



Getting started with your Employee Stock Purchase Plan

The ABC Company Employee Stock Purchase Plan

This is a draft communication that must be reviewed and approved by Bank of America (BoFA) before it can be distributed.



Account access and resources



Benefits OnLine®

benefits.ml.com

On Benefits OnLine, you can enroll in your Employee Stock Purchase Plan (ESPP) during an enrollment window, view your account, perform transactions related to your ESPP, and view your ESPP documents.



Download the Benefits OnLine app

Scan the code above to use the free app to stay on top of your ESPP account and perform transactions (including selling shares of company stock).*



**Participant service representatives
and voice response system**

XXX.XXX.XXXX

To access the phone system (virtually 24/7), you can use your Social Security number or **internal verification number/employee identification number**. To call Merrill without a charge from outside the U.S., Puerto Rico and Canada, view these [instructions](#).

**<ABC Financial Advisor Group>
(Your Merrill financial advisor team)**

XXX.XXX.XXXX

Call **8 a.m. to 6 p.m.** Eastern, any day the **New York Stock Exchange / Nasdaq** is open.



View Benefits OnLine in another language

To view portions of the Benefits OnLine website in another language, select **Language Preference** at the top of the login page and choose your preferred language from the drop-down list. Benefits OnLine will remember your language each time you log in (from the same computer).

Financial wellness resources

View videos, guides and articles designed to help improve your financial health at education.ml.com. You can also register for upcoming financial webinars and explore the on-demand library of seminars and audiocasts at go.ml.com/events.

*The app is designed to work with most mobile devices in most countries. Carrier fees may apply.

This brochure provides a general description of Merrill's services. Your participation is subject to the terms of your company's ESPP, any agreement between you and your company covering the ESPP, and the prospectus provided to you by your company. Any transactions in connection with your ESPP in your Merrill brokerage account are subject to the terms and conditions of that account. This brochure does not constitute an offer or invitation to buy any securities. Any offer to buy securities from your company would be made only by a prospectus in accordance with the Securities Act of 1933 as amended and all applicable laws. In the event of any conflict with the information about the ESPP in this brochure, the ESPP documents govern.

Investing involves risk, including the possible loss of the principal value invested.

Merrill Lynch, Pierce, Fenner & Smith Incorporated (also referred to as "MLPF&S" or "Merrill") makes available certain investment products sponsored, managed, distributed or provided by companies that are affiliates of Bank of America Corporation ("BoFA Corp."). MLPF&S is a registered broker-dealer, registered investment adviser, member SIPC, and a wholly owned subsidiary of BoFA Corp.

Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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Welcome!

You're eligible to participate in your ESPP. Through your ESPP, you can share in your company's potential success with the opportunity to purchase shares of your company's stock **<at a discount>** through convenient payroll deductions.



Key information about your ESPP



Enrollment window

<Month, Day> – <Month, Day>
<Month, Day> – <Month, Day>



Offering period

<Month, Day> – <Month, Day>
<Month, Day> – <Month, Day>

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Eligibility

You're eligible to participate if **<(add plan specifics)>**

Contributions

You can contribute from **<X% to X% (in whole percentages) and/or \$X to \$X (in whole amounts)>** of your base salary during each offering period. There is an annual contribution limit of **\$XX,XXX. Any contributions exceeding the annual limit will be refunded to you.**

Share limit

<XX> shares **<per year>** **<per purchase period>**

Purchase price

X% discount off the fair market value (**closing/average** price) of the share price on **<either the first day of the offering period or the purchase date, whichever is lower>** **<the purchase date>**

Purchase dates

Typically, the purchase dates are the last business day in **<Month>** and the last business day in **<Month>**

Stock symbol

<NYSE><Nasdaq>: ABC

Please consider both the potential risks and rewards of participating in your ESPP. Review the prospectus and other plan information for more details about your ESPP, and consider consulting your tax, financial or legal advisors for more information about your specific situation.

Your account checklist

There are a few things you need to do on Benefits OnLine to get started with your ESPP account. Use this checklist to guide you through the steps, and what you'll need to have on hand to complete each one.

STEP 1

Create your User ID and password

Visit Benefits OnLine

benefits.ml.com

If you already have a User ID and password for another plan at Merrill, you don't need to create new ones.

What you'll need:

- Your Social Security number (if you're a U.S. citizen or resident).
- Your **internal verification number/employee identification number** (if you're an international employee)

Then, visit benefits.ml.com to get started. After you enter your Social Security number or **internal verification number/employee identification number**, you'll need to follow the verification process.

STEP 2

Enroll in your ESPP

After you log in to Benefits OnLine, look for the plan name and click on the link to enroll. Follow the prompts to complete the enrollment process.

STEP 3

Open your Merrill brokerage account and complete your tax certification

- Log in to Benefits OnLine.
- Follow the prompts to open your Limited Individual Investor Account (LIIA).
- Follow the prompts to complete your tax certification or you will be subject to backup withholding on your share transactions.

The LIIA is a limited, self-directed, non-interest-bearing brokerage account and must be opened before you can receive or sell shares acquired through the ESPP— even if you have another Merrill brokerage account.

To open your LIIA, you'll need:

- Your Benefits OnLine User ID and password

To complete your tax certification, you'll need:

- Your Social Security number (if you're a U.S. citizen or resident)
- Your tax identification number (if you're a non-U.S. citizen)

STEP 4

Set up direct deposit or wire instructions

Cash proceeds from share transactions can be deposited directly to a U.S.-based checking or savings account — or set up wire instructions to transfer funds from your Merrill brokerage account to another account.

What you'll need to set up direct deposit:

- Your bank account number and ABA routing code

What you'll need to set up wire instructions

- Your bank's ABA routing code (or SWIFT code for non-U.S. financial institutions) and the account number where you want the funds to go

STEP 5

Set up online delivery

On Benefits OnLine, you can set up convenient online delivery of ESPP-related communications. You can also sign up to receive personalized financial education to help you enhance your financial well-being. Go to **Email Preferences** under the **Profile & Settings** menu.



A guide to your account

Get instructions for taking these steps and other actions on Benefits OnLine.

Visit go.ml.com/esaag

How does your ESPP work?

Enrollment

As an eligible employee, you can enroll in the ESPP during any of the enrollment windows each year.

The **enrollment window** is a period of time (typically three to four weeks) during which you can enroll in your ESPP for the upcoming offering period.

Once you enroll during an enrollment window for an offering period, your enrollment elections will continue for subsequent offering periods, unless you change them.

Payroll deductions

Deductions from your paychecks are made automatically on an after-tax basis, and are held in a non-interest-bearing account until stock purchases are made.

The offering period is a period during which your contributions are deducted through payroll. Your total contribution amount will be tracked on your regular paystub.

At the end of the offering period, your total contributions are used to purchase shares of your company's stock at a **discount from** the fair market value

(FMV) of the stock **on the purchase date/ on the purchase date or the offering date, whichever is lower**. The FMV is the closing price of a share of stock on a particular date.

On the purchase date, your contributions are used to purchase shares of your company's stock.

Contribution rate changes

During an enrollment window, there is no limit to the number of changes you can make to your elections.

During an offering period, you can reduce or discontinue your contributions. However, you cannot increase your contributions for the current offering period. Increasing your contributions can only be done for the next offering period.

Stock purchases

Purchased shares will be deposited into the Merrill brokerage account you need to open for your ESPP. Once the shares are in your Merrill brokerage account, you may choose to 1) hold your shares in the account, 2) sell all or a portion of the shares, or 3) transfer the shares to the brokerage firm of your choice.

Section 16/Rule 144

If you're a director, officer, associate or other person subject to Rule 144 of the Securities Act of 1933 or Section 16 of the Securities Exchange Act of 1934, as amended ("Section 16 person"), you'll work directly with your financial advisor team to open your brokerage account and conduct transactions. You will still enjoy the convenience of online access to your account information as well as other helpful resources.



Dividends

Any cash dividends will be deposited into your Merrill brokerage account, if you hold shares on the ex-dividend date in your brokerage account.

Note: The ex-dividend date is a date before the record date by which you must own the stock and have it in your account in order to receive a corresponding dividend from the company. Check your ESPP's prospectus for more information.

*U.S. participants only: To reinvest your cash by purchasing additional shares, log in to Benefits OnLine. From the **Brokerage/Sell Shares** tab, select **Go to MyMerrill**, choose **Holdings**, then **Dividend Reinvestment**. Or call Merrill at your ESPP's number for assistance.*

Selling shares

You can sell shares that you have accumulated through your ESPP in your Merrill brokerage account on Benefits OnLine. (Check your company's insider trading policy to confirm your ability to sell shares.) You can choose to receive a check for the proceeds, or use direct deposit or a wire transfer. You may also hold the cash in your LIIA.

Note: Section 16 persons are subject to special rules regarding the sale of their shares.

U.S. federal income taxes

Because your ESPP is a U.S. tax-qualified plan, applicable U.S. taxes on the purchase of your shares are due when you **sell** them, rather than at the time of purchase.

In general, depending on when you sell your shares, the tax implications vary based on the holding period, as described here:

- **Qualifying Disposition:** A Qualifying Disposition generally allows for preferential tax treatment. It occurs when you sell shares purchased through your ESPP more than two years from the beginning of the offering period and more than one year from the date the shares were purchased.
- **Disqualifying Disposition:** A Disqualifying Disposition takes place when you sell shares purchased through your ESPP two years or less from the beginning of the offering period or one year or less from the date the shares were purchased. A Disqualifying Disposition does not allow for preferential tax treatment.

State and local taxes may also apply. In non-U.S. locations, tax implications may vary. Please review the ESPP's prospectus for more information.

ESPP tax consequences can be complex. Consult your tax advisor prior to selling shares.

Lifecycle of your ESPP contributions

Enrollment window

Enroll in your ESPP for the next offering period and select how much you'd like to contribute.

Offering period

Your contributions are deducted from your paycheck.

Purchase date

Your contributions are used to purchase shares of your company's stock **at a discount**.

Share deposit and taxes

Your shares are deposited in your brokerage account (LIIA) and are available for transactions. For tax treatment of your shares, see the "U.S. federal income taxes" section on this page.

Alternate text for U.S. federal income taxes:

For nonqualified plans, delete the first two paragraphs and the tax disposition bullets. Insert the paragraph below instead. Keep the "state and local taxes" and "ESPP tax consequences" paragraphs.

Because your ESPP is a U.S. non-tax-qualified plan, applicable taxes are due when you purchase shares. Additional taxes may also apply when you sell the shares.



Tax reporting for U.S. employees

When you **sell shares purchased/purchase shares** through the ESPP, a taxable event occurs. Your employer is generally responsible for reporting any ordinary income on your Form W-2 for the year of the **sale/purchase**. In addition, gains or losses relative to the purchase price may be required to be reported on your tax return. The above information regarding taxes is generally based on current U.S. federal tax rules as of **Month, Year**.

Service fees

Transaction fees

You are charged the following commissions when selling shares of company stock held in a Merrill brokerage account.

Service channel	Minimum	Transaction cost
Benefits OnLine website and app	\$0	\$0
Participant service representative	\$50.00	\$0.06 per share
Financial advisor team	\$50.00	\$0.06 per share

The minimums and transaction costs are on a per-transaction basis.

Other fees*

Account	Cost	Important information
Limited Individual Investor Account (LIIA)	No fee for active participants \$65 annual fee for inactive participants with cash and/or securities balance	Contact a participant service representative for more information.

Service	Cost	Important information
Direct deposit	No fee	Applies to cash proceeds at time of transaction deposited in a U.S.-based checking or savings account.
Wire transfer	\$7.50**	Wire transfers may not be available in all currencies.
Checks		
U.S. dollars	No fee	
Non-U.S. dollars	\$15.00**	Checks may not be available in all currencies.
Stock certificate/ DRS statement requests	Contact a participant service representative	Fees vary depending on your company's participation in the Direct Registration System (DRS) at the Depository Trust Company.
SEC transaction fee (as of February 27, 2023)	\$0.0080 for each \$1,000.00 or fraction thereof	Fee assessed and paid to the Securities and Exchange Commission (SEC) on each stock sale. Fee is subject to change by the SEC.
Brokerage account transfer (DTC transfer)	No fee for active participants	Applies only to Depository Trust Company (DTC) transfer of assets to another broker. Contact a participant service representative for more information.

* You will be subject to the applicable fees, terms and conditions associated with the retail brokerage account established in connection with your ESPP. All brokerage account fees are subject to change upon notification to you.

** Requests made outside of the AwardChoice® system (Benefits OnLine, participant service representatives or a financial advisor) are subject to retail brokerage wire transfer fees.

Commissions and fees for transactions and services unrelated to the ESPP are subject to standard Merrill rates. Please speak with a Merrill representative for further information.



Participation in the ESPP is entirely voluntary and ABC Company makes no recommendations to its employees with respect to the purchase of its common shares and participation in this plan. There is no guarantee under the ESPP against loss because of market fluctuations. In seeking share ownership, you must also accept the risks. You are strongly encouraged to read the ESPP prospectus before contributing. This brochure is intended only to provide an overview of certain plan provisions. In the event of a discrepancy between this document and any provisions of the ESPP document, offering document or prospectus, the ESPP document, offering document or prospectus will govern. ABC Company expects to continue this program; however, it reserves the right to amend, change, modify, or terminate the program at any time and for any reason.

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