

Ready to make a move?

Use this booklet to request a distribution from your retirement plan account after you separate from service.

Use these forms once you make your decision

You've been planning for your future and saving for retirement. Now that you're leaving your job, you're faced with an important financial decision: What should you do with your retirement plan savings so that you can stay on track to meet your financial goals?

It's a big decision and one that could have an impact on your future. Use the **“Keep moving forward”** brochure to learn about all of your options. If you have not received or read the brochure, contact your plan sponsor or your financial professional for a copy. This brochure is also available at americanfunds.com/retire. Then talk to your plan's financial professional or your personal financial adviser for additional guidance.

In addition, it is important you read the **402(f) Notice of Special Tax Rules on Distributions** located at the back of this booklet (pages 15–20). This notice provides important tax information.

So, where do you go from here? The choice is yours.

Choose from the following:

Roll > Roll over to an IRA

Move > Transfer to your new plan

Stay > Remain in the plan

Pay > Cash out of the plan

We're here to help.

If you need access to a financial professional, we can offer some names and addresses of professionals in your area. As well, we can help if you have any questions when you're completing the attached paperwork. Call the American Funds IRA Rollover Center, toll-free at **800/421-9923** if you need assistance.

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

Although money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.

Investors should carefully consider the objectives, risks, charges and expenses of the American Funds and, if applicable, any other investments in your plan. This and other important information is contained in the funds' prospectuses and summary prospectuses, which are available from the plan's financial professional and on the Web. Please read the prospectuses carefully before investing.

Guide

■ Roll > Roll over to an American Funds IRA

To roll your money into an American Funds IRA, complete the *Application for Direct Rollover to an American Funds IRA* form (pages 4–10) and sign in Section 10. **Deliver the completed form to your former employer for authorization.**

■ Move > Roll over to another provider or to your new plan

To roll your money to an IRA provider other than American Funds, roll the money to your new employer's retirement plan or cash out, use the *Request for a Cash Distribution or Rollover* form (pages 11–14). If rolling into your new employer's retirement plan, make sure that the new plan will accept rollovers. **Deliver the completed form to your former employer for authorization.**

■ Stay > Remain in the plan

You may not want to take your money out of your former employer's plan. Generally, if your vested balance is more than \$5,000, you can leave it where it is, but you should make sure you're comfortable with all of your former plan's features and rules.

■ Pay > Cash out of the plan

If you need to cash out, make sure you weigh this option carefully. You can lose almost half of your retirement plan account balance to income taxes and possible penalties.

You may have the option of cashing out only part of your balance — depending on how much cash you actually need. If this is the case and you want to roll over the remainder to an American Funds IRA, complete the *Application for Direct Rollover to an American Funds IRA*. For a partial distribution and a rollover to another IRA provider, fill out the *Request for a Cash Distribution or Rollover* form.

If you have an outstanding loan balance that you wish to repay, please call your former employer to learn how to pay it off prior to submitting any forms. If you don't pay off your loan balance, the outstanding balance of the loan will be treated as a distribution, subject to taxes and possible penalties.

■ Additional documents

402(f) Notice of Special Tax Rules on Distributions

This notice provides important tax information.

Traditional or Roth IRA Custodial Agreement

This document should be read prior to opening a new IRA account and defines the provisions of the American Funds IRA.

Traditional or Roth IRA Disclosure Statement

This document explains the financial and tax consequences of contributions to and distributions from the IRA.

Tax issues involving IRAs can be complex. Please consult your tax or legal adviser before making any decisions. This material was not intended or written to be used by any taxpayer for the purpose of avoiding penalties that may be imposed by the U.S. federal tax laws.

For current information and month-end investment results, please visit americanfunds.com (IRAs), AmericanFundsRetirement.com, the Web address on your statement (retirement plans), or ask your plan's financial professional or your former employer.

Use this form to roll over your retirement plan assets to an American Funds IRA with Capital Bank and Trust CompanySM (CB&T) as Custodian. **For the plan name and ID, you may refer to your most recent statement, contact your former employer's benefits representative or call the American Funds IRA Rollover Center at 800/421-9923.**

Plan name _____ Plan ID _____

1 Information about you

Important: Before an account can be established, this section must be completed and the application must be signed by the owner in Section 10 and the former employer in Section 11. Please type or print clearly.

SSN of IRA owner

Date of birth of IRA owner (mm/dd/yyyy)

First name _____ MI _____ Last _____ () _____ Ext. _____
Daytime phone

Residence address (physical address required — **no P.O. boxes**) _____ City _____ State _____ ZIP _____

E-mail address* _____ Country of citizenship _____

Mailing address (if different from residence address) _____ City _____ State _____ ZIP _____

Name of conservator or guardian, if applicable _____ Country of citizenship _____

Address of conservator or guardian for the IRA owner (if different from above) _____ City _____ State _____ ZIP _____

SSN of conservator or guardian

Date of birth of conservator or guardian (mm/dd/yyyy)

***Note:** Your privacy is important to us. We may use e-mail addresses for periodic account-related messages only. For information on our privacy policies, visit americanfunds.com.

2 Rollover instructions

A one-time \$10 setup fee will be deducted from your rollover assets. Please read the 402(f) Notice of Special Tax Rules on Distributions (pages 15–20).

A. Reason for rollover from retirement plan and the date that reason became effective:

Separation from service — Effective date _____ (mm/dd/yyyy) Retirement — Effective date _____ (mm/dd/yyyy) Disability

B. Rollover instructions (select either 1 or 2 below; then complete C on the next page):

1. Roll over my entire account balance to an American Funds IRA.

2. Roll over part of my account balance to an American Funds IRA (select one):

Send me a check for \$ _____ The remainder will be rolled over to an American Funds IRA.

Roll over a partial amount of \$ _____ Pay the remaining balance to me in cash.

Note: The IRS requires that 20% of any cash distribution be withheld for federal income tax. If you are taking a distribution prior to age 59½, you may also be subject to a 10% penalty tax.

Continued on next page

2 Rollover instructions

(continued)

C. Contribution type identification and instructions

Step 1 — Identify each contribution type that this retirement plan account holds. (Select all that apply.)

Pre-tax (elective deferrals and employer contributions) Roth After-tax non-Roth

Step 2 — Identify how Roth or after-tax non-Roth contributions and earnings are to be disbursed at the time of the rollover (if applicable):

Include both Roth/after-tax non-Roth contributions and earnings in the rollover.

Do not include Roth/after-tax non-Roth contributions and earnings in the rollover.

D. IRA contributions (Select ONLY one option below.)

I am establishing a **new** American Funds Traditional IRA with the pre-tax/after-tax non-Roth assets from my retirement plan account.

I am establishing a **new** American Funds Roth IRA with the rollover assets identified below:

All assets from my retirement plan account (Moving pre-tax assets to a Roth IRA is taxable. See Section 7-A, number 3.)

Roth assets only

Roll the pre-tax/after-tax non-Roth assets into my **existing** American Funds Traditional IRA account number; _____

Roll the retirement plan assets identified below into my **existing** American Funds Roth IRA account number; _____

All assets from my retirement plan account (Moving pre-tax assets to a Roth IRA is taxable. See Section 7-A, number 3.)

Roth assets only

• **Roth assets must be moved to a Roth IRA.**

NOTE: This form can only be used to establish one IRA: a Traditional IRA OR a Roth IRA. To open a second IRA, a separate *Application for Direct Rollover to an American Funds IRA* is required. Please call 800/421-9923 for specific instructions and guidance.

3 Financial professional

Fill out the section below with your financial professional.

Name (exactly as it appears on firm's registration) ID number Branch number Phone () Ext.

Branch address City State ZIP -

Name of broker-dealer firm (as it appears on the Selling Group Agreement) **X** Signature of person authorized to sign for the dealer

4 Investment instructions

For fund names, numbers and minimums, see the Fund Information Addendum. If a fund is not selected, this investment will be placed in the American Funds Money Market Fund® by default.

NAV — Note: NAV (no sales charge): Assets invested in the American Funds at the time of the rollover will be placed in Class A shares at NAV and will be deposited into an IRA with CB&T as Custodian. Any future contributions will be assessed the appropriate sales charge. See the fund prospectuses for additional information.

Invest my IRA rollover in the same American Funds and in the same percentages as my retirement plan account is currently invested.

OR

Invest my IRA rollover in the following funds:

Fund name	Fund number	Amount	Percentage
_____	OR <input type="text" value="0"/> <input type="text"/> <input type="text"/>	\$ _____	OR _____%
_____	OR <input type="text" value="0"/> <input type="text"/> <input type="text"/>	\$ _____	OR _____%
_____	OR <input type="text" value="0"/> <input type="text"/> <input type="text"/>	\$ _____	OR _____%
_____	OR <input type="text" value="0"/> <input type="text"/> <input type="text"/>	\$ _____	OR _____%
_____	OR <input type="text" value="0"/> <input type="text"/> <input type="text"/>	\$ _____	OR _____%
_____	OR <input type="text" value="0"/> <input type="text"/> <input type="text"/>	\$ _____	OR _____%
Total rollover		\$ _____	OR _____%

A \$10 setup fee will be deducted from your account.

5 Participants over 70½ — Required Minimum Distributions (RMDs)

If you are over 70½ and are requesting a direct rollover of the full amount of your account balance, select one of the options below.

Note: RMDs cannot be rolled over.

I have already taken my RMD for the year.

I will take my RMD now in the amount of \$ _____

Please also complete Section 7.

It is solely your responsibility to ensure compliance with applicable Required Minimum Distribution laws and regulations. Consult your tax and/or legal adviser for further information.

6 Decline telephone and website exchanges and/or redemption privileges — (optional)

Telephone and website exchange and redemption privileges will automatically be enabled on your account unless you decline below. To decline these privileges, read the individual statements and check the applicable box(es).

Note: If either option is declined, no one associated with this account, including your financial professional, will be able to request exchanges or redemptions by telephone or via the website. Requests would need to be submitted in writing.

Exchanges: I **DO NOT** want the option of using the telephone and website exchange privilege.

Redemptions: I **DO NOT** want the option of using the telephone and website redemption privilege.

7 Tax withholding elections

Nonresident aliens should proceed to C in this section.

A. Federal income tax withholding for eligible rollover distributions

Note: Any distribution that is an eligible rollover distribution and is paid to you rather than directly rolled over to an IRA or into an employer's plan is subject to 20% withholding. If under 59½, you may be subject to an additional 10% penalty tax.

1. This distribution is a direct rollover to a Traditional IRA — withholding does not apply.
2. This distribution includes pre-tax assets being paid out as cash and is therefore subject to mandatory 20% withholding. To request additional withholding, select one of the options below.
 - Withhold additional federal income taxes at the rate of _____ % **OR** Dollar amount of \$ _____
3. This distribution represents a rollover of pre-tax assets to a Roth IRA. No withholding will be taken unless an election is indicated below.
 - Withhold federal income taxes at the rate of _____ % **OR** Dollar amount of \$ _____
4. For accounts with after-tax non-Roth contributions (if participant is not rolling over earnings from an after-tax non-Roth source)
 - Gross amount of contributions made before 1/1/87 \$ _____
 - Gross amount of contributions made on or after 1/1/87 \$ _____

B. State income tax withholding

State income tax withholding will be calculated in accordance with the regulations of your state of residence. Contact your tax adviser to determine your state's withholding requirements.

If you are a resident of one of the states listed below, check the appropriate box and indicate your withholding election, if applicable.

- Residents of IA, MA, MD, ME, MS¹, NE⁴, VA⁴ or VT will have state taxes withheld when federal taxes are withheld.
- Residents of AR⁴, CA², DE⁴, GA³, KS⁴, NC⁴, OK⁴ or OR will have state taxes withheld when federal taxes are withheld unless you check here:
 - DO NOT** withhold state income taxes.

If you would like additional state withholding, provide a dollar amount here (do not indicate a percentage) \$ _____

¹MS residents are subject to mandatory state withholding when federal withholding is applied to early distributions.

²CA state withholding is based on a percentage of the federal withholding amount, not a percentage of the gross distribution.

³GA state withholding policy applies to installment payments. If requesting a one-time distribution, you may elect GA state withholding by providing a dollar amount. If withholding is taken, it must be equal to or greater than the amount provided for in the GA wage table.

⁴AR, DE, KS, NC, NE, OK and VA residents are subject to mandatory state withholding on all eligible rollover distributions.

C. Information for nonresident alien shareholders only

Please provide a Form W-8BEN with an original signature as documentation of your foreign tax status. Without valid tax documentation, Capital Bank and Trust Company is required to withhold taxes at the maximum nonresident alien (NRA) withholding rate of 30%. You may obtain a Form W-8BEN by downloading the form from the IRS website at www.irs.gov or from americanfunds.com or by calling American Funds Service Company at 800/421-0180 (from outside the United States, you may call us at 949/975-5000).

8 Reducing the sales charge on Class A shares only

Rights of Accumulation (cumulative discount)

- The account owner, spouse and minor children (under age 21) can aggregate accounts to reduce sales charges. Any share classes within these accounts will contribute toward a reduced sales charge. The Social Security or account numbers on those accounts are:

9 Beneficiary designation

All stated percentages must be whole percentages (e.g., 33%, not 33.3%). If the percentages do not add up to 100%, each beneficiary's share will be based proportionately on the stated percentages. When no percentages are indicated, the beneficiaries' shares will be distributed equally. If you wish to customize your designation or need more space, attach a separate page.

I revoke all previous designations and direct that my American Funds account be distributed upon my death to the designated beneficiary(ies) below.

A. Automatic Beneficiary Designation Default: If you want the beneficiary designation default of the Custodial Agreement as explained in this paragraph, proceed to Section 10; otherwise, complete **B** below. According to the terms of your Custodial Agreement, your default beneficiary will be your spouse. In the event you have no spouse, your beneficiary will be your children equally. If any child does not survive you, the deceased child's share will go to his or her children (your grandchildren) or, if none, the surviving children equally. If no children or grandchildren survive you, your beneficiary will be your estate.

B. Alternate Beneficiary Designation: Provide your beneficiary information below **only if you do not want the default designation offered in the Custodial Agreement** and as described in **A** above. Your spouse may need to complete and sign the bottom of this page.

If any designated Primary Beneficiary(ies) dies before I do, that beneficiary's share will be divided proportionately among the surviving Primary Beneficiaries.

Primary Beneficiary(ies):

First name (print)	MI	Last	
Relationship		<input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> - <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> - <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/>	_____ %
Date of birth (mm/dd/yyyy)			
First name (print)	MI	Last	
Relationship		<input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> - <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> - <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/>	_____ %
Date of birth (mm/dd/yyyy)			
			<u> </u> %

Contingent Beneficiary(ies): *(Complete only if naming a Primary Beneficiary above.)*

If no Primary Beneficiary survives me, pay my benefits to the following Contingent Beneficiary(ies). If any designated Contingent Beneficiary(ies) dies before I do, that beneficiary's share will be divided proportionately among the surviving Contingent Beneficiaries.

First name (print)	MI	Last	
Relationship		<input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> - <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> - <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/>	_____ %
Date of birth (mm/dd/yyyy)			
First name (print)	MI	Last	
Relationship		<input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> - <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> - <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black;" type="text"/>	_____ %
Date of birth (mm/dd/yyyy)			
			<u> </u> %

Signature of IRA owner's spouse (only if needed): *If you are married to the IRA owner and he or she designated a Primary Beneficiary(ies) other than you, consult your financial professional about the state-law and tax-law implications of this beneficiary designation, including the need for your consent.*

I am the spouse of the IRA owner named in Section 1, and I expressly consent to the beneficiary(ies) designated above or attached.

First name (print)	MI	Last	
Signature		X	Date (mm/dd/yyyy)

10 Your signature

I hereby establish an American Funds Traditional or Roth IRA as indicated in 2-D and appoint CB&T as Custodian. I acknowledge that the employer has informed me of the options available under the plan and that I have received and read the *402(f) Notice of Special Tax Rules on Distributions* enclosed in this document. I understand that I have 30 days to decide whether to elect a direct rollover or have my benefits paid to me and waive the 30-day waiting period by making this irrevocable election to treat my distribution as a rollover.

I understand that by making such a rollover election, if my retirement plan includes the Qualified Joint and Survivor Annuity Option (QJSA), I irrevocably waive such QJSA and that, if I am married, my spouse must consent to the waiver. I further understand that my benefits may not be distributed to me for at least seven (7) days after I sign this request.

I consent to the \$10 setup fee and the annual custodial fee (currently \$10). I acknowledge that I am responsible for determining my eligibility to make future contributions to this IRA. I acknowledge that I have received, read and agree to the terms set forth in the *Traditional or Roth IRA Custodial Agreement* and that I have received and read the *Traditional or Roth IRA Disclosure Statement* at least seven (7) days before establishing this account and waive any right to revoke this account. I understand that any Roth after-tax contributions must be deposited into a Roth IRA and if I am using this form to establish a Traditional IRA, I have provided Roth IRA instructions separately.

I acknowledge that I have received, read and agree to the terms of the current prospectuses of the funds in which I have invested and that I agree to the conditions of the telephone and website exchange/redemption authorization unless selected otherwise. I agree to indemnify and hold harmless CB&T; any of its affiliates or mutual funds managed by such affiliates; and each of their respective directors, trustees, officers, employees and agents for any loss, expense or cost arising from such instructions once the telephone and website exchange/redemption privileges have been established.

I certify, under penalty of perjury, that my Social Security number in Section 1 is correct and authorize the registered representative assigned to my account to have access to my account and to act on my behalf with respect to my account. I designate the beneficiary(ies) specified in this application and certify that, if I am married and have not named my spouse as Primary Beneficiary, I have consulted my adviser about the need for spousal consent.

I understand that to comply with federal regulations, information provided on this application will be used to verify my identity. For example, my identity may be verified through the use of a database maintained by a third party. If CB&T is unable to verify my identity, I understand that it may need to take action, possibly including closing my account and redeeming the shares at the current market price and that such action may have tax consequences, including a tax penalty.

X

IRA owner's signature (conservator or guardian, if applicable)

_____/_____/_____
Date (mm/dd/yyyy)

What happens next?

1. You will need to provide the completed and signed form to your former employer for authorization. Submit only pages 4–10.
2. Contact your former employer for any spousal consent form that may be needed for the QJSA waiver (see Section 10 above).
3. Your former employer will authorize the distribution of assets and work with the third-party administrator to verify the vesting.
4. Once the application is authorized and all appropriate signatures collected, the form will be sent by your former employer or the plan's third-party administrator to American Funds for processing.

Do not mail this form directly to American Funds unless all authorizations and signatures have been collected because this may delay the processing of your request.

If you have questions or require more information, please contact your financial professional or call the American Funds IRA Rollover Center at 800/421-9923 to speak with a Rollover Specialist.

Rollover transactions cannot be processed online at this time.

Use this form to take a cash distribution or to roll over to a non-American Funds IRA or another retirement plan.

For the plan name and ID, you may refer to your most recent statement, contact your former employer's benefits representative or call the American Funds IRA Rollover Center at 800/421-9923.

Plan name _____

Plan ID _____

1 Information about you

Please type or print clearly.

First name _____ MI _____ Last _____ SSN (provide the last four digits) --

Address of participant _____ City _____ State _____ ZIP _____

Citizenship: U.S. citizen U.S. resident alien Nonresident alien (See Section 5.)

2 Distribution instructions

Please read the 402(f) Notice of Special Tax Rules on Distributions on pages 15–20 before indicating your distribution choice.

A. Select one of the following three reasons for rollover from your retirement plan and the date that reason became effective:

Separation from service — Effective date _____ (mm/dd/yyyy) Retirement — Effective date _____ (mm/dd/yyyy) Disability

B. Instructions (select one option below; for any rollover option, also complete C):

1. Pay the entire account balance to me in a single lump-sum distribution.
2. Roll over my entire account balance to a non-American Funds IRA or another retirement plan.
3. Roll over part of my account balance to a non-American Funds IRA or another retirement plan (select one):
 - Send me a check for \$ _____ The remainder will be rolled over to another retirement plan account.
 - Roll over a partial amount of \$ _____ Pay the remaining balance to me in cash.

Note: The IRS requires that 20% of any cash distribution be withheld for federal income tax. If you are taking a distribution prior to age 59½, you may also be subject to a 10% penalty tax.

C. Contribution type identification and instructions

Step 1 — Identify each contribution type that this retirement plan account holds. (Select all that apply.)

Pre-tax (elective deferrals and employer contributions) Roth After-tax non-Roth

Step 2 — Identify how Roth or after-tax non-Roth contributions are to be disbursed at the time of the rollover (if applicable).

- Include both Roth/after-tax non-Roth contributions and earnings in the rollover.
- Do not include Roth/after-tax non-Roth contributions and earnings in the rollover.

Step 3 — In **A** below, provide rollover instructions. If Roth assets are being moved, provide instructions in **B** below.

A. Pre-tax/after-tax non-Roth assets (select one):

- A non-American Funds Traditional IRA A non-American Funds Roth IRA (Moving pre-tax assets to a Roth IRA is taxable. See Section 5-A, number 3.)
- Another retirement plan

B. Roth assets (select one):

- A non-American Funds Roth IRA Another retirement plan that accepts Roth assets

3 Rollover and delivery instructions

A. Direct rollover to the following (Complete only if rolling funds to another provider.)

IRA _____ **or** Employer's plan _____
Account number Account number

Name of new trustee (of IRA or employer's plan)

Address of new trustee City State ZIP

NOTE: Your IRA must be set up in advance with your new trustee for your rollover assets to be deposited. If you are rolling over to your new employer's plan, make sure it will accept the rollover before making the request.

B. Mail payment directly to (checks are sent to the address of record):

Participant Plan sponsor Third-party administrator Other financial institution (as indicated in **A** above)

C. Expedite delivery by using the delivery service and account listed (optional):

Delivery service Name on account Account number

4 Participants over 70½ — Required Minimum Distributions (RMDs)

If you are over 70½ and are requesting a direct rollover of the full amount of your account balance, select one of the options below.

Note: RMDs cannot be rolled over.

- I have already taken my RMD for the year.
 I will take my RMD now in the amount of \$ _____

Please also complete Section 5.

It is solely your responsibility to ensure compliance with applicable Required Minimum Distribution laws and regulations. Consult your tax and/or legal adviser for further information.

5 Tax withholding elections

Nonresident aliens should proceed to C in this section.

A. Federal income tax withholding for eligible rollover distributions

Note: Any distribution that is an eligible rollover distribution and is paid to you rather than directly rolled over to an IRA or into an employer's plan is subject to 20% withholding. If under 59½, you may be subject to an additional 10% penalty tax.

- This distribution is a direct rollover to a Traditional IRA or another qualified plan — withholding does not apply.
- This distribution includes pre-tax assets being paid out as cash and is therefore subject to the mandatory 20% withholding.

To request additional withholding, select one of the options below.

- Withhold additional federal income taxes at the rate of _____ % **OR** Dollar amount of \$ _____
- This distribution represents a rollover of pre-tax assets to a Roth IRA. No withholding will be taken unless an election is indicated below.
 Withhold federal income taxes at the rate of _____ % **OR** Dollar amount of \$ _____
 - For accounts with after-tax non-Roth contributions (if participant is not rolling over earnings from an after-tax source)

Gross amount of contributions made before 1/1/87 \$ _____

Gross amount of contributions made on or after 1/1/87 \$ _____

Continued on next page

5 Tax withholding elections

(continued)

5. This distribution represents a total annual aggregate distribution of less than \$200. Federal income tax withholding will apply unless a “DO NOT withhold” election is indicated below.

DO NOT withhold federal taxes (if applicable). Your U.S. residence address is required to honor this request (**no P.O. boxes**).

 Address City State ZIP

B. State income tax withholding

State income tax withholding will be calculated in accordance with the regulations of your state of residence. Contact your tax adviser to determine your state’s withholding requirements.

If you are a resident of one of the states listed below, check the appropriate box and indicate your withholding election, if applicable.

Residents of IA, MA, MD, ME, MS¹, NE⁴, VA⁴ or VT will have state taxes withheld when federal taxes are withheld.

Residents of AR⁴, CA², DE⁴, GA³, KS⁴, NC⁴, OK⁴ or OR will have state taxes withheld when federal taxes are withheld unless you check here:

DO NOT withhold state income taxes.

If you would like additional state withholding, provide a dollar amount here (do not indicate a percentage) \$ _____

¹MS residents are subject to mandatory state withholding when federal withholding is applied to early distributions.

²CA state withholding is based on a percentage of the federal withholding amount, not a percentage of the gross distribution.

³GA state withholding policy applies to installment payments. If requesting a one-time distribution, you may elect GA state withholding by providing a dollar amount. If withholding is taken, it must be equal to or greater than the amount provided for in the GA wage table.

⁴AR, DE, KS, NC, NE, OK and VA residents are subject to mandatory state withholding on all eligible rollover distributions.

C. Information for nonresident alien shareholders only

Please provide a Form W-8BEN with an original signature as documentation of your foreign tax status. Without valid tax documentation, Capital Bank and Trust Company is required to withhold taxes at the maximum nonresident alien (NRA) withholding rate of 30%. You may obtain a Form W-8BEN by downloading the form from the IRS website at www.irs.gov or from americanfunds.com or by calling American Funds Service Company at 800/421-0180 (from outside the United States, you may call us at 949/975-5000).

6 Your consent and signature

I hereby acknowledge that the employer has informed me of the options available under the plan, that I have received and read the *402(f) Notice of Special Tax Rules on Distributions* enclosed in this document and that I understand I have 30 days to decide whether to elect a direct rollover or have my benefits paid to me. I waive the 30-day waiting period by making this irrevocable election indicated in Section 2, and I understand that by making such election, if my retirement plan includes a Qualified Joint and Survivor Annuity option (QJSA), I irrevocably waive such QJSA. I understand that, if I am married, my spouse must consent to the waiver, and I further understand that my benefits may not be distributed to me for at least seven (7) days after I sign this request.

X _____ / /
 Participant's signature Date (mm/dd/yyyy)

What happens next?

1. You will need to provide the completed and signed form to your former employer for authorization. Submit only pages 11–14.
2. Contact your former employer for any spousal consent form that may be needed for the QJSA waiver (see Section 6 above).
3. Your former employer will authorize the distribution of assets and work with the third-party administrator to verify the vesting.
4. Once the request is authorized and all appropriate signatures collected, the form will be sent by your former employer or the plan's third-party administrator to American Funds for processing.

Do not mail this form directly to American Funds unless all authorizations and signatures have been collected because this may delay the processing of your request.

If you have questions or require more information, please contact your financial professional or call the American Funds IRA Rollover Center at 800/421-9923 to speak with a Rollover Specialist. Rollover transactions cannot be processed online at this time.

Your rollover options

You are receiving this notice because all or a portion of a payment you are receiving from your retirement plan (the “Plan”) is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This section of the notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, read the section of the notice entitled “For Payments from a Designated Roth Account.” The Plan administrator will tell you the amount that is being paid from each account.

Rules that apply to most payments from a plan are described in the “General Information About Rollovers” section. Special rules that only apply in certain circumstances are described in the “Special Rules and Options” section.

General information for payments NOT from a designated Roth account**Q. How can a rollover affect my taxes?**

A. You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

Q. Where may I roll over the payment?

A. You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

Q. How do I do a rollover?

A. There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

Q. How much may I roll over?

A. If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

The Plan administrator can tell you what portion of a payment is eligible for rollover.

Q. If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

A. If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments from a governmental defined benefit pension plan made after you separate from service if you are a public safety employee and you are at least age 50 in the year of the separation
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.

Q. If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?

A. If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments after separation from service that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Q. Will I owe State income taxes?

A. This notice does not describe any State or local income tax rules (including withholding rules).

General information for payments from a designated Roth account

Q. How can a rollover affect my taxes?

A. After-tax contributions included in a payment from a designated Roth account are not taxed, but earnings might be taxed. The tax treatment of earnings included in the payment depends on whether the payment is a qualified distribution. If a payment is only part of your designated Roth account, the payment will include an allocable portion of the earnings in your designated Roth account.

If the payment from the Plan is not a qualified distribution and you do not do a rollover to a Roth IRA or a designated Roth account in an employer plan, you will be taxed on the earnings in the payment. If you are under age 59½, a 10% additional income tax on early distributions will also apply to the earnings (unless an exception applies). However, if you do a rollover, you will not have to pay taxes currently on the earnings and you will not have to pay taxes later on payments that are qualified distributions.

If the payment from the Plan is a qualified distribution, you will not be taxed on any part of the payment even if you do not do a rollover. If you do a rollover, you will not be taxed on the amount you roll over and any earnings on the amount you roll over will not be taxed if paid later in a qualified distribution.

A qualified distribution from a designated Roth account in the Plan is a payment made after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying the 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you did a direct rollover to a designated Roth account in the Plan from a designated Roth account in another employer plan, your participation will count from January 1 of the year your first contribution was made to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the other employer plan.

Q. Where may I roll over the payment?

- A.** You may roll over the payment to either a Roth IRA (a Roth individual retirement account or Roth individual retirement annuity) or a designated Roth account in an employer plan (a tax-qualified plan or section 403(b) plan) that will accept the rollover. The rules of the Roth IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the Roth IRA or employer plan (for example, no spousal consent rules apply to Roth IRAs and Roth IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the Roth IRA or the designated Roth account in the employer plan. In general, these tax rules are similar to those described elsewhere in this notice, but differences include:
- If you do a rollover to a Roth IRA, all of your Roth IRAs will be considered for purposes of determining whether you have satisfied the 5-year rule (counting from January 1 of the year for which your first contribution was made to any of your Roth IRAs).
 - If you do a rollover to a Roth IRA, you will not be required to take a distribution from the Roth IRA during your lifetime and you must keep track of the aggregate amount of the after-tax contributions in all of your Roth IRAs (in order to determine your taxable income for later Roth IRA payments that are not qualified distributions).
 - Eligible rollover distributions from a Roth IRA can only be rolled over to another Roth IRA.

Q. How do I do a rollover?

- A.** There are two ways to do a rollover. You can either do a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your Roth IRA or designated Roth account in an employer plan. You should contact the Roth IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit within 60 days into a Roth IRA, whether the payment is a qualified or nonqualified distribution. In addition, you can do a rollover by making a deposit within 60 days into a designated Roth account in an employer plan if the payment is a nonqualified distribution and the rollover does not exceed the amount of the earnings in the payment. You cannot do a 60-day rollover to an employer plan of any part of a qualified distribution. If you receive a distribution that is a nonqualified distribution and you do not roll over an amount at least equal to the earnings allocable to the distribution, you will be taxed on the amount of those earnings not rolled over, including the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you, each of the payments will include an allocable portion of the earnings in your designated Roth account.

If you do not do a direct rollover and the payment is not a qualified distribution, the Plan is required to withhold 20% of the earnings for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover to a Roth IRA, you must use other funds to make up for the 20% withheld.

Q. How much may I roll over?

- A.** See “How much may I roll over?” on the first page of this notice. The Plan administrator can tell you what portion of a payment is eligible for rollover.

Q. If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

- A.** If a payment is not a qualified distribution and you are under age 59½, you will have to pay the 10% additional income tax on early distributions with respect to the earnings allocated to the payment that you do not roll over (including amounts withheld for income tax), unless one of the exceptions listed below applies.

See “If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?” on page 17 for the exceptions to the 10% additional income tax on early distributions.

Q. If I do a rollover to a Roth IRA, will the 10% additional income tax apply to early distributions from the IRA?

- A.** If you receive a payment from a Roth IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions on the earnings paid from the Roth IRA, unless an exception applies or the payment is a qualified distribution. In general, the exceptions to the 10% additional income tax for early distributions from a Roth IRA listed above are the same as the exceptions for early distributions from a plan. However, there are a few differences for payments from a Roth IRA, including:
- There is no special exception for payments after separation from service.
 - The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to a Roth IRA of a spouse or former spouse).
 - The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
 - There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Q. Will I owe State income taxes?

- A.** This notice does not describe any State or local income tax rules (including withholding rules).

Special rules and options**If your payment includes after-tax contributions (applies to payments not from a designated Roth account)**

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is generally included in the payment. If you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you, each of the payments will include an allocable portion of the after-tax contributions. If you do a 60-day rollover to an IRA of only a portion of the payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a complete distribution of your benefit which totals \$12,000, of which \$2,000 is after-tax contributions. In this case, if you roll over \$10,000 to an IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If you miss the 60-day rollover deadline (applies to all payments)

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

If your payment includes employer stock that you do not roll over (applies to all payments)

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan. If you do a rollover to a Roth IRA for a nonqualified distribution from a designated Roth account that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the distribution), you will not have any taxable income and the special rule relating to the distributed employer stock will not apply to any subsequent payments from the Roth IRA or employer plan.

If you receive a payment that is a qualified distribution from a designated Roth account that includes employer stock and you do not roll it over, your basis in the stock (used to determine gain or loss when you later sell the stock) will equal the fair market value of the stock at the time of the payment from the Plan.

The Plan administrator can tell you the amount of any net unrealized appreciation.

If you have an outstanding loan that is being offset (applies to all payments)

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan.

If the loan offset amount is applied to your designated Roth account, and, the resulting distribution is a nonqualified distribution, the earnings in the loan offset will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the earnings in the loan offset to a Roth IRA or designated Roth account in an employer plan.

If you were born on or before January 1, 1936 (applies to all payments)

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. The same rules apply if your distribution includes payment from a designated Roth account that is not a qualified distribution. For more information, see IRS Publication 575, Pension and Annuity Income.

If your payment is from a governmental section 457(b) plan

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay

the 10% additional income tax on early distributions from the Plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences are that you cannot do a rollover if the payment is due to an “unforeseeable emergency” and the special rules under “If your payment includes employer stock that you do not roll over” and “If you were born on or before January 1, 1936” do not apply. A governmental section 457(b) plan does not accept designated Roth contributions.

If you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term care insurance (applies to all payments)

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

The same rules apply if you receive a nonqualified distribution from a designated Roth account. If you are a public safety officer, you can exclude from your taxable income nonqualified distributions paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually.

If you roll over your payment to a Roth IRA (applies to payments not from a designated Roth account)

You can roll over a payment from the Plan made before January 1, 2010 to a Roth IRA only if your modified adjusted gross income is not more than \$100,000 for the year the payment is made to you and, if married, you file a joint return. These limitations do not apply to payments made to you from the Plan after 2009. If you wish to roll over the payment to a Roth IRA, but you are not eligible to do a rollover to a Roth IRA until after 2009, you can do a rollover to a traditional IRA and then, after 2009, elect to convert the traditional IRA into a Roth IRA.

If you roll over the payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover). For payments from the Plan during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a 2-year period starting in 2011.

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

You cannot roll over a payment from the Plan to a designated Roth account in an employer plan.

If you are not a plan participant (applies to all payments)

Payments after death of the participant. If you receive a distribution after the participant’s death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. If the distribution includes payment from a designated Roth account, then whether the payment is a qualified distribution generally depends on when the participant first made a contribution to the designated Roth account in the Plan.

The 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section “If you were born on or before January 1, 1936” applies only if the participant was born on or before January 1, 1936.

If you are a surviving spouse. If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.

If the distribution includes payment from a designated Roth account, and you choose to do a rollover to a Roth IRA, you may treat the Roth IRA as your own or as an inherited Roth IRA.

A Roth IRA you treat as your own is treated like any other Roth IRA of yours, so that you will not have to receive any required minimum distributions during your lifetime and earnings paid to you in a nonqualified distribution before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies).

If you treat the Roth IRA as an inherited Roth IRA, payments from the Roth IRA will not be subject to the 10% additional income tax on early distributions. An inherited Roth IRA is subject to required minimum distributions. If the participant had started taking required minimum distributions from the Plan, you will have to receive required minimum distributions from the inherited Roth IRA. If the participant had not started taking required minimum distributions, you will not have to start receiving required minimum distributions from the inherited Roth IRA until the year the participant would have been age 70½.

If you are a surviving beneficiary other than a spouse. If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

If the distribution includes payment from a designated Roth account, the only rollover option you have is to do a direct rollover to an inherited Roth IRA. Payments from the inherited Roth IRA, even if made in a nonqualified distribution, will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited Roth IRA.

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien (applies to all payments)

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

Other special rules (applies to all payments)

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than \$200 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

Unless you elect otherwise, a mandatory cashout of more than \$1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan administrator or the payor. A mandatory cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, Armed Forces' Tax Guide.

For more information

You may wish to consult with the Plan administrator or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590, Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax-Sheltered Annuity Plans (403(b) Plans). These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.



Please retain for your records.

Internal Revenue Service Letter Serial No.
 K180055c

Section 1 — Definitions

As used in this Custodial Agreement (“Agreement”) and the related Application, the following terms shall have the meaning set forth below unless a different meaning is plainly required by the context:

- (a) **“Account”** means the Traditional IRA or Roth IRA established under this Agreement. “Roth IRA” means the Account established in accordance with Code §408A that is designated as a Roth IRA upon establishment and that shall at all times be nonforfeitable. “Traditional IRA” means the Account established in accordance with Code §408 that is designated as a Traditional IRA upon establishment and that shall at all times be nonforfeitable.
- (b) **“Application”** means the accompanying instrument executed by the Owner (or in the case of a minor, by the parent or legal guardian of the Owner) under which the Owner establishes the Account as either a Traditional IRA or Roth IRA. A separate Application must be completed for each type of Account established.
- (c) **“Beneficiary”** or **“Beneficiaries,”** unless preceded by the words “Primary,” “Contingent,” “Designated,” “Original” or “Subsequent,” means the person or entity (including a trust or estate) designated on the form described in Section 8(a), or otherwise entitled to receive the Account after the death of the Owner. “Primary Beneficiary” means the beneficiary designated by the Owner to receive the Account after the death of the Owner. “Contingent Beneficiary” means the beneficiary designated by the Owner to receive the Account after the death of the Owner provided that no Primary Beneficiary survives the Owner. “Designated Beneficiary” means a person whose life expectancy is used for the measuring period for required minimum distributions under Section 8 of this Agreement. “Original Beneficiary” and “Subsequent Beneficiary” are defined in Section 8(m) of this Agreement.
- (d) **“Child”** or **“Children”** shall mean the descendants in any degree of the designated person and include legally adopted children who are adopted during their minority only and descendants of such legally adopted children.
- (e) **“Code”** means the Internal Revenue Code of 1986, as amended.
- (f) **“Compensation”** means wages, salaries, professional fees and other amounts derived from or received for personal service actually rendered (including, but not limited to, commissions paid to salespersons, compensation for services based on a percentage of profits, commissions on insurance premiums, tips and bonuses) and includes earned income, as defined in Code §401(c)(2). For purposes of this definition, Code §401(c)(2) shall be applied as if the term “trade” or “business” for purposes of Code §1402 included service described in subsection (c)(6). Compensation also includes any amount includable in gross income under Code §71 with respect to a divorce or separation instrument described in subparagraph (A) of Code §71(b)(2). Compensation does not include amounts derived from or received as

earnings or profits from property (including, but not limited to, interest and dividends), any amounts not includable in gross income, or any amount received as a pension, annuity or as deferred compensation. In the case of a married individual filing a joint return, the spouse’s Compensation (less any amount the spouse used for making a contribution to either a Roth IRA or Traditional IRA) is treated as the individual’s Compensation, to the extent it is greater than the individual’s Compensation.

- (g) **“Conversion Contribution”** means a qualified rollover contribution made to a Roth IRA that is all or any portion of a distribution from an individual retirement account established under Code §§408(a), 408(k), 408(p) or an individual retirement annuity established under Code §408(b) (but not from another Roth individual retirement account established under Code §408A) during any taxable year if:
 - (i) the Owner’s adjusted gross income or combined adjusted gross income, if married filing a joint return, for such taxable year does not exceed \$100,000 (or such other amount as may be specified in §408A(c)(3)(B)(i)), and
 - (ii) the Owner is not a married individual filing a separate return; and
 - (iii) the rollover contribution meets the requirements of Code §408(d)(3).

For taxable years beginning after 2007, a Conversion Contribution includes a rollover from an eligible retirement plan described in §402(c)(8)(B). For taxable years beginning after 2009, the limits in this paragraph (g) do not apply to Conversion Contributions.

- (h) **“Custodian”** means Capital Bank and Trust Company or any successor thereto.
- (i) **“Disabled”** means disabled as defined in Code §72(m)(7).
- (j) **“Fund”** means one or more of the investment companies for which an affiliate of the Custodian serves as investment adviser.
- (k) **“Issue”** of a person means all of his or her lineal descendants of all generations.
- (l) **“Owner”** means the individual for whom the Account is established or transferred, in the case of a transfer incident to divorce or legal separation.
- (m) **“Recharacterization”** means the procedure by which a contribution to a Roth IRA is treated as if it had been made to a Traditional IRA, and the procedure by which a contribution to a Traditional IRA is treated as if it had been made to a Roth IRA, pursuant to the rules in §1.408A-5 of the Federal Income Tax Regulations and the limits described in Section 3 of this Agreement.
- (n) **“Required Beginning Date”** means, in the case of a Traditional IRA, April 1 following the calendar year in which the Owner reaches age 70½.
- (o) **“Rollover Contribution”** means an amount contributed to the Account that:
 - (i) in the case of a Roth IRA, is not a Conversion Contribution and is derived from all or any portion of a distribution from another Roth individual retirement account established under Code §408A. For taxable years beginning after 2005, a Rollover

Contribution includes a rollover from a designated Roth account described in Code §402A, and

- (ii) in the case of a Traditional IRA, is derived from:
 - a. all or any portion of an eligible rollover distribution as defined in Code §§402(c)(4), 403(b)(8)(A)(i), and 457(d) and the regulations thereunder that may be rolled over directly to the Account;
 - b. all or any portion of a distribution from another individual retirement account established under Code §408(a) or an individual retirement annuity established under Code §408(b) (but not from a Roth individual retirement account established under Code §408A); or
 - c. redemptions of retirement bonds (under former Code §§405(d)(3) or 409(b)(3)(c) of the Internal Revenue Code of 1954), but only to the extent the proceeds from the redemption, including total accumulated interest, exceed the basis of the bond.

Such Rollover Contributions must be paid into the Account not later than the 60th day following the receipt of such distribution by the Owner. If property other than money is distributed from a plan or account described above, the Rollover Contribution may consist of the property distributed, subject to the consent of the Custodian. Alternatively, the property may be sold and its proceeds rolled over. At no time within the 12-month period ending on the date that a distribution is received from another individual retirement account established under Code §408(a), individual retirement annuity established under Code §408(b), or Roth individual retirement account established under Code §408A, may the Owner roll over a distribution from the same account.

- (p) **“\$219 Maximum Contribution Limit”** means
 - (i) If the individual is under age 50, the applicable amount is \$3,000 for any taxable year beginning in 2002 through 2004, \$4,000 for any taxable year beginning in 2005 through 2007 and \$5,000 for any taxable year beginning in 2008 and years thereafter. After 2008, the \$5,000 amount will be adjusted by the Secretary of the Treasury for cost-of-living increases under Code §219(b)(5)(D). Such adjustments will be in multiples of \$500.
 - (ii) If the individual is 50 or older, the applicable amount under paragraph (i) above is increased by \$500 for any taxable year beginning in 2002 through 2005 and by \$1,000 for any taxable year beginning in 2006 and years thereafter.
 - (iii) If the individual was a participant in a §401(k) plan of a certain employer in bankruptcy described in Code §219(b)(5)(C), then the applicable amount under paragraph (i) above is increased by \$3,000 for taxable years beginning after 2006 and before 2010 only. An individual who makes contributions under this paragraph (iii) may not also make contributions under paragraph (ii).



Section 2 — Establishment of Account

By executing the Application, the Owner thereby establishes the Account that shall hold all assets deposited with the Custodian for the exclusive benefit of the Owner and the Owner's Beneficiaries. A parent or legal guardian may execute the Application on behalf of an Owner who is a minor. In the event an IRA is established for a minor, the parent or legal guardian is authorized, on behalf of such minor, to take whatever actions are afforded the Owner of the IRA under the terms of this Agreement. The parent or legal guardian, by establishing an Account on behalf of a minor, agrees to indemnify and hold harmless the Custodian and its affiliates from any losses including court costs and reasonable attorney fees incurred by the Custodian or its affiliates as a result of establishing the Account in the name of the minor.

Section 3 — Contributions and Transfers

(a) Contribution Limits — Maximum Permissible Amount. The Custodian shall not accept contributions to the Account for any taxable year in excess of the lesser of the §219 Maximum Contribution Limit, or 100% of Compensation, except for contributions:

- (i) that the Owner has notified the Custodian in writing to be Rollover Contributions; or
- (ii) in the case of a Roth IRA, that the Owner notified the Custodian in writing to be Conversion Contributions; or
- (iii) in the case of a Traditional IRA, that are made in accordance with the terms of a Simplified Employee Pension Plan (SEP).

(b) Roth Contribution Eligibility — Regular Contribution Limit. In the case of a Roth IRA, to be eligible to make contributions other than Rollover or Conversion Contributions, the Owner must meet the modified adjusted gross income (MAGI) limits for a taxable year described in Code §408A(c)(3)(C)(i) and does not include any amount included in adjusted gross income as a result of making a Conversion Contribution for that taxable year. The maximum permissible amount is phased out ratably for certain adjusted gross income limits as described in Code §408A(c)(3)(C)(ii), as such limits may be adjusted from time to time. An Owner who files as single or head of household, with MAGI that does not exceed \$95,000, or who files a joint return or as a qualifying widow or widower, with MAGI that does not exceed \$150,000, is eligible to make a full §219 Maximum Contribution Limit contribution to a Roth IRA. Owners who have income above these levels may contribute to a Roth IRA on a reduced basis, so that no contribution is allowed for an Owner who files as single or head of household, with MAGI exceeding \$110,000 or who files a joint return or as a qualifying widow or widower, with MAGI exceeding \$160,000. For an Owner who is married, filing separately, the phase-out range is from \$0 to \$10,000 of modified MAGI. If the Owner's MAGI for a taxable year is in the phase-out range, the maximum regular contribution for the taxable year is rounded up to the next multiple of \$10. If this calculation results in a contribution amount of more than zero but less than \$200, an Owner is still permitted to contribute \$200. If the Owner makes regular contributions to both a Roth IRA and a

Traditional IRA for a taxable year, the maximum regular contribution that can be made to all Roth IRAs of the Owner for that taxable year is reduced by the regular contributions made to the Owner's Traditional IRAs for the taxable year.

(c) Rollover and Conversion Contributions in Cash or Shares. Rollover and Conversion Contributions must be received by the Custodian in the form of cash, Fund shares or any combination thereof. The Custodian may require that each Rollover and Conversion Contribution be accompanied by a properly completed transmittal form provided by the Custodian.

(d) SIMPLE IRA Contributions. No contribution will be accepted under a SIMPLE IRA plan established by any employer pursuant to Code §408(p). No transfer or rollover of funds attributable to contributions made by an employer under its SIMPLE IRA plan will be accepted from a SIMPLE IRA to this Account prior to the expiration of the two-year period beginning on the date the Owner first participated in that employer's SIMPLE IRA plan.

(e) Age Restrictions. No contribution (other than Rollover Contributions or employer contributions under a SEP, if applicable) may be made to a Traditional IRA beginning with the calendar year in which the Owner reaches age 70½. Contributions may be made to a Roth IRA regardless of the age of the Owner.

(f) Transfers. The Owner may transfer assets in any amount to this Account in the case of a Traditional IRA, from another Code §408(a) or (b) individual retirement plan, §403(a) annuity, or (former) §405 bond; in the case of a Roth IRA, from another Code §408A Roth individual retirement account. The Owner may also transfer assets in any amount to the Account pursuant to the Recharacterization rules of §1.408A-5 of the Federal Income Tax Regulations and Section 7(e) of this Agreement. If the Owner adopts another individual retirement plan established under Code §§408 or 408A, at the request of the Owner, the Custodian shall deliver to such transferee the cash proceeds or designated Fund shares of the Account. The Custodian may require satisfactory evidence of the qualified status of any transferee trustee or custodian.

(g) Repayment of a Qualified Reservist Distribution. Notwithstanding the dollar limits on contributions, an individual may make a repayment of a qualified reservist distribution described in Code §72(t)(2)(G) during the 2-year period beginning on the day after the end of the active duty period or by August 17, 2008, if later. If the August 17, 2008 deadline is extended by law or otherwise, this provision incorporates such extension.

Section 4 — Investment of Account

(a) Investment Instructions. Pursuant to the Owner's written instructions, or the written instructions of the employer on behalf of the Owner under a payroll deduction plan, each cash contribution to the Account shall be applied to the purchase of shares of the Fund or Funds designated by the Owner at the applicable offering price in accordance with the terms of such Fund's prospectus and/or to the purchase of the designated annuity contract or any other investment permitted under Code §408 or 408A, that is acceptable to the Custodian.

If this Agreement is used to fund an IRA under a Simplified Employee Pension (SEP) Plan or a Salary Reduction Simplified Employee Pension (SARSEP) Plan and the Owner fails to provide investment instructions, the contribution will be invested based on the investment instructions provided by the employer of the Owner. For a Traditional or Roth IRA contribution:

(i) no investment instructions and contribution more than \$5,000:

If no fund is designated and the amount of the contribution, regular or rollover, is over \$5,000, such contribution will be held uninvested (without liability to the Custodian for loss of income or appreciation pending receipt of proper instructions) until investment instructions are received, but for no more than three (3) business days. If investment instructions are not received, the contribution will be invested in the American Funds Money Market FundSM on the third business day after receipt of the contribution.

(ii) no investment instructions and contribution \$5,000 or less:

If no fund is designated and the amount of the contribution, regular or rollover, is \$5,000 or less, the amount of the contribution will be invested in the same proportion and in the same Fund or Funds in which the last contribution, regular or rollover, was invested provided such contribution was made within the last sixteen (16) months. If no contribution was made within the last sixteen (16) months, the contribution received without investment instructions will be held uninvested (without liability to the Custodian for loss of income or appreciation pending receipt of proper instructions) until investment instructions are received, but for no more than three (3) business days. If investment instructions are not received, the contribution will be invested in the American Funds Money Market Fund on the third business day after receipt of the contribution.

If a Fund is designated but there is no share class indicated, the default will be A shares. The Owner, or if the Owner is deceased, the Beneficiary, may from time to time change the designation of the investments of Account assets hereunder and may instruct the Custodian to exercise any exchange privilege set forth in the Fund's prospectus.

(b) Reinvestment of Dividends and Capital Gain Distributions. All dividends and capital gain distributions shall be reinvested. Once the Owner has reached age 59½ and, in the case of a Roth IRA, the applicable five-taxable-year period described in Code §408A(d)(2)(B) has been met, the Owner may request that dividends and capital gains distributions be distributed from the Account. Dividends received from any annuity contract shall be applied to the purchase of paid-up additions to such policy's cash value.

(c) Life Insurance and Annuity Contracts. No part of an Account shall be invested in life insurance contracts. No annuity contract acquired by the Custodian shall have a fixed premium. Any refund of premiums (other than those attributable to excess contributions) will be applied, before the close of the calendar year following the year of the refund, toward the



payment of future premiums or the purchase of additional benefits. No annuity contract shall be transferable by the Owner.

- (d) **Account Assets.** The assets of the Account will not be commingled with other Custodian property and the purchase of Fund shares shall not be considered commingling.

Section 5 — The Custodian

- (a) **Share Accumulation Accounts and Systematic Withdrawals.** The Custodian, or its designated agent ("Agent"), is authorized to establish share accumulation accounts and systematic withdrawal plans (as described in the prospectus of the Fund, and as customarily entered into with other shareholders of the Fund) for the purpose of receiving and investing the contributions made hereunder and reinvesting income dividends and capital gain distributions. The Custodian is not liable for any act or failure to act of such Agent.
- (b) **Safekeeping of Assets.** The Custodian is authorized to deposit certificates for shares with itself or the Agent for the purpose of safekeeping or otherwise or to permit shares to be credited to the Custodian. The Custodian shall not be obligated to secure certificates for such shares and in its discretion may permit such certificates to remain unissued. Fund shares, annuity contracts and other assets acquired by the Custodian shall be owned by and registered in the name of the Custodian or its registered nominee.
- (c) **Authority to Sell.** The Custodian is authorized to sell or redeem shares and to surrender annuity contracts at the direction of the Owner, the Beneficiary or the legal representative of the Owner or Beneficiary.
- (d) **Statements of Account.** Periodically the Custodian shall furnish to the Owner, or the Beneficiary of a deceased Owner, a statement of the Account, showing amounts invested or redeemed and the number and price of such shares. The Custodian shall furnish an annual calendar-year statement to the Owner or Beneficiary setting forth receipts, investments, disbursements, and other transactions. Upon expiration of 45 days after forwarding such statement, the Custodian shall be forever released and discharged from all liability and accountability to anyone with respect to its acts, transactions, duties, obligations, or responsibilities as shown in or reflected by such statement, except with respect to any such acts or transactions as to which the Owner or Beneficiary shall have filed written objections with the Custodian within such 45-day period.
- (e) **Notices and Proxies.** The Custodian shall furnish to the Owner, either directly or indirectly, notices, prospectuses, financial statements, proxies, and proxy-soliciting materials relating to all assets credited to the Account. Any notification to the Owner provided for under this Agreement shall be effective if sent by first class mail to the Owner's last address of record. The Custodian shall vote any shares held in the Account in accordance with the timely written instructions of the Owner. If the Custodian receives no such written instructions from the Owner, the Custodian may vote the shares of each fund held in the Account in the same proportion as the votes of the other shareholders of the fund(s) held in the Account.

- (f) **Government Reports.** The Custodian shall file such reports relating to the Account with the appropriate government agency as the Custodian is required to file by law. The Owner shall furnish to the Custodian the information necessary to complete such reports.

- (g) **No Liability for Investments.** The Custodian shall not be liable to the Owner or Beneficiaries for any depreciation or similar loss of assets or for the failure of the Account to produce any or larger net earnings. The Custodian shall not be liable for any act or failure to act of itself, its agents, employees or attorneys, so long as it exercises good faith, is not guilty of negligence or willful misconduct, and has selected such agents, employees and attorneys with reasonable diligence. The Custodian shall have no responsibility for the determination or verification of the premium rates for any annuity contract or the offering or redemption prices or net asset values of Fund shares, and shall be entitled to rely for such rates, prices and net asset values upon statements issued by or on behalf of the respective insurance company or Fund.

The Custodian shall have no duty to inquire into the investment practices of the Fund; the Fund shall have the exclusive right to control the investment of its assets in accordance with its stated policies; and the investments shall not be restricted to securities of the character now or hereafter authorized for trustees by law or rules of court. The Custodian shall not be liable or responsible for any omissions, mistakes, acts or failures to act of the Fund, the insurance company issuing any annuity contract provided for herein, or their successors, assigns or agents.

- (h) **No Liability for Contributions and Distributions.** The Custodian shall not be responsible in any way for the purpose or propriety of any distribution made pursuant to instructions satisfactory to the Custodian, the collection of contributions provided for hereunder, or any action or nonaction taken pursuant to the request of the Owner, Beneficiary or legal representative of the Owner. The Custodian shall have no duty to determine whether contributions or Conversion Contributions made to the Roth IRA satisfy the applicable limits referenced in Sections 1(f) and 3 of this Agreement.

The Custodian shall have no obligation to give advice to anyone on the deductibility of any contributions or the tax due, if any, on payments made hereunder or to determine the amount of any excess contribution and the net income attributable thereto. If the Owner has authorized telephone exchanges under the Application or other form provided by the Custodian, the Custodian may make investment exchanges for this Account or any other account with the same registration in accordance with the instructions received from any person by telephone, telecopier or other electronic means and shall have no obligation to question any instructions so received or liability for the transactions it performs pursuant to such instructions.

The Custodian will provide to the Owner information concerning required minimum distributions as prescribed by the Commissioner of Internal Revenue.

Section 6 — Fees and Expenses

The Custodian shall receive fees for its services hereunder in such amount as it shall establish from

time to time, including, but not limited to, services rendered for the processing of distribution requests and Beneficiary claims. In addition, the Custodian shall receive reasonable fees for any unusual or special services rendered. The compensation of the Custodian, any transfer taxes incurred in connection with the investment and reinvestment of the assets of the Account, and all administrative expenses incurred by the Custodian in the performance of its duties, including fees for legal services rendered to the Custodian, shall either be reduced from contributions and charged to the Account, or shall be paid by redeeming or surrendering the necessary assets credited to the Account, unless otherwise paid by the Owner, but until paid shall constitute a lien upon the assets of the Account.

Section 7 — Withdrawal of Account Assets

- (a) **Taxation of Withdrawals From Traditional IRAs.** Any withdrawals made from the Account or any other IRA of the Owner are includable in the Owner's gross income, to the extent such withdrawals do not include any nondeductible contributions.
- (b) **Taxation of Withdrawals From Roth IRAs.** A distribution of all or part of the Account may be made to the Owner upon the Owner's request and will not be includable in the Owner's gross income for any year if such distribution is a "Qualified Distribution."
- (i) A "Qualified Distribution" means any payment made:
- on or after the date on which the Owner attains age 59½;
 - on account of the death of the Owner;
 - to an Owner who is Disabled; or
 - as a Qualified Special Purchase Distribution. A "Qualified Special Purchase" means any distribution for expenses associated with a first-time home purchase in accordance with subparagraph (F) of Code §72(t)(2).
- (ii) A payment or distribution will not be treated as a Qualified Distribution if it is made within the five-taxable-year period beginning with the first taxable year for which the Owner made a contribution to a Roth Account.
- (iii) Any distribution from the Roth IRA that is not a Qualified Distribution shall be treated as made:
- first from contributions to the Roth IRA;
 - then from Conversion Contributions, starting with amounts first converted, (withdrawals of Conversion Contributions shall be treated as coming first from amounts that were included in income);
 - then from earnings.
- (iv) To the extent a distribution is attributable to Conversion Contribution amounts that were includable in income, such distribution will be treated as a premature distribution if made within the five-taxable-year period after the date of the applicable conversion, unless the distribution meets one of the exceptions to the early distribution penalty set forth in Section (c) below.
- (c) **Exceptions to Premature Distribution Penalties.** A distribution of all or part of the Account



may be made to the Owner upon the Owner's request; however, tax penalties apply to amounts included in income or to distributions attributable to Conversion Contributions that are treated as premature distributions, other than:

- (i) payments that are part of a series of substantially equal periodic payments that may be based on, but not limited to, the following three methods: life expectancy, amortization (using a rate between 80% and 120% of the long-term applicable federal rate) or annuitization (using an acceptable mortality table including but not limited to UP'84, '83 IAM or Annuity 2000);
- (ii) the return of excess contributions;
- (iii) payments for certain catastrophic medical expenses;
- (iv) payments made after an extended period of unemployment to cover health insurance premiums;
- (v) payments made to an Owner who has reached age 59½ or is Disabled;
- (vi) payments made on account of the death of the Owner;
- (vii) payments for expenses associated with a first-time home purchase in accordance with subparagraph (F) of Code §72(t)(2);
- (viii) payments for post-secondary education costs of the immediate family members and grandchildren of the Owner; or
- (ix) a levy under Code §6331.

If the Owner should become Disabled, the Account may be distributed to the Owner commencing as of the date of determination of such disability.

(d) Excess Contributions to Account. Excess contributions exist if, in any calendar year, the Owner contributes to the Account:

- (i) in the case of a Traditional IRA, an amount that exceeds 100% of Compensation or the \$219 Maximum Contribution Limit, whichever is smaller;
- (ii) in the case of a Roth IRA, an amount in excess of the amount allowable under Code §408A(c)(2) and (3); and
- (iii) in the case of contributions to both a Traditional IRA and Roth IRA, an amount that exceeds 100% of Compensation or the \$219 Maximum Contribution Limit, whichever is smaller.

The Owner may withdraw such excess contributions together with any earnings thereon. Such excess contributions may be withdrawn at any time prior to the day prescribed by law (including extensions) for filing the Owner's federal tax return for such year and shall not be subject to tax penalties. Any earnings on the excess contribution must also be withdrawn and are includable in income in the tax year in which the excess contribution was made. In addition, the withdrawn earnings may be subject to a penalty tax as a premature distribution.

Such excess amounts shall, at the Owner's request, be distributed to the Owner or redesignated as the Owner's contribution for the succeeding taxable year. The Owner shall notify the Custodian in writing of the full

amount of the required withdrawal, including earnings thereon, or the number of shares equivalent thereto to be withdrawn and the method of distribution. Failure to withdraw such amounts will result in an annual tax penalty to the Owner.

(e) Corrections of Erroneous Contributions or Conversion Contributions. In the event the Owner determines that:

- (i) a Conversion Contribution was made erroneously;
- (ii) a contribution was mistakenly made to a Roth IRA; or
- (iii) a contribution was mistakenly made to a Traditional IRA, the Owner may Recharacterize such amount by instructing the Custodian prior to the Owner's tax-filing deadline (including extensions) to move the erroneous or mistaken contribution into the proper IRA by effecting a trustee-to-trustee transfer. Such transferred amounts will include any income allocable to such amounts and will be treated as if originally contributed to the transferee IRA, under the Recharacterization rules of §1.408A-5 of the Federal Income Tax Regulations.

Section 8 — Distributions to Owner and Owner's Beneficiaries

(a) Beneficiary Designations.

- (i) Owner's Right to Designate or Change Beneficiary. The Owner shall have the right to designate or change a Beneficiary to receive any benefit from the Account to which such Owner may be entitled in the event of the Owner's death prior to complete distribution of the Account. If no such designation is in effect at the time of the Owner's death, the Owner's Beneficiary shall be the Owner's spouse or, if none, the Owner's children, equally. If any child does not survive the Owner, then the deceased child's share will be distributed to his or her children (the Owner's grandchildren), equally or, if none, the surviving children equally. If none of the foregoing survives the Owner, the Beneficiary will be the Owner's estate.
- (ii) Required Form of Beneficiary Designation. The Owner may designate or change a Beneficiary only by signed written notice to, and in a form acceptable to, the Custodian, but the Custodian shall have no responsibility to determine the validity of such beneficiary designation. The designation or change will take effect as of the date the written notice was executed, provided that the designation or change is delivered to the Custodian prior to the Owner's death. Notwithstanding the foregoing, no such designation or change shall take effect with respect to any annuity contract held in the Account until accepted by the insurance company issuing such annuity contract. Moreover, the beneficiary designation form shall be used solely for the purpose of designating a Beneficiary or Beneficiaries.
- (iii) Good Faith Payment by Custodian. The Custodian shall be relieved of any liability for making any payment in good faith to any

person or entity that claims to be a Beneficiary. The Custodian shall be entitled to rely without liability on written notice from the Owner's personal representative or any Beneficiary as to the identity of the Beneficiaries of the Owner at the time of the Owner's death.

(b) Distributions Before Required Beginning Date. Before the Required Beginning Date, but only in a form acceptable to the Custodian, the Owner may elect to have the balance in the Account distributed in one of the following forms:

- (i) a single sum payment;
- (ii) payments over the life of the Owner;
- (iii) payments over the lives of the Owner and his or her Beneficiary; or
- (iv) payments over a specified period.

(c) Required Distributions During Traditional IRA Owner's Lifetime.

- (i) Timing of Distributions for Traditional IRA. The first payment of a required distribution is not due until the Owner's Required Beginning Date. If the Owner takes the first required distribution in the year of his or her Required Beginning Date, another distribution is required by December 31 of the year containing the Required Beginning Date. In this event, the Owner may receive two required distributions in the first year distributions begin. If the Owner takes the first required distribution in the year in which he or she reaches 70½, the Owner need only take one distribution in the year in which his or her Required Beginning Date occurs. For each succeeding year, a distribution must be made on or before December 31. Distributions under this section are considered to have begun if the distributions are made on account of the Owner reaching his or her Required Beginning Date. If the Owner dies prior to the Required Beginning Date, distributions will not be considered to have begun even if the Owner receives distributions before the Owner's death.

In the case of a Roth IRA, no distributions are required to be made prior to the Owner's death.

- (ii) Method of Calculating Lifetime Minimum Distributions for Traditional IRA. The minimum amount to be distributed each year (commencing with the Required Beginning Date and each year thereafter up to and including the year of the Owner's death) shall not be less than (and may be more if requested in writing by the Owner) an amount equal to the quotient obtained by dividing the prior year-end value (including the amount of any outstanding rollover, transfer and recharacterization under Q&As-7 and -8 of §1.408-8 of the Federal Income Tax Regulations) by the applicable factor (using the Owner's age as of his or her birthday in the year) in the Uniform Lifetime Table in Q&A-2 of §1.401(a)(9)-9 of the Federal Income Tax Regulations. However, if the Owner's sole Designated Beneficiary is the Owner's spouse and the spouse is more than 10 years younger than the Owner, then the distribution period is determined under the Joint Life and Last Survivor Expectancy Table in Q&A-3 of §1.401(a)(9)-9 of the

Federal Income Tax Regulations, using ages as of the Owner's and spouse's birthday in the year.

(d) Required Distributions After Owner's Death.

- (i) Minimum Distributions to Beneficiaries From Roth IRA; and Minimum Distributions to Beneficiaries From Traditional IRA if Owner Dies Before the Required Beginning Date. Upon the death of an Owner of a Roth IRA, or upon the death of the Owner of a Traditional IRA before his or her Required Beginning Date, the Beneficiary or Beneficiaries may elect to receive minimum distributions from the Account as follows:
 - a. *Nonspouse Beneficiary Is Designated Beneficiary; or Spouse Beneficiary Is Not Sole Designated Beneficiary* — If the Designated Beneficiary is not the spouse of the Owner, or if the spouse of the Owner is a Beneficiary but not the sole Designated Beneficiary, then the Beneficiary may elect to receive minimum distributions over the life expectancy of the Designated Beneficiary commencing no later than December 31 of the year following the year of the Owner's death.
 - b. *Spouse Beneficiary Is Sole Designated Beneficiary* — If the sole Designated Beneficiary is the spouse of the Owner, then such spouse may elect:
 - 1. To receive minimum distributions over the spouse's life expectancy commencing no later than December 31 of the year following the year of the Owner's death, or December 31 of the year in which the Owner would have reached age 70½. If the surviving spouse dies before distributions are required to begin, the remaining interest will be distributed to the spouse's Beneficiary or Beneficiaries in accordance with subparagraph a. of this Section 8d(i), as if the spouse were the Owner. If the surviving spouse dies after distributions are required to begin, any remaining interest in the Account will be distributed over the spouse's remaining life expectancy determined using the spouse's age as of his or her birthday in the year of the spouse's death;
 - 2. To receive minimum distributions in accordance with subparagraph c. of this Section 8(d)(i); or
 - 3. To treat the Account as his or her own. This election is deemed to be made if such spouse makes a contribution to the Account or fails to take required minimum distributions as the Beneficiary in any year following the year of the Owner's death.
 - c. *No Designated Beneficiary* — If the Owner does not have a Designated Beneficiary, the entire interest will be distributed by December 31 of the year containing the fifth anniversary of the Owner's death (or surviving spouse's death if the surviving spouse dies before distributions are required to begin).

- (ii) Minimum Distributions to Beneficiaries From Traditional IRA if Owner Dies on or After the Required Beginning Date. If the Owner dies on or after the Required Beginning Date, the Beneficiary or Beneficiaries may elect to receive minimum distributions from the Account as follows:
 - a. *Nonspouse Beneficiary Is Designated Beneficiary; or Spouse Beneficiary Is Not Sole Designated Beneficiary* — If the Designated Beneficiary is not the spouse of the Owner, or if the spouse of the Owner is a Beneficiary, but not the sole Designated Beneficiary, then the Beneficiary may elect to receive minimum distributions over the longer of the life expectancy of the Designated Beneficiary or the remaining life expectancy of the Owner, commencing no later than December 31 of the year following the year of the Owner's death.
 - b. *Spouse Beneficiary Is Sole Designated Beneficiary* — If the sole Designated Beneficiary is the spouse of the Owner, then such spouse may elect:
 - 1. To receive minimum distributions over the spouse's life expectancy or over the remaining life expectancy of the Owner, if such period is longer, commencing no later than December 31 of the year following the year of the Owner's death. Any remaining interest after the spouse's death will be distributed over such spouse's remaining life expectancy, or over the remaining life expectancy of the Owner if such period is longer.
 - 2. To treat the Account as his or her own. This election is deemed to be made if such surviving spouse makes a contribution to the Account or fails to take required minimum distributions as the Beneficiary in any year following the year of the Owner's death.
 - c. *No Designated Beneficiary* — If the Owner does not have a Designated Beneficiary, then the Beneficiary may elect to receive minimum distributions over the remaining life expectancy of the Owner.
- (iii) Determination of Life Expectancy and Calculation of Minimum Distributions After the Owner's Death. The minimum amounts required to be distributed each year under Sections (i) and (ii) above is the quotient obtained by dividing the value of the Account as of the end of the preceding year by the applicable factor. The applicable life expectancy factor for the surviving spouse who is the sole Designated Beneficiary is the Single Life Table factor in Q&A-1 of §1.401(a)(9)-9 of the Federal Income Tax Regulations for the spouse's age each year. The applicable factor in all other cases is the Single Life Table factor in Q&A-1 of §1.401(a)(9)-9 of the Federal Income Tax Regulations corresponding to the Beneficiary's age (or Owner's age, if applicable) as of his or her birthday in the year distributions begin reduced by one in each succeeding year. The value of the Account includes the amount of

any outstanding rollover, transfer and recharacterization under Q&As-7 and -8 of §1.408-8 of the Federal Income Tax Regulations.

- (e) **Requesting Distributions.** The Custodian has no duty to advise the Owner or Beneficiary of the taxability of distributions. Moreover, the Custodian has no duty to commence distributions to the Owner or Beneficiary until receipt of instructions, in a form acceptable to the Custodian, from the Owner or Beneficiary, as the case may be. The Custodian shall give no force and effect to any election made by the Owner or Beneficiary as to the distribution options allowable to the Owner or Beneficiary(ies), unless such election is made in a form acceptable to the Custodian.
- (f) **Satisfying Minimum Distributions From Two or More IRAs.** An individual may satisfy the minimum distribution requirements under §§408(a)(6) and 408(b)(3) of the Code by receiving a distribution from one Traditional IRA that is equal to the amount required to satisfy the minimum distribution requirements for two or more Traditional IRAs or from one Roth IRA that is equal to the amount required to satisfy the minimum distribution requirements for two or more Roth IRAs. For this purpose, the Owner or Beneficiary of two or more Traditional IRAs or two or more Roth IRAs may use the "alternative method" described in Notice 88-38, 1988-1 C.B. 524 (as modified by §1.408-8, A-9 of the Federal Income Tax Regulations) to satisfy the minimum distribution requirements described above. If the Owner or Beneficiary does not provide the Custodian with timely notice that required distributions will be satisfied from this Account, then the Owner automatically will be deemed to have elected to satisfy the minimum distribution requirements from some other IRA.
- (g) **Treatment of Trust Beneficiaries as "Designated Beneficiaries."** If a trust is named as a Beneficiary of this Account, the beneficiaries of the trust with respect to the trust's interests in this Account will be treated as being "Designated Beneficiaries" (as that term is defined in the Code and corresponding Treasury Regulations) of the Owner solely for purposes of determining the distribution period under §401(a)(9) of the Code; provided, however, such treatment as "Designated Beneficiaries" may occur only if, during any period during which required minimum distributions are being determined by treating beneficiaries of the trust as Designated Beneficiaries of the Owner, the following requirements are met:
 - (i) the trust is a valid trust under state law, or would be but for the fact that there is no corpus;
 - (ii) the trust is irrevocable or will, by its terms, become irrevocable upon the death of the IRA Owner;
 - (iii) the beneficiaries of the trust who are beneficiaries with respect to the trust's interests in this Account are identifiable from the trust instrument; and
 - (iv) the Custodian receives the documentation described in Q&A 6 of Treasury Regulations §1.401(a)(9)-4.

If the foregoing requirements have been satisfied, and the Custodian receives such additional information as it may request, the



Custodian of this Account may treat such trust beneficiaries as “Designated Beneficiaries.”

- (h) Separate Accounts.** The Custodian will recognize the timely creation of separate accounts by the Employee, Beneficiary or Beneficiaries (or a representative of the Beneficiary or Beneficiaries, including the trustee of a trust) to the extent permitted by law or applicable Treasury regulations. If the Employee designates multiple individuals or a trust with multiple beneficiaries as the Employee’s Beneficiary, then the age of the oldest individual or trust beneficiary shall be used for purposes of calculating required minimum distributions hereunder unless separate accounts are timely established as aforesaid. To create separate accounts during the lifetime of the Employee, a separate Application must be completed for each Account, delivered and accepted by the Custodian. To create separate Accounts after the death of the Employee, the Custodian must be notified by the Beneficiary or at least one of the Beneficiaries (or a representative of the Beneficiary or Beneficiaries, including the trustee of a trust, or the legal representative of an estate) in a form and manner acceptable to the Custodian.
- (i) Trust Beneficiary Qualifying for Marital Deduction.** If a Beneficiary is a trust (other than an estate marital trust) that is intended to qualify for the federal estate tax marital deduction under §2056 of the Code (“Marital Trust”), then:
- (i) in no event shall the annual amount distributed from the Account to the Marital Trust be less than the minimum distribution required under §401(a)(9) of the Code;
 - (ii) the trustee of the Marital Trust shall be responsible for calculating the amount to be distributed under clause (i) above and shall instruct the Custodian of the Account in writing to distribute the amount so calculated;
 - (iii) the trustee of the Marital Trust may from time to time notify the Custodian of the Account in writing to accelerate payment of all or any part of the portion of such Account that remains to be distributed, and may also notify the Custodian to change the frequency of distributions (but not less often than annually); and
 - (iv) the trustee of the Marital Trust shall be responsible for characterizing the amounts so distributed from the Account as fiduciary accounting income or principal under the applicable state law.
- (j) Disclaimer.** The Custodian of the Account may accept a Beneficiary’s disclaimer with respect to all or a portion of an interest in the Account provided that the disclaimant has not previously accepted any interest in the property to be disclaimed and the disclaimer:
- (i) is in a form acceptable to the Custodian;
 - (ii) identifies the Owner of the Account;
 - (iii) describes the interest (i.e., the Account) and the extent of the interest to be disclaimed;
 - (iv) declines, refuses or renounces the interest to be disclaimed; and
 - (v) satisfies applicable state and federal law.
- The Custodian of this Account may accept a trust’s disclaimer made by a trustee on behalf of

(i) a trust that is the Beneficiary of this Account and (ii) the beneficiary(ies) of the trust (or made by a personal representative of an estate that is a Beneficiary of the Account), provided that a) the disclaimer satisfies the foregoing requirements and either b) the state law of the Owner’s domicile or the instrument governing the trust or estate expressly gives the trustee or personal representative the right to disclaim an interest on behalf of the trust or estate and the beneficiary(ies) or c) the beneficiary(ies) affected by the disclaimer consent.

The Custodian shall not be responsible for determining the validity of the disclaimer under any state or federal law and may rely on the disclaimant’s good faith written statement of the disclaimer’s validity. The Custodian shall not be liable to the disclaimant or any other person or entity for acting or refusing to act in good faith reliance on such a disclaimer.

- (k) Power of Attorney.** If the Custodian of the Account is asked to follow the instructions of an attorney-in-fact designated under a power of attorney, the Custodian may, but shall not be required to, follow such instructions without regard to whether the power of attorney expressly authorizes the specific act, transaction, or decision by the attorney-in-fact; provided, however, the power of attorney may not be construed to grant authority to an attorney-in-fact to change the designation of Beneficiaries to receive any property, benefit, or contract right on the Owner’s death unless expressly authorized in the power of attorney.

When requested to follow the instructions of an attorney-in-fact, the Custodian, before incurring any duty to comply with the power of attorney, may require the attorney-in-fact to provide identification, specimens of the signatures of the Owner and the attorney-in-fact, and any other information reasonably necessary or appropriate to identify the Owner and the attorney-in-fact and to facilitate the actions of the Custodian in following instructions of the attorney-in-fact.

The Custodian, in its sole and absolute discretion, may petition any applicable court to resolve any issue pertaining to the power of attorney, including, but not limited to, the validity of the power of attorney or the authority to engage in the proposed acts requested by the attorney-in-fact. All expenses of such a judicial determination, including the Custodian’s reasonable attorney fees, shall be charged to the Account as provided in Section 6 of this Agreement.

The Custodian shall not be responsible for determining the validity of the power of attorney under any state or federal law and may rely on the attorney-in-fact’s good faith written statement of the validity of the power of attorney. The Custodian shall not be liable to the attorney-in-fact, Owner or any other person for acting or refusing to act in good faith reliance on the power of attorney.

- (l) Receipt of Instructions From Conservator or Guardian.** If the Custodian of the Account is asked to follow the instructions of a conservator or guardian of the estate of any incapacitated Owner (hereinafter such conservator or guardian is referred to as a “Personal Representative”), the Custodian may, but shall not be required to, follow such instructions; provided, however,

the Custodian may not act upon the instructions of such Personal Representative to change the designation of Beneficiaries to receive any property, benefit, or contract right on the conservatee’s or ward’s death without court authorization.

When requested to follow the instructions of a Personal Representative, the Custodian, before incurring any duty to comply with such instructions, may require any information reasonably necessary or appropriate to identify the Personal Representative and to facilitate the actions of the Custodian in following such instructions.

The Custodian, in its sole and absolute discretion, may petition any applicable court to resolve any issue pertaining to the instructions of the Personal Representative, including, but not limited to, the authority to engage in the proposed acts requested by the Personal Representative. All expenses of such a judicial determination, including the Custodian’s reasonable attorney’s fees, shall be charged to the Account as provided in Section 6 of this Agreement.

The Custodian shall not be liable to any person for acting or refusing to act in good faith reliance on the instructions of the Personal Representative.

- (m) Payments Upon Death of Beneficiary.** If a Beneficiary is a natural person and is entitled to benefits under Owner’s Account (“Original Beneficiary”), then upon the death of such Original Beneficiary, any remaining benefits shall be payable to one or more persons or entities (“Subsequent Beneficiary”) designated by the Owner to receive such benefits. If the Owner fails to designate a Subsequent Beneficiary, or to the extent that such designation does not make an effective disposition of all such remaining benefits in the Account, then such remaining benefits shall be payable to the Subsequent Beneficiary(ies) if so designated by the Original Beneficiary to receive such benefits, or, if none, to the Original Beneficiary’s estate.

The Owner and the Original Beneficiary’s designation of a Subsequent Beneficiary to receive such remaining benefits may be acted upon by the Custodian if:

- (i) The designation is executed prior to the death of the Owner or Original Beneficiary, as the case may be, by a written instrument in a form acceptable to the Custodian;
- (ii) The designation expressly refers to the remaining benefits in the Account; and
- (iii) The designation is delivered to the Custodian prior to the Original Beneficiary’s death.

If such remaining benefits are thus payable to such a Subsequent Beneficiary, they shall be paid over a period that does not extend beyond the applicable distribution period for the distribution of the Owner’s Account.

If a Beneficiary is a trust and is receiving benefits under the Owner’s Account over the life expectancy of a trust beneficiary (or over the remaining life expectancy, if any, of the Owner or of any prior Beneficiary or prior trust beneficiary), then upon the death of such trust beneficiary prior to the complete distribution of such benefits to the trust, such remaining



benefits shall be payable to the trust, or directly to the successor trust beneficiary or beneficiaries if so instructed in writing by the trustee, over a period that does not extend beyond the applicable distribution period for the distribution of the Owner's Account.

(n) Notice of Events. Until the Custodian shall receive notice from some person interested in this Account, in a form acceptable to the Custodian, of any event upon which the right to receive any benefits from this Account has occurred, the Custodian shall incur no liability for any disbursements or distributions made or omitted to be made in good faith.

Section 9 — Amendment and Termination

The Owner, by the establishment of this Account, delegates to the Custodian the power to make any retroactive or prospective modification of, or amendment to, this Agreement which is necessary to conform the Agreement to, or satisfy the conditions of, any law, governmental regulation or ruling, and any prospective amendment that is desirable for the administration of this Agreement, and by doing so shall be deemed to have consented to each such amendment or modification. Notwithstanding the preceding sentence, no amendment shall be made that would have the effect of allowing any part of the Account to be used for any purpose other than for the exclusive benefit of the Owner or Beneficiary nor shall any amendment increase or decrease the duties or liabilities of the Custodian without its consent. The Custodian has no affirmative obligation to amend the Agreement for any purpose.

This Agreement may, at the Custodian's option, terminate upon the transfer or complete distribution of the Account, or at the discretion of the Custodian at any time upon 30 days' prior written notice to the Owner.

Section 10 — Resignation or Removal of the Custodian

The Custodian may resign at any time upon 30 days' prior written notice to the Owner, or the Beneficiary of a deceased Owner, and may be removed by the Owner or Beneficiary at any time upon 30 days' prior written notice to the Custodian. Upon such resignation or removal, the Owner or Beneficiary shall appoint a qualified successor to the Custodian, and at the request of the Owner or Beneficiary, the Custodian shall transfer and pay over to such successor the assets of the Account or the proceeds from the sale of such assets. The Custodian may, in its discretion, make an independent determination as to such successor's qualified status. The Custodian is authorized, however, to reserve such sum of money as it may deem advisable for payment of any liability constituting a charge against the

assets of the Account or against the Custodian, with any balance remaining after the payment of all such items to be paid over to such successor.

If, within 30 days after the Custodian's resignation or removal a qualified successor has not been appointed, the Custodian shall distribute the assets in a lump sum to the Owner, or the Beneficiary of a deceased Owner.

Section 11 — Miscellaneous

(a) Spendthrift Clause. Neither the assets nor the benefits provided for hereunder shall be subject to alienation, anticipation, assignment, garnishment, attachment, execution or levy of any kind, and any attempt to cause such benefits to be so subjected shall not be recognized. The Owner shall have no right to assign, transfer or pledge any interest in the Account, and the Owner's interest in the Account shall not be subject to any claims of creditors.

(b) Transfer Incident to Divorce or Legal Separation. Notwithstanding anything to the contrary in the Agreement, including Section 11(a) above, the Owner may direct the Custodian to transfer all or a portion of the Account into a Traditional IRA or Roth IRA, as applicable, of the Owner's spouse or former spouse incident to divorce or legal separation as provided in Code §408(d)(6) and incorporated by reference by Code §408A(a).

(c) Creditor Redemption. Notwithstanding anything to the contrary in this Agreement, including Section 11(a), to the extent permitted by applicable federal law, the Custodian, upon receipt of an Internal Revenue Service levy against the Owner or Account ("Levy"), may redeem shares, with or without notice to the Owner or Beneficiary, of the Fund or Funds in the Account and forward the proceeds to satisfy such a Levy. The Custodian may redeem the shares on a pro rata basis in the Fund or Funds. Except as otherwise provided by applicable law, the Custodian shall not be liable for any action taken in good faith and in exercise of due care. In the event of any action undertaken by the Custodian resulting from any order described herein, all court costs, legal expenses, reasonable compensation for the time expended by the Custodian and any other expenses and costs, including reasonable attorneys' fees, shall be collected by the Custodian from the Account(s) in accordance with Section 6 of this Agreement.

(d) Alternative Distribution to Minors. In the event a distribution is payable to a minor, the Custodian may transfer the proceeds to a custodian selected by the Custodian under the applicable state's Uniform Gifts (Transfers) to Minors Act.

(e) Use of Electronic or Telephonic Media. With the consent of the Custodian, the Owner, or the Beneficiary of a deceased Owner, may use electronic or telephonic media to satisfy the requirements for written consent or direction, to the extent permissible under regulations or other generally applicable guidance.

(f) Issuance of a Check. Upon issuance of a check from the Account, no additional earnings will accrue to the Account with respect to the uncashed check. Earnings on uncashed checks may accrue to the Custodian at a money market rate of return. Such earnings will accrue from the date upon which a check is mailed, one business day after the redemption or sale is processed, until the date upon which the check is presented for payment.

(g) Governing Law/Resort to Judicial Determination. This Agreement shall be governed by, construed in accordance with and administered under the laws of the State of California. Each party agrees that all actions or proceedings instituted by the Custodian, Owner, Beneficiary or any interested party arising under or growing out of this Agreement shall be brought in the state or federal courts of California. In the event of reasonable doubt respecting the proper course of action to be taken with respect to the Account, the Custodian may, in its sole and absolute discretion, resolve such doubt by judicial determination, which shall be binding on all parties who may claim any interest in the Account. A judicial determination may include, but not be limited to, the Custodian petitioning the appropriate court to remain as Custodian over the Account in order to preserve the Account's federal tax-deferred status pending the court's resolution of the Account. In the event of any such judicial determination, all court costs, legal expenses, reasonable compensation for the time expended by the Custodian and any other expenses and costs, including reasonable attorneys' fees, shall be collected by the Custodian from the Account(s) in accordance with Section 6 of this Agreement.

(h) Additional Information/Documentation. The Custodian may, in the Custodian's sole and absolute discretion, require that the Owner, Beneficiary or any other person or entity provide the Custodian with additional information or documentation as the Custodian deems appropriate in order to satisfy the Custodian's duties under the Agreement.

(i) Binding on Successors. This Agreement shall bind and enure to the benefit of the representatives, successors and assigns of the Owner and the Custodian.

Disclosure Statement

The following is a brief summary of some of the financial and tax consequences of establishing a Traditional IRA or Roth IRA.

The American Funds Traditional Individual Retirement Account ("Traditional IRA")/Roth Individual Retirement Account ("Roth IRA") Disclosure Statement

If you did not receive this Disclosure Statement at least seven days before establishing your Traditional IRA or Roth IRA, you may revoke your IRA. Your Traditional IRA or Roth IRA is established and accepted on the date you execute the American

Funds Traditional or Roth IRA Application. To revoke your Traditional IRA or Roth IRA, you must provide written notice of revocation within seven days after your Account is established. Written notice of revocation may be mailed to Capital Bank and Trust

Company, P.O. Box 6007, Indianapolis, IN 46206-6007. The revocation will be considered given as of the postmark date. Upon revocation, the entire amount of your contribution will be returned to you without adjustment for administrative expenses or fluctuations in market value.

I. Contributions to the Account

1. Limitation on Amount of Contributions

(a) Traditional IRAs. Contributions to the Traditional IRA may be either "rollover" contributions or regular cash contributions. Rollover contributions, which may be of any amount, are contributions of eligible distributions from a §401(a) qualified retirement plan, §403(b) plan, §457(b) government plan, SIMPLE IRA after two years, or distributions from another Traditional IRA. Rollover amounts can include after-tax contributions made to the plans. To qualify for rollover treatment, you must make an appropriate election to treat the contribution as a rollover contribution. Money or property distributed to you must be rolled over within 60 days of your receipt. Eligible distributions from a §401(a) qualified retirement plan, §403(b) plan or §457(b) government plan may be directly rolled over to the Traditional IRA. Amounts, other than after-tax amounts, that had originally been rolled over into your Traditional IRA from an employer's retirement plan can again be rolled over into another employer's retirement plan that will accept such a rollover.

Contributions that are not rollovers must be made in cash and cannot exceed the maximum amount allowed under the Internal Revenue Code. All or a portion of your contributions to a Traditional IRA may be tax deductible. This amount varies depending on your modified adjusted gross income ("MAGI") for the year. You may contribute to a Traditional IRA even if the deduction for the contribution is reduced or eliminated as discussed in Section 2 of this Disclosure Statement if you designate the contribution as a nondeductible contribution on your income tax return. If contributions are being made to your Traditional IRA under your employer's SEP, the maximum annual contribution limit to your Traditional IRA is the lesser of \$49,000 for 2010 and 2011 or 25% of your compensation, in addition to any personal IRA contributions (Traditional and/or Roth).

Personal contributions to a Traditional IRA are not allowed for the taxable year in which you reach age 70½ or for any year thereafter.

(b) Roth IRAs. Contributions to the Roth IRA may be "conversion," "rollover," or regular cash contributions. Conversion contributions, which may be of any amount, are contributions of distributions from a Traditional IRA, a SEP or a SIMPLE IRA. Beginning in 2008, conversion contributions include distributions from a §401(a) qualified retirement plan, §403(b) plan, or §457(b) government plan. A MAGI limit does not apply to conversions. Prior to 2010, to make a conversion contribution, your MAGI could not exceed \$100,000 in the year of conversion, and if you were married, you had to file a joint return with your spouse. Rollover contributions, which may be of any amount, are contributions of distributions from another Roth IRA or a Roth account from a 401(k) or 403(b) plan. The MAGI limits specified under Section 3 below do

not apply to a Roth IRA established solely to receive Roth assets rolled over from a 401(k) or 403(b) plan. For both conversion contributions and rollover contributions, money or property distributed to you must be rolled over within 60 days of receipt.

Contributions, which are not conversions or rollovers, must be made in cash and cannot exceed the maximum amount allowed under the Internal Revenue Code. This amount varies depending on your MAGI for the year.

(c) All IRAs. Contributions, other than rollover or conversion contributions, to all of your Traditional and/or Roth IRAs together cannot exceed \$5,000 or 100% of your compensation in 2010 and 2011 if you are younger than 50. If you are 50 or older before the close of the taxable year to which the contribution applies, the maximum amount is \$6,000 for 2010 and 2011. Rollovers between like-kind IRAs (e.g., Roth IRA to Roth IRA or Traditional IRA to Traditional IRA) may occur no more than once in a 12-month period.

If you were a participant in a 401(k) plan of a bankrupt employer, the annual IRA contribution limit is increased by \$3,000 for the 2007 through 2009 taxable years. However, if you make contributions provided under this paragraph, you may not also make the additional contribution for an individual who is 50 or older.

(d) Reconstitution of a Qualified Hurricane Distribution. If you received a qualified hurricane distribution from an eligible retirement plan, you may repay (in one or more contributions) the amount of the distribution to your IRA except for the following distributions: (a) payments received as a beneficiary (other than a spouse); (b) periodic payments for a period of 10 years or more, for your life or life expectancy, or for the joint lives or life expectancies of you and your beneficiary (other than from an IRA); and (c) required minimum distributions. You have three years from the date you received your distribution to make your repayment. Your repayment is treated as a rollover.

(e) Inherited IRAs. An inherited IRA is an IRA that has been established to receive the distribution on behalf of a beneficiary who is not the Account Owner's or plan participant's surviving spouse. Additional contributions or rollovers are not permitted to be made into an inherited IRA.

2. Deductibility of Contributions to Traditional IRAs

Cash contributions are deductible from gross income (except as explained in the following paragraph), whether or not you itemize your deductions, and must be claimed on Form 1040 or Form 1040A. The maximum amount deductible under a Traditional IRA is the lesser of \$5,000 (\$6,000 if 50 or older) or 100% of compensation. This amount is increased to \$10,000 (\$12,000 if both you and your spouse are 50 or older) or 100% of compensation if contributions are made to your Traditional IRA and the Traditional IRA of your spouse, but you must file a joint return. The maximum amount deductible is reduced by amounts contributed to a Roth IRA other than conversion contributions.

For taxable years 2010 and 2011, if you are an active participant in a qualified retirement plan, a §403(a) or §403(b) plan, a SEP, a SIMPLE IRA or certain government plans, your contribution

is not fully deductible if you are single with MAGI exceeding \$56,000 for 2010 and 2011 or married filing jointly with MAGI exceeding \$89,000 for 2010 and \$90,000 for 2011. If you have income above these levels, the deductible amount is reduced at the rate of \$500 for each \$1,000 of income if single (\$2,000 of income if married), so that no deduction is allowed if you are single with MAGI exceeding \$66,000 for 2010 and 2011 or married filing jointly with MAGI exceeding \$109,000 for 2010 and \$110,000 for 2011. If this calculation results in a deductible amount of more than zero but less than \$200, you will still be permitted to deduct \$200.

A married individual who is not participating in an employer-sponsored retirement plan, but whose spouse is participating in one, will be able to make deductible IRA contributions. The deductibility of such contributions will be phased out for couples with MAGI between \$167,000 to \$177,000 for 2010 and \$169,000 to \$179,000 for 2011.

Rollover contributions, if properly made, are not included in your gross income and, therefore, are not deductible.

3. Eligibility to Make Roth Contributions

The maximum amount that can be contributed to a Roth IRA for 2010 and 2011 is the lesser of \$5,000 (\$6,000 if 50 or older) or 100% of compensation. This amount is increased to \$10,000 (\$12,000 if both are 50 or older) or 100% of compensation if contributions are made to your Roth IRA and the Roth IRA of your spouse, but you must file a joint return. The maximum amount is reduced by amounts contributed to a Traditional IRA other than rollover contributions.

If you are single with MAGI that does not exceed \$105,000 for 2010 and \$107,000 for 2011, or married filing jointly with MAGI that does not exceed \$167,000 for 2010 and \$169,000 for 2011, you are eligible to make a full \$5,000 contribution to a Roth IRA for 2011. If you have income above these levels, the amount you may contribute to a Roth IRA is reduced on a pro rata basis, so that no contribution is allowed if you are single with MAGI exceeding \$120,000 for 2010 and \$122,000 for 2011 or married filing jointly with MAGI exceeding \$177,000 for 2010 and \$179,000 for 2011. If you are married, filing separately, the phase-out range is from \$0 to \$10,000 of MAGI. If this calculation results in a contribution amount of more than zero but less than \$200, you will still be permitted to contribute \$200.

4. Excess Contributions

(a) Traditional IRAs. For 2010 and 2011, an excess contribution is generally the amount contributed to your Traditional or Roth IRAs that is more than (a) your taxable compensation for the year or (b) \$5,000 (\$6,000 if you are 50 or older), whichever is smaller. Contributions for the year you reach age 70½ and any year after that are also excess contributions. Such excess contributions will be subject to an annual 6% excise tax. However, this tax can be avoided if you withdraw your excess contributions plus any earnings on the excess on or before the due date, including extensions, for your federal tax return for the year in which the excess contribution is made. The earnings that are withdrawn must

be included in your income for the year the excess contributions were made and may also be subject to a 10% premature distribution penalty if you are under age 59½.

(b) Roth IRAs — Contributions. If your contributions for any taxable year are greater than the maximum amount permitted based on your MAGI, the excess amount will be subject to an annual 6% excise tax. However, this tax can be avoided if you either withdraw or transfer to a Traditional IRA the amount of the excess contribution plus any earnings on the excess on or before the due date, including extensions, for your federal tax return for the year in which the excess contribution was made. The earnings that are withdrawn must be included in your income for the year the excess contributions were made and may also be subject to a 10% premature distribution penalty if you are under 59½.

(c) Roth IRAs — Conversions. If your compensation exceeds \$100,000 in the year you make a conversion contribution to your Roth IRA, to the extent the conversion exceeds the maximum amount of contribution permitted based on your MAGI, the excess amount will be subject to an annual 6% excise tax. However, this tax can be avoided if you transfer the excess amount plus any earnings on the excess into a Traditional IRA on or before the due date, including extensions, for your federal tax return for the year in which the excess conversion contribution occurs. Beginning in 2010, the MAGI limit does not apply to conversions.

5. Recharacterization of Contributions

Prior to your tax-filing deadline, including extensions, you may instruct the Custodian to recharacterize a contribution made to a Traditional IRA as a contribution made to a Roth IRA, and a contribution made to a Roth IRA as a contribution made to a Traditional IRA. You may also instruct the Custodian to recharacterize a conversion contribution prior to your tax-filing deadline, including extensions. A subsequent reconversion following recharacterization may not occur earlier than (a) the first day of the calendar year following the calendar year of recharacterization, or (b) the end of the 30-day period beginning on the date of recharacterization, whichever is later.

6. Investment of Contributions

Under the terms of the Custodial Agreement, your contributions will be invested by the Custodian, Capital Bank and Trust Company, or any successor, in accordance with your written instructions or the written instructions of your employer on your behalf if you are a participant in a payroll deduction plan with:

(a) no investment instructions and contribution more than \$5,000:

If no fund is designated and the amount of the contribution, regular or rollover, is over \$5,000, such contribution will be held uninvested (without liability to the Custodian for loss of income or appreciation pending receipt of proper instructions) until investment instructions are received, but for no more than three (3) business days. If investment instructions are not received, the contribution will be invested in the American Funds Money Market Fund on the third business day after receipt of the contribution.

(b) no investment instructions and contribution \$5,000 or less:

If no fund is designated and the amount of the contribution, regular or rollover, is \$5,000 or less, the amount of the contribution will be invested in the same proportion and in the same Fund or Funds in which the last contribution, regular or rollover, was invested provided such contribution was made within the last sixteen (16) months. If no contribution was made within the last sixteen (16) months, the contribution received without investment instructions will be held uninvested (without liability to the Custodian for loss of income or appreciation pending receipt of proper instructions) until investment instructions are received, but for no more than three (3) business days. If investment instructions are not received, the contribution will be invested in the American Funds Money Market Fund on the third business day after receipt of the contribution.

If your contribution is from a SEP or SARSEP and you fail to provide investment instructions, your SEP or SARSEP contribution will be invested based on the investment instructions provided by your employer. If you designate one or more of the American Funds but there is no share class indicated, the default will be A shares. No part of your Traditional or Roth IRA will be invested in life insurance contracts.

Any dividends or refund of premiums received from any annuity contract held in your Traditional IRA will be applied in the next year toward the payment of future annuity premiums or to purchase additional benefits.

The Custodial Agreement provides that your entire interest in the assets held in your Traditional and/or Roth IRA is nonforfeitable at all times and that such assets will not be commingled with other property.

II. Distributions From the Account

1. Taxation of Distributions

(a) Traditional IRAs. Distributions from your Traditional IRA are taxed as ordinary income except for the portion that equals all nondeductible contributions divided by the total withdrawals during the year plus the balance in all your Traditional IRAs at the end of the year plus any outstanding rollovers (amounts distributed from a Traditional IRA within 60 days of the end of the year, which are rolled over in the following year during the 60-day rollover period). Premature distributions may be subject to a 10% penalty.

(b) Roth IRAs. Distributions from your Roth IRA that are “qualified distributions” are not taxable. Qualified distributions are distributions made from your Roth IRA more than five years after you establish your first Roth IRA if made after you reach age 59½ or your death or disability, or if used for certain expenses to purchase a first-time home.

Distributions that are not qualified distributions will be excludable from your income to the extent the amount of the distribution does not exceed the aggregate amount you contributed to your Roth IRA. Conversion amounts that you included in income may be subject to a 10% premature distribution penalty if removed from your Roth IRA within five years after making the conversion

contribution to your Roth IRA. Any distributions treated as taxable income to you may be subject to a 10% premature distribution penalty.

2. Penalty Tax on Premature Distributions

Any distribution (or in the case of a Roth conversion contribution, any distribution within five years of a conversion, to the extent such amount was included or includable in income) made before you reach age 59½ will be subject to a penalty of 10% of the taxable amount of the distribution, except for distributions made

(a) in the case of death or disability

(b) for the return of nondeductible or excess contributions from your Traditional IRA

(c) for the return of excess contributions from your Roth IRA

(d) as payments for certain catastrophic medical expenses

(e) as payments made after an extended period of unemployment to cover health insurance premiums

(f) as payments for certain expenses incurred to purchase a first-time home up to a lifetime maximum of \$10,000

(g) as payments for post-secondary education costs of your immediate family members and grandchildren or

(h) as payments made in substantially equal installments which may be based on, but not limited to, the following methods: life expectancy, amortization (using a rate between 80% and 120% of the long-term applicable federal rate) or annuitization (using an acceptable mortality table including, but not limited to, UP’84, ’83 IAM, or Annuity 2000)

(i) as payment in satisfaction of a levy under Code §6331 after December 31, 1999

(j) as payments taken due to certain catastrophic events in federally declared disaster areas.

3. Required Distributions From Traditional IRAs

To begin receiving required distributions from your IRA, you must notify the Custodian in writing. Generally, a minimum distribution must be taken on account of each of your IRAs once you reach 70½. You must take your first distribution beginning April 1 (your “Required Beginning Date”) of the calendar year following the year in which you reach age 70½. Your distributions can be taken over a period calculated on your life expectancy and that of a beneficiary assumed to be 10 years younger than you (the factors can be found in the IRS Uniform Lifetime table). If your sole Beneficiary is your spouse who is more than 10 years younger than you, you may use your spouse’s actual age (the factors can be found in the IRS Joint Life and Last Survivor Expectancy table) to determine the payout period. If you have more than one IRA, other than a Roth IRA, a minimum must be separately determined for each, but the total distribution can be taken from any one or more IRAs.

4. Charitable Contributions From Traditional IRAs

If you are 70½ or older, you may satisfy all or a portion of your minimum distribution requirement by making tax-free distributions of up to \$100,000 per year directly from your Traditional

IRA to certain charitable organizations in 2008 and 2009.

5. Penalty Tax for Insufficient Distributions From Traditional IRAs

If you take less than the required minimum distribution after you reach your Required Beginning Date, a 50% penalty tax on the difference between the amount required to be distributed and the amount actually distributed in that year will be assessed. The Internal Revenue Service can waive the 50% penalty tax if the insufficient distribution was due to reasonable error and steps are taken to correct the underdistribution.

6. Required Distributions From Roth IRAs

No distributions are required to be made from your Roth IRA prior to your death.

7. Distributions Upon Your Death

Your Beneficiaries may request distribution under the appropriate method or methods described below by filing a written claim with the Custodian.

(a) Traditional IRAs. If you die after the Required Beginning Date, but before your entire interest is distributed, the remaining portion of your Account may be distributed on the life expectancy of your Beneficiary.

(b) All IRAs. If you die before the Required Beginning Date of your Traditional IRA, or at any time if your IRA is a Roth IRA, the balance in your Account must be paid out as follows:

- (i) benefits may be paid out over the life expectancy of a nonspouse Designated Beneficiary, provided such benefits begin no later than December 31 of the year following the year of death or
- (ii) benefits may be distributed to your surviving spouse over the life expectancy of the spouse, provided that the distributions start no later than December 31 of the year in which you would have reached age 70½ and your surviving spouse is the sole Beneficiary of the Account
- (iii) your spouse, as sole Beneficiary, may treat either the Traditional IRA or Roth IRA as his or her own by making a contribution or by notifying the Custodian or
- (iv) the entire balance must be distributed by December 31 of the year containing the fifth anniversary of your death.

8. Issuance of a Check

Upon issuance of a check from the Account, no additional earnings will accrue to the Account with respect to the uncashed check. Earnings on uncashed checks may accrue to the Custodian at a money market rate of return. Such earnings will accrue from the date upon which a check is mailed, one business day after the redemption or sale is processed, until the date upon which the check is presented for payment.

9. Estate and Gift Taxes

Upon your death, the value of your Traditional and/or Roth IRA is subject to federal estate taxes under §2039(a) of the Internal Revenue Code unless the Account is left to a surviving spouse in a form that qualifies for the marital deduction.

For gift-tax purposes, beneficiary designations will not be treated as gifts if they are revocable. In addition, contributions to a Traditional and/or Roth IRA for a nonemployed spouse will qualify for the annual exclusion as a present-interest gift.

III. Tax Status of Custodial Account

1. Tax-Exempt Status

Generally, any contributions and earnings thereon held in your Traditional IRA are exempt from federal income tax and will only be taxed when distributed to you, unless the tax-exempt status of the Traditional IRA is revoked. Generally, any earnings in your Roth IRA are exempt from federal income tax and will only be taxed when distributed to you in a nonqualified distribution, unless the tax-exempt status of the Roth IRA is revoked. The Custodian of your Traditional and/or Roth IRA has received a letter from the IRS approving the form of the Traditional and/or Roth IRA. Such approval is a determination as to the IRA terms only and is not a determination of the merits of the Traditional and/or Roth IRA as an investment.

2. Loss of Exemption

The tax-exempt status of the Traditional and/or Roth IRA will be revoked as of the beginning of the year in which you engage in any of the prohibited transactions listed in §4975(c) of the Internal Revenue Code, such as borrowing money from your IRA, selling property to your IRA or exchanging property with your IRA. Generally, the fair market value of your Traditional IRA (excluding any nondeductible contributions) will be includable in your taxable income in the year in which such prohibited transaction takes place and may also be subject to a 10% premature distribution penalty. In the case of a Roth IRA, to the extent the fair market value of your Roth IRA exceeds aggregate

contributions made to your Roth IRA, such value will be includable in your taxable income in the year in which such prohibited transaction takes place and may also be subject to a 10% premature distribution penalty.

In addition, the Traditional and/or Roth IRA will lose its tax-exempt status if you use all or part of your interest in the IRA as security for a loan. Any portion of the IRA used as security for a loan will be treated as a distribution in the year in which such use occurs. If you are under age 59½, the amount of the loan may also be subject to a 10% tax penalty as a premature distribution.

IV. Additional Tax Information

For years in which excess contributions have been made to your Traditional and/or Roth IRA, or you received from your Account premature distributions or underdistributions from your Traditional IRA after reaching age 70½, you are required to file with the IRS Form 5329, *Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts*, along with your individual tax return for that year.

For years in which nondeductible contributions were made to your Traditional IRA, Form 8606, *Nondeductible IRAs*, must be filed with your tax return. Form 8606 will also be used to keep track of your Roth IRA contributions and/or conversions.

Further information about your Traditional and/or Roth IRA can be obtained from any district office of the IRS, from IRS Publication 590, or from the IRS website at www.irs.gov.

V. Financial Information

To calculate earnings on the Account, reinvested dividends and capital gain distributions are purchased at net asset value ("NAV") on the reinvestment date. The number of shares in the Account at the end of the period is multiplied by the NAV per share at the end of the period to determine the ending value. The difference between the ending value and the initial investment equals the earnings for the period.

If \$1,000 is invested in any fund other than the American Funds Money Market Fund ("MMF") and a reduced sales charge is not available, the highest sales charge would be \$57.50, or 5.75% of the contribution. See the prospectus of each fund for further details. If \$1,000 is invested in MMF, no sales charge would be imposed. In addition, there is a fee for establishing the Account as well as an annual Custodial fee. The future growth results of your investment in mutual fund shares cannot be guaranteed or projected.

This application may be used with the public only when preceded or accompanied by the current prospectus(es) for the fund(s) being offered.

Visit our website at americanfunds.com.

The Capital Group Companies

American Funds Capital Research and Management Capital International Capital Guardian Capital Bank and Trust

Contact your financial adviser to obtain a current prospectus for each fund you select. To learn more about the funds, please visit our website at americanfunds.com. You may purchase, sell (redeem) or exchange shares 24 hours a day by calling American FundsLine® at 800/325-3590 or by visiting our website.

Requests received after 4 p.m. Eastern time will be transacted at the next business day's closing price. Your bank account should be debited or credited within three business days after the transaction date.

Note: For automatic purchase plans, the fund minimums must be met within the first five months.

- Fund minimums:**
- **\$1,000 each for money market and state-specific tax-exempt bond funds**
 - **\$250 each for all other funds**
 - **or \$25 each for payroll deduction plans**

Fund names	Fund numbers		
	Class A	Class B ¹	Class C ²
Growth funds			
AMCAP Fund®	02	202	302
EuroPacific Growth Fund®	16	216	316
The Growth Fund of America®	05	205	305
The New Economy Fund®	14	214	314
New Perspective Fund®	07	207	307
New World Fund®	36	236	336
SMALLCAP World Fund®	35	235	335
Growth-and-income funds			
American Mutual Fund®	03	203	303
Capital World Growth and Income Fund SM	33	233	333
Fundamental Investors SM	10	210	310
International Growth and Income Fund SM	34	234	334
The Investment Company of America®	04	204	304
Washington Mutual Investors Fund SM	01	201	301
Equity-income funds			
Capital Income Builder®	12	212	312
The Income Fund of America®	06	206	306
Balanced fund			
American Balanced Fund®	11	211	311
Bond funds			
American Funds Mortgage Fund SM	42	242	342
American High-Income Trust SM	21	221	321
The Bond Fund of America SM	08	208	308
Capital World Bond Fund®	31	231	331
Intermediate Bond Fund of America®	23	223	323 ³
Short-Term Bond Fund of America SM	48	248	348 ³
U.S. Government Securities Fund SM	22	222	322

Fund names	Fund numbers		
	Class A	Class B ¹	Class C ²
Tax-exempt bond funds⁵			
American Funds Short-Term Tax-Exempt Bond Fund SM	39	N/A	N/A
American Funds Tax-Exempt Fund of New York SM	41	241	341
American High-Income Municipal Bond Fund®	40	240	340
Limited Term Tax-Exempt Bond Fund of America SM	43	243	343 ³
The Tax-Exempt Bond Fund of America®	19	219	319
The Tax-Exempt Fund of California®	20	220	320
The Tax-Exempt Fund of Maryland®	24	224	324
The Tax-Exempt Fund of Virginia®	25	225	325
Money market fund			
American Funds Money Market Fund®	59 ⁴	259	359 ³
Target date funds			
Note: The American Funds target date funds are only available for tax-deferred retirement accounts.			
American Funds Target Date Retirement Series®			
American Funds 2010 Target Date	61	N/A	N/A
American Funds 2015 Target Date	62	N/A	N/A
American Funds 2020 Target Date	63	N/A	N/A
American Funds 2025 Target Date	64	N/A	N/A
American Funds 2030 Target Date	65	N/A	N/A
American Funds 2035 Target Date	66	N/A	N/A
American Funds 2040 Target Date	67	N/A	N/A
American Funds 2045 Target Date	68	N/A	N/A
American Funds 2050 Target Date	69	N/A	N/A
American Funds 2055 Target Date	82	N/A	N/A

¹Class B share funds are available only for exchanges from other Class B share funds. See the prospectus for details.

²For 457(b) plans and certain 403(b) plans, Class C shares are not available. See the prospectus for details.

³The noted Class C share funds are available only for exchanges from other Class C share funds. See the prospectus for details.

⁴For the money market fund, Class A shares may be exchanged into any other fund's Class C shares, except for the Intermediate Bond Fund of America, the Short-Term Bond Fund of America and the Limited Term Tax-Exempt Bond Fund of America. See the prospectus for details.

⁵Tax-exempt funds are only available for non-retirement accounts. See the prospectus for details.