

IRA Internal Transfer Terms, Tax Disclosures, and Acknowledgments

Effective Date: August 7, 2025

Applicable to: Internal IRA Asset Movements at DriveWealth LLC

Important Notice

Please read this document carefully. By proceeding with your IRA transfer, conversion, or recharacterization, you acknowledge that you have read, understood, and agree to all terms, conditions, and disclosures outlined below.

1. Tax Advisory Disclaimer

No Tax or Legal Advice Provided

Carry Advisors LLC, The Vibes Company Inc., DriveWealth LLC, and their affiliates do not provide tax or legal advice regarding IRA transactions. While Carry Advisors provides investment advisory services, we do not provide tax planning, tax preparation, or legal counsel related to retirement account transactions. The information provided is for informational purposes only. The tax consequences of IRA transactions can be complex and vary based on your individual circumstances.

You are strongly encouraged to consult with a qualified tax professional before initiating any IRA transaction.

2. Your Responsibilities as Account Holder

You are solely responsible for:

Eligibility and Compliance

- Determining your eligibility for the requested transaction
- Ensuring compliance with all applicable IRS rules and regulations
- Meeting contribution limits, income limitations, rollover/conversion rules, and recharacterization deadlines

- Satisfying Required Minimum Distribution (RMD) obligations

Information Accuracy

- The accuracy and completeness of all information provided
- Any tax liabilities, penalties, or consequences arising from this transaction
- Verifying and meeting all applicable IRS deadlines

Tax Obligations

- All federal and state income tax consequences
 - Estimated tax payments that may be required
 - Any penalties for underpayment of taxes during the year
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3. Transaction-Specific Disclosures

Account Transfers

- **Non-Taxable:** Transfers between compatible account types (Traditional to Traditional, Roth to Roth) are typically non-taxable events
- **Asset Valuation:** Assets will be valued at the time DriveWealth processes the transaction
- **Processing Time:** Transfers typically process within 1-2 business days

Roth IRA Conversions

- **Taxable Event:** Conversions are generally included in your taxable income for the year of conversion
- **Irrevocability:** Roth IRA conversions are generally irrevocable under current IRS rules
- **Market Risk:** Asset values may fluctuate between request and processing
- **Tax Withholding:** Available but may not cover your full tax liability

Recharacterizations

- **Deadline Critical:** Must typically be completed by your tax filing deadline (including extensions) for the year of the original contribution
 - **Net Income Attributable (NIA):** DriveWealth will calculate required net income or loss attributable to the contribution being recharacterized based on IRS regulations
 - **Tax Year Impact:** Changes the tax treatment of your original contribution for the applicable tax year
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4. Required Minimum Distributions (RMDs)

If you are subject to RMDs (generally age 73 or older):

- You must satisfy your RMD for the current year **before** processing a Roth conversion or rollover from a Traditional IRA
- RMD amounts themselves cannot be converted or rolled over
- You are responsible for ensuring RMD compliance before requesting any transaction

Age Determination:

- Generally age 73 for individuals born after 1950
 - Age 75 for individuals born in 1960 or later
 - Consult your tax advisor for your specific RMD age and requirements
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5. Tax Withholding for Conversions

Federal Income Tax Withholding Options

- **No Withholding:** You may be responsible for estimated tax payments and could incur penalties
- **10% Default:** Standard withholding rate for eligible rollover distributions
- **Custom Percentage:** You may elect a different percentage (minimum 10% for most distributions)

State Income Tax Withholding

- State tax rules vary by jurisdiction
- Withholding may be mandatory in your state if federal tax is withheld
- If no election is made, withholding will occur according to your state's requirements

Important Tax Withholding Notes

- Withheld amounts are sent directly to the IRS/state tax authority
- Withholding reduces the net amount converted to your Roth IRA
- **You remain responsible for any taxes owed beyond the withheld amount**
- **Reference:** IRS Form W-4R provides additional withholding guidance:

<https://www.irs.gov/pub/irs-pdf/fw4r.pdf>

6. Asset Valuation and Market Risk

Valuation Timing

- Assets involved in conversions, transfers, or recharacterizations will be valued as of the time DriveWealth processes the transaction
- Values may differ from those at the time of your request
- DriveWealth is not liable for market fluctuations between request and processing

Asset Liquidation (If Required)

- Asset sales will be executed based on market value at time of execution
 - DriveWealth is not responsible for market fluctuations or investment losses resulting from liquidations
 - Trades are typically placed on a best-effort basis
 - Processing may take up to 5 business days depending on market conditions
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7. Authorization and Processing

What You Authorize

By completing this transaction, you authorize:

Carry Advisors LLC to:

- Complete and submit the DriveWealth IRA Internal Asset Movement Request Form on your behalf
- Liquidate assets as directed (if applicable)
- Calculate and move Net Income Attributable for recharacterizations
- Process elected tax withholding
- Take ministerial actions reasonably incidental to completing this transaction

DriveWealth LLC to:

- Process the requested conversion, transfer, or recharacterization between your specified accounts
- Liquidate assets as directed
- Calculate Net Income Attributable for recharacterizations
- Process any elected tax withholding
- Send withheld amounts to appropriate tax authorities

Processing Timeline

- Transactions typically process within 1-2 business days
- Complex transactions involving asset liquidation may take up to 5 business days
- You will receive email confirmation when processing is complete

- Monthly account statements will reflect completed transactions
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8. Release and Indemnification

Release of Liability

You release and agree to indemnify and hold harmless the following parties from any liability, claims, losses, damages, or expenses (including legal fees) arising from processing this transaction with reasonable care and in accordance with your instructions:

- **The Vibes Company Inc.** and its affiliates, officers, and employees
- **DriveWealth LLC** and its affiliates, officers, and employees

Note: The Vibes Company affiliates include Carry Advisors LLC and Global Carry LLC.

Scope of Release

This release includes but is not limited to:

- Any adverse tax consequences or penalties resulting from this transaction
- Market fluctuations affecting asset values during processing
- Investment losses from required asset liquidations
- Processing delays due to market conditions or incomplete information
- Any consequences arising from your failure to meet IRS requirements or deadlines

Limitation

This release does not apply to actions involving gross negligence, willful misconduct, or violations of applicable law.

9. Important Deadlines and Restrictions

Recharacterization Deadlines

- Must be completed by your tax filing deadline (including extensions) for the year of the original contribution
- Typically October 15th for prior year contributions (with extension)
- **Missing deadlines may result in permanent tax consequences**

Conversion Limitations

- One rollover per IRA per 12-month period (for indirect rollovers)
- RMD amounts cannot be converted or rolled over
- Certain inherited IRA restrictions may apply

Processing Restrictions

- Requests cannot be canceled once processing begins
 - Partial liquidations may not be possible for certain securities
 - Some securities may require manual processing, causing delays
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10. Regulatory and Legal Information

Governing Law

- IRA transactions are governed by the Internal Revenue Code and IRS regulations
- This agreement is governed by applicable federal and state laws
- DriveWealth operations are subject to SEC and FINRA regulations

Customer Identification

- Your identity and tax status were verified during account opening
- We rely on previously verified information for tax reporting purposes
- You are responsible for notifying us of any material changes

Privacy and Security

- Transaction information is maintained according to applicable privacy laws
 - Account statements and tax documents will reflect completed transactions
 - Secure processing through DriveWealth's regulated platform
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11. Contact Information and Support

Questions or Concerns

- **Carry Advisors Support:** support@carry.com
- **Tax Questions:** Consult your qualified tax professional

Additional Resources

- **IRS Publication 590-A:** Contributions to Individual Retirement Arrangements
 - **IRS Publication 590-B:** Distributions from Individual Retirement Arrangements
 - **IRS Form W-4R:** Withholding Certificate for Nonperiodic Payments
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12. Acknowledgment and Agreement

By proceeding with your IRA transaction, you certify and acknowledge that:

1. **Your identity information is accurate** - Your Social Security Number/ITIN and personal information on file are correct and current
2. **All transaction details you entered are accurate** - You have carefully reviewed and confirm the accuracy of all transaction information you provided, including:
 - Source and destination account selections
 - Transaction type selection
 - Dollar amounts or asset specifications
 - Tax withholding elections
 - All other transaction parameters
3. **All other information provided is true, complete, and accurate** to the best of your knowledge
4. **You have read and understood** all terms, conditions, and disclosures in this document, including all Section 5 disclosures
5. **You accept full responsibility** for the tax and legal consequences of this transaction and any errors in the information you provided
6. **You authorize the processing** of this transaction as specified in your instructions, including:
 - Liquidating assets as directed (if applicable)
 - Calculating and moving Net Income Attributable for recharacterizations
 - Processing the requested conversion, transfer, or recharacterization between your specified DriveWealth accounts
 - Processing any elected tax withholding
7. **You release all parties** from liability as outlined in Section 8, including liability for processing transactions based on incorrect information you provided
8. **No tax or legal advice** has been provided to you by DriveWealth, Carry Advisors LLC, Global Carry LLC, or any affiliated parties
9. **All decisions** regarding this transaction are your own, made potentially in consultation with your own advisors
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By clicking "Continue", you confirm that you have read and agree to all terms and disclosures above.