

ERISA 408(b)(2) Retirement Plan Service Provider Disclosure Information

This information is being provided to you as the Plan Sponsor or other responsible fiduciary of a retirement plan ("Plan") subject to the Employee Retirement Income Security Act of 1974 ("ERISA") that maintains a retirement plan account using Navy Federal Brokerage Services, LLC ("NFBS") as the broker-dealer. NFBS and your NFBS registered representative ("Representative") or Investment Advisory Representative ("IAR") provide investment services to the Plan as described below. This information will assist you in assessing the reasonableness of the compensation paid for the services provided by NFBS and the Representative or IAR, and the conflicts of interest that may affect the performance of such services. This document is intended to be used in conjunction with other documents that describe pricing and fees specific to your plan such as prospectus or plan documents. Please contact your NFBS Representative or IAR if you have any questions.

The NFBS financial associate on this plan is acting in the following capacity:

- Commission-based Registered Representative
- Fee-based Investment Advisory Representative (IAR)

The plan being established may invest in the following investment choices (check all that may apply):

- Stocks, Bonds, ETFs Mutual Funds Variable Annuity Fixed Annuity
- Life Insurance Other

You sponsor and maintain a retirement plan ("Plan"), which may or may not be qualified under section 401(a) of the Internal Revenue Code of 1986 ("Code"), and/or subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). The term "you" as used in this Agreement refers to the Plan Sponsor, Trustee or other authorized officer of the Plan that is identified on and that signs on behalf of the Plan, and not to plan participants. In consideration of NFBS agreeing to act as broker to the Plan, you hereby understand, acknowledge and agree as follows:

THE ROLE OF NFBS AND YOUR REPRESENTATIVE/IAR

1. INVESTMENT SERVICES

NFBS acts as the broker or Registered Investment Advisor (RIA) to the Plan account established at the Product Sponsor or Platform Provider ("Service Provider") identified in the Account Application. NFBS provides investment services as described in this Agreement. NFBS is a broker/dealer and registered with the Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). NFBS is an SEC Registered Investment Advisor (RIA). NFBS is not the custodian of the Plan's account. The Plan is opening an account directly with the Service Provider. The custodian selected by the Plan Sponsor is responsible for issuing periodic statements for the Plan's account.

The investment services of NFBS and Representative/IAR do not include (i) the exercise of any discretion or control by NFBS or the Representative/IAR over the operations or assets of the Plan, including but not limited to any discretionary trading authorization over investments; or (ii) any authority or responsibility by NFBS or the Representative/IAR in the administration of the Plan or interpretation of the Plan documents, the determination of participant eligibility, benefits, or vesting, or the approval of distributions to be made by the Plan. All decisions regarding the assets of the Plan, the interpretation of its provisions, compliance with applicable laws and operation of the Plan are the sole responsibility of you and the Plan. All investment decisions with respect to the Plan will be based on your independent judgment, and any information, research and/or recommendations provided by NFBS or your Representative/IAR are not the primary basis for the Plan's investment decisions.

NFBS and your Representative/IAR do not provide legal, tax, recordkeeping or accounting advice, and NFBS's employees and Representatives are not authorized to give any such advice.

2. INFORMATION RELATED TO COMPENSATION

- (a) Investment-Related Information in Prospectus or Advisory Services Agreement: the following information for each investment alternative may be found in the current prospectus or other disclosure materials of the designated investment alternative, copies of which have been provided to you: i) a description of any compensation that will be charged directly against the amount invested in connection with the management, acquisition, sale, transfer of, or withdrawal from the investment contract, product, or entity (such as, sales loads, sales charges, deferred sales charges, redemption fees, surrender charges, exchange fees, account fees, and purchase fees); (ii) a description of the annual operating expenses (the annual expense ratio) if the return is not fixed; and (iii) description of any ongoing expenses in addition to annual operating expenses (such as, wrap fees, mortality and expense fees). NFBS makes no representations as to the completeness or accuracy of such disclosure materials. You should refer to the prospectus or other disclosure materials for the particular designated investment alternative.
- (b) NFBS may pay other compensation to your Representative/IAR, such as bonuses, awards or other items of value offered. In particular, NFBS may pay its representatives/IARs bonuses in different ways, for example, by: payments based on new assets, reimbursement of fees that registered representatives pay to NFBS for items such as administrative services, and other items of value such as free or reduced-cost marketing materials, or attendance at NFBS conferences and events.
- (c) Termination of Services - If the brokerage services under this Agreement are terminated, NFBS may continue to receive trail payments and sponsorship program compensation as described above from the investment provider or issuer until the Plan arranges a change to the broker-dealer shown on the Plan's account.
- (d) Conflicts of Interest - You should understand that NFBS and your Representative/IAR may receive more or less compensation depending on the investments selected by the Plan. Therefore, NFBS and your Representative/IAR may have a financial incentive to recommend a certain product over another product.
- (e) NFBS receives compensation from the distributors of mutual funds and variable annuities that are available to NFBS customers. These payments are made in connection with programs that support NFBS's marketing and sales force education and training efforts, such as our annual conference and offset a portion of NFBS's costs of such training and conferences. The payments made under the Sponsorship Programs are calculated based upon gross sales, or the assets of NFBS customers that are invested at the participating investment provider, excluding assets in fee-based advisory programs at NFBS. NFBS may receive compensation of up to 0.10% on an annual basis of customer assets invested in a mutual fund family or variable annuity issuer. For example, if the Plan held an investment worth \$10,000 dollars in a product of a participating investment provider for one year, NFBS could receive a payment of up to \$10 from that provider. In lieu of these payments, NFBS may receive up to 0.25% on an annual basis on sales of such products.
- (f) Sponsorship Program Arrangements - In addition to the compensation described in (a) and (e)

above, NFBS receives under NFBS's sponsorship programs compensation from some mutual fund distributors, and variable annuity, fixed annuity and life insurance issuers. NFBS enters into agreements with some of the product providers related to the sponsorship programs. The product providers that participate in these sponsorship programs are listed on our website at <https://www.navyfederal.org/financial-group/disclosures.php>. Your Representative/IAR does not receive any part of these sponsorship program payments.

This Qualified Retirement Plan is:

- 1) A Qualified Plan Account with Clearing Firm-Pershing (commission based account)
- 2) A Qualified Plan invested through a Direct Business Product Sponsor (commission based)
- 3) A Qualified Plan using Fee-Based Advisory Account

Please refer to the section below which is specific to your Qualified Retirement Plan type identified above.

1. Qualified Plan Account with Clearing Firm-Pershing (commission based account)

INVESTMENT ADVICE

NFBS is not acting as an investment advisor registered under the Investment Advisers Act of 1940 or under state investment advisor laws but acknowledges its role as a Fiduciary to the investor with regard to rendering investment advice as defined by the Department of Labor Conflict of Interest Rule.

COMPENSATION

Below is information about the compensation NFBS and your Representative may receive with respect to the investment services to the Plan and certain conflicts of interest that may be raised in connection with this compensation. The compensation NFBS and your Representative receives may vary depending on the security or investment product selected by the Plan.

Fees to Subcontractors

NFBS has entered into an agreement with Pershing, LLC to provide certain clearing services. Pershing earns compensation from NFBS in connection with Pershing's provision of clearing services to our firm. Pershing earns additional compensation from certain third parties in connection with providing clearing services to our firm. Certain fees may be considered "indirect compensation" for purposes of the section 408(b)(2) regulation. Your representative does not share in these fees. Miscellaneous fees and charges may apply to accounts held with Pershing. For a list of Pershing account fees please contact your investment representative.

Mutual Fund Fees: Pershing has entered into agreements with certain mutual fund companies that pay Pershing for performing certain services for the mutual fund. Pursuant to these agreements, Pershing receives fees for operational services from mutual funds in the form of networking or omnibus processing fees. The reimbursements are remitted to Pershing for its work on behalf of the funds. This work may include, but is not limited to, sub accounting services, dividend calculation and posting, accounting, reconciliation, client confirmation and statement preparation and mailing and tax statement preparation and mailing. These reimbursements are based either on (a) a flat fee ranging from \$0 to \$20 per holding or (b) a percentage of assets that can range from 0 to 15 basis points for domestic funds and 0 to 30 basis points for offshore funds. Mutual funds that are available in Pershing's FundVest no- transaction fee mutual fund program may pay Pershing servicing fees in exchange for being offered in Pershing's FundVest Program. These payments are based on a percentage of assets and can range from 7 to 40 basis points. NFBS may share in these fees. For additional details about Pershing's mutual fund no- transaction- fee program, or a listing of funds that pay Pershing networking or omnibus fees, please refer to www.pershing.com/mutual_fund.htm. The mutual funds listed on this

website are listed in order from highest to lowest paying mutual funds based on gross payments made to Pershing.

Money Fund and FDIC Insured Bank Product Fees. Pershing has entered into agreements with money market fund companies and FDIC- insured bank deposit products service providers. Pershing receives fees from money fund companies and service providers for making available money market funds and FDIC- insured bank deposit programs. A portion of Pershing's fees is applied against costs associated with providing services on behalf of the fund companies and service providers, which may include maintaining cash sweep systems, sub- accounting services, dividend and interest calculation and posting, accounting, reconciliation, client statement preparation and mailing, tax statement preparation and mailing, marketing and distribution related support, and other services. These fees are paid in accordance with an asset- based formula that can range from 0 to 100 basis points annually. For a listing of money funds and FDIC- insured bank products that pay Pershing these fees, please refer to www.pershing.com/money_fund.htm.

- Cash Sweep - NFBS offers a service to sweep cash held within Pershing customer accounts into an interest-bearing FDIC Insured Dreyfus Insured Deposit Program ("DIDP"). Under its agreement with Pershing LLC, NFBS receives a fee from Pershing based on the average daily deposit balance in the DIDP. The compensation NFBS receives on DIDP may be higher than the compensation available to NFBS from an alternative sweep investment option. NFBS receives compensation from Pershing LLC in which the Plan has a DIDP, as shown in the Plan's monthly or quarterly account statement. This compensation is retained by NFBS and is not shared with your representative. For additional information on the DIDP, please see the DIDP disclosure booklet available from Pershing LLC or your representative.

For accounts not eligible for the DIDP, cash balances are automatically invested in a money market fund. Pershing LLC pays NFBS a fee for balances in certain sweep money market funds that generally have 12b- 1 fees higher than other money market funds. This compensation is retained by NFBS and is not shared with your representative. The 12b-1 fees and the payer of such fees are set out in the prospectus of the money market fund provided to the Plan in connection with the investment.

Annuity Fees - Pershing has entered into arrangements with insurance companies through which Pershing may receive servicing fees from certain insurance companies that participate in Pershing's annuity program. These one- time fees typically amount to between \$10 and \$17 per annuity contract. In addition, Pershing receives operational reimbursement fees from certain insurance companies for the services it provides, which may include, but are not limited to, posting, accounting reconciliation and client statement preparation and mailing. These fees typically amount to \$6 per year for annuity contracts. NFBS may share in these fees. This compensation is not shared with your representative. For a listing of the insurers that pay Pershing these fees, please refer to www.pershing.com/annuity_fees.htm.

Trail Payments - For certain services, we are paid by third parties rather than being paid directly by the Plan. For example, a mutual fund underwriter or other product sponsor may pay NFBS an ongoing amount that is based on the value of the Plan's investment in the product. These ongoing payments are often called distribution and/or service fees, 12b-1 fees or trails. They are paid for NFBS's distribution-related services and/or shareholder servicing, and are made pursuant to NFBS's agreement with the payer. For mutual funds, trail compensation is typically .25% per annum. For C class shares, the ongoing payment will not exceed the annual rate of 1.00%. Such trail compensation and the payer of such compensation are described in the prospectus or other offering document of the investment product provided to the Plan in connection with the investment and, for mutual funds, in the fund's Statement of Additional Information, which is available on the fund's website or upon request directly to the fund. This compensation may be shared with NFBS and your Representative.

Sponsorship Fees - Mutual fund companies, annuity companies, exchange- traded fund (ETF) providers,

money market providers and other providers offering investment, business and technology products and services offer marketing support in the form of sponsorship fee payments to Pershing (or third parties at Pershing's direction) in connection with educational conferences, events, seminars, and workshops that Pershing offers to its broker- dealer or investment professional customers. These payments are made through arrangements with investment providers and may be for the expenses of educational materials or other conference- related expenses. Generally, the smallest level of sponsorship is \$5,000, and the level of sponsorship can increase depending on the opportunity. For a listing of companies that pay sponsorship fees to Pershing for events, please refer to www.pershing.com/event.

Payments for Order Flow - Pershing may receive compensation in connection with routing orders to the marketplace for execution, subject to its obligations to seek best execution. Such compensation may be received from unaffiliated broker- dealers or from securities exchanges. In all cases, Pershing seeks best execution in routing orders. For a description of the compensation earned by Pershing in connection with routing orders, and Pershing's procedures in routing orders, please refer to Pershing's disclosure at www.orderroutingdisclosure.com/orderrouting/HOME.

Float - Pershing may obtain a financial benefit attributable to cash balances of ERISA plan accounts that are held by Pershing in connection with cash awaiting investment or cash pending distribution. For a more detailed description of this compensation, refer to www.pershing.com/business_continuity.html#float_disclosure.

2. Qualified Plan Investing Through a Direct Business Product Sponsor (commission based)

INVESTMENT ADVICE

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COMPENSATION

Below is information about the compensation NFBS and your Representative may receive with respect to the investment services to the Plan and certain conflicts of interest that may be raised in connection with this compensation. The compensation NFBS and your Representative receive may vary depending on the security or investment product selected by the Plan.

- (a) Commissions - NFBS may receive compensation in the form of commissions for transactions. This compensation, sometimes called a sales load or sales charge, is typically paid up front, charged directly against the Plan's investment and based on the amount of assets invested. For mutual funds, the maximum commission or sales charge is 8.5%. For annuities, the maximum commission paid is typically 7.75%. The applicable sales charge for each transaction is described in the prospectus or other offering document of the investment product provided to the Plan in connection with the investment.

You should keep in mind that a front-end commission may reduce the amount available to invest. For example, if the Plan writes a check to invest \$10,000 for the purchase of mutual fund shares, and the fund has a 5% front-end sales charge, the total amount of the sales charge will be \$500. The \$500 sales load is first deducted and paid to NFBS as the broker, and assuming no other front-end fees, the remaining \$9,500 is used to purchase fund shares for the Plan.

- (b) Trail Payments - For certain of our services, we are paid by third parties rather than or in addition to being paid directly against the Plan's investment. For example, a mutual fund underwriter, variable annuity issuer, or insurance contract issuer may pay NFBS an ongoing amount that is based on the value

of the Plan's investment in the product. These payments are often called distribution and/or service fees, 12b-1 fees or trails. For C class shares, the ongoing payment will not exceed an annual rate of 1%. These are paid for NFBS's distribution-related services and/or shareholder servicing, and are made pursuant to NFBS's agreement with the payer, and are fully described in the product sponsor offering materials and website. Such shareholder servicing that your Representative may provide, if requested by the Plan, include: (i) conducting participant enrollment meetings; (ii) providing general education to participants regarding the terms and operation of the Plan and the investment options under the Plan; and (iii) providing general education to the Plan sponsor or its investment committee regarding the investment options under the Plans. The trail compensation is payable under the agreement with the payer whether or not NFBS or your Representative provides any such particular services to the Plan or its participants.

In the case of mutual funds, NFBS and your Representative may be paid Rule 12b-1 fees, which are ongoing fees paid out of fund assets that are usually 0.25% of assets annually. For variable annuities, the maximum trailing commission paid is typically 1.5% on an annual basis. For some products, the trail compensation may be higher in the first year. For example, if the Plan purchases a group annuity contract, there may be a finders' fee during the first year (typically up to 1.00%), and an equalized trail (typically of up to 0.50% annually) after the 13th month. You should refer to the Account Application, as well as the prospectus or other offering documents for the security or contract, for more detailed information about the amount of commissions and trail or 12b-1 compensation that NFBS and your Representative receive with respect to the Plan. This compensation may be shared between NFBS and your Representative.

Under its agreements with some issuers of fixed annuities that are available to NFBS's customers, NFBS receives compensation that includes commissions and trailing commissions from such issuers. This compensation also may include payments for administrative services that NFBS provides and payments made in connection with NFBS's marketing and sales-force education and training efforts, including our annual national sales and education

conference and other conferences. The payments made by fixed annuity issuers include payments that are based on sales or that are based upon the value of the fixed annuities of such issuers held by NFBS customers, excluding customers in fee-based advisory programs at NFBS. NFBS may receive compensation on an annual basis of up to 0.05% of the assets held at the fixed annuity sponsor. For example, if the Plan held a \$10,000 fixed annuity for one year, NFBS could receive a payment of up to \$5 from the issuer of that fixed income security. These payments do not affect the Plan's premiums, and your Representative does not receive any portion of these payments.

Under its agreement with the various issuers of life insurance contracts (universal, variable universal, whole life, and term) that are available to brokerage customers, NFBS receives compensation that includes commissions and trailing commissions. This compensation also may include payments for administrative services that NFBS provides and payments made in connection with NFBS's marketing and sales-force education and training efforts, including our annual national sales and education conference and other conferences. NFBS may receive compensation in a range of 5% to 10% of first-year commissionable premiums for marketing, training, and supporting distribution of the issuer's life insurance products offered through NFBS as a broker-dealer, and 10% to 15% of first-year commissionable premiums to support the additional case-management services that NFBS provides for products offered through the NFBS general agency. NFBS may also receive additional compensation from issuers whose aggregate sales exceed premium thresholds specified in selling agreements with NFBS. These payments do not affect the Plan's premiums, and your Representative/IAR does not receive any portion of these payments.

3. Qualified Plan Using Fee-Based Advisory Account

INVESTMENT ADVICE

NFBS is not acting as an investment advisor registered under the Investment Advisers Act of 1940 or under state investment advisor laws but acknowledges its role as a Fiduciary to the investor with regard to rendering investment advice as defined by the Department of Labor Conflict of Interest Rule.

IAR and NFBS will provide advisory services and products to the Plan. Such advisory services and products will be governed by the Form ADV of NFBS and the applicable client services agreements, including forms ADV for other advisory firms that may be providing services to the plan. Advisory services may include assisting the designated Plan fiduciaries in developing an investment policy statement ("IPS"). Alternatively, if the Plan has an existing IPS then the IAR may assist in the Plan's review of the existing IPS and assist the Plan fiduciaries in their determination as to whether the Plan's investments are consistent with the goals set forth in its IPS and/or using information provided by the Plan, assist in the determination as to whether the IPS should be revised. While the IAR may make recommendations or suggestions in connection with the Plan's IPS, the Plan should review its IPS with legal counsel. The Plan's fiduciaries (as defined by ERISA) are responsible for the selection of investments for the Plan and shall be responsible for the determination of compliance with the requirements of ERISA 404(c). Refer to your Advisory Agreement and Plan Account Application for a list of services provided.

The investment services of NFBS and IAR do not include: (i) the exercise of any discretion or control by NFBS or the IAR over the operations or assets of the Plan, including but not limited to any discretionary trading authorization over investments; or (ii) any authority or responsibility by NFBS or the IAR in the administration of the Plan or interpretation of the Plan documents, the determination of participant eligibility, benefits, or vesting, or the approval of distributions to be made by the Plan. All decisions regarding the assets of the Plan, the interpretation of its provisions, compliance with applicable laws and operation of the Plan are the sole responsibility of you and the Plan. All investment decisions with respect to the Plan should be based on your independent judgment, and any information, research and/or recommendations provided by NFBS or your IAR should not be the primary basis for the Plan's investment decisions.

Limitation on IAR's Role and Responsibilities: Where an IAR is providing advice, IAR 's role is only to offer generalized, non-discretionary advice concerning the merits and risks of investments. The parties intend and agree that (a) IAR is acting as a "fiduciary" within the meaning of Section 3(21) of ERISA only, for "Non- discretionary Investment Advisory Services," and (b) IAR has no responsibilities as a fiduciary for the Plan under ERISA other than in respect of the selected services within the meaning of 3(21) of ERISA. IAR is not an "investment manager" as such term is defined in Section 3(38) of ERISA. IAR will not have the power or authority to manage, acquire, or dispose of any of the Plan's assets, and other fiduciaries of and/or participants in the Plan will make any and all decisions with respect to the selection of Plan investments, after their own independent consideration. IAR does not provide legal, tax, accounting, recordkeeping or actuarial advice. It is the Plan's responsibility to ensure that the Plan's asset allocation choices comply with any legal, actuarial or other requirements that apply to the Plan or that the Plan meets tax qualification requirements.

Other Types of Compensation

NFBS has entered into agreements with third-party investment advisor firms that provide investment advice to plans and/or plan participants, pursuant to which NFBS acts as a solicitor on behalf of the investment advisory firm and receives a fee from the investment advisory firm for acting as such. The fee may be a one-time fee, but is typically ongoing and based on the amount of assets placed with the investment advisory firm. If NFBS acts as a solicitor, the plan or the plan's participants being referred to the investment advisor firm are required to be provided with a disclosure statement outlining the arrangement and the compensation to NFBS.

Additional Information about Specific Retirement Platform Disclosures

Retirement Plans Your Way

Disclosure information can be found on the Plan Sponsor Website on the left hand menu under Fee Disclosure. Fees paid to NFBS for your IAR are listed under Schedule A1, Plan Administration Compensation – Direct Compensation. Schedule D shows each investment option offered by your Plan,

and the internal operating expenses of the funds. Additional fees are listed as front end and back end sales charges for some funds; however, on our platform all up front and back end sales charges are waived. Your Plan purchases funds at their net asset value.

Advisory Accounts Custodied at Pershing

The following may apply to Fee-Based Qualified Plan accounts that are custodied by Pershing:

NFBS has entered into an agreement with Pershing, LLC to provide certain clearing services. Pershing earns compensation from NFBS in connection with Pershing's provision of clearing services to our firm. Pershing earns additional compensation from certain third parties in connection with providing clearing services to our firm. Certain fees may be considered "indirect compensation" for purposes of the section 408(b)(2) regulation. Your IAR does not share in these fees. Miscellaneous fees and charges may apply to accounts held with Pershing. For a list of Pershing account fees which could apply, please refer to the Full Service Fee Schedule on our disclosures website: www.NFBSdisclosure.com.

Mutual Fund Fees: Pershing has entered into agreements with certain mutual fund companies that pay Pershing for performing certain services for the mutual fund. Pursuant to these agreements, Pershing receives fees for operational services from mutual funds in the form of networking or omnibus processing fees. The reimbursements are remitted to Pershing for its work on behalf of the funds. This work may include, but is not limited to, sub-accounting services, dividend calculation and posting, accounting, reconciliation, client confirmation and statement preparation and mailing and tax statement preparation and mailing. These reimbursements are based either on (a) a flat fee ranging from \$0 to \$20 per holding or (b) a percentage of assets that can range from 0 to 15 basis points for domestic funds and 0 to 30 basis points for offshore funds. Mutual funds that are available in Pershing's FundVest no- transaction fee mutual fund program may pay Pershing servicing fees in exchange for being offered in Pershing's FundVest Program. These payments are based on a percentage of assets and can range from 7 to 40 basis points. NFBS may share in these fees. For additional details about Pershing's mutual fund no- transaction-fee program, or a listing of funds that pay Pershing networking or omnibus fees, please refer to www.pershing.com/mutual_fund.htm. The mutual funds listed on this website are listed in order from highest to lowest paying mutual funds based on gross payments made to Pershing.

Money Fund and FDIC Insured Bank Product Fees. Pershing has entered into agreements with money market fund companies and FDIC-insured bank deposit products service providers. Pershing receives fees from money fund companies and service providers for making available money market funds and FDIC-insured bank deposit programs. A portion of Pershing's fees is applied against costs associated with providing services on behalf of the fund companies and service providers, which may include maintaining cash sweep systems, sub-accounting services, dividend and interest calculation and posting, accounting, reconciliation, client statement preparation and mailing, tax statement preparation and mailing, marketing and distribution related support, and other services. These fees are paid in accordance with an asset-based formula that can range from 0 to 100 basis points annually. For a listing of money funds and FDIC-insured bank products that pay Pershing these fees, please refer to www.pershing.com/money_fund.htm.

(i) Cash Sweep - NFBS offers a service to sweep cash held within Pershing customer accounts into an interest-bearing FDIC Insured Dreyfus Insured Deposit Program ("DIDP"). Under its agreement with Pershing LLC, NFBS receives a fee from Pershing based on the average daily deposit balance in the DIDP. The compensation NFBS receives on DIDP may be higher than the compensation available to NFBS from an alternative sweep investment option. NFBS receives compensation from Pershing LLC in which the Plan has a DIDP, as shown in the Plan's monthly or quarterly account statement. This compensation is retained by NFBS and is not shared with your IAR. For additional information on the DIDP, please see the DIDP disclosure booklet available from Pershing LLC or your IAR.

For accounts not eligible for the DIDP, cash balances are automatically invested in a money market fund. Pershing LLC pays NFBS a fee for balances in certain sweep money market funds that generally have 12b-1 fees higher than other money market funds. This compensation is retained by NFBS and is not shared with your IAR. The 12b-1 fees and the payer of such fees are set out in the prospectus of the

money market fund provided to the Plan in connection with the investment.

Annuity Fees - Pershing has entered into arrangements with insurance companies through which Pershing may receive servicing fees from certain insurance companies that participate in Pershing's annuity program. These one-time fees typically amount to between \$10 and \$17 per annuity contract. In addition, Pershing receives operational reimbursement fees from certain insurance companies for the services it provides, which may include, but are not limited to, posting, accounting reconciliation and client statement preparation and mailing. These fees typically amount to \$6 per year for annuity contracts. NFBS may share in these fees. For a listing of the insurers that pay Pershing these fees, please refer to www.pershing.com/annuity_fees.htm.

Payments for Order Flow - Pershing may receive compensation in connection with routing orders to the marketplace for execution, subject to its obligations to seek best execution. Such compensation may be received from unaffiliated broker-dealers or from securities exchanges. In all cases, Pershing seeks best execution in routing orders. For a description of the compensation earned by Pershing in connection with routing orders, and Pershing's procedures in routing orders, please refer to Pershing's disclosure at www.orderroutingdisclosure.com/orderrouting/HOME.

Float - Pershing may obtain a financial benefit attributable to cash balances of ERISA plan accounts that are held by Pershing in connection with cash awaiting investment or cash pending distribution. For a more detailed description of this compensation, refer to www.pershing.com/business_continuity.html#float_disclosure

QUESTIONS

If you have questions regarding this disclosure information or the compensation that NFBS or your Representative/IAR receive for the services provided to the Plan, please ask your Representative/IAR or review updated disclosure information online at www.navyfederal.org/financial-group/disclosures.php