

Important Notice For SIMPLE IRA Plan Sponsors

As plan sponsor of a SIMPLE IRA Plan, you are required by the IRS to provide each eligible employee certain information in writing each year, but **no later than November 1, 2015**. Morgan Stanley is providing a sample Participation Notice & Summary Description and Salary Reduction Agreement to help you meet this obligation.

Before completing these documents, please review them and the instructions for each form. It may be helpful to have a copy of your *SIMPLE IRA Plan Adoption Agreement* (and any amendments you may have made to your SIMPLE IRA Plan) available. Please consult with your tax and/or legal advisors regarding your annual obligation to provide information to your eligible employees including determining if the documents provided are sufficient for your plan.

Please complete the documents with plan-specific information and the 2016 salary reduction contribution limits. For 2015, the SIMPLE IRA salary reduction contribution or "Elective Deferral" limit is \$12,500 (this amount limit is

subject to cost-of-living adjustments for future years in \$500 increments). There is also a "Catch-Up" contribution (\$3,000 for 2015) that, if permitted by your plan, may be made by employees who attain at least age 50 by the end of a particular calendar year. The IRS has not yet released the 2016 SIMPLE IRA salary reduction contribution limits. Generally, the IRS announces the new limits in mid-October and they will be available from www.irs.gov. As contribution limits may change from year to year, employees who wish to maximize their annual deferrals should reevaluate their Elective Deferral amount and, if necessary, file an updated *Salary Reduction Agreement*.

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Instructions to Plan Sponsors for completing the Participation Notice & Summary Description Forms to be provided to Employees

GENERAL INFORMATION	
SECTION A: Complete Employer information	
<p>NOTE: If you are using this <i>Participation Notice & Summary Description</i> for account holders of SIMPLE IRAs not custodied by Morgan Stanley Smith Barney LLC, please replace the preprinted custodian information with the appropriate name and address of the trustee/custodian/issuer of those SIMPLE IRAs. If this information is not available at the time of distribution of the notice and Morgan Stanley Smith Barney LLC is not selected as the Plan's Designated Financial Institution, please provide this information to the employee as soon as administratively feasible once a trustee/custodian/issuer has been selected.</p>	
SECTION B:	ELIGIBILITY REQUIREMENTS
Eligible Employees	Refer to Adoption Agreement Section 3, Part B or a more recent amendment. <u>Check any that apply.</u>
Compensation & Service	Refer to Adoption Agreement Section 3, Part A or a more recent amendment. <u>Please fill in the fields as applicable.</u>
SECTION C:	PLAN CONTRIBUTIONS
Designated Financial Institution	Refer to Adoption Agreement Section 4, Part C or any more recent amendment(s). Specify whether you have or have not elected to make all contributions to Morgan Stanley Smith Barney LLC as the plan's Designated Financial Institution. <u>Check one box.</u>
Elective Deferrals	Enter the 2016 salary reduction contribution limits in the space provided. The salary reduction contribution limits can be found at www.irs.gov . <u>Check one box.</u>
Catch-Up Contributions	Refer to Adoption Agreement Section 4, Part A or any more recent amendment. Specify whether your plan permits Catch-Up Contributions. <u>Check one box.</u>
Election Period	This period must begin at least 60 days prior to the beginning of each calendar year (November 2–December 31). You must also provide a 60-day Election Period immediately preceding an employee's initial eligibility to enter the plan. Specify if employees may make or modify their <i>Salary Reduction Agreement</i> during other times of the year. If not, leave blank.
Employer Contributions	Please notify your employees what Employer contribution option will be used for 2016. You have the option of electing one of the following contributions: Option One—Matching contributions in an amount equal to the employee's elective deferrals which do not exceed 3% of the employee's compensation. In any two out of five years (as described in the <i>Participation Notice & Summary Description</i>), the match can be reduced to 1% of compensation. You must enter the specific percentage in the notice. Option Two—Nonelective contributions equal to 2% of each eligible employee's compensation, whether or not the employee contributes to the plan. If Option Two is elected, you may have reduced the compensation amount that is required for an employee to participate and receive the nonelective contribution. Refer to Section 4, Part B of your Adoption Agreement or any more recent amendment to determine this amount, which may not exceed \$5,000.
SECTION D:	DISTRIBUTIONS
Procedures for Withdrawals and Transfers	If you have established any specific procedures for either withdrawal requests or transfers, please detail these procedures here. If not, leave blank.

Instructions for completing the Salary Reduction Agreement

SECTION A:**GENERAL INFORMATION****Employer Information**

Complete indicated information.

Participant Information

Leave blank for employee (the participant) to complete.

SECTION B:**TERMS OF AGREEMENT**

Enter the 2016 salary reduction and Catch-Up contribution limits in the space provided. The salary reduction contribution limits can be found at www.IRS.gov.

SECTION C:**AUTHORIZATION AND PROVIDER SELECTION**

Employees complete and sign, return to Employer.

Sign the Employer authorization once you receive the *Salary Reduction Agreement* back from the employee.

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors do not provide tax or legal advice and are not "fiduciaries" (under ERISA, the Internal Revenue Code or otherwise) with respect to the services or activities described herein except as otherwise provided in a written agreement with Morgan Stanley. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a retirement plan or account, and (b) regarding any potential tax, ERISA and related consequences of any investment made under such plan or account.

Participation Notice & Summary Description

Please read and carefully consider the information in this notice before you decide whether to start, continue or change your Salary Reduction Agreement. Certain capitalized terms used throughout this document are defined by your Employer's SIMPLE IRA Plan document, a copy of which should be available from your Employer.

SECTION A: General Information

EMPLOYER INFORMATION

NAME OF EMPLOYER

ADDRESS

CITY

STATE

ZIP

TRUSTEE/CUSTODIAN/ISSUER INFORMATION OF SIMPLE IRA

Morgan Stanley Smith Barney LLC ("Morgan Stanley")

NAME OF TRUSTEE, CUSTODIAN OR ISSUER

2000 Westchester Avenue

Purchase

NY

10577

ADDRESS

CITY

STATE

ZIP

SECTION B: Eligibility Requirements

OPPORTUNITY TO PARTICIPATE

This form is intended, in part, to notify you of your right to choose, during the Election Period, to make Elective Deferrals under the Savings Incentive Match Plan for Employees (SIMPLE IRA Plan) established by your Employer, or to modify a prior Salary Reduction Agreement under the Plan. The Election Period is generally the 60-day period before the beginning of each Year. It also includes the 60-day period beginning on or before the first day you become eligible to participate (and not ending prior to the day preceding such date), as well as any other period designated by your Employer. You may terminate your Salary Reduction Agreement at any time by notifying your Employer in writing, effective as soon as administratively practicable following receipt. This notice also includes a Summary Description of your Employer's SIMPLE IRA Plan.

ELIGIBLE EMPLOYEES

You may become eligible to participate in the Plan unless you are:

- covered by a collective bargaining agreement.
- a nonresident alien with no US source income from your Employer.
- an Employee on account of an acquisition or similar transaction involving your Employer.

SECTION B: Eligibility Requirements (Continued)

COMPENSATION & SERVICE

To become eligible to participate in the Plan, you must have earned \$5,000 during any two preceding Years and you must be reasonably expected to earn such amount during the current Year, unless otherwise specified below:

You are required to earn at least \$ _____ (*may not exceed \$5,000*) during any _____ (*may not exceed two*) preceding Years to be eligible to participate in the Plan. You must also be reasonably expected to earn at least \$ _____ (*may not exceed \$5,000*) during the current Year.

SECTION C: Plan Contributions

DESIGNATED FINANCIAL INSTITUTION

Your Employer has has not elected to make all contributions to Morgan Stanley Smith Barney LLC (Morgan Stanley) as the Designated Financial Institution (DFI) for the Plan.

If your Employer has elected to make all contributions to Morgan Stanley, you must establish a Morgan Stanley SIMPLE IRA, or your Employer will do so on your behalf. You may transfer contributions (and any earnings thereon) made to your Morgan Stanley SIMPLE IRA, without cost or penalty, from Morgan Stanley to a SIMPLE IRA (or any IRA after two years of participation) at the financial organization of your choice. To do so, you may contact Morgan Stanley at any time to request such a transfer, which can be made at least monthly, in accordance with Morgan Stanley's then effective policies and procedures. Please refer to the additional information concerning procedures for withdrawals and transfers below.

If your Employer has not elected to make all contributions to Morgan Stanley as the Plan's DFI, you must select the financial organization that will serve as trustee, custodian or issuer of your SIMPLE IRA and notify your Employer by providing a completed Salary Reduction Agreement.

ELECTIVE DEFERRALS

If you choose to complete a *Salary Reduction Agreement*, you agree to make Elective Deferrals to this Plan. Your Compensation will be reduced each pay period by an amount equal to the percentage of your Compensation you specify on the *Salary Reduction Agreement*. Generally, your Elective Deferrals (*excluding Catch-Up Contributions*) may not exceed \$ _____. For tax Years after 2016, this limit may be increased to reflect cost-of-living adjustments, if any.

CATCH-UP CONTRIBUTIONS

Catch-Up Contributions will will not be permitted under the Plan.

If Catch-Up Contributions are permitted under the Plan and you will attain age 50 on or before the end of the Year, you are eligible to make Catch-Up Contributions and will be deemed to have elected Catch-Up Contributions if deferrals under your *Salary Reduction Agreement* exceed \$ _____. Your Catch-Up Contributions may not exceed \$ _____. For tax Years after 2016, this limit may be increased to reflect cost-of-living adjustments, if any.

ELECTION PERIODS

You may change the amount of your Elective Deferrals by completing and signing a revised *Salary Reduction Agreement* during the Election Period or any other period specified below:

You may discontinue making Elective Deferrals at any time during the Year by completing and signing a revised *Salary Reduction Agreement*. You are allowed to commence making Elective Deferrals the first day of the Year following the Year you cease deferring, unless additional Election Periods are specified below:

SECTION C: Plan Contributions (Continued)

EMPLOYER CONTRIBUTIONS

For calendar year 2016, your Employer will make Matching Contributions equal to 100% of your Elective Deferrals (up to 3% of your Compensation) unless your Employer elects to make either the alternative Matching Contribution or the Nonelective Contribution described in Option 1 or 2 below.

Option 1: Matching Contributions in an amount equal to 100% of your Elective Deferrals which do not exceed _____% (*must not be less than 1% or more than 3%*) of your Compensation. Your Employer cannot elect to make such a lower Matching Contribution percentage for any Year if that election would result in the Matching Contribution percentage being lower than 3% in more than two of the Years in the five-Year period ending with such Year.

Option 2: Nonelective Contributions equal to 2% of Compensation on behalf of each Participant who earns at least \$5,000 during the Year unless a different dollar amount is specified below.
You are required to earn at least \$_____ (*may not exceed \$5,000*) during the Year to be eligible to receive Nonelective Contributions.

SECTION D: Distributions

The following is a summary of the rules applicable to distributions from SIMPLE IRAs. Please refer to your SIMPLE IRA documents and/or seek the assistance of a qualified tax advisor if you have additional questions.

PROCEDURES

SIMPLE IRA assets are fully vested and may be withdrawn at any time subject to income and penalty taxes as explained below. The trustee, custodian or issuer of your SIMPLE IRA, and not your Employer, is responsible for making distributions to you upon your request.

FEDERAL INCOME TAX

Distributions of taxable amounts from SIMPLE IRAs are taxed as ordinary income in the year in which you receive them. In addition, federal income tax withholding will be applied to your distribution at a rate of 10% unless you specify a higher rate or waive your right to withholding.

PENALTIES

Early Distribution Penalty Tax – A 25% early withdrawal penalty tax applies to SIMPLE IRA distributions taken within two years of your initial participation in the Plan, unless you are age 59½ or older or can claim an exemption from the early distribution penalty tax described in Internal Revenue Code (IRC) Sec. 72(t)(2). If you are under age 59½, have satisfied the two-year requirement and receive a distribution, you will be subject to a 10% early distribution penalty tax, unless an exemption is available under IRC Sec. 72(t).

ROLLOVERS

Rollover contributions into the SIMPLE IRA from qualified retirement plans, tax-sheltered annuities, governmental 457(b) deferred compensation plans, and Traditional, Roth and SEP IRAs are not permitted; only other SIMPLE IRA distributions may be rolled over into a SIMPLE IRA. For distributions from a SIMPLE IRA, you may roll these over to another SIMPLE IRA at any time (subject, of course, to the IRA rollover rules). However, you must wait two years from the date you first participated in your employer's SIMPLE plan (i.e., the first day your employer deposits a contribution to a SIMPLE IRA that you own) in order to roll over a SIMPLE IRA distribution to a Traditional IRA, SEP IRA, Roth IRA, qualified retirement plan, tax-sheltered annuity, or governmental 457(b) deferred compensation plan. If a SIMPLE IRA distribution is properly rolled over, your rollover amount will be excluded when determining the amount of your federal income tax or early distribution penalty tax for such year.

REQUIRED MINIMUM DISTRIBUTIONS

You are required to begin taking minimum distributions from your SIMPLE IRA upon attainment of age 70½ in accordance with IRS regulations. These distributions are not eligible for rollover treatment. After your death, minimum distribution rules also apply to your beneficiary.

SECTION D: Distributions (Continued)

PROCEDURES FOR WITHDRAWAL

Generally, if you wish to take a distribution from your SIMPLE IRA, please complete a withdrawal form provided by the trustee, custodian or issuer of your SIMPLE IRA. Please review the SIMPLE IRA documentation provided to you by your Employer for further details, and contact your SIMPLE IRA provider for more information about the involved documentation, policies and procedures. More specifically, if Morgan Stanley is your SIMPLE IRA provider, you may take a distribution (either in cash, in kind, or both) at any time by completing a withdrawal form (available from http://www.morganstanley.com/wealth/investmentsolutions/pdfs/IRA_Distribution_Form%20_%20June_2015.pdf or your Morgan Stanley Financial Advisor or Private Wealth Advisor), including a selection of the form of payment (e.g., lump sum or installments), which can be submitted to your Morgan Stanley Financial Advisor or Private Wealth Advisor. In addition, the following procedures apply to you upon requesting a distribution:

PROCEDURES REGARDING TRANSFERS

Generally, if you wish to make a transfer from your SIMPLE IRA, please complete a withdrawal form provided by the trustee, custodian or issuer of your SIMPLE IRA. Please review the SIMPLE IRA documentation provided to you by your Employer for further details, and contact your SIMPLE IRA provider for more information about the involved documentation, policies and procedures. More specifically, if Morgan Stanley is your SIMPLE IRA provider, you can transfer all or a portion of your balance to another SIMPLE IRA (or any other IRA after two years of participation) at any time by completing a transfer form (available from http://www.morganstanley.com/wealth/investmentsolutions/pdfs/IRA_Distribution_Form%20_%20June_2015.pdf or from your Morgan Stanley Financial Advisor or Private Wealth Advisor), which can be submitted to your Morgan Stanley Financial Advisor or Private Wealth Advisor. This same transfer form can also be used to transfer out future contributions from the DFI without cost or penalty to another IRA. In addition, the following additional rules and procedures apply to transfers of amounts in your SIMPLE IRA:

Salary Reduction Agreement

Please read all sections of this *Salary Reduction Agreement* before signing it. Certain capitalized terms used throughout this document are defined by your Employer's SIMPLE IRA Plan document, a copy of which should be available from your Employer.

SECTION A: General Information

EMPLOYER INFORMATION TO BE COMPLETED BY THE EMPLOYER

NAME OF EMPLOYER

ADDRESS

CITY

STATE

ZIP

PARTICIPANT INFORMATION TO BE COMPLETED BY THE PARTICIPANT

NAME

EMPLOYEE NO. (IF ANY)

HOME ADDRESS

SOCIAL SECURITY NUMBER

CITY

STATE

ZIP

SECTION B: Terms of Agreement

LIMITS ON ELECTIVE DEFERRALS

Participant may set aside a percentage of his or her pay ("Elective Deferrals") into the Plan by signing this *Salary Reduction Agreement*. This *Salary Reduction Agreement* replaces any earlier *Salary Reduction Agreement* and will remain in effect as long as the Employee remains an eligible Participant or until the Participant provides the Employer with a new *Salary Reduction Agreement*, or terminates participation, as permitted by the Plan. A Participant's Elective Deferrals (excluding Catch-Up Contributions) may not exceed \$ _____ (2016 CONTRIBUTION LIMIT). A Participant who is age 50 or older by the end of the Year may (if permitted by the Plan) be allowed to make Catch-Up Contributions of up to \$ _____ (2016 CATCH-UP CONTRIBUTION LIMIT). For tax years after 2016, these limits may be increased to reflect cost-of-living adjustments, if any.

CHANGING THIS AGREEMENT

An Employee may change the percentage of pay he or she is setting aside into the Plan. Any Employee who wishes to make such a change must complete and sign a new *Salary Reduction Agreement* and give it to the Employer during the Election Period or any other period the Employer specifies on the *Participation Notice & Summary Description*.

TERMINATING THIS AGREEMENT

An Employee may terminate this *Salary Reduction Agreement* by completing another *Salary Reduction Agreement*. After terminating this *Salary Reduction Agreement*, an Employee cannot again enroll as a Contributing Participant until the first day of the Year following the Year of termination or any other date the Employer specifies on the *Participation Notice & Summary Description*.

SECTION C: Authorization and Provider Selection (To Be Completed by the Participant)**SALARY REDUCTION AGREEMENT**

I, the undersigned Employee, wish to set aside, as Elective Deferrals, _____% of Compensation or \$_____ (which equals _____% of my current rate of Compensation) to be withheld from my Compensation for each pay period and contributed into my Employer's SIMPLE IRA Plan by way of payroll deduction, subject to IRS limits. (Enter "zero" or "0" if you want to terminate the Agreement).

EFFECTIVE DATE

This Agreement will be effective as soon as practicable after receipt by my Employer (or, if later, the pay period that begins on or after _____ (enter prospective date if you wish to designate the effective date).

NOTE: *If you are eligible to defer, your SIMPLE IRA Plan permits Catch-Up Contributions and you attain age 50 before the close of the Plan Year, you may make Catch-Up Contributions under the SIMPLE IRA Plan. Certain limits, as required by law, must be met prior to being eligible to make Catch-Up Contributions. Your election above will pertain to Elective Deferrals which may include Catch-Up Contributions. See your Employer for additional information.*

I agree that my Compensation will be reduced in the manner I have indicated above. This *Salary Reduction Agreement* will continue to be effective while I am employed, unless I change or terminate it as explained in Section B above. I acknowledge that I have read this entire *Salary Reduction Agreement*, I understand it and I agree to its terms. Furthermore, I acknowledge that I have received a copy of the *Participation Notice & Summary Description*, I understand it and I agree to the terms of the Plan described therein.

If my Employer designated Morgan Stanley Smith Barney LLC as the Designated Financial Institution for the SIMPLE IRA Plan, I understand that I must establish a SIMPLE IRA at Morgan Stanley Smith Barney LLC (or my Employer will be entitled to do so on my behalf). Information regarding my Morgan Stanley SIMPLE IRA must be entered below. If my Employer did NOT designate Morgan Stanley Smith Barney LLC as the Plan's Designated Financial Institution, I understand that I must establish a SIMPLE IRA to receive these contributions (and provide the information requested below). I further understand that if the information regarding my SIMPLE IRA is incomplete when I first submit this Agreement, I realize it must be completed by the date contributions must be made under the SIMPLE IRA Plan. If I fail to update my Agreement to provide this information by that date, I understand that my Employer may select the financial institution for my SIMPLE IRA.

Name, Phone and Address of SIMPLE IRA provider, and Account information (you need not provide the phone number and address of Morgan Stanley Smith Barney LLC if that is your SIMPLE IRA provider, but you must provide the requested Account information):

NAME OF SIMPLE IRA PROVIDER

NAME OF ACCOUNT

ADDRESS

STATE

SIGNATURE OF PARTICIPANT

DATE

PHONE

ACCOUNT NUMBER

CITY

ZIP

AUTHORIZED SIGNATURE FOR EMPLOYER

TITLE

DATE

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors do not provide tax or legal advice and are not "fiduciaries" (under ERISA, the Internal Revenue Code or otherwise) with respect to the services or activities described herein except as otherwise provided in a written agreement with Morgan Stanley. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a retirement plan or account, and (b) regarding any potential tax, ERISA and related consequences of any investment made under such plan or account.