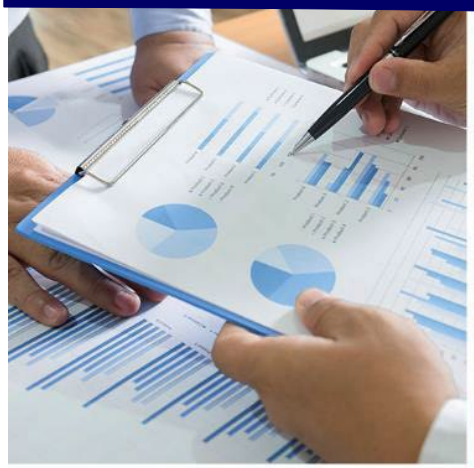
Policy Statement Regarding Account Transactions











All transactions processed on our portal, voice response system, paper, or other means by BPAS are subject to the terms and conditions identified in this policy statement, in conjunction with our Administrative Services Agreement and other relevant documents.

A. Account Security and Participant Responsibilities

1. Maintaining Your Account security

Participants will receive an initial PIN letter, which allows them to access their online account after creating a User ID and Password. Participants must retain this information so they can access their account at any time. If a participant loses or forgets their login credentials, special instructions can be found at the participant login areas of our website (u.bpas.com) for regaining access. Participants can call our Participant Service Representatives for personalized assistance. While BPAS has procedures for remedying a lost password, these procedures are subject to our SSAE 16 audit and other privacy/confidentiality measures.

It is the responsibility of each participant to maintain the utmost security of their login credentials. This includes using strong passwords, changing the password frequently, not writing the access codes in any public location, and protecting access to the computer(s) used to gain account access (including a password for the computer itself and disabling auto-capture features which may store passwords). If a participant fails to take any of these steps or otherwise allows their login information to be compromised, BPAS will not be bear financial responsibility for any events that occur as a result.

Participants must protect the security of their User ID and password at all times. If a participant suspects that their login codes may have been compromised, they should change their login credentials immediately through the participant portal. If a participant suspects that another individual may have accessed their account, they should notify their Human Resources department and BPAS immediately. BPAS will bear no financial responsibility resulting from a participant's failure to protect the security of their login credentials, whether it concerns account trading, a request for a loan, hardship, withdrawal, or any other transaction made using the website or voice response system. Naturally, in the event that unauthorized access or fraud is suspected, BPAS will work with legal authorities, the plan sponsor, banks, and other interested parties in an attempt to pursue maximum corrective/restorative action. (This work can include civil or criminal action in the event of fraud, as driven by facts and circumstances).

Participants should not to access their account from a public computer outside of their home or workplace (internet café, library computer, airport kiosk, or other locations) where the security of the underlying device cannot be guaranteed, including "auto-capture" features of many web browsers, which can retain such information.

2. Providing Your Account Credentials to Other Individuals

There are cases where a participant may decide to provide their account access information to another individual, such as their spouse, a family member, or a financial advisor. While certain participants may be more comfortable seeking the assistance of others in financial matters, allowing another party to enter transactions in one's account exposes the participant to an increased risk of user error. For example, the

other party would not have participated in education or enrollment meetings concerning the plan; they would not have received the array of literature and communications from the provider and Human Resources; they would not have been educated on the plan's fund menu or plan provisions; and they would not know what the exact procedure is for such matters as enrollment forms, contribution rate changes, investment changes, model portfolios, and numerous other matters. Any participant who allows another individual to access their account voluntarily assumes any risk of user error caused by a lack of understanding of their retirement plan, investments, and administrative policies in general.

3. *The Importance of Maintaining Current Participant Addresses and Email Addresses*

For the vast majority of plans administered by BPAS, a complete set of current addresses for active employees is received from Human Resources on each incoming census file (payroll submission). This data will over-write the previous address for each participant, allowing us to capture address changes communicated by the employer through payroll. If a participant experiences a change of address or sees that the address maintained by BPAS is not current, they should immediately notify Human Resources, so the correct address can be captured in the payroll system and updated to BPAS. If a participant does not receive certain correspondence (quarterly statement, confirmations, etc.), they should access the website immediately to view the address we have on record.

Terminated participants are also required to keep their mailing address at BPAS current. If a participant fails to do so, BPAS will not be responsible for a participant's failure to receive statements, confirmations, or other important reports, including any delay in making us aware of a question or issue regarding their account because they failed to keep their address current. The participant should call the PSC team at BPAS to provide the updated address over the phone. BPAS will make the corresponding changes in our system. A terminated participant can also update their address directly in the participant portal.

If a participant (active or terminated) does not receive certain correspondence (quarterly statement, confirmations, etc.), they should access the portal immediately to view the address we have on record. If the address held at BPAS is not current, the participant should take the appropriate action as noted above to have their address corrected. Transaction confirmations and quarterly statements are available within the participant portal in the My Account menu.

It is also essential that participants enter a current, valid email address in the BPAS participant portal and keep this information up to date over time. While the portal gives participants various options to "Go Green" for statements, confirmations, and/or regulatory notices, a valid email address is critical in the process of data and account security. For example, when a participant requests loan, hardship, or withdrawal paperwork (or requests many *other* transactions), an email will be sent to their email address of record confirming this request. If this request were an erroneous transaction or somehow not submitted by the participant personally, it would be an immediate flag for the participant to call the BPAS call center and notify us of the situation so we could take the appropriate action. Along with maintaining the privacy and security of their user credentials and password, maintaining a current accurate email address in the participant portal is a vital obligation of retirement plan participants. Failure to do so can limit the liability of BPAS, the plan sponsor, and/ or financial intermediaries for errors or other disputes associated with account activity.

4. *Duty to Review Confirmations and Quarterly Statements and Promptly Notify BPAS in the Event of an Error (including when using portal or voice response system)*

Participants have an affirmative obligation to review all confirmations, quarterly statements, and other correspondence provided to them by BPAS and to notify us promptly of any error, question, or dispute. In addition, if a participant should encounter an error when using the participant portal or voice response system (regardless of the cause or source of the error), the participant must notify BPAS immediately (by calling our Participant Service Center) so the matter can be investigated and corrected. Failure to notify BPAS immediately of any suspected error will limit any potential liability of BPAS, the financial intermediary, and/or the plan sponsor to the time period between date on which BPAS was notified and the date on which the error was corrected. Participant statements, confirmations, the website, and other communications will contain other notices in regards to required notification for any error or suspected error.

Additional note: In the event of a trade dispute (e.g., a trade or transaction was entered but was rejected or did not take place for any reason, regardless of the potential cause), upon discovering the error, the participant must access the website immediately and enter an alternate transaction, account transfer or realignment request.

Failure to do so will limit any potential liability of BPAS, the financial intermediary, and/or the plan sponsor to the time period between the error itself and the date the error (or potential error) was discovered. This is a critical point. Researching a potential error can take several business days for the BPAS team; however, the manner in which a participant's account is invested remains in that participant's sole control at all times through the participant portal (and voice response system).

5. *Provisional versus Final Confirmations*

Whenever a participant enters a transaction through the website or voice response system, an initial confirmation (and confirmation number) will be generated. This initial confirmation is a **provisional confirmation –** meaning that it was generated **before** any of the nightly trading activity or preparation work was commenced by BPAS, and before BPAS would have any way of knowing whether any fund- or industry-level event may impact our ability to execute that transaction. **To confirm that a transaction was completed, the participant must log onto the portal the next business day to view their account information. If there is any question or concern about a particular transaction when viewing their account, the participant must:**

a. call our PSR team immediately to notify us of the situation, and
b. if the matter pertains to a change in investments or elections and the transaction was not processed, **immediately submit an alternative trade or transaction** using the portal.

While BPAS will take all reasonable steps to identify and reprocess any failed transactions (whether or not we are contacted by a participant), a participant's failure to login to our website the next business day and notify us immediately of any problems in effecting that transaction and submit an alternative transaction will limit any window of liability for BPAS to one business day. See the section regarding "Trading on a Best Efforts Basis" for information and caveats regarding daily trading activity as there are a number of circumstances outside of our control that can cause a given transaction to fail which will not be the financial responsibility of BPAS.

Once a given transaction settles and has been verified, a final confirmation will be mailed to the participant's address of record (or available online for Go Green participants). Note: The appearance of a confirmation in the participant portal does not in and of itself constitute it a final confirmation.

6. *Duty to Review and Realign Account at End of Blackout Period*

Regardless what methodology was used for the conversion (e.g., mapping or cash conversion) or what type of enrollment is utilized (online enrollment versus forms, and whether asset allocation models are offered or not), when participants receive their initial PIN they are required to login to their account, review their account information, and make any desired investment changes. It includes changing the way in which existing balances are invested (if desired) as well as changing the investment direction on file for new contributions. As stated prominently in the website and other materials, these are two separate elections within the participant portal, and entirely up to the participant to maintain.

If participants have questions about their account when after logging in, including questions about realigning their current balances or re-directing future contributions, they should call our Participant Service Representative (PSC) Team at 1-866-401-5272. (See u.bpas.com for more information about the PSC).

B. If You See Something, Say Something: Affirmative Duty to Review and Report Errors

Errors, discrepancies, and disputes in daily valued retirement plans can arise for a variety of reasons—including administrative oversights, technical disruptions, transmission delays, failure to receive instructions, miscommunication among parties, or information failing to be conveyed or recorded properly. Because sound plan administration relies on shared vigilance, all parties—including plan participants, plan sponsors, employers, and financial intermediaries—have an affirmative obligation to pay attention, review account records actively upon logging in, and promptly alert BPAS is they see any error or something that looks incorrect in the web portals.

When accessing this portal, users are instructed to review their account data, transaction confirmations, current fund holdings, investment elections and allocations among funds, the list of funds available and active, and periodic statements. If you observe any issue—whether it involves incorrect balances, misallocated funds, erroneous investment changes, unauthorized activity, incorrect funds or missing fund options, or requested changes that were not executed—you are required to notify BPAS immediately.

For example: a participant makes a rebalancing request on October 3rd. They log into the website again on October 8th and see that transaction was not completed. At that point, the participant has an affirmative obligation to contact BPAS so we can research the matter and determine an appropriate resolution, including whether or not the transaction was submitted properly, where the breakdown occurred, and other considerations to resolve the matter.

Allowing an unaddressed error to linger and compound, compromises the recordkeeping process. Failure to notify us promptly upon logging on when an error is apparent (or reasonably should have been apparent) will close the window of damages and limit or bar your ability to recover. Specifically, failing to report an apparent error in a timely manner constitutes a failure to mitigate damages, waiving any claim to subsequent market movements, compounding losses, or incidental damages that timely reporting would have prevented. Recovery, if any, shall be strictly limited to the direct economic loss that would have existed had notice been provided on the date the discrepancy first became visible on the site.

BPAS may review web logs in the event of a dispute to review who accessed the site and when (dates, times, and other information) for the clarification of all parties and to resolve any lingering disputes on such matters, including the knowledge or involvement of various parties.

C. Investments and Trading

1. Investment Options Under Daily Valuation Platform

BPAS is a daily valuation recordkeeper. Like all daily recordkeepers, we trade funds through the National Securities Clearing Corporation (NSCC), a wholly-owned subsidiary of the Depository Trust and Clearing Corporation, which creates and enforces operating rules for member firms. Mutual funds and daily valued collective funds must meet **certain operational** criteria to be listed on our platform, including:

a. They must participate in same-day/late-day trading through the NSCC (T+0 trading with T+1 settlement).

b. They must operate free of front- and back-end loads, including any contingent deferred sales charges (CDSCs). (For broker-dealer channel plans, 12b-1 compensation will be forwarded by fund families to the dealer of record, but any finder's fees will be suppressed to avoid the incurrence of CDSC charges to individual participants).

c. They must deliver daily prices through commercially available pricing services (e.g., Yahoo Finance, MorningStar, etc). Daily prices must be available by 6:30 PM ET.

d. They must report dividends, capital gains, and other applicable fund actions through NSCC.

e. Investment performance data must be available by the 7th business day of each month through S&P (this drives fund performance data as reported in our websites and participant statements). (A fund family may make other arrangements with BPAS to provide this data as long as it is provided reliably each month).

f. They must agree to participate in our trade block methodology for any funds with frequent trading restrictions (in lieu of assessing redemption fees).

g. They must operate in a daily environment with minimal incidence of broken or incorrect prices, failing to submit timely prices, trade rejects, or other operational defects which disrupt daily valuation processing.

h. They must agree to contract under reasonable terms.

These operational protocols help ensure seamless processing of daily transactions across thousands of participants on a daily basis. While these rules may have been problematic for certain funds several years ago, as of today, the *vast majority* of mutual funds and collective funds across the industry are able to meet these requirements. BPAS is currently trading over 4,100 tickers, from some 340 fund families in total, with new funds constantly being added to our platform.

Same-day trading is supported on a best efforts basis – it is not a guarantee. At all times, the ability of BPAS to operate with same-day/late-day trading across funds and fund families is contingent on a variety of factors. Disruptions could include the NSCC trading platform or other trading applications, events at fund families, the Federal Reserve, the NSCC, the banking industry, acts of God and forces de majeure, significant outage of hardware, software, critical programs, or other significant or unforeseen events. If the ability to submit trades is disrupted on a given day, it will be performed on the next business day or as soon as administratively possible by BPAS.

As it relates to daily trading, fund families may occasionally reject trades based on a variety of factors. In the case of a trade rejected by a fund family coincident with any plan or participant-level transaction, BPAS will process trades as soon as administratively feasible and as permitted by the fund families in question, even if that begins on a future trade date. In no event will BPAS bear financial responsibility for delays in various transactions caused by a fund family's inability to support a given transaction due to fund liquidity, missing prices, trading rejections, or other fund-family level practices that are outside the control of BPAS.

Automation is the key of any daily valuation business. It allows us to deliver daily services to thousands of retirement plans and their participants while minimizing the risk of error from manual trading or intervention. For this reason, the assets we support at BPAS are limited to the NSCC-traded assets listed above, the assets that can be traded through the automated SDBA window, participant loans, company stock (when approved by BPAS and traded in one of our four methodologies) and select assets if pre-approved by BPAS (e.g., frozen life insurance policy where no new policies are allowed to be purchased moving forward). Each plan's administrative policies will determine which investment sources can be directed by plan participants (self-direction of investments). In all circumstances, this will be subject to the funds offered by the plan, the assets that can be traded by BPAS (as described above), and other administrative policies adopted by BPAS over time. Plan sponsors also have the authority to place limits on certain assets – such as a percentage limit on the amount a participant can invest in company stock, the self-directed brokerage account, etc.

2. Daily Cutoff Time

Because BPAS operates in a same-day/late-day trading environment for mutual fund and collective fund investments as a general rule, transactions must adhere to a daily cutoff time for processing. This time is the moment at which transactions for a given day can no longer be accepted for that day's trading and must be pushed to the next business day. While this time is generally 4:00 PM ET, the cutoff time for any given day coincides with the close of the stock market for that day. All transactions entered into the system are time and date stamped using global digital time standards as described below. For participant transactions, a transaction request entered by the participant is *provisional* and is not deemed "submitted" until it is actually confirmed by the participant in the portal, at which point a confirmation number is generated and the trade is included in that day's trading activity for the plan. Based on a variety of factors, a short delay can occur between entering a provisional transaction and the presentation of a confirmation screen by our websites.

Since it can take time for a participant to review their account information, make decisions, and enter and confirm a transaction, and because the local time reflected by participants may differ from the NTP standard time maintained at BPAS, participants are advised to initiate their request well before the day's cutoff time if they wish to enter a transaction for processing that day. Attempting to make transactions close to market close leaves a participant exposed to the chance that they will be unable to complete all steps in time, including accounting for system slowness, broadband issues, connectivity, or other technology disruptions (on either side of the transaction) and will have their transaction effectuated the next business day as a result. All such risks are assumed entirely by the participant as they use the participant portal.

Trades entered before the daily cutoff time will generally be processed at that evening's updated prices, except in the case of employer securities (in which case, actual procedures depend on the trading methodology used for that particular client), or in the case of certain events. Trades entered at or after the daily cutoff time will generally be processed the next business day. A refresh of each day's prices and trading activity appears at approximately 3:00 AM ET on the day following trade date. Note: There are certain days of the year when the markets may close early (e.g., 1:00 PM ET). On these days, our web and voice response unit

(VRU) cutoff time will be the time of market close.

To establish the official time, BPAS uses NTP, an industry standard protocol for time stamping over computer networks which is standard within the financial services industry. The NTP time is gathered from atomic clocks on an hourly basis and pushed to all servers on the BPAS network, so all systems use the correct published time.

If a participant encounters any problems when initiating a transaction using our website or Voice Response Unit (VRU), they should call our Participant Service Center (PSC) **immediately** for assistance. In most cases, our representatives can quickly rectify the issue. Failure to call our Participant Service Center to alert us to a problem before the daily cutoff time will greatly limit (or eliminate altogether) liability of BPAS for the transaction in question. Read more in section 6. Additionally, since incoming call volume and average speed to answer can vary, participants must allow sufficient time when calling our PSC for the matter to be discussed and addressed well before the time of market close.

3. Same-day Trading on a Best Efforts Basis

As stated above, our program is designed for same day/late day trading across funds. In the vast majority of transactions (i.e., 99%+), mutual fund sales and purchases are performed as of the same evening – using closing prices from that day – and a fully settled trade is reflected on the participant website the next morning. However, there may be cases where an outage, disruption or delay occurs, whether it is caused by an external party or a combination of internal and external factors (failure of mutual fund pricing service, failure of mutual fund(s) to submit timely prices, system errors, NSCC outages, forces de majeure, etc.) which disrupts our ability to process all or a portion of a given evening's trading activity for certain plans and/or participants. This can also include 'fund closings' or other trading policies as set by mutual fund families, which can be subject to change over time with little advance notice, and for which the level and quality of communication may vary among fund families.

While disruptions to the daily trading process are relatively rare, disruptions for one or more funds *can* occur from time to time, especially in an open architecture environment where so many fund families are available for trading. In these situations, BPAS will take all reasonable measures to ensure the timely execution of transactions, but when an error, delay or reject occurs, we will revert to a sequential trading environment for the transaction in question (described below). Where applicable, this includes resubmitting trades (or a portion thereof) the next business day, working with fund families in an attempt to restore the price from trade date if possible, and other measures as appropriate. As a general rule, the failure of one or more funds to submit prices on a timely basis will cause contributions and/or transfer activity for the entire plan to be disrupted that evening, resulting in trading activity being commenced the next business day.

Participants submit trade instructions under the understanding that while the BPAS program is designed for same-day/late-day trading across funds, circumstances can occur in which a given trade is rejected or otherwise delayed (from a variety of factors). If a trade reject occurs, participants acknowledge that:

a. it will generally force BPAS to process the transaction on a sequential, rather than 'same day' basis (redemptions first, followed by purchases the next business day, followed by settlement), and
b. participants authorize BPAS to continue processing the transaction until it is complete, notwithstanding the fact that this may require two or more business days for complete settlement.

BPAS liability for daily trading activity is subject to the above limitation of trading on a best efforts basis. In

addition, there may be cases where certain assets (e.g., company stock, the self-directed brokerage account window, etc.) will operate in a *sequential* trading environment rather than same-day/late-day across fund families due to the fundamental way that these assets are traded and administered. This can be further driven by the market supply of the asset in question.

Note regarding unique trading days: There are certain days of the year, including Columbus Day and Veteran's Day, when U.S. stock markets are open while the Federal Reserve Bank is closed. On these days, certain fixed income or money market funds may not issue updated prices, or may issue prices so late that they cannot be used in that evening's trading activity. Under such circumstances, the execution of trades for impacted fixed income or money market funds may be delayed until the following business day (assuming all fund prices are available at that time).

4. Transfers vs. Account Realignments

The participant portal allows a participant to perform an Investment Transfer (transferring a certain dollar or percentage amount between investments within the plan), or a complete Account Realignment, which is the more commonly used feature. Following are some important notes:

In the **Investment Transfer** option, the participant designates a dollar amount to transfer from one investment to other investments (e.g., "Redeem $5,000 from Fund A and transfer 40% of it to Fund B and 60% to Fund C"). When making this type of transaction, the participant runs the risk that the transfer may be rejected if there are not sufficient assets in their account to honor the request. For example: Assume that a participant has $10,000 invested in Fund A on Monday (using Friday's closing prices), and requests that all $10,000 be transferred from Fund A to other investments that evening. However, the value of Fund A declines during Monday evening's valuation, so that the participant's holdings in fund A decline to less than $10,000.

In this case, the transfer will be rejected since there are not sufficient assets to honor the transaction that was entered. (Since mutual fund prices are not determined until approximately 2 hours after market close, there is no way for us to provide advance notice of this event). Participants will assume any investment risk associated with Investment Transfers if there are not sufficient assets in their account to honor the transaction that was entered. This risk may be avoided by electing to transfer a percentage amount (100%, for example) instead of a dollar amount, or by using the Account Realignment feature (explained below).

Account Realignment allows a participant to designate what percentage of their account should be invested across the entire menu of funds on a percentage basis (e.g., "Invest 25% of my account in Fund A, 40% in Fund B, etc."). Since this option is based entirely on percentages, realignments will be made regardless of the closing account values by fund, and will not be subject to rejection due to fluctuations in mutual fund prices. The Account Realignment option also provides a convenient for the participant to automatically apply these same elections to future contributions as well.

For all transactions entered into the participant portal, participants should to login to their account the next morning to confirm that the changes they made were consistent with their intentions. Therefore, if the participant makes a mistake, corrective action can be taken immediately.

Important notes for plans offering a self-directed brokerage account (SDBA) feature: Within the SDBA program, there is a liquid cash portion of the account (uninvested cash in a money market fund) and invested assets (funds invested in various securities). In the event of an account realignment or transfer request

submitted in the BPAS participant portal or VRU, only the assets in the liquid cash portion of the SDBA account will be used for this transaction. If a participant wishes to use other SDBA assets in any transaction or transfer request, these securities must be sold and moved to the liquid cash portion of the SDBA account **first** – after which they become eligible for use in a transaction or transfer request.

In addition, each retirement plan that uses the SDBA program will establish a percentage limitation for the SDBA account, such as 25%, 50% or 90% of the participant's total balance. This is the maximum percentage that a participant can direct to the SDBA from the core funds side of the plan (note that all fees are generally charged within the core funds side of the plan, so this rule ensures there is sufficient liquidity for the processing of fees). BPAS takes all reasonable steps to prevent this limit from being exceeded; this includes messages in the participant website and the possibility of rejecting a trade after hours if it is determined that a participant has exceeded the permissible amount. Any participant who uses the SDBA program acknowledges that:

a. it is possible to have an SDBA transfer request failed if the percentage limitation is exceeded and/or the dollar amount requested is no longer available due to market value changes, and
b. if a participant exceeds the allowable percentage in the SDBA program, BPAS reserves the right to transfer assets from the SDBA to the core funds as needed to comply with the plan's percentage limitation rule.

As outlined in this policy statement, the BPAS participant portal includes an automatic rebalancing feature. If selected, this feature will realign the participant's existing account balance, with a subsequent realignment to these weightings every 90, 180 or 360 days thereafter (as elected by the participant). Please note that the automatic rebalancing feature will apply to the core investments portion of a participant's account which offers daily liquidity. It will not include assets in the self-directed brokerage window. For example, if a participant has 20% of their account in the self-directed brokerage account and 80% in the core fund menu, then initiates automatic rebalancing, this automatic realignment will be applied to the 80% of their account in the core funds side of the plan only.

5. Current balances versus future contributions

When realigning their account, participants can choose to realign their current balance only, current balance and future contribution, or just their future contributions. We recognize that some participants wish to direct future contributions in a different manner than their existing balances, while others wish to invest both in the same manner. This feature allows us to accommodate the needs of both groups.

One of the most common mistakes we see among participants is re-directing future contributions instead of realigning their entire account balance. Participants must use care when making investment changes within their account to ensure they select the intended option.

6. Frequent Trading Restrictions and Related Rules

In response to market volatility and a variety of industry/regulatory events in recent years, many mutual funds have adopted policies to prevent frequent trading or market timing in their mutual funds portfolios. Since such activity can be detrimental to overall portfolio management activities and can reduce returns for other shareholders, the response of most mutual fund families was to begin imposing redemption fees for opposite way transactions made within a defined window of time. For example, a typical redemption fee policy might impose a 2% redemption fee for opposite way transactions made by a participant within a 30, 60

or 90-day window of time. Note that all such policies are set by mutual fund families as a way to deter or discourage frequent trading; these policies are not set or maintained by BPAS.

Rather than assessing redemption fees to participants for opposite way transfers or realignments made within their account (which we felt could be problematic for clients), BPAS devised a novel solution to this problem. We created a program that would impose a "trade block" on opposite way transfers or realignments in impacted funds for the defined window of time (e.g., preventing frequent trading activity in the first place), rather than allowing this activity to occur but assessing redemption fees after the fact. The specific policy for each fund is set by the fund manager and monitored by BPAS.

Here is an example of how this works. Assume that a Participant makes a realignment of their account on Monday, July 1, and transfers $10,000 into each of five funds. Three of these funds have no opposite way trading restriction; the fourth fund has a 10-day opposite way restriction, and the fifth fund a 30-day opposite way restriction. If the participant were to access his account on July 2 and attempt to make opposite way transfers or realignments in these funds, he would be able to do so in the first three funds immediately. However, the fourth fund would not permit this activity to occur until its 10-day restriction had lapsed, and the fifth fund would not permit this activity until its 30-day restriction had lapsed. This may be reflected by the fourth and fifth funds not appearing on the realignment page during this window or time, or by the funds showing on the page but with a restriction noted.

The participant portal provides a full list of the investments available in each plan along with the trading restriction applicable to each investment option. Participants need to review this information before making any trading activity in their account.

Note that participant-initiated transfers and realignments are the primary activity counted in the BPAS trade block– not new contributions, loans or loan repayments, distributions, allocations of employer contributions, fees or other ancillary activity. It is important to note that automatic rebalancing (both the initial entry and subsequent realignments) generally is considered as a "participant-initiated transfer" by fund mutual families. In addition, for plans that use model portfolios, many fund families consider periodic model realignments as "participant activity" as well, which means that a restricted trading period may follow normal (quarterly) model realignments if the models use one or more funds with a trading restriction. In this case, if a participant wishes to make investment changes during the restricted period, they should do so using the individual investment transfer option, rather than selecting a model portfolio or performing a complete account realignment, so that restricted fund(s) can be avoided until their holding period has expired.

Important note: Frequent trading restrictions have become more onerous in recent quarters, with more fund families adding restrictions or increasing their duration. For this reason (e.g., fund families who assess redemption fees for activity that they deem to be frequent trading, including plan-level fund changes), it has become necessary for BPAS to *include* plan-level fund changes in the programming to monitor for frequent trading at the participant level. Therefore, if a fund is added to a plan as a mapover fund and this fund has a 30-day trading policy, participants will generally be prevented from realigning **out** of that fund until the 30-period has expired. While BPAS has taken a novel approach in constructing our trade-block methodology, from time to time we may encounter fund families who insist on charging a redemption fee, either for individual participant activity, plan-level activity or a combination. When this occurs, we will communicate with the fund family in an attempt to have the fee waived, but if we are unsuccessful and no other party is willing to pay the fee, the fee will need to be charged against plan assets (e.g., allocated to the participant or participants pro-rata based on the transfers made).

Stable Value Funds

Many plans have elected to use a stable value fund (either a GIC stable value collective fund or a stable value contract) as an alternative to a money market fund. These two types of funds (stable value funds versus money market funds and *other* fixed income funds with a short-term duration) are considered *competing funds*, subject to various restrictions imposed by the stable value fund managers. These rules are primarily designed to mitigate problems that can occur in rising interest rate environments when participants transfer from a stable value fund to a competing investment, which can be detrimental to overall performance of the stable value fund.

The standard approach offered by BPAS is to allow clients to offer either a stable value fund **OR** a money market fund/competing fund, but not both options in the plan's fund menu. In this case, participants will not be bound by competing fund transfer restrictions between stable value funds and money market or other short term bond funds. This eliminates many potential problems associated with transfers or realignments involving these funds and a range of potential questions or disputes associated with such transactions.

For employers who feel this is not an acceptable solution and feel they need to offer **both options** (a stable value fund and a money market fund or other competing fund), BPAS has created "equity wash" programming. This will prevent participants from transferring directly between competing investments to comply with the rules set forth in the fund's prospectus. These restrictions apply to both the participant website and the VRU.

Transactions Involving Competing Funds

For *investment transfers*, participants will be restricted from transferring directly between the stable value fund and the competing fund or fund(s). Restrictions will be applied to both directions. For example, a participant who seeks to transfer $50,000 of the stable fund into other funds will be given a list of all funds EXCEPT the competing fund(s) to transfer these assets into (1% increments).

For *account realignment* transactions, participants using this feature will not be able to elect a *different* allocation percentage in the stable value fund or any competing funds; it will be carried over to the realignment elections area as-is. However, the rest of the account rebalance will be conducted according to the participant's elections.

In addition, competing funds will be listed separately on the investment transfer or account realignment pages, so participants can identify them as such. For more questions and clarification on this matter (for plans using competing funds), please see the participant portal Investments section.

7. Asset allocation models (for plans that offer this feature)

Some retirement plans offer asset allocation models created by the financial intermediary. This allows the Advisor or Corporate Trustee to take the menu of core funds offered within a plan, and then create "predefined mixes" of these funds as a set of portfolios, to give participants a convenient and easy way to invest their account assets.

Through model portfolios, participants can make a "one-click" election in the website and have their entire account automatically invested in a given strategy, and rebalanced back to that strategy over time.

Following is a summary of how asset allocation models work. Any participant who selects a model must understand these terms before selecting a model within the plan.

a. Generally speaking, the participant has a choice between selecting one asset allocation model (at 100% of their balance) **OR** selecting among an array of underlying investments in 1% increments. (They can't "mix and match" between the two).
b. If a plan offers a self-directed brokerage account option (SDBA) and a participant chooses to invest in this option, the models realignment functionality for that participant becomes disabled. If a participant in this situation would like to invest in a model portfolio, they should use the automatic rebalancing feature of the website – setting up rebalancing for the core funds portion of their account similar to the desired model portfolio. (This is a recordkeeping system limitation, not one created by BPAS).
c. Selecting a model through the website or voice response unit: A participant can select Choose a Model to either switch from one portfolio model to another or to move their balance out of individual investments and into a portfolio model. Selecting this option will realign the participant's current balances into that model immediately (subject to the daily cutoff time) and apply the model weightings for new contributions as well.
d. If a new participant selects a model on an enrollment form (for a plan that is already live on our system), once that form is processed by BPAS, the participant's new contributions will be invested in the mix of funds as held in the model moving forward. **However, their existing balances will not be swept into the model holdings until the next model realignment is conducted**. (As a general rule, this is normally done during the third month of each calendar quarter, unless the financial intermediary instructs otherwise).
e. Models are managed by the Trustee or Advisor that services the retirement plan. The specific funds and weightings used within the model will vary over time, as driven by the manager's research process (which the firm will communicate via email to BPAS through our model weightings form). Model changes can take place at any time without prior notification of plan participants. If model changes are made, an ad hoc realignment of the models may be performed at any time.
f. The previous point notwithstanding, any participant who selects a model accepts that their entire account balance will be realigned into the current model allocation and realigned to the model's new weighting with each quarterly rebalancing period.
g. Unless BPAS was instructed not to allow this feature, a participant in a plan that offers models can opt out of the model and select a custom mix of the underlying investments available within the plan.

If a participant wishes to develop a custom strategy (e.g., investing 80% of their account in the growth portfolio and spread the remaining 20% among four different funds), they can opt out of the model realign their account the **automatic rebalancing feature** in the participant portal. The participant can determine the corresponding percentages for each investment (rounding as necessary) to derive a desired mix of funds. The automatic rebalancing feature allows the employee to select the rebalancing frequency (e.g., every 90, 180 or 360 days).

8. Mutual fund actions

As an open architecture platform, BPAS is asked by clients to trade a large number of funds and fund families. This includes large, "household name" firms as well as smaller, boutique organizations. As BPAS interacts with outside fund families and makes various transactions in their funds, we are entirely at the mercy of fund family policies such as fund openings and closings, fund mergers, fund family acquisitions, fund liquidations, name changes, ticker or CUSIP changes, manager and strategy changes, fund or share class minimums,

changes to redemption fee or frequent trading policies, and handling of accounts with no assets invested or other changes. These policies vary dramatically by fund family and can change with little or no advance notice.

In all cases, BPAS will work to manage fund actions that take place across our plans to administer such changes in our client accounts. However, BPAS will not bear financial responsibility for mutual fund actions, especially when such events are not properly communicated by mutual fund families to BPAS. When we learn or are notified of a mutual fund action (whether or not it was communicated to BPAS in advance), we will work to manage the process as quickly as possible to mitigate any impact to plan sponsors and participants.

D. Loans and Withdrawals

1. Loan and Withdrawal Processing

For plans that offer loans, our participant portal supports loan availability and modeling. When a participant determines a desired set of loan parameters, they can generate and print the loan paperwork or request that it be mailed to their home address. Similarly, withdrawal paperwork can be generated and printed through the portal or mailed to the participant's home address.

Requesting loan or withdrawal paperwork in and of itself does not initiate a loan or distribution, nor does it create any immediate trades within the participant's account. The participant must complete and sign the paperwork, then fax or mail it back to BPAS to begin the process.

Our standard turnaround time for initiating a loan or withdrawal check is 5 - 7 business days after we receive completed paperwork from the participant. (Note: This is a general rule only. If additional research or follow-up is required, more time may be needed. For example, in many loan requests, the plan sponsor must verify the participant's actual payroll frequency before the loan can be processed since this impacts the amortization schedule.) In addition, BPAS processes withdrawal trades all on the same evening, once we have received updated values for all assets held in the participant's account. In the case of a plan holding a nonstandard asset that is valued less frequently than daily, the entire withdrawal will be suspended until we receive a proper valuation for the non-standard asset, at which point the mutual funds *and* nonstandard asset will be sold on the same evening.

Since it takes some time to process a loan or withdrawal request, the value of a participant's account can vary (positively or negatively) between the date the request is submitted and the date the loan or disbursement trades are processed. However, participants have the ability to control the investment of their account at all times using the participant portal or voice response unit. If a participant is concerned about the precise value of their account when requesting a loan or withdrawal, he or they should consider realigning their existing balances to the money market or stable value fund when the loan or withdrawal paperwork is initiated. Participants can request an Investment Transfer transaction from the Make Changes tab in the Investment section of the My Account menu in the portal.

Other notes about loans and withdrawals:

a. Loans and distributions are processed on a "first in, first out" basis, and processed as quickly as possible after they are received by BPAS. If a participant does not want a loan or distribution processed immediately, they should wait until the desired date to retrieve the paperwork from the website and submit the application to BPAS. If it is submitted to BPAS, it

will be processed immediately. BPAS will not be responsible for situations where a participant submits paperwork asking that it not be processed until a certain date.

b. The participant must read the entire set of loan or distribution paperwork before submitting the paperwork to BPAS. These documents contain important information that must be taken into account.
c. For security purposes, withdrawal/rollover checks are generally sent directly to the participant's home address rather directly than to the successor trustee or IRA custodian. The participant would forward the check to the successor trustee or IRA after receiving it when appropriate, along with any additional paperwork the successor firm may require. (This process ensures secure handling of the distribution or rollover check and helps reduce the chance that the new firm will not know how to process it).
d. If a participant submits a loan request but this loan amount is no longer available by the time the request is being processed, the loan cannot be processed (per IRS regulations). The participant can either re-submit the loan request or modify the loan amount.

2. Payout of Trailing Contributions and Earnings

Once a month, trailing contributions and earnings allocated to a participant's account subsequent to a full distribution are distributed. If a participant had a full disbursement within the last 180 days (not due to death), hasn't been rehired, and has a current vested account balance greater than zero (due to contributions and/or earnings posted to the account after the initial disbursement), the remaining vested account balance will be paid to the participant if greater than $10.00 (without a fee). Rollover and withholding instructions from the original disbursement are applied to this subsequent disbursement. The non-vested portion, if any, is swept to the plan's forfeiture account. If the vested account balance is less than $10.00, the entire account balance will be swept to the Forfeiture Account in the plan (recognizing *de minimus* rules and the $75 distribution fee). If there is no Forfeiture Account in the Plan (all sources are 100% vested), such accounts with a value of less than $10.00 are swept into a Miscellaneous Earnings account to be allocated to the remaining participants (recognizing de minimum rules and the $75 distribution fee).

Like all other parts of our business, BPAS continues to review fee processing practices. As we identify ways that the process can be further enhanced or streamlined, we will make changes accordingly.

3. For withdrawals from plans that offer the MyPlanLoan loan program or the Self-Directed Brokerage Account (SDBA), these accounts must be closed out before the final withdrawal can be processed by BPAS.

If a participant is using an SDBA account and requests a loan from their plan, they must have sufficient proceeds in the core funds side of the plan to support the loan request.

E. Error Correction

1. Errors and Error Correction

In a complicated business, where data and instructions from a variety of parties must be processed consistent with the constantly changing nuances of IRS and DOL regulations, from time to time errors or delays will occur. Between the plan sponsor, the payroll provider, outside legal counsel or consultants, the trustee or advisor, the accounting firm and BPAS, errors can be made by various parties, individually or in combination. When an error or delay is suspected to have occurred, the participant or plan sponsor must notify BPAS

promptly of the situation. BPAS will take all reasonable steps to research the matter to determine whether an error or unreasonable delay occurred, the extent of any financial impact on the plan or individual participants, the party or parties that were responsible for the error, and the potential methodologies available for correcting the error. We will discuss these matters with the client to determine an appropriate course of action.

In any potential dispute related to participant or plan-level account values, the beginning point of any analysis is to determine whether an **error** or a **delay** occurred. An error occurs when *"What happened is not what should have happened."* For example, if a participant's elections were to invest in Fund A, but assets were instead invested in Fund B, that would clearly be an error (regardless which party or parties were responsible for the error). In the case of a delay, *the correct transaction was effected, but it was processed later than it should have been* (regardless which parties were responsible). In the case of errors, the remedy used by BPAS will be to follow the EPCRS process (as outlined below) and determine the financial impact to individual participants, including daily market value changes and considering other factors as outlined below. In the case of a delay, since the transaction itself is not in question but rather the date on which it was processed, participants are entitled to the *time value of money*, as determined by the stable value, money market or lowest risk investment in the plan for the time period in question. Therefore, even in declining investment markets, a delay will result in restorative payments to be made to participant accounts reflecting their lost access to the assets in question for a period of time.

When required due to the nature or scope of an error, BPAS follows the terms of the IRS Employee Plans Compliance Resolution System (EPCRS) to correct errors. This program includes the Self-Correction Program (CAP), the Voluntary Correction Program (VCP) and the Audit Closing Agreement Program (Audit CAP) and other governmental programs which may evolve over time. A basic tenet of the EPCRS program in correcting most errors is to *create the result that would have occurred if the error had not taken place*. This involves recovering any undue gain experienced by certain participants as a result of the error and using these funds to restore any undue financial harm experienced by other participants, with any remaining financial impact being borne by the party (or parties) responsible for the error. If the aggregate result of an error across all participants produced net financial harm to the plan, BPAS and other involved parties would be responsible for funding a pro rata portion of the difference to make impacted participants whole. BPAS and other involved parties would be responsible for funding a pro rata portion of the difference to make impacted participants whole. Recognizing the inherent liabilities that attend to this business, if it is found that after fully correcting an error and making all participants whole that an aggregate gain was experienced (due to timing differences or other factors), BPAS and other involved parties will be entitled to retain the difference (in a proportionate share) as a loss reserve against future errors which attend to the retirement plan business.

While errors can often have multiple contributing parties who may each bear financial responsibility, BPAS will use this standard as the beginning point for any discussion of liability concerning any error or suspected error. The methodologies for recovering funds may be different for active participants, terminated participants and former participants who have already taken a distribution. Outside counsel may be involved as necessary for errors that are substantial in size or scope. For full details of the IRS EPCRS program, please visit www.irs.gov.

F. Enrollment

1. Enrollment forms

There are two methodologies for enrollment in defined contribution plans: traditional, paper-based

enrollment and online enrollment (Automatic enrollment uses the full online enrollment program at BPAS, but with automatic elements so that eligible employees become enrolled in the plan automatically at a certain percentage of pay unless they use the website to "opt out"). Online enrollment is a far superior option since it eliminates paper and minimizes the chance for many errors and delays in the way investment elections are processed, while eliminating significant liabilities for the plan sponsor (and other parties) associated with paper enrollment forms. Online enrollment is available to all plans serviced by BPAS (regardless of size) at no added cost. We strongly encourage every BPAS client to adopt online enrollment, due to the ways it reduces work for all parties, eliminates the chance for many errors and disputes, and reduces liability for the plan sponsor and other parties that are created by paper enrollment forms. This includes the use of online beneficiary designations, which can be easily added to plans at BPAS. To sign up for these services, employers should visit www.bpas.com/options.

When a plan sponsor requests that enrollment forms be utilized, BPAS may support this practice as an administrative accommodation, covering the temporary period of time between the date BPAS receives a completed enrollment form from a participant and the date the participant receives a PIN. When a participant receives a PIN, he or she is required to log onto the website, create their user credentials, review their account investments and investment elections, and make any desired changes. Any liability on the part of BPAS for processing enrollment forms will be limited to the window of time between the date that BPAS receives a duly executed form and the date the participant receives their PIN letter.

The following important guidelines apply to the processing of enrollment forms:

a. Handwriting must be legible.

b. Percentages must add up to 100%.

c. Participants must complete their form in their entirety and sign and date it.

d. Participants should submit their enrollment forms to their plan sponsor, who in turn remits them to BPAS.

e. Enrollment forms are processed under the first in, first out (FIFO) method. It is important to note that, unlike when a participant enters a transaction in the website or voice response system, **enrollment forms are an entirely manual process**. This includes the receipt and logging of the form in our system, a queue of forms to be processed at any time (forms are processed on a FIFO basis), review time, entering new contribution codes in our recordkeeping system and other steps. Due to the number of steps involved in processing enrollment forms, our standard is to have them processed within 5 to 7 business days after they are submitted to BPAS. While we may be able to process many forms more quickly, our operating standard takes precedent before any discussion of liability will be considered. For this reason, if enrollment forms are faxed or electronically delivered to BPAS on Tuesday, it is not likely that they will be entered in time for that Friday's payroll. When they are entered, they will apply to all new contributions made prospectively from the date they are entered into our system.

f. Except in the case of plans using asset allocation models created by the Trustee or financial intermediary, enrollment forms will drive the investment of new contributions only and will not automatically realign existing balances. (The map-over strategy used for each plan conversion will drive the way in which existing balances are invested). While this impact may be somewhat *de minimus* for most participants (new contributions are often only a fraction of existing balances), it can have an exaggerated effect in the case of an incoming rollover, both for plans with models and those without. **Participants must be aware that the investment election percentages on file on the BPAS recordkeeping system will apply to all**

new contributions made within their account, including incoming rollovers sent to BPAS. (This is the case whether the plan offers individual funds and/or portfolio models created by the financial intermediary.).

g. Only one enrollment form per participant may be submitted. (If a participant changes their mind in terms of the desired asset allocation, this change can be made immediately once they receive a PIN letter in the mail rather than by submitting a new enrollment form). If a participant submits more than one enrollment form, BPAS will not be liable for any damages that might result from coordination issues between forms. This includes BPAS rejecting one or more enrollment forms, processing forms in a different order than they were submitted, or delays from contacting the plan sponsor for clarification.

h. Once a participant's PIN has been issued, all investment elections from that point forward (whether they pertain to current balances or new contributions) are to be made using the website or voice response system. If a new enrollment form is delivered to BPAS for a participant who has already been issued a PIN (and the form is dated date *after* the day the PIN was issued), the form will generally be rejected. The only exception is for enrollment forms that were dated prior to the date the PIN was issued where timing issues resulted in an overlap of dates.

i. Plan sponsor should retain original copies of all beneficiary forms; these forms are not sent to BPAS.

j. Participants can review how their account balance is invested anytime in the participant portal (or voice response system). In addition, each quarterly statement provided by BPAS details the investment of the participant's account – including both current balances and the direction of future contributions. Participants must read quarterly statements, confirms, and other correspondence and notify BPAS promptly about any suspected error. This includes if a participant suspects that there was an error or delay in the processing of their enrollment form.

G. Other

1. Automatic/Forced Rollovers

Many qualified plans provide for forced rollovers of terminated participant accounts with vested balances less than $5,000. The specific terms and dollar ranges are established in each plan's plan document. If a plan contains these provisions and the Plan Sponsor has executed an agreement with Hand Benefits & Trust (a BPAS company) to custody the IRAs for the forced rollovers, terminated participants with a vested account balance of greater than a minimum amount specified in the plan document (typically $200) and less than $5,000 (excluding rollover money) are sent notification of the pending forced rollover. If the participant does not make an election with regard to the distribution of their account within 2 months after receipt of the notification and if the participant has not been rehired, their vested balance is automatically rolled over into an IRA at BPAS in their name. Automatic rollover transactions generally take place on the third week of each month. At the same time, rollovers of trailing contributions and earnings from previously rolled accounts are rolled into existing IRA accounts, and notices are mailed to terminated participants who meet the criteria for a forced rollover and have not previously been sent notification.

If a participant terminates with a vested account balance greater than the forced cash out/rollover amount,

the account balance remains in the plan until the participant requests distribution of his/her account. The withdrawal forms necessary to request a payout may be obtained through their online account at u.bpas.com or by calling the BPAS Participant Service Center (866-401-5272, option 3).

2. Forfeiture of Non-Vested balances

The non-vested account balance of a participant who has requested a distribution of their account is swept to the forfeiture account in the plan when the distribution takes place. If the Sponsor has adopted the BPAS "Automatic Rollover" program, once a month, the account balances of non-vested participants who have been terminated for at least 90 days are also swept the forfeiture account. In addition, those participants who have been terminated for more than 90 days with vested account balances less that the forced rollover minimum are automatically paid their vested account balance (if greater than $10) and their non-vested balance is swept to the forfeiture account. Under de minimus rules and recognizing the $75 distribution fee, vested amounts of less than $10 are swept to the forfeiture account. Forfeitures are allocated or applied to future contributions based upon each plan's provisions.

H. Plan Sponsor Responsibilities

1. Enrollment

There are two methodologies for enrollment in defined contribution plans: traditional, paper-based enrollment and online enrollment. (Automatic enrollment uses the full online enrollment program at BPAS, but with automatic elements so that eligible employees become enrolled in the plan automatically at a certain percentage of pay unless they use the portal to "opt out"). Online enrollment is a far superior option since it eliminates paper and minimizes the chance for many errors and delays in the way investment elections are processed, while eliminating significant liabilities for the plan sponsor (and other parties) associated with paper enrollment forms. Online enrollment is available to all plans serviced by BPAS (regardless of size) at no added cost. We strongly encourage every BPAS client to adopt online enrollment, due to the ways it reduces work for all parties, eliminates the chance for many errors and disputes, and reduces liability for the plan sponsor and other parties that are created by paper enrollment forms. This includes the use of online beneficiary designations, which can be easily added to plans at BPAS. To sign up for these services, employers should visit www.bpas.com/options.

When a plan sponsor requests that enrollment forms be utilized, BPAS may support this practice as an administrative accommodation, covering the temporary period of time between the date BPAS receives a completed enrollment form from a participant and the date the participant receives a PIN. When a participant receives a PIN, he or she is required to log onto the website, create their user credentials, review their account investments and investment elections, and make any desired changes. Any liability on the part of BPAS for processing enrollment forms will be limited to the window of time between the date that BPAS receives a duly executed form and the date the participant receives their PIN.

While some of the following important guidelines are outlined in section E of the Participant Responsibilities, we have included them along with the plan sponsor responsibilities that apply to the processing of enrollment forms:

A. Hand writing must be legible

B. Percentages must add up to 100%.

C. Form must be completed in its entirety, signed by the participant and date.

D. Plan sponsor must collect enrollment forms from participants and remit them to BPAS. It is best to send all forms in a single package; however, we are willing to accept forms in batches under the obvious caveat that the later forms are sent, the later they will be processed.

E. Enrollment forms are processed under the first in, first out (FIFO) method. It is important to note that, unlike when a participant enters a transaction in the website or voice response system, enrollment forms are an entirely manual process. This includes the receipt and logging of the form in our Plan & Task Manager system, a queue of forms to be processed at any time (forms are processed on a FIFO basis), QC review time, entering new contribution codes in our recordkeeping system and other steps. Due to the number of steps involved in processing enrollment forms, our standard is to have them processed within 5 to 7 business days after they are submitted to BPAS. It is true that many forms (if not most) are processed more quickly, this is our operating standard before which any discussion of liability will be considered. For this reason, if enrollment forms are faxed or electronically delivered to BPAS on Tuesday, it is not likely that they will be entered in time for that Friday's payroll. When they are entered, they will apply to all new contributions made prospectively from the date they are entered into our system.

F. Except in the case of plans using asset allocation models created by the Trustee or financial intermediary, enrollment forms will drive the investment of new contributions only, and will not automatically realign existing balances. (The map-over strategy used for each plan conversion will drive the way in which existing balances are invested). While this impact may be somewhat de minimus for most participants (new contributions are often only a fraction of existing balances), it can have an exaggerated effect in the case of an incoming rollover, both for plans with models and those without. Participants must be aware that the investment election percentages on file on the BPAS recordkeeping system will apply to all new contributions made within their account, including incoming rollovers sent to BPAS. (This is the case whether the plan offers individual funds and/or asset allocation models created by the financial intermediary

G. The plan sponsor is instructed to retain the original copy of enrollment forms (which will be used by the payroll department) and only send a copy to BPAS.

H. The copied set of enrollment forms should be sent to BPAS through one of three methods:

- Via overnight courier (BPAS Enrollment Form Desk; 6 Rhoads Drive; Utica, NY 13502; 315-292-6900) with package tracking/delivery confirmation required.
- Via PDF scan/secure file upload (comparable to or superior than method #1). To do this, please contact your Conversion Administrator (in the case of a new plan conversion) or your BPAS Plan Consultant for an existing plan. Make sure you review the entire PDF file to ensure it is legible and that all forms were included before transmitting the file to us through secure file upload.
- Via Fax (less desirable than methods #1 and #2, but supported). If enrollment forms are being faxed, great care must be utilized by the plan sponsor. The fax should begin with a cover page providing the name, phone number and email address of the sender, the total number of enrollment forms that are attached, and the name of the first and last participants in the fax. The sender of the fax must retain a confirmation from the fax machine that the fax went through properly and verify that the number of pages transmitted matches the number on the cover sheet. If the plan sponsor does not receive an email from BPAS within 2 business days confirming receipt, you should call or email BPAS to ensure that the fax was received properly. It can be faxed

to the RightFax number of your assigned Plan Consultant or to the general BPAS fax number at (315) 735-0418.

H. Only one enrollment form per participant may be submitted. (If a participant changes their mind in terms of the desired asset allocation, this change can be made immediately once they receive a PIN in the mail rather than by submitting a second or third enrollment form).

I. If a participant submits more than one enrollment form, BPAS will not be liable for any damages that might result from coordination issues between forms. This includes BPAS's rejection of one or more enrollment forms, processing forms in a different order than they were submitted, or delays from contacting the plan sponsor for clarification.

J. Once a participant's PIN has been issued, all investment elections from that point forward (whether they pertain to current balances or new contributions) are to be made using the website or voice response system. If a new enrollment form is delivered to BPAS for a participant who has already been issued a PIN (and the form is dated date after the day the PIN was issued), the form will generally be rejected. The only exception is for enrollment forms that were dated prior to the date the PIN was issued where timing issues resulted in an overlap of dates.

K. Plan sponsors should retain original copies of all beneficiary forms; these are not sent to BPAS.

L. Participants are reminded that the investment of their account is detailed at all times in the participant website (or voice response system). See section E for more details.

2. Fees and Fee Processing

All retirement service providers, including recordkeepers and financial intermediaries, must receive certain fees for the services they provide. These fees can be paid in various ways (they can be invoiced to the plan sponsor, paid from plan assets, etc.). The actual fees attributable to each plan are established at the outset of the relationship through a fee schedule or proposal, and can be updated over time as expressed in additional correspondence, agreements, notifications and / or fee summary documents communicated between BPAS and the plan sponsor.

A fee schedule normally includes several components, such as an annual base fee, a per-participant charge, the fee for the trustee or advisor, the platform fee, and other ancillary fees, such as loan, distribution or other fees. Each of these matters may be handled differently, at the election of the plan sponsor.

Following are some **general notes** in regards to fee processing at BPAS. (Please see the Fee Summary document in the plan sponsor website for additional details).

A. The platform fee is an annual asset-based fee received from plan assets. The platform fee for each plan is expressed in basis points (100 basis points = 1 percent) and is offset at the fund level by any forms of revenue sharing the various funds pay to BPAS. To the extent that a fund does not provide sufficient revenue sharing to cover the platform fee on its own, a custodial fee (also called a true up fee) will be applied to a fund to recover the difference between the platform fee and what the fund pays. For example, if the platform fee for a plan is 35 basis points and the plan offers Fund A and Fund B, which pay BPAS total revenue sharing of 25 basis points and 10 basis points, respectively, a "true-up fee" will be applied on these funds of 10 basis points and 25 basis points, respectfully, producing

the total platform fee of 35 basis points. Any custodial fee is applied in monthly increments against account balances in that fund. Through this methodology, all fees are full disclosed, all participants pay their fair share of total expenses, and there are no intra-plan fairness or subsidies based on fund selection or asset allocation decisions.

B. The term single or joint normalization refers to "who receives the platform fee." Under single normalization, the platform fee is retained by BPAS alone, and the financial intermediary partner's fee (whether it is charged to the plan or invoiced to the plan sponsor) will be handled separately. Under joint normalization, the platform fee is divided between BPAS and the financial intermediary partner in some manner, based on the services each firm will provide to the plan and as communicated in writing to the plan sponsor.

C. Regardless whether single or joint normalization is used for the platform fee, it will apply to all assets in the plan – including the core menu of funds, a self-directed brokerage account, company or other assets. To the extent that assets are used which do not offer daily liquidity to support the assessment of fees (e.g., a self directed brokerage account, closely held company stock, life insurance policies, frozen assets, etc.), the platform fee will be *determined* based on the participant's total balance, but the fee itself will be generated (raised) from the core funds portion of the account

D. Within today's daily valuation environment, changes will take place from time to time that impact the platform fee which must be periodically accounted for by BPAS. For example:
   - Plans often make fund menu changes.
   - Fund families may increase or decrease the level of revenue sharing they provide on various funds or share classes (including 12b-1s, shareholder servicing fees, sub-transfer agent fees, etc.). One example would be money market funds, which have drastically cut or eliminated most revenue sharing payments in recent years.
   - Fund mergers or acquisitions may take place, whereby a fund with one cost structure merges into another fund or share class, which impacts the level of revenue sharing that fund provides.
   - Entire fund families can merge or be acquired – resulting in changes to revenue sharing arrangements.
   - Fund families may change policies in terms of account minimums, or invoke "greater than or lesser of" arrangements for revenue sharing payments, including fixed dollar sub-TA arrangements.
   - BPAS may successfully negotiate to receive more revenue sharing from certain funds or share classes.
   - Fund families may change policies in terms of the group, branch or dealer numbers that will be covered by various revenue sharing arrangements (including "grandfathered" arrangements).

   Given the complexity of these matters across hundreds of thousands of participants and thousands of retirement plan clients, and considering that fund families often change policies with little or no advance notice, BPAS will make every effort to manage this process, and reserves the right to automatically make adjustments to individual plans where necessary. BPAS will review each plan's fee configuration periodically (both when fund menu changes are made and at other intervals) and adjust the true up fee for all funds as needed to maintain consistency with the platform fee for the plan. When BPAS determines during a plan review that adjustments are necessary, these changes

will be made automatically without advance notice. However, any such changes will be captured in the next Fee Summary Document and 408(b)(2) disclosures prepared and pushed to the plan sponsor website monthly (or on some other interval) – providing an automated update to each plan sponsor of the current configuration for their plan.

E. If one or more funds selected by a plan offers total revenue sharing that exceeds the platform fee, any excess will be retained by BPAS. There are two suggested remedies to the situation: 1) the plan can select a lower cost share class for the fund(s) in question so that the new share class (plus any added true up fee) will equal the platform fee exactly; or 2) joint normalization can be used for the plan, under which the fee for BPAS and our financial intermediary partner are handled together (as described above), which will normally eliminate any excess. These matters can be addressed with your BPAS Sales Representative.

F. The platform fee is normally established in correspondence provided to a client, including the initial proposal, presentation or fee page; the Fee Summary Documents issued by BPAS; individual emails or other correspondence. In the event that a specific platform fee has not yet been established for a plan, the platform fee will be defined as the prevailing level of revenue sharing provided (in the aggregate) by the rest of the plan's fund menu to BPAS. As fund menu changes are made over time, this allows us to maintain revenue parity between the new and prior funds so that fund changes do not require a change to the rest of the plan's fee schedule.

G. Certain funds may impose a "fixed dollar" sub-transfer agent arrangement (in lieu of basis points) based on the number of participants investing in the fund, or may employ a "lesser of" hybrid arrangement. These amounts can be extremely variable and difficult to predict from a pricing perspective. In the case of such funds (where the fund family is unwilling to convert to a basis points figure or it would be disadvantageous for plans to do so), BPAS will convert the value of this payment into a basis points figure (based on our entire book of clients), and use this figure as the assumed sub-transfer agent fee for all clients who offer that fund. We will periodically review this figure for reasonableness across our book of business and make adjustments as necessary.

H. The account balance used for asset-based fees is *as of the day fees are calculated*, not the prior month end. This eliminates fee discrepancies based on changing market values (e.g., if the market has moved considerably since the prior month end).

I. Unless a plan sponsor specifies otherwise, the per-participant charge for terminated participants is automatically charged against their account in monthly increments (rather than being invoiced to the plan sponsor).

J. If changes are requested by the plan sponsor in terms of the handling of fees (e.g., invoicing versus charging against plan assets), such changes will be applied on a prospective basis only.

K. Fees that are invoiced to the plan sponsor (normally the base fee and per-participant charge), are generally handled quarterly, in arrears.

L. Fees that are paid from plan assets (e.g., trustee or advisor fees, custodial fees or any portion of the base fee or per-participant charge paid from the plan), are generally processed monthly.

M. Financial intermediary partners of BPAS are required to review monthly payments made to them by BPAS for accuracy and reasonableness (verifying that the calculation matches the amount identified on the signed fee page, and looks reasonable from month to month). Financial intermediaries must notify BPAS within 60 days if an error is suspected. Failure to notify BPAS within 60 days of an error in

the monthly fee payment will signify the financial intermediary's acceptance of the amount paid to it by BPAS as the correct payment, and will close the window of damages for BPAS associated with any error (unless a plan sponsor is willing to have missing fee payments be charged against plan assets). In the case of any such error, corrections will be made prospectively.

N. If an error is encountered in the processing of a fee, whether the fee was charged in an incorrect amount or not charged for a period of time, BPAS reserves the right to assess the fee for a look back period of up to 24 months. This shall include fees that were to be invoiced or charged against plan assets, as well as fees payable to BPAS and/or the financial intermediary partner. The corrective fee assessment will normally be made through a single fee against plan assets (unless the fee was slated to be invoiced to the client), although BPAS may take other approaches if warranted by circumstances. As outlined in the administrative services agreement applicable to each plan, if a plan sponsor fails to pay fees that are invoiced in a timely basis, BPAS reserves the right to charge such fees against plan assets.

O. In addition to the Fee Summary Document discussed above, a fee page will be provided to clients initially or from time to time during the relationship. This fee page will recap, modify or reaffirm details of the overall fee arrangement applicable to BPAS and our financial intermediary partner. Such fee pages may be provided electronically (for e-signature format) or in hard copy format. When the plan sponsor is asked to sign the fee page, this may be done electronically or through a signed document that is scanned and emailed or faxed to BPAS. In the absence of a signed fee page, other pertinent documents will govern, including the Fee Summary Document (provided through the plan sponsor website); the proposal, fee quote or presentation; related correspondence and emails, etc. Through a signed fee page, the plan sponsor authorizes BPAS to proceed with the conversion or ongoing support of its plan, and to compensate the financial intermediary as instructed on the signed fee page (if such fees are to be raised from plan assets). If the plan sponsor and financial intermediary enter into a separate agreement governing the provision of services by the financial intermediary to the plan sponsor or its plan, BPAS is not responsible for this agreement, or any aspect of that relationship (contents of the agreement, maintaining a copy of the agreement, legal suitability of the agreement, the provision of plan- or participant-level services or related matters). The plan sponsor's provision of a signed fee page to BPAS will be the plan sponsor's express authorization for BPAS to raise and forward payment of the applicable fees to the financial intermediary partner on a periodic basis (as stated on the signed fee page), under the acknowledgment that all matters of concerning this advisory or trustee relationship shall be between the financial intermediary and the plan sponsor.

P. For any type of fee that is invoiced to the plan sponsor (or otherwise, the firm who signs the administrative services agreement), if the fees are not paid within 30 days, BPAS reserves the right to charge such fees against plan assets. This may be done without additional notice.

Q. Within the BPAS daily valuation program, is it possible for a certain amount of interest earnings to be experienced from interest earned on assets in transit (coming into the plan or exiting the plan through various distributions). At BPAS, this issue is reduced significantly because of the "data first, money second" approach used for incoming contributions, in which contribution funds are generally not pulled from the employer until trades have already been made with fund families (eliminating uninvested cash on most incoming contributions). However, in cases when another funding approach is used by an employer, and in the case of loans, hardships, distributions and certain other plan- level transactions, these assets will for a period of time be considered "BPAS Trust Department Cash" (for the settlement of such transactions) rather than a plan-level asset. As a general rule, BPAS will retain

any float on uninvested cash held at a "BPAS Trust Department" level as a component of our overall fee arrangement.

Notice regarding plan sponsor electronic communications: To comply with DOL Regulation 408(b)(2) and related regulations, BPAS will begin to make certain communications to plan sponsors electronically beginning on April 1, 2012. This includes the 408(b)(2) disclosure and related attachments, the Fee Summary Document, and certain other communications which may amend or clarify the Administrative Services Agreement or fee page as applicable to individual plans. The terms of the Administrative Services Agreement will be followed in any such communications are sent to plan sponsors electronically.

Working with a Financial Intermediary. As its core business model, BPAS partners with financial intermediaries in providing retirement plan services to plan sponsors and participants. This includes Registered Investment Advisors, Corporate Trustees, broker / dealer firms, and certain third party administrators and consultants. When a plan sponsor instructs BPAS to work with a financial intermediary on its plan, this will be reflected by providing a signed fee page to BPAS, which identifies the firm and the fee it will charge for its services. (This can also be established through a separate email or written communication from the plan sponsor to BPAS which may not involve a signed fee page or additional fees from the financial intermediary). When a plan sponsor provides such authorization for BPAS to work with a financial intermediary regarding its plan, the plan sponsor is authorizing BPAS to also provide that firm with access to its plan via the advisor website (which includes the same access provided to plan sponsors). This is under the explicit understanding that any financial intermediary partner who accesses the plan sponsor or advisor website will be bound by all data privacy, confidentiality and security concerns which apply to such data, including all matters spelled out in the Operating Guidelines for the BPAS Advisor Website, which is provided to all financial intermediaries as a condition of their accessing the advisor site at any time (and binding on their firm). In addition, when a plan sponsor authorizes BPAS to work with a financial intermediary, this includes the authorization for BPAS to provide data to that firm (similar to what is provided in the advisor website) that may be in an automated file format on some frequency, to assist that firm in managing its plan sponsor relationships across multiple recordkeeping vendors. In all cases, the financial intermediary shall be bound by the same provisions and responsibilities outlined above with respect to that data and its secure handling. If a plan sponsor does not wish to give a financial intermediary access to its plan data via the advisor website, or wishes to revoke that access, this should be done by sending an email to the BPAS Plan Consultant with specific instructions (or to TrustSales@bpas.com).

From time to time, a plan sponsor may make certain changes to its plan in terms of the mix, structure or cost of services provided to its plan by a financial intermediary. For example, this can include changes to the fee arrangement, changes regarding in the way fees are handled (plan expense versus invoice), changes in the mix of providers involved, a 'broker of record' change, having the financial intermediary transition from broker of record to Registered Investment Advisor, changing from one financial intermediary to another, and other changes. When any such change occurs, it will be the responsibility of the plan sponsor and financial intermediary to ensure that BPAS is notified of any such changes prospectively in writing. Because such changes impact so many documents, agreements and required DOL notices (e.g., plan document, SPD, enrollment kits, required 408(b)(2) and 404(a)(5) notices and more), BPAS requires 60 days advance notice for any financial intermediary-related changes so all steps can be managed and communicated properly. This is consistent with terms of the Administrative Services Agreement in place in each relationship.

This shall be accomplished through an email sent to the BPAS Plan Consultant and copied to

TrustSales@bpas.com by a duly authorized representative of the plan sponsor, containing clear instructions as to the desired changes, dates (with 60 days advance notice as outlined above) and other specifics (we recommend a scanned letter signed by the plan sponsor providing complete instructions that is signed and dated). BPAS has a special form for this purpose that can be requested from the BPAS Plan Consultant assigned to the plan. Since BPAS will not be a in position to know about these changes without specific written communication from the client, this issue will rest directly with plan sponsors and the impacted financial intermediaries who are involved in any such changes.

Why may fees be charged on different dates during a given month?
In a given month, there may be some variation in the timing and processing of fees that a participant sees reflected in the participant website. This may mean that trustee or advisor fees, custodial fees and / or fixed dollar fees may be charged on different evenings. There are several reasons for this, including:

A. Since the custodial fee attributable to certain funds can vary within the plan (e.g., where some funds cover the platform charge directly while other funds require an added fee), we keep the actual dates for monthly fee processing confidential. We may deliberately vary the specific dates for fee processing as a result.
B. Fee processing is a very involved process, subject to numerous factors external to BPAS. This includes the delivery and timing of nightly pricing files, fund family trading practices, the operation of the NSCC / DTC trading platform, and other external factors. In addition, monthly fee processing is scheduled as part of an overall business management process which includes operational functions, systems and resources

I. Disclaimer

This Policy Statement Regarding Account Transactions establishes standard policies and protocols for the daily valuation business of BPAS. In the administration of daily valuation plans, we will occasionally encounter situations that are difficult to anticipate in advance of any policy statement (including plans with unusual provisions, assets, features, money sources, business events and other circumstances). In such cases, BPAS reserves the right to take a different approach if warranted by circumstances; our goal is to provide seamless plan administration while complying with the numerous financial, legal, investment, audit and trust considerations that attend to our business.

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From time to time, a plan sponsor may make certain **changes** to its plan in terms of the mix, structure or cost of services provided to its plan by a financial intermediary. For example, this can include changes to the fee arrangement, changes regarding in the way fees are handled (plan expense versus invoice), changes in the mix of providers involved, a 'broker of record' change, having the financial intermediary transition from broker of record to Registered Investment Advisor, changing from one financial intermediary to another, and other changes. When any such change occurs, it will be the responsibility of the plan sponsor and financial intermediary to ensure that BPAS is notified of any such changes prospectively in writing. Because such changes impact so many documents, agreements and required DOL notices (e.g., plan document, SPD, enrollment kits, required 408(b)(2) and 404(a)(5) notices and more), BPAS requires **60 days advance notice** for any financial intermediary-related changes so all steps can be managed and communicated properly. This is consistent with terms of the Administrative Services Agreement in place in each relationship

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