

Coversheet for *My Commitment to You as a CFP® Professional*

Background Information

- The CFP Board's Code of Ethics and Standards of Conduct for CFP® Professionals (the "Code and Standards") impose a duty of CFP® Professionals to make "full disclosure" of all material conflicts of interest with the client that could affect the professional relationship.
- The Code and Standards also require CFP® Professionals to manage their conflicts of interest to ensure that they are not allowed to taint the financial advice provided.
- The Code and Standards apply only to individual CFP® Professionals; they are not applicable to Northwestern Mutual.
- As a CFP® Professional, you must decide how best to comply with your disclosure and other obligations under the Code and Standards.
- This Form is provided to assist you in meeting your obligations.

Use of this Brochure

- Although this template brochure is intended to comprehensively disclose conflicts of interest that you may have in your capacity as an insurance agent of Northwestern Mutual, registered representative of NMIS, or advisor of NMWMC, as the CFP® Professional, the obligation to make full disclosure is your obligation, and you must decide for yourself how you wish to meet it.
- Northwestern Mutual does not require you to use this or any other particular form of disclosure to meet your disclosure obligations under the Code and Standards.
- Keep in mind that you may have additional conflicts that are not known to Northwestern Mutual that you may need to disclose. This brochure discloses only those material conflicts that arise on connection with business that you conduct through Northwestern Mutual.
- You may edit or revise this form, or you may choose not to use it at all.
- This template brochure has been approved for use with the public.
 - If you make changes to the Northwestern Mutual-related content on this template, or if you create your own disclosure form that refers to Northwestern Mutual business, you must submit it to MMC for approval
 - Please make your changes in a redline document to facilitate MMC's review
 - You should not include promotional or marketing content.
 - MMC will not review your disclosure for compliance with the Code and Standards; MMC's review is limited to that required under FINRA and Insurance Advertising rules.
 - If you do not make changes to this template, but simply add additional disclosures to address conflicts of interests unrelated to Northwestern Mutual, you do not need to submit it for MMC approval.

- If you create your own disclosure form for business unrelated to Northwestern Mutual and you do not refer to Northwestern Mutual or Northwestern Mutual products, you do not need to submit it to MMC for review.
- If you cut and paste content from this template into a disclosure document that you have created, no submission to MMC is required (assuming that your own disclosure document does not otherwise refer to Northwestern Mutual business).

MY COMMITMENT TO YOU AS A CFP® PROFESSIONAL

As a **Certified Financial Planner™**, my extensive training and financial planning experience will help to assess your current needs and develop a plan to achieve your financial goals. As a CFP® professional, I am held to strict ethical standards to ensure that any financial advice and financial planning recommendations I make are in your best interest. While recognizing that most, if not all, financial services business structures contain material conflicts of interest of one kind or another, part of my commitment to you as a CFP® professional is that I will be transparent with you regarding material conflicts of interest that I have when working with you, as well as how I manage those conflicts.

I provide below a description of my relationship with The Northwestern Mutual Life Insurance Company ("NM") and its relevant affiliates (collectively, "Northwestern Mutual"), a summary of how I and Northwestern Mutual are compensated, and the material conflicts of interest that arise because of the manner in which we are each compensated. I also provide an overview of how I manage those material conflicts of interest.

For more information regarding what it means to be a CFP® professional and the standards that I am required to adhere to by the CFP Board, please visit www.cfp.net.

My Relationship with Northwestern Mutual

I am proud to recommend, sell and service a variety of Northwestern Mutual insurance products (e.g., life, annuities, disability income and/or long-term care, the latter through NM's wholly-owned subsidiary Northwestern Long Term Care Insurance Company ("NLTC")) that can help protect you, your family, and your business from the adverse financial impact of dying prematurely, outliving your income during retirement, incurring a significant disability during your working years or suffering a long-term care event. Northwestern Mutual makes its products available only through Northwestern Mutual licensed representatives, such as me. Pursuant to my Northwestern Mutual contract, my primary insurance product affiliation is with Northwestern Mutual, I primarily recommend, sell and service Northwestern Mutual insurance products, and I am required to meet annual minimum insurance production requirements established by Northwestern Mutual from time to time.

However, my contract does not otherwise limit my ability to recommend, sell and service other companies' insurance products to any particular client so long as I meet my obligation to primarily recommend, sell and service Northwestern Mutual insurance products in appropriate circumstances. In acting in your best interest, I would recommend, sell and service other

companies' insurance products (when such products are available from among those I am authorized to sell by other companies) in the following situations:

- When Northwestern Mutual is unable to offer coverage;
- When Northwestern Mutual's underwriting criteria are materially unfavorable;
- When Northwestern Mutual does not offer an insurance product or type of insurance product that meets your (or your business's) needs or objectives;
- When a Northwestern Mutual insurance product that otherwise meets your (or your business's) needs or objectives does not offer a unique product feature appropriate for your specific situation; or
- When my offer of a Northwestern Mutual insurance product is not acceptable to you.

NM prohibits its licensed representatives from recommending, selling or servicing any fixed index annuity/equity index annuity product. In rare circumstances, in acting in your best interest and based on your financial needs and goals, I may conclude that I am unable to recommend to you any insurance product from those I am authorized to recommend, sell and service by Northwestern Mutual or other companies.

As a registered representative of Northwestern Mutual Investment Services, LLC ("NMIS"), a broker-dealer wholly-owned by NM, I am qualified to recommend, sell and service certain securities products, including NM variable life insurance and variable annuities, as well as a limited number of other companies' variable life and variable annuity products that are approved by NMIS from time to time. In determining whether another company's variable product is appropriate to sell to and/or service for our clients, NMIS considers the features, benefits, costs, and risks of the variable product, the need for the variable product in our distribution system, and whether any additional supervision or training is required. Consistent with most broker-dealers' practices, as a registered representative of NMIS, I am not allowed to associate with other broker-dealers.

If I have the title of Financial Advisor or Wealth Management Advisor, then I am also an advisor of the Northwestern Mutual Wealth Management Company ("NMWMC"), a wholly-owned subsidiary of NM and a limited purpose federal savings bank. If I am an advisor of NMWMC, I am qualified to offer you proprietary investment advisory programs and services (generally referred to as the Signature Advisory Programs), including an NM fee-based variable annuity product.

Additionally, if I have completed required training, I am able to offer financial planning for a fee. I do not sell other companies' investment advisory programs and services or fee-based variable annuity products.

The nature of my relationship with Northwestern Mutual (including NLTC, NMIS and NMWMC), and the compensation and benefits that I receive as a result of the relationship which are further discussed below, is a material conflict of interest because it incentivizes me to recommend insurance products, securities products and investment advisory programs and services issued or offered by Northwestern Mutual (which receives an economic benefit when you purchase and retain its insurance products, securities products and/or investment advisory programs and services) instead of insurance products, securities products and investment advisory programs and services issued or offered by other companies.

Compensation, Revenue and Related Conflicts

Unless we have agreed that I will provide you with fee-based financial planning, I am compensated only when you "take action" by purchasing insurance products, securities products, or investment advisory programs and services. This is a material conflict of interest because I am incentivized to sell you a product, program or service so that I will be compensated for the time I spend with you and the expertise that I provide to you.

My Compensation for Northwestern Mutual Insurance Product Sales

As an insurance agent, I am compensated by Northwestern Mutual for sales of its insurance products (including life insurance policies, annuity contracts, disability income policies and long-term care policies) through commissions, which are typically calculated as a percentage of the insurance premium/annuity considerations you pay. These commissions are typically paid to me in the form of first-year commissions (a percentage of the first-year premium/considerations paid by you), renewal commissions (a percentage of annual premiums paid in the second to tenth policy years by you), persistency fees (a percentage of annual premiums paid in the eleventh policy year onward by you) and for variable annuities (in lieu of renewal commissions and persistency fees) service fees (a percentage of considerations paid by you in the second contract year onward). Most of the commissions I receive upon the sale of a Northwestern Mutual policy or contract are paid in the first year and can range up to 55% of the first year's premiums collected on a policy or contract. The rate of commissions I receive can vary by insurance product; the insured's issue age or age at maturity of the contract, gender, risk class and tobacco status; additional premiums paid; premium size; the specified period for premium/considerations payment; and other factors.

This transaction-based commission structure is a material conflict of interest because it incentivizes me to sell

Northwestern Mutual products to a client often and to sell Northwestern Mutual insurance products that pay the highest rates of commission and that have relatively higher initial and ongoing premium payments associated with them. For example, if you have a life insurance need, this commission structure incentivizes me to recommend permanent life insurance instead of term life insurance because (due to its permanence, guarantees and other unique features and living benefits) the initial premium payments for permanent life insurance are typically higher than the initial premium payments for a term policy with an equivalent death benefit, which also allows Northwestern Mutual to offer somewhat higher commission rates for permanent life insurance as compared to term. Although this is a material conflict of interest, as described below, I take steps to manage this material conflict (and similar material conflicts) to ensure that my recommendations to you are aligned to your needs and in your best interest.

There are other types of compensation and benefits that I am generally eligible to receive beyond the commissions described above for sales of Northwestern Mutual insurance products:

- **Cash Bonuses**—Qualification for cash bonuses are typically based on a Northwestern Mutual representative's annual production. Cash Bonus targets and amounts vary. Representatives must meet minimum production requirements in order to be eligible for cash bonuses. Not all representatives will be eligible to receive a particular bonus.
- **Retirement and Healthcare Benefits**—Eligible representatives will earn credit toward Northwestern Mutual's retirement plans based upon their annual insurance sales production. Eligible representatives may also participate in Northwestern Mutual's health and group life insurance plans, with subsidized cost based on meeting minimum earnings requirements.
- **Awards & Recognition**—Eligible representatives receive non-cash compensation in the form of honors and awards for annual insurance sales production (which at times may also include annual investment production). Northwestern Mutual provides incentives including, but not limited to, travel, gifts, prizes, awards, achievement recognition, preferential servicing and attendance at company-sponsored business meetings.
- **Expense Support**—Eligible representatives may qualify for expense allowances paid by their local office based on annual insurance sales production and local office requirements. Eligible representatives early in their career also receive extra commissions and incentives through training allowances and early productivity incentives sponsored by NM, which assists new representatives in becoming established in their career.

- **Local Incentive Programs**—Eligible representatives participate in local office incentive programs which (subject to limitations imposed by Northwestern Mutual further described below) are based on insurance sales production and other factors. Incentives provided by the local offices can include, but are not limited to, trips with a business/education component and other non-cash incentives such as gifts, recognition events, and education and development services.

These additional incentives create a material conflict of interest in that they further incent me to recommend and sell Northwestern Mutual insurance products, and to sell Northwestern Mutual insurance products instead of products issued by other insurance carriers. I am happy to discuss further with you at your request these additional incentives, how they apply to me and how I manage the material conflicts of interest they present.

Finally, my level of Northwestern Mutual insurance sales also impacts my placement on the “grid” (described below) which affects how much I will be paid for my sales of investment products and advisory services. In other words, the more Northwestern Mutual insurance products I sell, the higher the potential rate of compensation I can receive when I sell investment products offered by NMIS or NMWMC. This structure incentivizes me to recommend and sell Northwestern Mutual insurance products so that I can maximize my investment compensation and is a material conflict of interest. As further described below, however, structures have been put in place by Northwestern Mutual to mitigate the conflict of interest created by the grid.

If you have any questions regarding any aspect of the compensation and benefits I receive in connection with the sale of Northwestern Mutual insurance products, please ask me for more information. I describe below how I manage these material conflicts of interest related to my insurance product compensation.

My Compensation for Sales of Investment Products and Advisory Services

As a registered representative of NMIS and as an advisor of NMWMC (if I am one), I receive a percentage of the investment brokerage commissions and/or advisory fees collected by NMIS and/or NMWMC, respectively, which are typically calculated as a percentage of (1) the amount you pay for an investment or non-NM variable product through NMIS as a broker-dealer or (2) the accumulated value of your advisory investments through NMWMC advisory programs and services. As my sales of investment products, advisory services, and Northwestern Mutual insurance products increase and reach certain sales production levels, NMIS and NMWMC incrementally increase the percentage of commissions and/or fees paid to me for sales

of investment products and/or advisory services (but not Northwestern Mutual insurance products, for which I am compensated separately as described above).

The different sales production levels and increasing payout percentages tied to those production levels are known as a “grid,” which is a typical compensation structure in the retail investment industry. The grid payout percentages range between 35% and 95% payable to me, depending on the level of commissions, fees, and life insurance premium that I generated during the previous agent year (which runs from July 1 through June 30 of the following year). Therefore, my current grid level is set based on my sales production during the previous agent year and my current investment or insurance product recommendations cannot influence my grid rate for the current agent year. Once a grid rate is set for an agent year, it applies uniformly across investment product and services types. The ability to improve grid placement and thus my investment payout percentage in the following agent year incentivizes me to sell and service brokerage, advisory and Northwestern Mutual insurance products in the current year. If I have agreed to provide you with planning services for a fee, then the fee that you pay is not run through the grid and does not affect my grid placement or any other compensation and benefits described above. I receive 75-80% of the fee that you pay to NMWMC for fee-based financial planning services.

The cost to you of brokerage products and advisory services varies among and within product types and advisory services. For example, similar mutual funds from different fund families may have share classes with different front-end loads. Within the same fund family, commissions can vary depending on the fund and the asset class (e.g., fixed income fund versus an equity fund). Typically commissions on transactions in stocks or equity funds are higher than commissions on bond and or fixed income funds. Investment advisory fees are generally paid on an annual basis whereas the primary cost of some mutual fund share classes is paid once up front. Over longer periods of time, the total compensation a representative could receive for mutual fund and annuity sales is typically higher than the compensation they would receive for exchange traded funds (“ETFs”), stocks and bonds, since mutual funds and annuities pay ongoing compensation and ETFs, stocks and bonds do not.

Because some investment products are more expensive than others, and because I am paid on a commission and/or fee basis through the grid described above, I am incentivized to sell more expensive products and services to you, which will have the effect of increasing my compensation and is a material conflict of interest. For example, over time, an advisory account typically will be more expensive than a brokerage account because in an advisory relationship, you are paying for investment advice and receive additional services, such as ongoing account monitoring, rebalancing, and investment

management. If I am an advisor of NMWMC, this compensation structure incentivizes me to establish advisory relationships over brokerage arrangements to maximize my compensation, which is a material conflict of interest.

Typically, I receive ongoing compensation from NMIS based on the value of mutual funds that are held in brokerage accounts and based on the value of NM variable annuity products that I sell. However, I do not receive ongoing compensation on mutual fund sales to brokerage accounts that hold less than \$50,000 in assets. Because I do receive ongoing compensation on an NM variable annuity sale below \$50,000, but do not receive ongoing compensation on mutual fund investments below \$50,000, I have an incentive to recommend an NM variable annuity product for purchases below \$50,000, which is a material conflict of interest.

I can only be compensated for sales of investment products and advisory services when you purchase them from or through NMIS and/or NMWMC. This incentivizes me to recommend that (a) you continue to hold at or through NMIS and/or NMWMC any accounts that you currently hold at or through NMIS and/or NMWMC, and/or (b) you transfer assets held in an account external to NMIS and/or NMWMC (e.g., in a retirement plan account) to NMIS and/or NMWMC through a rollover or account transfer. This is a material conflict of interest.

Revenue to Northwestern Mutual and its Affiliates

As a manufacturer of insurance products, NM, and in some cases, its affiliates (e.g., Northwestern Mutual Series Fund, Inc., NM's proprietary mutual fund) receive revenue on every NM insurance product I sell. Northwestern Mutual is therefore incented to ensure I sell primarily NM insurance products. For additional details on payments made to NM and its affiliates, you should review the prospectus for the variable product that you are purchasing.

In addition to the revenue NMIS and WMC receive from the sale of investment products and the rendering of investment advisory services, respectively, including brokerage commissions on general securities, sales loads on mutual funds sold through the broker-dealer, ongoing Rule 12b-1 or shareholder servicing fees paid by mutual funds to NMIS, and advisory fees received by NMWMC, NMIS receives significant additional revenue from certain mutual fund families and from its clearing firm, Pershing, LLC, when clients of NMIS or NMWMC invest in mutual funds issued by certain mutual fund families. This is commonly known as revenue sharing. NMIS also receives operational credit payments based on the volume of transactions on Pershing's platform and may receive payments from service providers such as Pershing to renew its respective service agreement with such providers. In addition,

NMIS receives additional revenue when you hold the cash balances in your account in the NMIS Cash Sweep Program, including the Northwestern Mutual FDIC Insured Deposit Program, which is a proprietary product and the default cash sweep product for NMIS accounts.

For detailed information about these arrangements, including (i) how NMIS and its registered representatives such as me are compensated for the sale of mutual funds, and (ii) a list of the mutual fund families from which NMIS receives additional revenue, you should review Northwestern Mutual's brochure, *What Every Investor Should Know About Mutual Funds and ETFs*, which is regularly updated and available at: <https://www.northwesternmutual.com/assets/pdf/investing-disclosure/investor-know-about-mutual-funds.pdf>, and is incorporated by reference herein.

In connection with the sale of mutual funds and variable products, I will also provide you with the relevant prospectus, which you should review for additional disclosure with respect to costs, compensation, revenue and related conflicts of interest specific to that fund or variable product. If I am an advisor of NMWMC and I recommend to you an NMWMC investment advisory program or service, I will also provide you with the applicable advisory program disclosure brochure which you should review for additional disclosure with respect to costs, compensation, revenue and related conflicts of interest specific to that advisory program. If you open up an account with NMIS and/or NMWMC, you will also enter into a Client General Account Agreement which you should review for additional disclosure with respect to costs, compensation, revenue and related conflicts of interest with respect to your account and underlying transactions.

Although my compensation is not materially affected by the revenue received by Northwestern Mutual, NMIS, NMWMC or other affiliates, this is a firm-level material conflict of interest because Northwestern Mutual and its affiliates receive a significant economic benefit when a client makes the above-described purchases or investments in these mutual funds or holds cash in the NMIS Cash Sweep Program.

How I Manage Material Conflicts of Interest

For more than 160 years, Northwestern Mutual has been helping individuals, families and businesses achieve financial security. Northwestern Mutual has achieved that long-term success by having representatives such as me focus on developing life-long relationships with our clients using a holistic planning approach that combines both insurance and investment recommendations to help achieve financial security. I know that in the long run, I will benefit most by serving you well. Your interests and my interests align in this respect because I rely heavily on the referrals I receive from satisfied clients. This in itself helps to mitigate the material conflicts of interest described above.

The nature of Northwestern Mutual and its insurance products also helps to manage material conflicts of interest. NM is organized as a mutual company, which means that it is formed for the benefit of its policyowners and not corporate owners or shareholders. NM's mutual structure aligns client and company interests—succeeding for our policyowners is its mission, purpose and reason to exist. Northwestern Mutual's insurance products are backed by unsurpassed financial strength—Northwestern Mutual continues to earn the highest financial strength ratings awarded to any U.S. life insurer by all of the four major rating agencies.¹ Northwestern Mutual is also recognized as a leader in insurance product value through careful underwriting, low expenses, high policyowner loyalty and prudent investing. In short, in recommending Northwestern Mutual insurance products, I am ensuring my clients are purchasing high quality products, with low relative expenses over the long-term, that are backed by a company with unmatched financial strength and product performance.

My conflicts are further mitigated by Northwestern Mutual's compensation practices. Where it is practically feasible to eliminate or mitigate conflicts of interest that arise from compensation practices, Northwestern Mutual has sought to do so. A core principle of Northwestern Mutual's product compensation design for insurance product sales has always been to ensure the value of compensation and benefits (as a percent of premiums, for the length of product) is equivalent across like products. Northwestern Mutual has criteria in place to ensure that any bonus programs focus on long-term production (as opposed to one recommendation or sale) and are proportional to total compensation of the representative. Specific programs within Northwestern Mutual's compensation for insurance products were designed intentionally to minimize compensation that could incent sales behavior that is in material conflict with a client's best interest. All of these steps help to manage my conflicts of interest in connection with sales of Northwestern Mutual insurance products.

With respect to investment compensation paid by NMIS and/or NMWMC, the grid has several features that help to manage the material conflicts of interest discussed above. Consistent with Northwestern Mutual's philosophy, the grid is intended to foster recommendations made in the client's best interest by encouraging holistic planning to meet both the investment and insurance needs to help ensure financial security. My compensation cannot be maximized solely by selling investment products to you. The grid is prospective in nature—production in a given agent year establishes the compensation rate for the subsequent agent year. In other words, an investment product

sale I make during the current agent year will not impact the rate of grid compensation for any other investment product sales I make within this current agent year. The grid is also structured to primarily have gradual increases in the rate of compensation based on combined investment and Northwestern Mutual insurance production—virtually all compensation increases based on production are 5% or less which avoids disproportionately increasing compensation through incremental increases in sales.

With respect to non-cash compensation I receive, there are a number of factors that help manage those material conflicts. There are regulations at both the state and federal level that impose certain limits on non-cash compensation with respect to insurance and investment products. Northwestern Mutual does not allow local offices to run sales contests based on investment production (which includes variable products). It also has adopted policies and procedures for other local office non-cash compensation, including trips, that impose per advisor limits, education components, non-production criteria and supervision elements, depending upon the nature of the non-cash compensation. Northwestern Mutual's primary recognition event each year for representatives who qualify occurs in the United States, has a significant education component, its cash equivalent value is not intended to be disproportional to a representative's total compensation, and noncompliance with state or federal rules and regulations, or company policies, can result in a representative's ineligibility to attend.

In addition, although Northwestern Mutual and its affiliates are not responsible for supervising me to ensure that I meet the standards set by the CFP Board, I am subject to written policies and procedures and a supervisory system established by Northwestern Mutual and its affiliates that have been designed to ensure that insurance and investment products are appropriately sold by its financial representatives, irrespective of whether the representative is a CFP® professional. For example, with respect to sales of investment products and advisory programs and services, including rollover transactions from an employer plan into an IRA, I am subject to written policies and procedures and a comprehensive supervisory system that is designed to help ensure that the recommendations I make to you are appropriate.

Northwestern Mutual and its affiliates supervisory systems include assigned supervisors, human review of transactions, electronic reviews that spot potential issues with a transaction, trend monitoring systems that analyze representative activity over periods of time, training of representatives and supervisory

or stability of funds invested in a company's separate accounts. Ratings as of: AM Best Company, A++ (highest), April 2019; Fitch Ratings, AAA (highest), May 2019; Moody's Investors Service, Aaa (highest), May 2019; S&P Global Ratings, AA+ (second highest), June 2019.

¹ Third-party ratings are subject to change. Ratings are for The Northwestern Mutual Life Insurance Company and Northwestern Long Term Care Insurance Company. Third-party ratings are a measure of the company's relative financial strength and security but are not a reflection of the performance

staff with respect to their obligations and the periodic testing and auditing of the effectiveness of the written policies and procedures and the supervisory structure and systems. These processes can help identify if a representative's compensation is inappropriately influencing his or her recommendations.

Finally, I engage in additional business practices to manage my conflicts of interest, which may include the use of various forms, questionnaires, approved product lists and other tools that assist me in identifying products that are in your best interest irrespective of the compensation that I will receive if you purchase those products or services. In making recommendations to you, these various business practices help me gather various relevant information about you, which can include your age, other investment or insurance holdings, financial situation and needs, tax status, financial objectives, financial experience, time horizon, liquidity needs, risk tolerance, and any other information that you may disclose to me in connection with making a recommendation to you to purchase investment and insurance products and services, and match those attributes with the right product or service. The rigor of these processes helps to ensure that I make recommendations that are in your best interest notwithstanding my material conflicts of interest.

Life and disability insurance, annuities, and life insurance with long-term care benefits are issued by **The Northwestern Mutual Life Insurance Company**, Milwaukee WI (NM). Long-term care insurance is issued by **Northwestern Long Term Care Insurance Company**, Milwaukee, WI, a subsidiary of NM. Investment products are offered through **Northwestern Mutual Investment Services, LLC**, 1-866-664-7737, a dually registered broker-dealer and investment adviser and a wholly-owned company of NM, member FINRA and SIPC. NM Variable annuities and variable insurance are underwritten by NMIS. Fiduciary and fee-based planning services are offered through **Northwestern Mutual Wealth Management Company**, a limited purpose federal savings bank and a wholly owned company of NM. Investment products and trust services are not insured by the FDIC, and are not deposits or other obligations of, or guaranteed by NMWMC, NMIS or NM. All investments are subject to risk including the possible loss of principal invested.