

# Self-Directed Brokerage Account Enrollment Form

## Member Information

First Name \_\_\_\_\_ Middle Name \_\_\_\_\_ Last Name \_\_\_\_\_

Date of Birth (mm/dd/yyyy) \_\_\_\_\_ Social Security Number \_\_\_\_\_  
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**NOTE: If your mailing address is a PO Box, Alight Financial Solutions (AFS) must have a street address on file. However, all correspondence will be sent to your mailing address.**

Mailing Address  
Street \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Physical Address (If different from Mailing Address)  
Street \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

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

## Internet Access

In order to access your SDBA account online log onto MyFRS.com and access your Investment Plan primary account and then "Access Self-Directed Brokerage Account".

E-mail Address (Required) \_\_\_\_\_ Mother's Maiden Name (Required) \_\_\_\_\_

For your convenience, this account will be identified on the AFS site by your account number and the nickname you provide below.

(Example: Joe's Acct) \_\_\_\_\_

## Affiliation Questions

**Are you or a member of your household currently:**

Affiliated or employed by a member of a stock exchange or the Financial Industry Regulatory Authority (FINRA)?  Yes  No  
*If yes, what is the company name, the position held and your relationship?*

Licensed by the Financial Industry Regulatory Authority (FINRA) or a registered investment advisor and using the license or registration in a professional sales, trading or customer service capacity?  Yes  No  
*If yes, please specify the licenses held and your relationship.*

A director, 10% shareholder or policy-making officer of a publicly traded company?  Yes  No  
*If yes, what is the company name, the position held and your relationship?*

## Plan Information

Plan Name \_\_\_\_\_ Company ID \_\_\_\_\_ Plan ID \_\_\_\_\_  
**FRS Investment Plan** **14470** **10**

**I have read and agree to the [Plan Participant Agreement](#) and [Memorandum of Understanding](#) attached hereto for a Self-Directed brokerage account with Alight Financial Solutions.**

Signature \_\_\_\_\_ Date \_\_\_\_\_

Please sign and fax form to **1.847.554.1444** or mail to the following address:

Alight Financial Solutions  
PO Box 563901  
Charlotte, NC 28256-3901

# Alight Financial Solutions LLC

## QUALIFIED RETIREMENT PLAN SELF-DIRECTED BROKERAGE ACCOUNT PLAN PARTICIPANT AGREEMENT

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**Effect of Opening Up this Account.** You have opened up this self-directed brokerage account (“account”), an investment alternative being offered under the Florida Retirement System (“FRS”) Investment Plan (“Plan”). The purpose of this document is to provide you with a general overview of the operation of your account and the general rights, responsibilities and obligations you, as a participant in the Plan (“Participant”) have with respect to the account. This document also describes the types of products and services offered through Alight Financial Solutions LLC (“AFS”), a broker-dealer that provides services to retirement plans. The services of AFS may change from time to time, and include: all information, content, messages, software, databases, bulletin boards, forums and Access Devices<sup>1</sup> or other communication facilities (collectively, the “AFS Service”). If you are the beneficiary of a deceased Participant, you will be considered to be the “Participant” for the purposes of this document.

The use of your account and your ability to conduct transactions and otherwise take action with respect to your account is determined and governed by this document and the terms of a separate agreement entered into between AFS and the Plan Sponsor. In the event that you do not understand or are unclear about any of the information provided in this document, please contact the FRS Financial Guidance Line, 866-446-9377, Option 4.

**Clearing Agent.** Pershing LLC (“Pershing” or “Clearing Agent”) is the New York Stock Exchange member clearing agent for AFS. AFS is independent of the Clearing Agent. Pershing is retained to provide certain record keeping and operational services, which may include execution and settlement of securities transactions, custody of securities and cash balances, and extension of credit on margin transactions, if applicable. These services are provided under a written agreement between the Clearing Agent and AFS. It is important that you understand the responsibilities of AFS and the Clearing Agent as outlined below.

Any rights or obligations AFS or its Clearing Agent have with respect to your account may be exercised by either

the Clearing Agent or AFS or may be assigned to the other, including, but not limited to, the right to collect any debit balance or other obligations owing in the account, and the Clearing Agent and AFS may collect from you or enforce any other rights under this Agreement independently or jointly.

AFS is not the Clearing Agent’s agent, and you cannot seek to hold AFS or its Clearing Agent, or any Agent or Affiliate, liable for any trading losses incurred by you as a result of investment choices made by you. The Clearing Agent is carrying your account as clearing broker pursuant to an agreement with AFS. Notices concerning matters related to your account usually will be provided by AFS, although notice may be provided directly from the Clearing Agent with or without duplicate notice from AFS, as circumstances may require.

A more detailed description of Clearing Agent’s functions and responsibilities with respect to you and your account are provided in the item referred to as “Clearing Agent Responsibilities”, which is attached and made part of this document as Appendix B.

**Responsibilities of AFS.** AFS has general responsibility for servicing and supervising your account through its own personnel in accordance with its own policies and applicable laws and regulations. AFS is responsible for approving the opening of the account and obtaining necessary account documentation. You will be asked for appropriate identifying information when establishing your account by either AFS or Clearing Agent. The information provided may be used to verify identity by using internal sources and third-party vendors. It is important for you to note the following:

- AFS is responsible for knowing your basic information.
- AFS is responsible for the acceptance and, in certain instances, execution of securities orders.
- AFS is responsible for knowing the facts about any orders for the purchase or sale of securities for the account.
- If AFS obtains possession of any cash or securities intended for the account, AFS is responsible for correctly identifying and promptly forwarding the same to the Clearing Agent.
- AFS is responsible for supervising the activities of the individual(s) (if any) who service your account, for resolving any complaints regarding the handling of your account, and, in general, for the ongoing relationship that we have with you.

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<sup>1</sup> Access Device refers to any computer, personal digital assistant (PDA), beeper, television, telephone or any other communications device, including any software, whether provided through AFS or otherwise, that enables you to access and use the AFS Service via a wireless connection, the Internet, the World Wide Web or any other computer or telephonic network.

In all of the above matters relating to the servicing of your account, the Clearing Agent has no involvement and assumes no responsibility.

**Identity Verification for New Accounts.** When opening your account, we make all efforts to verify your personal identification information against the records maintained by the Plan Sponsor. If by chance AFS experiences any difficulty in verifying any of your personal information or if discrepancies are discovered, we may not be able to open an account for you or, if opened, AFS may have to restrict or close your account until such discrepancies are resolved. We will take all efforts possible to minimize any delays or inconvenience to you. AFS will not be liable for any losses or damages resulting from yours or the Plan fiduciaries' failure to provide accurate personal information.

**Participant Industry Affiliations.** Any Plan participant who is employed or affiliated with a member of a national securities exchange or the Financial Industry Regulatory Authority, Inc. or is licensed as a registered investment advisor and is using the license in a professional sales, trading, or customer service capacity, must adhere to the following procedures (1) file with AFS a 407 letter and any other required documentation and (2) acknowledge that you will be excluded from effecting certain transactions, as described in the appropriate rules and regulations of the self-regulatory agency or other appropriate governing authority, then in effect.

**Use of Personal Information.** AFS may be required to exchange personal information about you with others, including our Affiliates, for verification purposes. All uses of personal information are governed by our Privacy Statement, which is amended from time to time and is available to you upon request. Please refer to Appendix A.

**Account Fees and Credits.** Purchases and sales of securities in your account are subject to commissions and transaction fees. The AFS brokerage services commission schedule (available at MyFRS.com or directly on request from an AFS representative) will apply to all trades placed and transactions conducted in your account. This schedule is subject to change. Please note that there is an annual administrative fee that is billed quarterly and that is subject to change by the Plan Sponsor

The Clearing Agent may credit to your account funds received in the form of dividends, interest, redemptions, and proceeds of corporate reorganizations on the day such funds are received. These funds come from issuers and various intermediaries in which the Clearing Agent is a participant, such as the Depository Trust Company.

Information regarding when the Clearing Agent credits your account with funds due to you, when those funds are available to you, and/or when you begin earning interest on those funds is available by contacting your AFS representative directly.

**Payment for Order Flow Practices.** AFS routes order flow in equity securities entirely to the Clearing Agent. AFS does not receive compensation for directing order flow. See the terms and conditions section of your customer statement for a description of Clearing Agent's payment for order flow practices. For additional information regarding order routing practices and the venues to which AFS' orders are routed, please visit [www.orderroutingdisclosure.com](http://www.orderroutingdisclosure.com) or contact an AFS representative. Upon written request to AFS, you may obtain the identity of the venue to which your orders were routed for the six months prior to your request and the time of transactions that may have resulted from such orders.

**Important Information About Investing in Mutual Funds.** Please refer to the attached Appendix C for some important facts and disclosures about investing in mutual fund shares.

**Account Insurance.** Currently, securities held in custody by the Clearing Agent for your account are protected up to the total amount in the account. Of this total, Securities Investor Protection Corporation ("SIPC") provides \$500,000 of coverage, including \$100,000 for claims for cash. The remaining coverage on securities only is provided by the Clearing Agent through a commercial insurer. This account protection applies when a SIPC member firm fails financially and is unable to meet obligations to securities customers, but it does not protect against losses from the rise and fall in market value of investments. You will be notified of any change in this protection. Refer to the SIPC website for further information; which can be found by visiting: [www.sipc.org](http://www.sipc.org).

**Liens and Levies.** . Section 121.591(4), Florida Statutes provides that benefits payable under the FRS Investment Plan may be subject to qualified domestic relations orders by a court of competent jurisdiction, income deduction orders as provided in s. 61.1301, and federal income tax levies. In the event your account is subject to an appropriate state or federal lien or levy directed to the Clearing Agent or AFS, both parties will abide by the directions of the federal, state, or other levying authority unless it receives a court order staying or quashing the lien or levy, or some other form of release from the levying authority. In the event the Clearing Agent receives a lien or levy on the account, the account may be assessed reasonable processing fees.

**Responsibility for Investment Decisions.** You are solely responsible for all trading and other activities conducted in relation to your account. In connection with the account, you are subject to any and all restrictions that are placed on the account by federal or state law.

**Responsibility for Account Accuracy.** AFS shall have no responsibility for monitoring and validating the balances, transactions, or valuations in your account. It is

your responsibility to validate your account for accuracy and to advise AFS promptly by telephone about any discrepancies pertaining to balances, transactions, or valuations involving account property or investments. It also shall be your responsibility to promptly notify AFS by calling the FRS Financial Guidance Line, 866-446-9377, Option 4 if you become aware of any of the following:

- any failure to see reflected in the trade confirmations, accounts statements, or other expected communications received by you, an accurate entry indicating that an order, including a cancellation or modification of a prior order, was received, is being acted upon and/or was executed;
- any failure to receive an accurate confirmation of an execution;
- any discrepancies between what has been entered into the system and/or any status reported or other information we provide on trade confirmations, account statements, or other expected communication received by you;
- any receipt of any trade confirmation, account statement, or expected communication reflecting an order and/or report of the execution of a transaction which was not placed or authorized in the account.
- If you fail to promptly notify AFS of any of the above conditions or events, AFS shall not be liable for any consequences. If proper notification is given to AFS and AFS is determined to be responsible for any of the service failures, discrepancies, or other conditions or events noted above, AFS' liability is limited as described in the section titled **Limitation Of Liability**.

**AFS' Role.** Please be aware of the following:

- Neither AFS nor any AFS representative ("AFS") makes recommendations with regard to any specific securities;
- AFS is not responsible for determining the nature, potential value and suitability of any particular security, transaction, or investment strategy unless required by law or regulation;
- AFS is not responsible for supervising or monitoring the trading in your account;
- AFS does not and will not give any legal or tax advice; and,
- AFS will not facilitate any trade in your account except as AFS is specifically directed by you, and if such trade is allowable.

**Research Tools.** AFS may provide some general research tools and third party-provided information for your use. Although AFS attempts to identify the sources of all of the information and other material provided to you and AFS believes that those sources are reliable, we do not check for accuracy. **NONE OF THESE TOOLS OR INFORMATION ARE CUSTOMIZED FOR YOU**, and AFS is not making individualized recommendations about the suitability of purchases or sales of any of the securities

or investment strategies that may be listed, analyzed, referenced or identified in the use of the tools or information. AFS investment representatives may be contacted directly to assist you in learning how to properly use the research tools available through AFS. However, those representatives will not advise you about the suitability of any particular security, transaction, investment or strategy in light of your particular financial circumstances and investment objectives even where the representative may know them.

**Idle Account Funds.** Unless otherwise directed by you, all idle funds held within your account will automatically be invested ("swept") into the Federated Government Obligations Fund. If you wish to invest the funds held in the Federated Government Obligations Fund shares into other securities, it is your responsibility to monitor available balances in the shares and to direct AFS personnel to make the appropriate transactions, subject to the restrictions placed on the account by the fiduciaries.

All pertinent information, including statements about investment policies, risks, considerations, charges, and expenses, pertaining to the Federated Government Obligations Fund can be found in the Federated Government Obligations Fund prospectus, as it may be amended from time to time. A free copy of this prospectus is available by contacting the FRS Financial Guidance Line, 866-446-9377, Option 4 or by visiting MyFRS.com under Fund Profiles. . Please note that AFS and AFS's parent company, Alight Solutions ("Alight Solutions"), each receive compensation for the services that they provide, respectively, to the Federated Government Obligations Fund. These arrangements are described thoroughly in the prospectus.

Neither AFS nor Alight Solutions are banks, and shares of the Federated Government Obligations Fund are not obligations of, or endorsed or guaranteed by, any bank or other depository institution, nor are they insured by the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Board, or any government agency. Although the Federated Government Obligations Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Federated Government Obligations Fund.

**Trading Restrictions.** Participants are restricted from entering orders in the account for certain types of investments and transactions, which include: illiquid investments; Over the Counter Bulletin Board Securities; Pink Sheet Securities; Leveraged Exchange Traded Funds; Direct Ownership of Foreign Securities; Derivatives ,including but not limited to, futures and options contracts on securities, market indexes and commodities; limited partnerships; private placements; buying or trading on margin; investment plan core investment funds; any investment that would jeopardize the Investment Plan's tax qualified status. Other restrictions may be imposed. For verification as to whether a particular investment is

permitted, please contact the Financial Guidance Line at FRS Financial Guidance Line, 866-446-9377, Option 4 to connect to AFS.

**Compliance with Applicable Law.** You are subject to, and required to act in accordance with, all applicable state and federal securities laws with respect to your account.

**Plan Authorization for Account.** Your authority to maintain and effect transactions is an option made available under the FRS Investment Plan. This option may be revoked at any time.

**Liquidation of Account Securities.** If, for any reason, your account has insufficient funds to cover the purchase of any trade or any required fee, AFS may take appropriate steps in its discretion to complete, cancel or liquidate one or more transactions or investments in your account. Additionally, AFS may, on direction from the Plan Sponsor, liquidate one or more transactions or investments in order to address corrections which may be required pursuant to the provisions of the account agreements, or as is required under state or federal law or by a court order or other similar authority under which AFS is legally authorized or obligated to act.

In the event of a liquidation of the assets in your account as described above, the assets will be liquidated in the following order: 1. shares of Federated Government Obligations Fund; 2. shares of mutual funds for which no front-end sales charge was assessed at the time of purchase and no transaction fee is charged for liquidations; 3. shares of mutual funds for which no front-end sales was assessed at the time of purchase, but a transaction fee may be charged for liquidations; and 4. shares of mutual funds which do charge a front-end sales charge for purchases.

Your account also may be subject, at the Clearing Agent's discretion, to interest on any debit balances resulting from failure to make payment in full for securities purchased, from failure to timely deliver securities sold, from proceeds of sales paid prior to settlement date, or from other charges which may be made to the account.

**Additional Account Information.** You must promptly provide to AFS any reasonably requested information that is necessary to maintain your account or to effect any transaction directed by you.

**Trade Confirmations and Account Statements.** Unless otherwise directed by the Plan Sponsor, trade confirmations and account statements will be sent directly to you and, if requested by the Plan Sponsor, to the Plan Sponsor itself or any other parties so directed.

Certain customers receive electronic confirmations through Depository Trust Company or other institutional delivery systems in lieu of hard copy confirmations of each transaction. You should be aware that all of the terms, conditions, and disclosures set forth on such hard copy

confirmations will continue to apply to each confirmation processed electronically.

**Cancellation And Modification Requests.** AFS cannot guarantee that requests to cancel or modify account orders will be effective, even if such requests are submitted before receiving notice that the order was executed. A requested cancellation or modification of a prior order will not be effected unless we have had sufficient time to forward the request to the actual parties responsible for executing the transaction, the request is received in the marketplace, and the marketplace has matched the request with the account order(s) before it is executed.

We cannot guarantee that the marketplace or a mutual fund company will match a cancellation or modification request with respect to a prior order, even if such request is received by the same marketplace or mutual fund company before the order is executed. Therefore, no assumption can be made that a prior order has been canceled or modified until there is actual receipt of a trade confirmation from us. You shall have full responsibility for any orders entered, even if we are unable to cancel or modify the order prior to execution.

**Monitoring And Recording Of Communications With Us And Use Of Our Web Site.** When in compliance with Section 934.03, Florida Statutes, AFS may monitor and/or record any communications, electronic or otherwise, between you and us with respect to matters relating to the account. The use of AFS Services and all related communications between AFS and yourself may be monitored and recorded by us using appropriate tracking technology in compliance with Florida law. AFS may use the information we obtain from monitoring and recording account-related activity with us as required by or permitted by law, subject to our confidentiality obligations hereunder and Privacy Policy. We are not, however, obligated to monitor the account for credit or other purposes, and AFS shall have no responsibility for monitoring the account or for any losses that occur in the account.

**Responsibility for Computer IDs, Passwords and Account Access.** You must have a User ID and password which will provide you with access to the account (the "password"). You alone will be responsible for the use and maintenance of the User ID and password confidentiality, including, without limitation, responsibility for all orders entered in the account by you or by any third party who has received legitimate authorization to use the User ID and password, whether pursuant to a trading authorization and/or power of attorney delivered to us or otherwise. The storage of any information, including, without limitation, the User ID or password on one or more personal computers and/or Access Devices, or if such information is provided to or stored with information aggregators or Web sites unaffiliated with us, you do so at your own risk. In addition, you must provide and maintain all Access Devices and related communications services required to

gain access to the Web site and for paying all communications service fees and charges incurred in accessing us. Any use of the User ID and password by any other third party who has obtained them from or through you (and not as the result of any negligence on our part), with or without your knowledge and/or consent will be treated by us as having been authorized by you and you shall be fully responsible for any such use. You shall immediately notify us by telephone whenever you become aware of any loss, theft or unauthorized use of a User ID and/or password. You also may be liable to us for the costs of defending and indemnifying us, our agents, Clearing Agent and affiliates against any liability, costs or damages arising out of or otherwise involving claims or suits by you or any third party which are based upon or related to any such use.

**Applicable Laws, Rules And Regulations.** This Agreement is deemed to be governed by and construed in accordance with the laws of the State of Florida, without application of the conflict of law principles. All transactions for the account will be subject to applicable law and the constitution, rules, regulations, customs and usages of the exchange or marketplace and its clearinghouse, if any, where transactions for your account are executed by us or our agents (including our Clearing Agent), which may include AFS affiliates.

**Enrollment for Electronic Trade Confirmations (If Available).** Either you, or your Plan Sponsor on your behalf, may authorize electronic notification of account statements, trade confirmations and/or other documents as they may be made available (the "Account Communications"). Electronic notification of Account Communications requires a valid electronic mail (e-mail) address on record with Alight Financial Solutions, access to the Internet, and installation of Adobe Acrobat Reader version 4.0 or higher to view your Account Communications. If a valid e-mail address is not on file with Alight Financial Solutions, paper Account Communications will be delivered to the physical address on record with Alight Financial Solutions until such time that a valid e-mail address has been provided.

If your account has been authorized for electronic notification of Account Communications, you agree: i) to accept and receive electronic notification that the Account Communications are available online for your retrieval, ii) to agree to the electronic delivery of all notices, disclosures and other information relating to your account that are communicated with or within the Account Communications, and iii) that electronic delivery of the Account Communications is deemed accepted, regardless of whether a particular document is accessed or viewed.

You will be notified by e-mail when Account Communications are available to be viewed online. The e-mail notification(s) will be sent to the e-mail address(es)

established when registering with this service, or that have otherwise been provided.

You may change your delivery preferences to revert to receiving paper Account Communications at any time by following the instructions on the website at MyFRS.com, or by contacting Alight Financial Solutions directly for assistance. You may print or save a copy of any Account Communication at any time. You may request a mailed copy of your Account Communications by contacting Alight Financial Solutions.

In the event that you lose access to the website, please contact Alight Financial Solutions in order to have your access reinstated.

Once authorized for your account, electronic delivery of the Account Communications is effective until revoked by your Plan, Pershing, Alight Financial Solutions, or you.

You expressly agree and acknowledge that the use of electronic notification services is at your sole risk. None of Pershing, Alight Financial Solutions nor their respective directors, officers, employees, agents, contractors, affiliates, information providers or services warrant that the delivery of notification or website services will be uninterrupted or error free. Neither Pershing nor your Alight Financial Solutions warrant the timeliness, sequence, accuracy, completeness, reliability or content of any information with respect to accessing electronic information. The service provided herein is on an "as is", "as available" basis and without warranties including, without limitation, those of merchantability, fitness for a particular purpose or non-infringement other than those warranties which are implied by and incapable of exclusion, restriction or modification under the laws, rules and regulations applicable to this service.

**Limitations on use of AFS service.** The design of the AFS Service is the property of AFS. The content included in the AFS Service is the property of either AFS or one or more of its third party providers ("Third Party Provider Services"). You do not have any rights in or to the AFS Service or Third Party Provider Services, except as expressly provided herein, and you agree not to take any action inconsistent with AFS' rights in the AFS Service or the Third Party Providers' rights in their Third Party Provider Services.

#### **Limitation of Liability**

Any liability we may have to you for any damages arising out of any action or omission by us or for which we are otherwise responsible shall be limited to an amount equal to the direct financial benefit which the account would have realized or the direct financial loss which the account would have avoided from the transaction involved during the period between the time in which your trade was or should have been effected and the time for settlement of

such trade under any applicable law, rule or regulation.

Quotes, news and research data, including market information displayed on any Access Device (collectively, "market data") are obtained from sources we believe to be reliable. HOWEVER, ALL MARKET DATA IS PROVIDED "AS IS," AND THERE MAY BE DELAYS, OMISSIONS AND INACCURACIES IN SUCH DATA. NEITHER WE NOR OUR AGENTS, AFFILIATES, CLEARING AGENT OR THIRD PARTY PROVIDERS OR ANYONE ELSE INVOLVED IN CREATING, PRODUCING, DELIVERING OR MANAGING THE DELIVERY OF SUCH DATA, INFORMATION OR SERVICES (COLLECTIVELY, THE "DISSEMINATING PARTIES") CAN GUARANTEE, NOR DO WE OR THEY GUARANTEE, THE CORRECTNESS, QUALITY, ACCURACY, SEQUENCE, TIMELINESS, CURRENTNESS, RELIABILITY, PERFORMANCE, COMPLETENESS, CONTINUED AVAILABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE OR NON-INFRINGEMENT OR OTHERWISE OF ANY MARKET DATA OR THIRD PARTY PROVIDER SERVICES, AND WE AND THEY HEREBY DISCLAIM ANY SUCH EXPRESS OR IMPLIED WARRANTIES.

**Force majeure.** AFS is not liable for any liability, costs, damages or loss caused directly or indirectly by government restrictions, exchange or market rulings, suspension or delay of trading, war, earthquakes, strikes, equipment failure, communication line failure, system failure, security failure, unauthorized access, theft or any problem, technological or otherwise, that might prevent you from entering, canceling or modifying an order or prevent us from acting on an order or instruction, or other conditions beyond our control.

### **Business Continuity Plan**

AFS maintains a business continuity plan that governs the operations of its introducing broker-dealer activities. This plan details how AFS and its personnel will address interruptions to our normal course of business. The unpredictability of events and timing require flexibility in response and we review our plans regularly and update as necessary.

This plan outlines the procedures that we will implement in order to safeguard our employees and property and to ensure the prompt recovery and resumption of customer trading, account access and service activities, and to protect AFS' books and records. Our plan addresses operational redundancy between our two (2) regional locations, complete customer access to their accounts through our clearing agent, Pershing LLC, critical business systems, and alternate communications means with customers, employees, regulators, Clearing Agent, AFS parent company (Alight Solutions), and each branch location. For pertinent information relating to, and a

summary of, Pershing's business continuity plan, please refer to Appendix B.

Since disruptions can vary in scope and duration, key components of our plan include full redundancy of critical business functions at both of our locations, widely geographically separated, as well as full customer service and trading ability available at our clearing firm (Pershing LLC). . In any situation, we plan to continue in business and will notify you through MyFRS.com or through the Financial Guidance Line. If you cannot access us through either of these means, contact Clearing Agent directly, at 201-413-3635, or for recorded instructions call 213-624-6100 ext. 500. If MyFRS.com becomes unavailable or you are unable to access MyFRS.com for any reason, you may access your account at [www.hewittffs.com](http://www.hewittffs.com).

**Assignment.** Subject to any consent that may be required by the Plan Sponsor, AFS may transfer or assign the account to any successor or other organization. You may not, however, assign any of your rights or duties in the account or any interest in the account to any third party.

**Termination of AFS service.** You may deactivate your account at any time, by submitting written instructions to AFS. AFS will not close your account until all fees, payments, or other account-related expenses are satisfied in the account, if any.

We may, as circumstances warrant and without notice, block access to the use of the account in the event we elect to discontinue providing the AFS Service to you or all Participants on a temporary or permanent basis or in the event that you act in contravention with the terms of this document or applicable law. If we discontinue the AFS Service or if you deactivate your account, the terms of this document will continue to apply to any disputed or unsettled matters involving the account, and you will remain liable to us for the payment of all charges incurred in the account before its termination becomes effective.

**Any questions, comments, or complaints pertaining to this document or with respect to your account in general, should be submitted directly to Alight Financial Solutions LLC at 866-446-9377, Option 4 or to: Alight Financial Solutions LLC/ Attn: Compliance Department/ P.O. Box 563901/ Charlotte, NC 28256-3901.**

## APPENDIX A AFS PRIVACY STATEMENT

### WE RESPECT PRIVACY

We at AFS appreciate that you have provided us with your personal financial information. We strive to maintain the privacy of such information. This Privacy Statement describes what non-public personal information we collect about you, why we collect it, and when we may share it with others. The Privacy Statement is available for viewing on AFS' website at MyFRS.com and is subject to revision as required from time to time.

### PERSONAL INFORMATION COLLECTED BY AFS

Throughout this Privacy Statement, we refer to the non-public information that personally identifies you as "personal information." To serve its customers better, AFS must collect and maintain accurate non-public information that personally identifies its customers ("Personal Information"). We obtain this information from applications and other forms submitted to us, from your relationship with us, from consumer reporting agencies, from our Web sites, and from third parties and other sources. For example:

We MAY collect the following kinds of Personal Information through applications and other forms submitted to us, such as:

- Identifier and contact information such as Participant name, date of birth, address, e-mail address, telephone/fax numbers, Social Security Number, mother's maiden name;
- Information about Participant beneficiaries, including, for example, name, Social Security Number, date of birth, address, and telephone numbers;
- Financial information such as net worth, and tax bracket; and
- Banking information such as the name of a bank, its contact information and routing number, the type of account held, and the identification number of those accounts.

We collect Personal Information about transactions conducted through AFS, such as account balances, account activity, and investment history. We collect information about the use of products and services offered by our affiliates, including Alight Solutions (collectively, "Alight Solutions Affiliates"). We may obtain Personal Information about customer creditworthiness and credit history from consumer reporting agencies. We may collect Personal Information from other sources in connection with providing or servicing your account.

Through our Web sites, we may collect Personal Information that is provided directly through online communications (such as an e-mail address). We may also collect Personal Information about customers' Internet

service providers, domain names, computer's operating systems and Web browsers, customers' use of our Web sites and customer product and service preferences, through the use of cookies, as defined above. AFS may use cookies for some administrative purposes, for example, to store its customers' preferences for certain kinds of information. None will contain information that will enable anyone to contact its customers via telephone, e-mail, or any other means. If you are uncomfortable with the use of cookie technology, browsers can be set to refuse cookies. Certain of AFS' services, however, may be dependent upon the use of cookie technology and the disabling of cookies could impede the operation of such services.

### PERSONAL INFORMATION DISCLOSED BY AFS

To provide you with the products and services requested, to serve you better, and to manage our business we may disclose Personal Information as required or permitted by law, as described below.

**Third Party Financial Service Providers:** In order to provide the investment products and services you have requested, we may disclose Personal Information to financial institutions ("Third Party Financial Service Providers"), such as our Clearing Agent as is necessary to meet our obligations to you or as permitted or required by law. When we share Personal Information with these companies, they are required to limit their use of that information to the particular purpose for which it was shared and they are not allowed to share it with others except to fulfill that limited purpose.

**PLEASE NOTE:** When you sign up for a financial product or service offered through AFS, the Third Party Financial Service Provider may acquire Personal Information about Participants, including from AFS, from you, and from third parties. The Third-Party Financial Service Provider's use of such Personal Information, including the Personal Information disclosed by AFS, is governed by a separate privacy policy. AFS urges you to review these privacy policies carefully and to exercise any choices you may have about how Third Party Financial Service Providers use and disclose your Personal Information. Again, please refer to the AFS Privacy Statement that may be found at MyFRS.com.

**Alight Solutions Affiliates:** In order to manage your account effectively, including servicing and processing transactions, and as otherwise required or permitted by law, we may disclose Personal Information to Alight Solutions Affiliates. Such disclosures also may be required under separate agreements you may have with other Alight Solutions Affiliates and may be accordingly addressed under a separate privacy policy(ies).

**Other Third Parties:** Except as described above, we do not disclose Personal Information to non-affiliated third parties except to enable them to provide the products or services



you have requested, to provide various other services on our behalf, or as is otherwise required or permitted by law. For example, some instances where we may disclose Personal Information to third parties include: servicing and processing transactions, protecting against fraud, maintaining institutional risk control, responding to judicial process or performing services on our behalf. When we share Personal Information with these companies, they are required to limit their use of that information to the particular purpose for which it was shared and they are not allowed to share it with others except to fulfill that limited purpose.

We respect privacy and do not share Personal Information with third parties for marketing or other purposes.

## **PROTECTING PERSONAL INFORMATION**

We maintain physical, electronic and procedural security measures to help safeguard the Personal Information we collect. We have internal policies governing the proper handling of Personal Information. We require third parties that provide support or marketing services on our behalf to adhere to confidentiality standards with respect to such information.

Important information for Vermont residents.

If you are a resident of Vermont, and for as long as you remain a resident of Vermont, the information we may share about you with other financial institutions with which we have a joint marketing agreement is limited to your name, contact information, and information about our transactions and experiences with you. Additionally, within the Alight Solutions family we will not share certain information (other than information about our transactions and experiences with you) from account applications or information we receive from third parties without your authorization. To authorize the sharing of this information within the Alight Solutions family, please contact us directly.

## **CONTACT INFORMATION**

If you have any questions or complaints about AFS' use of Personal Information or about this Alight Financial Solutions Privacy Statement, please send an email to: [dataprivacy@hewitt.com](mailto:dataprivacy@hewitt.com).

AFS reserves the right to amend this Alight Financial Solutions Privacy Statement at any time. We will inform you of any changes to this Privacy Statement as required by law.

## **APPENDIX B CLEARING AGENT RESPONSIBILITIES AND DISCLOSURES**

**Responsibilities of the Clearing Agent.** In general, the Clearing Agent is only responsible for those services provided at the request or direction of AFS as contemplated by the agreement between AFS and Clearing Agent (“Clearing Agreement”).

The Clearing Agent will create computer-based account records on you in such name(s) and with such address(es) as AFS directs.

The Clearing Agent will process orders for the purchase, sale, or transfer of securities for the account as AFS directs. The Clearing Agent is not obligated to accept orders for securities transactions for the account directly from you and will do so only in exceptional circumstances.

The Clearing Agent will receive and deliver cash and securities for the account and will record such receipts and deliveries according to information provided either by AFS or as directly authorized, in writing, by you.

The Clearing Agent will hold in custody securities and cash received for the account, and will collect and disburse dividends and interest and process reorganization and voting instructions with respect to securities held in custody. The Clearing Agent is responsible for the custody of cash and securities only after coming into the Clearing Agent’s physical possession or control.

In connection with all of the functions that the Clearing Agent performs, the Clearing Agent maintains the books and records required by law and by business practice. The Clearing Agent will provide AFS with written reports of all transactions processed for the account to enable AFS to carry out its responsibilities under the Clearing Agreement.

The Clearing Agent will assist you and AFS with any discrepancies or errors that may occur in the processing of transactions for the account.

THE CLEARING AGENT DOES NOT CONTROL, AUDIT, OR OTHERWISE SUPERVISE THE ACTIVITIES OF AFS OR AFS EMPLOYEES OR AFFILIATES. THE CLEARING AGENT DOES NOT VERIFY INFORMATION PROVIDED BY AFS REGARDING THE ACCOUNT OR TRANSACTIONS PROCESSED FOR THE ACCOUNT NOR UNDERTAKE RESPONSIBILITY FOR REVIEWING THE APPROPRIATENESS OF TRANSACTIONS ENTERED BY AFS ON YOUR BEHALF. THE CLEARING AGENT IS NOT RESPONSIBLE FOR ANY INVESTMENT ADVICE, INVESTMENT RECOMMENDATIONS, OR INVESTMENTS MANAGEMENT SERVICES THAT MAY BE PROVIDED TO YOU.

The Clearing Agreement does not encompass transactions in commodity futures contracts or investments other than marketable securities that the Clearing Agent normally processes on recognized exchanges and over-the-counter markets.

In furnishing its services under the Clearing Agreement, the Clearing Agent may use and rely upon the services of other clearing agencies, automatic data processing vendors, proxy processing, transfer agents, securities pricing services, and other similar organizations.

This discussion addresses the basic allocation of functions regarding the handling of the account. It is not meant as a definite enumeration of every possible circumstance, but only as a general disclosure.

### **CLEARING AGENT PRIVACY POLICY**

Working on behalf of AFS, Clearing Agent recognizes the importance of protecting the confidentiality of nonpublic personal information (NPPI) that it collects about its customers. The information is used to ensure accuracy in reporting and record keeping, maintaining customer accounts, and effect requested transactions. A top priority for the Clearing Agent is to keep this information secure.

1. The Clearing Agent collects nonpublic personal information from the following sources:

- Applications, forms or other communication, including electronic communications (such as name, address, email address, telephone number, social security number, assets, and income);
- Transactions with the Clearing Agent, their financial organizations, or others; and
- Nonaffiliated third parties, such as consumer reporting agencies (such as credit worthiness and credit history), joint marketing partners, or other entities who may service your account from time to time.

2. Clearing Agent may use personal information in order to operate our business in a prudent manner in accordance with industry standards and applicable law, which may include to service and maintain accounts and transactions, offer a broad range of services and products, verify income and assets, respond to inquiries and requests, prevent fraud, monitor and archive communications, and verify your identity in accordance with the Uniting and Strengthening America by Providing Appropriate Tools to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001.

3. Clearing Agent may disclose or share nonpublic personal information about its customers to its affiliates, such as banks, investment managers, mortgage lenders, technology service providers, and securities broker-dealers, in order for its affiliates to provide and service accounts and transactions, such as data processing and loan

servicing. This may, where permitted by local law, include archiving your personal information in a jurisdiction other than your own, which may not have equivalent data protection laws.

4. Clearing Agent may also share personal information with government agencies, exchanges, or other self regulatory organizations and law enforcement authorities as required or permitted by law, rule, or regulation.

5. Clearing Agent does not sell or rent personal information. Clearing Agent may disclose or share personal information about its customers to nonaffiliated third parties with whom it has contracted to perform services on its behalf, such as printing, mailing, fraud prevention, technology providers, and processing services, as well as your nonaffiliated financial organization, which has a clearing agreement with Clearing Agent. These nonaffiliated third parties are required to protect the confidentiality and security of this information and use it only in accordance as contractually agreed upon or instructed by Clearing Agent. Clearing Agent may also disclose nonpublic personal information about its customers as permitted or required by law.

6. Clearing Agent does not disclose NPPI about former customers, except as permitted or required by law.

7. Clearing Agent Internet web sites may occasionally use a “cookie” to provide better service, facilitate its customers’ use of the web site, track usage of the web site, and address security hazards. A cookie is a small piece of information that a web site you have accessed stores on your personal computer and which it can later retrieve. Clearing Agent may also use cookies for some administrative purposes, for example, to store customer preferences for certain kinds of information. None will contain information that will enable anyone to contact our customers via telephone, email, or any other means. If Clearing Agent’s customers are uncomfortable with the use of cookie technology, they can set their browsers to refuse cookies. Certain Clearing Agent services, however, could be dependent on cookies and its customers may disable those services by refusing cookies.

**Disclosure Required by New York Stock Exchange Rule 446(D).** Clearing Agent maintains a business continuity plan, including redundant data centers and alternate processing facilities to address interruptions to the normal course of business. These plans are reviewed annually and updated as necessary and tested. The plans outline the actions Clearing Agent will take in event of building, city-wide, or regional incident, including relocating technology and operation personnel to preassigned alternate out of region data center. Technology data processing can also be switched to an alternate regional data center. Clearing Agent’s recovery time objective for business resumption, including those involving a relocation of personnel or technology, is four

(4) hours. This recovery objective may be negatively affected by the unavailability of external resources and circumstances beyond our control. In the event that AFS experiences a significant business interruption, Clearing Agent may be contacted directly to process limited trade-related transactions, cash disbursements, and security transfers. Instructions to Clearing Agent must be in writing and transmitted via facsimile at (201) 413-5368 or by postal service as follows:

Pershing LLC  
P.O. Box 2065  
Jersey City, New Jersey 07303-2065

**Additional Information.** For additional information about how to request funds and securities when AFS cannot be contacted due to a significant business interruption, please visit [http://www.pershing.com/customer\\_support.html](http://www.pershing.com/customer_support.html) or call (201) 413-3635 for recorded instructions. If you cannot access the instructions from the web site or the previously noted telephone number, Clearing Agent may be contacted at (213) 624-6100, extension 500, as an alternate telephone number for recorded instructions.

**APPENDIX C**  
**IMPORTANT INFORMATION ABOUT INVESTING**  
**IN MUTUAL FUND SHARES AND MONEY**  
**MARKET FUND SHARES**

The following series of disclosures are most appropriate for investors who are not participants in a qualified retirement plan, but can provide helpful guidance to your overall investment decisions.

**Mutual Fund Breakpoint Discounts and Other Disclosures Relating to Mutual Fund and Money Fund Fees and Revenue Sharing.** Before investing in mutual funds, it is important that you understand the sales charges, expenses, and management fees that you will be charged as well as understanding the breakpoint discounts to which you may be entitled. Understanding these charges and breakpoint discounts will assist you in identifying the best investment for your particular needs and may help you to reduce the administrative costs of your investments. This section will give you general background information about these charges and discounts; however, sales charges, expenses, management fees, and breakpoint discounts vary from mutual fund to mutual fund. Therefore, you should discuss these matters with your investment professional and review each mutual fund's prospectus and statement of additional information (which are available from your investment professional) to obtain the specific information regarding the charges and breakpoint discounts associated with a particular mutual fund. Many mutual funds waive "front-end" sales charges for accounts maintained as a "rollover" individual retirement account or as an investment option in a qualified retirement plan. Please, refer to the applicable fund prospectus, see your investment professional or call AFS at 1-800-890-3200 for further information.

**Sales Charges.** Investors who purchase mutual funds must make certain choices, including which funds to purchase and which share class is most advantageous in light of their specific investing needs. Each mutual fund has a specified investment strategy. Each individual investor must consider whether the mutual fund's investment strategy is compatible with their respective investment objectives. Additionally, many mutual funds offer different share classes. Although each share class represents a similar interest in the mutual fund's portfolio, the mutual fund will charge different fees and expenses depending upon the choice of share classes. As a general rule, Class A shares carry a "front-end" sales charge or "load" that is deducted from the investment at the time fund shares are purchased. This sales charge is a percentage of the total purchase. As explained below, many mutual funds offer volume discounts to the front end

sales charge assessed on Class A shares at certain predetermined levels of investment, which are called "breakpoint discounts." In contrast, Class B and C shares usually do not carry any front-end sales charges. Instead, investors who purchase Class B or C shares pay asset-based sales charges, which may be higher or lower than the charges associated with Class A shares. Investors that purchase Class B or C shares may also be required to pay a sales charge known as a contingent deferred sales charge when they sell their shares, depending upon the rules of the particular mutual fund. This is known as a "back-end" sales charge or "load."

**Breakpoint Discounts.** Most mutual funds offer investors a variety of ways to qualify for breakpoint discounts on the sales charge associated with the purchase of Class A shares. In general, most mutual funds provide breakpoint discounts to investors who make large purchases at one time. The extent of the discount depends upon the size of the purchase. Generally, as the amount of the purchase increases, the percentage used to determine the sales load decreases. In fact, the entire sales charge may be waived for investors that make very large purchases of Class A shares. Mutual fund prospectuses contain tables that illustrate the available breakpoint discounts and the investment levels at which breakpoint discounts apply. Additionally, most mutual funds allow investors to qualify for breakpoint discounts based upon current holdings from prior purchases through Rights of Accumulation and from future purchases based upon Letters of Intent. Mutual funds have different rules regarding the availability of Rights of Accumulation and Letters of Intent. Therefore, you should discuss these matters with your investment professional and review the mutual fund's prospectus and statement of additional information to determine the specific terms upon which a mutual fund offers Rights of Accumulation or Letters of Intent.

**Rights of Accumulation.** Many mutual funds allow investors to count the value of previous purchases of the same fund, or another fund within the same fund family, with the value of the current purchase to qualify for breakpoint discounts. Moreover, mutual funds may allow investors to count existing holdings in multiple accounts, such as individual retirement accounts (IRAs) or accounts at other financial organizations to qualify for breakpoint discounts. Therefore, if you have an account(s) at other financial organizations and wish to take advantage of the balances in these accounts to qualify for a breakpoint discount, investors must advise their investment professional about those balances. The appropriate documentation that demonstrates the holdings in other accounts may be required to qualify for such breakpoint discounts.

In addition, many mutual funds allow investors to count the value of holdings in accounts of certain related parties, such as spouses or children, to qualify for breakpoint discounts. Each mutual fund has different rules that govern when relatives may rely upon each other's holdings to

qualify for breakpoint discounts. You should consult with their investment professional or review the mutual fund's prospectus or statement of additional information to determine what these rules are for the fund family in which you are investing. Investors should advise their respective investment professionals of these related party accounts in order to be considered for breakpoint discounts. The appropriate documentation may be required if accounts are held at a different firm.

Mutual funds also follow different rules to determine the value of existing holdings. Some funds use the current net asset value (NAV) of existing investments in determining whether an investor qualifies for a breakpoint discount. However, a small number of funds use the historical cost, which is the cost of the initial purchase, to determine eligibility for breakpoint discounts. If the mutual fund uses historical costs, you may need to provide account records, such as confirmation statements or monthly statements, to qualify for a breakpoint discount based upon previous purchases. You should consult with your investment professional and review the mutual fund's prospectus and statement of additional information to determine whether the mutual fund uses either NAV or historical costs to determine breakpoint eligibility.

**Letters of Intent.** Most mutual funds allow investors to qualify for breakpoint discounts by signing a Letter of Intent, which commits the investor to purchasing a specified amount of Class A shares within a defined period of time, usually 13 months. For instance, if an investor plans to purchase \$50,000 worth of Class A shares over a period of 13 months, but each individual purchase would not qualify for a breakpoint discount, the investor could sign a Letter of Intent at the time of the first purchase and receive the breakpoint discount associated with \$50,000 investments on the first and all subsequent purchases. Additionally, some funds offer retroactive Letters of Intent that allow investors to rely upon purchases in the recent past to qualify for a breakpoint discount. However, if an investor fails to invest the amount required by the Letter of Intent, the fund is entitled to retroactively deduct the correct sales charges based upon the amount that the investor actually invested. If you intend to make several purchases within a 13 month period, you should consult your investment professional and the mutual fund prospectus to determine if it would be beneficial to sign a Letter of Intent. An understanding of the availability of breakpoint discounts is important because it allows investors to purchase Class A shares at lower prices. The availability of breakpoint discounts may save money and may also affect decisions regarding the appropriate share classes in which to invest. Therefore, investors should discuss the availability of breakpoint discounts with an investment professional and carefully review the mutual fund prospectus and its statement of additional information, which can be obtained from an investment professional, when choosing among the share classes offered by a mutual fund. More information about mutual fund share classes and mutual fund breakpoints is available

through the investor alerts that are available on the FINRA web site at [www.finra.org](http://www.finra.org) or more directly at: <http://www.finra.org/Investors/ProtectYourself/InvestorAlerts/MutualFunds/index.htm>

**Mutual Fund Fees and Revenue Sharing.** The Clearing Agent may receive servicing fees from mutual funds that participate in The Clearing Agent's mutual fund no-transaction-fee program in lieu of clearance charges to AFS. Participation by AFS in this program is optional and AFS may share with The Clearing Agent in such fees. These fees may be considered revenue sharing and are a significant source of revenue for The Clearing Agent and may be a significant source of revenue for AFS. These recurring fees are based on the value of your assets.

The Clearing Agent also receives operational reimbursements from mutual funds in the form of networking or omnibus processing fees. These fees are based on a flat fee per holding and are reimbursed to The Clearing Agent for the work it performs on behalf of the funds, which may include but is not limited to, subaccounting services, dividend calculation and posting, accounting and reconciliation, client confirmation and statement preparation and mailing, and tax statement preparation and mailing. These fees are a significant source of revenue for The Clearing Agent. For additional details regarding The Clearing Agent's mutual fund no-transaction-fee program or a listing of funds that pay The Clearing Agent networking or omnibus fees, please refer to: [http://www.pershing.com/mutual\\_fund.htm](http://www.pershing.com/mutual_fund.htm).

**Money Fund Fees and Revenue Sharing.** Money fund processing and revenue sharing fees are significant sources of revenue for The Clearing Agent and may be significant sources of revenue for AFS.

The Clearing Agent receives fees from money fund providers for making available money market funds or FDIC-insured bank deposits, which you have selected through AFS. These fees are paid in accordance with an asset-based formula based on established amounts of money market funds or FDIC-insured bank deposits available through The Clearing Agent. AFS may share in these fees. A portion of The Clearing Agent's fees is applied against costs associated with providing services on behalf of the funds, which may include sweep systems, subaccounting services, dividend calculation and posting, accounting and reconciliation, client statement preparation and mailing, tax statement preparation and mailing, marketing and distribution related support, and other services.

The Clearing Agent receives processing fees from certain money fund providers, including one which is associated with AFS. These fees reimburse The Clearing Agent for operational services it performs on behalf of the funds, which may include sweep systems, subaccounting services, dividend calculation and posting, accounting and reconciliation, client statement preparation and mailing,

tax statement preparation and mailing, or other services.  
For a listing of money funds that pay The Clearing Agent

revenue sharing and processing fees, please refer to:  
[http://www.pershing.com/money\\_fund.htm](http://www.pershing.com/money_fund.htm).

FLORIDA RETIREMENT SYSTEM (FRS) INVESTMENT PLAN  
SELF-DIRECTED BROKERAGE ACCOUNT  
MEMORANDUM OF UNDERSTANDING

This memorandum is to ensure you understand and agree to the major requirements and provisions associated with the Alight Financial Solutions (AFS) Self-Directed Brokerage Account (SDBA) offered by the FRS Investment Plan. Your acknowledgement that you have read and agree to these requirements is required to enroll in the SDBA.

1. The Florida State Board of Administration (SBA), the plan sponsor of the FRS Investment Plan, has requested that Alight Solutions, through its affiliate, AFS offer an SDBA to allow access to additional investment opportunities in addition to my primary investment funds offered under the Investment Plan. I understand that it is solely my responsibility to determine if the investment options available in the SDBA are suitable for my personal retirement savings plan. The SBA, Alight Solutions, and any other service provider or plan fiduciary shall not be liable for any losses to my account which result from my exercise of control of my Investment Plan account and under the SDBA pursuant to Sections 121.4501(8)(b) and 121.4501(15)(b), Florida Statute, which incorporate the federal law concept of participant control, established by regulations of the U.S. Department of Labor under Section 404(c) of the Employee Retirement Income Security Act (ERISA).

2. I understand that none of the investments in the SDBA have been reviewed or approved for suitability by the FRS and that I am solely responsible for determining the appropriateness of any investments I make in the SDBA.

3. I understand that any Limited Trading Authorizations I enter into are made directly between me and the Financial Planner and that such Financial Planner(s) are not affiliated with nor endorsed by the FRS, by Alight Financial Solutions, by Alight Solutions, the Investment Plan Administrator, by the SBA, or any other service provide or plan fiduciary. The SBA, Alight Solutions, and any other service provider or plan fiduciary shall not be liable for any losses to my account which results from this authorization.

4. I agree to retain \$5,000 in my Investment Plan primary funds at all times. I acknowledge and agree that the minimum \$5,000 total account value that I am required to maintain in the primary funds is a condition of my participation in the SDBA and may be automatically adjusted, increased, or reduced by the Investment Plan sponsor.

5. Once I have established an SDBA, I acknowledge that I can only invest in the SDBA by making a transfer from my Investment Plan primary funds. I understand that the SDBA will not accept direct contributions. Transfer requests must be in whole dollars. Percentages are not permitted.

6. I understand my initial transfer into the SDBA must be at least \$1,000 and that subsequent transfers must be at least \$1,000. I understand that this amount may be adjusted, increased or reduced by the Investment Plan sponsor at any time.

7. I acknowledge that transfers into the SDBA requested by 4:00 p.m. ET on regular business days are processed the same day and the funds are available for trading in the SDBA Federated Government Obligations (FGO) Fund the following business day. Transfers out of the SDBA requested by 4:00 p.m. ET on regular business days are also processed the same day from the FGO Fund and the transfer of funds will be reflected in my Investment Plan primary funds the following business day.

8 I acknowledge that transfers from my Investment Plan primary funds into the SDBA are first deposited into the FGO Fund. Once the transferred amount is in the FGO Fund I may trade among the investment choices available in the SDBA by accessing the SDBA link available by logging on MyFRS.com and accessing my Investment Plan account or by calling 1-866-446-9377, Option 4 and asking to speak to an AFS specialist. To transfer assets from the SDBA back to my Investment Plan primary funds, I must first liquidate investments in the SDBA, wait for the trades to settle and the proceeds to sweep to the FGO Fund. This process will take three to five business days to complete depending on the settlement period of the liquidated investments. Once the funds are in the FGO Fund, I may request a transfer to my Investment Plan primary funds.

9. I understand that the FGO Fund can be replaced by the plan sponsor at any time.

10. I understand that the FGO Fund is not insured or guaranteed by the Federal Deposit Insurance Company or any other government agency and it is possible to lose money investing in this fund.

11. Once I have established an SDBA, I understand that I must place trades online by accessing my SDBA by logging on to MyFRS.com and accessing my Investment Plan account, or by calling 1-866-446-9377, Option 4. Depending on the investments I choose in my SDBA, transaction fees, commissions or sales charges may be charged to my SDBA. These fees are automatically deducted from transaction proceeds or added to the purchases as they are incurred. In addition, investment management fees, 12b-1 fees, or other fees and expenses specific to individual funds may be charged to my SDBA. I understand that it is my responsibility to be aware of and understand these commissions and fees as described in the AFS Commission and Fee Schedule and in the prospectus of any mutual fund before I invest.

12. I understand that the annual administrative fee of \$25.00 (\$6.25 quarterly) for participating in the SDBA will be deducted from my Investment Plan account on a quarterly basis. This fee is in addition to all applicable commissions, sales charges and transaction fees.

13. The Investment Plan quarterly account statements will show the aggregate total amount invested in my SDBA. I understand that I will also receive a separate quarterly statement from AFS that will itemize my brokerage transactions and show individual holdings balances as well as my total SDBA balance. In addition to the quarterly statements, if I have activity in my SDBA, I will receive a separate monthly statement from AFS. I understand that if I provide AFS with my email address, I will receive electronic statements unless I elect a paper format. I will also receive SDBA trade confirmations and other SDBA communications electronically. I understand that I may opt out of electronic delivery at any time by logging onto MyFRS.com and accessing my SDBA account through my Investment Plan account or by calling 1-866-446-9377, Option 4.

14. I understand the balance invested in my SDBA continues to be subject to the requirements of the *Internal Revenue Code* and applicable regulations. Assets cannot be transferred to another plan or distributed directly from my SDBA. To transfer to another plan or receive a distribution, I must transfer assets from the SDBA back to my Investment Plan primary account.

15. If I begin a periodic distribution from my vested Investment Plan primary funds, I must retain at least \$5,000 in my Investment Plan primary funds in order to retain my SDBA. If I fail to transfer the required balance by the specified date, no assets will be distributed for that periodic payment. If required assets are transferred into my Investment Plan primary account prior to the subsequently scheduled periodic payment, periodic payments will resume.



16. I understand that if I terminate FRS employment prior to meeting the vesting requirements of the Investment Plan and have enrolled in the SDBA that I will be required to liquidate all investments in the SDBA prior to requesting a distribution of any vested account balance. I understand that if I request a distribution of my vested account balance, I will forfeit any unvested account balance and will be considered retired from the FRS. I further understand that I can reinvest in the SDBA with my vested money so long as I meet the SDBA minimum requirements of maintaining a \$5,000 balance in my primary account and have a minimum of \$1,000 to transfer to my SDBA account.

17. I understand that if I terminate employment and have unvested money in the Investment Plan and have enrolled in the SDBA that my SDBA account is subject to liquidation by the Plan Administrator within four calendar months of termination and any unvested money will be moved to suspense. I understand that I can reinvest in the SDBA with my vested money so long as I meet the SDBA minimum requirements of maintaining a \$5,000 balance in my primary account and have a minimum of \$1,000 to transfer to my SDBA account. I further understand that if I return to covered employment and have not taken a distribution from my Investment Plan account that the money held in suspense will be returned to my primary account.

18. I understand that Section 121.591(4), Florida Statutes provides that benefits payable under the FRS Investment Plan may be subject to qualified domestic relations orders (QDROs) by a court of competent jurisdiction, income deduction orders as provided in Section 61.1301, Florida Statutes, and federal income tax levies. A QDRO is a court order that creates or recognizes the existence of the right of an alternate payee to receive all or a portion of the benefits payable to a member under the Investment Plan. I understand that if I am named in a QDRO, my SDBA balance may be subject to a partial or full liquidation to comply with the QDRO. The Investment Plan Administrator, based on the terms of the QDRO, will calculate the amount to be awarded the alternate payee under the QDRO. If there are insufficient funds in my Investment Plan primary funds, to satisfy the QDRO and maintain at least a \$5,000 account balance in the Investment Plan primary funds, I understand the Investment Plan Administrator will liquidate funds from my SDBA and deposit the funds in an account for the benefit of the alternate payee to satisfy the terms of the QDRO. I understand that, In the event my SDBA account is subject to a lien or levy, the directions of the appropriate levying authority will be followed unless some form of release from the levying authority, or a court order staying or quashing the lien or levy is provided. I understand that funds from my SDBA can be liquidated for income deduction orders and federal income tax levies if I am eligible for a distribution.

19. I understand that certain restrictions may apply to the types of investments permitted under the SDBA. These restrictions are set forth in the SDBA enrollment material and are also available online at MyFRS.com.

20. Securities, including mutual funds, sold within the SDBA are not obligations of or insured by the FDIC or any other governmental agency. These investments are not endorsed or guaranteed by the SBA or any other plan fiduciary and are subject to risks, including possible loss of the principal amount invested. The value of my investments may fluctuate so that when they are sold, they may be worth more or less than when they were purchased. I understand that an investment's past performance is no indication or guarantee of its future results.

21. I understand that I am responsible for reviewing and understanding the trading restrictions that may apply to the SDBA investment options I purchase. I acknowledge that it is my responsibility to review the fund prospectus and I understand I will be subject to a mutual fund's excessive trading policy and to any redemption fees, restrictions or penalties that may apply.

22. I understand that my ability to establish, maintain and effect transactions in the SDBA can be revoked at any time due to a change in applicable law.