Discover 401(k) Plan Quarterly Statement Supplement

Investment Information You Need to Know

Account Information
Your total Discover Financial Services 401(k) Plan (Plan) account balance, your vested account balance, and the value of each of your investments can be reviewed on Discover's benefits website at MyDiscoverBenefits.com. Please examine your statement carefully. If an error is found on your statement, future statements will be corrected consistent with the terms of the Plan and Discover's records. If there is any conflict between your statement and the official Plan documents, the official Plan documents will always be followed in the actual determination of your benefits. You should report any discrepancies between your report and your records to the myHR Service Center within 3 months.

Transfer Restrictions
Individual funds within the Plan may have their own transfer restrictions. You may access information regarding these restrictions by going to Discover's benefits website at MyDiscoverBenefits.com. The Plan Administrator may, on occasion, either temporarily or permanently restrict the trading ability of you or your beneficiary if you violate the Discover Financial Services 401(k) Plan Restrictions on Trading.

The Plan permits you to make daily transfers. Transfer requests processed before 3:00 p.m. Central time (or market close, if earlier) will be effective on the day the request is made. Transfer requests received after that time will be processed the next business day. You may change or cancel your request at any time before market close by going to Discover's benefits website at MyDiscoverBenefits.com or by calling the myHR Service Center at 844-DFS-myHR (844-377-6947). If your completed request is delayed for any reason, it will process as soon as administratively possible.

The Importance of Diversifying Your Retirement Savings
To help achieve long-term retirement security, you should give careful consideration to 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.

Generally, you can make changes to your future investment direction and/or existing balances at any time, either online at MyDiscoverBenefits.com or by contacting the myHR Service Center by phone as noted below.

In deciding how to invest your retirement savings, you should take into account all of 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 https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/pension-protection-act/investing-and-diversification.

Edelman Financial Engines

Edelman Financial Engines offers independent, objective investment advice and guidance that can help you with retirement planning. This useful tool can be found on MyDiscoverBenefits.com under the Savings and Retirement tab. Click on Get Investment Advice under 401(k) Savings Plan.

Edelman Financial Engines provides two different types of advice services. For do-it-yourself investors, Online Advice will provide investment guidance based on your specific objectives at no cost. You are responsible for making any investment changes to your 401(k) Plan account based on the guidance from Edelman Financial Engines. Alternatively, for a fee you can select “Professional Management” services and retain an Edelman Financial Engines expert to manage your 401(k) Plan account by building a personalized plan, working with myHR to put your plan into action and keeping you on track with periodic monitoring.

Fee Disclosure Information

You can view any individual fees you incurred during the quarter for taking a loan or using Edelman Financial Engines' managed account services by reviewing the “Fee and Expense Detail” chart on your quarterly statement. You can also view this information on your “Account Statements” and Account Activity on Discover’s benefits website.

An overview of the individual fees, as well as other fees charged to Plan investment options, is available in the **Annual Participant Fee Disclosure Notice (Annual Notice)** you receive each year. The **Annual Notice** is available on Discover’s benefits website and provides more specific information about 401(k) Plan expenses.

Prior Quarter Statement

You have the right to request and receive, free of charge, a paper copy of your account statement for either the current or prior quarter. To request a paper copy:

- Call the myHR Service Center toll-free at **844-DFS-myHR (844-337-6947)**
- If you have elected Postal Mail as your delivery preference, access Discover’s benefits website and select “401(k) Prior Quarter On-Demand Account Statement” or “401(k) On-Demand Account Statement" (reflecting current quarter activity) from the “Request Materials” page on the Savings and Retirement Menu. To change your delivery preference for benefits information, click the profile icon in the top right corner of Discover’s benefits website homepage and choose Manage Benefits Communication. Click Update under Benefits Information to choose your delivery preference.

For More Information

Discover's benefits website at MyDiscoverBenefits.com is your best source for detailed, personalized information about your account. The site puts everything right at your fingertips whenever you need to check your balance, make a change, or learn how the plan works. Use the site to:

- Check your account balance.
- Change your contribution rate, investment fund choices, or transfer balances.
- Monitor your investment performance.
- Learn more about the available funds using fund detail information.
- Request a withdrawal.
- Request a Rollover Form.
- Change your beneficiaries.
- Confirm that your requested transaction has been processed.
- Learn about the plan.

Additionally, you can call the myHR Service Center toll-free at **844-DFS-myHR (844-337-6947)**. Representatives are available between 8:00 a.m. and 6:00 p.m. Central time, Monday through Friday, except certain holidays.

Other Important Information

Whenever you initiate a transaction, whether online at MyDiscoverBenefits.com or with a myHR Service Center Representative, you are authorizing the Plan Administrator to process each election as if you had given your written, signed authorization to do so. Discover Financial Services, the Plans and their service providers are not responsible for any delay in processing transactions due to system unavailability, incomplete information, administrative delay or other reasons. You are responsible for ensuring that your elections are correctly executed and reflected on confirmation statements and MyDiscoverBenefits.com. If you do not contact myHR immediately to correct any errors, you may not do so at a later date and you will be entitled only to the benefits shown. At its discretion, the Plan Administrator retains the right to correct any errors it discovers, subject to the terms of the Plans.

The information contained in this document is general in nature, is not individual tax advice and may not be used to avoid any tax or tax penalty. Tax laws are complex and subject to change, and their application may vary based on the circumstances. Discover, its benefit plans and their service providers do not provide tax or legal advice. It is your responsibility to consult your own tax and legal advisors.

Any inconsistency between the terms of any letter or verbal representation and the official Plan documents will be governed by the Plan documents. Although Discover expects to continue its benefit plans indefinitely, Discover and its affiliates necessarily reserve the right to amend, modify or discontinue its plans at any time.