

# **NXP 401(k) Retirement Plan Participant Statement Notice**

This Notice provides you with important investment information regarding your account in NXP's 401(k) Retirement Plan (the "Plan").

## **Account Information**

You may access your Plan account by going to [www.netbenefits.com](http://www.netbenefits.com). You may generate an account statement by selecting "Statements" under the "Quick Links" drop down menu on the home page.

## **Self-Directed Brokerage Account (SDBA)**

The Plan has a self-directed brokerage account (SDBA). The SDBA may be subject to certain investment restrictions and/or transaction fees. Details related to your SDBA balance and any applicable restrictions and/or fees are provided on a separate statement delivered to you by the SDBA provider. You can also access SDBA information by going to [www.netbenefits.com](http://www.netbenefits.com) and selecting "BrokerageLink" under the "Quick Links" drop down menu on the home page.

## **Trading Policy**

The Plan is designed to help you accumulate the financial resources necessary to sustain your preferred lifestyle after you retire by building your wealth through long-term savings. Market timing or excessive trading is not consistent with the intended purpose of the Plan and is considered harmful to the long-term strategy of the investment options under the Plan. Moreover, excessive trading can be harmful to Plan participants in general by diluting share values, increasing fund transaction costs, interfering with a fund's portfolio management, incurring taxable gains and forcing funds to hold excess levels of cash in order to maintain sufficient liquidity to accommodate shareholder purchase and sale activity.

To help protect the long-term best interest of participants in the Plan, NXP has instituted a general trading policy that applies to all funds under the Plan, except the Stable Value Fund and the SDBA.

Under the trading policy, if a participant redeems out of a fund, that participant must wait 30 days to re-enter that fund. The recordkeeper will monitor exchanges and block any purchase that violates this policy. This restriction applies to purchases only; a participant is allowed to transfer out of a fund at any time. Any systematic contributions or withdrawals (*i.e.*, regular payroll contributions, loan payments, withdrawals, automatic rebalancing, etc.) are excluded from the Plan's trading monitoring and are allowed.

Under federal law, investment managers have the right to monitor trade activity to determine if short-term trading practices may be occurring and to restrict or prohibit a participant's transfers if the manager believes that the participant is participating in short-term trading, market timing or abusive transfer practices that are detrimental to the investment option and to other investors in the option. All investment managers reserve the right to reject any purchase or exchange transactions at any time as provided for in the fund's prospectuses and other governing documents. To the extent a Plan fund maintains an excess trading policy that is stricter than the Plan's policy described above, the manager

of the fund can direct the Plan to apply its excessive trading restrictions to participants' accounts. For more information on the funds' excessive trading policies, please consult the funds' prospectuses.

### **Restrictions on Transfers from the Stable Value Fund to the Self-Directed Brokerage Account**

The Plan does not allow transfers of money directly from the Stable Value Fund to the SDBA. You may transfer money from the Stable Value Fund to any of the Plan's other investment options (the "core funds"), but the value of the funds transferred from the Stable Value Fund must remain in the Plan's core funds for at least 90 days. After 90 days, the restriction on the value of the transferred funds ends.

The Plan continues to reserve the right to amend its excessive trading rules in the future.

Transfer requests processed before 3:00 p.m. Central time (or market close, if earlier) are effective on the day the request is made. Transfer requests received after that time are processed the next business day.

### **The Importance of Diversifying Your Retirement Savings**

To help achieve long-term retirement security, you should carefully consider the benefits of a well-balanced and diversified investment portfolio. Spreading your assets among different types of investments can help you achieve a favorable rate of return, while minimizing your overall risk of losing money. This is because market or other economic conditions that cause one category of assets, or one particular security, to perform very well often cause another asset category, or another particular security, to perform poorly. Although diversification is not a guarantee against loss, it is an effective strategy to help you manage investment risk.

In deciding how to invest your retirement savings, you should take into account all your assets, including any retirement savings outside of the Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different tolerances for risk. It is also important to periodically review your investment portfolio, your investment objectives, and the investment options under the Plan to help ensure that your retirement savings will meet your retirement goals.

For more information about individual investing and portfolio diversification, visit the Department of Labor's Web site at [www.dol.gov/agencies/ebsa/laws-and-regulations/laws/pension-protection-act/investing-and-diversification](http://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/pension-protection-act/investing-and-diversification).

### **Paper Copy**

You have the right to request and receive, free of charge, a paper copy of your account statement. To request a paper copy, call the NXP Retirement Service Center at 844-NXP-401K (844-697-4015).

### **For More Information**

For additional information, visit [www.netbenefits.com](http://www.netbenefits.com) or call the NXP Retirement Service Center at 844-NXP-401K (844-697-4015).