



## **Client Service Agreement**

This Client Service Agreement and Statement of Services and Fees (collectively the "Agreement") is entered into by and between the Plan Sponsor, Plan Trustee or their Authorized Representative ("Sponsor") and PenChecks Trust Company of America ("PenChecks Trust"), a South Dakota state-chartered, non-depository trust company, in its capacity as a distribution processor and directed custodian. The terms of this Agreement are accepted by the Sponsor on the date this Agreement is signed, and Sponsor completes the online registration process where the specific name of the Sponsor or its Authorized Representative, such as its Third-Party Administrator ("TPA") or Plan Advisor, and the name of the qualified Plan are communicated to PenChecks Trust. When the Sponsor's Authorized Representative is a duly appointed Trustee in Bankruptcy, please refer to section 11 below.

**WHEREAS**, Sponsor or Sponsor's clients have adopted a plan of deferred compensation ("Plan" and/or "Plan/Trust") that qualifies for special tax treatment under one or more sections of the Internal Revenue Code (the "Code") as applicable, for the exclusive purpose of providing retirement benefits to its employees, and

**WHEREAS**, PenChecks Trust is a wholly-owned subsidiary of PenChecks, Inc., and the directed trustee of the PenChecks, Inc. Qualified Distribution Trust, Nonqualified Distribution Trust, and Missing Distributee Distribution Trust (collectively, the "Distribution Trusts") administrative tools to enhance the efficiency and effectiveness of processing benefit payments, and

**WHEREAS**, the Sponsor or Sponsor's clients issued a Corporate Resolution or other Written Record of Action authorizing the Sponsor to enter into this Agreement with PenChecks Trust as well as authorizing use of the Distribution Trusts as the case may be, as part of the above referenced Plan/Trust to be used as an administrative tool to enhance the efficiency and effectiveness in processing benefit payments, and

**WHEREAS**, PenChecks Trust shall act only with respect to certain Plan assets ("Funds") that the Sponsor authorizes and directs PenChecks Trust to distribute to or on behalf of Plan Participants, Alternate Payees, Plan beneficiaries, to Automatic Rollover/Missing Participant IRA, or recurring payments, and

**WHEREAS**, the Sponsor is authorized by the terms of the Plan and/or Sponsor's agreement with its clients to designate certain parties to provide services with respect to the Plan/Trust and desires to designate PenChecks Trust to provide the services listed in sections 3 through 8 below, as may be selected by the Sponsor including, but not limited to, the establishment of an Automatic Rollover and/or Missing Participant IRA on behalf of Participants designated by the Sponsor, and

**WHEREAS**, the Sponsor acknowledges that the Distribution Trusts shall from time to time earn interest from monies deposited pending distribution; said interest shall constitute compensation to PenChecks Trust for providing the services described herein.

**NOW, THEREFORE**, in consideration of the promises and the mutual covenants set forth herein, Sponsor and PenChecks Trust agree to the following:

- 1. DISTRIBUTABLE FUNDS OF THE PLAN.** Except as otherwise provided herein, the Funds shall consist of that part of the Plan assets that the Sponsor sends or causes to be sent to PenChecks Trust to be distributed to or on behalf of designated Plan Participants, alternate payees, and Plan beneficiaries identified and provided to PenChecks Trust by the Sponsor or its Authorized Representative. In the event the Funds to be distributed or rolled over arise from a designated Roth account, the Sponsor certifies that such account(s) has been maintained in compliance with all applicable law and regulations concerning such account(s).
- 2. APPOINTMENT OF PENCHECKS TRUST.** Sponsor hereby accepts the terms of this Agreement and appoints PenChecks Trust, in a non-exclusive capacity only with respect to the specific provisions of this Agreement upon completion of the required online registration process through the PenChecks pay portal ("Amplify™") found at [amplify.penchecks.com](https://amplify.penchecks.com). Such appointment is hereby accepted by PenChecks Trust subject to PenChecks review of account information and Sponsor completing the online registration process signifying review and acceptance of the fees as set forth in the Statement of Services and Fees. The online registration process requires the individual registering the Sponsor to certify via electronic signature that the individual is a duly Authorized Representative of Sponsor and that they have read, understand, and agree to the terms of this Agreement. Upon proper online registration of Sponsor and acceptance of the Agreement via electronic signature, PenChecks Trust represents that it can perform all of its duties described herein.

3. **AUTOMATIC ROLLOVER/MISSING PARTICIPANT IRA COMPLIANCE.** In the event PenChecks Trust or the Sponsor is unable, after due inquiry, to locate a former Participant of an on-going Plan with a balance less than the limit set forth in section 411(a)(11) of the Internal Revenue Code, as amended or superseded from time-to-time, or to locate a former Participant of a terminated or terminating Plan and the Sponsor maintains no other plan which can accept the funds which would otherwise be distributable to the Participant, the Sponsor authorizes PenChecks Trust to establish on behalf of such Participant, an Automatic Rollover/Missing Participant Individual Retirement Account ("ARMP IRA") as set forth in section 4 of this Agreement.

For ARMP IRAs, PenChecks Trust provides the following:

- A. **Express IRA Service.** In the event the Sponsor has already conducted a thorough search for the Participant that it has concluded complies with applicable legal requirements, PenChecks Trust will establish an ARMP IRA under the Express IRA Service. *See Statement of Services and Fees for details.*
- B. **Premier Distribution.** If Sponsor chooses to establish an ARMP IRA for non-responsive participants, PenChecks Trust performs, following the framework set forth in FAB 2014-01 or a successor thereto, an address search for all Participants and updates last known address as necessary; notifies Participants of the pending distribution; and establishes an ARMP IRA for those non-responsive Participants. *See Statement of Services and Fees for more details.*
- C. Whether Express IRA or Premier Distribution, all ARMP IRAs established under this section are established pursuant to the framework in DOL Safe Harbor Regulations 2550.404a-2 and 2550.404a-3 ("DOL Regs 2550.404a-2 and 404a-3.")

4. **AUTHORITY OF PENCHECKS TRUST.** Under the terms of this Agreement, PenChecks Trust has the authority to, and Sponsor directs PenChecks Trust to, receive Funds, which are to be used for Plan distributions or, where appropriate, to establish an ARMP IRA. Any ARMP IRA will be established under DOL Regs 2550.404a-2 and 404a-3. Funds shall be payable to PenChecks Trust in the form of a check, wire, or ACH that is negotiable. PenChecks Trust is authorized and directed to perform the following with respect to its duties hereunder:

- A. To receive Funds earmarked for distribution and deposit such Funds in the Distribution Trusts or ARMP IRAs established by PenChecks Trust, as appropriate pursuant to the direction provided by the Sponsor in this Agreement. All such Funds shall be held separate and independent from the assets and liabilities of PenChecks Trust. Roth Funds rolled over from designated Roth accounts shall continue to be accounted for separately with respect to both their basis and earnings until distributed.
- B. To contact the appropriate individuals or companies to effectuate the disbursement of Plan benefits directly to or for the benefit of Sponsor designated individuals as well as prepare all necessary documentation to release Funds directly to or for the benefit of Sponsor designated individuals or to establish an ARMP IRA, all according to the service level requested and applicable information provided by the Sponsor to PenChecks Trust.
- C. To issue distribution payments in the form of, but not limited to, check, wire, or ACH to or on behalf of Sponsor designated individuals based upon the information furnished to PenChecks Trust by the Sponsor or its designee, within the time period required by law and to establish ARMP IRAs on behalf of those Sponsor designated individuals in accordance with Plan provisions who either cannot be located or who are non-responsive to requests to make a benefit election.
- D. To withhold and remit any withheld taxes to the appropriate depositories as required by law and to prepare and file all required Federal and/or State forms (i.e. Forms 945, 1099-R, 1042, 1042-S, 1096) to the proper taxing authority as required by law. PenChecks Trust will file all tax forms and reports under the name and TIN of the PenChecks, Inc Qualified Distribution Trust for all qualified Plan distributions disbursed by PenChecks Trust unless otherwise instructed by Sponsor.
- E. To notify and contact the Sponsor, TPA, or Participant as necessary, of any returned payment or non-negotiated check to obtain more accurate instructions. If valid instructions are not received within a timely manner, PenChecks Trust will void any outstanding check(s), recapture any taxes previously withheld (if possible under the then existing taxing agency procedures) and establish an ARMP IRA on behalf of the original beneficiary designated by the Sponsor in accordance with applicable law. Alternatively, the Funds may be returned to the Plan provided the taxes have been recaptured and the Plan is still in existence.
- F. For uncashed checks in cases where PenChecks Trust was not the originating payor (i.e., PenChecks Trust did not process the original distribution and withhold taxes) and, more than three (3) years has passed since the check was issued, recapturing taxes previously withheld and remitted is not possible. In these cases, there is currently no official, published DOL or IRS guidance. Absent official guidance, PenChecks Trust is directed to transfer such Funds to PenChecks Missing Distributees, LLC (a wholly-owned subsidiary of PenChecks, Inc.) on behalf of the Participant to be held in a Taxable Savings Account ("TSA") separate from the Distribution Trusts because such funds are no longer qualified and are not eligible for an ARMP IRA. These funds will be maintained in said TSA and the interest thereon reported to the applicable taxing authority(s) until such time as the Participant is located, comes forward,

or it is appropriate to escheat such funds pursuant to the applicable state unclaimed property statute. PenChecks Trust and/or PenChecks Missing Distributees, LLC are authorized and directed to charge fees (*see Statement of Services and Fees*) for establishing and maintaining such accounts and the Sponsor hereby approves of such fees.

- G. Periodically, PenChecks Trust will notify the Sponsor of any outstanding or undistributed Plan Funds and request the Sponsor to provide instructions to disburse such Funds to the appropriate Participant or beneficiary. In the event that Plan Funds have been deposited with PenChecks Trust in excess of ninety (90) days and for whatever reason there is no Plan provision, no Sponsor direction, no PBGC applicability, or the Plan no longer exists, PenChecks Trust is specifically authorized and directed to establish on behalf of each Participant an ARMP IRA according to DOL and IRS regulations. PenChecks Trust has a financial interest with respect to the ongoing administration of such ARMP IRA's. All applicable fees with respect to such accounts shall be reasonable and are disclosed in the attached Statement of Services and Fees. In instances where an ARMP IRA cannot be established (i.e. ongoing Plan and Participant account balance exceeds the limit set forth in section 411(a)(11) of the Internal Revenue Code, as amended or superseded from time-to-time ), or upon instruction/request by Sponsor, Plan assets will be returned to the Plan.
- H. To accept compensation for services either directly from Sponsor, Plan Participants, TPA or any other entity which contracts with PenChecks Trust, based on PenChecks Trust Statement of Services and Fees in effect at the time a distribution is accomplished, or an ARMP IRA is established. To receive earnings that may occur from the float on funds held in trust. All such earnings, if any, shall be used to defray operating and overhead expenses.
- I. To retain such agents as are appropriate to perform the obligations of PenChecks Trust hereunder. All such agents shall be entitled to the protections of Sections 12, 13 and 14 hereunder.
- J. Funds designated for benefit payments must be made payable to PenChecks Trust. Deposits submitted to PenChecks Trust via wire or ACH require one (1) business day, and checks/draft deposits require a minimum of five (5) business days to clear before any benefit distribution can be processed.

**5. TERMINATING DEFINED BENEFIT PLANS SUBJECT TO PBGC COVERAGE.** Most defined benefit plans are insured by the Pension Benefit Guaranty Corporation ("PBGC"), a U.S. government agency. Accordingly, benefits from a terminating defined benefit plan may be subject to coverage and distribution by the PBGC. PenChecks Trust is not responsible for determining whether a defined benefit plan is subject to PBGC coverage and any amounts submitted to PenChecks Trust by the Sponsor, Trustee and/or its Authorized Representative for distribution shall be governed by the Sponsor's, Trustee's or Authorized Representative's certification that said Plan and benefits are not subject to PBGC coverage and that the Plan Sponsor, Trustee and/or the Authorized Representative is solely responsible to the PBGC and all Participants for any and all funds it instructs PenChecks Trust to distribute. If processing fees are paid by Plan Participants, the Sponsor hereby certifies that the Plan Document(s) governing the distribution for such Plan Participant allows distribution fees to be charged against the Plan Participant's benefit.

**6. TERMINATING DEFINED CONTRIBUTION PLANS WITH ANNUITIES.** Defined contribution plans that offer annuities as a distribution option generally are subject to the same notice and consent requirements of defined benefit plans. There is an exception, however, if the plan provides that 100% of the participant's vested account balance will be paid to the surviving spouse if the participant dies before the annuity starting date, the participant's account balance does not include money subject to the standard survivor benefit rules, and the participant does not elect a life annuity. PenChecks Trust is not responsible for determining whether or not a plan satisfies the exception, unless a participant elects a life annuity, and any amounts submitted to PenChecks Trust by the Sponsor, Trustee and/or its Authorized Representative for distribution shall be governed by the Sponsor's, Trustee's or Authorized Representative's certification that said Plan provides that a participant's vested account balance will be paid to the surviving spouse if the participant dies before the annuity starting date and that the Plan does and/or did not accept money from money purchase or defined benefit plans and has not merged with a plan that is not subject to the profit sharing exception. The Sponsor agrees to hold PenChecks Trust harmless for a failure to satisfy the notice and consent requirements as a result of reliance on said certification.

**7. PARTICIPANT SEARCH AND DEATH AUDIT SERVICE.** The Plan may hold Plan assets that are payable to current or previous participants ("Participants"). Due to various circumstances the Sponsor may or may not have the most current, accurate, or complete contact information (i.e. Address, Phone, SSN, or DOB) for all Participants, and the Sponsor desires (i) to provide notice to the Participants that a retirement benefit will be paid to them, and (ii) the Participant must make a retirement benefit election and/or (iii) to determine if a record of death can be located for a Participant(s). The Sponsor has requested PenChecks Trust to perform only a search of available public records in order to verify the accuracy of the contact information it already has or to obtain the most current contact information for Participants in order for the Sponsor to fulfill items i and ii above and/or to perform a search for item iii above for a record of death of a Participant(s) ("Death Audit").

- A. **Participant Search.** The Sponsor must provide to PenChecks Trust the Participant's Name and SSN for PenChecks Trust to perform the search. The Sponsor should also provide if available, the Participant's Last Known Address and

Date of Birth. PenChecks Trust will provide a template Excel spreadsheet for the Sponsor to transmit the data to PenChecks Trust.

- B. **Death Audit.** For Death Audit services, the Sponsor must provide to PenChecks Trust the Participant's name, SSN, DOB (if available) and Plan name for each Participant for whom a Death Audit is requested. PenChecks Trust will provide a template Excel spreadsheet for the Sponsor to transmit the required data to PenChecks Trust.
- C. Upon receipt of the data identified in sections A and B above, PenChecks Trust will perform a search of available public records. The accuracy of the results obtained depends on the amount and accuracy of the Participant data provided by the Sponsor as well as the information available in public records. Anomalies do occur over which PenChecks Trust has no control. PenChecks Trust may request the Sponsor to obtain an Individual Taxpayer Identification Number (ITIN) from a Participant if a Social Security Number provided is invalid or unavailable. The Sponsor agrees to hold PenChecks Trust harmless should the search prove unsuccessful in locating a missing Participant and/or locating a record of death for the Participant(s) and/or obtaining a valid SSN or ITIN, or if directed by the Sponsor to use an invalid SSN.
- D. All non-public, personal information received by PenChecks Trust from the Sponsor or through the Search and/or Death Audit process will be held for the exclusive use and benefit of the Sponsor and will not be released to any other unauthorized person or entity. The Participant information provided to PenChecks Trust by the Sponsor will be used exclusively to perform a search of public records and for the sole purpose of attempting to locate said Participant(s) and/or perform a Death Audit(s). The Sponsor certifies that the information provided to PenChecks Trust for the purpose of performing Participant searches and/or Death Audits is information for only current or former employees of the Sponsor,
- E. The Sponsor agrees to use all information received as a result of searches and/or Death Audits performed by PenChecks Trust only for such purposes as are allowed by law, in a responsible manner and for the sole purposes of locating and notifying Participants of their retirement benefit.
- F. Participant Search services performed by PenChecks Trust are intended to assist the Sponsor in fulfilling its fiduciary duties.

**8. 1099-Rs ONLY AND TAX PAYMENT SERVICES.** Under the terms of this service, if selected by the Sponsor, PenChecks Trust can prepare and file 1099-R forms and remit withholding taxes (if applicable) for distributions that were previously processed by another party.

- A. **1099-R for IRA Rollover Distributions.** If an IRA rollover distribution has already been processed with no taxes due, a Form 1099-R must still be prepared, filed with the IRS and a copy provided to the Participant. PenChecks Trust will collect all payment details from the Sponsor, prepare and file Form 1099-R with the IRS and appropriate state taxing authorities, if applicable, and prepare and mail the Participant's copy as required by law.
- B. **Tax Payments & 1099-Rs for Lump Sum Distributions with Unremitted Tax Withholding.** If a lump sum distribution has been processed, with taxes withheld but not remitted, PenChecks Trust will collect all distribution details from the Sponsor, receive funds from the Sponsor to pay applicable withholding taxes, remit those funds to the appropriate taxing authority/ies, prepare and file all required forms with the appropriate taxing authority/ies, and prepare and mail the Participant's Form 1099-R in January.
- C. To ensure compliance with all applicable IRS regulations, PenChecks Trust will collect all pertinent distribution details from the Sponsor via a 1099-R Processing Form, a spreadsheet template for bulk processing, or through manual entry into Amplify™ and file all required tax forms (e.g., 1099-R and 945) under the PenChecks Trust tax ID number. The Sponsor agrees to hold PenChecks Trust harmless for any reporting or withholding obligations and any penalties or liabilities where the information provided by the Sponsor is inadequate or incorrect.
- D. To remit taxes, PenChecks Trust must receive all taxable funds in the PenChecks, Inc. Employee Benefit Distribution Trust. PenChecks Trust cannot provide the 1099-R Only processing service for any distributions where the taxes have already been remitted by a party other than PenChecks Trust. All previous distributions for which taxes were withheld and remitted by another party will require the Plan Sponsor or TPA to complete a separate Form 945. This form must be filed by the Plan Sponsor or TPA with the trust tax ID number used in the distribution processing.

**9. PENCHECKS TRUST'S NONFIDUCIARY STATUS.** PenChecks Trust is not a fiduciary with respect to the Plan/Trust and PenChecks Trust's liability shall be limited to its capacity as a directed custodian as detailed herein in connection with the distributable Funds that are the subject of this Agreement.

**10. QUALIFIED DOMESTIC RELATIONS ORDER ("QDRO").** With respect to any distribution made pursuant to a Qualified Domestic Relations Order ("QDRO"): (i) it is the Sponsor's responsibility to have written QDRO procedures in place and to follow those procedures when it instructs PenChecks Trust to make any distribution involving a domestic relations matter; (ii) PenChecks Trust will not act as a proper or necessary recipient of notice of any domestic relations matter that may result in a QDRO; (iii) PenChecks Trust shall have no responsibility under the Plan's QDRO procedures other than the responsibility of acting in

accordance with the instructions of the Sponsor; (iv) only the Sponsor shall have the authority to interpret the terms of any QDRO and they shall jointly and severally hold harmless and indemnify PenChecks Trust with respect to any and all issues arising from their interpretation; and, (v) PenChecks Trust shall have no responsibility to determine whether a specific order is a QDRO or to calculate an alternate payee's interest under any domestic relations order, regardless of whether or not the order is a QDRO.

- 11. BANKRUPTCY TRUSTEE.** In cases where the Authorized Representative of the Plan Sponsor is a duly appointed Bankruptcy Trustee in the context of a Federal Bankruptcy proceeding and such Bankruptcy Trustee is empowered by the Bankruptcy Court and required by applicable federal law to liquidate or otherwise dispose of the assets of Sponsor's qualified plan of deferred compensation, then all references to "Sponsor" herein shall mean such Bankruptcy Trustee and the various actions referred to herein as emanating from Sponsor shall be satisfied by such Bankruptcy Trustee providing PenChecks Trust with specific directions as to its services hereunder. Any provisions hereof that are inconsistent with the functioning of a Trustee in Bankruptcy for the purposes contemplated herein shall be resolved in favor of expediting the Bankruptcy process and implementing the directions of the Trustee in Bankruptcy and pursuant to all applicable federal bankruptcy law. In addition, the Statement of Services and Fees set forth as a part of this Agreement shall be supplemented (or replaced) by the addition of a fee schedule specifically directed at services to be rendered by PenChecks Trust in the event of a Bankruptcy proceeding as contemplated herein. The employment of PenChecks Trust by the Bankruptcy Trustee to act under this agreement is subject to approval by the Bankruptcy Court. All compensation to PenChecks Trust under this agreement is subject to potential review and approval by the Bankruptcy Court. PenChecks Trust may be considered a professional employed by the Bankruptcy Trustee and may be subject to all statutes and rules governing employment and compensation of a professional under the Bankruptcy Code. To the extent any terms of this agreement conflict with applicable bankruptcy law, those terms are not binding, and the applicable bankruptcy law will prevail. The Bankruptcy Trustee has provided all information reasonably available to it to PenChecks Trust. However, the Bankruptcy Trustee makes no independent representations as to the accuracy, veracity or completeness of the information provided.
- 12. LIABILITY FOR ACTS OF OTHERS.** Without limiting the foregoing, PenChecks Trust shall not be responsible for any loss incurred by reason of any act or omission of any service provider selected by the Sponsor, Plan Trustee, Plan Administrator, Plan Custodian, or any other fiduciary under the Plan and Sponsor agrees to hold PenChecks Trust harmless with respect thereto.
- 13. NEGLIGENCE, WILLFUL MISCONDUCT AND DISHONESTY.** PenChecks Trust will be liable for its own negligence or willful misconduct and for the dishonesty of its own employees or agents. Clerical errors due to erroneous or misleading information or vague instructions from the Sponsor shall be the sole responsibility of the Sponsor, or TPA collectively or separately. The Sponsor agrees to hold PenChecks Trust harmless from any losses incurred by following their verbal or written instructions regarding any administrative activities unless the loss was caused by PenChecks Trust's negligence.
- 14. INDEMNIFICATION.** To the extent PenChecks Trust acts upon the instruction or direction of the Sponsor or its Authorized Representative(s), the parties agree that PenChecks Trust is not a fiduciary under ERISA or the Code and is treated as an excluded fiduciary under SDCL 55-1B. Sponsor shall indemnify and hold PenChecks Trust harmless against any liability whatsoever including but not limited to the reasonable expense of defense in connection with any action or proceeding brought against PenChecks Trust as a result of following such instruction or direction of the Sponsor. Furthermore, in the case where there is no Plan provision or lack of Sponsor or TPA direction or PBGC jurisdiction, Sponsor or its successor(s) in interest shall indemnify PenChecks Trust and hold it harmless with respect to any charges, taxes, penalties or any other outlays of costs arising out of the establishment and operation of any ARMP IRA or TSA established by PenChecks Trust under section 4 of this Agreement. The indemnification set forth herein shall not apply to liabilities which may arise as the result of PenChecks Trust willful misconduct or gross negligence. This provision shall survive any termination of this Agreement.
- 15. NOTICE; TERMINATION OF AGREEMENT.** All notices or communications required or permitted to be given by this Agreement must be (i) given in writing and (ii) personally delivered by certified mail, postage prepaid, return receipt requested or overnight courier, or transmitted by electronic mail transmission, to the party to whom such notice or communication is directed, to the mailing address or regularly-monitored electronic mail address provided by Sponsor and to PenChecks Trust, at both 401 East 8<sup>th</sup> Street, Suite 305, Sioux Falls, SD 57103 and at 8580 La Mesa Blvd., Ste 101, La Mesa, CA 91942 or any other address that PenChecks Trust shall furnish to Sponsor, including [info@penchecks.com](mailto:info@penchecks.com). Any such notice or communication shall be deemed to have been given on (i) the day such notice or communication is personally delivered, (ii) three (3) days after such notice or communication is mailed by prepaid certified or registered mail, (iii) one (1) working day after such notice or communication is sent by overnight courier, or (iv) the day such notice or communication is sent electronically, provided that the sender has received a confirmation of such electronic transmission. This Agreement may be terminated at any time by either party giving to the other party thirty (30) days' prior written notice of such termination; provided, however, that the parties may agree to waive any part or all of such time period.

16. **SEVERABILITY.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereto or affecting the validity or enforceability of such provision in any other jurisdiction.
17. **CONTROLLING LAW; BINDING EFFECT.** This Agreement shall be construed and enforced pursuant to the laws of the State of South Dakota to the extent that such laws have not been preempted or superseded by Federal law. This Agreement shall be binding upon, and shall inure to the benefit of, the parties thereto and their respective successors and assigns.
18. **CONTINUED QUALIFICATION.** Sponsor alone shall be responsible to maintain the Plan as a qualified Plan of deferred compensation pursuant to applicable Federal law.
19. **CONFIDENTIAL INFORMATION.** Pursuant to the California Consumer Privacy Act (“CCPA”), PenChecks Trust will not retain, use or disclose Personal Information (“PI”) for any purpose other than for performing the services set forth in this Agreement. PenChecks Trust will not sell PI and will comply with all applicable provisions of the CCPA. PenChecks will secure PI using appropriate administrative, technical and physical safeguards designed to ensure the privacy, confidentiality, and security of such PI. PenChecks Trust will promptly notify the other party to this Agreement in writing upon determining that a security breach impacts any of a party’s PI. Neither party may issue a press release or make public statements relating to this Agreement without the express written consent of the other party.
20. **ENTIRE AGREEMENT; AMENDMENT PROCESS.** This Agreement, together with the Statement of Services and Fees, constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes any and all prior agreements and understandings, oral or written, with respect to such matters. This Agreement may be amended by PenChecks Trust without the consent of Sponsor where changes in the law or the relevant regulations, enforcement authority, or regulatory guidance requires such an amendment. All other modifications or amendments including, but not limited to fees, services, and service levels will be communicated no less than thirty (30) days prior to the effective date of the amendment via posting at [amplify.penchecks.com](https://amplify.penchecks.com) allowing the Sponsor or their authorized representative to continue or terminate this Agreement pursuant to Section 15 above.
21. **MEDIATION AND ARBITRATION CLAUSE.** Both parties to this Agreement agree to meet and confer in good faith on all matters and disputes arising under this Agreement. With respect to any controversy or claim valued in excess of \$12,000, arising out of or relating to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute in Sioux Falls, South Dakota by mediation administered by JAMS before resorting to arbitration. Any claim, which cannot be settled through negotiation or by mediation, shall be settled in Sioux Falls, South Dakota by arbitration administered by the JAMS pursuant to its Comprehensive Arbitration Rules and Procedures, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The number of arbitrators will be limited to one (1) for any claim valued at \$50,000 or less and limited to three (3) for any claim valued in excess of \$50,000. Any controversy or claim valued at \$12,000 or less and which cannot be resolved through negotiation will be submitted to the Magistrate Court, Small Claims Division, County of Minnehaha, Sioux Falls, South Dakota. Where a party files a claim against PenChecks Trust or any of its subsidiaries in any other jurisdiction or venue whether or not judicially proper, such filing will have the legal effect of rendering such claim null and void and unenforceable against PenChecks Trust. In the event that PenChecks Trust prevails in its action against a contracting party or in defense of an action against any contracting party, it will be entitled to any and all reasonable and foreseeable attorney fees, court costs and arbitration fees and any other reasonable and foreseeable costs associated with the litigation in addition to any award or relief granted by the court. For the purposes of this Agreement, the term “prevails” will mean any amount or kind of relief (monetary, injunctive or specific performance) awarded to PenChecks Trust regardless of the actual amount sought or any award or relief granted to the other party.

*[Signature page follows]*

***Plan Information and Signature:***

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Company Name

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Plan Name

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Plan Type

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Custodian

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Plan Sponsor/Trustee/Custodian/Plan Administrator or Other Responsible Party & Title

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Address

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City

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State

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Zip Code

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Phone

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Email

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Signature of Plan Sponsor/Trustee/Custodian/Plan Administrator or Other Responsible Party & Title

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Date

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## **STATEMENT OF SERVICES & FEES**

### **A. DISTRIBUTION SERVICES**

#### **i. Express Distribution: \$35 per Distribution**

PenChecks Trust processes all Participant payments, Fed & State Tax Withholding, and Tax forms (i.e. 1099-R, 945, 1096, etc.). The TPA/Sponsor notifies Participants of the pending distribution, collects the benefit election data, registers the Sponsor and Plan online with PenChecks Trust and directs Plan assets and Participant benefit election data to PenChecks Trust. PenChecks Trust will:

- a. Notify TPA/Sponsor upon receipt of Plan assets.
- b. Provide access to Amplify™ where TPA/Plan will bulk upload or manually enter all necessary Participant benefit election information to disburse funds (i.e. Name, SSN, DOB, Address, Account Balance, Distribution Type, Tax Code, etc.).
- c. Disburse funds via Check, Wire, or ACH (additional handling fees apply) according to the instructions provided.
- d. Withhold mandatory/voluntary Fed/State taxes, remit withheld taxes to taxing authority, and file all necessary Fed/State tax forms (i.e. 1099-R, 945, 1096, etc.).
- e. Monitor and resolve all returned/uncashed disbursements. Perform address searches as needed.
- f. Provide continuous access to Amplify™ to review history, distribution status, generate reports, or make additional distribution requests.

#### **ii. Premier Distribution: \$45 if participant makes a distribution election, plus 20% not to exceed \$55 if an Automatic Rollover IRA is established**

PenChecks Trust facilitates the entire distribution process from beginning to end – from providing and collecting Participants' benefit elections to processing all payments and tax withholding, remitting and reporting. The TPA or Sponsor registers the Sponsor and Plan online with PenChecks Trust and directs Plan assets and basic Participant data (i.e. name, SSN, DOB, address, account balance, etc.) to PenChecks Trust. PenChecks Trust will:

- a. Notify the TPA/Sponsor upon receipt of Plan assets.
- b. Notify Participant of the pending distribution and direct them to PenChecks Trust Participant Benefit Election Website. When disclosure to Participants of specific alternative benefits is required to be included in the Participant notice, PenChecks Trust must be provided all such benefits. PenChecks Trust is not responsible for the calculation of any such benefits.
- c. Provide required IRC 402(f) Special Tax Notice.
- d. Provide access to the PenChecks Trust Benefit Election Website where Participants can quickly and securely log on and elect to rollover their funds to an IRA or new employer Plan or take a cash lump sum. Paper forms are available.
- e. Disburse funds via Check, Wire, or ACH (additional handling fees apply) according to the instructions provided. The Responsible Party executing the Agreement represents to PenChecks Trust that distributions may be made under PenChecks Trust's standard procedures that allow Participants to waive, to the extent permitted by the Code, any election and revocation periods, including, but not limited to a Participant's waiver of the 30 day period to consider whether to receive a distribution.
- f. Withhold mandatory/voluntary Fed /State taxes, remit taxes to taxing authority, and file all necessary Fed/State tax forms (i.e. 1099-R, 945, 1096, etc.).
- g. Monitor and resolve all returned/uncashed disbursements and all expired Participant notices. Perform address searches and update address as needed.
- h. Provide continuous access to Amplify™ to review history, distribution status, generate reports, or make additional distribution requests.
- i. If the Sponsor chooses to establish an Automatic Rollover/Missing Participant IRA ("ARMP IRA") for non-responsive participants, PenChecks Trust will:
  - o Provide all benefits included in the Express IRA service (below) as well as comply with DOL FAB 2014-01 requirements.
  - o Perform an initial address search for all Participants, consistent with DOL FAB 2014-01, and update as necessary, then perform annual searches.
  - o Notify Participants via first-class mail of pending distribution, Plan's intent to establish an ARMP IRA if Participants are unresponsive and request Participant to contact PenChecks Trust in a timely manner to make a benefit election. If Participant does not respond to initial mailing, complete additional mailing via certified mail.
  - o Notify Participants' designated beneficiary if provided by Sponsor and request beneficiary's assistance in locating the missing Participant.
  - o Direct all responsive Participants to the PenChecks Trust Benefit Election Website where Participants can safely and easily log on and elect to rollover their funds to an IRA or new employer Plan or take a cash lump sum distribution.
  - o Disburse funds to responsive Participants via Check, Wire, or ACH (additional handling fees apply) according to the instructions provided.
  - o Establish an ARMP IRA for those non-responsive Participants in accordance with DOL Safe Harbor Regulations 2550.404a-2 and 404a-3.
  - o Handle all future Participant interaction and assist Participants in collecting/transferring their ARMP IRA elsewhere.
  - o **The ARMP IRA that is established will be subject to the fees set out in section B(ii) below.**

#### **iii. Recurring Benefits: Price varies by frequency**

PenChecks Trust provides recurring benefit payment processing services for Plans with recurring/periodic annuity payments. The TPA/Sponsor registers the Sponsor, Plan and Participant(s) with PenChecks Trust. After the one-time registration/upload of Plan and Participant information (One-time participant set-up fee of \$5 per Participant) PenChecks Trust will:

- a. Provide for Monthly (\$6), Quarterly (\$12), Semi-Annual (\$20), or Annual (\$35) payment frequencies.
- b. Invoice the TPA/Plan for distribution funds Quarterly or Monthly.
- c. Individual or Bulk upload of initial Plan and Participant information.



- d. Disburse funds via Check or ACH according to initial registration.
- e. Withhold Fed /State taxes, remit taxes to taxing authority, and file all necessary Fed/State tax returns (i.e. 1099-R, 945, 1096).
- f. Perform daily Death Audits and provide an annual Participant tax withholding inquiry.
- g. Monitor and resolve all returned/uncashed disbursements. Perform address searches as needed.

**B. AUTOMATIC ROLLOVER/MISSING PARTICIPANT IRA SERVICES**

**i. Express IRA: Set-up Fee is 20% of Participant's account not to exceed \$100.**

The TPA/Sponsor directs Plan assets and all necessary Participant data to PenChecks Trust. There is no account minimum. PenChecks Trust will:

- a. Notify Sponsor/TPA upon receipt of Plan Assets.
- b. PenChecks Trust will mail a Welcome Letter to the ARMP IRA holder within 3 business days of account set-up.
- c. Provide access to Amplify™ where TPA/Plan Sponsor will bulk upload or manually enter all necessary Participant data in order to establish the ARMP IRA (i.e. Name, SSN, DOB, Address, Account Balance, etc.).
- d. Establish an ARMP IRA on behalf of the participant according to DOL Safe Harbor Regulations 2550.404a-2 and 404a-3, respectively.
- e. Register Participants with the National Registry of Unclaimed Retirement Benefits, an online searchable database of missing Participants. A Participant can search to find their benefit. If a match results, PenChecks Trust is notified.
- f. File all appropriate Federal and State tax forms (i.e. Forms 1099-R, 945, 5498, etc.).
- g. Generate and issue the required participant copy of the 1099-R (in the distribution year) and Form 5498 each year.
- h. Perform address search annually to update Participant address included on Form 5498.
- i. Provide continuous access to Amplify™ to view history, current status of distribution, generate reports, or make additional distribution requests.

**ii. Express and Premier Distribution Program Descriptions & Fees.**

**a. Bank Deposit Program:** During the first twelve months that an ARMP IRA is with PenChecks Trust:

- I. For ARMP IRAs, the rolled-over assets (money) deposited in these specialized IRAs are invested for the first twelve months that the ARMP IRA is with PenChecks Trust in one or more bank deposit products at FDIC insured banks that are not affiliates of PenChecks Trust. A list of the banks PenChecks Trust uses within its Bank Deposit Program may be obtained by contacting PenChecks Trust toll-free at 844-446-9472 (844-44-MYIRA). The banks participating in the Bank Deposit Program may be amended from time to time.
- II. The rolled-over funds will remain invested in the Bank Deposit Program for the first twelve months that the ARMP IRA is with PenChecks Trust unless otherwise directed by the Participant or Beneficiary, subject to Required Minimum Distribution ("RMD") regulations.
- III. The interest rate paid by PenChecks Trust to each ARMP IRA in the Bank Deposit Program is based on the average National Rate for Money Market Accounts as calculated by the Federal Deposit Insurance Corporation ("FDIC Rate"). The FDIC Rate paid by PenChecks Trust for each quarter is determined as of the first business day of the first full week of each quarter. For additional information please see <https://www.fdic.gov/regulations/resources/rates/>. The FDIC Rate will vary from time to time based on market conditions and the interest rate environment, neither of which is in PenChecks Trust's control. PenChecks Trust has no obligation to ensure a particular FDIC Rate. PenChecks Trust may, from time to time, credit a higher interest rate than the FDIC Rate, depending on market conditions and the interest rate environment, neither of which is in PenChecks Trust's control.
- IV. All ARMP IRA assets (money) held in the Bank Deposit Program are intended to be insured by the FDIC. The standard maximum deposit insurance amount is \$250,000 per depositor, per insured bank, for each account ownership category. Any excess funds above \$250,000 held by PenChecks Trust qualify for pass-through deposit insurance coverage. If Participant has bank accounts insured by the FDIC at one or more of the banks used by PenChecks Trust, those accounts may reduce the amount of FDIC insurance coverage available to Participant at that particular bank.
- V. **Bank Deposit Program Fee:** Each month, to the extent that the bank deposit products pay interest in amounts in excess of the FDIC Rate for the applicable month, PenChecks Trust fee shall be equal to the lesser of (i) the monthly rate of 1/6 of 1% per month, or (ii) the 1/12 of the annualized interest rate paid by the bank deposit products for the month in excess of the FDIC Rate. The servicing and administration of the Bank Deposit Program includes but may not be limited to accounting, sub-accounting, custodial and sub-custodial recordkeeping; negotiating, renegotiating and tracking, monitoring and reporting with respect to the sub-custodian banks, and otherwise maintaining the IRAs in accordance with applicable government regulations. The Bank Deposit Program fee may change from time to time upon thirty (30) days written notice to the Participant or Beneficiary which may be provided electronically via a posting on PenChecks Trust's website. PenChecks Trust shall deem the Participant or Beneficiary's failure to respond to any written notice as consent to the proposed change. The Participant or Beneficiary directs PenChecks Trust to deduct the Bank Deposit Program fees from the interest earned from the Investments held by the ARMP IRA.

**b. The Stable Value Program:** After the first twelve months that an ARMP IRA is with PenChecks Trust:

- I. Beginning after the twelfth month that the ARMP IRA is with PenChecks Trust, the Sponsor directs PenChecks Trust to invest the ARMP IRAs in the Guaranteed Fixed Income Fund offered by the Standard pursuant to the agreement between PenChecks Trust and the Standard. The ARMP IRA assets will remain invested in the Standard Guaranteed Fixed Income Fund unless otherwise directed by the Participant or Beneficiary, subject to Required Minimum Distribution ("RMD") regulations.
- II. After the assets are invested in the Standard Guaranteed Fixed Income Fund, PenChecks Trust shall be entitled to receive an administration fee. The administration fee shall be assessed monthly in arrears for servicing and administering the ARMP IRA. Each month, to the extent that the Standard Guaranteed Fixed Income Fund pays interest in amounts in excess of the FDIC Rate for the applicable month, PenChecks Trust shall be entitled to a fee that shall be equal to the lesser of (i) 1/6 of 1% of the ARMP IRA account balance as of the end of the month or (ii) 1/12 of the annualized interest rate paid by the Standard

Guaranteed Fixed Income Fund for the month in excess of the FDIC Rate. The fee may change from time to time upon thirty (30) days written notice to the Participant or Beneficiary which may be provided electronically via a posting on PenChecks Trust's website. PenChecks Trust shall deem the Participant or Beneficiary's failure to respond to any written notice as consent to the proposed change. The Participant or Beneficiary directs PenChecks Trust to deduct the annual administration fees from the interest earned from the Guaranteed Income Fund.

- c. **Other Fees:** PenChecks Trust charges each ARMP IRA the following fees:
  - Account Maintenance Fee: \$3.75 per month for recordkeeping at the individual IRA level.
  - Account Closeout & Distribution Fee: 20% not to exceed \$30
- d. If processing fees are paid by Plan Participants of a Defined Benefit Plan, the Sponsor hereby certifies that the Plan Document(s) governing the distribution for such Plan Participant allows distribution fees to be charged against the Plan Participant's benefit.
- e. IRAs are established for accounts in non-PBGC covered Defined Benefit and Cash Balance Plans with no initial fees. However, after the ARMP IRA is established and the funds are no longer held within a Defined Benefit or Cash Balance plan, PenChecks' normal and customary fees apply as set forth in section B(ii)(c) above.
- f. PenChecks Trust reserves the right to be reimbursed or reserve funds for all reasonable expenses that it incurs in connection with the administration of the ARMP IRA Programs.
- g. PenChecks Trust has the right to liquidate assets in the ARMP IRA if necessary, to make distributions or to pay fees, expenses or taxes properly chargeable against the ARMP IRA. If instructions are not provided to PenChecks Trust as to which assets to liquidate, PenChecks Trust will use its sole discretion in deciding which assets to liquidate and Participant, Sponsor and Trustee agree not to hold PenChecks Trust liable for any adverse consequences that result from such discretion.
- h. These Program fees are subject to change (prospectively) upon thirty (30) days written notice which may be provided electronically via a posting on PenChecks Trust's website.

## C. UNCASHED CHECKS SERVICE

- i. **Qualified Uncashed Checks: Processing Fees is 20% of Participant's account not to exceed \$30**

When lump sum distributions go uncashed a benefit is still due to the Participant. If the uncashed check represents a rollover of qualified funds, PenChecks Trust can establish an ARMP IRA for the Participant. Sponsors and Financial Institutions transfer these non-negotiated, stale-dated checks to PenChecks Trust. PenChecks Trust will:

  - a. Perform an address search; notify the payee of their unpaid benefit and how they can make a simple and secure online election to obtain their benefit.
  - b. Register Participants/missing distributees with the National Registry of Unclaimed Retirement Benefits, an online searchable database of missing Participants. A Participant can search to find their benefit. If a match results, PenChecks Trust is notified.
  - c. Validate the identity of any located missing distributee and upon validation, PenChecks Trust will pay out the missing distributee.
  - d. Participant can rollover their ARMP IRA funds to an IRA or another qualified Plan that accepts rollovers.
  - e. Issue any necessary tax reports (i.e. 1099-INT).
- ii. **Qualified Uncashed Checks Program Description and Fees**
  - a. If an ARMP IRA is established for the Participant, the program description and fees are identical to those provided in B(ii) above.
- iii. **Non-qualified Uncashed Checks: Processing Fee is 20% of Participant's account not to exceed \$30.**

If the distribution was reported as a taxable event (whether or not taxes were actually withheld, paid, and reported to the taxing authorities under a prior tax year) an ARMP IRA is not an option because a taxable distribution has occurred. These funds are no longer "qualified" as defined by the IRC, thus an ARMP IRA cannot be established. PenChecks Trust will assist Sponsors and Financial Institutions in resolving these accounts by attempting to locate the Participant/missing distributee and/or escheat the non-qualified funds to the proper state authority once the applicable state law holding period has expired. Sponsors and Financial Institutions transfer these non-negotiated, stale-dated checks to PenChecks Missing Distributees, LLC ("PMD", a wholly-owned subsidiary of PenChecks, Inc.) and provide basic payee information (name, SSN, address, DOB, etc.) to PMD. PMD will:

  - a. Perform an address search; notify the payee of their unpaid benefit and how they can make a simple and secure online election to obtain their benefit.
  - b. Register Participants/missing distributees with the National Registry of Unclaimed Retirement Benefits, an online searchable database of missing Participants. A Participant can search to find their benefit. If a match results, PenChecks Trust is notified.
  - c. Validate the identity of any located missing distributee and upon validation, PenChecks Trust will pay out the missing distributee.
  - d. For Participants/missing distributees that cannot be located, a Taxable Savings Account ("TSA") will be established for each Participant where it will earn interest until the funds are escheated.
  - e. If the Participant/missing distributee is unresponsive, the funds will be escheated to the state of last known residence of the Participant in accordance with that state's unclaimed property laws.
  - f. Issue any necessary tax reports (i.e. 1099-INT).

**For Participant accounts with a balance of \$15.00 or less, net of PMD's set-up fee, PMD will:**

  - a. Establish a TSA for each Participant.
  - b. Register Participant with the National Registry of Unclaimed Retirement Benefits.
  - c. Attempt to notify each such Participant via email if Sponsor can provide PMD with an email address for the Participant.
- iv. **Non-qualified Checks Program Description and Fees.**
  - a. **Bank Deposit Program:** All TSAs are invested in one or more bank deposit products such as Money Market Accounts at FDIC insured banks that are not affiliates of PenChecks Trust. A list of the banks PenChecks Trust uses within its Bank Deposit Program may be obtained by contacting PenChecks Trust toll-free at 800-541-3938. The banks participating in the Bank Deposit Program may be amended from time to time.
  - b. The rolled-over funds will remain invested in the Bank Deposit Program unless otherwise directed by the Participant or Beneficiary, or are subject state law escheatment.

- c. The interest rate paid by PenChecks Trust to each TSA is based on the average National Rate for Money Market Accounts as calculated by the Federal Deposit Insurance Corporation ("FDIC Rate"). The FDIC Rate paid by PenChecks Trust for each quarter is determined as of the first business day of the first full week of each quarter. For additional information please see <https://www.fdic.gov/regulations/resources/rates/>. The FDIC Rate will vary from time to time based on market conditions and the interest rate environment, neither of which is in PenChecks Trust's control. PenChecks Trust has no obligation to ensure a particular FDIC Rate. PenChecks Trust may, from time to time, credit a higher interest rate than the FDIC Rate, depending on market conditions, the interest rate environment or other factors.
- d. All TSA assets (money) held in the Bank Deposit Program are intended to be insured by the FDIC. The standard insurance amount is \$250,000 per depositor, per insured bank, for each account ownership category. Any excess funds above \$250,000 held by PenChecks Trust qualify for pass-through deposit insurance coverage. If Participant has bank accounts insured by the FDIC at one or more of the banks used by PenChecks Trust, those accounts may reduce the amount of FDIC insurance coverage available to Participant at that particular bank.
- e. All TSAs in the Bank Deposit Program are subject to the Bank Deposit Program Fee as provided in B(ii)(a)(V) above.
- f. PenChecks Trust charges each TSA the following fees:
  - TSA Account Set-up Fee: 20% not to exceed \$30.
  - TSA Administration Fee: \$3.75 per month for recordkeeping at the individual TSA level.
  - Account Closeout & Distribution Fee: 20% not to exceed \$30.
- g. PenChecks Trust reserves the right to be reimbursed or reserve funds for all reasonable expenses it incurs in connection with the administration of this TSA Program.
- h. PenChecks Trust has the right to liquidate assets in the TSA if necessary, to make distributions or to pay fees, expenses or taxes properly chargeable against the TSA. If instructions are not provided to PenChecks Trust as to which assets to liquidate, PenChecks Trust will use its sole discretion in deciding which assets to liquidate and Participant, Sponsor and Trustee agree not to hold PenChecks Trust liable for any adverse consequences that result from such discretion.
- i. These Program fees are subject to change (prospectively) upon thirty (30) days written notice which may be provided electronically via a posting on PenChecks Trust's website.

**D. TAX PAYMENTS AND 1099-R: \$35 PER SUBMISSION**

- i. **1099-R Only**. If an IRA rollover distribution has already been processed with no taxes due, a Form 1099-R must still be prepared, filed with the IRS and a copy provided to the Participant. PenChecks Trust will collect all payment details from the Sponsor, prepare and file the Form 1099-R with the IRS and appropriate state taxing authorities, if applicable, and produce and mail the Participant's copy in January.
- ii. **Tax Payments & 1099-Rs**. If a lump sum distribution has been processed, taxes were withheld but have not been remitted, PenChecks Trust will collect all distribution details from the Sponsor, receive funds from the Sponsor to pay applicable withholding taxes, remit those funds to the appropriate taxing authority/ies, prepare and file all required forms with the appropriate taxing authority/ies, and produce and mail the Participant's Form 1099-R in January.

**E. PARTICIPANT SEARCH: \$5 PER PARTICIPANT**

Perform an address search for missing Plan Participants. The search is performed based on the information provided by the Sponsor (i.e. SSN, name, last known address, DOB, etc.). A summary report will be issued to the Sponsor by PenChecks Trust indicating if there are any matches or updates to the current address.

**F. DEATH AUDIT**

The fee for PenChecks Trust's Death Audit service, payable prior to services being rendered, is:

- a. **One-time only inquiry**: \$3 per person.
- b. **On-going daily inquiry**: \$15 per year per person.

**G. ADDITIONAL HANDLING FEES**

Additional handling fees may apply depending on the specific elections of a TPA, Plan Sponsor and/or Participant. Additional Fees may include: ACH Transfer \$20; Wire Transfer \$30; Overnight Mailing \$40; Split Distribution \$35; Deposited Item Return Fee \$25; Reissue Check \$25, Credit Bureau and PI Search Market Rates (approx. \$300); Paper or electronic pdf copies of 1099-Rs or Checks \$50 per hour with a one hour minimum.

**H. ADDITIONAL INSERTS**

Pricing varies based on number of additional inserts to be included in each mailing.

**I. AVAILABILITY OF FUNDS**

Funds designated for benefit payments must be made payable to PenChecks Trust. Deposits transmitted by ACH or wire require one (1) business day, and checks/draft deposits require five (5) business days to clear before a benefit distribution can be processed.

**DISCLOSURES**

Due to factors which are beyond the control of PenChecks Trust, such as the time required for Participants to make benefit elections and/or negotiate their distribution checks, some earnings will occur on the funds to be distributed on the assets held within the Distribution Trust. The earnings are retained by PenChecks Trust as compensation payable for the services described under this Agreement. Funds pending distribution are temporarily invested in FDIC insured savings instruments and mutual funds that maintain a primary objective of capital preservation. A list of such savings instruments and mutual funds may be obtained by contacting PenChecks Trust toll-free at 800-541-3938. The list may be amended from time to time. Since the time factors are different for each Plan and Participant and the rate of return on money market instruments varies, it is not possible to calculate the precise amount of earnings that will be generated by any given deposit held for distribution. Based upon averages derived from the

processing of thousands of distributions, use of the following formula will produce an average amount of earnings for each \$1,000 deposited for distribution processing: Average Daily Interest Rate of 0.000046 x \$1,000 x 5 days of float on average = \$0.23 per \$1,000 deposit.

The National Registry of Unclaimed Retirement Benefits (NRURB) is a wholly-owned, open-use, public benefit company committed to helping individuals locate their lost or abandoned pension benefit distributions. As a public benefit corporation, the NRURB is non-profit. Additional information can be found at [www.UnclaimedRetirementBenefits.com](http://www.UnclaimedRetirementBenefits.com).

#### **National Automated Clearing House Association Authorization**

Sponsor authorizes PenChecks Trust or its agents to initiate debit and credit entries through the Automated Clearing House ("ACH") settlement process for amounts distributed under this Agreement. This authorization will remain in full force and effect until termination of the Agreement. Sponsor agrees to be bound by all applicable terms and provisions of the rules of the National Automated Clearing House Association ("NACHA") or other applicable association or network, in effect from time to time. If Sponsor is also a Third-Party Sender according to NACHA, Sponsor agrees that it has entered into an agreement with the Originator (as defined by NACHA) that satisfies each of the requirements of NACHA Rule 2.2.2.1 and has entered into such agreement prior to allowing Originator to initiate any entry directly or indirectly through the Originating Deposit Financial Institution ("ODFI"). The ODFI has the right to audit the Originator's compliance with the Origination Agreement and NACHA Rules. Sponsor acknowledges and agrees that PenChecks Trust will not be liable for any delays in receipt of funds or errors in debit or credit entries caused by Sponsor, or third parties, including but not limited to any financial institution.