallocation, your Target Allocation may not be fully implemented for several reasons, including due to insufficient funding to completely fund multiple SMA Managers. **The initial fee for the SWP and AAP Programs will be calculated based on the Target Allocation selected by you in SWP and by your Financial Advisor in AAP (even if the Target Allocation is not fully implemented at that time) and the value of the assets on the date your account is accepted.** Thereafter, the Blended

Program Fee will be based on the net asset value and the actual allocation across sub-accounts on the last business day of each calendar quarter and will cover the next calendar quarter.

- However, if your account is pending a change to the investment selection(s) to the target allocation at or about the time the Program Fee is calculated, the Blended Program Fee will be based on the Target Allocation.
- When SMA sub-accounts are included, the Blended Program Fee rate is calculated at the time of the billing event based on the allocation as described above, and is rounded to three decimal places. Future changes to your fee and/or asset allocation made by you and/or your Financial Advisor will also be calculated in this manner and you will receive a letter reflecting these changes.
- See Section II Schedule B3 *Advisor Allocation Program*, and Schedule C3 *Strategic Wealth Portfolio, Funding Multiple Managers* for additional information.
- If sufficient funds are not available in your Account to cover the fee, then assets from each sub-account will be liquidated to pay the portion of the fee attributable to that sub-account.
- During the quarter, if you (for Strategic Wealth Portfolio (SWP), or your Financial Advisor (for the Advisor Allocation Program (AAP), makes a change to the target allocation your quarterly fee will be adjusted based on the new targets. We will adjust the original fee that was charged in advance based on the account's average daily balance during the period up to the target allocation change. We will then charge you a prorated fee for the remainder of the quarter calculated based on the new target allocation and the value of the assets on the date of the change.

Termination of Account: We refund fees on a prorated basis, for accounts that are closed before the end of a quarter; if fees have not been paid, we charge a prorated fee for the portion of the quarter before the account was closed. UBS may terminate any account which it believes has fallen too far below the minimum opening size to remain in the Program. For details, please see Program Fees for Closed Accounts in section AA.

Additional Fees for Certain Products: Shareholders in mutual funds, offshore funds, ETFs and UITs pay certain fees to the funds or their service providers. These fees may be charged for management of assets, operating expenses, distribution and other expenses. Fees vary depending on the type of vehicle. Those fees are charged in addition to the UBS Program Fee; we do not reduce or offset those fees unless required by applicable law. Your account's actual return will be reduced by these fees and expenses as well as the Program Fee. You are able to purchase these securities directly in the open market without incurring the Program Fee. **Please see the relevant prospectus and our Form ADV Disclosure Brochure for more information.**

12b-1 Fees Offsets in Discretionary Programs: Institutional and/or Advisory share classes are the primary eligible domestic mutual

fund share classes for proprietary and non-proprietary mutual funds available for purchase in our Advisory Programs. Class A shares are available for funds that do not offer Institutional or Advisory share classes or that declined to make those shares available in the Programs. We will reduce your Program Fee by the amount of any trailers or 12b-1 fees associated with those mutual fund investments in your Account. We will deposit the 12b-1 fees and trailers into your Account to reduce your Program Fee. If the credits remain in your Account at the time of billing, they will be subject to the asset-based fee charged to your account; they are also included in the account's average daily balance for purposes of calculating quarterly fee adjustments.

In PACE, Strategic Advisor and SWP, the 12b-1 fees for Class A shares of domestic funds that remain in the Programs are retained by the Firm and are not paid to Financial Advisors. The different treatment of 12b-1 fees and offshore fund trails means UBS receives higher compensation in connection with Class A shares of domestic mutual funds held in Advisory Accounts.

Treatment of Offshore Fund Trails: For offshore funds, held in all Advisory accounts, trails on the Class A shares are rebated back to clients accounts.

Portfolio Management Program and Advisor Allocation Program Retirement Account Credits Related to UBS Proprietary Funds: For a Plan or IRA client, invested in a UBS Proprietary Fund in our Discretionary Programs we will credit to the account a part of the Advisory Program Fee corresponding to an amount equal to, (A) the average daily balance invested in each Proprietary Fund for the period multiplied by (B) the reduction factor specified below, multiplied by (C) a fraction, the numerator of which is the number of days in the period for which the Fund Advisory Fee (as defined below) is being assessed and the denominator of which is the actual number of days in that calendar year. The "reduction factor" varies among the Proprietary Funds and corresponds to the portion of the net Fund Management Fees that UBS AM earns from a Proprietary Fund after payments to third-party service providers or sub-advisor(s). In the event that: (i) UBS AM waives some or all of the Fund Advisory Fee or UBS AM reimburses other expenses paid by a Proprietary Fund, these reduction factors may be reduced or eliminated; and/or (ii) UBS AM receives any expense recoupment from a Proprietary Fund, these reduction factors may be increased.

Debit Balances in Your Accounts: We charge interest according to our Firm's usual credit practices if payment of our fees results in a debit balance in your Account. These charges may include compound interest, increases in interest rates that reflect adjustments in the Firm's Base Loan Rate, as defined in the Firm's Statement of Credit Practices, and charges to cover the cost of the Firm's facilities and extra services. Payment of the fees and any interest may be made at any UBS office. Please refer to UBS's Statement of Credit Practices for more information.

Fees/Other Charges Not Covered by Your Program Fee: In some instances, you may pay other fees in addition to the Program

Fee, which may add to the compensation that we receive. **We do not reduce or offset the Program Fees. These additional fees will reduce the overall return of your account.** Specifically, the Program Fees do not include: (1) commission charges for transactions for your account that your SMA Manager or we, at your direction, may effect through other broker-dealers; (2) custody and trading fees imposed by other financial institutions if you choose to custody and/or trade your assets at other financial institutions (for example, alternative investments held away from UBS in UBS-CAP); (3) fees associated with custody, delivery and conversion of precious metals imposed by affiliates or other financial institutions; (4) mark-ups/mark-downs on principal transactions with us, our affiliates or other broker-dealers; (5) internal trust fees; (6) costs relating to trading in and holding foreign securities (other than commissions otherwise payable to us); (7) internal administrative and management fees that may be imposed by collective investment vehicles such as open-end and closed-end mutual funds, UITs, exchange-traded funds or real estate investment trusts; (8) subject to certain exceptions, redemption fees imposed by mutual funds for active trading; and (9) other specialized charges, such as transfer taxes and fees we charge to customers to off-set fees we pay to exchanges and/or regulatory agencies on certain transactions.

We or UBS Bank USA will also charge interest on any outstanding loan balances (including margin loans) to clients who borrow money from us or UBS Bank USA. We may also charge additional fees for specific account services such as: account transfer fees, wire transfer charges, annual and account servicing fees for Retirement Accounts, fees relating to custody and transactions in physical securities, voluntary corporate action fees, fees for Resource Management Accounts® (and/or Business Services Accounts BSA®) services where such services are available for the account.

V. Other Investment and Account Information Including Additional Compensation to UBS and Your Financial Advisor

We, our Financial Advisors, and affiliates receive additional sources of compensation in connection with certain types of assets in which your Accounts may be invested (for example, mutual funds, unit investment trusts, alternative investments, offshore funds and money market funds).

This compensation is in addition to the program fee you pay us for our investment Advisory services, and is a result of distribution, shareholder servicing, administration, marketing, revenue sharing, investment management or referral Agreements we and/or our affiliates have with vendors or sponsors of those securities and other services ancillary to the execution of purchases of these products. For certain alternative investments, the compensation may also include performance fees. We also receive networking, account servicing and omnibus fees in consideration for certain services, which are ancillary to the effecting of mutual fund transactions that we provide on behalf of mutual funds. These fees generally are paid from investor assets in mutual funds, but in some cases may be subsidized in part by affiliates of the mutual funds

Not all Advisory programs permit the purchase and sale of mutual funds, unit investment trusts, or alternative investments. Please review the eligibility of investments in your Advisory program with your Financial Advisor for more details.

The amount of those fees paid to us, and therefore Financial Advisors if applicable, may vary depending on the arrangement between us and the vendors/sponsors and, if applicable, the terms and conditions of the relevant fund's 12b-1 or trail plan. If you hold these assets in your Advisory Accounts, we receive these payments for the duration of your Advisory program Agreement. In some circumstances, we may receive compensation for these assets if you continue to hold those assets at our firm even if you close your Advisory Account.

Revenue Sharing: In addition to sales loads, 12b-1 fees and processing fees, UBS receives other compensation from certain distributors or advisors of mutual funds that we sell. These separate compensation amounts (commonly referred to as "revenue sharing") may be a negotiated flat fee or may be based on two components (i) the amount of sales by UBS of a particular mutual fund family to our clients (excluding sales through wrap-fee programs), and (ii) the asset value of a particular mutual fund family's shares held by our clients at UBS in eligible programs. We require these payments to be made directly from the distributor or advisor, and not from the mutual funds or indirectly through mutual fund portfolio trading commissions. Revenue sharing payments are intended to compensate us for assisting with the sales and distribution support and ancillary services related to sales of mutual fund shares. Updated and current information on these arrangements is available on our website, at www.ubs.com/mutualfundrevenuesharing. See also the Wrap Fee Program Form ADV Disclosure Brochure.

Generally, we receive revenue sharing compensation in connection with all mutual fund assets in Program Accounts except for assets held by:

- (i) Qualified Plans and IRA clients in our Discretionary Programs (UBS Advice Portfolio Program, PMP and AAP) and in PACE Select.
- (ii) Clients invested in funds that have been created at the request of UBS to meet a specific investment objective ("Purpose Built Funds") in Discretionary Programs. Purpose Built Funds are funds which UBS requests be established either by affiliates or third parties in order to fulfill a product need.
- (iii) Clients whose accounts are in the custody of other financial institutions.
- (iv) PACE Government Money Market Fund Investments in the PACE Multi Program.

Revenue sharing compensation will not be rebated or credited to you. However, to the extent we receive revenue sharing compensation for Qualified Plans and IRA assets in our Discretionary Programs or PACE Select, that compensation will be

rebated to Plan and IRA clients. Revenue sharing is not paid to our Financial Advisors or his or her branch office. However, these amounts are allocated to the individual branch offices as "non-compensable revenue" (revenue that is not paid out to Financial Advisors or Branch Office Managers) but are considered as part of the overall profitability of the branch, and as one of several components used in determining Branch Office Manager compensation.

Vendor Contributions to Training and Education Expenses:

SMA managers, mutual fund vendors, unit investment trust sponsors, annuity, life insurance companies or their affiliates and sponsors of Exchange Traded Funds (collectively, "vendors") whose products we offer may contribute funds to support our Financial Advisor, client and field leadership education programs. Not all vendors contribute to our education efforts.

The contributions are used to subsidize the cost of training seminars we offer to Financial Advisors through specialized firm-wide programs and regional training forums. These seminars are designed to provide training and education to Financial Advisors, Branch Office Managers, Field Leadership, and other personnel who regularly solicit clients to participate in the various types of businesses listed above. These contributions also subsidize a significant portion of the costs incurred to support the Financial Advisor training, Financial Advisor and Client education, and product marketing efforts conducted regionally and nationally by product specialists employed by UBS. The training events and seminars can (and often) include a non-training element to the event such as business entertainment which is not subsidized by vendors.

Neither contribution towards these training and educational expenses, nor lack thereof, is considered as a factor in analyzing or determining whether a vendor should be included or should remain in our programs or our platform. Contributions can vary by vendor and event. In some instances, the contributions per vendor (as well as the aggregate received from all vendors) are significant.

Additional contributions may be made by certain vendors in connection with specialized events or education or training forums. Your Financial Advisor does not receive a portion of these payments. However, their attendance and participation in these events, as well as the increased exposure to vendors who sponsor the events, tends to lead Financial Advisors to recommend the products and services of those vendors as compared those who do not.

In addition, we and our Financial Advisors, may, from time to time, receive non-cash compensation from mutual fund and ETF companies, investment managers, insurance vendors, and sponsors of investment products we distribute in the form of: (i) occasional gifts up to \$100 per vendor per year; (ii) occasional meals, tickets or other entertainment of reasonable and customary value. The thresholds and limits for gifts and entertainment are designed to mitigate any conflicts related to recommending the products of the providers of such gifts, meals or

entertainment. (iii) sponsorship support of educational events the Financial Advisors arrange for clients and prospective clients. (iv) Contributions made at the firm-level toward seminars and educational programs for Financial Advisors. These contributions are significant both per vendor and in the aggregate. While Financial Advisors do not receive any portion of these payments, the conflict presented is that a Financial Advisor's attendance and participation in educational or training forums, and the increased exposure to vendors who sponsor these events, tends to lead Financial Advisors to recommend the products and services of those vendors. These seminars and educational programs often include non-educational elements of the event such as business entertainment which is not subsidized by vendors. (See above, *Contributions to Training and Education Expenses*, for additional details). (v) various forms of marketing support and, in certain limited circumstances the development of tools used by the Firm for training or record-keeping purposes. Non- cash compensation can vary by vendor and event.

Compensation for Data Analytics (Strategic Insights). Our Strategic Insights program offers vendors whose products are offered on the UBS Financial Services platform the opportunity to enter into agreements with us pursuant to which, for a fee ranging from \$150,000 - \$330,000, we will provide analytics and data relating to Financial Advisors in order to help vendors streamline and tailor the way they do business with our Financial Advisors. The list of Financial Advisors will be a complete list of all of our Financial Advisors including those that sell their products and those who do not.

Affiliated Money Market Funds Available as Sweep Vehicles in Advisory Accounts. Domestic Money Market Funds: Our affiliate, UBS Asset Management (Americas) Inc. ("UBS AM Americas"), is the advisor and/or administrator for the money market funds used as ticketed and/or sweep vehicles in Program accounts. Another affiliate, UBS Asset Management (US) Inc. ("UBS AM – US"), serves as the principal underwriter for those funds. Under the terms of our agreements with UBS AM - US, we receive service (12b-1 or non 12b-1) fees paid by these funds (except UBS Liquid Assets Fund), as well as revenue sharing payments paid by UBS AM-Americas (or UBS AM-US) related to these funds. Revenue sharing payments related to these funds are paid to us out of the legitimate profits or other resources of UBS AM-Americas and/or UBS AM-US and are not shared with Financial Advisors. Financial Advisors do not receive a portion of the service fees paid to us in connection with these funds..

We also provide certain services pursuant to a delegation of authority from BNY Mellon Investment Servicing (US) Inc. ("BNY Mellon"), the transfer agent of the funds, for which we are compensated by BNY Mellon.

UBS Bank Sweep Programs: We receive an annual fee of up to \$50 from UBS Bank USA for each UBS account that sweeps into deposit accounts at UBS Bank USA, to the extent permitted by law.

UBS FDIC-Insured Deposit Program: All Program Banks, except UBS Bank USA, will pay UBS a fee equal to a percentage of the average daily deposit balance in your Deposit Accounts at each Program Bank. The fee varies from bank to bank and ranged between 0.07% and 0.39% from September 2020 to September 2021. The rate for September 2021 averaged 0.17%. The service fee is paid monthly. UBS Bank USA will pay UBS an annual fee of up to \$50 for each Securities Account that sweeps through the Program into Deposit Accounts at Bank USA.

Non-US residents are not eligible for any of the money market funds available as sweep options.

Compensation to Financial Advisors Who Recommend Advisory Programs, Branch Office Managers and Investment Managers

This section provides a general description of the standard compensation plans for Financial Advisors. We reserve the right, at our discretion and without prior notice, to change the methods by which we compensate our Financial Advisors and employees, including reducing and/or denying production payout and/or awards at our discretion for any reason, including without limitation, to comply with applicable laws, rules and regulations.

Detailed information about our compensation practices are included in our Form ADV Disclosure Brochure in the section titled, Compensation to Financial Advisors Who Recommend Advisory Programs. In addition, we will notify you of material changes through updates to our Form ADV Disclosure Brochure. We consider deposits of cash or securities and your continued use of your Advisory Accounts and services at UBS as your agreement to the terms and conditions in this Agreement, the Form ADV Disclosure Brochure, and the related documents and disclosures we refer to here.

Our standard compensation plan for Financial Advisors consists of (1) a guaranteed monthly minimum draw required by applicable law and (2) payout based on the Financial Advisor's production if it is greater than the monthly minimum draw. The payout is a percentage (referred to as grid rate) of the production (generally transaction revenue and investment advisory program fees) that each Financial Advisor generates during that month with respect to the clients he or she serves, minus certain adjustments that are specified by our Financial Advisor Compensation Plan. The grid rate percentages range from 28% to 50% and increase as a Financial Advisor's production increases. Financial advisors working as part of a team that meets minimum production requirements can qualify for a higher grid rate (but not above 50%) than they would receive working as an individual.

Generally, Financial Advisors are not paid on households below the following thresholds:

- Wealth Management US households: \$100,000
- Nonresident alien households: \$1,000,000
- Private Wealth Management households: \$2,000,000

Financial Advisors receive credit for production generated in accounts they migrate to the Wealth Advice Center depending on

the value of the assets in the account household. For households over \$100,000, Financial Advisors are paid at the grid rate applicable to them. For households under \$100,000, advisors are paid at a grid rate of 30%. In addition, for referrals of new relationships to the Wealth Advice Center, Financial Advisors also receive credit for purposes of calculating awards and bonuses but not for purposes of increasing their grid rate.

We reserve the right, at our discretion and without prior notice, to change the methods by which we compensate our Financial Advisors and employees, including reducing and/or denying production payout and/or awards at our discretion for any reason.

Investment Advisory Programs: For our Investment Advisory Programs (asset-based fee programs) the grid rate is applied to the Program Fees credited to the Financial Advisor by the Firm, but the payout is generally reduced for accounts priced below certain thresholds. See Discount Sharing. Advisory Accounts in relationships with assets over certain thresholds may have customized pricing and payouts as approved by the Firm.

The differences in the way we compensate Financial Advisors for the products we offer, create an incentive for Financial Advisors to recommend certain products and account types over others, to encourage clients to purchase multiple products and services, and to choose a payment structure for products and services that generates greater compensation.

We address our conflicts of interest by maintaining policies and procedures requiring that Financial Advisors act in your best interest reasonably supervising their activities and disclosing these conflicts so that you can make fully informed decisions.

Bonuses and Rewards: Financial Advisors are also generally eligible to qualify for strategic objective awards and recognition programs, which are based on production, length of service at the firm and net new business brought to the firm by the Financial Advisor. These awards are subject to various caps and deferrals. Additionally, we may reduce or deny any such awards for any reason at our discretion. Under certain circumstances (e.g., acquisitions and recruitment; or particular programs or designations, such as Wealth Advice Center, Wealth Planning Associate, Financial Advisors Associates, Institutional Consulting ("IC") Retirement Plan Consulting Services ("RPCS"), Retirement Plan Advisor ("RPA"), and Retirement Plan Manager ("RPM"), some Financial Advisors or producing Branch Managers may be compensated differently. **Details regarding these compensation practices are provided in the Form ADV Disclosure Brochure.**

Compensation for Financial Advisors, Recruited from other firms: In general, if your Financial Advisor is joining UBS from another firm, you should discuss the reasons your Financial Advisor decided to change firms and any costs or changes in services you incur by transferring your accounts to UBS. In many cases, UBS pays Financial Advisors financial incentives when they join and on an ongoing basis as described below.

Financial Advisors who were recruited to UBS prior to November 1, 2016, were eligible to receive incentives, including loans, bonuses and/or other compensation, if they reach certain minimum asset and/or production levels or other targets. The amount paid to Financial Advisors under these arrangements is largely based on the revenue generated the Financial Advisor at their prior firm and the Financial Advisor achieving a minimum percentage of their prior firm production and/or asset levels within a specific time period after joining UBS. Recruiting offer letters issued by UBS after November 1, 2016 do not include recruitment incentives triggered by production, but include baseline revenue thresholds, assets under management, or net new asset levels in order to continue receiving incentives.

Generally these incentives are the continuance of monthly payments for up to 10 years, unless the threshold/levels are not met.

These payments can be substantial and take various forms, including salary guarantees, loans, transition bonus payments and various forms of compensation to encourage Financial Advisors to join UBS, and are also contingent on your Financial Advisor's continued employment. Therefore, even if the fees you pay at UBS remain the same or less, the transfer of your assets to UBS may contribute to your Financial Advisor's ability to meet such targets and to receive additional loans and/or compensation even if not directly related to your account or the fees you pay to us.

These practices create an incentive and a conflict of interest for your Financial Advisor to recommend the transfer of your account assets to UBS since a significant part of the Financial Advisor's compensation is often contingent on the Financial Advisor achieving a pre-determined level of revenue and/or assets at UBS. *You should carefully consider whether your Financial Advisor's advice is aligned with your investment strategy and goals.*

Compensation to UBS Portfolio Managers and Financial Advisors in our Discretionary Programs.

Portfolio Managers in the UBS Advice Portfolio Program do not receive a portion of the UBS Investment Advisory Fee.

The percentage payable to Financial Advisors acting as Portfolio Managers in the PMP Program and Financial Advisors in AAP is based on their total production level at UBS. Financial Advisors who participate in the PMP and AAP Programs have an incentive to recommend their services in PMP or AAP over those of third party SMA Managers in other Advisory Programs or over traditional commission based brokerage services. In addition, Financial Advisors have a conflict of interest and an opportunity to charge a higher UBS Investment Advisory Fee when clients enroll in Investment Advisory Programs that do not include an additional SMA Manager fee. Generally, Financial Advisors in UBS-CAP will receive the same payout level across all Accounts enrolled in UBS-CAP regardless of Program type or strategy.

Financial Advisors who manage accounts in the PMP and AAP Programs may also provide services to you and to other clients outside of the Programs in their capacity as broker-dealer

representatives and as such, may dedicate time to activities other than discretionary portfolio management.

Financial Advisors responsible for managing client accounts through PMP and AAP may service accounts in both PMP and AAP and also may service other accounts in which the services may differ based on the type of account, services offered or particular program. As a result, the management of accounts in PMP and AAP may differ from each other, may differ from other accounts, and may be based on different methodology, asset allocation and/or investment recommendations. In addition, we and our affiliates may give advice and take action in the performance of our duties to clients which differs from advice given, or the timing and nature of actions taken, with respect to other clients' accounts. PMP and AAP Financial Advisors do not directly provide discretionary investment advisory services through wrap programs other than PMP or AAP. However, Financial Advisors in PMP and AAP may provide non-discretionary investment advisory services through other Advisory Programs, such as PACE and Strategic Advisor. These Financial Advisors may also offer clients discretionary advisory services utilizing affiliated and unaffiliated SMA Managers and/or mutual funds.

We and our PMP and AAP Financial Advisors have a conflict in recommending the services of related person in managing client accounts because this will result in higher overall compensation to us and our affiliates than if third-party managers were used. Third-party managers are not available through PMP but are available through AAP and other programs offered through us.

Financial Advisors who do not participate in PMP or AAP may refer their clients to Financial Advisors acting as Portfolio Managers in the PMP Program or to Financial Advisor in AAP. In those instances, the PMP or AAP Financial Advisor or Portfolio Manager shares a portion of his/her fee with the referring Financial Advisor.

Compensation to SMA Managers in the ACCESS, MAC, SWP and AAP Programs. We pay a portion of the Program Fee to your SMA Manager as compensation for their services. The amount of the Program Fee paid to each SMA Manager is a function of that SMA Manager's investment style and the fee we negotiated with the SMA Manager in ACCESS, SWP and AAP, or for MAC Managers, the fee you negotiated directly with the Manager. Not all strategies in ACCESS, SWP and AAP have an additional SMA Manager Fee (see above section, SMA Manager Fees in the ACCESS, MAC, SWP Programs and AAP). When fees are charged, The annual fees paid to SMA Managers are based on a percentage of assets under management. Generally, the compensation payable to SMA Managers, your Financial Advisor and UBS is higher for equity and balanced strategies than it is for fixed income strategies.

We calculate SMA Manager Fees for ACCESS, SWP and AAP accounts/sub-accounts and for MAC accounts where the SMA Manager Fee is deducted directly from the account, in accordance with UBS's billing practices as described above. We pay the SMA Manager Fees on your behalf based on all activity (i.e., initial billing, quarterly billing, prior quarter fee adjustment) and assets in their

See the Form ADV Disclosure Brochure Item 4D "Compensation to Financial Advisors Who Recommend Advisory Programs" for additional details

Other Compensation: Our affiliates receive trading commissions and other compensation from mutual funds and insurance companies whose products we distribute. We or certain of our affiliates may engage in a variety of transactions with or provide other services to the investment managers and mutual funds or to their affiliates or service providers presented to you or already held by you for which we receive compensation. Those transactions and services may include, but are not limited to, effecting transactions in securities or other instruments, as broker or as dealer for our own account and research, consulting, performance evaluation, investment banking, banking or insurance services.

Other Activities: We and our affiliates manage accounts for many types of clients including issuers or sponsors of securities you may purchase, and engage in a broad range of other research, Advisory, brokerage and investment banking activities for which they receive compensation. The advice we provide or actions we take for any other client or account, including our own account, may differ from the advice or actions that we take for your account. UBS may acquire confidential information in the course of its business. If that happens, we will not be able to divulge it or act on it for your account. UBS has no obligation to execute any transaction for your account that we believe to be improper under applicable laws, rules or regulations.

W. Valuation

In determining the value of securities in your Accounts, we generally rely on third-party quotation services we believe to be reliable. If prices are unavailable or believed to be unreliable, we may determine values in good faith so as to reflect our understanding of fair market values and may use other sources such as last recorded transactions. We do not independently verify or guarantee the accuracy or validity of this information.

Shares of mutual funds affiliated with UBS will be valued at their respective net asset values on the valuation date calculated in accordance with the fund's current prospectus.

All other shares of funds will be valued at their net asset values on the valuation date as provided by pricing sources believed by UBS to be reliable. This pricing information may not be accurate, complete or provided in a timely manner. If the net asset value for particular shares is not available for the valuation date, the most recent available net asset value will be used. Similarly, valuation data for certain private or illiquid investments may not be provided to us in a timely manner, resulting in valuations that are not current in your statements and Performance Reports. Any valuation will not be deemed a guarantee of any kind with respect

to the value of Program assets.

We will generally rely on the value provided by you (through your custodial statement), the custodian or issuer of that security, when (i) securities are held at another custodian and security-specific detail is not provided to UBS to value them; (ii) investments you hold in your accounts are not available through UBS or that our systems do not recognize.

X. Investment Adviser Code of Ethics

We maintain and enforce a written Code of Ethics ("Code"). The Code, which supplements the Firm's Code of Conduct, has a dual purpose: it describes standards of conduct that apply to all employees of the Firm including the Firm's fiduciary obligation to its clients; and, to address conflicts of interest associated with the personal trading activities of a subset of employees defined as "access persons." We provide a copy of the Code of Ethics to clients and prospective clients upon request.

Y. Representations and Acknowledgements

UBS represents that it is a registered investment advisor under the Investment Advisers Act of 1940 and has the authority to enter into this Agreement.

You represent that you have the authority to enter into this Agreement. If you have signed this Agreement for a corporation, trust, partnership or other legal entity, you represent that applicable law and the entity's governing documents allow it to participate in the Program and the transactions contemplated by it, including the delegation of investment discretion to UBS, and authorize you to execute this Agreement.

You acknowledge that:

- (i) you understand that you would not be obligated to pay the Program Fee described if you invested in the securities directly rather than through the Program, and

your Program Fee will not be adjusted:

- **for low or no trading activity;**
- **if your SMA manager chooses to trade away from us;**
- **if you choose to custody your assets at another financial institution;**
- **if you decide not to implement or follow the investment advice we provide to you;**
- **or if you decide to suppress required reports normally delivered in the Programs.**

- (ii) you are aware of the medium to long-term nature of the participation of the Advisory Programs and possible losses inherent in such investments, and are financially capable of bearing these losses;

- (iii) you have not received any written or verbal guarantees or representations of performance as an inducement to open or to continue carrying the Account. No representative or agent of UBS is authorized to make any

such guarantees or representations now or in the future;
and

(iv) you acknowledge that UBS may withhold taxes to the extent required by law, and may remit these taxes to the appropriate governmental authority.

Z. Retirement Account Representations

If you are the trustee or other authorized fiduciary, owner or beneficiary of a Retirement Account (Responsible Fiduciary) you represent that:

(i) you are a fiduciary with respect to the Retirement Account assets capable of making independent and informed decisions regarding their investment and participation in an Advisory Program, the investment and selection decisions you make are permitted under the plans and consistent with your fiduciary responsibilities, you are independent of UBS and its affiliates, and will not receive any direct or indirect compensation or other benefit for your own account in connection with any transaction or investment contemplated by participation in an Advisory Program;

(ii) you have received sufficient information about the Program fees and the additional compensation UBS will receive to determine (and you have determined) that they are reasonable prior to signing this Agreement and establishing Accounts in the Programs;

(iii) with respect to any Retirement Account assets of an ERISA Plan in our Discretionary Programs and UBS-CAP with Limited FA Discretion Services Power of Attorney, you have appointed UBS "investment manager" (as defined in Section 3(38) of ERISA) with respect to the management of such assets;

(iv) with respect to any Retirement Account assets of an ERISA Plan in our SMA Programs and the SMA sub-accounts of the Unified Account Program or AAP, you have appointed the SMA Manager as the "investment manager" (as defined in Section 3(38) of ERISA) with respect to the management of such assets;

(v) with respect to any assets you decide to transfer or roll over from a workplace retirement plan or move from an IRA at another financial institution (now or in the future), you (i) understand and acknowledge that a recommendation to roll assets out of a workplace retirement plan to UBS will only be valid if made to you in writing in a UBS Rollover Recommendation Letter; (ii) have evaluated the investment and non-investment considerations important to you in making the decision, such as those identified in the UBS IRA rollover guide provided at ubs.com/irainformation and in paper version upon your request, (iii) have reviewed and understand the fees and costs associated with a UBS IRA; (iv) recognize that higher net fees will substantially reduce your investment returns and ultimate retirement assets; and (v)

understand the conflict of interest raised by the financial benefits to UBS and its employees resulting from your decision to roll or transfer assets to a UBS IRA; and

(vi) by establishing future Advisory Accounts on behalf of the Retirement Account you confirm that the representations made above are accurate for such Advisory Account.

UBS acknowledges that in addition to acting as an Investment Adviser under the Investment Advisers Act for your Retirement Account, the following:

- **For Our ACCESS SMA Program and the SMA Managers in SWP and AAP:** The SMA Manager that you select for the Program (or that we select on your behalf in AAP or under UBS-CAP with Limited FA Discretion) is an independent plan fiduciary with respect to the day-to-day investment management of your account(s) or sub-accounts in that Program and has acknowledged in writing that it is a fiduciary with respect to your account(s) or sub-accounts.
- **For Discretionary Programs (PMP, AAP, and UBS Advice Portfolio):** as the provider of discretionary asset management services, UBS is a fiduciary as defined in ERISA in the day-to-day investment management of your Account under this Agreement and an investment manager as defined in Section 3(38) of ERISA of your Account under this Agreement.
- **For All Retirement Advisory Accounts:** when providing either discretionary asset management services or non-discretionary investment advice or recommendations, under a Program, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable.
- **Other Services and Activities:** Not all services or activities UBS or your Financial Advisor provides to your Retirement Account(s) are provided as a fiduciary under the retirement laws. Exclusions include:
 - Communications that include general information and education about the financial markets, certain asset allocation information, financial planning illustrations and scenarios and the advantages and risks of particular investments.
 - Recommendations we provide with respect to accounts that are not Retirement Accounts (this includes your taxable accounts);
 - Transactions you enter into that are unsolicited or self-directed (i.e. where UBS does not provide a recommendation);
 - Recommendations that are not fiduciary "investment advice" as defined in Department of Labor regulation section 2510.3-21 (i.e., investment advice for a fee or other compensation

rendered on a regular basis pursuant to a mutual understanding that such advice will serve as a primary basis for your investment decision, and that will be individualized to the particular needs of your Retirement Account); and

- o Recommendations that you execute outside of our Advisory Programs at another financial institution.

AA. Closing Your Advisory Accounts; Terminating this Agreement

This Agreement is effective and deemed to be accepted by UBS on the date your Account is coded as "advisory" or for UBS-CAP, the date the Agreement is approved by the program manager for that Program. We will send you confirmation of our acceptance and provide you with a copy of our Form ADV Disclosure Brochure. You may cancel this Agreement within five (5) business days from the day this Agreement is accepted by UBS and receive a full refund of Program fees. Thereafter, either we or you may terminate this Agreement at any time. Each time you establish a new Advisory Account with us, you may terminate that account and receive a full refund of Program Fees within five (5) business days from the day we send you confirmation of your new Account.

Closing one or all of your Advisory Accounts with us does not terminate this Advisory Relationship Agreement, if you continue to have other types of accounts with us. You may terminate this Agreement only by notifying us in writing. In addition, this Agreement will terminate if we receive instructions to deliver all your Advisory assets to another firm, effective promptly after receipt of those instructions.

We may close your account(s) in our discretion, including if you fail to maintain minimum account balances or adhere to program requirements. Generally, accounts with balances of \$1,000 or below will be terminated from the Programs. We will notify you in writing of our decision to close any or all of your Accounts.

Ending your participation in these programs as well as our Advisory relationship is effective promptly after receipt and processing of your request. Requests to terminate your participation in a program may be made in writing or verbally to your Financial Advisor. We will confirm your instructions in writing and notify you when we have terminated you from the program and/or closed your account. Closing your account will not affect your obligation to pay balances due on the account. Closing your account terminates our Advisory relationship with you as it pertains to that Account.

For MAC clients, termination of this Agreement with UBS does not result in the termination of your agreement with your MAC investment manager. For MAC Accounts enrolled in UBS-CAP with Limited FA Discretion Services we will notify your MAC Manager of the account and investment management agreement termination. However, for any other MAC Account that is not part of Limited FA Discretion Services UBS-CAP, you are responsible

for terminating your agreement with the MAC investment manager and we do not assume responsibility for notifying the investment manager.

Automatic Liquidation or Exchange of Certain Assets: In certain cases, your assets may be invested in securities, special mutual funds or shares of mutual funds or alternative investments, including in some instances, Advisory share classes of mutual funds or alternative investments that have been created for use or are eligible **exclusively** within wrap fee Advisory Programs. Some of these investments contain restrictions that limit their use exclusively to within wrap fee Advisory Programs, and may be unavailable for purchase or holding outside of wrap fee programs. When you end your participation in those strategies at UBS for any reason, that termination results in the **automatic redemption** of such mutual fund shares or investments held by or on your behalf, which, except in instances of tax free- exchanges of Advisory share classes for another share class, may have tax consequences to you. **Unless the issuer requires automatic redemption of these investments, you can continue to hold them in your brokerage account.** *Single share class holdings that move from Advisory to Brokerage accounts will be subject to commission charges on buys and sells.*

When you select one of these types of strategies or investments for your portfolio, you agree to the automatic redemption of the investments upon termination of your account and direct us to effect such liquidation. The compulsory conversion of alternative investments may require additional documentation from you. **We recommend that you consider the potential impact of such liquidations and restrictions carefully before participating in these types of strategies.**

PACE Program: Upon termination of your participation in PACE, the PACE Money Market Fund will be automatically liquidated. Unless you direct us to liquidate your other holdings, all other assets will continue to be invested in the existing positions and will be held in a brokerage account, subject to prospectus rules.

Transactions in your Accounts Prior to Receipt of your Termination Request: We are not responsible for the purchases or sales of securities by your SMA Manager or transactions by our employees who manage your accounts in the Discretionary Programs prior to our receipt of your request to close your Advisory Account. Any transactions initiated by your SMA Manager or our employees on the day your Account is closed will be processed, if practicable.

Liquidation Requests: As part of your instructions to withdraw from a program, you may request that we liquidate your securities. Closing your account will not affect your obligation to pay balances due on the Account. Liquidation of your Account will depend upon market conditions at the time and, absent unusual circumstances, generally will be processed by the end of the next business day after we receive your instructions. However, certain accounts may take longer to liquidate, including accounts holding high yield, convertible and other less liquid securities. Closing your account

terminates our Advisory relationship with you as it pertains to that Account.

If we are unable to obtain an agency bid on a particular bond or illiquid fixed income position, after a number of attempts, we will, in our capacity as broker, seek to trade the position on a principal basis if a bid is available. This will allow us to comply with your liquidation request in an expeditious manner. By executing this Agreement, you authorize us to execute these transactions on a principal basis when agency execution is not available in order to comply with your liquidation requests. Liquidations will be executed free of commission charges. Trade confirmations for liquidating transactions effected on an agency basis will be sent to you monthly on your Account statement if you selected that option for your Account.

If your Account includes securities with limited liquidity or redemption schedules, such as alternative investments, we may be unable to liquidate those securities upon your request. When processing your liquidation request in such cases, we will liquidate readily marketable and otherwise unrestricted securities in your account, leaving any securities that we are not able to liquidate in your account. Once the account is closed, you may have to wait for specific liquidity windows and process your liquidation request through procedures that are specific to the illiquid investment you own. **In addition, an alternative investment fund may hold back a portion of redemption proceeds, usually in the range of 10%, to cover accrued expenses, contingencies and liabilities.**

Estate Administration Instructions: Upon receipt of notice of your death, we will cease management of the Account without liquidating the investments (except for assets that can be held only in wrap fee Advisory Programs as explained in the section titled Automatic Liquidation of Certain Assets at Account Termination). Your account will no longer be enrolled in the Program while instructions from a court appointed executor/administrator regarding the disposition for your assets is pending. In contrast, for trust accounts, the death, removal or resignation of a trustee - including the settlor/trustee of a revocable living trust - will not result in termination unless the substitute fiduciary/trustee requests termination. For the MAC program, we do not assume responsibility for notifying the MAC SMA Manager of the client's death and we do not require the SMA Manager to follow any particular procedures.

Program Fees for Closed Accounts: Upon termination, a pro-rated refund of any prepaid fees will be made or, if no fees have been paid, a pro-rated fee will be charged. If you terminate your account prior to the calculation of a quarterly fee, a pro-rated fee based on the average daily balance for the days the account was enrolled in the program will be charged. If you terminate the account after the quarterly fee has been charged, a prorated fee adjustment based on the average daily balance for the period the account was enrolled in the program will be assessed. If you provide liquidation instructions when you terminate your Account, the refund will be processed once liquidations are complete which

is generally, depending on market conditions, two to three business days after receipt of your request.

Margin: For accounts with strategies that use margin, we may, at our discretion, elect to cover all existing short positions when you close your account. Those liquidations will be executed in our capacity as broker-dealer and creditor and may, as permitted by law result in executions on a principal basis in your Account. Upon termination, you are responsible for monitoring the securities in your account, and neither UBS nor your SMA Manager will have any further obligation to act or advise with respect to those assets.

Brokerage Relationship: When you close your Advisory Account, our fiduciary relationship with you under the Investment Advisers Act as it pertains to that account ends and the account will be converted to and designated as a "brokerage" account only. This Agreement will no longer apply to that account and it will be governed solely by the terms and conditions of your brokerage account agreement.

BB. Additional Contractual Matters

Entire Agreement:

This Agreement is effective and deemed to be accepted by UBS on the date your Account is coded as "advisory," which we will confirm to you in writing. We may delay acceptance of the Agreement (and management of the account) for various reasons including paperwork, including paperwork deficiencies or inadequate funding. This Agreement, including the Program Application, attached Schedules and any supplemental documents (such as a trustee certification) is our entire understanding on the matters specified here and any changes must be in writing. If any part of this Agreement is invalid or unenforceable, it will not affect the validity or enforceability of the rest of the Agreement

Amendments: UBS may modify the terms of this Agreement, subject to sending you prior written notice, and your continued acceptance of services thereafter shall be deemed consent and agreement to the changes.

Applicable Law: This Agreement will be interpreted under the substantive laws of the State of New York without giving effect to any conflict of law provisions.

Assignment: Neither UBS nor your SMA Manager may assign (as defined in the Investment Advisers Act of 1940, as amended) this Agreement without your consent.

Notices: All written communications from you regarding this Agreement must be sent to your Financial Advisor unless you are specifically directed otherwise. All written communications to you shall be sent to you at the address you provide your Financial Advisor.

CC. Unforeseeable Events/Force Majeure

UBS shall not be liable for losses caused directly or indirectly by

government restrictions, exchange controls, exchange or market rulings, suspension of trading, acts of god, acts of war, strikes or other conditions beyond our control, including but not limited to, extreme market volatility or trading volumes.

DD. Arbitration

This Advisory Relationship Agreement and all accounts you establish under its terms are subject to the pre-dispute arbitration agreement in the Client Relationship Agreement (or other agreements governing your account) you signed with UBS Financial Services Inc. By signing this Agreement you confirm your understanding and agree to arbitrate all disputes that may arise with UBS Financial Services Inc. in connection with your Investment Advisory Accounts in accordance with the terms of the Client Relationship Agreement.

II. Program Specific Schedules

This Section includes additional terms and conditions applicable to specific Advisory Programs. These disclosures, terms and conditions are part of and supplement the terms, conditions and disclosures included elsewhere in this Advisory Relationship Agreement.

Schedule A - UBS Consolidated Advisory Program

Schedule B - Discretionary Programs: UBS Advice Portfolio Program, PMP and AAP

Schedule C - Unified Accounts: UBS Strategic Wealth Portfolio Program

Schedule D - Non-Discretionary Advisory Programs: Strategic Advisor

Schedule E - Non-Discretionary Advisory Programs: PACE

Program Description: UBS Consolidated Advisory Program (the "UBS-CAP") is available through a select group of Financial Advisors who provide specialized investment advisory consulting services to investors. UBS-CAP is a "Portfolio Based Advisory Program" which means that it is an advisory program in which our services are provided to you for certain eligible UBS Advisory Accounts (and, in limited circumstances, accounts you hold at other financial institutions that you elect to include in UBS-CAP) on a portfolio level instead of individually at the account level. In addition, to being available as an overall advisory contract per client tax ID, UBS-CAP is also available, where appropriate, to multiple related entities (multi-TINs) owned by or related to the same party which based on the structure and ownership should be managed under the same Investment Policy Guideline ("IPG") Asset Allocation and aggregated for performance reporting.

It is important that you understand how the services available to you in UBS-CAP alter or modify the services and options available in other UBS programs. Those distinctions include the review and application of certain Advisory Program guidelines to your UBS-CAP Portfolio instead of individually to each Advisory Account and, if selected, the delegation of certain activities to UBS and your Financial Advisor through the execution of a limited power of attorney.

UBS-CAP services include, but are not limited to: 1) assistance in the development and preparation of an investment policy guideline; 2) the preparation of an asset allocation study and analysis that allocates your investment assets among various asset categories or classes; 3) selection of separate account managers, mutual funds and alternative investments; 4) portfolio evaluation and review; 5) ongoing investment management consulting on such items as review of the asset allocation and investment policy and the impact of capital market developments on the overall investment strategy.

Generally, the services in UBS-CAP will be provided on a non-discretionary basis by your Financial Advisor. However, UBS-CAP offers two types of limited power of attorney. Please review the options carefully and select the option (if any) that best suits your investment needs.

You may establish a UBS-CAP relationship on a fully non-discretionary basis (without any limited power or attorney) or you may delegate certain activities to your Financial Advisor in this Program by selecting the Limited Power of Attorney option in the UBS-CAP Application and executing the Agreement and Application. UBS-CAP offers (1) Limited Power of Attorney for implementation of Client Directed Investment Activities and (2) Power of Attorney for Limited Financial Advisor Discretion Services. **You are not required to provide limited power of attorney authority to your Financial Advisor or any other UBS employee in order to participate in the Program. If you provide such authority, you can terminate the limited power of attorney at any time by notifying your Financial Advisor in writing. Termination of a power of attorney will result in the conversion of your UBS-**

CAP relationship to fully non-discretionary except for assets in PMP if applicable and you will be responsible for the all activities previously delegated to UBS and your Financial Advisor under the relevant power of attorney.

Except as amended below all the terms and conditions of the Advisory Relationship Agreement, and the responsibilities and obligations of each party as described in that Advisory Relationship Agreement remain in full force and effect

1. Portfolio Level Services

(a) Asset Allocation and Investment Policy Guidelines. UBS-CAP provides assistance in the development and preparation of a portfolio level asset allocation and an investment policy guideline. These services typically involve analyzing your liquidity requirements, performance goals and risk tolerance levels based on the information you provided to us. We will review the investment policy guidelines with you on an annual basis and will assist you in incorporating any changes you determine are appropriate. We will monitor your portfolio to determine if it is in compliance with your asset allocation guidelines as stated in your investment policy guidelines, and will recommend to you when we determine changes are appropriate. The Firm does not provide legal, tax or actuarial advice. We will not be responsible for ensuring that your investment policy guidelines and asset allocation choices comply with all specific legal, actuarial or other requirements that apply to you. That responsibility rests solely with you and you should consult with your legal and tax advisors regarding those matters.

(b) Investment Searches. As appropriate, we will recommend and present for your consideration investment manager(s), and/or other investments, such as, mutual funds, exchange traded investments, collective trusts, and/or alternative investments ("investments") that align with your investment policy guidelines and asset allocation strategy and which are offered by the Firm and/or for which the Firm has conducted due diligence or has otherwise reviewed. We cannot assure you that we will continue to offer or review any of the investments identified through our searches.

(c) Portfolio Review, Evaluation and Reporting. In addition to individual quarterly performance reports for your individual Program accounts, we will provide quarterly portfolio evaluation and review of all Accounts in your UBS- CAP Portfolio on a consolidated basis, including reviewing performance on an absolute and relative basis. Based on your overall objectives and performance of your investments, we will assist you in evaluating potential adjustments and if appropriate we will assist you in conducting a search for new investment managers or investments. We can also provide reports which include performance information, comparisons and other information for a variety of investment strategies.

2. Investment Advisory Program Selection; Implementation of UBS-CAP Services. You can implement your asset allocation and the results of investment searches through one or several advisory programs offered by the Firm. It is important you understand that these programs are separate and distinct and offer different services, features, fee schedules, structure and administration, depth of research conducted on the managers available in the programs, and compensation to Financial Advisors. Please review the Form ADV Disclosure Brochure carefully as you decide which programs are appropriate for your

investment needs. We will provide UBS-CAP Services described above for all Program Accounts established under your name and social security number or multi-TIN where appropriate - the eligible Advisory Programs listed below based on the implementation option you have selected (i) Non-Discretionary; (ii) Non-Discretionary Limited POA for implementation of Client Directed Investment Activities; and (iii) POA for Limited FA Discretion Services.

The UBS Advisory Programs eligible for UBS-CAP as well as the different implementation options are described below.

UBS-CAP Implementation Options	ACCESS (Affiliated and Unaffiliated Managers)	MAC (Affiliated and Unaffiliated Managers)	PMP Includes PMP accounts managed by your Financial Advisor or another PMP Portfolio Manager	Strategic Advisor (But only accounts without Alternative Investments)	Strategic Wealth Portfolio	Advisor Allocation Program	Alternative Investments	PACE Select & PACE Multi, and UBS Advice Portfolio Program	Can Assets Held Away be included in the CAP Relationship?
Non-Discretionary – No LPOA	Yes	Yes	Yes	Yes-	Yes	Yes	Yes	No	Yes
Non-Discretionary Limited POA for Implementation of Client Directed Investment Activities	Yes	Yes – POA only extends to MAC Researched Managers Only	Yes	Yes	Yes	Yes	Yes – but POA does not extend to Publicly Registered Non-Traded REITs (REIT)	No	Yes, but POA for implementation is limited to UBS Researched Funds, the POA authority does not extend to any activities related to Non-Researched Assets
POA for Limited FA Discretion Services (Option available only for levelized fee relationships)	Yes	Yes – POA only extends to MAC Researched Managers Only	Yes	Yes – but POA does not extend to these accounts	Yes – but POA does not extend to these accounts	Yes	Yes – but POA does not extend to Private Equity, Private Real Estate and REIT Investments	No	Yes, but POA for implementation is limited to UBS Researched Funds, the POA authority does not extend to any activities related to Non-Researched Assets

You acknowledge that, unless you have selected, the POA for Limited FA Discretion Services option, you have retained, and will exercise, final decision-making authority and responsibility for the selection of any investment advisory program, establishment of specific accounts at UBS, selection of alternative investments and selection and hiring of investment manager(s) as well as for the implementation of any investment plan or strategy resulting from the services provided under UBS-CAP.

You will need to execute separate agreements for managers you retain in the MAC Program and you will incur additional fees for those services. You are responsible for negotiating the terms, fees and conditions of your agreement with such manager (or if you selected a Limited Power of Attorney option in UBS-CAP authorizing your Financial Advisor to negotiate on your behalf). When requested by the investment manager(s) and authorized by you, UBS will deduct the investment manager(s) fee directly from your Account. Otherwise, the manager(s) will bill you directly. When the Manager's fee is deducted directly from the Account, the fee billing will be done in accordance with UBS's billing practices which in some cases may be different from those described in the Investment Management Agreement you signed with your MAC Manager. This could result in Manager fee billing that is higher or lower than if the Manager were to bill you directly.

3. Limited Power of Attorney Implementation Options.

UBS-CAP offers two types of limited power of attorney implementation options. Although the activities covered under each option are similar, the most important distinction, and one you should consider carefully when reviewing these options, is the level of involvement you will have, or the discretion you grant to your Financial Advisor, to select advisory programs, investment managers, alternative investments and establish accounts on your behalf.

Regardless of the power of attorney option you choose, if any, the actions taken by your Financial Advisor will be based on the Investment Policy Guidelines and asset allocation you select and approve for your UBS-CAP Portfolio. Neither your Financial Advisor nor any UBS employee is authorized to change or approve your Investment Policy Guidelines or your asset allocation on your behalf.

You can terminate the limited power of attorney at any time by notifying the Financial Advisor in writing. Termination of a power of attorney will result in the conversion of your UBS-CAP relationship to fully non-discretionary and you will be responsible for the all activities previously delegated to UBS and your Financial Advisor under the relevant power of attorney.

(a) Limited Power of Attorney for Implementation of Client Directed Investment Activities.

This option authorizes UBS and your Financial Advisor to take actions on your behalf to implement your program and investment selections **based on your instructions.**

With this option, you determine how you want to implement your asset allocation by selecting the Advisory Programs in which you want

to participate, the investment managers you want to engage, and the alternative investments in which you want to invest. Your Financial Advisor then implements your instructions on your behalf, negotiates and executes agreements at your direction, and establishes accounts in the programs you selected. If you include assets held away from UBS, your Financial Advisor will also be authorized to establish a cash account at UBS for tracking and billing purposes if applicable.

(b) Power of Attorney for Limited Financial Advisor Discretion Services

In contrast to the Limited Power of Attorney for Implementation of Client Directed Investment Activities, the Power of Attorney for Limited FA Discretion Services authorizes your Financial Advisor to implement your asset allocation by selecting the UBS advisory programs, investment managers and alternative investments in which your assets will be invested without first consulting with you. Financial Advisors will also have the authority to replace investment managers, redeem alternative investments, close Advisory Program accounts, and transfer funds between Advisory Accounts at UBS in compliance with your asset allocation and Investment Policy Guidelines.

Core Activities Covered Under Both Types of LPOA:

- **Client-Directed Option: You approve your IPG and Asset Allocation; you decide, your Financial Advisor implements.**
- **Limited FA Discretion Services Option: You approve your IPG and Asset Allocation; your Financial Advisor decides how to implement your asset allocation and selects the Advisor Programs, investment managers and alternative investments without consulting you.**
 1. Negotiating investment management fees (only) with affiliated and unaffiliated third party researched investment managers in the MAC Program and executing investment management agreements on your behalf.
 2. Establishing advisory accounts on your behalf in eligible Advisory Programs **(see chart above for details on eligible Programs)**. For the Client Directed Option you will provide the Risk Profile for each Account to your Financial Advisor. For the Limited FA Discretion option, your Financial Advisor will complete the Risk Profile Questionnaires for individual Accounts based on the UBS-CAP Questionnaire you completed at the time you established your UBS-CAP Relationship (or as such may be amended throughout your relationship with us).
 3. Establishing a cash account at UBS for billing purposes for Assets Held Away if such assets are included as part of your UBS-CAP Portfolio if applicable..
 4. Completing risk profiles required to establish Advisory Accounts based on UBS-CAP Portfolio Questionnaire.
 5. Executing subscription, redemption and tender documentation for researched alternative investments you select (proprietary and non-proprietary hedge funds, fund of funds and, where available as an option, private equity) **to purchase in UBS accounts, including forms for the conversion of brokerage share classes to advisory/institutional share classes when applicable;**

6. Take any actions necessary to open and maintain your account(s) in the eligible Advisory Programs, complete and pay for transactions, UBS Investment Advisory Fees, and SMA Manager Fees in your account(s); and
7. Execute any other document or agreement which UBS considers necessary or appropriate to carry out the intent of this Agreement and Client's investment instructions.

In addition to the core POA services described above, the Limited FA Discretion Implementation option also covers:

8. The selection of UBS investment advisory programs to implement the client approved asset allocation and IPG for UBS-CAP Portfolio from the list of eligible programs;
9. Select, hire and fire third party investment managers in eligible Advisory Programs, as well as select, subscribe and redeem alternative investments on your behalf;
10. Transfer and reallocate assets between ACCESS, MAC, and Portfolio Management Program Accounts.
11. Select, hire and fire internal PMP Portfolio Managers, inclusive of negotiating advisory fees with internal PMP Portfolio Managers (where your Financial Advisor is not the portfolio manager).

The Limited Power of Attorney Options do *NOT* grant UBS or its Financial Advisors the authority to:

1. Execute the Advisory Relationship Agreement;
2. Execute the UBS Client Relationship Agreement for Brokerage Accounts;
3. Change Program Fees for any Advisory Account without first discussing it with you and obtaining your consent;
4. Change account preferences (proxy voting, trade confirmations, or investment restrictions) without first discussing it with you and obtaining your consent;
5. Exercise investment discretion in the selection to purchase or sell any securities in the Strategic Advisor, PACE and SWP, ACCESS and MAC Programs or with respect to assets held at other financial institutions;
6. (For the Client Directed Option and the Limited FA Discretion Option) Establish accounts in the PACE and UBS Advice Portfolio Programs. In addition, for the Limited FA Discretion option, the restriction also applies to establishing accounts in Strategic Advisor and Strategic Wealth Portfolio.
7. Exercise proxy voting authority for your Accounts in Strategic Advisor, PACE and the non-discretionary sleeves in SWP;
8. Execute the Client Acknowledgement Form for Non-Researched Assets on your behalf, or execute any documents, agreements, forms or subscription or redemption documents in connection with Non-Researched Assets or issue any investment instructions to the custodian of such assets;
9. (For Limited FA Discretion) Execute subscription, redemption, tender or any other documentation for any private equity and private real estate investments.
10. For both the Client Directed Option and the Limited FA Discretion option execute subscription, redemption, tender

or any other documentation for any REITs and any forms for the conversion of brokerage share classes to advisory/institutional share classes where applicable;

11. Sign any complex products risk disclosure statements required to be signed by clients, including but not limited to, the documents and disclosures required to enroll in the Yield Enhancement Strategy (YES) in PMP, any third party options overlay SMA manager or concentrated equity solutions strategy or any structured product related documents;
12. Name beneficiaries for any IRA accounts.

The Power of Attorney for Client Directed Implementation also excludes the following:

1. Deciding the manner in which your assets will be allocated or the programs in which accounts will be established;
2. Designating him/herself as your portfolio manager in the PMP Program without your consent;
3. Transferring assets between your accounts without your instructions and consent.

UBS will not be required to sign or complete (i) any certificate regarding your tax status, (ii) documentation for non-advisory products, including brokerage account agreements for trading accounts, (iii) trust certificates or corporate resolutions, or (iv) any document to the extent that you have not provided UBS with sufficient current information to complete the document accurately and completely.

4. Limited Power of Attorney.

By signing this Agreement, the CAP Application and the respective Form of Power of Attorney, the Client appoints UBS Financial Services Inc. ("UBS"), in Client's name, place and stead, to enter into and sign on Client's behalf with the same effect as though Client directly executed and entered into the same, the documents described in the POA Implementation Option selected in UBS-CAP Application and (i) investment management agreements with unaffiliated and affiliated managers; (ii) forms, agreements and documents necessary to purchase proprietary and third party hedge funds and funds of funds; (iii) agreements to enter into a limited partnership or become a member of a limited liability company or participant in a similar entity that is a hedge fund or fund of funds; (vii) subscription documents for any collective investment vehicle; (vi) funds transfer documents or directions relating to Client's assets to transfer assets between accounts for Client based on Client's instructions and to effect Client's stated investment intent; and, (vii) any other document or agreement which UBS considers necessary or appropriate to carry out the intent of this Agreement and Client's investment instructions.

Notwithstanding the foregoing, UBS will not be required to sign or complete (i) any certificate regarding Client's tax status, (ii) documentation for non-advisory products, including brokerage account agreements for trading accounts (iii) trust certificates or corporate resolutions or (iv) any document to the extent that Client has not provided UBS with sufficient current information to complete the document accurately and completely.

Client authorizes UBS to grant each investment manager trading authorization on Client's behalf and to appoint each investment manager as an agent and attorney-in-fact with respect to the assets in the accounts to be managed by the investment manager. Pursuant to such authorization, each investment manager may, in its discretion purchase, sell, exchange, convert and otherwise trade in the securities and other investments in the UBS account established for such purchases ("Account"), as well as arrange for delivery and payment in connection with the above. Client understands that we grant each Investment Manager full authorization to issue such instructions to and engage in such transactions with the custodian as may be appropriate in connection with the management of the accounts. We will act on behalf of the Accounts in all other matters necessary or incidental to the handling of the Account, including wire transfers of funds at Client's request from time to time.

In addition, when we invest in proprietary or non-proprietary hedge funds or funds of funds (each an "Alternative Investment Fund") on Client's behalf, we also must enter into various agreements that will be binding on Client and for which we need the power to act as Client's attorney-in-fact. By signing this Agreement, Client appoints us as Client's attorney-in-fact and gives us the power to bind Client to the obligations set forth in such agreements including the following:

Client appoints UBS as Client's agent and attorney-in-fact with full power and authority to do one or more of the following: make, review, execute, acknowledge, deliver or file, on behalf of Client, an investor certificate, a subscription agreement or other purchase agreement and any other documents and materials related to the purchase, sale, transfer or redemption of shares, units or other interests in the Alternative Investment Funds ("Fund Agreements"). As agent and attorney-in-fact for Client, Client authorizes us, among other things, to bind Client to limited partnership agreements, limited liability company agreements and similar agreements in connection with the Alternative Investment Funds. Client acknowledges and understands that such agreements may: limit or preclude Client from voting or otherwise participating in the affairs of the Alternative Investment Fund; provide the general partner, managing member or similar entity in connection with the Alternative Investment Fund with plenary power to control the activities of the Fund; and require Client (along with the other limited partners, limited liability company members or similar persons) to indemnify the general partner, managing member or similar entity, as the case may be, in connection with actions taken or not taken with regard to the Alternative Investment Fund.

Client authorizes us to make representations, warranties and agreements and to enter into covenants, on Client's behalf, with respect to the Alternative Investment Funds, including representations regarding Client's eligibility to invest in those Alternative Investment Funds. In making such representations, Client understands and agrees that we will rely, without independent verification, solely on information that Client has furnished to us about Client's goals and objectives and UBS-CAP Alternative Investments Questionnaire and agrees to notify us, in writing, of any material changes to such information. Client also agrees to indemnify and hold us harmless from any liability or loss we may incur if that information is or becomes inaccurate or incomplete.

Client agrees to take full responsibility for, and be subject to the terms and conditions in, all documents, agreements or other materials we execute on Client's behalf and Client authorizes us to debit UBS-CAP Portfolio Account or Accounts for any amount we are required to pay to the Alternative Investment Funds or any other person relating to Client's investment in the Alternative Investment Funds, including amounts with respect to redemption or distribution proceeds paid and later reversed or reclaimed by the UBS Alternative Investment Funds, or to reimburse us for such amount. Client may be required to pay to the UBS Alternative Investment Funds amounts necessary to cover withholding taxes or other tax obligations, reserves, and other debts, obligations or liabilities.

Client also acknowledges and agrees to our right to retain in Client's account redemption or distribution proceeds paid by a UBS Alternative Investment Fund in any amount that we deem necessary or appropriate, to enable us to cover any amount that Client may be required to pay to such fund.

This Power of Attorney shall be subject to, controlled by and interpreted in accordance with the laws of the State of New York, without giving effect to any principles of choice of law or conflict of laws.

The authorizations provided in this Power of Attorney are continuing and shall remain in full force and effect until terminated by Client or us.

5. UBS Investment Advisory Fee, Additional Fees for Investment Management Services and Important Information About Certain Investments.

- (a) **UBS Investment Advisory Fee.** The annual UBS Investment Advisory Fee is a fixed percentage of the assets in all of your account(s) under UBS- CAP. The UBS Investment Advisory Fee covers the investment advice provided by UBS and your Financial Advisor, custody, trading and execution services for account(s) held at UBS Financial Services Inc. and performance reporting services. Except in limited exceptions situations, all accounts you establish, or those established on your behalf, will be billed at the same rate selected in the Application (or as such may be changed with your consent during the course of the relationship established). The fees must be leveled for relationships with a POA for Limited FA Discretion Services.
- (b) Fees for Investment Managers in the MAC and ACCESS Programs; Other Fees not Covered by UBS-CAP Fee.

UBS-CAP offers the option to have all of your accounts priced at the same level such that Financial Advisors in UBS- CAP who also act as your portfolio manager in PMP will receive the same payout level across all Accounts enrolled in UBS-CAP regardless of Program type or strategy. However, based on discussions with your Financial Advisor, you may agree to different fee schedules for different account types. If you do so, you understand that for accounts with higher fees, your Financial Advisor will receive higher compensation than for other accounts in your UBS-CAP

Portfolio.

The UBS Investment Advisory Fee does not include the SMA Manager Fees charged by investment managers in the ACCESS, MAC and SWP Programs.

Your SMA Manager will charge a separate fee for discretionary portfolio management services, which UBS negotiates in the ACCESS and SWP Programs and, that for MAC, you negotiate (or if you selected a Limited Power of Attorney option in UBS-CAP authorizing your Financial Advisor to negotiate on your behalf). The SMA Manager Fees when added to UBS Investment Advisory Fees, comprise your total "Program Fee."

In addition, certain investments such as mutual funds, ETFs and alternative investments have internal expenses (for example, management, shareholder servicing and performance fees) that are not included in the UBS Investment Advisory Fee. You will pay those fees separately to the managers and sponsors of those investments (including UBS affiliates if you have invested in UBS products) in your role as shareholder of those funds. *See the Form ADV Disclosure Brochure, "Additional Compensation" for more information.*

- (c) The UBS Investment Advisory Fee for UBS-CAP services are included in the individual program fees you negotiate with your Financial Advisor. All Program Accounts covered by UBS-CAP will be "related" or "linked" for billing purposes. This means that all eligible assets in those Accounts will be considered together when determining breakpoints, if applicable, in the fee schedule. Relating Advisory accounts can provide the opportunity for price reductions at certain breakpoints. If you choose a breakpoint fee schedule for your Account, you should review and consider the potential benefits of relating advisory accounts. The Program Fee for Advisory Accounts with a breakpoint fee schedule that are terminated prior to the quarterly billing process will be based on the contractual rate for that Account, not the relationship rate.

(d) Portfolio Management Program and Advisor Allocation Program and Financial Advisor Compensation. Your Financial Advisor may participate in the Portfolio Management Program, a program in which the Financial Advisor manages client assets on a discretionary basis pursuant to a stated investment strategy, or the Advisor Allocation Program, a program in which your Financial Advisor manages client assets on a discretionary basis using a Target Allocation aligned to the client's risk profile

In general, we pay our Financial Advisors a percentage of the commissions and fees (called a payout or grid rate), that each Financial Advisor generates from the clients he or she serves, minus certain adjustments that are requested by our Financial Advisors, according to an established schedule. The percentage payable to Financial Advisors acting as Portfolio Managers in the PMP and Financial Advisors in AAP is based on their total production level at UBS. Although, generally, the percentage is the same across all advisory accounts serviced by the Financial Advisor, the actual amount paid to the Financial Advisor will vary by Program. Financial Advisors who manage assets on a discretionary basis have an incentive to recommend their services in the PMP Program or AAP over those of third party money managers in our other investment Advisory programs or over traditional commission-based brokerage services. **However,**

subject to limited exceptions, Financial Advisors in UBS-CAP who also act as your portfolio manager in PMP will receive the same payout level across all Accounts enrolled in UBS-CAP regardless of Program type or strategy.

6. Assets Held Away; Custody:

UBS-CAP is not designed for clients who hold all or a substantial portion of their UBS-CAP Portfolio at other financial institutions. Generally, we require clients with Advisory Accounts to custody their account assets at UBS. In limited circumstances we may accept certain relationships that hold a limited portion of their alternative investment assets in the custody of other financial institutions that meet the definition of a qualified custodian. If you decide to include these assets as part of your UBS-CAP Portfolio, you may be required to establish a cash account at UBS for tracking of the investments and billing purposes of these assets.

As custodian, we will credit your account with dividends, interest and other earnings on securities in your Account, including principal paid on called or matured securities. We provide these custodial services to you at no additional charge. Those accounts are referred to as delivery versus payment ("DVP") accounts. While this option is available as an accommodation to clients in this Program, we do not recommend doing so, for the following reasons:

- You will incur additional costs in excess of your UBS program fee (for example, custody costs).
- Billing for your Account, including the accurate processing of rebates if applicable, is the responsibility of your custodian, not UBS.

Because all of the assets covered by a UBS-CAP Agreement will be billed at the same UBS Investment Advisory Fee rate, if you decide to include assets held at other financial institutions in UBS-CAP, you will be paying for services that you are not utilizing as it pertains to those assets, specifically, custody, trading and execution. **Your UBS-CAP Investment Advisory Fee will not be reduced as a result of additional costs you incur as a result of holding assets at other financial institutions.**

For DVP accounts, you agree to use only a "qualified" custodian that is a bank, a U.S. registered broker-dealer or futures commission merchant or a foreign financial institution and meets the definition of "qualified custodian" set forth in Rule 206(4)-3(c)(3) under the Investment Advisers Act of 1940. **You also agree to establish a cash account at UBS for billing purposes of these assets.**

7. Alternative Investments Funds.

When consistent with your investment objectives, risk tolerance and financial circumstances, and upon your request, we may recommend to you alternative investments approved for distribution through the Firm. Investments presented for your consideration will be limited to those that offer advisory/ institutional share classes designed to be purchased and held in fee-based accounts. Offering documents for appropriate investment vehicles will be delivered directly to you even in instances in which you have executed a power of attorney for Limited FA Discretion Services.

If you selected a non-discretionary or a client-directed investment activities implementation option, you are solely responsible for your decision to invest in an alternative investment fund.

You acknowledge that alternative investments may be speculative in nature and the investors bear the costs and fees of these funds, including asset-based fees, expenses, and incentive based compensation. If you hold or purchase (or we purchase on your behalf) an alternative investment fund sponsored or offered by UBS or its affiliates, you should be aware that the Firm or its affiliate will receive compensation, possibly including a share of investment advisory fees by the Fund and performance fees, for providing various services to the alternative investment fund that will be based, in part, on the amount of assets you invest in the fund. If you selected the POA for Limited FA Discretion Services, your consent to UBS causing your Account to invest in portfolios, hedge funds or funds of funds managed or sponsored by UBS or its affiliates (each an "Affiliated Fund").

If you adopt Investment Policy Guidelines that permit privately-offered alternative investment funds, such as hedge funds, funds or funds or private equity in your asset allocation, you acknowledge that interests of such funds are sold only to qualified investors, and only by means of offering documents that include information about the risks, performance and expenses of the funds. Offering documents for privately-offered alternative investment funds purchased for you will be provided to you. You further acknowledge your understanding and acceptance of the following risks regarding investments in alternative investments: alternative investment funds are speculative and involve significant risks, performance may be volatile, and investors may lose all or a substantial amount of their investment in an alternative investments fund. An alternative investment may engage in leverage and other speculative investment practices that may increase the risk of investment loss. Interests in alternative investments funds typically will be illiquid and no secondary market for interests usually develops, they are long-term investments (e.g., 10-15 years), are subject to restrictions on transfer, may suspend redemptions, and may not be required to provide periodic pricing or valuation information to investors. **In addition, an alternative investment fund may hold back a portion of redemption proceeds, usually in the range of 10%, to cover accrued expenses, contingencies and liabilities. Although only funds that offer advisory or institutional share classes are available in UBS-CAP, such investments will be subject to the UBS-CAP Program Fee. Given the long-term nature of these investments, it may be more cost-efficient in the long term for you to invest in the brokerage share class and maintain these investments in a brokerage account. We cannot, and do not, guarantee that investing in the advisory share class plus the Program Fee is the more cost efficient option in the long-term. You must review those options carefully before investing.**

Funds Exclusive to Advisory Programs/Accounts. In certain cases, your assets may be invested in certain Affiliated Funds or third party alternative investment funds with share classes that have been created for use or are eligible **exclusively** within Investment Advisory Programs or accounts sponsored or managed by UBS. Most of these investments contain restrictions that limit their use exclusively to Investment Advisory Programs or accounts sponsored or managed by UBS, and may be unavailable for purchase or holding outside of such programs or accounts. When you end your participation in the Program for any reason, that termination will result in the **automatic redemption** of such

funds held by or on your behalf and may have tax consequences to you. When you authorize UBS to invest in these types of funds, you also agree to the automatic redemption of the investments upon termination of your account and direct us to effect such liquidation. We recommend that you consider the potential impact of such liquidations and restrictions carefully before participating in the Program.

8. Eligible Non-researched investments.

You may request that "*Eligible Non- Researched*" investments be included in the asset allocation analysis and performance reports for your UBS-CAP relationship. Eligible Non-Researched investments are limited to hedge funds, funds of funds and private equity investments held away from UBS and MAC Eligible strategies only. The UBS-CAP POA cannot be used for Eligible Non-Researched investments of any kind. UBS's investment advice as it pertains to Eligible Non-Researched Investments is limited to asset allocation, IPG development, and performance reviews. Specifically The inclusion of these investments in an asset allocation analysis does not constitute a recommendation that you continue to hold or add to those investments. Financial Advisors and any other UBS employees **are prohibited from making** specific investment recommendations to buy, sell or hold these investments on an ongoing basis as UBS does not perform initial or ongoing due diligence on these investments or strategies.

Inclusion of Eligible Non-Researched Investments is an accommodation only and they cannot represent a significant portion of the portfolio. High levels of these investments may lead to termination of the relationship. Non-Researched investments are not subject to the Firm's due diligence or research process or otherwise approved for sale solicitation or recommendation by UBS and its Financial Advisors and employees. Only Eligible Non- Researched Investments for which there is a written acknowledgement on file may be included in UBS-CAP services and for purposes of calculating the UBS-CAP Program Fee. Because the value of such Eligible Non-Researched Investments will be included for purposes of calculating your Program Fee, you should carefully consider that, as it pertains to those non- researched assets, you will be incurring costs and not fully utilizing the benefits and services offered in UBS-CAP. We reserve the right to accept or decline these requests. Non- researched assets may not constitute a significant portion of UBS-CAP Portfolio. You understand that your decision to include non- researched assets in UBS-CAP is against our recommendation and doing so will result in additional costs to you and higher compensation to UBS and your Financial Advisor.

9. Client Information and Responsibilities.

You are responsible for, and may not grant discretion to UBS or your Financial Advisor discretion to (i) execute the Advisory Relationship Agreement; (ii) execute the UBS Client Relationship Agreement for Brokerage Accounts; (iii) change Program Fees for any Advisory Account without first discussing it with you and obtaining your consent; (iv) change account preferences (proxy voting, trade confirmations or investment restrictions,) without first discussing it with you and obtaining your consent; (v) exercise investment discretion in the selection to purchase or sell any securities in the Strategic Advisor, PACE and SWP, ACCESS and MAC Programs; (vi) establish accounts in non-discretionary programs such as Strategic Advisor, PACE and Strategic Wealth Portfolio; and (vii), exercise proxy voting

authority for your Accounts and the non-discretionary sleeves in SWP Name beneficiaries for any IRA accounts.

10. Implementing your Asset Allocation.

Unless you have selected the POA for Limited FA Discretion Services implementation option, it is your responsibility to determine whether and how to implement the target asset allocation/ investment strategy and to ensure that your asset allocation continues to be consistent with your goals and your UBS-CAP Portfolio Questionnaire over time. You may deviate from your target asset allocation only by a pre-determined level based on your risk tolerance. We will notify you if your allocation shifts and is more aggressive than those limits and if those inconsistencies continue for a period of time. You are responsible for addressing any inconsistencies, if you do not take action to update the account profile or modify your asset allocation, the UBS-CAP Relationship and/or underlying account(s) will be terminated.

11. Trading & Execution Authorization.

You understand that by granting us limited power of attorney to execute investment management agreements on your behalf, we are authorized to grant each Investment Manager trading authorization on your behalf and to appoint each Investment Manager as an agent and attorney-in-fact with respect to the assets in the accounts to be managed by the Investment Manager, consistent with the Investment Policy Guidelines.

Pursuant to such authorization, each Investment Manager may, in its discretion and at your risk, purchase, sell, exchange, convert and otherwise trade in the securities and other investments in the Accounts assigned to them, as well as arrange for delivery and payment in connection with the above.

You understand that by signing on your behalf, we grant each Investment Manager full authorization to issue such instructions to and engage in such transactions with the custodian as may be appropriate in connection with the management of the accounts.

We will act on behalf of the Accounts in all other matters necessary or incidental to the handling of the Accounts, including wire transfers of funds at your request from time to time. The trading authorization is a continuing one and shall remain in full force and effect until terminated by you or us pursuant to the provisions of this Agreement.

12. Limits of Responsibility; Indemnity

You agree to indemnify and hold UBS harmless from (a) any and all claims that may arise against UBS by reason of UBS having relied on the grant of Power of Attorney hereunder;

(b) any claim that an action was unauthorized if it was undertaken pursuant to instructions given by any Authorized Person, including you; (c) any claim that an action was unauthorized if it was based on information you provided UBS about your current financial situation and investment objectives, policies or other guidelines applicable to your assets; and (d) any claim that may arise

against UBS by reason of UBS having relied on the grant of authorization to grant each Investment Manager trading authorization on your behalf and to appoint each Investment Manager as an agent and attorney-in-fact with respect to the assets in the accounts to be managed by the Investment Manager.

Schedule B - Discretionary Programs: UBS Advice Portfolio Program, PMP and AAP

B1. UBS Advice Portfolio Program

Effective May 3, 2021, UBS Financial Services Inc. and UBS Asset Management entered into a sub-advisory agreement pursuant to which UBS Asset Management will act as the discretionary investment manager for assets in the UBS Advice Portfolio Program.

The UBS Advice Portfolio **Program** is a wrap fee program that offers investment advice, custody, trading/execution and performance reporting for an asset based fee instead of paying for some or all of those services separately in a commission-based brokerage account. The Program offers clients a digital solution in which UBS Asset Management manages the assets under a specific investment strategy/style selected by the client.

The Program may not be appropriate for clients with the following preferences or eligibility:

- A short-term investment horizon.
- A desire to maintain consistently high levels of cash or money market funds in their accounts.
- A preference to maintain highly concentrated positions that will not be sold regardless of market conditions.
- Clients who do not expect to conduct any trading in their accounts.
- Clients who would qualify for breakpoint discounts in a commission-based account, invest with a single mutual fund firm and do not expect to use the services available in the programs may find a commission-based account to be a more cost-efficient option;
- The asset based fee option may result in the client paying more or less than they might otherwise pay if they purchased the services separately in a brokerage account.

UBS Asset Management is responsible for the development and ongoing maintenance of the model portfolios used in the Program and leverages a proprietary portfolio management algorithm licensed from Nvest, Inc., parent company of SigFig Wealth Management LLC ("SigFig"), for ongoing monitoring, rebalancing and tax loss harvesting.

The algorithm, which is used to manage individual Accounts, has been customized to incorporate UBS views on capital market assumptions, asset allocation, security selection, trade and rebalancing thresholds. The algorithm will generate a recommended target allocation and recommended portfolio based on your responses to the Questionnaire. The Questionnaire has been customized based on UBS specifications. Once your Account is enrolled in the Program, the algorithm will review your Account on a daily basis to determine if rebalancing is necessary or, if selected, if tax harvesting opportunities are available. Because these reviews occur automatically, the algorithm might rebalance accounts without regard to market conditions or on a more frequent basis than you might expect and does not address prolonged changes in market conditions. Pursuant to the terms of its licensing agreement with SigFig, UBS pays SigFig a fee based on the assets enrolled in the UBS Advice Portfolio Program in addition

to software maintenance and other fees. SigFig is an SEC-registered investment adviser, however SigFig is not acting as an investment adviser or sub-adviser to clients in the UBS Advice Portfolio Program. SigFig offers investment advisory services using their proprietary algorithm but without the UBS customizations, research and portfolio management. Those products are available to you away from UBS at different, and sometimes, lower fees than the UBS Advice Portfolio Program.

UBS Financial Services Inc. and SigFig entered into a strategic alliance to develop financial technology for UBS Global Wealth Management which included an equity investment in SigFig. Neither UBS Financial Services Inc. nor any of its affiliates or employees control directly or indirectly the operations of SigFig or its affiliated companies.

The UBS Advice Portfolio *Program* is accessible through the UBS Advice Advantage *service*, a digital *service* that features UBS analytics, including portfolio diagnostics on your investments at UBS and held away. The *service* is a broker-dealer service that is available to you free of charge. It also provides access to the UBS Advice Portfolio *Program*, a new, "digital" discretionary investment advisory program in which UBS manages your assets for an asset-based fee. **You do not have to enroll in the Program in order to use the free service.**

As a wealth management firm providing services to clients in the United States, UBS Financial Services Inc. is registered with the U.S. Securities and Exchange Commission (SEC) as a broker-dealer and an investment adviser, offering both brokerage (for example, UBS Advice Advantage analytics) and investment advisory services such as the UBS Advice Portfolio Program.

(a) Key Assumptions of the Algorithm: The key assumptions of the algorithm are rooted in the UBS Capital Market Assumptions (CMAs), Strategic Asset Allocation (SAA), and covariance matrix assumptions.

CMAs can be defined broadly as the estimated returns, variances (risk), and correlations between individual asset classes. The CMAs are a core component of the process used to measure the estimated risk and return of a portfolio, and also to establish the Firm's Strategic Asset Allocation (SAA) models. Our SAAs consist of a series of portfolio allocation models - each designed with different client types in mind. Each SAA reflects our capital market assumptions and a set of typical investor characteristics, such as tax status and risk tolerance. Our risk bands represent the lower and upper bound risk levels for each of the five investor risk profiles: Conservative; Moderately Conservative; Moderate; Moderately Aggressive; and Aggressive. They continue to be anchored around the capital market assumptions.

UBS Advice Portfolio model portfolios are constructed to generally deliver the strategic asset allocation for a given investor risk profile, with asset class exposure typically implemented with exchange traded funds (ETFs). Model ETFs are selected based upon a number of criteria, including but not limited to asset allocation fit, cost, liquidity, and implementability in the context of minimum investment requirements for the UBS Advice Portfolio program. Replacement or restriction securities for the models are also selected under these criteria, but also follow other selection criteria that may allow for clients to benefit from tax loss harvesting trades.

A guiding assumption of the algorithm is that it will keep clients within their desired risk profile by monitoring account level volatility

according to the CMAs and SAAs. In instances where an account drifts beyond the bands of its risk profile, it will be automatically rebalanced to the target model SAA. Further, individual asset classes also have thresholds in regards to the amount that they may deviate from the target model SAA. In instances where any asset class has drifted beyond a set threshold, the algorithm will automatically rebalance the entire account to the target model SAA.

There are additional limitations in relation to the automated Tax Loss Harvesting logic within the algorithm. Tax loss harvesting (TLH) opportunities depend on a variety of factors, including but not limited to market fluctuations, position cost basis, and account size. Securities prices must fluctuate to some degree to create unrealized losses for potential TLH opportunities. Generally, declining markets produce more conducive environments for tax loss harvesting. Our algorithm conducts daily scans for 1) a specific percentage level loss in qualifying lots and 2) a pre-determined dollar loss for that security. These two criteria in combination serve to trigger a tax loss harvesting trade. Generally, larger accounts will meet the criteria for tax loss harvesting more frequently than smaller accounts due to the dollar loss threshold. Frequent or recurring deposits may also impact our ability to tax loss harvest. There is no guarantee that the necessary conditions will exist for meaningful TLH trades to occur in your account. If TLH trades are not executed in your Account, we undertake no obligation to notify you, and your Program Fees will not be reduced.

The UBS Asset Management personnel oversee the algorithm. They are responsible for setting the model's strategic asset allocation, identifying the appropriate securities, identifying the tax loss harvesting securities and the creation of the white list. The UBS Asset Management personnel may manually override the algorithm in the scenarios listed above. Beyond this oversight, human involvement in the management of individual client accounts includes but is not limited to the following; corporate action monitoring, monitoring for ineligible securities for strategy and trading activity, position control (monitoring the allocation of accounts to align to model within designated thresholds), review and release of trades, Principal Agency (ineligible transactions), and monitoring of individual account volatility.

Circumstances that may cause us to manually override the algorithm include the following situations:

- Volatile market conditions
- Investment Committee discretion
- technology failures
- trading volumes
- the availability of funds
- Other matters reasonably beyond our control

(b) Strategies and Models. The UBS Advice Portfolio Program offers investment strategies that consist of diversified portfolios of mutual funds and/or exchange traded funds ("ETFs") and cash in a single account that is managed on a discretionary basis by UBS Asset Management consistent with the investment strategy you select. Other mutual funds or ETFs not chosen for inclusion in the portfolios may have characteristics similar or superior to the mutual funds or ETFs selected for inclusion. There is no guarantee the diversified portfolios will meet their objectives or will result in positive investment returns.

(c) Digital Investment Advisory Program. The UBS

Advice Portfolio is a digital program in which all documents and disclosures pertaining to your Account(s) in the Program will be delivered to you electronically. The enrollment in the Program is conditioned on your acceptance of electronic delivery for all Program related documents and disclosures. You may change your electronic delivery instructions at any time by contacting your Financial Advisor or by logging onto www.ubs.com/edelivery. However, removal of the electronic delivery preference for the UBS Advice Portfolio account will result in termination from the Program and the preference for Accounts enrolled in other Advisory Programs will be changed to paper delivery of documents.

(d) Digital Enrollment: Risk Profile Questionnaire, Investment Strategy Selection and Suitability. To enroll in the UBS Advice Portfolio Program, you will answer a series of questions to determine your risk profile. Based on your responses, you will be presented with an investment strategy. You can select that investment strategy for your Account or customize your investment strategy so long as it is consistent with your risk profile. You can also change your investment strategy in the future if there has been a change to your financial situation, investment goals, or ability to tolerate risk, or for any other reason.

You must use an online process to enroll in the UBS Advice Portfolio Program. You can do so directly through the online tool or with the assistance of a Financial Advisor. The enrollment process seeks to determine whether the Program is appropriate for you and, if so, to recommend an investment strategy, but the process may not elicit the same information from you as a face-to-face interview would. The UBS Advice Portfolio Program does not consider your concentration in any securities, income, debt, assets held outside the Account, or other financial considerations and as such is not a complete investment program and may not be suitable for all investors. You should consider the suitability of the Program based on your financial needs and investment objectives. While assistance from your Financial Advisor is available to you, you are responsible for the answers, which determine which investment strategy will be presented to you for your selection and approval.

You should carefully consider whether your participation in the Program, and whether any investment strategy you choose, is appropriate for your investment needs and goals prior to enrollment.

You may change your investment strategy at any time by going online and completing a new Questionnaire. Any assistance you may receive from a Financial Advisor is for educational purposes only. You are solely responsible for enrolling in the Program, choosing your investing strategy and neither UBS nor any of its employees are responsible for your decisions. The Program is intended for long-term investors and is not a cash management program.

(e) Updates to your Information and Financial Advisor Support. If a material change occurs to your goals, financial circumstances, or investment objectives, or if you wish to impose or modify reasonable restrictions on the management of your Account, it is your responsibility to promptly update your information online or contact your Financial Advisors so that they can update the information on your behalf.

UBS will not change your portfolio selection unless you update your

investment profile through UBS Online Services. A UBS Financial Advisor will be available by telephone or web chat to respond to your questions and assist you with any changes or updates to your Account or personal information. Changes to the goals, financial circumstances or investment objectives for other Accounts you have with UBS will not change the information for your UBS Advice Portfolio Program.

Investment Restrictions. If you elect to impose investment restrictions on the management of your Account, you understand that this may result in delays in the management of your Account and that you may be notified that your Account cannot be managed with those investment restrictions. Such changes may affect the performance of the Account and UBS is not responsible for any deviation in the performance of the Account as compared to an unrestricted account invested in the same model portfolio without the restriction. Some securities may not be restricted due to the requirements of the asset allocation and the tax loss harvesting service.

Restricting securities will not disqualify you from enrolling in the tax loss harvesting service.

We may refuse to accept an account for management in cases where we find the restriction to be onerous or where it impedes our ability to implement our strategy in your account or implement tax harvesting options you select for your account.

(f) Aggregation. UBS may, but will be under no obligation to, aggregate purchase or sale orders for your Account(s) in the UBS Advice Portfolio Program.

(g) No Trading Access. UBS will make the trading decisions in your Account, and, once enrolled in the Program, you will not be able to place trades in your Account.

(h) Tax Loss Harvesting. After your account is enrolled in the UBS Advice Portfolio Program, you can add tax loss harvesting services. The service is available for taxable accounts only and applies to select UBS Advice Portfolio model securities and other securities that we have designated as acceptable substitutes to the primary model securities. The service has important limitations which you should consider prior to enrolling as such limitations may impact the overall value of the service to you. **We may not execute tax loss harvesting for specific securities in your account if we determine doing so will impact UBS's ability to manage your account.**

Once this feature is added, your election will be applied to all additional taxable accounts you establish in the Program. We will implement tax loss harvesting services during the initial funding and ongoing management of your account subject to the following limitations: (1) Securities must be held for at least 30 days to be eligible for tax loss harvesting and must have a qualifying loss as defined in (4) below 2) Tax loss harvesting will be applied to securities in your Account only if we have designated an acceptable replacement security. The designation of acceptable replacements can change frequently due to availability of the securities and at the discretion of UBS; (3) the feature is applied to accounts enrolled in the UBS Advice Portfolio program, not to your entire portfolio at UBS. This is

important because tax losses are subject to "wash sales" rules. A wash sale occurs when you sell a security and buy within a 30- day period a substantially identical security. If you or a spouse buy or sell any securities that overlap with the UBS Advice Portfolio's selected securities in another account during the wash sale period, these losses may be disallowed. (4) For ETFs, only tax lots with losses with certain minimum levels from the cost basis are considered an eligible lot for tax loss harvesting and within each individual security these eligible losses must be equal to or greater than \$500.

Tax loss harvesting (TLH) opportunities depend on a variety of factors, including but not limited to market fluctuations, position cost basis, and account size. Securities prices must fluctuate to some degree to create unrealized losses for potential TLH opportunities. Generally, declining markets produce more conducive environments for tax loss harvesting. Our algorithm conducts daily scans for 1) a specific percentage level loss in qualifying lots and 2) a pre-determined dollar loss for that security. These two criteria in combination serve to trigger a tax loss harvesting trade. Generally, larger accounts will meet the criteria for tax loss harvesting more frequently than smaller accounts due to the dollar loss threshold. Frequent or recurring deposits may also impact our ability to tax loss harvest. There is no guarantee that the necessary conditions will exist for meaningful TLH trades to occur in your account. If TLH trades are not executed in your Account, we undertake no obligation to notify you, and your Program Fees will not be reduced.

Tax loss harvesting will not be performed on asset classes that do not have suitable replacement securities. The availability of suitable replacement securities for asset classes is subject to change (without notice to you) as it is based on the availability of qualifying replacement securities as determined by UBS in its discretion. Tax loss harvesting is not intended to eliminate taxes altogether, but to offset current year taxable gains .

UBS does not provide tax advice and the tax loss harvesting service is not meant and should not be construed as such.

You are responsible for any tax implications and/or tax obligations resulting from your decision to enroll in the Program, your selection of investment strategies, and the selection of Tax Loss Harvesting features for your Accounts. You should consult with your own professional tax counselor with respect to tax matters.

We attempt to select "similar" investments to replace existing investments as part of the strategies based on certain established security attributes, e.g., historical returns, correlations, and portfolio construction. We do not warrant or guarantee that these similar investments will, in fact, perform similarly to the replaced investments, nor do we warrant or guarantee that this tax loss harvest with a replacement will in fact lower the investor's tax obligations.

We require written notification of specific restricted securities if you are prohibited from investing in any individual investment. Such prohibitions may alter the "similar" investment we select as part of the strategies, and may alter the effectiveness of the strategies. You must notify us immediately if any of the investments recommended or purchased as part of the Strategy violate such restrictions.

(i) Withdrawals - You may withdraw assets from your

Account by completing an online request or contacting your Financial Advisor. If the market value of the Account falls below the minimum asset threshold due to withdrawal of assets, UBS will require you to deposit additional money or eligible securities to bring the Account to the required minimum. UBS reserves the right to terminate the Account if the Account is not brought up to the required minimum. Withdrawals from IRA accounts may incur tax consequences, which will be your sole responsibility.

(j) Rebalancing. UBS will use portfolio management software to rebalance your UBS Advice Portfolio Program Accounts periodically by buying ETF shares. Your Advice Portfolio Account's asset allocation and/or the risk profile for your chosen investment strategy will be considered when evaluating the need to rebalance. UBS will rebalance accounts if the allocation of the ETFs in your Account deviates from target levels by more than an amount specified in the Program's parameters, which are subject to change from time to time. Your Account(s) will be rebalanced if your Account moves outside its targeted risk profile. Your Account will also be rebalanced if you change your risk profile or when you seek to impose or modify restrictions on the management of your Account. You understand that while the system will monitor your Account daily, it does not mean your Account will be traded daily. During periods where your Account does not drift outside of the established parameters, no rebalancing trades will be required. Accounts will be automatically rebalanced according to the aforementioned guidelines, but in instances where the account value drops below a minimum threshold UBS may be unable to rebalance the account to meet the parameters. In these situations, you may be required to restore your account assets to a minimum level, or in certain circumstances, may be required to end your participation in the Program.

UBS Advice Portfolio Program; Automatic Services and Redemptions. For assets in the UBS Advice Portfolio, you may instruct UBS to make cash available to you by redeeming portfolio shares in accordance with your instructions. When making redemptions from your Account, we first consider your investment strategy and redeem those investments where your Account is overweighted. You may select the day of the month that the funds are desired (in months where your selected day is not available, funds will be made available the prior business day). Note that if automated redemption takes your account balance below the technical minimum required for the Program, UBS may terminate your account from the Program.

B2. UBS Advisor Allocation Program

Program Description: AAP is a discretionary investment advisory program in which you authorize your Financial Advisor, without first consulting you, to: establish and change a target allocation (Target Allocation) based on your responses to the Risk Profile Questionnaire for the account; select and replace investments to fill the Target Allocation; establish and change rebalancing frequency and threshold designed to maintain your account in line with the Target Allocation; rebalance and reallocate the account at any time. The initial Target

Allocation, investments and rebalancing frequency/threshold for the account will be set forth in a written proposal and we will notify you when your Financial Advisor makes changes.

The program is designed for clients who 1) want to delegate asset allocation and investment discretion to their Financial Advisor and other discretionary investment managers; 2) are looking to implement a medium to long-term investment plan using mutual funds, ETFs and SMAs following an asset allocation strategy; and 3) prefer the consistency of fee-based pricing.

AAP assets are held in one account, but segregated within that account into sub-accounts. The sub-account investment options include mutual funds, exchange traded funds and researched SMA strategies managed by affiliated and non-affiliated investment managers. This includes SMA strategies that offer value-added services, such as active (also referred to as personalized) tax management and sustainable investing, and charge a Premium Services Fee. The AAP account requires a minimum of five sub-accounts if the allocation includes only mutual funds and ETFs, or at least three sub-accounts if there is at least one separately managed sub-account ("SMA sub-account"). Currently there is a maximum of 35 sub-accounts within an AAP account.

SMA sub-accounts are managed on a discretionary basis by the SMA Manager. If your Financial Advisor selects SMA strategies for the account you will also be charged the applicable SMA Manager Fee or Premium Services Fee, which will vary depending upon the strategy. These manager fees are in addition to the UBS Investment Advisory Fee, and together these fees comprise the "Blended Program Fee."

Clients in AAP have the ability to impose reasonable investment restrictions on the management of the AAP account, as described in Section I.M. Investment Restrictions. In addition, clients have the option to elect to vote their own proxies or delegate proxy voting authority to their SMA Manager (for assets in the SMA sub-accounts), or to Institutional Shareholder Services Inc. (for the mutual funds and ETFs over which the Financial Advisor has discretion). For details please see Section I.P. Proxy Voting, Corporate Actions, Class Actions and Other Related Events. Clients also have the option to receive confirmations for transactions in the SMA sub-accounts on a monthly basis instead of as the transactions take place. See Section I.O. Trade Confirmations, Statements and Performance Reporting. These options can be established when you open your account.

We are currently working on updates to the AAP Program to provide the option to allow for the automatic distribution of interest and dividend income from AAP. We will notify you in advance when this enhancement becomes available to your account.

Account Funding: You may fund your AAP account by depositing cash and/or eligible securities. In addition to the other authority you have given us in this Agreement, for AAP Accounts you authorize and direct UBS and/or your SMA Manager to take the following actions on your behalf in accordance with your Target Allocation:

- (i) allocate securities you deposit to fund your Account to one or more of your SMA Managers that hold such securities in their investment strategy. When multiple SMA Managers are selected for the account, they will be funded according to the priority explained in Funding Multiple SMA Managers below.

(ii) liquidate those securities you deposit to fund your Account that are not part of your SMA Manager(s) strategies or models, and allocate the proceeds in accordance with the Target Allocation (see discussion below regarding accounts with SMAs that provide active tax management services).

(iii) liquidate any securities that you contribute to your AAP Account or that are delivered to your AAP Account subsequent to the initial funding, either by transfer of securities or as a result of a corporate action with respect to any security in your account. We will allocate the proceeds to the most under-weighted sub-account first. Note that this could result in the re-purchase of contributed securities.

We will execute those transactions free of commission charges, but, depending on the type of security involved, those liquidations may result in you incurring redemption charges and taxable gains or losses. You should review the potential tax consequences of these liquidations with your tax advisor before funding your account with securities. Liquidations will be effected within a reasonable period of time at the then prevailing market prices. We will not be responsible for the loss of potential gains due to movements in market prices or changes in market conditions.

Funding Multiple SMA Manager Sub-Accounts

If the Target Allocation selected by your Financial Advisor includes two (2) or more SMA Managers, either at the time you initially open the Account or upon reallocation, funding will occur as follows:

-If funding with cash alone, SMA Managers will be funded in the order that would result in the least amount of cash being left uninvested. For instance, if there are two SMA sub-accounts, the SMA Manager with the highest minimum investment will be funded first and the additional SMA Manager funded thereafter.

-Where two SMA Managers would have the same minimum funding, we use a random selection methodology to identify the SMA Manager to be funded.

-With respect to cash that remains after the maximum number of SMA Managers can be funded to meet their respective investment minimums, these funds will be invested in mutual funds and/or ETFs if part of the Target Allocation, or in the sweep option for the account.

-If you fund your account with securities ("funding securities"), all fixed income funding securities will be allocated to the fixed income SMA Manager(s) first for a determination on retention or liquidation, even if the total value of the fixed income funding securities exceeds the allocation to the fixed income SMA Manager(s). Upon liquidation of fixed income investments to meet the appropriate allocation for the fixed income SMA Manager(s), the money will be allocated to your other SMA Managers and/or other investments.

-Equity funding securities will be allocated to the SMA Manager whose investment strategy is comprised of the greatest amount

of securities that match the equity funding securities, based on dollar value.

-Equity funding securities that are not part of the equity SMA Manager's portfolio will be liquidated as described above, to the extent necessary to meet the SMA Manager's investment minimum (except as described below for accounts with active tax managed SMA strategies). To the extent that additional SMA Managers can be funded, that funding shall be based on this logic in order of highest to lowest match of equity funding securities to securities in the SMA Managers' respective investment strategies.

Therefore certain sub-accounts will not be funded if there is not sufficient cash and/or securities to fully fund the account according to your Target Allocation.

Your AAP Program Account will typically become active for transactions within seven (7) business days of the acceptance of your Account.

Your initial AAP Program Fee will be based on the Target Allocation selected by your Financial Advisor, rather than on your actual asset allocation, as in certain circumstances, one or more Investment Managers may not be fully funded for a limited period of time and your Target Allocation may not be fully implemented. (Please see **Section U. Program Fees** and the sub-section titled *For SWP and AAP Accounts Only* for details regarding the Blended Program Fee; that subsection has been revised to incorporate references to AAP).

Funding an Account With Active Tax Managed SMA Strategies

We expect to make active tax managed SMA strategies available in AAP in the future. For AAP accounts with an active tax managed SMA strategy, any non-matched equity funding securities will not be automatically liquidated. Instead, these non-matching securities will be directed to the active tax managed strategy investment manager for review and potential inclusion in that SMA sub-account. That investment manager will be responsible for liquidating any securities that are not maintained for the sub-account, and any cash will then be allocated to the remaining sub-accounts as described above. If there are multiple active tax managed SMA strategies, the non-matched equity funding securities will be divided pro rata to those managers based on the Target Allocation to those strategies.

FA-Discretionary Assets

The following rules apply to the mutual fund and ETF sub-accounts for which your UBS Financial Advisor acts in a discretionary capacity ("FA-Discretionary Assets" or "FA-Discretionary sub-accounts"):

- All purchases and redemptions of AAP FA-Discretionary Assets will be made pro-rata according to the Target Allocation for the account.
- Investments will be subject to maintaining the minimum cash level ("Cash Level") for billing and other liquidity needs, and to our minimum trade requirements (currently \$200 and subject to change).
- The initial Cash Level will be approximately 1% of the asset value of the respective FA-Discretionary Asset sub-account and can fluctuate between 0.5% to 1.5%. If the Cash Level is outside of this range, the respective sub-account will be re-

balanced to a Cash Level of approximately 1%, however if the trade dollar amount required is at or below our minimum trade requirement no trades will be executed. The per share value of certain investments can cause the Cash Level to exceed 1.5% of the asset value of the respective FA-Discretionary Asset sub-account and, in such cases, the Cash Level will be maintained at this higher percentage.

Rebalancing and Reallocation: Your Financial Advisor can rebalance or reallocate the account at any time, and will also select an automated rebalancing option (quarterly, annual or semi-annual) to help ensure the account remains aligned with the Target Allocation. Your AAP Program assets will be automatically reviewed for rebalancing to the Target Allocation based on this selection. Rebalancing will occur (subject to our minimum trade requirement) if, on the rebalancing date, your account is above the minimum funding requirement and the amount of your Program assets in any asset category deviates from the allocation of the selected Target Allocation by more than 3%, 5%, or (for taxable accounts) 10%. Accounts are rebalanced as follows:

- Annual rebalancing generally will occur on the Monday (or next business day if Monday is a holiday) following the anniversary of your account opening date.
- Semi-annual rebalancing generally will occur on the Monday (or next business day if Monday is a holiday) following each six month (180 day) and annual anniversary of your account opening date.
- Quarterly rebalancing generally will occur on the Monday (or next business day if Monday is a holiday) following each three month (90 day), six month (120 day), nine month (270 day) and annual anniversary of your account opening date.
- Automatic rebalancing for any account where the risk of the current allocation is higher than the Account's stated risk tolerance for 4 consecutive quarters will take place during the 5th quarter and will bring your asset allocation back to the Target Allocation, overriding the 3%, 5% and 10% threshold rules stated above. If in the 5th quarter before rebalancing the account comes back into its risk band but is still out by the 3%, 5% or 10% threshold selected, the account will be rebalanced according to the option your Financial Advisor selected. In the future we expect to add the same automatic rebalancing for accounts where the current allocation has drifted below the Account's stated risk tolerance.
- In addition, regardless of the 3%, 5% or 10% threshold selected, automatic rebalancing will be conducted for Accounts that deviate from established program guidelines for specified time periods. These guidelines include single mutual fund or ETF position concentrations greater than 35%, or single SMA strategy concentration greater than 70%, for 4 consecutive quarters. Accounts are rebalanced during the 5th quarter if the concentration remains above the guideline and will bring the asset allocation

back to the Target Allocation. Accounts that are evaluated as part of an Advisory Account Group will have higher concentration guidelines (see Review of Accounts in Section I.G).

- Accounts scheduled for rebalancing (quarterly, annual, semi-annual or automatic) in November, December and January, will be rebalanced during the first week of February of the following year to avoid any impact to tax trading at the end of the year.

Your SMA Manager(s) are responsible for the separately managed portion of your AAP Account, while UBS will rebalance your FA-Discretionary assets. Your accounts will be rebalanced by selling investments in the overweighted sub-accounts and purchasing a corresponding dollar amount of investments in the underweighted sub-accounts. Rebalancing is completed as promptly as possible. In the event that we are unable to initiate rebalancing as described above due to reasons beyond our control, we will initiate rebalancing as soon as practicable. Market conditions, technology failures, illiquid securities, securities with limited redemption schedules, trading volumes, the availability of funds and orderly purchase and redemption procedures may cause a delay in the processing and/ or completion of the rebalancing. In addition, we may adjust the date on which reviews and rebalancing are done, if necessary, to ensure accurate processing of the review or rebalancing. We may also adjust the rebalancing date if UBS is in the process of reviewing its proprietary capital market assumptions to avoid duplicative rebalancing of accounts and ensure accurate and orderly processing.

Rebalancing will not occur if the account:

- has a pending/unprocessed trade
- has a margin debit, or
- value is below the minimum funding required for the target weight of the investment strategy selected; however, reallocation/rebalancing will occur for an account that is below the minimum funding required so long as the reallocation or rebalancing will not further reduce the asset levels of those sub-accounts.

Rebalancing and reallocation may take up to seven (7) business days to fully implement. However, rebalancing or reallocation of fixed income strategies will take additional time to fully implement.

Contributions and Withdrawals: Contributions to and withdrawals from your AAP Account will be handled as follows:

- (i) Cash contributions will be allocated to the most underweighted sub-account(s), relative to the target weight of the investment strategy selected.
- (ii) If you contribute securities to your account, either UBS and/or your SMA Manager will liquidate those securities and allocate the proceeds to the most underweighted sub-accounts first.
- (iii) If you request a withdrawal from your AAP Account, monies will be withdrawn from the overweighted sub-account(s) with the greatest deviation from the Target Allocation. We will follow that process unless those withdrawals would result in the sub-accounts falling below their respective investment minimum. In those circumstances, withdrawals will be made first, proportionally, from those sub-accounts that do not have investment minimums. Withdrawals

that cause the value of any sub-account to go below the respective investment's minimum may require that your Financial Advisor change the target weightings of the investment strategy or select new investments in order to meet investment minimums.

(iv) If you do not withdraw the cash from the account within 35 days it will be reinvested according the funding rules described above. We will continue to charge the Program Fee on cash until it is withdrawn.

B3. Research

Portfolio Managers in our Discretionary Programs and Financial Advisors in AAP use a variety of research sources in making their investment decisions for your account, including research issued by the Firm, UBS affiliates and independent sources. Portfolio Managers are not required to follow the Firm or UBS-issued research except in limited circumstances and may, in their discretion, take positions for your account that contradict the research issued by UBS and its affiliates. UBS, UBS Securities LLC, and other of our affiliated companies do and seek to do business with companies covered in research reports issued by the UBS Securities LLC research department. Because your Portfolio Manager may rely on those reports for his or her investment strategy, you should be aware that we or our affiliates may have a conflict of interest that could affect the objectivity of those reports.

B4. Investment Strategies

Portfolio Managers in our Discretionary Programs may use a wide variety of investments in managing Accounts, including equity and debt securities of various kinds, pooled investment vehicles such as open- and closed-end mutual funds, exchange traded funds (ETFs) and similar instruments. They also may use option strategies, including, but not limited to, covered calls and protective puts. Generally, short sales are not permitted in the programs. Financial Advisors in the Advisor Allocation Program may choose from mutual funds, ETFs and SMA strategies available on the platform to fulfill a Target Allocation established by the Financial Advisor based on the client's risk profile. In AAP clients do not select a particular strategy or style as they do in PMP.

The standards applied to the performance review of third party managers varies significantly from the review of performance applicable to Financial Advisors in the Portfolio Management Program. Those differences can result in situations in which a SMA Manager is placed on hold or terminated from participating in our Programs, while Financial Advisors in the PMP Program or strategies managed by UBS Portfolio Managers remain available for investment. The different standards of review create a conflict of interest in our recommendation of the strategies managed by our Financial Advisors and our internal Portfolio Managers.

We may, at our discretion, expand/or revise the types of strategies available in these Programs. In certain strategies, and in AAP accounts, Portfolio Managers or Financial Advisors may invest up

to 100% of an Account's cash assets in pooled investment vehicles such as open and closed-end mutual funds, ETFs, and similar instruments. Those strategies or AAP accounts may have portfolios invested in a combination of pooled investment vehicles based on market capitalization, investment style, sector or country (or any combination of the foregoing). Most pooled investment vehicles are established to track an index or other industry benchmark, however, these portfolios may not seek to meet or outperform any such benchmarks since the portfolio will be comprised of a blend of securities. Please review the applicable prospectus and offering documents carefully for a detailed description of the additional fees associated with these securities. **You may be able to purchase these securities directly in the open market without incurring the Program Fee.**

B5. Concentrated Strategies Risks:

If you select a concentrated strategy for your Portfolio, you authorize your Portfolio Manager to implement a concentrated strategy that may also be implemented within a pooled vehicle strategy in a highly concentrated sector basis. These strategies (i) may result in a portfolio representing or concentrating in only one or a limited number of economic sectors, (ii) may include a limited number of securities and overweighing of specific securities, and (iii) may invest in securities whose underlying basket of securities include international or emerging market securities that present risks not typically associated with U.S. equity investments.

The more concentrated your portfolio, the higher your risk exposure will typically be. These concentrated portfolios may not be appropriate for investors who are not willing to accept a much greater risk of loss and volatility of investment returns than the general stock market (as typically measured by the S&P 500 Index) and may not be an appropriate investment for a significant portion of a client's investable assets.

B6. Strategies with Pooled Investment Vehicles and Sector Concentrations

If you authorize your Portfolio Manager to manage your Account using sector concentrations and/or pooled investment strategies, you acknowledge that (i) you have read, understand and are willing to accept the risks involved in investing in those strategies, (ii) you meet the requirements for such investments and (iii) you are willing and able to bear the underlying fees that you will incur in connection with that strategy. Generally, these strategies may have portfolios invested in mutual funds, eligible UITs, ETFs based on market capitalization, investment style, sector or country (or any combination of the foregoing) and/or individual equities and bonds. As in the case of a unit investment trust or open-end mutual fund, by buying an ETF share, you are purchasing an interest in an underlying basket of securities designed to obtain investment results that correspond generally to price and yield performance of a particular index of securities, such as the S&P 500 Index. Like all investments, shares of these vehicles carry risk, including exposure to loss of capital

and incurring fees in addition to the Program Fee. This statement is not intended to enumerate all the risks associated with these strategies.

B7: Important information regarding Option Overlay Strategies

Options Overlay Strategies seek to generate income through the strategic sale and purchase of index options. The options trades are collateralized with marginable securities such as bonds, stocks or cash held in an account. Using the margin release of securities in order to purchase the options positions for the Options Overlay Strategy is known as leverage. You may be required to contribute additional cash or securities as collateral to support the strategy. The maximum losses incurred can be significantly higher than the premiums received. In addition, it is possible that the investment advisory fee you pay for this strategy or any losses resulting from this strategy could potentially cause a margin debit to occur. Carrying a margin debit would cause margin interest to be charged. The interest rate charged on any negative balances (margin loans) may exceed the rate of return on accounts the client uses as collateral. Options are complex instruments that are not suitable for every investor, may involve a high degree of risk, and may be appropriate investments only for sophisticated investors who are capable of understanding and assuming the risks involved.

Options Overlay Strategies are aggressive and carry a high degree of risk. You should not authorize the use of sophisticated option strategies unless you are prepared to sustain large losses. You should understand the risks of options trading and margin borrowing thoroughly before investing in this type of strategy. In addition, you should see the section of this Agreement which further describes the risks and potential conflicts of utilizing margin and lending in our investment advisory programs. The Program Fee imposed for the Options Overlay Strategy is in addition to any commissions, fees, or advisory fees you are charged on the accounts you use as collateral. Specifically, for Advisory accounts used as collateral, we will include any margin balances in the calculation of your account's asset based fee; the use of margin in your advisory account will increase the compensation paid to UBS FS and our affiliates.

B8: Trade Allocation Practices in Discretionary Programs

Financial Advisors in the PMP Program are not required to aggregate orders across the different strategies they manage. However, in an effort to reduce market impact and to obtain best execution, they may purchase or sell securities in bulk (or orders may be "batched") on the same day for some or all of the Program accounts in the same strategy they manage.

Financial Advisors in AAP are not required to aggregate orders for accounts trading the same ETFs. However, Financial Advisors may process account changes and reallocations for multiple accounts with the same Target Allocation and investments at the same time. In addition, ETF orders across all AAP accounts are processed by a

centralized trading team at intervals throughout the day. Orders for the same ETFs processed at the same time will be aggregated and clients will receive, or be charged, an average price per unit and, when applicable, a pro-rata share of any fees.

Financial Advisors will not trade accounts in the PMP Program with accounts in the AAP Program and orders for the same ETFs across the programs will not be aggregated.

All orders in a batch will receive "average pricing" and the price of securities shown on client confirmations will be the average execution price on either all of the purchases or all of the sales (as applicable) aggregated for this purpose.

Financial Advisors in PMP and AAP are permitted to trade in the same securities they purchase for client accounts as long as they trade their personal and related accounts in the same batch as client accounts. Therefore, when executing orders in PMP, we may batch orders for your Account with orders entered for other accounts in the same PMP strategy, including, in PMP, those of the Financial Advisor assigned to your Account, and the Financial Advisor's related accounts. Similarly, when executing orders in AAP, we may batch orders for multiple AAP accounts, including those of the Financial Advisor assigned to your Account and the Financial Advisor's related accounts.

Allocation of Securities and Opportunities Across Accounts:

Portfolio Managers and Financial Advisors in our Discretionary Programs have broad discretion to trade their Advisory Accounts. There can be no assurance that they can purchase or sell the same securities for all such Accounts at the same time, or that they will aggregate your orders with those of other clients and charge an average price per share or unit and, when applicable, a pro-rata share of any fees. As a result, you may receive different prices and executions for the same securities as compared to other clients investing in the same strategy, or, in the case of AAP, the same Target Allocation. In addition, although we monitor performance and other characteristics of Accounts in PMP and Advice Portfolio Program, investment opportunities will not necessarily be allocated among participating Accounts proportional to their overall amount invested.

Market conditions, technology failures, illiquid securities, securities with limited redemption schedules, trading volumes, the availability of funds and orderly purchase and redemption procedures and client imposed restrictions may cause a delay in the processing and/or completion of the rebalancing. In addition, we may adjust the date on which reviews and rebalancing are done, if necessary, to ensure accurate processing of the review or rebalancing. We may also adjust the rebalancing date if UBS is in the process of reviewing its proprietary capital market assumptions to avoid duplicative rebalancing of accounts and ensure accurate and orderly processing.

We will process the transactions described above unless market conditions, technology failures, trading volumes or other matters beyond our control preclude us from accurately processing on the specified dates. In those circumstances, we will process the transactions as soon as practicable.

Order delays can create system capacity challenges for UBS FSI and

other market participants to which UBS FSI routes orders. As a result, clients may suffer market losses during periods of volatility in the price and volume of a particular security when systems problems result in the inability to place buy or sell orders.

C1. Your SWP Account

SWP assets are held in one account, but segregated within that account into sub-accounts with different levels of discretion, features and services. Sub-accounts may be managed on a discretionary basis by SMA Managers. You may also choose to include sub-accounts with mutual funds and ETFs (collectively, "SWP Non-Discretionary Assets") in your SWP Account. The Advisory services we provide for those assets and sub-accounts are non-discretionary, meaning that you have sole discretion as to the purchase and sale of the SWP Non-Discretionary Assets. Accounts that invest only with SWP Non-Discretionary assets will be serviced on a fully non-discretionary basis with the client retaining all investment decisions over the assets invested in those Accounts.

We are currently working on updates to the SWP Program to provide the option to allow for the automatic distribution of interest and dividend income from SWP. We will notify you in advance when this enhancement become available to your account.

C2. Funding Your SWP Account; Authority to Liquidate Securities and Fund Sub-Accounts

You may fund your account by depositing cash and/or eligible securities. In addition to the other authority you have given us in this Agreement, for SWP Accounts you authorize and direct UBS and/or your SMA Manager to take the following actions on your behalf in accordance with your Target Allocation:

- (i) allocate securities you deposit to fund your Account to one or more of your SMA Managers that hold such securities in their investment strategy. If you have selected multiple SMA Managers, they will be funded, at your direction, according to the priority explained in Funding SMA Managers below.
- (ii) liquidate those securities you deposit to fund your Account that are not part of your SMA Manager(s) strategies or models, and allocate the proceeds in accordance with your selected Target Allocation (see discussion below regarding accounts with SMAs that provide active or personalized tax managed services).
- (iii) liquidate any securities that you contribute to your SWP Account or that are delivered to your SWP Account subsequent to the initial funding, either by transfer of securities or as a result of a corporate action with respect to any security in your account and allocate the proceeds to the most under-weighted sub-account first. Note that this could result in the re-purchase of contributed securities.

We will execute those transactions free of commission charges, but, depending on the type of security involved, those liquidations may result in you incurring redemption charges and taxable gains or losses. You should review the potential tax consequences of these liquidations with your tax advisor before funding your account with securities. Liquidations will be effected within a reasonable period of time at the then prevailing market prices. We will not be responsible for the loss of potential gains due to movements in

market prices or changes in market conditions.

C3. Funding Multiple SMA Manager Sub-Accounts

If you have selected two (2) or more SMA Managers for your Target Allocation, either at the time you initially open the Account or upon reallocation, funding will occur as follows:

-If funding with cash alone, SMA Managers will be funded in the order that would result in the least amount of cash being left uninvested. For instance, if you selected two SMA Managers, the SMA Manager with the highest minimum investment will be funded first and the additional SMA Manager funded thereafter.

-Where two SMA Managers would have the same minimum funding, you direct UBS to use a random selection methodology to identify the SMA Manager to be funded.

-With respect to cash that remains after the maximum number of SMA Managers can be funded to meet their respective investment minimums, these funds will be invested in mutual funds and/or ETFs if part of the Target Allocation, or in the sweep option for the account.

-If you fund your account with securities ("funding securities"), all fixed income funding securities will be allocated to the fixed income SMA Manager(s) first for a determination on retention or liquidation, even if the total value of the fixed income funding securities exceeds the allocation to the fixed income SMA Manager(s). Upon liquidation of fixed income investments to meet the appropriate allocation for the fixed income SMA Manager(s), the money will be allocated to your other SMA Managers and/or other investments.

-Equity funding securities will be allocated to the SMA Manager whose investment strategy is comprised of the greatest amount securities that match the equity funding securities, based on dollar value.

-Equity funding securities that are not part of the equity SMA Manager's portfolio will be liquidated as described above to the extent necessary to meet the SMA Manager's investment minimum (except as described below for accounts with active tax managed SMA strategies). To the extent that additional SMA Managers can be funded, that funding shall be based on this logic in order of highest to lowest match of equity funding securities to securities in the SMA Managers' respective investment strategies.

Therefore certain sub-accounts will not be funded if there is not sufficient cash and/or securities to fully fund the account according to your Target Allocation.

We expect to make active tax managed SMA strategies available in SWP in the future. For SWP accounts with an active tax managed SMA strategy, any non-matched equity funding securities will not be automatically liquidated. Instead, these non-matching securities will be directed to the active tax managed strategy investment manager for review and potential inclusion in that SMA sub-account. That

investment manager will be responsible for liquidating any securities that are not maintained for the sub-account, and any cash will then be allocated to the remaining sub-accounts as described above. If there are multiple active tax managed SMA strategies, the non-matched equity funding securities will be divided pro rata to those managers based on the Target Allocation to those strategies.

The Target Allocation you select will drive the investments for your Account. Your SWP Program Account will typically become active for transactions within seven (7) business days of the acceptance of your Account.

C4. SWP Non-Discretionary Assets

UBS will effect transactions for the portion of your account including mutual funds, exchange traded funds and alternative investments ("SWP Non- Discretionary Assets") only as instructed by you. Neither UBS, your SMA Manager(s) nor your Financial Advisor will have any discretion with respect to the investment of such assets.

The following rules apply to Non-Discretionary Assets:

- All purchases and redemptions of SWP Non-Discretionary Assets will be made pro-rata according to your Target Allocation you selected.
- Investments will be subject to the maintaining the minimum cash level ("Cash Level") for billing and other liquidity needs, and to our minimum trade requirements (currently \$500 and subject to change).
- The initial Cash Level will be approximately 1% of the asset value of the respective SWP Non-Discretionary Asset sub-account and can fluctuate between 0.5% to 1.5%. If the Cash Level is outside of this range, the respective sub-account will be re-balanced to a Cash Level of approximately 1%, however if the trade dollar amount required is at or below our minimum trade requirement no trades will be executed. The per share value of certain investments can cause the Cash Level to exceed 1.5% of the asset value of the respective Non-Discretionary Asset sub-account and, in such cases, the Cash Level will be maintained at this higher percentage.

C5. Rebalancing to Your Target Allocation; Reallocation; Contributions and Withdrawals;

Rebalancing and Reallocation: You must select a rebalancing option (quarterly, semi-annual or annual) when you establish an Account in the SWP Program. Your SWP Program assets will be automatically reviewed for rebalancing to your Target Allocation based on your selection. Rebalancing will occur (subject to our minimum trade requirement) if, on the rebalancing date, your account is above the minimum funding requirement and the amount of your Program assets in any asset category deviates from the allocation of your selected target allocation by more than 3%, 5%, or (for taxable accounts) 10%. Accounts are rebalanced as follows:

- Annual rebalancing generally will occur on the Monday (or next business day if Monday is a

holiday) following the anniversary of your account opening date.

- Semi-annual rebalancing generally will occur on the Monday (or next business day if Monday is a holiday) following each six month (180 day) and annual anniversary of your account opening date.

- Quarterly rebalancing will occur on the Monday (or next business day if Monday is a holiday) following each three month (90 day), six month (180 day), nine month (270 day) and annual anniversary of your account opening date.

- Automatic rebalancing for any account where the risk of the current allocation is higher than the Account's stated risk tolerance for 6 consecutive quarters will take place during the 7th quarter and will bring your asset allocation back to your Target Allocation, overriding the 3%, 5% and 10% threshold rules stated above. If in the 7th quarter the account comes back into its risk band before rebalancing but is still out by the 3%, 5% or 10% threshold selected, the account will be rebalanced according to the option you selected. In the future we expect to add the same automatic rebalancing for accounts where the current allocation is below the Account's stated risk tolerance.

- In addition, regardless of the 3%, 5% or 10% threshold selected, automatic rebalancing will be conducted for Accounts that deviate from established program guidelines for specified time periods. These guidelines include single mutual fund and ETF position concentrations greater than 70% for 6 consecutive quarters. This automatic rebalancing will take place during the 7th quarter if the concentration remains above 70% and will bring the asset allocation back to your Target Allocation. Accounts evaluated as part of an Advisory Account Group will have higher concentration guidelines (see Review of Accounts in Section 1.G).
- Accounts scheduled for rebalancing (quarterly, annual, semi- annual or automatic) in November, December and January, will be rebalanced during the first week of February of the following year to avoid any impact to tax trading at the end of the year.
- You have the option to rebalance upon request at any time.

Your SMA Manager(s) are responsible for the separately managed portion of your SWP Account, while UBS will rebalance your non-discretionary assets. Your accounts will be rebalanced by selling investments in the overweighted sub- accounts and purchasing a corresponding dollar amount of investments in the underweighted sub-accounts. Rebalancing is completed as promptly as possible. In the event that we are unable to initiate rebalancing as described above due to reasons beyond our control, we will initiate rebalancing as soon as practicable. Market conditions, technology failures, illiquid securities, securities with limited redemption schedules, trading volumes, the availability of

funds and orderly purchase and redemption procedures may cause a delay in the processing and/ or completion of the rebalancing. In addition, we may adjust the date on which reviews and rebalancing are done, if necessary, to ensure accurate processing of the review or rebalancing. We may also adjust the rebalancing date if UBS is in the process of reviewing its proprietary capital market assumptions to avoid duplicative rebalancing of accounts and ensure accurate and orderly processing.

Rebalancing will not occur if the account:

- has a pending/unprocessed trade
- has a margin debit, or
- value is below the minimum funding required for the target weight of the investment strategy you selected; however, reallocation/rebalancing will occur for an account that is below the minimum funding required so long as the reallocation rebalancing will not further reduce the asset levels of those sub-accounts.

In addition to the automatic rebalancing, you have the option of reallocating your program account, which may require additional paperwork.

Rebalancing and reallocation may take up to seven (7) business days to fully implement. However, rebalancing or reallocation of fixed income strategies will take additional time to fully implement.

Contributions and Withdrawals: Contributions to and withdrawals from your SWP Account will be handled as follows:

- (i) Cash contributions will be allocated to the most underweighted sub-account(s), relative to the target weight of the investment strategy you selected.
- (ii) If you contribute securities to your account, either UBS and/or your SMA Manager will liquidate those securities and allocate the proceeds to the most underweighted sub-accounts first.
- (iii) If you request a withdrawal from your SWP Account, monies will be withdrawn from the overweighted sub-account(s) with the greatest deviation from the Target Allocation. We will follow that process unless those withdrawals would result in the sub-accounts falling below their respective investment minimum. In those circumstances, withdrawals will be made first, proportionally, from those sub-accounts that do not have investment minimums. Withdrawals that cause the value of any sub-account to go below the respective investments' minimum may require that you change the target weightings of your investment strategy or select new investments in order to meet investment minimums.
- (iv) If you do not withdraw the cash from the account within 35 days it will be reinvested according the funding rules described above. We will continue to charge the Program Fee on cash until it is withdrawn.

Schedule D - NON-DISCRETIONARY ADVISORY PROGRAMS: STRATEGIC ADVISOR

Strategic Advisor is a non-discretionary Advisory Program. As such, you retain control over the trading in your Account. Except as specified in this Agreement and its Schedules, we will effect transactions for your Program Assets only as instructed by you, and neither UBS nor your Financial Advisor will have any discretion with respect to the investment of your Program Assets.

Note that effective 2nd Quarter 2018, except for existing accounts that have been grandfathered, private equity, real estate funds, and private placements are no longer eligible to be held or purchased in a Strategic Advisor account even if the asset is non-billable.

D1. Your Asset Allocation

In connection with your participation in the Strategic Advisor Program, we will provide you with an asset allocation proposal at Account opening.

Strategic Advisor is an asset allocation program in which the ongoing advice of your Financial Advisor is one of the key components and services provided. As part of the services under the Program, your Financial Advisor will perform an annual review of your allocation and investment strategy and, if necessary, will incorporate any changes to your objectives, risk tolerance and financial condition. As part of the advice and guidance we provide to you in the Strategic Advisor program, on an annual basis, a review ("the Review") will be conducted on the household at the account level.

The asset allocation proposal and the Review are analytic reports. They contain our advice based on the information you provided to us when you opened your Account and discussions with you and provides you with a review of your current and a target asset allocation. The information you provide to us is the basis for your Financial Advisor to help you determine your investment strategy and the type of investment advice you seek.

Unless you are enrolled in UBS-CAP, the recommendations made in your asset allocation proposal relate only to your individual Program accounts, and do not constitute advice regarding other accounts, whether held at UBS or elsewhere. Neither we nor your Financial Advisor will provide advice as to accounts held at other firms.

We will provide you a Performance Review containing an analysis and evaluation of your Program Assets. You may deviate from your most recent Strategic Advisor asset allocation only by a predetermined level based upon your risk tolerance. If your allocation shifts beyond those limits, your Financial Advisor will be notified. You will be notified if the inconsistency continues after a period of time. If no action is taken by you to update your profile or adjust your allocation, your account may be terminated.

D2. Using Margin in Your Strategic Advisor Account.

Before you decide to use margin, you must carefully consider whether or not you can afford, and want, to assume the additional risks that losses in your account may be significantly

greater than if you decide not to invest with borrowed funds. You understand and acknowledge that using margin in your Account will increase the compensation payable to us as we will receive the interest you pay on the outstanding loan balance as well as the Program Fee normally charged on your account. We may, in our discretion, impose the Program Fee on your margin balances in the Program. We may change, at our discretion, the base rate on which your interest rate is charged. **Securities backed financing involves special risks (including, without limitation, being subject to a margin call if certain collateral value requirements are not met) and is not suitable for everyone. For further information, please see the UBS Financial Services Inc. Loan Disclosure Statement, which is available from your Financial Advisor.**

Schedule E - NON-DISCRETIONARY ADVISORY PROGRAMS: PACE

PACE is a non-discretionary Advisory Program. As such, you retain control over the trading in your Account. Except as specified in this Agreement and its Schedules, we will effect transactions for your Program Assets only as instructed by you, and neither UBS nor your Financial Advisor will have any discretion with respect to the investment of your Program Assets. All purchases and redemptions for your Program Assets will be made pro rata according to this Agreement, unless you give us different instructions.

PACE is a mutual fund asset allocation program in which the ongoing advice of your Financial Advisor is one of the key components and services provided. Two investment programs are available through PACE: PACE Select Advisors ("PACE Select") and PACE Multi Advisor ("PACE Multi").

E1. Account Structure

Your PACE asset allocation is fully invested and does not have a sweep vehicle. PACE assets are held in a "commingled account" in which you can also hold brokerage assets that are not part of the PACE program. The PACE allocation is Advisory, and the non-PACE eligible are considered brokerage. Outside of the PACE allocation, you may buy and hold assets in your brokerage account that are not invested through the Program. Neither UBS nor your Financial Advisor will act as your investment advisor with respect to, or exercise investment discretion over, these other assets. We will effect transactions for you in those assets at your direction and in our capacity as a broker-dealer, for our customary fees and commissions. The PACE Program Fee does not apply to these other assets and transactions. Non-PACE assets will not be included in your Performance Report but will be included in your account statements.

E2. Documentation

When you establish a PACE Allocation, this Agreement, its terms and conditions apply to your PACE Assets only and not to any other securities or investments you hold in your brokerage account.

Participation in the PACE Program, our obligations to you under that Program, and your ability to hold shares that are available exclusively through PACE are contingent on you returning this executed Investment Advisory Relationship Agreement to us. Failure to return the Agreement to us will result in your investments being deemed and charged as brokerage and the liquidation of the PACE Money Market fund shares Agreement.

E3. PACE Select and PACE Multi; Investment Services; Scope of Services

a. PACE Select and PACE Multi: PACE offers two distinct investment programs. In PACE Select, you may choose a combination of the investment styles and asset classes available through the PACE Select Advisors Trust (Trust), a series of mutual fund investment portfolios (Select Portfolios). PACE Select is a UBS proprietary product offering for which we and UBS affiliated entities provide services and receive compensation for those services.

The Portfolios are described in greater detail in the prospectus for the Trust. Upon termination, you may direct us to liquidate your PACE assets or you may continue to hold the shares you purchased while in the PACE program (except for the PACE Money Market Investments). The liquidation of such securities may have tax consequences to you. By participating in the PACE program you agree to the automatic redemption of the shares of the PACE Money Market Investments upon termination of your participation in PACE and direct us to effect such liquidation. You should carefully consider the potential impact of such liquidations and restrictions before participating in these types of strategies.

Fund Share Classes in PACE Multi: The Funds available through PACE Multi include shares of funds available at net asset value that are not affiliated with UBS ("Non-Affiliated Funds") and shares of the PACE Money Market Fund and certain other Funds advised by UBS or its affiliates ("Affiliated Funds").

b. Your Asset Allocation: There are differences in the allocations and investment options available in PACE Multi and PACE Select. PACE Multi also offers preference options and the option to invest in liquid Alternative Strategies offered through open-end mutual funds. Unless your asset allocation is identified as a fully diversified strategy, an investment in that strategy should not be considered as a diversified asset allocation plan to investing (either overall or within a single asset class or style), but should be viewed only as the equity or fixed income portion, as applicable, of your overall portfolio.

c. Account Structure, Fund Eligibility and Impact on PACE Multi Asset Allocation: Because the PACE allocation is held in brokerage account, you may buy and hold in your account assets that are not invested through the PACE Program including mutual funds that are not eligible in PACE.

We may add or remove mutual funds from PACE Multi in our sole discretion or a fund may stop participating in or offering its shares through the Program. Removal of a fund from the Program may cause you to have a taxable event or incur other costs.

If a new fund or new share class is made eligible in PACE Multi, and you already own that fund or share in the same brokerage account in which you hold the PACE allocation, those existing holdings will be automatically moved to your PACE allocation when the fund/share is made eligible.

Those changes may impact your asset allocation and risk tolerance as well as increase the level of assets on which the PACE fee is charged. These changes should be discussed with your Financial Advisor.

Those new shares will be included as part of your Program Assets for performance and billing purposes, except as described below.

Automatic rebalancing will consider all eligible funds whether a target allocation is established or not. If an eligible Fund does not have a target allocation assigned to it, it will

be fully liquidated. If you have a target allocation to a fund not currently held in your PACE asset allocation, it will be purchased. By executing this Agreement you authorize us to liquidate and purchase those positions, as applicable under the circumstances. We are not responsible for the tax implications of such liquidations.

Institutional mutual fund share classes transferred to your PACE allocation as a result of the Share Class Conversion will be excluded from the PACE Program Fee for a period of 1 year from the date of transfer.

For all other share classes, if you purchased the shares at UBS and paid a front-end sales charge and you have held shares of a newly eligible fund less than 1 year from the date of the initial purchase at UBS, you will not be billed until you have held those shares for a period of 12 months. The shares will be included for performance purposes once they are eligible regardless of how long they are held. The newly eligible fund or share class will be included in the calculation of the account's average daily balances during the applicable quarter and will be included in your Program Assets on the last day of the quarter for billing purposes unless the exception explained above applies. **Please see Item 5.C. *Billing Practices* for details.**

The performance information for a mutual fund available in PACE Multi may include the performance for a different class of that mutual fund for periods prior to the inception date of the class available in PACE Multi. Performance data from the initial share class is restated to reflect the respective fees and expenses associated with the class available in PACE Multi.

a. Automatic Purchases and Redemptions: The minimum initial amount of Program Assets to establish a PACE asset allocation is \$10,000 for PACE Select and \$5,000 for PACE Multi. The minimum initial investment in each Fund available through PACE Multi is stated in the Fund's prospectus. The minimum for subsequent investments in each Fund is \$100 or such higher amount as may be stated in the Fund's prospectus. In PACE Select, the minimum amount for a purchase transaction in any single Portfolio is \$100. A minimum of \$250 (auto purchase) and \$500 (manual purchase) is required for purchases at any one time in both PACE Select and Multi in accordance with your Target Allocation.

You may direct UBS to make cash available to you by redeeming Fund/Portfolio shares in accordance with your Target Allocation in minimum amounts of \$250 (auto redemption) and \$500 (manual redemption) per withdrawal. Otherwise, there is no minimum on withdrawals or redemptions of Fund shares.

Certain Funds may limit or restrict the purchase or holding of their shares. For more complete information about any of the Funds, including their charges and expenses, please review the Fund's prospectus or the Trust before you invest.

b. Purchasing Mutual Funds with Margin: Mutual funds may not be purchased on margin. However, mutual funds can be margined after being held for 30 days. Before you decide to use margin, you must carefully consider

whether or not you can afford, and want, to assume the additional risks that losses in your account may be significantly greater than if you decide not to invest with borrowed funds. You understand and acknowledge that using margin in a PACE Program asset allocation will increase the compensation payable to us as we will receive the interest you pay on the outstanding loan balance as well as the PACE Program Fee normally charged on your account. We may change, at our discretion, the base rate on which your interest rate is charged. **There are substantial risks associated with the use of borrowed funds for investment purposes and securities as collateral for a loan. For further information, please see the UBS Financial Services Inc. Loan Disclosure Statement, which is available from your Financial Advisor.**

E4. Automatic Services

PLEASE NOTE THAT LIQUIDATIONS, REDEMPTIONS REBALANCING AND OTHER PORTFOLIO CHANGES MAY RESULT IN YOU INCURRING GAINS OR LOSSES FOR INCOME TAX PURPOSES. UBS FINANCIAL SERVICES INC. DOES NOT PROVIDE TAX ADVICE. PLEASE CONSULT YOUR TAX ADVISOR.

The Rebalancing Process: The PACE Program includes automatic rebalancing for all accounts. Your PACE asset allocation will be reviewed automatically for rebalancing on an annual basis unless you elect to have rebalancing occur on a semi-annual basis or quarterly basis. Rebalancing will occur if (subject to our minimum trade requirement), on the rebalancing date, your investment in any one PACE eligible mutual fund deviates from the target allocation you selected for that fund by more than 3% or 5% of your total Program assets. Taxable account will rebalance at a deviation of more than 10% from their target allocation, with an option to rebalance at a deviation of more than 5%. This process is subject to our minimum trade requirements. Rebalancing will be accomplished by selling the shares of the over-weighted Funds/Portfolio(s) and purchasing a corresponding dollar amount of the appropriate Funds/Portfolio(s). Rebalancing transactions will be processed, provided that the sale and the purchase meet our trade minimums which are the greater of \$50 or 50 basis points not to exceed \$2500. A \$25 trade minimum will be used if all trades during the rebalance are below \$50. We reserve the right to change the rebalancing percentage measure or the minimum dollar amount of individual rebalancing transactions.

Automatic investment options are administrative by nature and may be done on a Rebalancing Day, unless market conditions, technology failures, excessive trade levels that impact the processing capacity of our trading systems, availability of funds from the Portfolios, purchase or redemption procedures, or other matters beyond our control reasonably preclude us from accurately processing on a Rebalancing Day or otherwise cause delays in processing.

Depending on the circumstances and in order to ensure the accurate processing of the automatic investment options, including rebalancing, we may

(i) alter or delay the Rebalancing Day to the next available date, (ii) change the rebalancing percentage for that rebalancing event only, (iii) process rebalancing for accounts for PACE Select and PACE Multi on different days, (iv) process rebalancing for taxable and non-taxable accounts on

different days, or (v) rebalance all accounts based on a random rotation process.

We may also suspend a rebalancing event or an automatic service event, if based on the factors outlined above, we cannot ensure the orderly and accurate processing of the rebalancing or the service. We will notify you of that suspension and offer to you the option to have your account manually rebalanced for that period.

- Annual Rebalancing will occur on or near 13 months from the anniversary of your account opening date, and subsequently 13 months from the previous rebalance date. Accounts with anniversary in Nov/Dec will be rebalancing in January.
- Quarterly Rebalancing generally is done during the third week in February, May, August and November (i.e. a Rebalancing Day).
- Semi-Annual Rebalancing: clients that elect semi-annual rebalancing, their PACE asset allocations will be reviewed for rebalancing in February and August.

PACE offers an automatic rebalancing feature for asset allocations that are more aggressive than your stated risk profile for 6 consecutive quarters. That rebalancing will take place during the 7th quarter and will bring your asset allocation back to your target allocation overriding the 3% or 5% and 10% threshold rules stated above. If in the 7th quarter the account comes back into its risk band but it is still out by more than 3% or 5% or 10% threshold, the account will be rebalanced according to the option you selected. We may implement changes to the minimum trade logic for accounts subject to automated rebalancing for accounts outside of their risk profile in the future.

In addition, regardless of the 3% or 5% or 10% threshold selected, rebalancing will be conducted for Accounts that have a single mutual fund position concentration greater than 70% for 6 consecutive quarters. This rebalancing will take place during the 7th quarter if the concentration remains above 70% and will bring the asset allocation back to your Target Allocation.

We may split the PACE Select and PACE Multi rebalance dates when we deem appropriate as a result of market conditions, technology issues or other situations beyond our control. UBS reserves the right to change the rebalancing percentage or minimum dollar amounts. In this Agreement a "Business Day" will mean any day that the New York Stock Exchange is open for regular trading.

Market conditions, availability of monetary funds from the Select Portfolios or Funds and/or orderly purchase and redemption procedures may cause a delay in the processing of the automatic rebalancing, purchases and redemptions. Individual rebalancing transactions that equal \$50 or less are not performed. For accounts that are less than \$5,000 the trade minimum is \$25.00.

We reserve the right to change the rebalancing percentage measure or the minimum dollar amount of individual rebalancing transactions.

These services will not occur if the PACE asset allocation has a pending or unprocessed trade or margin debit. If rebalancing

requires an additional purchase of shares of a Fund for which the mutual fund eligibility level has changed to "hold status." The rebalance will be processed to get as close as possible to your Target Allocation without disrupting those funds.

Automatic Rebalancing to the Client Target Allocation:

The PACE Program includes automatic rebalancing for all accounts. Your PACE assets will automatically be rebalanced on an annual basis unless you elect to have rebalancing occur on a semi-annual basis or quarterly basis. In this option, you elect to have your Program Assets automatically rebalanced on a periodic basis to maintain your Target Allocation among the Funds.

a. Automatic Rebalancing to the Client Target Allocation - with updates to the Capital Market Assumptions (Available to PACE Select clients only):

By selecting this option, you elect to have Program Assets reviewed, and if necessary, automatically rebalanced on a periodic basis to be consistent with the UBS capital market assumptions. Your Client Target Allocation is based on our proprietary capital market assumptions, those allocations may be updated and may change periodically. Your affirmative consent is not required to implement these changes; however, you will receive notice and an opportunity to elect out of automatic rebalancing when we change the Asset Allocation. When the automatic rebalance is performed, the rebalance will override your 3% or 5% or 10% threshold which was elected when your PACE account was opened. Additionally, we may re-schedule your rebalance earlier or later than your scheduled annual, semi-annual, or quarterly rebalance if necessary in order to rebalance your account when the Capital Market Assumptions are updated.

b. Automatic Purchases: You may elect on your Application to automatically invest in Funds toward your Target Allocation and designate the date on a monthly or quarterly basis. You may designate the duration of your automatic purchases or the total target investment amount on the Application. The contribution will first buy the Funds/Portfolios that are underweighted as compared to your Target Allocation and then invest the remaining portion according to the Target Allocation. Funds will be automatically drawn from your Account (either cash balances or money market fund redemption proceeds) and invested in Funds according to the Target Allocation. No purchase will be made unless there are sufficient funds in the Account to buy the full amount specified in the automatic purchases section of your Application.

If you invest Retirement Plan assets through PACE and select the automatic purchase option, please note that you must carefully monitor your contributions to prevent them from inadvertently exceeding federal limits.

As of the date of this Agreement, depending on your account type and/or account ownership, the following cash sweep options from the brokerage account that holds your PACE asset allocation are available for the PACE auto services: UBS Bank Sweep Programs, UBS FDIC-Insured Deposit Program, UBS RMA Government Money Market Fund or UBS Liquid Assets Government Fund.

c. Automatic Redemptions: You may elect on your Application to automatically redeem funds and designate the

date on a monthly or quarterly basis. Shares will be redeemed from each Fund that is currently overweighted as compared to your Target Allocation and then by redeeming the remaining portion according to your Target Allocation. If you elect automatic redemptions, you direct UBS to request the redemption two Business Days before the day you specified or earlier to ensure that cash will be available in your Account on that day.

Redemption proceeds will be deposited in your Account and are not automatically forwarded to you. If withdrawals resulting from automatic redemptions reduce your Program Assets (that is, assets invested in Funds) to less than \$7,500 for PACE Select and \$3,500 for PACE Multi, you may receive notice and have thirty (30) days from the date of the notice to restore your Program Assets to the minimum amount required to establish an investment in the Program. If you do not meet this minimum within thirty (30) days, UBS will have the right to terminate your participation in the Program.

Dividends in PACE Accounts: If you invest in PACE, the dividends you receive from your mutual fund investments will be automatically reinvested into the same Fund, unless you instruct us otherwise.

E5. Program Fee Payment

You may elect to have your Program Fee paid from assets within your PACE investment or from non-PACE participating assets held in your brokerage account. **The PACE program automatically defaults to deducting your Program Fee from outside of your PACE assets first, unless you instruct us otherwise.** Payments from your PACE assets will be processed by either redeeming first the PACE Money Market Fund or if sufficient funds are not available, then Program Assets in your Account will be liquidated by redeeming shares of Funds in your Account beginning with the largest Fund in the first asset category in which you hold sufficient shares to pay the remaining fee. The specific order (i.e., first to last) for redeeming shares for this purpose is set forth in this Agreement and in the future the Form ADV Disclosure Brochure. If you instruct us to deduct the Program Fee from non-PACE assets, we will do so by debiting first any available cash or non-PACE eligible money market funds in your brokerage account and/or if sufficient funds are not available, debiting the fee from the PACE assets as indicated.

PACE Multi Advisor

1. UBS Government Money Market Investments
2. Mortgage-Backed Securities
3. Municipals
4. US Fixed Income
5. High Yield - Corp.
6. Global Fixed Income
7. Balanced
8. Large Cap Equity
9. Medium Cap Equity
10. Small Cap Equity
11. US Equity - Other
12. Convertibles
13. REITS - US Equity
14. REITS - Medium Cap

15. REITS - Small Cap
16. Global Equity
17. International Equity
18. Develop Markets
19. Emerging Markets
20. Emerging Mkts Fixed Income
21. Hedge Funds
22. Non Traditional
23. Commodities
24. Other

PACE Select Advisor

1. UBS Government Money Market Investments
2. PACE Money Market
3. PACE Mortgage-Backed Securities
4. PACE Municipal Fixed Income
5. PACE Intermediate Fixed Income
6. PACE Strategic Fixed Income
7. PACE High Yield
8. PACE Large Cap Value
9. PACE Large Cap Growth
10. PACE Small/Medium Value
11. PACE Small/Medium Growth
12. PACE International Equity
13. PACE Global Real Estate
14. PACE International Emerging Markets
15. PACE Global Fixed Income
16. PACE Alternative Strategies

In the future, we may provide asset allocations that include asset categories other than those listed above.

E6. Plan Rebates in the PACE Select Program:

A For a client that is a Plan or IRA we will credit to the Account a part of the advisory Program Fee corresponding to an amount equal to, (A) the average daily balance invested in each Proprietary Fund for the period multiplied by (B) the reduction factor specified below, multiplied by (C) a fraction, the numerator of which is the number of days in the period for which the Fund Advisory Fee (as defined below) is being assessed and the denominator of which is the actual number of days in that calendar year. The "reduction factor" varies among the Proprietary Funds and is based on the amount by which the Fund Advisory Fees paid to UBS AM (the "Fund Advisory Fee") exceeds twenty basis points (0.20%) after payment by UBS AM of the fee to that Proprietary Fund's sub-advisor(s). In the event that: (i) UBS AM waives some or all of the Fund Advisor Fee or UBS AM reimburses other expenses paid by a Proprietary Fund, these reduction factors may be reduced or eliminated; and/or (ii) UBS AM receives any expense recoupment from a Proprietary Fund, these reduction factors may be increased.

E7. Management and Administrative Fees for Affiliated Funds in PACE Select and PACE Multi:

Our affiliate, UBS Asset Management (US) Inc., receives fees for providing investment management, administration and shareholder servicing to the Affiliated Funds in PACE Multi and the Select Portfolios. The current annual rates of investment management fees and administrative fees paid by the Affiliated Funds in PACE Multi and Select Portfolios to our affiliate are described in each Fund's prospectus. With respect to the Select Portfolios and certain Affiliated

Funds offered in PACE Multi, a portion of the investment management fee is paid to each sub-advisor which is unaffiliated with UBS. With respect to PACE Select, another portion of the management fee may be returned to us and rebated as described under "PACE Select Plan Rebates" in the Form ADV Disclosure Document. The amount of investment management fees paid to our affiliate may vary depending on the arrangement between our affiliate and the Fund.

In addition, our affiliate, UBS Trust Company of Puerto Rico, receives fees for providing investment management, administration and shareholder servicing to the Multi-Select Securities Fund for Puerto Rico Residents and the U.S. Monthly Income Fund for Puerto Rico Residents, Inc. The current annual rates of investment management fees and administrative fees paid to our affiliate are described in the fund's prospectus.

Neither UBS nor our Financial Advisors receive a portion of the management and administrative fees paid to our affiliates.

E8. Special Provisions Relating to Retirement Account Clients in the PACE Select Program:

UBS Financial Services Inc. has obtained a prohibited transaction exemption (P.T.E. 96-59) from the Department of Labor ("DOL") under Section 408(a) of ERISA (the "Exemption") relating to PACE Select. The Exemption allows UBS Financial Services Inc. and its affiliates to provide asset allocation and related services with respect to Plan assets invested in the Select Portfolio shares, subject to certain conditions. A copy of the Exemption appears in the PACE Select Advisors Trust Prospectus for Class P shares.

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“**Agreement**”) is made on January 22, 2026 (“**Effective Date**”), between Imperial Valley Healthcare District (“**IVHD**”), and WipFli LLP (“**CONSULTANT**”), an independent contractor, collectively referred to herein as “**parties**” or individually as “**party**,” to furnish certain services as provided in this Agreement and upon the following terms and conditions.

ARTICLE 1 TERM OF AGREEMENT

1.01 The term of this Agreement shall commence on the Effective Date, and will continue through the completion of the Services provided for in this Agreement or until terminated as provided under Article 7, whichever occurs first. Attachment A – Scope of Work (“**Attachment A**”) may contain further instructions regarding required timelines for performance of the Services to be provided under this Agreement. Time is of the essence for each and every provision of this Agreement.

ARTICLE 2 SCOPE OF WORK

2.01 CONSULTANT shall perform the Phase 2 Examination-Level Feasibility Study within the scope described in Attachment A and as authorized by IVHD (the “**Services**”). CONSULTANT will provide IVHD with periodic reports regarding the progress of Services performed, at IVHD’s request. Any changes to the scope of work or timeframes identified in Attachment A must be authorized by IVHD in writing and shall be set forth as an amendment to this Agreement.

2.02 CONSULTANT shall determine the method, details, and means of performing the above-described Services. Unless otherwise stated in Attachment A, CONSULTANT shall supply all labor, tools, materials, and equipment required to perform the Services under this Agreement.

2.03 CONSULTANT shall perform the Services required hereunder in accordance with the prevailing standard of care by exercising the skill and ability customarily exercised by reputable members of CONSULTANT’s profession providing the same or similar services in the State of California. While exercising such professional skill and expertise, CONSULTANT shall use reasonable diligence and best judgment, and shall perform the Services required hereunder in the best interests of IVHD. Acceptance by IVHD of reports, and incidental professional work or materials furnished hereunder, shall not in any way relieve CONSULTANT of responsibility for the adequacy of its work.

ARTICLE 3 COMPENSATION

3.01 CONSULTANT shall perform the Services under this Agreement for a total compensation that shall not exceed **One Hundred Seventy Five Thousand Dollars and No Cents (\$175,000.00)** as indicated on Attachment A (the “**Approved Fees**”). The Approved Fees shall not be exceeded unless agreed upon through an amendment to this Agreement executed by both parties. Such amendment shall identify any change in compensation as a result of the change in scope of work. The parties agree that this compensation was developed in accordance with the customary and prevailing compensation level in the community and surrounding area for comparable services. CONSULTANT and IVHD agreed to this amount through an arm’s length negotiation between the parties.

3.02 CONSULTANT shall not incur any expenses unless pre-approved by IVHD in writing. CONSULTANT shall submit invoices to IVHD at the address listed on Attachment A. Such invoices shall include a brief narrative description of the work performed, as well as detailed time expenditures on a task-

by-task basis pursuant to Attachment A. CONSULTANT will provide IVHD with receipts and proof of payment for all expenses. Unless otherwise provided on Attachment A, IVHD shall make payment of any undisputed invoiced amount to CONSULTANT within forty-five (45) days of receipt of an approved invoice.

3.03 IVHD shall have the right to withhold payment from CONSULTANT for any unsatisfactory Services until such time service is performed satisfactorily or as otherwise provided for in this Agreement. The Parties will work in good faith to promptly resolve any invoiced amount disputed by IVHD.

ARTICLE 4 RELATIONSHIP OF PARTIES

4.01 It is expressly understood and agreed that CONSULTANT is an independent contractor and its employees are not employees of IVHD while engaged in carrying out this Agreement. CONSULTANT is free from the control and direction of IVHD in connection with the performance of the work, CONSULTANT performs work that is outside the usual course of IVHD business, and CONSULTANT is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed. The parties agree that no work, act, commission, or omission of CONSULTANT or its employee(s) pursuant to this Agreement shall be construed to make CONSULTANT or its employee(s) the agent, employee, or servant of IVHD. CONSULTANT and its employee(s) are not entitled to receive from IVHD vacation pay, sick leave, retirement benefits, Social Security, workers' compensation, disability benefits, unemployment benefits, or any other employee benefit of any kind. CONSULTANT shall be solely responsible for paying all federal and state employment and income taxes, for carrying workers' compensation insurance, and for otherwise complying with all other employment law requirements with respect to CONSULTANT and its employee(s).

4.02 To the maximum extent allowable by law, CONSULTANT agrees to indemnify, defend and hold IVHD harmless from any and all liability, damages, or losses (including attorneys' fees, costs, penalties, and fines) that IVHD suffers as a result of (a) CONSULTANT's failure to meet its obligations under this Article, or (b) a third party's designation of CONSULTANT or its employee(s) as an employee of IVHD, regardless of any actual or alleged negligence by IVHD.

4.03 CONSULTANT and IVHD acknowledge that the relationship between the parties is non-exclusive and CONSULTANT may perform or engage in any activity not inconsistent with this Agreement, including performing services for, or contracting with, other clients, persons, or companies as CONSULTANT sees fit. IVHD reserves the right to employ other contractors in connection with the Services described in Attachment A.

ARTICLE 5 OBLIGATIONS OF CONSULTANT

5.01 In performing the Services specified in this Agreement, CONSULTANT agrees to comply with all applicable laws, rules, regulations, and ordinances, whether federal, state, or local, and any and all applicable IVHD policies, procedures, departmental rules, and other directives provided by IVHD to CONSULTANT. Any changes to IVHD policies and procedures that relate to CONSULTANT will be provided to CONSULTANT in writing. CONSULTANT agrees that, prior to entering into this Agreement, it has reviewed such policies, procedures, rules, and directives, the contents of which CONSULTANT will be deemed to have knowledge.

5.02 To the maximum extent allowable by law, CONSULTANT shall indemnify, defend, and hold harmless IVHD and each its officials, officers, directors, employees, agents and volunteers (collectively

referred to as the “**Indemnified Parties**”) against all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties, attorneys’ fees, and costs (collectively referred to as “**Liabilities**”) that such entities or persons may incur that pertain to, arise out of, or relate to CONSULTANT’s performance or obligations under this Agreement, or to CONSULTANT’s negligence, recklessness, or willful misconduct, or a breach by CONSULTANT of any representation or agreement contained in this Agreement. CONSULTANT’s obligation to indemnify, defend, and hold harmless IVHD shall extend to the acts or omissions, either directly or indirectly, by CONSULTANT’s officers, officials, directors, employees, subcontractors, agents, representatives, volunteers, successors, assigns, or anyone for whom CONSULTANT is legally responsible. CONSULTANT’s obligations to indemnify, defend, and hold IVHD harmless against any Liabilities shall apply regardless of any negligence of Indemnified Parties, except to the extent solely caused by the negligence or willful misconduct of the Indemnified Parties. CONSULTANT shall not agree without Indemnified Parties’ prior written consent to any settlement on Indemnified Parties’ behalf. CONSULTANT’s indemnification, hold harmless, and defense obligation shall survive the termination or expiration of this Agreement.

5.03 CONSULTANT shall carry all insurance required by federal, state, county and local laws. Unless otherwise indicated on Attachment A, CONSULTANT shall procure and maintain during the life of the Agreement, adequate insurance coverage, admitted in the State of California, to protect CONSULTANT and IVHD from any liabilities and claims for injuries and damages to persons or property which may arise from, or in connection with, the performance of work hereunder by CONSULTANT, its agents, representatives, employees or subcontractors. The nature and amount of insurance shall be discussed by the parties prior to executing this Agreement and the adequacy of which shall be determined by IVHD in its sole discretion. Insurance policies shall be on an occurrence basis. CONSULTANT will provide proof of insurance coverage upon request of IVHD. IVHD reserves the right to terminate this Agreement if CONSULTANT fails to provide proof of adequate insurance coverage as required herein. Provision of insurance coverage as required by this Agreement shall not affect CONSULTANT’s indemnity obligations.

5.04 Upon the award of this Agreement and periodically thereafter, CONSULTANT may be required to complete and file with IVHD a Conflict of Interest form, to be provided to CONSULTANT by IVHD.

5.05 CONSULTANT shall not subcontract or assign this Agreement nor any duties or obligations under this Agreement without the prior written consent of IVHD. CONSULTANT shall be responsible for the acts and omissions of and for payment to any subcontractor performing services under this Agreement, and shall bind any such subcontractor to CONSULTANT’s duties and obligations hereunder.

5.06 CONSULTANT shall be solely and completely responsible for the safety of all CONSULTANT personnel, including personnel of any subcontractors, during performance of Services. CONSULTANT shall fully comply with all laws, rules, regulations and ordinances relating to safety of the public and workers, whether federal, state or local. CONSULTANT shall also comply with all contract provisions and IVHD’s policies, procedures, departmental rules, and other directives, as provided by IVHD to CONSULTANT, relating to the safety of the public and workers.

ARTICLE 6 OBLIGATIONS OF IVHD

6.01 IVHD agrees to comply with all reasonable requests of CONSULTANT, including requests to access documents, data and facilities reasonably necessary for the performance of CONSULTANT’s duties under this Agreement, consistent with applicable law.

ARTICLE 7 TERMINATION OF AGREEMENT

7.01 If IVHD determines that CONSULTANT has failed to perform the Services under this Agreement in accordance its terms and conditions, IVHD may terminate all or part of the Agreement for cause. This termination shall become effective if CONSULTANT does not cure its failure to perform within 10 days (or more, if authorized in writing by IVHD) after receipt of a notice of intention to terminate from IVHD specifying the failure in performance. If a termination for cause does occur, IVHD shall have the right to withhold monies otherwise payable to CONSULTANT until the Services under this Agreement are completed. If IVHD incurs additional costs, expenses, or other damages due to the failure of CONSULTANT to properly perform under this Agreement, these costs, expenses, or other damages shall be deducted from the amounts withheld. Should the amounts withheld exceed the amounts deducted, the balance will be paid to CONSULTANT upon completion of the Services to be provided under this Agreement. If the costs, expenses, or other damages incurred by IVHD exceed the amounts withheld, CONSULTANT shall be liable to IVHD for the difference.

7.02 CONSULTANT may terminate this Agreement for cause if IVHD fails to cure a material default in performance within a period of 30 days, or such longer period as CONSULTANT may allow, after IVHD'S receipt from CONSULTANT of a written termination notice specifying the default in performance. In the event of termination for cause by CONSULTANT, IVHD will pay CONSULTANT in accordance with Section 7.03.

7.03 IVHD may terminate this Agreement for convenience at any time upon written notice to CONSULTANT, in which case, IVHD will pay CONSULTANT for all Services performed and all expenses incurred under this Agreement up to and including the effective date of termination less any costs, expenses, or other damages due to the failure of the CONSULTANT to properly perform pursuant to the Agreement. No compensation will be payable for anticipated profit on unperformed services.

ARTICLE 8 PROPRIETARY AND CONFIDENTIAL INFORMATION

8.01 Any written, printed, graphic, or electronically or magnetically recorded information furnished by IVHD for CONSULTANT'S use is the sole property of IVHD. CONSULTANT and its employee(s) and subcontractor(s) will keep any confidential information provided by IVHD in the strictest confidence, and will not disclose it by any means to any person except with IVHD approval, and only to the extent necessary to perform the Services under this Agreement. On termination of this Agreement, CONSULTANT will promptly return to IVHD any confidential information in its possession.

8.02 IVHD will solely and exclusively own all right, title and interest in and to all original, data, reports, documents and materials developed pursuant to the Services and all intellectual property rights related thereto ("**Work Product**"). All Work Product shall be considered "works for hire," provided that, to the extent that any of the foregoing may not be deemed a "work for hire," or in the event that IVHD may not, by operation of law or otherwise, be deemed to own any such Work Product, CONSULTANT agrees to assign to IVHD, and to the extent permitted by applicable law does hereby irrevocably and unconditionally assign to IVHD and its successors, and assigns, all right, title and interest in and to such Work Product and all intellectual property rights embodied therein or practiced thereby.

ARTICLE 9 GENERAL PROVISIONS

9.01 The terms and conditions of Attachment B – Additional Obligations and Requirements hereto are hereby incorporated by reference.

9.02 Any notices required to be given under this Agreement by either party to the other may be affected by email, personal delivery, mail (first class, registered, or certified) with postage prepaid and return receipt requested. Mailed notices must be addressed to the parties at the addresses below, but each party may change the address by giving written notice in accordance with this Section. Any notice personally delivered or sent by email shall be deemed communicated upon receipt if received before 5:00 p.m. Pacific Standard Time (“PST”) on a business day, or the following business day if received after 5:00 p.m. PST or on a Saturday, Sunday, or legal holiday. Any notice sent by overnight delivery service shall be deemed communicated on the next business day following delivery thereof to the overnight delivery service. Any notice given by mail shall be deemed communicated three (3) days after deposit in the United States mail.

To IVHD: 207 W. Legion Road, Brawley, CA 92227

To CONSULTANT: To the address indicated on the signature page hereto.

9.03 This Agreement, including any Attachments, contains the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements, or conditions, express or implied, oral or written, except as herein contained. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof.

9.04 If any non-material provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

9.05 If this Agreement involves an expenditure of public funds in excess of Ten Thousand Dollars (\$10,000), the Agreement is subject to examination and audit of the State Auditor, at the request of IVHD or as part of any audit of IVHD, for a period of three (3) years after final payment under the Agreement. CONSULTANT shall cooperate with IVHD, including any authorized representative of IVHD, regarding such audit at no charge to IVHD.

9.06 Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein, and the Agreement shall be read and enforced as though they were included herein. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the request of either party, the Agreement shall forthwith be physically amended to make such insertion.

9.07 This Agreement and all questions relating to its validity, interpretation, performance, and enforcement (including, without limitation, provisions concerning limitations of actions), shall be governed by and construed in accordance with the laws of the State of California.

9.08 The proper jurisdiction and venue for any claims, causes of action or other proceedings arising out of or relating to this Agreement shall be in the County of San Diego, State of California, and the parties hereby waive any right providing for a change of jurisdiction or forum to any other location.

9.09 This Agreement may not be modified or amended other than by a writing signed by the parties, including any changes to the scope of services or any timeframes identified in Attachment A. A waiver by either party of a breach of any provision of this Agreement shall not constitute a general waiver or prejudice the other party's right otherwise to demand strict compliance with that provision or any other provisions in this Agreement. Likewise, IVHD's acceptance of any reports, work, services or materials furnished pursuant to this Agreement, or IVHD's payment therefor, shall not operate as a waiver of any of IVHD's rights under this Agreement or of any cause of action or defense relating to the performance of this Agreement.

9.10 In signing this Agreement, CONSULTANT certifies that CONSULTANT shall not submit a false claim in violation of the False Claims Act, section 12650 *et seq.* of the Government Code.

9.11 IVHD and CONSULTANT do covenant that the individual executing this Agreement on their behalf is a person duly authorized and empowered to execute this Agreement for such party. This Agreement may be executed in counterparts and electronically, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

[SIGNATURE PAGE FOLLOWS]

BY SIGNING BELOW THE PARTIES VOLUNTARILY ENTER INTO THIS AGREEMENT AND ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE TERMS SET FORTH HEREIN AND AGREE TO BE BOUND THEREBY.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their authorized representatives on the Effective Date.

CONSULTANT

WIPFLI LLP

CONSULTANT SIGN HERE

Name of Signatory:

Title of Signatory:

Address for Notices:

IVHD

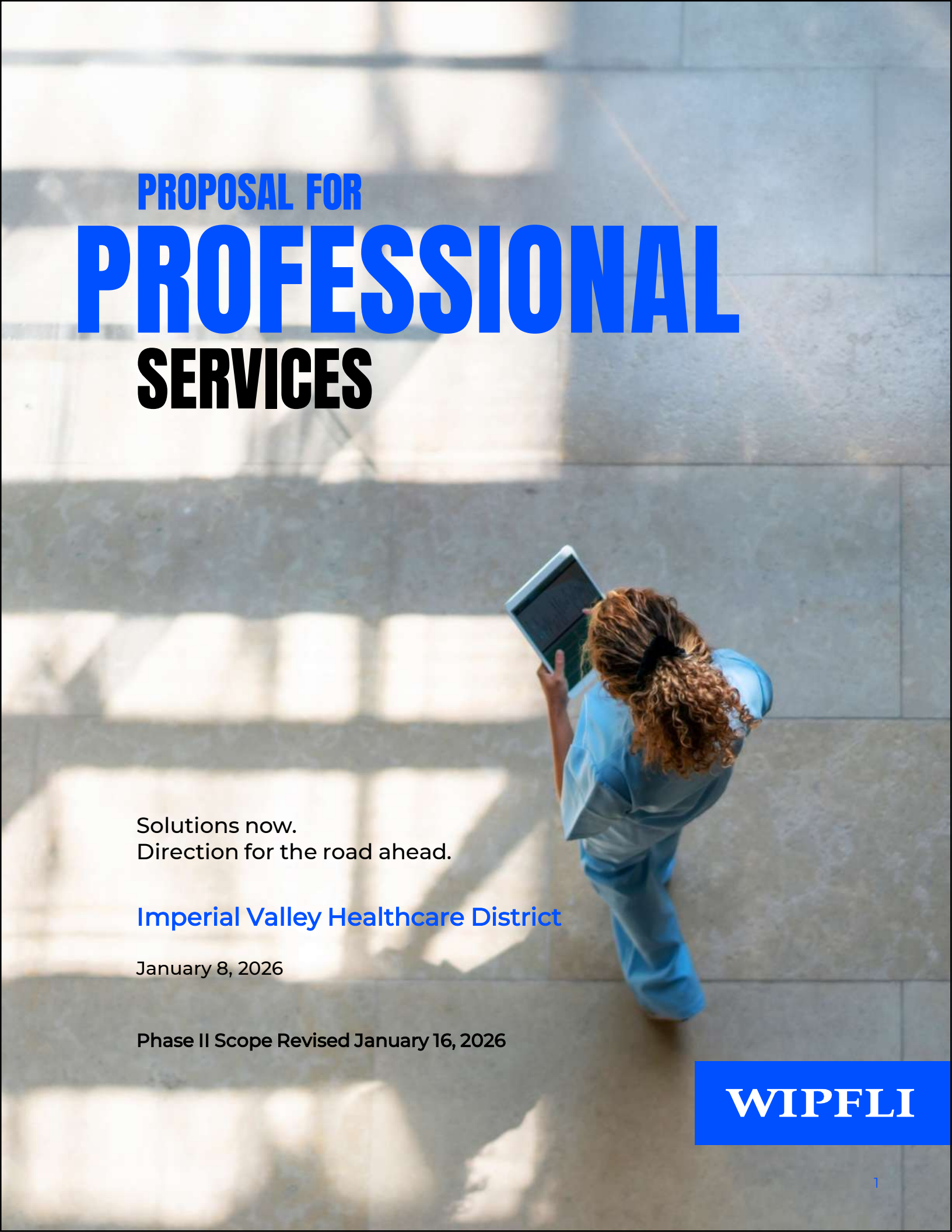
IMPERIAL VALLEY HEALTHCARE DISTRICT

_____*(IVHD signs here)*

Name:

Title:

Attachment A – Scope of Work and Approved Fees



PROPOSAL FOR **PROFESSIONAL** **SERVICES**

Solutions now.
Direction for the road ahead.

Imperial Valley Healthcare District

January 8, 2026

Phase II Scope Revised January 16, 2026

WIPFLI

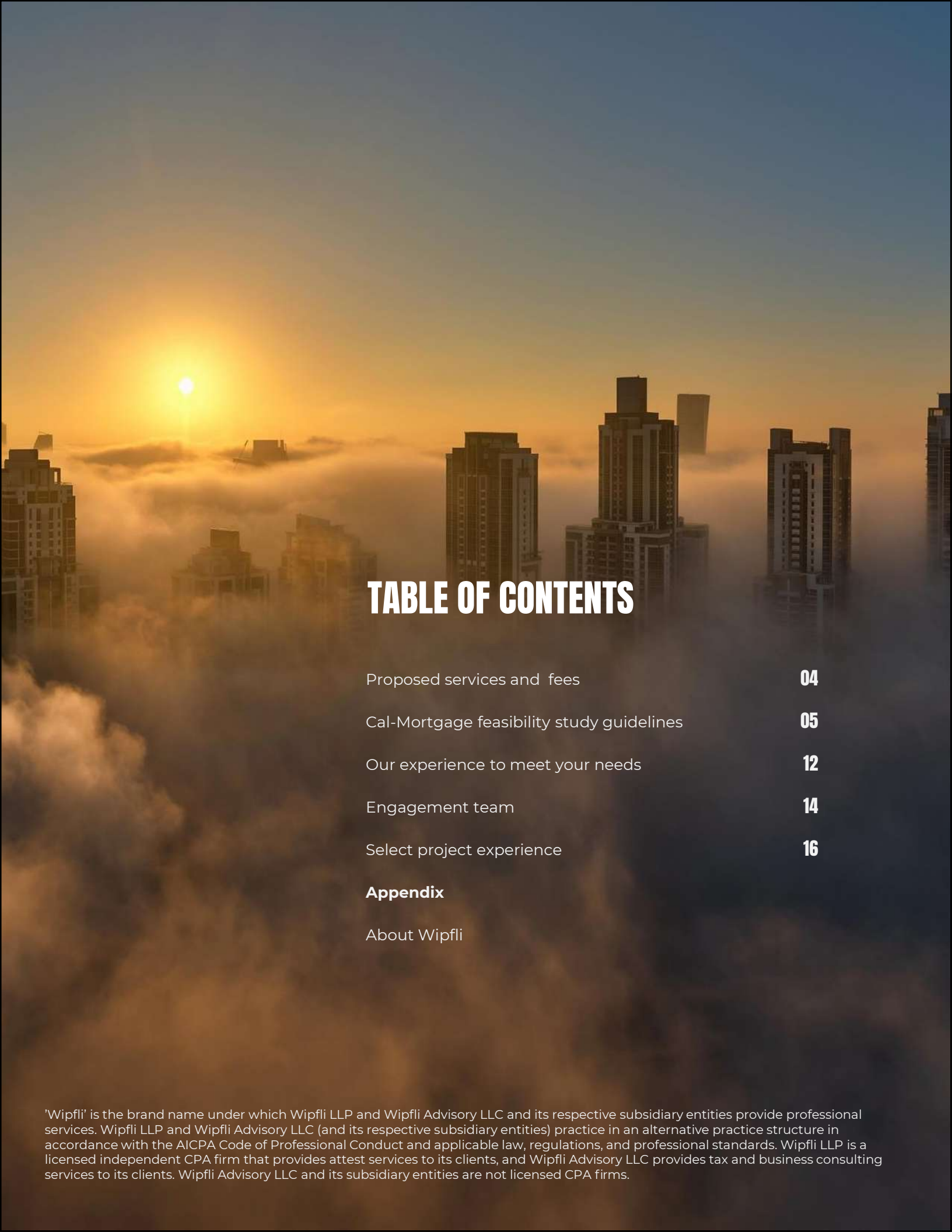


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About Wipfli	

'Wipfli' is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.



YOUR VISION **OUR FOCUS**

Our healthcare team helps organizations like Imperial Valley Healthcare District see an increasingly complex landscape with clarity and confidence.

PROPOSED SCOPE OF SERVICES AND PROFESSIONAL FEES

Wipfli is currently ranked among the top 25 largest public accounting firms in the United States, with a history dating back to 1930. Today, we serve 3,500+ healthcare clients with relentless curiosity and clear-sighted guidance. We hope to do the same for Imperial Valley Healthcare District ("IVHD" or the "District"). We prepared the following based on our conversations with members of your management team. This scope can be refined as we develop engagement agreements detailing our mutually agreed upon terms and conditions. We look forward to speaking with you further and working with you as you serve the residents of the Imperial Valley.

Phase I: Debt Capacity Analysis – Wipfli engaged on January 13, 2026, for this phase

Phase II: Examination-Level Feasibility Study – Revised January 16, 2026

The scope of services and fee estimate for Phase II has been revised based upon discussions with representatives of IVHD.

In Phase II, Wipfli LLP will engage with IVHD to examine a set of financial forecasts for the District in the form of a comprehensive 50-100 page document to include an independent accountant's examination-level opinion for a public issuance of debt, likely a tax-exempt bond offering.

For purposes of this proposal, we have included the Cal-Mortgage feasibility study requirements for your reference, as the components of a Cal-Mortgage feasibility study mirror what is typically included in a feasibility study for the public markets.

Based on our recent discussions with representatives of IVHD and the following, we have revised the estimate of professional fees for our services to range between \$100,000 and \$175,000. This fee estimate is based upon the following mutual understanding:

- 1) Wipfli will begin our work effort in April/May 2026 with the intention of including a feasibility study in IVHD's preliminary offering statement ("POS") on or around September 2026.
- 2) The forecasts included in the examination-level feasibility study assume the same operational service mix that currently exists at the IVHD facilities ("same store" services).
- 3) IVHD management will provide a beginning balance sheet as of the sale's transaction date under appropriate accounting standards.
- 4) IVHD will coordinate a "working group" of advisors, as is customary for a bond transaction (bond counsel, financial advisor, etc.), on or before April 2026, for Wipfli to be a part of and work in cadence with to facilitate the bond offering.

Thank you for taking the time to meet with us and for allowing us to learn more about Imperial Valley Healthcare District. Please call or email Karen Lloyd at 828.242.3837 klloyd@wipfli.com if you have any questions as you review the enclosed proposal. We look forward to exciting opportunities and the chance to help the District thrive.

The information contained in this proposal document is for discussion purposes only does not constitute a binding contract between you or your organization and Wipfli. If the services and information described are acceptable and you wish to proceed, we will prepare a formal engagement letter for execution. The engagement letter will address the specific scope, responsibilities and fees related to the engagement. The engagement letter will constitute the entirety of the terms and conditions of our arrangement.



Cal-Mortgage Feasibility Study Guidelines

The following pages include the requirements for a feasibility study prepared for Cal-Mortgage Insurance (as referenced in Phase II of the previously described Scope of Services).

**DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION
CAL-MORTGAGE LOAN INSURANCE PROGRAM**

**EXHIBIT A
FINANCIAL FEASIBILITY STUDY GUIDELINES AND CERTIFICATION**

A financial feasibility study demonstrates, among other things, that loan proceeds, together with cash flow of the facility, are sufficient to complete the project and to cover annual debt service requirements.

A financial feasibility study consists of historical and prospective financial statements and other pertinent information that present, to the best of the Borrower's (Applicant's) knowledge and belief, a facility's expected financial position, results of operations, and changes in financial position. A financial forecast is based on the Applicant's assumptions reflecting conditions it expects to exist and the course of action it expects to take.

In addition to management's expected outcome, the feasibility study should include sensitivity analyses as appropriate or as requested by staff (e.g., elimination of Medicare capital pass through, changing market interest rates, variance in utilization, reduction in grants or contracts, etc.).

The fundamental purpose of a financial feasibility study is to assist staff in evaluating an Applicant's ability to repay borrowed funds. Specifically, it compares the relative size of positive cash flow to principal and interest payments on the proposed debt.

Please note that all information and documentation submitted are considered public records under the California Public Records Act and are open to inspection and copying by anyone.

All financial feasibility studies prepared for the application are to be incorporated into the Official Statement or Private Offering Memorandum either by reference or in their entirety. If the study is only to be referenced, the name of the preparing feasibility firm and the date of the study are to be cited.

The feasibility study must be prepared by a firm with expertise in health facility financial consulting. The firm should have sufficient resources and expertise to perform the study and render an opinion. While Health and Safety Code Section 129095 allows the Applicant to choose its consultants, in order to avoid any potential conflict of interest, the feasibility study should be prepared by someone other than the corporation's auditing firm of record.

Failure to follow these guidelines may adversely affect the recommendation for approval of loan insurance. Furthermore, submitting a financial feasibility study following these guidelines does not guarantee approval of loan insurance.

Tables of data, where appropriate, should be expressed in actual amounts and percentage of change.

The financial feasibility study is to describe the assumptions underlying the financial analyses, in addition to analysis of historical and forecasted financial statements.

A. Instructions for Assumptions and Rationale:

Background and Description:

1. History and background of the Applicant and the onsite management company operating the facility, if any.
2. Existing Facility: If the project is a renovation or expansion, provide an overview of the size, services provided, occupancy rate, and service area of the existing facility; if the Applicant owns and/or operates other health facilities, briefly describe them as well.
3. New Facility/Project: Describe the project components, including the physical facility, size, services provided, service area (if different from existing facility), expected utilization of services added by the project, and sources of new revenue for the project.

Project Costs and Financing:

4. Provide a detailed sources and use of equity and loan proceeds.
5. The construction cost "detail" should be provided by the design architect, a cost estimator, or the general contractor who will perform or manage the actual construction. Validation of construction costs by an independent cost estimator is important to the credibility of the project budget. The construction cost should include a contingency allowance. (Staff may require an additional contingency based on the facts and circumstances of the project.)
6. Provide a conceptual design and accompanying narrative describing how the proposed square footage is appropriate to current and mid-range future space needs of the facility. For replacement projects, describe why the existing site is inadequate and how the replacement facility will alleviate the problem.
7. Provide a square footage cost for the space. How does this project's costs compare to costs with other similar types of facilities in the area. Describe any major cost variations.

Historical and Forecast of Facility Utilization:

8. The historical utilization should be shown for the facility overall and for the specific services involved with the project. For example, if the project includes increasing Ob-Gyn beds, the historical and projected occupancy rates should be shown.
9. If the Applicant is a clinic, provide historical and projected encounters, as well as yearly encounter documentation for each physician and mid-level medical full-time employee (FTE) equivalent.
10. The Applicant should explicitly state how the forecast utilization will be achieved. It is not sufficient to assume future utilization will equal historical utilization. This section should contain demographic data, patient/payor mix, average length of stay, and other information sufficient to justify the utilization assumptions.
11. Document the historical record and current plan for provider recruitment and retention (e.g., Kaiser, county health departments, medical groups, etc.).

Historical and Forecast of Revenues:

12. Provide forecast revenue data for the facility overall, as well as the new service(s) added by the project. The forecast should be supported by a discussion of how the revenue items were determined, including assumed rates of increase in charges and contractual allowances. Changes in revenue due to cost containment, utilization trends, and payor mix should be explicitly addressed, as well as the impact of existing contractual relationships, as described in the following "Effects of Contractual Allowance, Discounts, and Capitation" section.
13. Delineate the patient revenues by source (including Medicare, Medi-Cal, county probation, regional centers for the developmentally disabled, residential care, personal care, accommodation fees, etc.) and percentage of total patients/residents.
14. If the clinic is a Federally Qualified Health Center (FQHC), or an FQHC Look-Alike, identify the current and prior prospective payment rate approved by Medi-Cal.
15. Delineate all grants by source. If the feasibility study assumes any inflation rate for grant income per year, explain.
16. Identify and age accounts receivable by source.
17. If contributions are equivalent to or higher than ten percent of revenue, provide detailed historical and forecast contribution data. The forecast should be supported by a discussion of how the contribution amount(s) were determined and identify source(s).

Historical and Forecast of Expenses:

18. Provide detailed historical and forecast expense data, and identify the expenses associated with the service(s) added by the project. The presentation should include a breakdown of FTE's.
19. The forecast should be supported by a discussion of how the expense items were determined, including assumed rates of inflation for labor, utilities, supplies, etc., and any changes that will occur from different methods of operation.

Historical and Forecast of Working Capital Requirements:

20. Identify the explicit assumptions used to determine working capital requirements. For example, was it calculated as a percentage of operating expenses and revenues? By another method?

Long-Term Debt and Debt Service Coverage:

21. Prepare a Debt Service Coverage Schedule with three (3) years' historical and five (5) years' forecasted ratios.

Effects of Contractual Allowance, Discounts, and Capitation:

22. Medi-Cal: If you are a contracting hospital, provide the current term of your contract and allowed daily rate of reimbursement; if you are a contractor to a Medi-Cal hospital, describe the nature of the contract.
23. Medicare: Describe the basis of reimbursement under Medicare; if you are providing Medicare as a health maintenance organization (HMO) or a comprehensive medical plan (CMP), please describe.
24. Provide the estimate of total Medicare patient days and revenue assumed in the revenue projections over the forecast period. Compare this to historical expenses.

26. Third-Party Payors: Identify insurance companies or employers with whom you have preferred provider organization (PPO) arrangements, or HMO, or independent practice association (IPA) contracts. Describe the terms of reimbursement under these contracts or the discount percentage and the percentage of revenue each contract generates. Also, if the facility, alone or with others, offers a PPO directly to employers, describe the nature of that arrangement.
27. Provide the estimate of total patient days and revenue assumed in the revenue projects for each type of contract or arrangement over the forecast period.

Per Diem Revenue by Historical and Forecast Years:

28. Include a table of per diem revenue by historical and forecast years. The patient days used in the calculation should be the same as the following section. Calculate the percentage increase from year-to-year. Explain the differences between historical and forecast rates of increase, and any deviation between future increases and assumed revenue increases.

Per Diem Expense by Historical and Forecast Years:

29. Include a table of per diem expense by historical and forecast years. Provide the total patient days (actual and assumed) used to calculate per diem expense. Calculate the percentage increase from year-to-year (historical and forecast). Explain any difference between historical and forecast rates of increase, as well as any deviation between future increases and assumed expense inflation.

Routine Cost Per Diem and Medicare Limit Per Diem for Historical and Forecast Years:

30. For skilled nursing facilities (SNF), include a table of routine cost per diem and Medicare limit per diem for historical and forecast years. This should be completed if it receives Medicare reimbursement by methods other than diagnosis-related groups (DRG's) or CMP/HMO contracts.

Lease vs. Purchase Analysis:

31. Prepare a schedule of continuing to lease the facility versus purchasing the facility.

Refinancing Project:

32. If the Applicant is refinancing existing debt, identify the amount of savings by year as well as a percent of the present value savings.

B. Instructions for Historical & Forecast Financial Statement:

1. Provide three (3) years' historical and five (5) years' proforma statements for the balance sheet, income and expense statement, cash flow statement, and statement of changes in fund balance.
2. The balance sheet should reflect any reserves that are required (e.g., debt service, insurance, refund, charity, fill-up, capital improvements, etc.).
3. For the Income & Expense Statement, also include the percent of changes over the preceding year.
4. For all historical and forecast years, show the following ratios and data:
 - a. Current Ratio
 - b. Days in Patient Accounts Receivable
 - c. Days Cash on Hand
 - d. Equity Ratio

- e. Asset to Long Term Debt Ratio
- f. Operating Margin
- g. Days Payable
- h. Debt Service Coverage

C. Demand Analysis:

1. Provide a strengths, weaknesses, opportunities, threats (SWOT) analysis summarizing the project's strengths, weaknesses, opportunities, and threats.
2. Describe how the service/market area was determined.
3. Describe the demographic and economic factors of the service/market area relating to income, housing, employment, transportation, and population.
4. Identify any existing or proposed competing facilities within the service/market area. Describe and compare the market share, size, historical utilization, distance from the facility and fee structure (including entrance fees and monthly service fees, if applicable).
5. Identify Cal-Mortgage insured facilities providing competing services in the primary and secondary service areas.
6. In forecasting utilization for multi-level continuing care retirement communities/residential care facilities for the elderly (CCRC/RCFE) facilities, describe the marketing plans including sales person's method of compensation and any health or asset screening procedures (if applicable).
7. Provide maps and other relevant documentation, which illustrate that the proposed facility is located in the target population and is in reasonable proximity to referring providers.
8. Describe how the market share and competition will change as a result of the proposed project.

D. Additional Requirements:

Clinics:

1. Indicate the clinic's linkage with local hospitals and commonly used specialty providers.
2. What are the clinic's hours of operation? Are there plans for Saturday and evening hours? If not, please explain?
3. Describe the clinic's financial system(s) for documenting cost accounting and describe the billing and collection system.

Multi-Level Health Facility (CCRC/RCFE):

4. Provide documentation as to how the Applicant intends to meet the financial risks associated with:
 - a. Initial fill-up of the facility.
 - b. Health care costs for short term acute care or rehab SNF care.
 - c. Turnover or expiration within a mature facility.
 - d. Resident asset depletion or charity care.
5. Describe how the facility proposes to cover the cost of health care for residents whose health plan (HMO) will direct them to a different HMO designated SNF for post-operative or convalescent care.

CERTIFICATION OF FEASIBILITY CONSULTANT

The undersigned (hereafter "Consultant"), certifies that:

- Consultant was retained by _____ (hereafter "Applicant") to prepare a financial feasibility study to be submitted as part of the Applicant's Application to the Cal-Mortgage Loan Insurance Program of the Department of Health Care Access and Information ("Cal-Mortgage");
- Consultant has no affiliation, relationship, or financial interest in the Applicant or any financial advisor, underwriter, or other party connected with the Application or any prospective loan resulting therefrom;
- The fee charged by Consultant for the preparation of the financial feasibility study submitted with the Application, was determined in arm's length negotiation and no portion of that fee represents payment for any other direct or indirect services;
- No part of Consultant's fee is dependent on the issuance of a letter of commitment by Cal-Mortgage, or a closing of a loan to the Applicant;
- The entire fee charged by the Consultant for preparation of the financial feasibility study and any additional scenarios, stress tests, or other work related to such financial feasibility study shall be due and payable whether or not Cal-Mortgage issues a commitment for loan insurance or any loan resulting therefrom closes; and
- No part of Consultant's fee is refundable to any party.

Consultant understands that Cal-Mortgage will rely on the financial feasibility study in granting its commitment for loan insurance. The undersigned certifies under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this _____ day of _____, 20____

By: _____
(Signature)

(Name and Title of Consultant)

A photograph of a man and a woman in an office setting. The man, in the foreground, has a beard and is wearing a light blue checkered shirt. The woman, behind him, has her hair in a bun and is wearing a light-colored blazer. They are both smiling and looking towards the left. The background is a blurred office interior with large windows.

OUR EXPERIENCE TO MEET YOUR NEEDS

“We never knew what the price was for a product unless we called the vendors. So now pricing is accurate, and we can *also* see invoicing, which helps us better control pricing and provides opportunities to lower our inventory values.”

Tim Olson, Supply Chain Manager, St. Croix Regional Medical Center

CAPITAL PLANNING AND FINANCIAL FEASIBILITY STUDIES SERVICES APPROACH

Wipfli's capital planning and feasibility consultants have extensive experience in:

- Financial affordability studies
- Debt capacity studies
- Reimbursement impact studies
- Financial examined forecasts
- Feasibility studies
- Strategic financial planning
- Valuation and transactions
- Tax-exempt and taxable financings
- USDA Community Facilities Program
- FHA Section 242, 241, 232, and 223(f) Mortgage Insurance Programs
- Mergers and acquisitions
- Regulatory filings
- Market assessment and new business planning
- Volume and demographic projections
- Service line planning and forecasting



YOUR ENGAGEMENT TEAM

Solving the challenges you face means getting access to a skilled team — trusted advocates who listen to your concerns and provide the support, advice and strategies you need to succeed. Meet your project leaders:



Karen Lloyd, CPA

Partner, Engagement Lead Phases I and II

Karen Lloyd is a Certified Public Accountant with over 20 years of experience in auditing, accounting and consulting for organizations across the country. She leads a team of professionals who help guide healthcare organizations through the full scope of planning needed to support strategic growth-related business decisions, major facility development projects, and/or capital investments. Karen and her team have extensive experience evaluating and examining operational and financial plans to enable creditors and investors to make informed financing decisions.



Tammy Staedens

Senior Manager, Phases I and II

Tammy Staeden is a senior manager with more than 25 years of industry experience. Her areas of expertise in healthcare accounting and reimbursement are leveraged when assisting various types of entities, with a focused knowledge of acute-care hospitals, skilled nursing facilities and rural health clinics. Tammy applies her skill set to help clients achieve their financial goals and compete in today's market



Sydney Diekmann

Manager, Phase II

Sydney Diekmann is a manager in Wipfli's healthcare facility and capital planning practice. Her clientele spans the healthcare continuum, ranging from rural health clinics to independent physician practices, healthcare districts to county governments, and critical access hospitals to academic medical centers, with an emphasis on rural healthcare organizations. Sydney specializes in market analytics and demographic projections, utilization and volume projections, physician demand planning, service line development strategy, facility master planning and community health needs assessments. As a consultant and project manager, she approaches her engagements with an analytical and consultative mindset, helping her clients align their vision with the appropriate strategies to position them for future success. Her data-driven and customizable approach helps ensure each client's unique needs and circumstance are met.



Kim Heller

Partner, Phase II

Kim Heller is a CPA and partner in Wipfli's national healthcare practice, with over 30 years of experience. She prides herself on providing outstanding services to healthcare organizations, including integrated delivery systems, general and specialty hospitals, and post-acute care providers. Kim will be the CPA signing partner on the examination or compilation level financial feasibility study (Phase II).



Wes Thew

Partner, El Centro External Audit and Additional Resource to the Engagement Team

Wes Thew, Partner in Wipfli's Healthcare practice, specializes in audits, reimbursement, capital planning, and outsourced financial management for hospitals and senior living organizations. Member of AICPA and Wipfli's Healthcare Technical Issues Committee..

SELECT PROJECT EXPERIENCE

Wipfli's specialized team of healthcare professionals thoroughly understands the pressures facing your leadership team. Whether you're aligning with strategic partners, adapting to new payment structures, or leverage technology advancements for real-time insights, we have helped providers across California do the same — with results that mater.

Included are examples of our recent work in California and the experts who led each project.



Loma Linda University Medical Center New Patient Towers

LOMA LINDA, CALIFORNIA WIPFLI

TEAM MEMBERS

- Karen Lloyd, Tammy Staeden, and Sydney Diekmann

Wipfli continues to work with LLUMC on various planning efforts and is currently engaged on several ongoing projects with Loma Linda. We were engaged in Loma Linda's long-term capital planning efforts to fund the near \$1 billion construction of new patient towers for both Loma Linda's children's and acute-care hospital while incorporating multiple strategic and operational initiatives developed throughout the course of the engagement, addressing various related providers within the organization, issuing feasibility studies for public offerings of debt in 2016 and 2018.

SELECT PROJECT EXPERIENCE



San Bernardino Mountains Community Hospital District

LAKE ARROWHEAD, CALIFORNIA

Examined financial forecast for San Bernardino Mountains Community Hospital District's for a \$48,500,000 in USDA direct loan financing for a new acute care wing and entry area, as well as the expansion of its skilled nursing facility

WIPFLI TEAM MEMBERS

- Karen Lloyd and Sydney Diekmann



Seneca Healthcare District

CHESTER, CALIFORNIA

Examined financial forecast for a replacement hospital and skilled nursing facility to be financed through combination of an equity contribution, General Obligation funds and a USDA Direct Loan

WIPFLI TEAM MEMBERS

- Karen Lloyd
- Sydney Diekmann



Plumas Hospital District

PLUMAS, CALIFORNIA

Financial feasibility analysis for a skilled nursing facility financed through USDA Direct loan

WIPFLI TEAM MEMBERS

- Karen Lloyd and Sydney Diekmann



San Geronio Memorial Hospital

BANNING, CALIFORNIA

Assisting management with forecasting related to an application for the Distressed Hospital Loan Program and continued assistance with monthly cash flow modeling.

WIPFLI TEAM MEMBERS

- Karen Lloyd
- Tammy Staeden

WIPFLI



ABOUT WIPFLI

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“Our experience with Wipfli was awesome. Whatever came up, the Wipfli team was always there, always super responsive and always had an answer or a workaround.”

Paige Oldham, CFO, Health Solutions

WHY WIPFLI

Growing since inception

From one man to more than 3,000 professionals — but still one firm.

In the early 1900s, Clarence J. Wipfli & Company was established in Wausau, Wisconsin. Clarence founded the company with a clear vision for bringing his values to his business. Today, more than 3,000 Wipfli team members with an unmatched breadth and depth of experience are trained to help individuals and businesses of all sizes (from small, family-owned companies to large, international businesses).

And while a lot has changed over the years, the deeply ingrained values passed down from our founders still remain an evident part of our business.

Partner involvement in your engagement

Achieving your goals requires an accounting team with more than just considerable industry-specific knowledge; it requires experience at the highest level. Our partners and executives are hands-on and actively involved in your engagement, lending their wealth of experience and helping ensure you enjoy continuity in our relationship and in the advice and service you receive.

Strategic, proactive and in it for the long term

We look behind the financial numbers to find opportunities that can make you more successful and profitable. Our multidisciplinary approach gives

us invaluable insights into how the right decisions can positively impact your financial performance, long-term growth, organizational development and operational effectiveness — all so your business can expand and reach its utmost potential.

The bench strength to serve you

You'll never need to "train" our people to do their jobs — our auditors, tax professionals and consultants are experienced managers, senior managers and partners. The depth and breadth of our resources can meet your complex needs, and our staff continuity helps minimize disruption to your organization, save you time and money and help ensure consistent service.

Wipfli works to attract and retain the most talented personnel in the industry. We make every effort to help ensure that you work with consistent team members year after year.

The know-how you need, when you need it

When you combine the resources of a large, experienced firm with local and reliable accessibility, you get an ideal business partner, available whenever you need us. As members of a leading tax, audit and business consulting firm, our professionals have developed the profound skills and knowledge you'd expect in a top-performing company. And with local offices, we're also your community neighbors, working by your side to help implement solutions and support your success.

Wipfli today

54,000+

clients

3,000+

associates

270+

partners

\$612M

revenue in FY 2025

HEALTHCARE SERVICES AND SOLUTIONS

Our specialized team of healthcare professionals thoroughly understands the pressures placed on your leadership team, and we've built proven solutions designed for healthcare providers like you. We have experience providing a range of services to healthcare entities.

Tax: Navigate tax regulations along with the potential exemption, reporting and compliance concerns unique to healthcare. Our knowledgeable tax team goes beyond the basics to deliver actionable insights and strategy that help you **build financial confidence**.

Audit and assurance: We can help you choose the right audit and equip you with the information you need to **strengthen compliance** and **improve operations**.

Digital: Use the latest healthcare technology to unlock growth and greater efficiency. With our digital services, we help you navigate your digital strategy and execution so that you can **increase productivity** and **improve care**.

Organizational performance: Create an efficient, agile organization with Wipfli's organizational performance services. We provide you with the strategy and operations support you need to **transform the way you allocate resources** and **stay future-ready**. We also offer leadership development to help you **deepen your bench strength** and create high-performing teams.

Outsourcing: Master your back-office challenges so that you can **focus on care delivery**. We add knowledge and experience to your teams in key areas such as talent, finance, information security and technology.

HEALTHCARE CONSULTING

Reimbursement services

Navigate Medicare and Medicaid reporting rules so that you can file for the appropriate rate and **stay in compliance**.

We provide the following:

- Annual Medicare/Medicaid cost report preparation
- Coding and compliance
- Disproportionate share reimbursement
- Licensing and Medicare/Medicaid certification/enrollment
- Medicare/Medicaid appeals
- Medicare/Medi-Cal preparation, review, appeals and rate-setting
- On-site reimbursement staffing
- Payment projections for regulatory changes
- Payor contract audits and compliance
- Provider-based applications
- Rural health clinic/FQHC rate-setting and change-in-scope rate change reports

Revenue cycle management

Understand your cash flow and improve your processes so that you **achieve greater financial stability**.

We can support your organization with:

- Revenue cycle process assessment
- Coding audits
- Outpatient coding
- Compliance
- Strategic pricing reviews
- Third-party payor contracting
- Denials management

Capital planning

Be strategic in the way you analyze, optimize and implement capital and facility planning.

We can provide:

- Feasibility studies
- Functional and space program design
- Market assessment and demand forecasting
- Physician demand planning
- Valuations and transactions

Strategic planning

Meet regulatory requirements for strategic planning and **stay future-ready**.

We can perform a gap analysis to help you understand how you can get from your current state to your desired future state. Our data-based strategy solutions are actionable, providing you with clear next steps and support to help you navigate the risks and challenges you may face with implementation.

YOUR NEXT STEP

Karen Lloyd

Partner

klloyd@wipfli.com

828.242.3837

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WIPFLI

Imperial Valley Healthcare District

Title: Intermediate NICU Bioethics and Bioethics Consultation		Policy No. CLN-02527
		Page 1 of 3
Current Author: Sandra Taylor, RNC-NIC, BSN		Effective: 9/25/2018
Latest Review/Revision Date: 09/15/2025		Manual: Clinical / Nursery/NICU

Collaborating Departments: Neonatal, NICU Medical Director, NICU Manager		Keywords: Bioethics/Neonatal		
Approval Route: List all required approval				
MARCC x	PSQC	Other:		
Clinical Service <u>Pediatrics</u> x		MSQC x	MEC x	BOD x

Note: If any of the sections of your final layout are not needed do not delete them, write "not applicable".

1.0 Purpose:

- 1.1 Imperial Valley Healthcare District is committed to maintaining an environment in which bioethical issues and dilemmas can be addressed.
- 1.2 To define the process for obtaining a Bioethics Consultation for Rady Children's Hospital San Diego (RCHSD) Regional Center for the PMH Intermediate NICU.

2.0 Scope: All Staff

3.0 Policy:

- 3.1 There is multidisciplinary representation on the Bioethics Medical Staff Committee available to PMH families and staff members thru RCHSD.
- 3.2 Bioethics consultations may be requested by physicians, other health care providers or family members by contacting the RCHSD Bioethics Consultation Team.
- 3.3 The RCHSD Bioethics Consultation Team is available Monday through Sunday (all hours).
- 3.4 The Bioethics Consultation Team is a multi-disciplinary group of specially trained clinicians and ethicists from the Bioethics Committee.
- 3.5 The Bioethics Consultation Team will initiate the consultation within 24 hours of the referral.
- 3.6 Indications and the purpose for bioethics consultations include, but are not limited to:
 - 3.6.1 Cases which may benefit from bioethical case review (i.e., significant differences in the desired plan of care arising between the parents/family/family or designated care provider and the NICU team)
 - 3.6.2 A need to clarify bioethical issues
 - 3.6.3 To assist in resolution of bioethical dilemmas, particularly those in which parties cannot agree
 - 3.6.4 Provide consultation and recommendations to the healthcare team or parents/family or designated care provider regarding the range of bio-ethically defensible options in patient care:
 - 3.6.5 To assist the parents/family or designated care provider decision-making in the care of limited neonatal viability:
 - 3.6.5.1 Extremely low birth weight (less than 350 grams)
 - 3.6.5.2 Early gestational age infants (less than 22 weeks)
 - 3.6.5.3 Medical condition not compatible with life (anencephaly, encephalocele)
 - 3.6.6 The appropriateness of specific interventions, e.g., a tracheotomy, feeding tube

Imperial Valley Healthcare District

Title: Intermediate NICU Bioethics and Bioethics Consultation		Policy No. CLN-02527
		Page 2 of 3
Current Author: Sandra Taylor, RNC-NIC, BSN		Effective: 9/25/2018
Latest Review/Revision Date: 09/15/2025		Manual: Clinical / Nursery/NICU

- 3.6.7 Resuscitation i.e., code status
- 3.6.8 Permissibility of withholding or withdrawing potentially non-beneficial treatment
- 3.6.9 Clarifying hospital policies or providing ethically relevant factual information
- 3.6.10 Moral distress
- 3.6.11 Religious, cultural and spiritual issues
- 3.7 The attending physician must be notified of the request for a bioethics consultation in a timely manner and informed that a bioethics consultation has been requested.
 - 3.7.1 The attending physician does not have the authority to block or decline the bioethics consultation.

4.0 Definitions:

- 4.1 PMH – Pioneers Memorial Hospital
- 4.2 RCHSD – Rady Children’s Hospital San Diego
- 4.3 NICU – Neonatal intensive Care Unit

5.0 Procedure:

- 5.1 To initiate a Bioethics Consultation from RCHSD regional center:
 - 5.1.1 In order to initiate a Bioethics Consultation, please notify the PMH NICU nursing/medical leadership or the PMH House Supervisor.
 - 5.1.1.1 One of the above staff members will contact RCHSD hospital operator, whom has access to the Bioethics Consultation Team’s call schedule and contact information. The RCHSD Nursing House Supervisor or hospital operator will contact one member of the Bioethics Consultation Team to initiate the process of the bioethics consultation.
- 5.2 The person requesting a bioethics consultation may consult with the bioethics consultant or whoever else is designated; or request the medical staff bioethics committee to meet regarding this case.
 - 5.2.1 It is recommended that when a bioethics consultation occurs, or when critical decisions are discussed with a family, it be done in an interdisciplinary manner with all those likely to participate in care and medical treatment to be included as much as possible in the process.
- 5.3 The person requesting the bioethics consultation may specify that his/her identity be kept confidential.
 - 5.3.1 This requestor of the bioethics consultation must notify the first member of the bioethics consult team of this request for confidentiality when he/she initiates the bioethics consultation request.
- 5.4 Parents/family or designated care provider will be notified of the availability of the Bioethics Consultant as soon as possible if they are the requesting party.

6.0 References:

- 6.1 Rady Children’s Hospital, San Diego, Policy G 3-0 “Bioethics Consultation for RCHSD Community NICU” (2016)
- 6.2 Nadroo, A.M .MD, FAAP, Ethical dilemmas in decision making at limits of neonatal viability. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3516104/> (2011)

Imperial Valley Healthcare District

Title: Intermediate NICU Bioethics and Bioethics Consultation		Policy No. CLN-02527
		Page 3 of 3
Current Author: Sandra Taylor, RNC-NIC, BSN		Effective: 9/25/2018
Latest Review/Revision Date: 09/15/2025		Manual: Clinical / Nursery/NICU

- 6.3 Barfield, W.D., MD Standard Terminology for Fetal, Infant, and Perinatal Deaths.
<https://pediatrics.aappublications.org/content/128/1/177> (2016)
- 6.4 Verklan, M.T., Walden, M. *Core Curriculum for Neonatal intensive Care Nursing*.
AWHONN (2014)

7.0 Attachment List: Not applicable

8.0 Summary of Revisions:

- 8.1 Updated name change of the organization

Imperial Valley Healthcare District

Title: Preventing and Managing Wounds		Policy No. CLN-00318
		Page 1 of 5
Current Author: Yesenia Magallon		Effective: 10/1/1999
Latest Review/Revision Date: 8/2025 R1		Manual: Clinical / Nursing Policies

Collaborating Departments: Physical Therapy, Dietary, Wound Care Center, Pharmacy, MD Papp, MD Bivens, Inpatient Nursing Units, and Purchasing Department			Keywords: Pressure Injuries, decubitus ulcers, skin breakdown, eschar, slough,	
Approval Route: List all required approval				
MARCC x	PSQC	Other:		
Clinical Service <u>Medicine</u> x		MSQC x	MEC x	Board x

Note: If any of the sections of your final layout are not needed do not delete them, write "not applicable".

1.0 Purpose:

- 1.1 Assure proper assessment and management of patients for prevention of pressure injuries. Nurses and other caregivers involved with the patient who have already developed pressure injuries must work as an interdisciplinary team to provide the medically prescribed treatment for the best benefit to the patient.

2.0 Scope: Clinical and Ancillary

3.0 Policy:

- 3.1 Wounds and pressure injuries are often preventable however; when they do exist they will be managed in a vigorous manner to minimize their effects on the patient's well-being, comfort and to promote improved healing of such wounds.

4.0 Definitions:

- 4.1 **Slough:** Non-viable or dead tissue containing fibrin, protein, bacteria and neutrophils. Can be impacted by mechanical cleansing or various types of debridement. Can be moist or dry and varies in color.
- 4.2 **Eschar:** Necrotic or devitalized tissue on the surface of a wound. This can be black, brown, gray, or yellow. Tissue may be loose or firmly adherent; hard, soft, or soggy.
- 4.3 **Classification of Tissue Destruction:** Injuries such as skin tears, donor sites, vascular ulcers, surgical wounds and burns are described as **partial** or **full-thickness** to indicate the depth of tissue destruction.
- 4.4 **Pressure Injuries:** Classified based on the 2019 National Pressure Ulcer Advisory Panel guidelines, which describe the extent of tissue damage. A pressure injury is a localized damage to the skin and/or underlying tissue, often over a bony prominence, due to pressure, or a combination of pressure, shear, and/or friction.
- 4.5 **Stage 1 Pressure Injury:** Intact skin with non-blanchable redness over a bony area (color may differ on darker skin). Affected area may be painful, firm, soft, warmer, or cooler than surrounding tissue. Purple or maroon discoloration suggests a DTI.
- 4.6 **Stage 2 Pressure Injury:** Partial-thickness skin loss with exposed dermis, with a pink or red, moist wound bed, or an intact or ruptured blister. No visible adipose tissue, deeper tissues, slough, or eschar. Does not include moisture-associated skin damage or traumatic wounds. Purple or maroon discoloration suggests a DTI.
- 4.7 **Stage 3 Pressure Injury:** Full-thickness skin loss with visible adipose, granulation tissue and epibole (rolled wound edges) are often present. Slough and/or eschar may be visible. Depth varies by anatomical location; undermining and tunneling may occur.

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Fascia, muscle, tendon, ligament, cartilage and/or bone are **not** exposed. If tissue loss extent is obscured by slough or eschar this is an Unstageable Pressure Injury.

- 4.8 **Stage 4 Pressure Injury:** Full-thickness skin and tissue loss with exposed or palpable fascia, muscle, tendon, ligament, cartilage or bone. Slough and/ or eschar may be visible with possible epibole, undermining and/or tunneling. Depth varies by anatomical location. If tissue loss extent is obscured by slough/ or eschar this is an Unstageable Pressure Injury.
- 4.9 **Suspected Deep Tissue Injury (DTI):** Intact or non-intact skin with localized area of persistent non-blanchable deep red, maroon, purple discoloration or epidermal separation revealing a dark wound bed or blood-filled blister (color may differ in darker skin). Wound may evolve to reveal the actual extent of tissue injury, or may resolve. If deeper structures are visible, it is a full-thickness pressure injury. Do not use DTI to describe vascular, traumatic, neuropathic, or dermatologic conditions.
- 4.10 **Unstageable Pressure Injury:** Full-thickness tissue loss where the extent of damage is obscured by slough or eschar. The true depth and stage can only be determined once obstruction is removed. Stable eschar should not be softened or removed.
- 4.11 **Diabetic Foot Ulcers:** Wounds caused by angiopathy and neuropathy, leading to impaired healing and loss of sensation. Typically occur below the ankle on pressure points (heel, metatarsal heads). Characterized by round, even margins with a periwound callus, increasing the risk of further tissue breakdown.
 - 4.11.1 **Diabetic Foot Ulcers are Classified using the “WAGNER SCALE”**
 - 4.11.1.1 GRADE 0 – Intact skin
 - 4.11.1.2 GRADE I – Superficial without penetration of deeper levels
 - 4.11.1.3 GRADE II – Deeper, reaching tendon, bone, or joint capsule
 - 4.11.1.4 GRADE III – Deeper with abscess, osteomyelitis, or tendonitis extending to those structures
 - 4.11.1.5 GRADE IV – Gangrene on some portion of the toe, toes, and/or foot
 - 4.11.1.6 GRADE V – Gangrene involving the whole foot or enough of the foot that no local procedures are possible.
- 4.12 **Venous Stasis Ulcers:** Develop from venous hypertension due to damage in superficial, deep, or perforating veins associated with venous disease. Typically shallow but may cause full-thickness tissue loss. Characterized by irregular edges, a yellow/red wound bed, heavy drainage, and often macerated or scaly surrounding skin.
- 4.13 **Arterial Ulcers:** Caused by reduced blood flow and oxygen supply, leading to partial or full-thickness tissue loss. Characterized by well-defined borders, edema, erythema, minimal drainage, and often necrotic tissue.
- 4.14 **Skin Tears:** Occur due to trauma by mechanical forces. Severity may vary by depth but does not extend to the subcutaneous layer.

5.0 Procedure:

- 5.1 **Wound Assessment:** A complete wound assessment must be documented in the electronic medical record (EMR). Photographs of wound(s) must be obtained within 24 hours of admission, once per week, when significant changes are noted, and at discharge (unless taken within the last 24 hours). Photographs must be uploaded to patients' EMR.

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- 5.1.1 **Wound Picture Files Uploaded must include:**
 - 5.1.1.1 Patient identifiers (e.g. MRN or FIN)
 - 5.1.1.2 Date the picture was taken
 - 5.1.1.3 Wound Location
- 5.1.2 **Wound Assessment must include:**
 - 5.1.2.1 Wound Location
 - 5.1.2.2 Wound Type
 - 5.1.2.3 Description of Wound (color, shape, drainage, wet/dry)
 - 5.1.2.4 Size of Wound (length, width, and depth) – Only required on occasions when pictures of wounds are taken or as ordered by physician.
- 5.1.3 **Quality Review Report (QRR) Entries:** Entry of QRR is to be completed only if a wound is **not** present on admission and/or if the wound category/stage worsens.
- 5.1.4 **Wound Care Order Entry**
 - 5.1.4.1 Nurses may order the "Wound Care Protocol" for nurse-driven wound management, while notifying the physician about the wound (refer to Attachment A for the protocol).
 - 5.1.4.2 If the physician provides specific wound care instructions, a separate "Wound Care Order" will be entered with detailed instructions.
 - 5.1.4.3 Physician or LIP may prescribe a referral to podiatry or diabetic educator.
- 5.2 **Risk Factors for Impaired Skin/Tissue Integrity include, but are not limited to:**
 - 5.2.1 Limited mobility, Incontinence, Loss of Sensation, Poor Nutritional Status, Anemia, Elevated Temperature, Dehydration, Edema, and Prolonged Contact with Equipment.
- 5.3 **Client/Family Education include, but are not limited to:**
 - 5.3.1 Emphasize the importance of frequent position changes and use pillows or towel rolls to reduce pressure on bony prominences.
 - 5.3.2 Advise on increasing nutrition and fluids to promote healing, if allowed by the physician. Order to consult registered dietitian recommended.
 - 5.3.3 Follow the physician's instructions for pressure injury care and request assistance for dressing changes if needed.
 - 5.3.4 Emphasize the importance of proper foot care for diabetic patients.
- 5.4 **Nursing Diagnosis/ Care Plans**
 - 5.4.1 **Care Plans are updated daily by the RN or LVN, these may include:**
 - 5.4.1.1 Risk for Impaired Skin/Tissue Integrity
 - 5.4.1.2 Impaired Skin/Tissue Integrity or Altered Skin Status
 - 5.4.1.3 Risk for infection
 - 5.4.1.4 Impaired physical mobility
 - 5.4.1.5 Pain Management (Acute/Chronic)
- 5.5 **Planning**
 - 5.5.1 **Expected outcomes:**
 - 5.5.1.1 The patient will not experience a disruption of the skin integrity.
 - 5.5.1.2 The patient will benefit from wound care and pressure injury reducing supportive measures to begin tissue healing.
 - 5.5.1.3 The patient will experience regular turning and re-positioning.
 - 5.5.1.4 The patient will have an increase in nutrition to meet metabolic demands.
 - 5.5.1.5 The patient will remain free from infection.

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- 5.5.1.6 The patient will develop positive coping mechanisms in dealing with the wounds.
- 5.5.1.7 The patient or family member will understand the proper techniques in preventing pressure injuries.
- 5.5.2 **Equipment needed (for prevention):**
 - 5.5.2.1 Pillows
 - 5.5.2.2 Rolled up blankets or towels
 - 5.5.2.3 Offloading or Positioning system
 - 5.5.2.4 Specialty beds, if ordered by the physician
 - 5.5.2.5 Heel or elbow protectors
 - 5.5.2.6 Skin care products as needed or as prescribed.
- 5.6 **Implementation**
 - 5.6.1 Review Orders – Wound care protocol or physician's wound care order for instructions
 - 5.6.2 Pain Management – Assess pain and pre-medicate if needed.
 - 5.6.3 Patient Preparation – Identify patient, explain procedure, ensure privacy, gather supplies, adjust bed height, and position patient for wound care.
 - 5.6.4 Hand Hygiene & PPE – Perform hand hygiene and don appropriate PPE.
 - 5.6.5 Skin Care – Clean soiled areas without massaging pressure points.
 - 5.6.6 Wound Care – Perform wound care dressing changes using aseptic technique.
 - 5.6.7 Final Steps – Remove PPE, perform hand hygiene, and document wound care, skin assessment, and repositioning.
- 5.7 **Evaluation**
 - 5.7.1 Evaluate risk for pressure injury development via the Braden Scale (document every shift).
 - 5.7.2 Evaluate pressure injury points and the patient's ability for active movement.
 - 5.7.3 Evaluate patient's understanding of position changes and hygiene needs.
 - 5.7.4 Evaluate the effectiveness of pressure relief devices and wound care dressings.
 - 5.7.5 Evaluate wound progression and overall skin healing.
- 5.8 **Documentation**
 - 5.8.1 **Wound Assessment Documentation includes:**
 - 5.8.1.1 Wound type or Stage/Category
 - 5.8.1.2 Description (color, shape, drainage, wet/dry)
 - 5.8.1.3 Location
 - 5.8.1.4 Size (length/width/depth)
 - 5.8.2 **Wound Measurement**
 - 5.8.2.1 Length – Measure longitudinal distance (head to toe, or 12 to 6 o'clock direction).
 - 5.8.2.2 Width – Measure horizontal distance (left to right, or 9 to 3 o'clock direction).
 - 5.8.2.3 Depth – Insert a cotton tip applicator into the deepest part of the wound bed, perpendicular to the surface; mark the applicator remove measure and document.
 - 5.8.2.4 Tunneling or Undermining – A sterile Q-tip is passed into the tunnel or pocket or undermining, measuring the distance traveled. Document findings using the clock face method, referencing anatomical position to describe the direction.

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5.9 Wound/Skin Care Documentation may include:

- 5.9.1 Details of the procedure performed, including wound care, solutions or materials used, and whether aseptic or sterile techniques were applied.
- 5.9.2 The patient's response to the procedure and their level of tolerance.
- 5.9.3 Interventions used to prevent, reduce, or limit pressure on bony prominences.
- 5.9.4 Patient/family education and understanding on risk factors and prevention.
- 5.9.5 Documentation of any refusal of turning, wound care, or prevention measures, including the education provided and details of the refusal.

6.0 References:

- 6.1 Bryant Ruth A. & Nix Denise P. (2007). Acute & Chronic Wounds: Current Management Concepts (5th Ed.) St. Louis: Elsevier
- 6.2 Bowers, S., & Franco, E. (2020). Chronic Wounds: Evaluation and Management. *American Family Physician*, 101(3), 159–166.
<https://www.aafp.org/pubs/afp/issues/2020/0201/p159.html>
- 6.3 European Pressure Ulcer Advisory Panel, National Pressure Injury Advisory Panel and Pan Pacific Pressure Injury Alliance. (2019). *Prevention and Treatment of Pressure Ulcers/Injuries: Clinical Practice Guideline Pressure Injury Alliance*.
<https://static1.squarespace.com/static/6479484083027f25a6246fcb/t/6553d3440e18d57a550c4e7e/1699992399539/CPG2019edition-digital-Nov2023version.pdf>
- 6.4 International Skin Tear Advisory Panel (2023) *Resources & Downloads*. ISTAP.
<https://www.skintears.org/resources>
- 6.5 Kalra, M. G., Higgins, K. E., & Kinney, B. S. (2014). Intertrigo and Secondary Skin Infections. *American Family Physician*, 89(7), 569–573.
<https://www.aafp.org/pubs/afp/issues/2014/0401/p569.html>

7.0 Attachment List:

- 7.1 Attachment A – Photographic Wound Assessment Documentation Form
- 7.2 Attachment B – Physician's Wound Care Orders
- 7.3 Attachment C - Wound Care Protocol

8.0 Summary of Revisions:

- 8.1 Changed author
- 8.2 Changed phrase "Pressure Ulcer" to "Pressure Injury"
- 8.3 Added new sections 4.1 (slough) and 4.2 (eschar)
- 8.4 Revised sections 4.1 - 5.8.6 into sections 4.3 – 12.3.5
- 8.5 Added new sections: 5.1.4 – 5.1.4.3, 6.0 – 6.1, 8.9, 12.1 – 12.1.4, 12.3 – 12.3.5, 13.2, 13.3, 13.4, and 13.5
- 8.6 Deleted sections: 5.1.3 - 5.1.14, 5.3.5, 5.3.7, 5.4, 5.5.3, 5.8.1, 5.8.3 – 5.8.6, 6.2 and 6.3
- 8.7 Revised and Updated Entire Attachment C (Wound Care Protocol)
- 8.8 Added sections to Attachment C (Wound Care Protocol):
 - 8.8.1 Venous Ulcers
 - 8.8.2 Arterial Ulcers
- 8.9 Addition of consult registered dietitian to 7.2
- 8.10 Diabetic Foot Ulcers (Wagners)

Wound Care Protocol

☒	Notify primary physician of wound(s).
☒	Implement Wound Care Protocol per physician's order and/or if Wound Care Consultation is pending.
☒	Implement Prevention Care Plan. Implement turning schedule (turn and position every 2 hours).
☒	Measure & take pictures of all wounds on admission, newly discovered, weekly & upon discharge if > 24 hours since last picture was taken.
☒	RN/LVN must assess and document wound assessment and dressing condition every shift.
☐	Place a Wound Care Consultation as per Inpatient Physician Orders
☐	Incontinence/Dermatitis ☒ Cleanse with perineal cleanser. Pat skin dry. Apply a thin layer zinc paste to affected area. Check skin routinely for incontinence.
☐	Fungal Rash- Skin Folds ☒ Cleanse area and dry thoroughly. Apply anti-fungal powder to skin folds BID. Separate skin folds with moisture-wicking cloths. Change every 3 days or when soiled.
☐	Fungal Rash – Perineal/Peri-rectal Area ☒ Cleanse area & dry thoroughly. Apply thin layer of anti-fungal ointment to area BID and PRN to keep area protected at all times. Check skin routinely for incontinence.
☐	Skin Tear(s) ☒ Cleanse wound(s) with 0.9% normal saline or wound cleanser and pat dry. If possible, re-approximate flap over skin tear. Apply non-adherent contact layer then cover with sterile gauze. Secure wounds on extremities with roll gauze. Change every 3 days or as needed.
☐	Blister(s) ☒ If blisters on heels, float heels off bed surface with pillows and/or heel boots bilaterally. ☒ Intact: Do not rupture. Apply skin-prep. Do not cover. ☒ Ruptured: Cleanse wound(s) with 0.9% normal saline or wound cleanser and pat dry. Apply a non-adherent contact layer and then cover with sterile gauze or foam dressing. Secure wounds on extremities with roll gauze. Change every 3 days or as needed.
☐	Intact, Dry Black Eschar on Heels (firm with no S/S of infection or drainage). ☒ Paint with Povidine-Iodine Daily. Omit Povidine-Iodine if history of Iodine Allergy. ☒ Float heels off bed surface with pillows and/or heel boots. ☒ Assess for improvement, deterioration/progression every shift. ☒ DO NOT COVER OR MASSAGE
☐	Stage I or Deep Tissue Injury (DTI) ☒ Assess for improvement /deterioration/progression every shift. ☒ Apply skin-prep to surrounding intact skin. Place a foam dressing. Change dressing every 3 days or as needed. ☒ DO NOT MASSAGE RED/PURPLE AREAS
☐	Stage II/ Partial – Thickness wound(s): ☒ Cleanse wound(s) with 0.9% normal saline or wound cleanser and pat dry. Apply skin-prep to surrounding intact skin. ☒ Apply foam dressing or non-adherent contact layer and cover with gauze. May apply topical agent to keep wound moist as needed. Change every 3 days and PRN. ☒ Incontinent patients: May apply a thin layer of zinc based barrier cream and reapply zinc barrier cream as needed.
☐	Stage III or Stage IV/Full – Thickness wound(s): ☒ Cleanse wound(s) with wound cleanser and pat dry. Apply skin-prep (barrier) to surrounding intact skin. ☒ May apply and/or pack with topical agent or wet-to-dry dressing to keep wound moist as needed. ☒ Scant/Small draining wound: Apply silver antimicrobial gel and/or medical grade honey dressing (for present slough or eschar) for packing under foam. DO NOT extend silver antimicrobial gel beyond wound edges. Cover with foam dressing or non-adherent contact layer and cover with gauze. Change every 3 days and PRN. ☒ Moderate/Large draining wound: Apply absorptive alginate dressing and cover with foam dressing or non-adherent contact layer and cover with gauze. May apply silver antimicrobial gel and/or medical grade honey dressing (for present slough or eschar) for packing under foam. DO NOT extend Silver antimicrobial gel beyond wound edges. Change every 3 days and PRN. ☒ Tunneling & Undermining: Loosely pack tunneling or undermining with silver calcium alginate rope.
☐	Unstageable wounds: ☒ Cleanse wound(s) with wound cleanser and pat dry. Apply skin-prep to surrounding intact skin. ☒ Wounds covered with Dry Eschar: Apply povidine-iodone and leave open to air; apply daily and PRN. DO NOT COVER OR MASSAGE. Omit Povidine-Iodine if history of Iodine Allergy. ☒ Wounds covered with Wet Eschar and/or Slough: Apply and/or pack with medical grade honey dressing. Cover with foam dressing or non-adherent contact layer and cover with gauze. Change every 3 days and PRN.
☐	Venous Ulcers: ☒ Cleanse wound(s) with wound cleanser or 0.9% normal saline and pat to leave area moist. ☒ Elevate the extremity above level of the heart at rest. ☒ Wrap with compression dressing as per clinician order. ☒ Scant/Small draining wound: Apply topical agent to keep wound moist, cover with non-adherent dressing, and wrap with gauze dressing. ☒ Moderate/Large draining wound: Apply calcium alginate dressing, cover with non-adherent dressing, and wrap with gauze dressing. ☒ DO NOT APPLY COMPRESSION DRESSING TO AREAS AT RISK FOR UNDERLYING ARTERIAL DISEASE.

- ☐ **Arterial Ulcers:**
- ☒ Cleanse wound(s) with wound cleanser or 0.9% normal saline and pat to leave area moist.
 - ☒ Apply topical agent to keep wound moist, cover with non-adherent dressing, and apply gauze dressing. May apply silver antimicrobial gel. **DO NOT** extend silver antimicrobial gel beyond wound edges.
 - ☒ **DO NOT APPLY COMPRESSION DRESSING TO ARTERIAL ULCERS.**
 - ☒ **DO NOT ELEVATE EXTREMITY ABOVE HEART LEVEL.**

- ☐ **Diabetic Foot Ulcers (Wagners):**
- ☒ Cleanse wound(s) with wound cleanser or 0.9% normal saline and pat to leave area moist.
 - ☒ Offload lower extremities.
 - ☒ Apply topical agent to keep wound moist, cover with non-adherent dressing, and apply gauze dressing. May apply silver antimicrobial gel. **DO NOT** extend silver antimicrobial gel beyond wound edges.
 - ☒ **DO NOT APPLY COMPRESSION DRESSING DUE TO RISK OF PERIPHERAL ARTERIAL DISEASE.**

Protocol Initiated By: _____ **Date/Time:** _____
 (RN SIGNATURE)

☐ **Implement** ☐ **Continue with Wound Care Protocol:** _____ ☐ **TORB** **Date/Time:** _____
 (Physician Signature)



Patient ID

Attachment C: Preventing and Managing Wounds CLN-00318

Physician's Wound Care Orders

- ☒ Implement prevention protocol.
- ☒ Measure all wounds and take pictures on: admission, new discovery, weekly and upon discharge if more than 24 hours since last picture.
- ☐ Weekly Wound Care Consultation
- ☐ Wound Care Follow-Up at discharge
- ☐ Nutritional Consult
- ☐ Surgical Consult
- ☐ Diabetes Educator Consult
- ☐ Physical Therapy Consult
- ☐ Infectious Disease Consultation
- ☐ Multivitamin PO once daily
- ☐ Obtain Wound(s) Culture and Sensitivity
- ☐ Pre-Albumin level with next lab draw and weekly.
- ☐ Transferrin level with the next lab draw & weekly.
- ☐ Offload heels with heel-lift suspension boots
- ☐ Specialty Surface: _____
- ☐ **Negative-Pressure Wound Therapy Settings:** _____ **Wound(s):** _____
- ☐ **Compression Therapy:** ☐ L Leg ☐ R leg ☐ Bilateral legs **Type:** _____
- ☐ **Other:** _____

Wound Type and Staging:

- ☐ **Pressure Ulcer Stage I:** _____
- ☐ **Pressure Ulcer Stage II:** _____
- ☐ **Pressure Ulcer Stage III:** _____
- ☐ **Pressure Ulcer Stage IV:** _____
- ☐ **Unstageable:** _____
- ☐ **Other:** _____

Wound Treatment:

- ☒ Cleanse wound(s) with Wound Cleanser and pat dry.
- ☒ Apply skin-prep to surrounding intact skin.
- ☒ For Urinary or Fecal Incontinence: Apply Zinc paste.

CLEANSING PRODUCTS

O.9% Normal Saline / Sterile Water / Wound Cleanser

TOPICAL OINTMENTS & GELS

Neosporin / Bactroban / Hydrogel / Silvasorb Gel / Santyl

SECONDARY DRESSINGS

Adaptic/ Tegaderm / Sterile Gauze / ABD Pad/ Telfa / Foam
Bordered Composite Dressing / bordered Foam dressing

PROTECTANT PRODUCTS:

No-sting Skin Prep / Zinc Paste / Antifungal Powder / Water-barrier Cream

PRIMARY DRESSINGS

Adaptic / Hydrocolloid / Calcium Alginate / Silver Calcium Alginate / Fibrocol / Prisma
Promogran / Foam / Xeroform / Tegaderm

SECURING PRODUCTS

Medipore tape / Paper tape / Kerlix / kling/ Tubinet / Coban

Physician Signature: _____ ☐TORB **Date/Time:** _____

(PHYSICIAN SIGNATURE)

RN Signature: _____ **Date/Time:** _____

(RN SIGNATURE)

Tape picture of Impaired Skin Integrity type here.

You may overlap pictures of same wound on one sheet. However, use different sheet(s) for additional impaired skin integrity issues.

PLACE PICTURE HERE. PRINT 5X7 TO PRINT ON TOP.

Wound Photograph Nursing Documentation (R.N to complete for all skin integrity photographs taken.)

Location: _____ **Impaired skin Integrity Type:** ☐ Pressure Ulcer ☐ Diabetic Foot Ulcer ☐ venous leg ulcer ☐ Arterial leg ulcer ☐ Skin tear ☐ Abrasion ☐ Surgical Wound ☐ Burn ☐ Excoriation ☐ Bruise ☐ other

Description: _____

Size: Length _____ cm Width _____ cm Depth _____ cm

Was the wound present on admission ☐ ***Yes*** ☐ ***No***

Physician Signature: _____ ***Date/Time:*** _____

RN Print Name: _____

RN Signature: _____ ***Date/Time:*** _____

Photographic Impaired Skin Integrity Assessment Documentation Form

For Pressure Ulcers only:

PRESSURE ULCER PRESENT ON ADMISSION

(Physician documentation of a pressure ulcer present on admission is required.)

Pressure Ulcer Stage: _____ **If Stage 2 or greater, wound care consultation ordered?** ☐ ***Yes*** ☐ ***No***

If no, why? _____

Assessment Key

1. **Location:** Where is impaired skin integrity location on body.
2. **Classification:** See below.
 - **Only Pressure Ulcers are to be staged as a pressure ulcer.**
3. **Size:** Measurements go here in cm.
4. **Tunneling:** Track starting at impaired skin integrity bed projecting out.
5. **Undermining:** Tissue destruction to underlying intact skin along wound margins.

Pressure Ulcer (P.U.) Definition

- **Stage 1 Pressure Injury:** Intact skin with non-blanchable redness over a bony area (color may differ on darker skin). Affected area may be painful, firm, soft, warmer, or cooler than surrounding tissue. Purple or maroon discoloration suggests a DTI.
- **Stage 2 Pressure Injury:** Partial-thickness skin loss with exposed dermis, with a pink or red, moist wound bed, or an intact or ruptured blister. No visible adipose tissue, deeper tissues, slough, or eschar. Does not include moisture-associated skin damage or traumatic wounds. Purple or maroon discoloration suggests a DTI.
- **Stage 3 Pressure Injury:** Full-thickness skin loss with visible adipose, granulation tissue and epibole (rolled wound edges) are often present. Slough and/or eschar may be visible. Depth varies by anatomical location; undermining and tunneling may occur. Fascia, muscle, tendon, ligament, cartilage and/or bone are not exposed. If tissue loss extent is obscured by slough or eschar this is an Unstageable Pressure Injury.
- **Suspected Deep Tissue Injury (DTI):** Intact or non-intact skin with localized area of persistent non-blanchable deep red, maroon, purple discoloration or epidermal separation revealing a dark wound bed or blood-filled blister (color may differ in darker skin). Wound may evolve to reveal the actual extent of tissue injury, or may resolve. If deeper structures are visible, it is a full-thickness pressure injury. Do not use DTI to describe vascular, traumatic, neuropathic, or dermatologic conditions.
- **Unstageable Pressure Injury:** Full-thickness tissue loss where the extent of damage is obscured by slough or eschar. The true depth and stage can only be determined once obstruction is removed. Stable eschar should not be softened or removed.
- **Diabetic Foot Ulcers:** Wounds caused by angiopathy and neuropathy, leading to impaired healing and loss of sensation. Typically occur below the ankle on pressure points (heel, metatarsal heads). Characterized by round, even margins with a periwound callus, increasing the risk of further tissue breakdown.
- **Diabetic Foot Ulcers are Classified using the “WAGNER SCALE”**
 - GRADE 0 – Intact skin
 - GRADE I – Superficial without penetration of deeper levels
 - GRADE II – Deeper, reaching tendon, bone, or joint capsule
 - GRADE III – Deeper with abscess, osteomyelitis, or tendonitis extending to those structures
 - GRADE IV – Gangrene on some portion of the toe, toes, and/or foot
 - GRADE V – Gangrene involving the whole foot or enough of the foot that no local procedures are possible.
- **Venous Stasis Ulcers:** Develop from venous hypertension due to damage in superficial, deep, or perforating veins associated with venous disease. Typically shallow but may cause full-thickness tissue loss. Characterized by irregular edges, a yellow/red wound bed, heavy drainage, and often macerated or scaly surrounding skin.
- **Arterial Ulcers:** Caused by reduced blood flow and oxygen supply, leading to partial or full-thickness tissue loss. Characterized by well-defined borders, edema, erythema, minimal drainage, and often necrotic tissue.
- **Skin Tears:** Occur due to trauma by mechanical forces. Severity may vary by depth but does not extend to the subcutaneous layer.

Note: Photo documentation with impaired skin integrity assessment will be performed:

- For pre-existing wounds within 24 hours of admission
- Upon identifying hospital acquired pressure ulcers or other hospital acquired skin injuries.
- Weekly to track improvement or decline of wound.
- Within 48 hours prior to discharge from the hospital.

Imperial Valley Healthcare District

Title: Intermediate NICU Inpatient Visitation		Policy No. CLN-02522
		Page 1 of 4
Current Author: Sandra Taylor, RNC-NIC, BSN		Effective: 5/29/2018
Latest Review/Revision Date: 09/15/2025		Manual: Clinical / Nursery/NICU

Collaborating Departments: Neonatal NICU Medical Director, NICU Manager		Keywords: Visitation/Neonatal		
Approval Route: List all required approval				
MARCC x	PSQC	Other:		
Clinical Service <u>Pediatrics</u> x		MSQC x	MEC x	BOD x

Note: If any of the sections of your final layout are not needed do not delete them, write "not applicable".

1.0 Purpose:

- 1.1 Imperial Valley Healthcare District promotes and supports a patient and family centered approach to care encouraging the presence and participation of families, Partners-in-Care, and others who play a significant role in the lives of patients.
- 1.2 The purpose of this policy is to provide guidelines regarding persons spending time with inpatients in the NICU.
- 1.3 This policy also provides a mechanism to issue identification authorizing certain individuals to visit a newborn, and to delineate their rights and responsibilities.
- 1.4 This policy differentiates between Partners-in-Care and visitors and provides structure for care and support to take place with minimal inconvenience while simultaneously providing a safe environment for treatment and healing.

2.0 Scope: All Intermediate NICU Staff

3.0 Policy:

- 3.1 Parents are considered part of the care team and are not restricted by visiting hours.
- 3.2 The hospital will not restrict, limit, or otherwise deny visitation privileges on the basis of race, color, national origin, religion, sex, gender identity, sexual orientation, or disability.
- 3.3 Healthcare professional staff, utilizing reasonable clinical judgment, may place clinically necessary or other reasonable restrictions or limitations on visitation rights for the following reason.
 - 3.3.1 To provide medically necessary care.
 - 3.3.2 To control infections and communicable diseases.
 - 3.3.3 To facilitate rest for the patient or other patients in the immediate vicinity.
 - 3.3.4 To protect the privacy of patients in certain sensitive situations.
 - 3.3.5 To protect the security of the unit and any time visitation would interfere with care of the patient, care of other patients or effective unit operations.
 - 3.3.6 To protect the safety of other patients, staff and visitors in situations involving disruptive behavior.
 - 3.3.7 To protect the safety of the patient in situations involving possible abuse and neglect or where the hospital is aware of an existing court order restricting contact.

4.0 Definitions:

- 4.1 PIC – Partner-in-Care; A caregiver chosen by the parent(s) who is identified as such

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upon registration/admission to the Perinatal/Neonatal department. These identified individuals may not be blood relatives but are identified as the individuals who provide physical, psychological, and emotional support of the patient. PIC will have twenty-four hour access to the patient throughout the course of their hospital stay.

- 4.2 Visitors – Are guests of the patient, family or PIC. In some cases, visitors may be relatives. Visitors have restricted times during which they may see the patient.

5.0 Procedure:

- 5.1 This procedure is intended to be flexible to respond to the diverse and individual needs and preferences of each patient/family. It is intended to accommodate unanticipated and unique circumstances and ensure the safety of patients, families, PIC, and staff.
- 5.2 In the event that circumstances require exceptions to this procedure, the health care team, in collaboration with the patient's care givers, will use professional judgment in considering the circumstances and patient needs.
- 5.3 PIC:
- 5.3.1 All hospital staff, clinicians and volunteers will welcome and encourage parents and PIC to be involved and supportive of patient needs 24 hours a day.
- 5.3.1.1 They will recognize and reinforce that PIC are integral to patient safety, comfort, medical and psychological wellbeing and the healing process.
- 5.3.2 Parents will be given information regarding visiting rights upon admission, including an explanation about the differences between PIC and visitors.
- 5.3.3 PIC will be documented on the PIC Designation and Authorization form and signed by the parent.
- 5.3.4 PIC will be provided with a band to identify which infant they are to be associated. No more than two bands will be issued.
- 5.3.5 Individuals named in the PIC Designation and Authorization form will be confirmed by staff reviewing picture identification prior to distribution of the PIC wristband.
- 5.3.6 Wristbands will not be transferred from person to person.
- 5.3.7 PIC designation will be reviewed and revised as necessary to ensure patient needs are being met on a continuous basis.
- 5.3.8 Only parents will be permitted to change designated PIC; in these circumstances, a new Partner-in-Care Designation and Authorization form must be completed, signed and placed in the infants' medical record.
- 5.3.9 If the parents disagree on PIC designation, no additional wristbands will be distributed until a consensus can be reached. If this is the circumstance, both parents will be required to sign the Partner-in-Care Designation and Authorization form. No additional armbands will be distributed until both parties have signed.
- 5.3.9.1 In the event that families have any disputes concerning PIC, visitors, the scheduling and length of visiting, the Social Worker may be consulted for assistance when indicated.
- 5.4 Visitors:
- 5.4.1 Visitors must be accompanied by a banded individual or by a parent.

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- 5.4.2 Siblings who are 3 or older are welcome to visit with their parents with some exceptions. We work hard to limit the exposure to childhood illnesses. Siblings:
 - 5.4.2.1 Must be free of illness.
 - 5.4.2.2 Under 18 years of age are not permitted during flu season, usually from September to March.
- 5.4.3 Non-sibling visitors who are under the age of 18 will not be allowed in the NICU.
- 5.4.4 Visitors are allowed from 0800-2000 as conditions in the NICU allow.
- 5.5 Parents and PICs wearing wristbands are allowed patient access 24 hours a day. The number of people welcomed at the bedside at the same time will be determined collaboratively between staff and parents/PIC. Special considerations which may be relevant to the amount of time or number of people at the bedside include:
 - 5.5.1 The clinical and emotional needs of the patient. Examples include exhaustion, overstimulation, or marked increase in agitation.
 - 5.5.2 The need to maintain infection control precautions during bedside procedures.
 - 5.5.3 Limitations as requested by the parents or PIC.
 - 5.5.4 Space limitations in infants' room. In the NICU, the preferred number of people at the bedside is no more than two at a time.
 - 5.5.5 Patient, parents, PIC, or employee safety issues.
 - 5.5.6 A community outbreak of influenza or other communicable disease.
- 5.6 Changes, limitations and restrictions to patient access will be communicated positively to PIC and clearly documented in the medical record.
- 5.7 To protect patient privacy during shift change and report, parents, PIC, and visitors will be encouraged to avoid areas where they would potentially overhear staff giving report on other patients, but access will not be unduly restricted.
- 5.8 As space allows, the parents or PIC may remain with the patient overnight. The sleep room in the nursery or the waiting room adjacent to the nursery will be offered. They may sleep in the sleeper chair, couch, padded chair, but may not sleep on the floor.
 - 5.8.1 Neither the parents or PIC staying overnight, nor their belongings may obstruct the healthcare provider's access to, or ability to, care for the patient.
- 5.9 Entry to the NICU
 - 5.9.1 When entering the NICU, parents, PIC and visitors will be asked to:
 - 5.9.1.1 Check with the staff before entering the patient care area.
 - 5.9.1.2 Visitors will be verbally screened (Appendix A in English and Appendix in Spanish) by hospital staff (RN, RT, MD) and asked if they are feeling ill or have signs of, or have recently been exposed to, communicable illnesses or infections. This includes diarrhea, cough, runny nose, sore throat, fever, vomiting, and skin rashes. If such signs are exhibited, PIC is asked to leave. If a PIC is free of signs they will be provided a sticker with the date/time and initials of staff that cleared them. The PIC will be asked to place sticker in a visible area of upper chest and it is to remain in place until they leave the unit.
 - 5.9.1.3 Wash or disinfect their hands each time they enter and leave the patient care area.
 - 5.9.1.4 Follow isolation precautions as instructed by nursing staff.

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- 5.9.1.5 Avoid coming to the hospital if they are feeling ill or have signs of, or have recently been exposed to, communicable illnesses or infections. This includes diarrhea, cough, runny nose, sore throat, fever, vomiting, and skin rashes. If such signs are exhibited the parent or PIC may be asked to leave.
- 5.9.1.6 The parents and PIC must maintain and respect the privacy of other patients by staying at the bedside of the infant they are there to see.
- 5.9.1.7 To facilitate rest and recovery of all patients, PIC and visitors will be asked to be mindful and sensitive to the needs of other patients and families by keeping noise and disturbances to a minimum.

6.0 References:

- 6.1 St Jude's Children's Research Hospital (2017) "Inpatient Visiting Guidelines"
<https://www.stjude.org/treatment/patient-resources/caregiver-resources/infection-tips/inpatient-visiting-guidelines.html>
- 6.2 Cedars – Sinai (2017) " Visitor Policy and Hours"
<https://www.cedars-sinai.edu/Patients/Patient-and-Visitor-Resources/Visitor-Services/>
- 6.3 Rady Children's Hospital, San Diego (2015). CPM 4-06

7.0 Attachment List:

- 7.1 Attachment A – Partner-in-Care Designation and Authorization Form – English
- 7.2 Attachment A– Partner-in-Care Designation and Authorization Form – Spanish
- 7.3 Appendix B – Pictography for Partner-in-Care Verbal Screening of Illness – English
- 7.4 Appendix B – Pictography for Partner-in-Care Verbal Screening of Illness – Spanish

8.0 Summary of Revisions:

- 8.1 Reviewed and submitted without change

Partners in Care Designation and Authorization Responsible Party Agreement

Partners in Care Designation and Authorization for Verbal Disclosure of Health Information to Persons Other Than Legal Guardians

In accordance with the Imperial Valley Inpatient Visitation in the Intermediate NICU Policy (CLN-02522), the parents/legal guardians for each patient admitted to the PMH Intermediate NICU may designate up to a total of two Partners in Care (PIC). These are caregivers chosen by the parents/legal guardians based upon their commitment and availability to provide physical and emotional support to the patient. PIC may have unrestricted access to the patient 24 hours a day. This limit of four includes parents/legal guardians and is valid unless visitation must be restricted as indicated in the Inpatient Visiting Policy. Partners in Care will be identified by a wristband.

Partners in Care may only be designated by the parents/legal guardians of the patient. Designated Partners in Care will be required to provide photo identification prior to receipt of the green wristband. Wristbands are not transferrable.

I understand that I may change my child's designated Partner in Care at any time with reasonable notice to the hospital and by providing an updated designation form. I further understand that this privilege should only be granted to individuals who will be present and able to provide primary emotional and physical support for my child.

I also understand that the PIC status will enable designated persons to have 24 hours physical access to my child. This designation will also result in the individuals named below having access to my child's confidential medical information.

This authorization is voluntary and PMH cannot condition services on whether or not you sign this authorization to allow access to your child's medical information by additional designated persons. Please be aware that information disclosed pursuant to this authorization could be re-disclosed by the recipient may no longer be protected by federal and state of California confidentiality law.

AUTHORIZATION: I hereby authorize (Name of individual(s)):

- ☐ To receive, as a Partner-in-Care, verbal medical information pertaining to medical history, mental or physical condition, services rendered, or treatment of:

Name of Patient: _____ Date of Birth: _____

Date of Admission: _____

The electronic version of this policy supersedes any printed copy.

I specifically authorize release of the following information (check as appropriate):

- ☐ Mental health treatment information, as appropriate in the judgment of the provider and in accordance with California law.
- ☐ HIV test results
- ☐ Alcohol/drug information
- ☐ Please specify any limitations on the information authorized for disclosure:

DURATION: I understand this authorization may be revoked in writing at any time, according to the instructions in the PMH Notice of Privacy Practices, except to the extent that action had been taken in reliance on this authorization. Unless otherwise revoked, this authorization will expire six months from the date of this authorization.

RESTRICTIONS: I understand that PMH may not further disclose the medical information unless another authorization is obtained from me or unless such use or disclosure is specifically required or permitted by law. I hereby release PMH from any/all legal liability that may arise from the release of this information to the party(ies) named above.

ADDITIONAL COPY: I further understand that I have a right to receive a copy of this authorization upon my request.

SIGNATURES:

Parent/Guardian Name: _____

Parent/Guardian Signature _____

Date: _____ Time: _____

Parents/Guardian Name: _____

Parent/Guardian Signature: _____

Date: _____ Time: _____

Witness Name: _____

Witness Signature: _____

Date: _____ Time: _____

The electronic version of this policy supersedes any printed copy.

Partners in Care Designation and Authorization Responsible Party Agreement

Asignación de los Socios en el Cuidado y la Autorización Verbal Para Divulgar la Información Médica a Personas Otras Que No Sean Los Tutores Legales

De acuerdo con la Póliza de Visitas de IVHD (CLN-02522), los padres/tutores legales de cada paciente que se ingresa a Imperial Valley Healthcare District – Brawley (IVHD) puede asignar hasta un total de dos Socios en el Cuidado (PIC). Estos son cuidadores que fueron seleccionados por el paciente o su representante basado en su compromiso y disponibilidad de proporcionar apoyo físico y emocional al paciente. El PIC puede tener acceso sin restricciones para visitar al paciente las 24 horas del día. Éste límite de cuatro incluye a los padres/tutores legales y es válido a menos que las visitas deben ser restringidas como se indica en la Póliza de Visitas. Los Socios en el Cuidado serán identificados con una pulsera.

Los Socios en el Cuidado solo pueden ser asignados por los padres/tutores legales. Los Socios en el Cuidado necesitarán proporcionar una forma de identificación fotográfica antes de recibir la pulsera verde. Las pulseras no son transferibles.

Entiendo que en cualquier momento puedo cambiar los Socios en el Cuidado que han sido asignados notificándole anticipadamente al hospital y proporcionando un formulario con las nuevas personas asignadas. Además, entiendo que este privilegio únicamente debe ser otorgado a los individuos que estarán presentes y podrán proporcionar apoyo físico y emocional a mi hijo/hija.

Además entiendo que la condición del PIC le permitirá a la persona asignada acceso físico a mi hijo/hija las 24 horas. Esta asignación también les permite acceso a los individuos nombrados para continuar recibiendo información médica de mi hijo/hija.

Ésta autorización es voluntaria y IVHD no pueden condicionar los servicios si usted firma o no ésta autorización para permitir acceso a la información médica de su hijo/hija por personas asignadas adicionales. Tenga en consideración que la información divulgada de acuerdo a esta autorización puede divulgarse de Nuevo por el recipiente y puede dejar de estar protegida por las leyes de confidencialidad federales y estatales de California.

AUTHORIZACIÓN: Con la presente autoriza (Nombre del individuo(s)):

- ☐ Para recibir, como Socio en el Cuidado, información médica verbal perteneciente al historial médico, condición mental y física, servicios recibidos o tratamientos de:

Nombre del Paciente: _____

Fecha nacimiento: _____

Fecha del ingreso al hospital: _____

The electronic version of this policy supersedes any printed copy.

Autorizo especialmente la divulgación de la información siguiente (marque lo pertinente):

- ☐ Información del tratamiento de salud mental, de acuerdo al juicio del proveedor y de acuerdo con la ley de California.
- ☐ Resultados de la prueba del VIH
- ☐ Información del tratamiento de alcoholismo/drogadicción
- ☐ Especifique las limitaciones de autorización de divulgación:

DURACIÓN: Entiendo que esta autorización puede revocarse por escrito en cualquier momento, de acuerdo a las instrucciones de la Notificación de las Prácticas de Privacidad de IVHD, excepto al grado de la acción que se haya tomado correspondiente a esta autorización. A Menos que se revoque, esta autorización se vencerá seis meses a partir de la fecha de esta autorización.

RESTRICCIONES: Entiendo que IVHD no podrá continuar divulgando la información médica a menos que yo otorgue otra autorización o que tal uso o divulgación sea específicamente requerida o permitida por la ley. Por la presente libero a IVHD de toda responsabilidad legal que pueda surgir de la divulgación de esta información al prupo(os) arriba mencionados.

FOTOCOPIA ADICIONAL: Además entiendo que tengo el derecho de recibir una fotocopia de esta autorización se la solicito.

FIRMAS:

Nombre del padre/madre/tutor legal: _____

Firma del padre/madre/tutor legal _____

Fecha: _____ Hora: _____

Nombre del padre/madre/tutor legal: _____

Firma del padre/madre/tutor legal _____

Fecha: _____ Hora: _____

Nombre del testigo: _____

Firma del testigo: _____

Fecha: _____ Hora: _____



Hospitalized patients are susceptible to flu and other illnesses in the community.

We at Imperial Valley Healthcare District are dedicated to protecting the health and welfare of our patients and staff.

Do you have any of the following symptoms?

- **Fever**
- **Sore Throat**
- **New cough**
- **Body aches or Chills**
- **Runny or Stuffy nose**
- **Rash**
- **Diarrhea**

If you answered **YES** to any of these questions please alert our staff immediately before visiting any patient – a nurse or physician will instruct you further.

Thank you for your cooperation in keeping our patients and staff healthy.



Los pacientes hospitalizados son susceptibles a la gripe y otras enfermedades en la comunidad.

Aquí en Imperial Valley Healthcare District estamos dedicados a proteger la salud y el bienestar de nuestros pacientes y personal.

¿Tiene alguno de los siguientes síntomas?

- **Fiebre**
- **Dolor de garganta**
- **Tos reciente**
- **Malestar corporal o escalofríos**
- **Goteo o congestión nasal**
- **Sarpullido/Ronchas**
- **Diarrea**

Si usted contestó sí a cualquiera de estas preguntas, por favor informarle a nuestro personal inmediatamente antes de que visiten a cualquier paciente - una enfermera o médico le dará instrucciones adicionales.

Gracias por su cooperación en mantener la salud de nuestros pacientes y personal.

Imperial Valley Healthcare District

Title: NICU Discharge Planning/Multidisciplinary Rounds		Policy No. CLN-02510
		Page 1 of 8
Current Author: Sandra Taylor, RNC-NIC, BSN		Effective: 4/19/2018
Latest Review/Revision Date: 09/15/2025		Manual: Clinical / Nursery/NICU

Collaborating Departments: Perinatal; Neonatal; Case Management, Social Worker, NICU Medical Director, NICU Manager		Keywords: Discharge Planning, NICU		
Approval Route: List all required approval				
MARCC x	PSQC	Other:		
Clinical Service <u>Pediatrics</u> x		MSQC x	MEC x	BOD x

Note: If any of the sections of your final layout are not needed do not delete them, write "not applicable".

1.0 Purpose:

- 1.1 To provide discharge assessment, planning, interventions, and reassessments to facilitate timely transition for neonatal patients and their families
- 1.2 To use a collaborative, interdisciplinary approach to coordinate care and planning to meet infant and their parents care goals and achieve optimal outcomes
- 1.3 To improve the effectiveness of communication, support collaborative work and enhance patient safety

2.0 Scope: Clinical staff, Case Management

3.0 Policy:

- 3.1 All families in the NICU (significant others when applicable) are to be provided on admission with the following information that is culturally and linguistically correct (English or Spanish)
 - 3.1.1 Literature regarding Sudden Infant Death Syndrome (SIDS), Car Seat and Air Bag Safety, Shaken Baby Syndrome
 - 3.1.2 Hearing screening information
 - 3.1.3 Immunization schedule
- 3.2 All newborns are required to complete newborn screening and hearing testing per procedures, unless a release has been signed by the parents or care taker
- 3.3 The Case Manager-MSW (Masters in Social Worker) evaluates the patient for discharge needs within 2 days of admission or the first business day thereafter and discusses results of the evaluation with the care team, patient and family/caregiver as appropriate
- 3.4 PMH relies on multidisciplinary participation in case conferences and discharge planning activities for patients with complex discharge needs; requirement of specialized placement or equipment to ensure a coordinated and effective discharge plan is developed and implemented as needed
 - 3.4.1 Multidisciplinary team rounds are held weekly to evaluate patients and involve the necessary team members
 - 3.4.1.1 The multidisciplinary team consists of the following members (not an inclusive list):
 - 3.4.1.1.1 Case Manager-MSW
 - 3.4.1.1.2 Physician
 - 3.4.1.1.3 Registered Nurse

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Title: NICU Discharge Planning/Multidisciplinary Rounds		Policy No. CLN-02510
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3.4.1.1.4 Dietician

3.4.1.1.5 Medical Therapies (PT, Speech)

3.4.1.1.6 Respiratory Care Practitioners

3.4.2 The individual team member's recommendations and treatments are documented in the EMR

3.4.3 Multidisciplinary/discharge team meeting notes are documented in the EMR

3.5 The Case Manager-MSW coordinate discharge needs with managed care/third-party payers, arranges durable medical equipment, supplies, community resources and homecare services as applicable to patient needs at discharge

3.5.1 A list of participating home health agencies or skilled nursing facilities, in the appropriate geographical area, is provided to the parents when the patient requires these services and is documented in the EMR

4.0 Definitions:

4.1 The Case Manager-MSW – Individual responsible for coordinating care between the patient's clinical team and primary care physician, community agencies, outpatient services, CCS designated programs and regional centers when required

4.2 Discharge Information – Includes, but is not limited to: the patient's diagnosis, medications, injury and illness prevention and education, follow-up appointments, and instructions on any medical treatments

4.3 Discharge Summary – Summarizes the reason for hospitalization, significant findings, procedure(s) performed (if any), treatment(s) rendered, patient's condition on discharge, patient instructions and provisions for follow-up care

4.4 California Children's Services (CCS) designated programs – CCS special care center, medical in home operations unit, early start program, medical therapy units and regional centers

4.5 After Visit Summary (AVS) – Includes, but not limited to: relevant information regarding the patient's diagnosis, medications, injury and illness prevention and education (as appropriate), follow-up appointments, and instructions on any medical treatments

4.6 Discharge Release Form – Form completed by the patient's legal guardian specifying to whom the patient may be discharged

4.7 PMH – Pioneers Memorial Hospital

4.8 NICU – Neonatal Intensive Care Unit

4.9 EMR – Electronic Medical Record

4.10 OT – Occupational Therapy

4.11 PT – Physical Therapy

5.0 Procedure:

5.1 Plans for the patient's discharge begin at admission and is considered as part of the overall Nursing Care Plan

5.1.1 Any barriers to learning are assessed and their education method is modified

5.1.2 The plan of care is implemented on admission and is updated as appropriate to the patient condition in the EMR

5.1.3 The admission assessment includes discharge readiness questions to screen for

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discharge needs upon admission which may result in a case management referral

- 5.2 A plan is formulated utilizing a multidisciplinary approach including the family to achieve the best outcome. Appropriate community resources (e.g., health clinics, public health, regional center, WIC, etc.) are identified for follow-up care.

5.2.1 Social Services

5.2.1.1 Risk factors identified during admission, or any time during hospitalization are communicated by the healthcare staff to Case Manager-MSW and entered into the EMR

5.2.1.2 A family psychosocial assessment will be done on all NICU patients by a social worker with expertise in Maternal-Child health

5.2.2 Dietary

5.2.2.1 Risk factors identified during admission, or any time during hospitalization are communicated by the healthcare staff to the Dietitian and entered into the EMR

5.2.3 Cultural and ethnicity considerations are documented as appropriate

- 5.3 The neonatologist or pediatrician will determine if a neonate needs to be referred to a higher level CCS approved NICU

5.3.1 Referrals to CCS special care centers shall be made for children with, but not limited to, the following conditions:

5.3.1.1 Conditions involving the heart (congenital heart disease)

5.3.1.2 Neoplasms (cancers, tumors)

5.3.1.3 Disorders of the blood (hemophilia, sickle cell anemia)

5.3.1.4 Endocrine, nutritional, and metabolic diseases (thyroid problems, PKU, diabetes)

5.3.1.5 Disorders of the genito-urinary system (serious chronic kidney problems)

5.3.1.6 Disorders of the gastrointestinal system (chronic inflammatory disease, diseases of the liver)

5.3.1.7 Serious birth defects (cleft lip/palate, Spina bifida)

5.3.1.8 Disorders of the nervous system (cerebral palsy, uncontrolled seizures)

5.3.1.9 Disorders of the musculoskeletal system and connective tissues (rheumatoid arthritis, muscular dystrophy)

5.3.1.10 Severe disorders of the immune system (HIV infection)

5.3.1.11 Disabling conditions requiring intensive care or rehabilitation (severe head, brain or spinal cord injuries)

5.3.1.12 Complications of premature birth that goes beyond the scope of our facility <See transport criteria listed in CLN-00216>

5.3.1.13 Disorders of the skin and/or subcutaneous tissue or severely disfiguring condition (severe hemangioma or craniofacial issue)

- 5.4 All patients discharged from the NICU will be provided discharge instructions specific to the patient's needs in the form of a printed After Visit Summary (AVS)

5.4.1 A copy of all printed AVS's will be retained in the patient's EMR

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- 5.5 At the time of discharge, the clinician will assure that documentation related to discharge is accurate and complete
 - 5.5.1 Patients are discharged with home instructions per the physician
 - 5.5.2 Information relevant to specific medications (e.g., time of last dose of medication before discharge or other instructions) will be annotated in the EMR/AVS prior to printing the final copy of the AVS as clinically indicated
 - 5.5.3 The clinician printing the AVS will evaluate the contents for sensitive items. If the AVS contains sensitive items, the medical provider will be notified to determine whether the AVS needs to be modified prior to reviewing with the family/guardian
 - 5.5.4 The final printed copy of the AVS will be the copy given to and reviewed with the parents/legal guardian
 - 5.5.4.1 The nurse discharging the patient reviews all medications with regard to dose, frequency, and route with the parents/legal guardian
 - 5.5.4.2 The clinician will document in the EMR with whom the AVS was reviewed
 - 5.5.5 Discharge teaching, based on the plan of care, is provided to the parents/caregiver and documented in the EMR
 - 5.5.5.1 Discharge teaching is provided using an interpreter when applicable
- 5.6 Multidisciplinary Rounds – NICU: Weekly multidisciplinary rounds are held for NICU patients. The following health care providers are included during the rounds: the attending physician, the bedside nurse, respiratory therapist, dietician, and case manager-MSW. Other health care providers are encouraged to attend, such as charge nurse, home health RN, pharmacists.
 - 5.6.1 All newborns admitted to the NICU are discussed at the weekly multidisciplinary rounds for medical progress and social risk factors. Referrals for follow-up care are determined at this time. Care plan revisions are completed accordingly.
 - 5.6.2 Documentation of the rounds and all referrals are recorded in the EMR. The NICU Multidisciplinary Rounds documentation lists the health care providers who attended and provides a summary of what was discussed about the infant.
 - 5.6.2.1 The bedside nurse will make changes in the plan of care identified during rounds
 - 5.6.2.2 The bedside nurse will document the referrals recommended in the EMR
 - 5.6.2.3 The attending physician will also document in the EMR the findings and recommendation of the NICU Multidisciplinary Rounds
 - 5.6.2.3.1 A Primary Care Provider (PCP) is identified by the parents prior to discharge and arrangements are made before discharge for the first follow-up appointment. A referral will be made to a local clinic if they have not identified a PCP. A discharge summary is sent to the PCP or follow-up clinic upon discharge. The identified PCP or clinic is documented in the electronic medical record
 - 5.6.2.3.2 Ophthalmology referrals are identified and follow-up consults

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are documented during rounds

- 5.6.2.3.3 Upon request from the social worker a Public Health Nurse (PHN) will provide pre-discharge home visit prior to discharge
- 5.6.2.3.4 All infants admitted to the NICU who meet California Children's Services (CCS) criteria are referred by the MSW in collaboration with the multidisciplinary team to CCS
- 5.6.2.3.5 Infants eligible for CCS that require High Risk infant Follow-up (HRIF) may be referred prior to or at discharge by the MSW in collaboration with the multidisciplinary health care team to Rady Children's hospital San Diego HRIF program. Newborns identified as developmentally delayed, or at risk for developmental delay, will be referred to the high risk follow-up clinic at Rady Children's Hospital San Diego. The HRIF program received the referral and contacts the parents to set up an appointment. Infants may qualify for both HRIF and Early Start programs. An infant shall be medically eligible for HRIF program when the infants:
 - 5.6.2.3.5.1 Birth weight is less than 1500 grams or the gestational age at birth is less than 32 weeks
 - 5.6.2.3.5.2 Birth weight is 1500 grams or more and the gestational age at birth is 32 weeks or more and one of the following criteria is met during the NICU stay
 - ♦ Cardiorespiratory depression at birth (defined as pH less than 7.0 on an umbilical cord blood gas sample or a blood gas obtained within one hour of life), or an Apgar score of less than or equal to three at five minutes of age.
 - ♦ A persistently and severely unstable infant manifested by prolonged hypoxia, acidemia, hypoglycemia, and/or hypotension requiring pressor support.
 - ♦ Persistent apnea which required medication (e.g., caffeine) for the treatment of apnea at discharge
 - ♦ Required oxygen for more than 28 days of hospital stay and had radiographic finding consistent with chronic lung disease
 - ♦ History of documented seizure activity
 - ♦ Other problems that could result in a neurologic abnormality (e.g., history of central nervous system infection, documented sepsis, bilirubin in excess of usual exchange transfusion level, cardiovascular instability).
- 5.6.2.3.6 The following are completed by the MSW upon discharge for the HRIF referrals:
 - 5.6.2.3.6.1 An online HRIF registration form at <http://www.ccshrif.org/hrif/signout>.action or the discharge summary and current contact is faxed or

The electronic version of this policy supersedes any printed copy.

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mailed to RCHSD HRIF at fax# (951) 600-1760

5.6.2.3.7 Regional Center offers support services through Early Start. Infant eligible for California Early Start may be referred by the MSW in collaboration with the multidisciplinary team prior to or at discharge

5.6.2.3.7.1 MSW may fax or mail the referral form to California Early Start Unit 13-SDRC at fax # (858) 496-4302

5.6.2.3.7.2 Families may self-refer to California Early Start at any time

5.6.2.3.7.3 The Imperial County phone # is (760) 355-8383

5.6.2.3.7.4 Not all infants who qualify for Early Start will qualify for HRIF

5.6.2.3.7.5 Eligibility requirements for Imperial County:

- ◆ Birth to age 3 years
- ◆ Residence in Imperial County
- ◆ No financial qualifications
- ◆ One of the following three categories:
 - High risk for developmental disabilities
 - Small for gestational age
 - Seizures in the first week of life
 - Less than 32 weeks gestation at birth
 - Assisted ventilation for 48 hours or more
 - Failure to thrive
- ◆ Established risk for developmental disabilities:
 - Conditions known to cause delay in development (e.g., Downs Syndrome, Prader-Willi, Spina bifida)
 - Need not be demonstrating delays at the time of referral
- ◆ Developmental delay in one or more of these areas:
 - Cognitive development (e.g., limited interest in environment, limited interest in play and learning)
 - Physical and motor development including vision and hearing (e.g., hypertonia, dystonia or asymmetry)
 - Communication development (e.g., limited sound repertoire, limited response to communication with others)
 - Emotional-social development (e.g., unusual responses to interactions, impaired attachment)
 - Adaptive development (e.g., feeding difficulties)

5.6.2.3.8 Infants may be referred by the MSW in collaboration with the multidisciplinary team to the Imperial County Home Visiting Program. Once the infant is discharged, the MSW faxes the referral and discharge summary to the Imperial County Home

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Visiting Program

(442) 265-1369)

5.6.2.3.8.1 Criteria for Public referrals to the Imperial County Home Visiting Program:

- ♦ Pregnant teens and other high risk pregnancies including those women with current gestational diabetes, hypertension, placenta previa, no prenatal care
- ♦ Post-partum families including first time mothers, current domestic violence, drug use during this pregnancy, evidence of postpartum depression
- ♦ High risk infants who meet the following criteria
 - Birth weight less than 1500 grams or prematurity of 32 weeks or less
 - Apgar scores of 0-3 at 5 minutes of age, hypotonia persisting up to 2 hours of age
 - Documented intracranial abnormal pathology
 - Genetic, systemic or metabolic conditions which may be associated with developmental delay
 - Perinatal substance abuse exposure defined as a positive tox screen for infants or infants exhibiting signs of toxicity/withdrawal
 - Documented Intrauterine Growth Retardation (IUGR) defined as birth weight less than the third percentile on Standard IUG chart or National Center for Health Statistics growth chart

6.0 References:

- 6.1 American Academy of Pediatrics; (2008); AAP: Hospital Discharge of the High Risk Neonate, Pediatrics
<http://pediatrics.aappublications.org/content/122/5/1119>
- 6.2 American Academy of Pediatrics (2015); AAP Issues Recommendations on Newborn Hospital Discharge Readiness
<https://www.aap.org/en-us/about-the-aap/aap-press-room/pages/AAP-Issues-Recommendations-on-Newborn-Hospital-Discharge-Readiness.aspx>
- 6.3 California Early Start Program – The Roll of the Health Care Provider
<http://www.dds.ca.gov/earlystart/docs/HealthCareProvidersRole08.pdf>
- 6.4 California Early Start Program – Home page – Department of Developmental Services
<http://www.dds.ca.gov/earlystart/index.cfm>
- 6.5 CCS High Risk Infant Follow-up (HRIF) Program
<http://www.dhcs.ca.gov/services/ccs/Pages/HRIF.aspx>
- 6.6 California Department of Health Services, California Children Services (CCS)
<http://www.dhcs.ca.gov/services/ccs/Pages/default.aspx>

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7.0 Attachment List: Not applicable

8.0 Summary of Revisions:

8.1 Made changes to organization name

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Title: NICU Dietitian Discharge Planning		Policy No. CLN-02512
		Page 1 of 2
Current Author: Sandra Taylor, RNC-NIC, BSN		Effective: 4/18/2018
Latest Review/Revision Date: 09/15/2025		Manual: Clinical / Nursery/NICU

Collaborating Departments: Perinatal, Neonatal, Dietary		Keywords: NICU- Dietary		
Approval Route: List all required approval				
MARCC x	PSQC	Other:		
Clinical Service <u>Pediatrics</u> x		MSQC x	MEC x	BOD x

NOTE: *If any of the sections of your final layout are not needed do not delete them, write "not applicable".*

1.0 Purpose:

- 1.1 To describe the dietitian's role in patient discharge planning of the neonate in the NICU

2.0 Scope: Dietitian

3.0 Policy:

- 3.1 Nutritional assessments and consultation services for discharge planning with neonatal patients will be provided by a Registered Dietitian. Nutritional assessments and consultation services can be initiated by a licensed independent practitioner, registered nurse and/or a registered dietitian.

4.0 Definitions:

- 4.1 Nutritional Assessment – The comprehensive process for defining an individual's nutrition status and needs using medical, dietary intake, and medication intake histories, physical examination, anthropometric measurements, laboratory data, and patient interview as appropriate.

5.0 Procedure:

- 5.1 The dietitian will assess the patient's needs for discharge through nutrition assessment, nutrition follow-up, multidisciplinary meetings and rounds
- 5.2 The dietitian will participate in discharge planning for the nutritional care of patients on a special/modified diet, specialty formula and enteral or parenteral feeding regimen as appropriate. This may include nutrition education and documentation in the medical record, referral to community resources, recommendation for follow-up care and further participation in discharge planning meetings.
- 5.3 In the event of patient transfer to another institution, when possible and when applicable, the dietitian will provide and updated the patient's nutritional assessment including the current nutrition plan.
- 5.4 The dietitian will document discharge diet instructions in the patient's electronic chart under Clinical Services and patient's/caregiver's level of comprehension as well as recommendations for follow-up in outpatient clinics as appropriate.
- 5.5 The dietitian will document education handouts, formula instruction, and other important discharge information in their nutritional assessment notes.

6.0 References:

- 6.1 California Children's Service Manual of Procedures (2021)

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<http://www.dhcs.ca.gov/services/ccs/Documents/RegionalNICU.pdf>

- 6.2 Daily, D., Carter, A., Article – *Discharge Planning and Follow-up of the Neonatal Intensive Care Unit Infant* (2015) <http://clinicalgate.com/discharge-planning-and-follow-up-of-the-neonatal-intensive-care-unit-infant/>

7.0 Attachment List: Not applicable

8.0 Summary of Revisions:

- 8.1 Updated name of organization

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Title: Respiratory Care for Neonatal Patients		Policy No. CLN-00294
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Current Author: Sandra Taylor, RNC-NIC, BSN		Effective:
Latest Review/Revision Date: 09/19/2025 r1		Manual: Clinical / Nursery/NICU

Collaborating Departments: Cardiopulmonary NICU Medical Director, NICU Manager		Keywords: Respiratory/Neonatal		
Approval Route: List all required approval				
MARCC x	PSQC	Other:		
Clinical Service Pediatrics x		MSQC x	MEC x	BOD x

Note: *If any of the sections of your final layout are not needed do not delete them, write "not applicable".*

1.0 Purpose:

- 1.1 To provide respiratory therapy services in keeping with regulatory standards for neonatal patients.

2.0 Scope: Respiratory Care Practitioners (RCPs)

3.0 Policy:

- 3.1 Respiratory care services shall be provided by RCPs who are licensed by the State of California and who have additional training and experience in neonatal respiratory care. Additional training in neonatal respiratory care shall be demonstrated by the following:
 - 3.1.1 Completion of a formal neonatal respiratory therapy course at an approved school of respiratory therapy that includes didactic and clinical course work;
 - 3.1.2 Completion of a minimum of 20 hours of didactic and four weeks of precepted neonatal clinical experience in a hospital-based course at a facility with a NICU equivalent to a Community or Regional NICU
- 3.2 The facility shall maintain a written job description delineating the qualifications and duties of the RCP in the NICU which reflects the provision of practice in accordance with Business and Professions Code, Respiratory Care Practice Act, Chapter 8.3, Article 1, Section 3702 and CCR, Title 16, Division 13.6, Articles 1 through 8.
- 3.3 Through the Regional Cooperation agreement the Intermediate NICU has access to respiratory care resources at Rady's Main for consultation, education, and training.

4.0 Definitions: Not applicable

5.0 Procedure:

- 5.1 The RCP shall be responsible, at a minimum, for the monitoring and application of respiratory equipment.
- 5.2 There shall be an identified RCP with expertise in neonatal respiratory care practice available at all times to the NICU.
- 5.3 Competency validation will be maintained as described in the RCP job description.
- 5.4 RCPs shall be assigned solely to the NICU when supportive ventilation is being provided and the staffing level shall be such that immediate availability of the RCP to the NICU is assured at all times.

6.0 References:

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6.1 CCS Manual of Procedures, Issued 1/1/2021; Chapter 3.25.2

7.0 Attachment List: Not applicable

8.0 Summary of Revisions:

8.1 Updated name of organization

8.2 Added 5.3

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Title: Neonatal Nursery Admission, Transfer, and Discharge Criteria		Policy No. CLN-02513
Current Author: Sandra Taylor, RNC-NIC, BSN		Page 1 of 5
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Manual: Clinical / Nursery/NICU		

Collaborating Departments: Perinatal; Neonatal, NICU Medical Director, NICU Manager		Keywords: Neonate Admission, Transfer, Discharge Criteria		
Approval Route: List all required approval				
MARCC x	PSQC	Other:		
Clinical Service <u>Pediatrics</u> x		MSQC x	MEC x	BOD x

Note: If any of the sections of your final layout are not needed do not delete them, write "not applicable".

1.0 Purpose:

- 1.1 To define the criteria for admission to the Neonatal Intensive Care Unit (NICU) at Pioneers Memorial Hospital (PMH), transfers to Regional Center – Rady's Children's Hospital, San Diego (RCHSD) and discharge of neonatal patients.

2.0 Scope: Neonatal NICU staff

3.0 Policy:

- 3.1 Patients are admitted under the care of a California Children's Services (CCS) paneled attending Pediatrician.
- 3.2 All admissions to the Intermediate NICU are arranged with the attending physician and the NICU charge nurse.
- 3.3 A CCS paneled Pediatrician shall review, evaluate and document the clinical management of each infant, on site, at least on a daily basis.
- 3.4 There is a CCS-paneled Pediatrician/Neonatologist who is on-call to the Intermediate NICU 24 hours a day who:
 - 3.4.1 Shall not be on-call for more than one hospital at the same time.
 - 3.4.2 Shall be no more than 30 minutes away from the Intermediate NICU at any time
 - 3.4.3 Shall be notified of new admissions and adverse changes in the status of neonates in a timely manner
 - 3.4.4 Shall be in-house and called whenever an unstable infant is in the Intermediate NICU and when there is a major change in the infant's condition which requires a reevaluation
 - 3.4.4.1 The process for any acute change in an infant's condition, which requires prompt assessment when the infants' physician or covering doctor cannot be reached within 15 minutes, the nurse is to notify nursing leadership.
 - 3.4.5 Infants will be examined by the CCS-paneled Pediatrician/Neonatologist within 12 hours of admission or sooner if clinically indicated.
- 3.5 It shall be the responsibility of the CCS paneled Pediatrician/Neonatologist to ensure that information is provided, on a regular basis, to referring physicians regarding their patients.
- 3.6 Requests for consult and/or management of patients are arranged by the referring physician directly by contacting the Pediatrician/Neonatologist on call.
- 3.7 All patients admitted to the NICU will have an NICU Admission History completed by the

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registered nurse. An initial assessment is completed within 10 minutes of admission and documented within 2 hours of admission.

- 3.8 Reassessments are completed based on the patient's acuity. Reassessments are documented on the electronic medical record.
- 3.9 Neonates requiring transfer to a higher level of care are transported by the Children's Hospital Emergency Team (CHET) to Rady Children's Hospital, San Diego – Main Campus.

4.0 Definitions:

- 4.1 Transition/observation – The time from birth up to six hours of age at which time the infant will either be admitted to the Intermediate NICU or transferred to the Couplet Care Unit.
- 4.2 NICU – Neonatal Intensive Care Unit
- 4.3 CCS – California Children's Service
- 4.4 IDM – Infant of Diabetic Mother
- 4.5 MgSO₄ – Magnesium Sulfate
- 4.6 PPV – Positive Pressure Ventilation
- 4.7 CPAP – Continuous Positive Airway Pressure
- 4.8 HFNC – High Flow Nasal Cannula
- 4.9 LPM – Liters per minute
- 4.10 FiO₂ – Fraction Inspired Oxygen = oxygen concentration
- 4.11 IV – Intravenous
- 4.12 NG – Nasogastric
- 4.13 NJ – Nasojejunal
- 4.14 PMH – Pioneers Memorial Hospital
- 4.15 AGA – Average for Gestational Age
- 4.16 UAC – Umbilical Arterial Catheter
- 4.17 UVC – Umbilical Venous Catheter

5.0 Procedure:

- 5.1 Admission Criteria:
 - 5.1.1 Transitional/Observational Status:
 - 5.1.1.1 Infants requiring observation but who are expected to stabilize or improve may be transitioned in the Intermediate NICU.
 - 5.1.1.2 The infant's physician will be notified within 30 minutes of the infant's arrival in the Intermediate NICU by nursing staff. The following conditions are required to be transitioned in the Intermediate NICU:
 - 5.1.1.2.1 Infants less than 36 weeks gestation
 - 5.1.1.2.2 Symptomatic IDM per Neonatal Hypoglycemia Policy
 - 5.1.1.2.3 Maternal or neonatal conditions requiring close observation of the neonate:
 - 5.1.1.2.3.1 Mother receiving Mg SO₄ prior to delivery,
 - 5.1.1.2.3.2 Infants delivered via cesarean section
 - 5.1.1.2.3.3 Infants requiring resuscitation or prolonged

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PPV/CPAP

5.1.1.2.3.4 See criteria for Therapeutic Hypothermia

5.1.2 Intermediate NICU Status:

- 5.1.2.1 Infants requiring close observation, monitoring, stabilization or resuscitation (requiring chest compressions, prolonged PPV/CPAP) will be admitted to the Intermediate NICU pending stabilization or transfer to a higher level of care.
- 5.1.2.2 Stable infants greater than 1500 grams
- 5.1.2.3 Stable infant greater than or equal to 32 weeks gestation
- 5.1.2.4 Patients requiring continuous monitoring, receiving oxygen therapy, but stabilizing:
 - 5.1.2.4.1 Patients requiring mechanical ventilation less than 4 hours in duration
 - 5.1.2.4.2 HFNC $\leq$ 2 LPM
 - 5.1.2.4.3 Maximum FiO₂ 60% and weaning from 60% within 6 hours.
- 5.1.2.5 Hyperbilirubinemia (unless non-hemolytic with bilirubin greater than 25 mg/dL or hemolytic disease with bilirubin greater than 20 mg/dL)
- 5.1.2.6 Maternal chorioamnionitis admitted for sepsis evaluation.
- 5.1.2.7 Stable infants with suspected or confirmed sepsis/pneumonia requiring saline lock IV antibiotics.
- 5.1.2.8 Hypoglycemia – simple and nonrecurring <See policy CLN-02506; *Hypoglycemia in the Newborn*>
- 5.1.2.9 Intrauterine drug exposure at risk for neonatal abstinence syndrome.
- 5.1.2.10 Failed Critical Congenital Heart Disease Screen
- 5.1.2.11 Transitional/Observational infants (see 5.1.1)

5.2 Regional Center Neonatology Consult & Transfer Criteria to Regional Center or another Acute Care Facility from PMH:

5.2.1 Respiratory

- 5.2.1.1 Persistent Fio₂ requirements greater than or equal to 60% for greater than 6 hours and an inability to wean.
- 5.2.1.2 Requiring endotracheal tube intubation and mechanical ventilation, nasal CPAP, or HFNC $\geq$ 2 LPM.
- 5.2.1.3 Persistent apnea requiring frequent intervention and not responding to treatment
- 5.2.1.4 Respiratory requiring progressive modes of ventilation
- 5.2.1.5 Extracorporeal Membrane Observation (ECMO)
- 5.2.1.6 Pulmonary hypoplasia
- 5.2.1.7 Severe complicated apnea
- 5.2.1.8 Unstable, multiple and/or requiring surgical intervention for pneumothorax

5.2.2 Cardiac

- 5.2.2.1 Suspected cyanotic cardiac disease and/or defect
- 5.2.2.2 Vasopressor therapy
- 5.2.2.3 Life-threatening arrhythmias

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- 5.2.2.4 Patients with confirmed or suspected complex congenital heart defects that may require surgical intervention
- 5.2.3 Endocrine/Metabolic/Hematologic
 - 5.2.3.1 Patients receiving therapy for inborn errors of metabolism
 - 5.2.3.2 Patients with active life threatening bleeding
 - 5.2.3.3 Thrombocytopenia (platelet count less than 60,000)
 - 5.2.3.4 Acute Anemia with Hemoglobin less than 10 grams
 - 5.2.3.5 Infants requiring exchange transfusion
- 5.2.4 Neurological
 - 5.2.4.1 Uncontrolled seizure disorder
- 5.2.5 Other
 - 5.2.5.1 Sepsis
 - 5.2.5.2 Infection refractory to medication
 - 5.2.5.3 Septic shock refractory to treatment
 - 5.2.5.4 Persistent hypotension requiring vasopressor therapy, vasoactive agent, or other continuous drip medication.
 - 5.2.5.5 Patients requiring surgical evaluation/intervention
 - 5.2.5.6 Dysmorphic patients with complicated life-threatening anomalies
 - 5.2.5.7 Weight less than or equal to 1500 grams
 - 5.2.5.8 Less than 32 weeks gestation
 - 5.2.5.9 Feeding disorders:
 - 5.2.5.9.1 Severe feeding intolerance requiring NG or NJ feeding.
 - 5.2.5.9.2 Suspected necrotizing enterocolitis.
 - 5.2.5.9.3 Gastro-esophageal reflux requiring pharmacological therapy.
 - 5.2.5.10 Infants that meet criteria for possible therapeutic hypothermia treatment.
 - 5.2.5.11 Any infant at the discretion of the Pediatrician/Neonatologist.
- 5.3 Back transport criteria: Based on level of care required and bed availability, infant may be transferred back to PMH Intermediate NICU for completion of care.
 - 5.3.1 The infant is referred to, and accepted by, an attending Pediatrician/Neonatologist.
 - 5.3.2 These babies may include, but are not limited to, the following:
 - 5.3.2.1 Weight greater than 1500 grams AGA, gestation greater than or equal to 32 weeks.
 - 5.3.2.2 Apnea controlled with medication
 - 5.3.2.3 Oxygen hood or cannula flow $\leq$ 1 LPM, unlikely to need further CPAP or mechanical ventilation.
 - 5.3.2.4 Infants not requiring continued invasive monitoring or central vascular access (i.e., UAC, UVC)
 - 5.3.2.5 Neurological disease unlikely to need inpatient Neurology follow-up
 - 5.3.2.6 Cardiac disease that does not require inpatient Cardiology follow-up
 - 5.3.2.7 No significant feeding problems, and does not require inpatient Gastrointestinal follow-up
 - 5.3.2.7.1 Stable NG feedings

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5.4 Discharge Criteria

5.4.1 To Home:

- 5.4.1.1 A sustained pattern of weight gain of sufficient duration has been demonstrated
- 5.4.1.2 The infant has demonstrated adequate maintenance of normal body temperature fully clothed in an open bed with normal ambient temperature (68° – 77°F)
- 5.4.1.3 The infant has established competent feeding by breast or bottle without cardio/respiratory compromise
- 5.4.1.4 Physiologically mature and stable cardio/respiratory function has been documented for a sufficient duration
- 5.4.1.5 Appropriate immunizations have been administered
- 5.4.1.6 Appropriate metabolic screening has been performed
- 5.4.1.7 Hematologic status has been assessed and appropriate therapy has been instituted, if indicated
- 5.4.1.8 Hearing evaluation has been completed
- 5.4.1.9 Fundoscopic examinations have been completed, as indicated, or outpatient referral appointment arranged.
- 5.4.1.10 Neurodevelopmental and neurobehavioral status has been assessed and demonstrated to the parents
- 5.4.1.11 Car seat evaluation has been successfully completed, as indicated
- 5.4.1.12 Critical Congenital Heart Disease screening successfully completed, as indicated.
- 5.4.1.13 Review of the hospital course has been completed, unresolved medical problems have been identified, and plans for follow-up monitoring and treatment have been instituted.
- 5.4.1.14 An individual home-care plan has been developed with input from all appropriate disciplines. <See *Intermediate NICU Discharge Planning/Multidisciplinary Rounds*>

6.0 References:

- 6.1 American Academy of Pediatrics. (2012). AAP: Committee on Fetus and Newborn Levels of Neonatal Care, Pediatrics, <http://pediatrics.aappublications.org/content/130/3/587>
- 6.2 American Academy of Pediatrics. (2008). AAP: Hospital Discharge of the High Risk Neonate, Pediatrics, <http://pediatrics.aappublications.org/content/122/5/1119>
- 6.3 Rady Children's Hospital policy PM 9-165; Admission, Transfer & Discharge Criteria for the NICU (2016)

7.0 Attachment List: Not applicable

8.0 Summary of Revisions:

- 8.1 Updated name of organization

Jan 2026						
S	M	T	W	T	F	S
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Jun 2026						
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July 2026						
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Oct 2026						
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Nov 2026						
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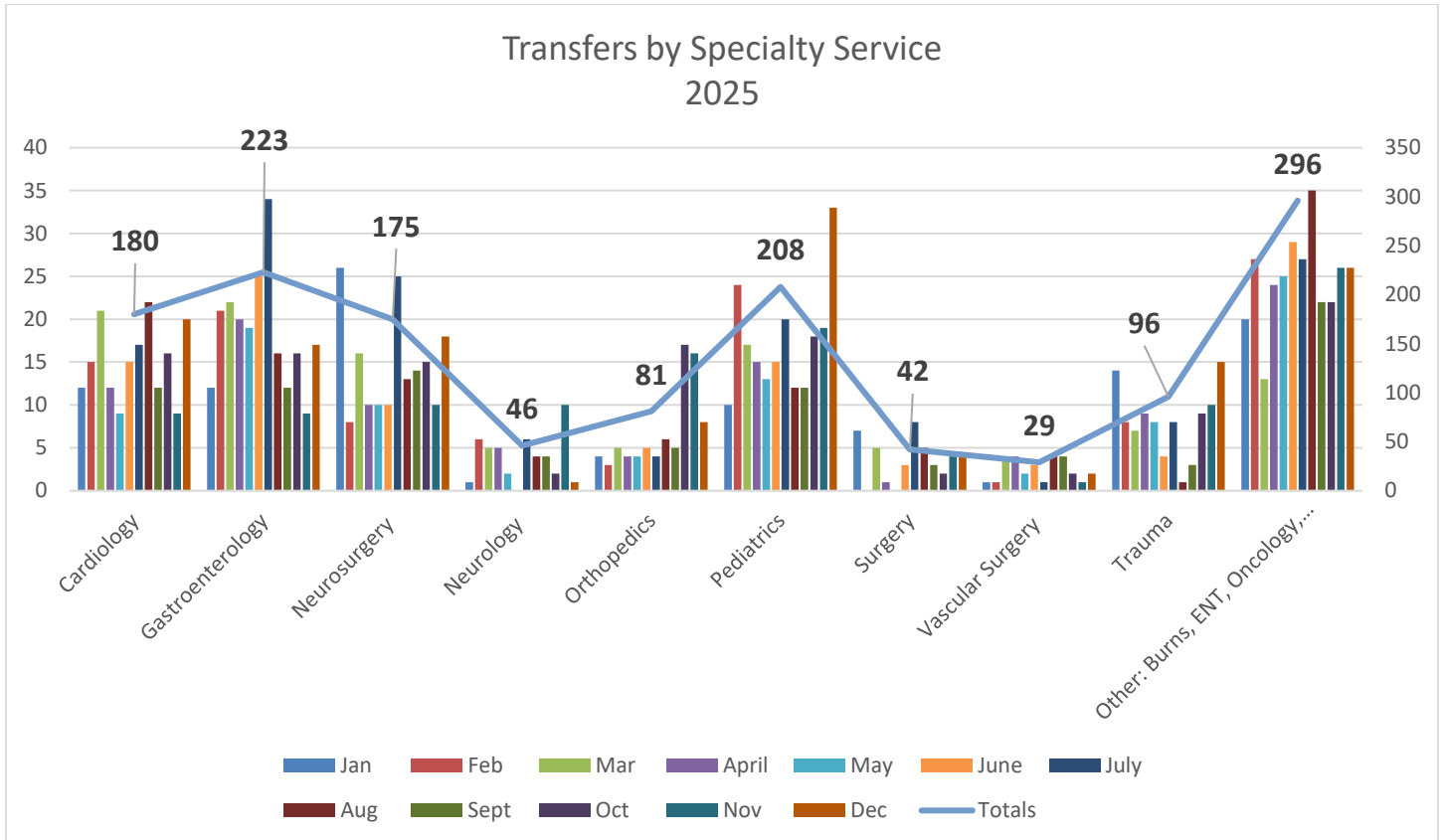
2026 Conference Dates

ACHD Annual Meeting	October 7-9, 2026	Monterey, CA

Board Meetings (Red Outline) and Finance & Budget Committee Meetings

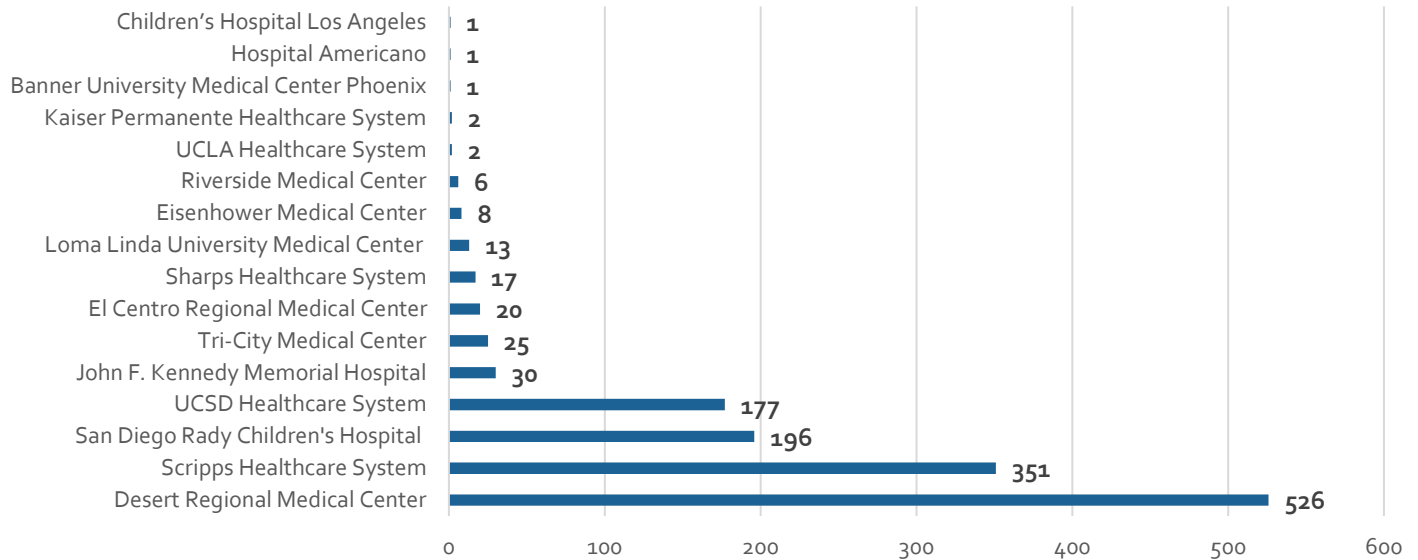
-  Pioneers Memorial Hospital Auditorium, 207 West Legion Road, Brawley, CA 92227 (6pm Open Session)
-  El Centro Regional Medical Center, 1271 Ross Avenue, El Centro, CA 92243 (6pm Open Session)
-  IVHD, 601 Heber Avenue, Calexico, CA 92231 (6pm Open Session)
-  Finance & Budget Committee Meeting (2pm at Pioneers Memorial Hospital Auditorium)

Board of Directors Meeting – Chief Nursing Officer Report
January 2026



Specialty	December 2025	1Q2025	2Q2025	3Q2025	4Q2025	Totals
Cardiology	20	48	36	51	45	180
Gastroenterology	17	55	64	62	42	223
Neurosurgery	18	50	30	52	43	175
Neurology	1	12	7	14	13	46
Orthopedic	8	12	13	15	41	81
Pediatrics	33	51	43	44	70	208
Surgery	4	12	4	16	10	42
Vascular Surgery	2	6	9	9	5	29
Trauma	15	29	21	12	34	96
Other: Burns, ENT, Oncology, Ophthalmology, Podiatry, Urology	26	60	78	84	74	296
2025 Totals	144	335	305	359	377	1376

TRANSFERS BY ACCEPTING FACILITY 2025



Accepting Facility	December 2025	1Q2025	2Q2025	3Q2025	4Q2025	Total
Scripps Healthcare System	10	119	140	65	27	351
Desert Regional Medical Center	57	116	89	152	169	526
San Diego Rady Children's Hospital	30	47	41	44	64	196
UCSD Healthcare System	28	15	22	67	73	177
Tri-City Medical Center	5	10	3	2	10	25
John F. Kennedy Memorial Hospital	6	7	4	5	14	30
Loma Linda University Medical Center	4	5	1	0	7	13
El Centro Regional Medical Center	2	5	1	9	5	20
Sharps Healthcare System	1	4	0	10	3	17
Eisenhower Medical Center	0	3	1	2	2	8
Riverside Medical Center	1	3	0	1	2	6
Banner University Medical Center Phoenix	0	1	0	0	0	1
Hospital Americano	0	0	1	0	0	1
UCLA Healthcare System	0	0	1	1	0	2
Children's Hospital Los Angeles	0	0	1	0	0	1
Kaiser Permanente Healthcare System	0	0	0	1	1	2
Total	144	335	305	359	377	1376

Board of Directors Meeting – Chief Nursing Officer Report
January 2026



In 2025, the Emergency Department recorded 47,566 visits. Of these, 1,376 (2.89%) resulted in transfers to other facilities. The most frequently transferred specialties included Neurology/Neurosurgery, Gastroenterology, Cardiology, and Pediatrics. There were 26 cases transferred categorized as "Other:" Urology 7, Podiatry 5, 3 Interventional Radiology, 3 Oncology, 2 ENT, 2 Hematology, 1 Specialty Center, 1 Lab services (ECRMC), 1 Ortho Spine, and 1 OB Higher Level of Care.

In December 2025, ECRMC submitted 11 transfer requests: 5 pediatric, 2 obstetric, 1 pulmonology, 2 interventional radiology (IR), and 1 gastroenterology (GI). Nine requests were accepted, while two pediatric cases were declined due to acuity.

During the same month, 35 inpatient cases were transferred out of our facility. From January through December, a total of 218 inpatient transfers occurred.

Staffing:

	New Hires	In Orientation	FT to PD status	Resignations	Open Positions
Medical Surgical	4	1	0	0	0
Intensive Care Unit	2	0	0	1	0
Pediatrics	0	1	0	0	0
Emergency Department	5	0	0	2	4 (2 RN, 1 Pharm Tech, 1 ER Tech)
Perioperative Services	5 (1 circulator, 1 Cath lab RN, 1 Cath lab tech, 1 Circulator, 1 PACU RN)	5 (1 Circulator, 1 Cath Lab RN, 3 Endo RNs)	0	2	6 (3 circulators, 1 supply chain, 2 PD Circulators)
Perinatal Services	2	0	0	3	2
NICU	2	1	0	0	0
Cardiopulmonary Services	1 RCP	0	0	1 (RCP)	1 (RCP) PD
Case Management	0	0	0	1	1
Totals	21	8	0	10	14

Travelers:

- (1) Labor and Delivery Nurses – Day Shift
- (1) Neonatal Intensive Care Unit - Night shift

Notable Updates:**Nursing Administration:****ECRMC/IVHD Nursing Services**

- Counterparts working together to reconcile policies, contracts, and delivery of care.
- Developing a Float Pool program that will serve both campuses
- Assessing educational needs of the organization to strengthen Nurse Education Program

Nurse Residency Program:

- Total: 17 Residents at PMH
- Start date 1/6/2026

Barcode Medication Administration:

BCMA					
2024 Average	1Q2025	2Q2025	3Q2025	4Q2025	2025 Average
65%	87.68%	91.67%	92.56%	94.30%	91.55%

Patient Experience – Month of October 2025

HCAHPS					
	1Q2025	2Q2025	3Q2025	4Q2025	Average
Overall	66.7%	62.80%	69.26%	68.83%	66.90%
Communication With Nurses	80%	82.80%	77.13	83.31	81%
Communication With Doctors	81%	83.44%	80.87	86.05%	83%

- In process of developing one integrated Customer Service Experience – “Moments that matter”
- Developing outcome goals for the upcoming year for the above metrics

Board of Directors Meeting – Chief Nursing Officer Report January 2026

Emergency Department:

2025 ED Throughput Metrics						
INDICATOR	GOAL	1 ST QUARTER	2 nd QUARTER	3 rd QUARTER	4 th QUARTER	Average Total
Average Daily Visits	>125 Patients	137 Patients	127 Patients	124 Patients	133 Patients	131 Patients
Median Time to Triage	<10 minutes	10 minutes	8 minutes	8 minutes	7 minutes	8 minutes
Average Length of Stay for Discharged Patients	<180 minutes	190 minutes	184 minutes	182 minutes	174 minutes	182 minutes
Average Length of Stay for all Patients	<160 minutes	205 minutes	201 minutes	199 minutes	187 minutes	196 minutes
Average Length of Stay for all Transfers	<160 minutes	511 minutes	511 minutes	461 minutes	412 minutes	474 minutes

Medical Surgical Department:

Inpatient Throughput							
INDICATOR	GOAL	1Q2024	1Q2025	2Q2025	3Q2025	4Q2025	Average Total
Time of Orders Written to Head in Bed	120 min	372 min	153 min	138 min	142 min	151 min	164 min

Perioperative Services:

	Goal	1Q 2025	2Q 2025	3Q 2025	4Q 2025	Totals
Case Volumes Including Robotics	90%	410	399.3	393	374	4,729
Robotics	N/A	13.67	17.66	27.33	19	233

*NA not available

Case Management:

	Indicator	Goal	1Q2025	2Q2025	3Q2025	4Q2025	Average /Total
	Average Daily Census		49	50	51	51	51
Acute LOS	ALOS (Actual)	<4.0	3.11	2.83	3.85	3.42	3.30
Case Mix Index	Acute: Case Mix Index (CMI)	>1.40	1.39	1.32	1.69	1.48	1.47
	Acute: Medicare CMI	>1.50	1.54	1.48	1.72	1.64	1.59
Medicare	Medicare One-Day Stay Count		11	12	18	13	13.5
	% Medicare 1-day Stays		9.67	13.33	17	12	13
Observation	Total Observation Cases-DC		32.00	30.67	25	27	28.66
	Observation Days-DC		N/A	N/A	30	33	31.5
Readmissions	All-Cause Hospital-Wide Readmissions (HWR)	<10	4.55	4.07	4.13	5.53	4.57

*N/A= not available at time of report

Perinatal Department:

- December Deliveries: 172 (119 vaginal, 22 primary C-Section, 31 secondary C-Section)
- December Non-Stress Tests conducted: 170
- December OB checks: 321
- Notable Mentions / Special Projects:
 - Developing Perinatal Education Program for the community.
 - Implementing Fetal Heart Monitoring Index Triaging to improve efficiency, patient experience and safety.
 - Transitioning to digital newborn footprints, allowing parents to customize and order keepsake prints online. Pioneers will provide one complimentary print featuring our logo on the certificate.

Emergency Department:

- Transfer turnaround time (TAT) has been identified as a barrier. We are implementing data-collection efforts to deconstruct the transfer process and evaluate each component contributing to delays. We are exploring the feasibility of developing reports to support data collection and analysis.

Intensive Care Unit:

- Implemented PowerGlide midline for intravenous access. Currently we have 3 trained RNs with plans to train additional staff.

Pediatrics:

- Continuing with Asthma funded grant; planning stage to buy respiratory supplies and initiate education in collaboration with ECRMC respiratory; received 2nd payment from First 5, \$5,000.

NICU:

- Continuing with neonatal stabilization funded project. We have received the second payment of \$29,000 from First 5. Planning phase for education for staff and physician.

Cardio-Pulmonary:

- Supporting the NICU Director with the Q2 reporting for the First 5 Mini Asthma Grant and working with the ECRMC Director on strategic planning initiatives concerning the upcoming merger.

Case Management:

- Meeting with ECRMC CMO regarding Integration efforts.
- Metrics remain strong and above benchmarks thanks to the staff and Hospitalist.

Quality:

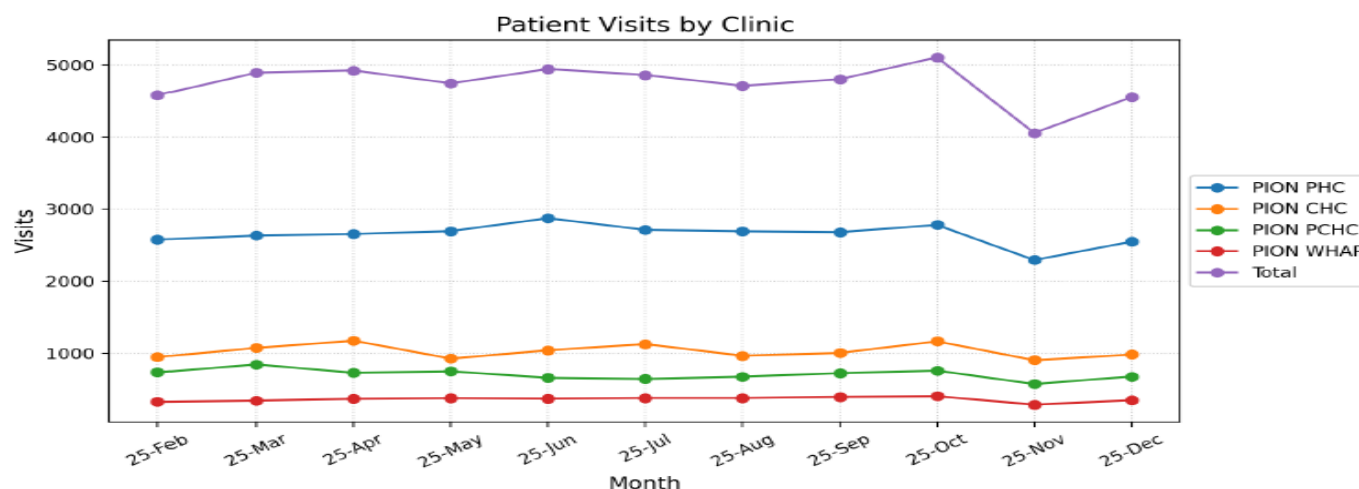
- There is a New PSO agreement with Press Ganey
- Clinical Research Integration in Progress
 - Emergency Department Principle Investigator will be at Brawley campus for a site visit
- QIP integration for El Centro and Brawley Campus is in Progress
 - Discovery Period
 - Metrics Selection is underway
- Preparing for Joint Commission Survey
 - Completing a self-assessment for Patient Experience
 - Simultaneously reviewing DNV Survey Readiness Checklist

REPORT DATE	MONTHLY STATUS REPORT	PREPARED BY
Date: December 2025 Activity	Chief of Clinic Operations	Carly Zamora, MSN, RN

2025 IVHD/PMH AMBULATORY DIVISION RHC ACTIVITIES/UPDATES

PROJECT/ISSUE	PERCENT COMPLETE	EXPENSE TO DATE	ACTION/NOTES
IVHD Transition	Ongoing	N/A	Weekly Meetings Ongoing with Directors and Managers
Staffing:	Ongoing	N/A	1 PD Scribe Position Opening for Primary Care
Quality Measures	Ongoing	N/A	Meetings with ECRMC Quality Team Initiated for QIP and HEDIS- Working on Analyzing 2026 Measures
Audits	Scheduled	N/A	VFC Audit March 3 rd , 2026
Stats			

Patient Visits				No Show Rate			
Clinic	Last Month	This Month	Variance	Clinic	Last Month	This Month	Variance
Pioneers Health Center	2293	2548	305	Pioneers Health Center	14.8%	14.9%	-0.1%
Calexico Health Center	903	981	78	Calexico Health Center	16.2%	17.7%	-1.5%
Pioneers Children's Health Center	573	677	104	Pioneers Children's Health Center	16.1%	14.4%	1.7%
Pioneers Health Center-Womens Health	287	348	61	Pioneers Health Center-Womens Health	20.4%	16.8%	3.6%
Closed Notes				Patient Satisfaction - Top Box Score			
Clinic	Last Month	This Month	Variance	Clinic	FY26		
Pioneers Health Center	100%	99%	-1%	Pioneers Health Center	Pending		
Calexico Health Center	100%	99%	-1%	Calexico Health Center	Pending		
Pioneers Children's Health Center	100%	100%	0%	Pioneers Children's Health Center	Pending		
Pioneers Health Center-Womens Health	94%	90%	-4%	Pioneers Health Center-Womens Health	Pending		

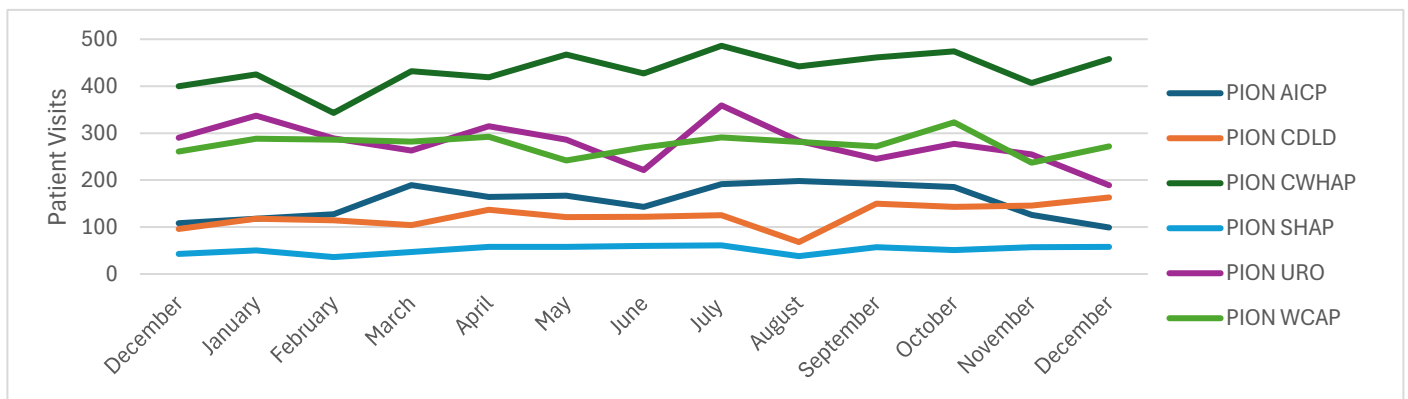


2025 IVHD/PMH AMBULATORY DIVISION OPD SPECIALITY CLINIC ACTIVITIES/UPDATES

PROJECT/ISSUE	PERCENT COMPLETE	EXPENSE TO DATE	ACTION/NOTES
IVHD Transition	Ongoing	N/A	Weekly meetings Ongoing with Directors and Managers, reviewing service lines
GI	Ongoing	N/A	, Volumes increasing
Staffing	Ongoing	N/A	1 FT Medical Assistant opening for Women's Health, 1 FT Medical Assistant opening for Urology (on Hold), 1 PD for Infusion Center
Urology	Ongoing	N/A	Working with New Urology Provider, start date of 1/5/2026
Infusion	Ongoing	N/A	Meeting with Team Weekly regarding Transition, volumes decreasing
Stats			See below:

Patient Visits				No Show Rate			
Clinic	Last Month	This Month	Variance	Clinic	Last Month	This Month	Variance
Ambulatory Infusion	126	99	-21%	Ambulatory Infusion	6.1%	3.8%	-37.7%
Center for Digestive & Liver Disease	146	163	12%	Center for Digestive & Liver Disease	15.0%	11.7%	-22.0%
Comprehensive Women's Health	407	458	13%	Comprehensive Women's Health	11.6%	11.6%	0.0%
Surgical Health	57	58	2%	Surgical Health	3.0%	11.0%	266.7%
Surgical Health - Urology	255	189	-26%	Surgical Health - Urology	11.3%	10.6%	-6.2%
Wound Clinic	237	272	15%	Wound Clinic	2.3%	6.8%	195.7%

Closed Notes				Patient Satisfaction - Top Box Score			
Clinic	Last Month	This Month	Variance	Clinic	FY25 Q4	FY26 Q1	FY26 Q2
Ambulatory Infusion	100%	100%	0%	Ambulatory Infusion	No Data	No Data	Pending
Center for Digestive & Liver Disease	97%	98%	1%	Center for Digestive & Liver Disease	69.14%	60.54%	Pending
Comprehensive Women's Health	85%	85%	0%	Comprehensive Women's Health	74.17%	65.22%	Pending
Surgical Health	100%	97%	-3%	Surgical Health	95.45%	58.62%	Pending
Surgical Health - Urology	100%	100%	0%	Surgical Health - Urology	55.26%	70.73%	Pending
Wound Clinic	99%	94%	-5%	Wound Clinic	No Data	No Data	Pending



2025 IVHD/PMH AMBULATORY DIVISION PHYSICAL THERAPY ACTIVITIES/UPDATES

PROJECT/ISSUE	PERCENT COMPLETE	EXPENSE TO DATE	ACTION/NOTES

IVHD Transition	Ongoing	N/A	Meetings being held regarding transition
Staffing	Ongoing	N/A	1 PT Physical Therapy Assistant, 1 FT Physical Therapist opening
Education	Ongoing with Nursing	N/A	Working with Departments on Mobility
Inpatient/Outpatient Review	Meetings Ongoing with Nursing	N/A	OP Volumes Consistent, Inpatient volumes Increasing

2025 IVHD/PMH RADIOLOGY ACTIVITIES/UPDATES

PROJECT/ISSUE	PERCENT COMPLETE	EXPENSE TO DATE	ACTION/NOTES
IVHD Transition	Ongoing	N/A	Meetings being held Weekly with Director and Managers
Canon CT Project	Early Stages	. Payments will occur once the scanner is installed and operational	Currently in the early stages, Plans/Proposals being reviewed for general contracting. Review of Alternate locations being reviewed.
Projects	Ongoing	None	Cardiac Software Quotes approved for MRI- Working with Vendor MRI Lighting being replaced Mammo ACR Accreditation
Staffing	Ongoing	None	Nuclear Medicine FT Position, 2- FT MRI Techs onboarding, reviewing Ultrasound hours of operation, 1 PD MRI Tech
Radiology Monthly Meeting Schedule	100%	None	Radiology Meeting January 2025
Stats:			

	24-December	YTD-24	25-December	YTD-25
Nuclear Med	39	397	42	517
DIAGNOSTIC	3,504	35,204	3,300	38,051
DEXA	62	692	61	934
Mammo	265	2,752	252	2,942
MRI	196	2,175	218	2,570
US	1,502	18,763	1,531	18,105
CT	2,125	21,982	2,271	25967

2025 IVHD/PMH LABORATORY ACTIVITIES/UPDATES

PROJECT/ISSUE	PERCENT COMPLETE	EXPENSE TO DATE	ACTION/NOTES
IVHD Transition	Ongoing	N/A	Meetings being held weekly.

Projects	Ongoing	TBD	Chemistry Analyzer needs to be replaced
Staffing	Ongoing	Contracting	3 FT Clinical Laboratory Scientist Positions open, Histology Tech Position PT filled, working with ECRMC
Contracts/Policies	Ongoing	N/A	All policies and contracts being reviewed with ECRMC

2025 IVHD/PMH PHARMACY ACTIVITIES/UPDATES

PROJECT/ISSUE	PERCENT COMPLETE	EXPENSE TO DATE	ACTION/NOTES
Staffing	Ongoing	N/A	No Current Positions Open
IVHD Transition	Ongoing	N/A	Meetings being held with ECRMC, reviewing contracts
Policy Updates-IVHD PMHD	Ongoing	N/A	Policies and procedures are being reviewed and updated to reflect the IVHD PMH name change. This includes pharmacy operations, compliance documentation, and clinical protocols. Collaborating with ECRMC
Clean Room/Compounding Trailer/Pharmacy Space	Review Stages	N/A	Collaborating with ECRMC on space options for pharmacy compounding
Audits	Ongoing	N/A	HRSA 340B Audit December 2 nd and 3 rd , 2025-Completed, awaiting final report

2025 IVHD/PMH CHIEF OF CLINIC OPERATIONS/UPDATES

PROJECT/ISSUE	PERCENT COMPLETE	EXPENSE TO DATE	ACTION/NOTES
Physician Updates	Ongoing	N/A	Recruitment Ongoing Contract Review Ongoing Ortho Spine Physician-Interviewed December 2025 OB/GYN: Call Agreements in review with Physicians Urologists start date: January 5th, 2026 Psychiatrist Finalized: Tentative Start date March, 2026 Internal Medicine Physician Interviewed
Contracts	Ongoing	N/A	Contract Review ongoing/Collaborating with ECRMC
Locums	Ongoing	N/A	Gaps in OB Call Ongoing. Gaps in Peds Call Ongoing, Gaps in General Surgery for December, 2025. All gaps covered with locums. OB and Peds continued Locum Coverage
Projects:			
Centralized Scheduling	Ongoing	N/A	Meetings Held with Managers, Directors and Consulting Group. Process changes have been initiated and streamlined. Implementing workflows with ECRMC
Ring Central	Ongoing	Monthly Expense	Ring Central Productivity being monitored and reviewed daily
OP Infusion	Early Stages	N/A	Transition to ECRMC discussions on hold

Notable	Ongoing	Ongoing	59% delivered to Completion across all locations with Women's Health at 85% of patient utilization
Wound Care	Ongoing	N/A	Transition Discussions being held
Clinical AI Agent	Ongoing	Ongoing	86% utilization with 14 providers utilizing
Grants	Ongoing	N/A	Reviewing New Grants for Submission.
IVHD Transition	Ongoing	N/A	Meet weekly- Ongoing with Directors and Managers Executive Meetings every week, Biweekly Contract Review, Transition Call weekly

