VARIABLE AND FIXED ANNUITY AGREEMENT AND DISCLOSURE BOOKLET

EFFECTIVE DATE: APRIL 15, 2024

INSURANCE and ANNUITY products:

- Are Not a Deposit of Any Bank
- Are Not FDIC Insured
- Are Not Insured by Any Federal or State Government Agency
- Are Not Guaranteed by Any Bank or Savings Association
- May Lose Value

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Securities and Investment products:
ARE NOT INSURED BY THE FDIC OR ANY FEDERAL GOVERNMENT AGENCY • HAVE NO BANK GUARANTEE • MAY LOSE VALUE.

300108-0424

Dear Valued Client:

Please take a moment to review the information contained in this Annuity Booklet.

Flagstar Advisors remains committed to investing in long term relationships and we remain dedicated to achieving your complete satisfaction.

You are receiving this document with your prospectus and your newly purchased annuity contract through Flagstar Advisors. All transactions are being processed through Flagstar Advisors, not Flagstar Bank. The purpose of this agreement and disclosure is to ensure that you are familiar with the features and costs of an annuity and to obtain your agreement with respect to certain requirements with respect to the type of annuity you are seeking to purchase. For more specific information on a particular annuity, you should refer to the prospectus or contract. If you have any questions related to these documents, please contact your Financial Advisor or call 646-822-1475 for assistance.

Thank you for your ongoing business.
Flagstar Advisors

DISCLOSURE BOOKLET INSTRUCTIONS

1. **If you are purchasing a Variable Annuity, please see Section 1 and sections III, IV, V, VI as applicable.**

2. **If you are purchasing a Fixed Annuity, please see Section II amd sections, III, IV, V, VI as applicable.**

3. **If you are purchasing an Annuity with the proceeds from a sale of an Annuity (1035 Exchange), please see Section I or II, and III,**

4. **If you are purchasing an Annuity with the proceeds from a partial sale of an Annuity (1035 Exchange), please see Section I or II, IV and V.**

5. **If you are purchasing an Annuity with the proceeds of a Mutual Fund sale, please see Section I or II, and VI.**

6. **Additionally, New York State Residents please see Section VII.**

SECTION I: VARIABLE ANNUITY DISCLOSURE

Understanding Your Variable Annuity

Highlights

■ Variable annuities offer certain benefits for long-term investors; however, there are risks associated with these securities as well.

■ There are different types of variable annuities with different features, which you should select based on your risk tolerance and investment objectives.

■ The fees and other costs associated with buying and holding variable annuities vary depending on the share class of the variable annuity you choose.

■ It is important for you to understand how Flagstar Advisors and your Financial Advisor are compensated, as well as possible conflicts of interest.

What Is the Difference Between an Annuity Owner vs. an Annuitant?

An annuity is a contract between the insurance company, the owner and the annuitant. The owner pays the premiums to the insurance company, and is responsible for any tax liabilities resulting from the payment of benefits. The benefits are paid based on the annuitant's life. If the annuitant is alive and lifetime income is elected through annuitization, the payments will be based on the life expectancy of the annuitant. If the annuitant dies, the beneficiaries are paid the death benefits by the insurance company.

What is a Variable Annuity?

A variable annuity is a contract between you and an insurance company under which the insurance company agrees to make periodic payments to you, beginning either immediately or at some future date. The value of your investment varies, depending upon the performance of the investment options you select. The premiums you pay are allocated among a number of sub-accounts or investment portfolios (e.g., equities, fixed income, money market, etc.) that are offered as part of the contract. The investment options for a variable annuity are typically portfolios that invest in stocks, bonds, money market instruments or some combination of the three within the sub-accounts.

Why Would I Buy a Variable Annuity?

A variable annuity gives you five benefits you might not find in other investments:

■ *Tax-Deferred Treatment of Earnings*. Your money grows tax-deferred in a variable annuity, allowing the beneficial effects of compounding to take effect. You pay no taxes on the earnings until they are withdrawn, at which time they are generally taxed as ordinary income. If you purchase an annuity in a tax advantaged account such as a qualified plan or an Individual Retirement Account (IRA), you will receive no additional tax benefits from that annuity. You should only purchase a variable annuity in a qualified plan or an IRA if you value some other benefit the annuity offers, such as lifetime payments or death-benefit protection, and you are willing to incur the expenses associated with these contract features.

■ *A Death Benefit*. Annuities feature a death benefit—the insurance company pays the named beneficiary upon the death of the person specified in the contract (depending on the contract, this is either the annuitant and/or owner) prior to annuitization of the contract. Upon the death of this person, the beneficiary will typically receive the greater of the account value or some guaranteed minimum (e.g., contributions minus prior withdrawals). Some annuities have an additional feature known as a "stepped-up" death benefit. The purpose of this feature is to "lock up" your investment performance or to guarantee a minimum periodic increase in the death benefit. You should be aware that the "step-up" feature might cease when the person specified in the contract reaches a certain age (such as 80 years old).

■ *Annuity Payout Options That Can Provide Guaranteed Payments for the Life of the Annuitant*. With some annuities, you can choose from a broad range of payout options. These choices include options that pay out for as long as you, as annuitant, live.

■ *Living Benefits*. Also, similar to the "stepped-up" death benefit feature, for an additional cost the client may choose to take advantage of locking in gains for annuity payout options as well ("guaranteed minimum payout and accumulation benefits"). A typical living benefit provides a guaranteed annuitization base ("GAB") at some point in the future. However, the typical living benefit does not allow for the withdrawal of the amount of the GAB. Instead, the GAB, if greater than the account value at the time of annuitization, is the amount used to determine your initial monthly or annual payments only if you annuitize the contract. The GAB decreases if you take any withdrawals. Whether this decrease is on a pro-rata basis or a dollar-for-dollar basis varies by insurance carrier and product.

■ *Ability to Change Portfolio Mix without Incurring a Currently Taxable Event*. Since annuities are comprised of a number of underlying portfolios, you can decide to change your allocation among the various portfolios (e.g., from an equity portfolio to a bond portfolio, or from a bond portfolio to a money market portfolio)— without incurring a currently taxable event. Your Financial Advisor is available to provide you with periodic reviews of the allocations in your annuity to help it continue to meet your current risk tolerance and investment objectives, and, if appropriate, will assist you with deciding how to reallocate among the investment options. In addition, generally at no additional charge, many annuities provide automated strategies such as automated dollar-cost averaging or rebalancing. However, you should be aware that annuities are considered long-term investment saving vehicles that are not appropriate for those interested in frequent transfers. As a result, your annuity may impose restrictions and/or fees for transfer activity deemed to be inconsistent with the long-term nature of the annuity or harmful to other annuity owners.

What Else Do I Need to Know About a Variable Annuity?

■ *Variable Annuities Are Long-Term Investments.* Variable annuities are long-term investments designed to help pursue your retirement and other long-range goals. Federal income taxes and insurance company charges may apply if you withdraw the money early.

■ *Value of Your Variable Annuity.* The value of your variable annuity is based upon the performance of the underlying portfolios selected. Like other investments, while your annuity value may increase over time with the market, it is also subject to market risk and you may lose your principal. Past performance is not a guarantee of future results.

■ *Insurance Company Guarantees.* All insurance company guarantees (such as the death benefit, dividends, guaranteed minimum payout benefit or guaranteed interest rates for fixed-interest options) are based on the claims paying ability of the insurance company. Therefore, it is important for you to consider the financial strength of the insurance company prior to purchasing a variable annuity. Please Note: Guarantees do not apply to the investment performance or safety of amounts held in the variable accounts.

■ *Tax-Deferred Investment.* Your annuity earnings are tax-deferred until withdrawn. Upon withdrawal, your earnings are generally taxed as ordinary income, not capital gains. Annuities may carry tax penalties for early withdrawals prior to age 59½. Flagstar Advisors does not provide tax advice. Please consult your tax advisor to evaluate the tax implications of a variable annuity withdrawal.

■ *Bonus Credit.* Some annuities provide a "bonus credit" that is applied to your contract value. Some annuities offering a bonus credit have higher fees and/or longer surrender charge periods than comparable variable annuities that do not provide a bonus credit. In addition, some bonus products require the return of the bonus credit if the policy is surrendered or exchanged in the first year or if the person specified in the contract dies within that time.

■ *"Tax-Free" 1035 Exchanges.* With annuities, you may do a tax-free exchange (named after Section 1035 of the U.S. Tax Code), in which you exchange an existing annuity contract for a new annuity contract without incurring any tax on the income and investment gains in the original annuity contract. You will still have to pay surrender charges on the original annuity if you are still in a surrender charge period, and you will be subject to the new surrender charge period of the new contract. In evaluating a 1035 exchange, remember that you can make exchanges among the portfolios within your annuity contract at no charge. Certain states have additional disclosure notices that are required, Such as New York State Regulation 60 and the State of California's Regulation 620. Please ensure you have received the required state disclosures and understand them.

■ *Free Look Period.* You can return your annuity contract to the insurance company within a certain time after it is delivered to you and receive a refund. This is known as a "free look" period. The free look period varies from state to state. Typically, the free look will range between 10 and 30 days (depending on the state where the contract was issued). Depending on state law, if you decide to return the contract during the free look period, you will be entitled to the return of either your account value on the date the refund is processed or your purchase payments. The front page of your annuity contract has the specific terms of the free look in your state.

■ *Sub-Accounts.* Variable annuities include sub-accounts comprised of portfolios of securities, such as bonds, equities or money market funds, which fluctuate as the result of market performance. You should carefully consider whether the sub-account investments themselves are suitable in light of your current investment objectives and risk profile, as well as your other investments. Variable annuities are subject to market risk.

■ *Variable Annuity Share Classes.* There are different types of variable annuities, which are categorized into different share classes. The most common variable annuity share classes are B share, C-share, and L-share. Other share classes may also be available. In general, the main difference can be understood in terms of the various surrender charge schedules and annual mortality risk and expense fees. Below is an outline of the different variable annuity share classes.

Class B Shares:
Class B shares generally do not charge an upfront sales charge; however a contingent-deferred sales charge (also known as a surrender charge) may apply if a partial or full surrender of the annuity is made within the surrender period (i.e. generally 6-8 years). Surrender charges typically decreases each contract year until it reaches zero at the end of the surrender period. This type of share is typically suitable for investors who have a long-term time horizon and do not

intend to access their investment during the surrender period.

Class C Shares:
Class C shares generally do not charge an upfront sales charge or a surrender charge. Because of their added liquidity, they will typically carry higher M&E charges and fees. This type of share is typically suitable for investors who are willing to pay higher fees in exchange for the ability to withdraw their investment at any time.

Class L Shares:
Class L shares do not charge an upfront sales charge, however they do carry a surrender charge for early withdrawals. Class L shares have a much shorter surrender period (i.e. generally 3-4 years) and typically carry higher M&E charges and fees than Class B shares. This type of share is typically suitable for investors who have a short-term time horizon and who are willing to pay higher fees.

Other Share Class:
In addition to the aforementioned share classes, the product you select may offer additional choices. Please consult with your Financial Advisor and the current prospectus.

■ *Riders*. You must consider the costs of variable annuity riders, for example, additional death and/or living protection benefit riders, before any are elected. Please see the prospectus for the costs of riders.

■ *Taxes*. Loans, surrenders and payment of death benefits may all have a tax ramification for the owner and/or the insured of the policy. The beneficiary will generally receive the insurance proceeds income tax-free. Loans and surrenders may trigger a taxable event. Flagstar Advisors does not provide tax advice. See your tax adviser for specific tax information.

What are the Costs of a Variable Annuity?

Your annuity contract will have some or all of the following fees and expenses (refer to the prospectus for a full description of all charges):

■ *Mortality Risk and Expense Charge (M&E)*. The M&E charge covers the insurance company for the insurance risks it assumes under the annuity contract. M&E charges are typically in the range of 1.25% per year.

■ *Administrative Charge and Annual Maintenance Fee*. Administrative Charge and Annual Maintenance fee covers record-keeping and other administrative expenses incurred by the insurance company. The annual fee may be charged as a flat account fee (typically, in the range of $25 or $50 per year), and the administrative charge is usually a percentage of your account value (in the range of 0.15% per year). A contract may charge both types of fees.

■ *Investment Management Fees and Expenses*. Management fees and expenses vary depending on the portfolios you choose.

■ *Fees for Optional Features*. Additional fees are incurred if you have selected additional contract features, such as a stepped-up death benefit or guaranteed minimum payout benefit. The fees for some benefits may continue after the optional feature ceases to provide a benefit for you.

■ *Withdrawal/Surrender Charges*. If you withdraw some or all of the premium payments or exchange your contract within a certain period, the insurance company may assess a “surrender” charge, which is a type of sales charge. Generally, the surrender charge is a percentage of the amount withdrawn or exchanged, and declines gradually over a period of several years, known as the “surrender period.” The surrender period typically runs from the date of each of your contributions of money to the contract. While the surrender period typically lasts six to eight years, it can sometimes be shorter or longer. For example, the surrender charge and declining period may be as follows: 7% - 1st year; 6% - 2nd year; 6 % - 3rd year; 5% - 4th year; 4% - 5th year; 3% - 6th year; 2% - 7th year. Some annuity contracts allow for a small percentage of the account value to be withdrawn annually without incurring a surrender charge. Generally, you may use this “free corridor” in a series of withdrawals within the year up to the limit. You should be aware that income taxes and IRS penalties might apply to these withdrawals.

■ *Premium Taxes*. In several states and jurisdictions, a premium tax may be applied to purchase payments, contract balances and death benefits. However, insurance companies in those states and jurisdictions where premium tax is applicable typically only deduct the tax from your contract when you annuitize.

Compensation Paid to Flagstar Advisors and Your Financial Advisor When You Buy a Variable Annuity

What, and how, Flagstar Advisors and your Financial Advisor are compensated when you buy a variable annuity depends on the type of annuity you purchase and the insurance company that issues it. Commission schedules vary by insurance company and product.
For specific compensation information, you should discuss with your Financial Advisor the compensation received in

connection with your annuity purchase.

Annuities with a Contingent Deferred Sales Charge

When you purchase a variable annuity, Flagstar Advisors and, in turn, your Financial Advisor are compensated by the insurance company issuing your annuity contract. These fees, paid by the insurance company, are not deducted from your purchase payments. If you surrender your annuity during the contingent deferred sales charge period under your contract, a charge is deducted from the annuity value that is returned to you. In part, this charge reimburses the insurance company for its costs related to selling the annuity.

How Your Financial Advisor Receives Commissions

Often your Financial Advisor has an option of how to receive compensation. Typically, the structure of the commission paid to your Financial Advisor will have no financial impact on you. Your Financial Advisor may have the following compensation options:

- "Up-front" commissions— We are paid by the insurance company a percentage of the amount of your initial purchase payment. A portion of this compensation is paid to your Financial Advisor as a one-time commission when you purchase the annuity.
- "Asset-based trail" commissions— We are paid annually by the insurance company a percentage of the value of your annuity until you surrender it or annuitize your contract. A portion of this compensation is paid to your Financial Advisor on an annual basis.
- "Hybrid"— We are paid commission in two parts: a reduced initial "up-front" commission and a reduced additional annual "asset-based trail" commission. A portion of this compensation is paid to your Financial Advisor when you purchase the annuity and annually thereafter.

Credit Disclosure

When applying for credit from Flagstar Bank in connection with an insurance product or annuity from Flagstar Advisors, Flagstar Bank may not condition the extension of credit on either (1.) The consumer's purchase of an insurance product from the Bank or any of its affiliates or (2.) The consumer's agreement not to obtain, or a prohibition on the consumer from obtaining, an insurance product from an unaffiliated entity.

SIPC and Annuities

The insurance carrier that you purchase your annuity through will offer no guarantee against a bankruptcy or company failure, nor will it guarantee the annuity's underlying investments. The Securities Investor Protection Corporation only protects you against the failure of a broker-dealer or financial services custodian. The Securities and Investor Protection Corporation (SIPC) insures broker-dealers and other financial institutions, not insurance companies. SIPC coverage specifically excludes fixed annuities from its guarantee of coverage. Each state requires its insurance carriers to pay into a state-operated fund that generally insures the insurers. If your insurance company, that you purchased your annuity through, fails that state's guaranty fund will provide some protection, up to specified maximums for the fixed annuity contract. However, for variable annuity products SIPC may be indirectly covering the sub-accounts you selected for the annuity. These investments within the sub account may be considered securities, meaning they may be backed by SIPC. Please check with your insurance company regarding their State Insurance Guaranty Fund or SIPC Coverage for any annuity product you purchase. It is important to note that this protection does not guarantee against investment risk or losses, which is still borne by the annuity holder.

State Guaranty Process

The coverage provided by state guaranty funds, which are for the protection of insurance policyholders, varies with the state. A typical amount of coverage would be $300,000 for life insurance death benefits, and $100,000 in cash or surrender value. If a life insurance company goes bankrupt, a receiver for the association supervises payment of cash value to policyholders, or the transfer of the annuity to another insurance company.

Additional Disclosures

If you are purchasing an annuity contract to fund an Individual Retirement Annuity (IRA) or employer-sponsored retirement plan, you should be aware that such annuities do not provide tax deferral benefits beyond those already provided by the Internal Revenue Code. Before purchasing one of these annuities, you should consider whether its features and benefits beyond tax deferral meet your needs and goals. You may also want to consider the relative features, benefits and costs of these annuities with any other investment that you may use in connection with your retirement plan or arrangement.

All contract and rider guarantees, including optional benefits and any fixed subaccount crediting rates or annuity payout rates, are backed by the claims-paying ability of the life insurance company. They are not backed by the broker/dealer from which this annuity is purchased, by the insurance agency from which this annuity is purchased or any affiliates of those entities and none makes any representations or guarantees regarding the claims-paying ability of the Life Insurance Company.

Variable Annuities:

- Are Not a Deposit of Any Bank
- Are Not FDIC Insured
- Are Not Insured by Any Federal Government Agency
- Are Not Guaranteed by Any Bank or Savings Association
- May Go Down in Value

INSURANCE and SECURITIES products:

- Are not FDIC insured
- Are not deposits or other obligations of any bank or guaranteed by any bank; and
- Involve investment risks, including possible loss of any of the principal amount invested.

Annuities are offered through Flagstar Advisors, a wholly owned subsidiary of Flagstar Bank, a registered broker dealer, and licensed insurance agency.

SECTION II: FIXED ANNUITY DISCLOSURE

Understanding Your Fixed Annuity

What Is the Difference Between an Annuity Owner vs. an Annuitant?

An annuity is a contract between the insurance company, the owner and the annuitant. The owner pays the premiums to the insurance company, and is responsible for any tax liabilities resulting from the payment of benefits. The benefits are paid based on the annuitant's life. If the annuitant is alive and lifetime income is elected through annuitization, the payments will be based on the life expectancy of the annuitant. If the annuitant dies, the beneficiaries are paid the death benefits by the insurance company.

What is a Fixed Annuity?

The fixed annuity is an investment contract between an annuitant (investor) and an insurance company. The insurance company agrees to pay the annuitant a fixed income for a period of time based upon the value invested in the annuity. For this reason fixed annuities are also referred to as fixed income annuities.
There are numerous types of fixed annuities, ranging from payments for a set period of time to payments that are dependent on the life span of an individual. The type of the fixed annuity depends entirely on the structure needed for the individual investor.

Fixed annuities are often misunderstood by investors, and as a result carry a certain degree of uncertainty. Many people ask themselves: how do annuities work? In order to successfully and prudently invest in annuities one must form in their mind at least a general understanding of how exactly annuities work. As with other investments, it is important to fully educate yourself regarding annuities before making a decision. It is important to seek the advice of qualified professionals regarding any investment. Individual circumstance warrant different investment approaches.

What are the different types of Fixed Annuities?

There are many types of fixed annuities; however, fixed annuities will generally fall under one of two categories: deferred or immediate.

For an immediate annuity, the first payment from the insurance company is due one payment interval from the date of purchase. If the payment will be paid out monthly, then payments start one month after purchase of the contract. Yearly payouts begin one year after first payment. A deferred annuity requires the fixed annuity to be purchased over a period longer than just one payment.

Other types of fixed annuities include: annuity certain, life annuity, joint annuity, joint and survivor annuity, life annuity certain, and an equity-indexed annuity among others. The differences between these types of fixed annuities are found in the duration of payouts, the designated life on the contract, payment certainty, and bonus stipulations.

What are the advantages of a Fixed Annuity?

One of the most appealing aspects of a fixed annuity is that it pays a fixed dollar amount for the duration of the investment. This can be a particularly appealing feature in times of market volatility. Some types of fixed annuities, such as the equity-indexed annuity, will actually pay a minimum interest rate in market downturns, and then provide a bonus during the market's up years. This can be a very effective way to protect the principal of your investment, and still participate in market upswings. The stipulation with this type of annuity is that it is subject to caps and/ or participation rates. This means that you only "participate" in a portion of the market growth, or that the growth is "capped." For specific information regarding participation, caps, or payments, see the insurance contract.

Another appealing attribute of fixed income annuities is the ability to provide income for the duration of an individual's life. A life annuity gives retirees a fixed income that they will not outlive. This can be a powerful tool to provide additional security during retirement.

What are the disadvantages of a Fixed Annuity?

As with any investment, there are both pros and cons to the financial vehicle. While the fixed annuity can provide a definite and recurring stream of income, it can also come with steep penalties if you change your mind. Most annuity contracts have sharp surrender penalties if you attempt to get your money out faster than the predetermined rate. Please note, this makes the investment illiquid.

Another weakness of many fixed annuity products is that they generally do not adjust for inflation. A fixed life income will gradually lose its purchasing power over time. Not all fixed annuity products have this issue. However, understanding this issue may allow you to implement strategies to combat it. Any potential annuity purchased should be part of a comprehensive financial plan.

Fixed Annuity Summary

A fixed annuity purchase can be very useful for financial planning, particularly in retirement planning. Individuals looking for a steady and guaranteed income may find the fixed annuity to be effective. As with all investment vehicles, it is very important to understand the facts prior to purchasing any financial product or service.

SECTION III: ANNUITY TO ANNUITY REPLACEMENT DISCLOSURE

Flagstar Advisors and your Financial Advisor, want you to understand and carefully consider the facts about your 1035 exchange. Please take a moment to review the information provided in your prospectus and in the side-by side comparison in the carriers documentation.

You understand and acknowledge that:

- If you purchase a bonus product, it will either have a higher surrender charge, a longer surrender period and/or higher fees than a variable annuity product without a bonus credit.
- The tax-deferred feature of an annuity is unnecessary when investing in an annuity through a tax-qualified retirement account, including an IRA. Accordingly, you value features other than tax-deferral, such as lifetime income payments and death protection.
- Details of the features, risks and fees are set forth in the prospectus with this annuity purchase and Section of this Disclosure Booklet "Understanding Your Variable Annuity" (if applicable) which you acknowledge receiving and reviewing with your Financial Advisor.
- The sub-accounts for this annuity are consistent with your investment objectives for these funds.
- If you are switching from a fixed annuity to a variable annuity, the new annuity has market risk versus a guaranteed rate of return.
- To lock-in a surrender value, Flagstar Advisors recommends that you contact the existing carrier and transfer the funds to a money market sub-account while the requested transaction is in process.
- Depending on the terms of the contract, the bonus amount may be taken back by the carrier upon the annuitant's death within a specific timeframe as specified in the contract.
- A replacement may result in the lose of existing benefits (such as death, living or other contractual benefits), or be subject to increased fees, investment advisory fees or charges for riders, and similar product enhancements.
- You must disclose to your Financial Advisor if you had another annuity exchange or replacement within the preceding 36 months.

SECTION IV: PARTIAL ANNUITY REPLACEMENT

Flagstar Advisors and your Financial Advisor, want you to understand and carefully consider the facts about your 1035 exchange. Please take a moment to review the information provided in your prospectus and in the side-by side comparison in the carrier's documentation.

You understand and acknowledge that:

- Flagstar Advisors does not give tax or legal advice. You realize that you should speak to a tax advisor regarding the tax aspects of this transaction.
- If you purchase a bonus product, it will either have a higher surrender charge, a longer surrender period and/or higher fees than a variable annuity product without a bonus credit.
- The tax-deferred feature of an annuity is unnecessary when investing in an annuity through a tax-qualified retirement account, including an IRA. Accordingly, you value features other than tax-deferral, such as lifetime income payments and death protection.
- Details of the features, risks and fees are set forth in the prospectus with this annuity purchase and in this agreement and disclosure under Section I, entitled "Understanding Your Variable Annuity Contract" which you acknowledge receiving and reviewing with your Financial Advisor.
- The sub-accounts for this annuity are consistent with your investment objectives for these funds.
- If you are switching from a fixed annuity to a variable annuity, the new annuity has market risk versus a guaranteed rate of return.
- To lock-in a surrender value, Flagstar Advisors recommends that you contact the existing carrier and transfer the funds to a money market sub-account while the requested transaction is in process.
- Depending on the terms of the contract, the bonus amount may be taken back by the carrier upon the annuitant's death within a specific timeframe as specified in the contract.
- The IRS may conclude that a Partial 1035 Exchange was performed for tax avoidance if a withdrawal, surrender, or distribution is made from either contract less than twenty four months after the Partial 1035 Exchange in question (for Non-Qualified contracts only).

SECTION V: TAX GAIN ACKNOWLEDGEMENT

If you have agreed to make a partial withdrawal from your current annuity contract to purchase a new annuity contract, you acknowledge that:

- Your Financial Advisor did not give you tax advice regarding the consequences of making the partial withdrawal and the subsequent purchase of a new contract
- You realize that the partial surrender of the existing annuity contract may lead to a taxable gain and have had the opportunity to consult with a tax advisor about the tax consequences of this transaction.

SECTION VI: PURCHASE OF AN ANNUITY AND SURRENDER OF A MUTUAL FUND

If you purchase an annuity with funds held in a mutual fund account, then the mutual funds you surrendered and the annuity you purchased may carry a sales charge and/or fee(s), you may have paid a separate sales charge and/or fee(s) for each transaction. If that is not your understanding, or if you have questions, please contact the Flagstar Advisors Help Desk at (646) 822-1475.

SECTION VII: NEW YORK STATE RESIDENTS CLIENT NOTIFICATION COMPENSATION DISCLOSURE -- RULE 194

Please note Flagstar Advisors has relationships with insurance companies whose products we sell. As an insurance producer, we are an agent of the insurance company and receive commissions from the insurance company whose products we sell.

We expect to receive compensation from the insurance company or other third party based, at least in part, on the insurance contract we may sell you. The compensation paid to us may vary depending on a number of factors, including the insurance contract and the insurance company that you select, the volume of business we provide to the insurance company or the profitability of the insurance contracts that we provide to the insurance company. You may obtain information about the compensation that we expect to receive based on the sale, and any alternative quotes we may have presented, by requesting such information from us.

An insurance producer, according to New York Insurance Law 4224(c), is prohibited by law from altering the amount of compensation he/she receives from the insurance company based in whole or in part on the sale and from giving you, directly or indirectly, any portion of such compensation which is not specified in your policy or contract.

SECTION VIII: ADDITIONAL AGREEMENTS, CONSENTS AND DISCLOSURES

1. Pre-Dispute Arbitration

By signing the Annuity Application, the parties agree as follow:

a. All parties to this Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.

b. Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.

c. The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.

d. The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.

e. The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.

f. The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.

g. The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement.

You agree that all controversies that may arise between us (including, but not limited to controversies concerning any accounts, order or transaction, or the continuation, performance, interpretation or breach of this or any other agreement between us, whether entered into or arising before, on or after the date this account is opened) shall be determined by arbitration in accordance with the rules then prevailing of the Financial Industry Regulatory Authority, Inc., as you may designate. If you do not notify us in writing of your designation within five (5) days after you receive from us a written demand for arbitration, then you authorize us to make such a designation on your behalf. You understand that judgment upon any arbitration award may be entered in any court of competent jurisdiction.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (a) the class certification is denied; (b) the class is decertified; or (c) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

2. Authority and Ownership:

I represent that I have the legal capacity, and am authorized, to enter into this Agreement and have obtained and shall provide you with all necessary authorizations from third parties to buy one or more Annuity products and effect transactions in securities purchased, held and sold by me through you. I shall be the owner of my Annuity or shall have the legal capacity to control the assets in my Annuity(s).

3. Opening an Annuity:

I understand that in order to buy an insurance product, I will truthfully complete and sign the standard account application and any other required documents.

4. Liability:

Neither Flagstar Advisors or its affiliates nor an insurance carrier shall be liable for the loss or delay caused directly or indirectly by war, terrorism, natural disasters, government restrictions, exchange or market rulings, interruption or malfunction of communication facilities, extreme volatility of trading, or other conditions beyond Flagstar Advisors's reasonable control. In no event shall Flagstar Advisors, Flagstar Advisors's affiliates or an insurance carrier be liable for indirect, incidental, special or consequential damages, even if Flagstar Advisors, Flagstar Advisors's affiliates or an insurance carrier are advised as to the possibility thereof. Additionally, I hereby ratify any instructions given on my Flagstar Advisors Accounts and agree that neither Flagstar Advisors, Flagstar Advisors's affiliates, an insurance carrier nor any fund's transfer agent will be liable for any loss, cost or expense for acting upon such instructions (by telephone or writing) believed by you or them to be genuine and in accordance with the procedures described in the fund prospectus. I further agree that neither Flagstar Advisors nor Flagstar Advisors affiliates shall be liable for not complying with any instructions if Flagstar Advisors or Flagstar Advisors affiliates reasonably suspect that I or my Annuity Purchase is involved in fraudulent activities or other irregularities and Flagstar Advisors and Flagstar Advisors affiliates can continue to refrain from complying with such instructions until Flagstar Advisors or Flagstar Advisors affiliates have had an opportunity to investigate and become satisfied that there was no fraudulent activities or irregularities. Flagstar Advisors and Flagstar Advisors affiliates shall be liable only for damages that are the direct result of their gross negligence or willful misconduct. In no event shall Flagstar Advisors or Flagstar Advisors affiliates be liable for special, punitive, indirect or consequential damages, nor shall any action or inaction on Flagstar Advisors or Flagstar Advisors affiliates' part constitute a waiver by either Flagstar Advisors or Flagstar Advisors affiliates of any cause of action or defense to recovery under any applicable law of mistake or restitution. Flagstar Advisors and Flagstar Advisors affiliates shall be liable only for damages that are the direct result of their gross negligence or willful misconduct. In no event shall Flagstar Advisors or Flagstar Advisors affiliates be liable for special, punitive, indirect or consequential damages, nor shall any action or inaction on Flagstar Advisors or Flagstar Advisors affiliates' part constitute a waiver by either Flagstar Advisors or Flagstar Advisors affiliates of any cause of action or defense to recovery under any applicable law of mistake or restitution.

5. Severability:
If any provision of this Agreement shall be invalid, illegal or unenforceable under any law or regulation, it shall not affect the validity of the remaining provisions of this Agreement, which shall remain in full force and effect.

6. Relationship with Other Agreements:
The rights and obligations contained in this Agreement shall be in addition to those contained in the agreements governing any accounts I may have at Flagstar Bank and any other agreements I may have signed with Flagstar Advisors, any of Flagstar Advisors affiliates, or an insurance carrier.

7. Change of Information:
I understand that should there be a change in any of my Annuity Account information, including address, financial status, and risk tolerance, I must immediately provide the carrier and Flagstar Advisors with notice of such change. I understand that Flagstar Advisors will not be responsible for any adverse consequences resulting from Flagstar Advisors reliance on information which has changed, but for which I have not promptly notified Flagstar Advisors and the carrier.

8. Indemnification:
You agree to indemnify us from, and hold us harmless for, any losses (as defined in Limits to our Responsibility) resulting from your actions or failures to act, whether intentional or not, including losses resulting from actions taken by third parties. Beyond taking reasonable steps to verify the authenticity of instructions, we have no obligation to inquire into the purpose, wisdom, or propriety of any instruction we receive.

9. Notices:
I agree that any notices, inquiries or complaints you send to Flagstar Advisors will only be effective if I send it to Flagstar Advisors Group at its office at 29 West 38th Street, New York, New York, 10018. Any notice to me shall be sufficient if Flagstar Advisors sends it to me at my last known address appearing on its records.

10. Litigation:
Any litigation of a dispute that is not eligible for arbitration under the arbitration rules of the Financial Industry Regulatory Authority, Inc., MUST be commenced in a court having subject matter jurisdiction located ONLY in the State and County of New York. I agree that such court has and may assert personal jurisdiction over me and I irrevocably waive any defense based upon lack of jurisdiction, statute of limitations, inconvenience of forum and improper venue. I waive personal service of process and consent to service of process by certified or registered mail, return receipt requested, directed to me at my address at it appears on Flagstar Advisors records. In addition, I waive trial by jury in all such litigation.

11. Governing Law:
This Agreement shall be governed and interpreted in accordance with the laws of the State of New York.

12. USA PATRIOT Act Notice:
To help the government fight the funding of terrorism and money laundering, federal law, we are required to obtain your name, date of birth, address and a government-issued ID number before opening your account, and to verify the information. In certain circumstances, we may obtain and verify comparable information for any person authorized to make transactions in an account or beneficial owners of certain entities. Additional documentation is required for certain entities, such as trusts, estates, corporations, partnerships and other organizations. Your product or service may be restricted if we cannot obtain and verify this information. We will not be responsible for any losses or damages (including, but not limited to, lost opportunities) that may result if your account is restricted or closed.

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PRIVACY NOTICE – Flagstar Advisors

FACTS	WHAT DOES FLAGSTAR BANK, N.A., FLAGSTAR ADVISORS, INC. AND FLAGSTAR FINANCIAL & LEASING, LLC (OR OF ANY SUCCESSOR THERETO) TOGETHER KNOWN AS "FLAGSTAR," DO WITH YOUR PERSONAL INFORMATION?
WHY?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
WHAT?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: • Social Security number and credit history • account balances and account transactions • payment history and checking account information When you are no longer our customer, we continue to share your information as described in this notice.
HOW?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Flagstar chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Flagstar share?	Can you limit this sharing?
For our everyday business purposes—such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes—to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes—information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes—information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share

QUESTIONS?	Call 1-866-744-5463 or email us at privacy@flagstar.com.

WHO ARE WE	
Who is providing this notice?	Flagstar Bank, N.A., Member FDIC, is an Equal Housing Lender. Flagstar Advisors, Inc. (Flagstar Advisors), member of FINRA/SIPC, is a registered broker-dealer, registered investment adviser, and licensed insurance agency. Flagstar Financial & Leasing, LLC (FFL LLC) is a specialty finance company. Flagstar Public Funding Corp. (FPFC) is a municipal leasing and financing corporation. Flagstar Advisors, FFL LLC, and FPFC are wholly owned non-bank subsidiaries of Flagstar Bank, N.A.

WHAT WE DO	
How does Flagstar protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Flagstar collect my personal information?	We collect your personal information, for example, when you • open an account • show your driver's license • deposit money • use your credit or debit card • tell us about your investment or retirement portfolio We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only • sharing for affiliates' everyday business purposes—information about your creditworthiness • affiliates from using your information to market to you • sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.

DEFINITIONS	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. • Our affiliates include other companies with "Flagstar" in their name: financial companies such as *Flagstar Financial & Leasing, LLC and Flagstar Public Funding Corp.*
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. • *Flagstar does not share your information with nonaffiliates so they can market to you.*
Joint marketing	A formal agreement between nonaffiliated financial companies together market financial products or services to you. • *Flagstar does currently share your information with nonaffiliates for joint marketing.*