

# Charles Schwab Trust Bank Automatic Rollover IRA Services Agreement

This IRA Rollover Services Agreement (the "Agreement") is by and between one or more retirement plan administrator(s) affiliated with the same plan sponsor identified on the Execution Page (each a "Plan Administrator", as such term is defined in Section 3(16)(A) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), and Charles Schwab Trust Bank ("Trust Bank"), its successors and assigns. The Agreement relates to rollover distributions from the defined contribution or benefit plan or plans identified in Appendix A, as amended from time to time in a form acceptable to Trust Bank, for which the Plan Administrator serves as plan administrator (the "Plan[s]"). This Agreement is effective on the date it is accepted by Trust Bank. The rollover distributions relate to both automatic rollovers of mandatory distributions as well as rollovers from a Plan that has been or will be terminated.

Whereas, on behalf of certain participants of the Plan, pursuant to its authority under the provisions of the Plan and Section 401(a)(31)(B) of the Internal Revenue Code of 1986, as amended (the "Code"), the Plan Administrator desires to establish individual retirement accounts ("IRAs") with Trust Bank serving as custodian to receive rollover distributions related to automatic rollovers of mandatory distributions or rollovers related to unresponsive, missing or lost participants from a Plan that is being terminated or has been terminated.

Whereas, Trust Bank is willing to serve as custodian of IRAs to receive such rollover of distributions from the Plan(s), subject to the terms and conditions of this Agreement and the terms of the Charles Schwab Trust Bank Traditional Individual Retirement Account Agreement (the "Traditional IRA Agreement") in the case of a traditional IRA within the meaning of Section 408(a) of the Code and/or the terms of the Charles Schwab Trust Bank Roth Individual Retirement Account Agreement (the "Roth IRA Agreement") in the case of a Roth IRA within the meaning of Section 408A(b) of the Code.

Now, therefore, in consideration of the mutual promises set forth herein, Trust Bank and the Plan Administrator hereby agree as follows:

## 1. Purpose of Agreement

The Plan Administrator and Trust Bank enter into this Agreement whereby on behalf of certain participants of the Plan(s), the Plan Administrator appoints Trust Bank to serve as custodian of IRAs to hold such rollover distributions whether related to the automatic rollover of certain mandatory distributions from the Plan(s) or related to unresponsive, missing or lost participants of a terminating Plan. Trust Bank shall serve as custodian pursuant to the terms and conditions of this Agreement and the Traditional IRA Agreement and/or the Roth IRA Agreement, as the case may be. The Plan Administrator, or its agent, shall direct Trust Bank to establish a separate IRA to hold such rollover funds distributed from the Plan(s) on behalf of each participant who did not elect to receive a distribution directly or have it paid in a direct rollover to another IRA or an eligible retirement plan (each a "Depositor") and shall instruct Trust Bank whether to establish a traditional IRA, a Roth IRA or both in each instance. Such an IRA shall be a traditional IRA if the rollover funds do not contain any "designated Roth contributions" within the meaning of Section 402A(c)(1) of the Code ("Roth 401(k) Contributions") and shall be a Roth IRA if the rollover funds constitute Roth 401(k) Contributions and earnings thereon. As custodian, Trust Bank will act only at the direction of the applicable Depositor or any party duly authorized to act on the behalf of such a Depositor, including the Plan Administrator as (provided in this Agreement. In connection with the establishment of each IRA, the Plan Administrator shall direct Trust Bank to establish the IRA, execute such documents requested by Trust Bank in order to effect the establishment of each IRA, and to provide any additional information regarding each Depositor as may be required by law or regulation, as reasonably requested by Trust Bank in such format acceptable to Trust Bank. Any direction by the Plan Administrator

to establish an IRA shall be in the format required by Trust Bank or as agreed upon by the parties. Information requested by Trust Bank may include, but is not limited to, name, last known address, Social Security number, date of birth and country of citizenship of each Depositor, as well as tax information relating to the rollover contributions. The Plan Administrator may direct its agents to provide such information to Trust Bank.

## 2. Representations of the Plan Administrator and Plan Sponsor

**2.1 Status of Plan.** Each Plan is intended to qualify under the provisions of any of Sections 401(a), 403(b)(1), 403(b)(7), 414(d) or 457(b) of the Code. A Plan may be in the process of terminating and will soon commence the distribution of all remaining Plan assets as soon as administratively feasible.

**2.2 Due Authorization.** With respect to mandatory, automatic rollovers, the Plan Administrator warrants and represents that the automatic rollover of funds from the Plan(s) to the IRAs is authorized by the provisions of the Plan(s) and that each Plan is in full force and effect and has not been revoked, modified or amended in any way that could cause the representations made in this Agreement to be inaccurate or incorrect.

With respect to each terminating Plan, the Plan Administrator warrants and represents that each terminating Plan permits a lump sum payment from the Plan to eligible participants. The Plan Administrator represents and warrants that no reason exists (e.g., existence of a successor qualified retirement plan, existence of required joint and survivor annuity payout provision in the Plan, etc.) that would otherwise prohibit the rollover of such terminating Plan's assets to an IRA. The Plan Administrator warrants and represents that it, or its agent, has attempted but has failed to locate the Plan participant after reasonable efforts, including the use of methods as outlined within Department of Labor Field Assistance Bulletin 2014-01.

Finally, the Plan Administrator and the Plan Sponsor confirm that each are authorized to enter into this Agreement

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and to carry out their duties as described in this Agreement, and that all information provided to Trust Bank shall be accurate and complete. The Plan Sponsor hereby certifies that the Plan Administrator is the fiduciary for each Plan identified on the Appendix attached hereto with the authority to establish an IRA on behalf of each Depositor.

**2.3 Safe Harbor.** The Plan Administrator intends to satisfy the requirements of the safe harbor as set forth in the Department of Labor Regulation Sections 2550.404a-2 or 2550.404a-3 and relies upon the representations of Trust Bank as reflected in this Agreement and each applicable Traditional IRA Agreement and/or Roth IRA Agreement with regard to Trust Bank's compliance with the safe harbor. Notwithstanding the foregoing, with respect to amounts referenced in Department of Labor Regulation Section 2550.404a-2(d), Trust Bank reserves the right to permit contribution amounts greater than the amount stated in the safe harbor for purposes of establishing a Traditional IRA or Roth IRA.

**2.4 Summary Plan Description.** With respect to mandatory, automatic rollovers, the Plan Administrator has furnished, or will timely furnish, a summary plan description, or a summary of material modifications, that describes each Plan's automatic rollover provisions effectuating the requirements of Section 401(a)(31)(B) of the Code to the Plan participants in a manner consistent with the requirements of Department of Labor Regulation Section 2550.404a-2.

**2.5 Termination Distributions.** Each termination distribution is an eligible rollover distribution that is subject to the direct rollover requirements of Section 401(a)(31) of the Code. No termination distribution will be made to an IRA at Trust Bank unless, after receiving the notice described in Section 402(f) ("402(f) Notice") of the Code, a participant fails to elect to receive a distribution directly or have it paid in a direct rollover to an eligible retirement plan or, in the case of participants that the Plan Administrator cannot locate, all

reasonable efforts have been made to deliver the required 402(f) Notice.

**2.6 Mandatory Distributions.** Each distribution subject to an automatic rollover constitutes a mandatory distribution within the meaning of Section 411(a)(11) of the Code, does not exceed the maximum amount under Section 401(a)(31)(B) of the Code and is an eligible rollover distribution that is subject to the direct rollover requirements of Section 401(a)(31) of the Code. No automatic rollover of a mandatory distribution will be made to an IRA at Trust Bank unless, after receiving the notice described in Section 402(f) of the Code, a participant fails to elect to receive a distribution directly or have it paid in a direct rollover to an eligible retirement plan.

## 3. Representations of Charles Schwab Trust Bank

**3.1 Status of IRA.** The IRAs to be provided by Trust Bank under this Agreement to receive rollovers from the Plan(s) constitute individual retirement plans within the meaning of Section 7701(a)(37) of the Code.

**3.2 Fees and Expenses.** All fees and expenses attendant to each IRA shall not exceed the fees and expenses charged by Trust Bank for comparable IRAs established for reasons other than the receipt of a rollover distribution. The current annual fee for each Traditional IRA and Roth IRA is \$35, prorated and assessed quarterly, which may be amended by Trust Bank at its discretion. In the event a Depositor maintains both a Roth IRA and a Traditional IRA, a single \$35 annual fee will be charged and will be applied against the Traditional IRA.

**3.3 Safe Harbor.** The IRAs to be provided by Trust Bank under this Agreement with respect to automatic rollovers from the Plan(s) are intended to comply with the requirements set forth in the Department of Labor Regulation Sections 2550.404a-2(c)(3) or 2550.404a-3(d)(2).

**4. Contributions.** The Plan Administrator will deliver funds constituting either terminating or automatic rollover

distributions directly to Trust Bank for deposit in an IRA on behalf of each Depositor. Trust Bank has no responsibility to determine whether the rolled-over funds were properly distributed from the Plan or otherwise constitute a mandatory distribution within the meaning of Section 411(a)(11) of the Code. The delivery of such funds to Trust Bank shall be made by wire transfer or by check or, if the Plan's assets are held at Trust Bank, pursuant to directions to transfer such amounts from the Plan's account at Trust Bank to the IRA on behalf of each Depositor.

## 5. Establishment of IRAs

**5.1 Funding Requirements.** The Plan Administrator or its agent, including a third party administrator described in section 5.3 below, shall provide Trust Bank, from time to time, with an electronic file identifying the individuals for whom rollover IRAs are established in a format acceptable to Trust Bank. The Plan Administrator or its agent's delivery of an electronic file and corresponding rollover amounts set forth on such file shall constitute the Plan Administrator's direction to establish the IRAs for the Depositors as set forth on the electronic file.

**5.2 Authorization and Authorized Parties.** The Plan Administrator, on behalf of each Depositor, authorizes Trust Bank to establish an IRA in the name of each Depositor. The Plan Administrator will direct Trust Bank to establish either a Traditional IRA or a Roth IRA.

In addition to the direction provided by an electronic file pursuant to Section 5.1 above, the Plan Administrator may designate certain identified individuals to act on behalf of the Plan Administrator with respect to all of its responsibilities under this Agreement. Trust Bank may act upon the directions, written or oral, by telephone, mail or e-mail, from such authorized individuals which Trust Bank believes is authorized to act on behalf of the Plan Administrator.

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**5.3 Third Party Administrator.** The Plan Administrator hereby designates the entity identified on the execution page of this Agreement as each Plan's third party administrator (the "TPA") and as its agent under this Agreement. Trust Bank shall be entitled to conclusively rely on any instruction from the TPA as if such instruction came from the Plan Administrator. The TPA may provide Trust Bank with instructions, in a format agreed upon by Trust Bank and the TPA to establish an IRA under this Agreement on behalf of the Plan Administrator.

**5.4 Adoption of IRA Agreement.** The Plan Administrator, on behalf of each Depositor, adopts the Traditional IRA Agreement and/or the Roth IRA Agreement, as the case may be, and appoints Trust Bank as custodian for each IRA established thereunder.

**5.5 Fees.** The Plan Administrator, on behalf of each Depositor, agrees that all applicable fees and expenses attendant to each IRA shall be the sole responsibility of each Depositor and shall be withdrawn from each IRA. The current annual fee for each Traditional IRA and Roth IRA is \$35, prorated and assessed quarterly, as described in Section 3.2 above.

## 6. Deposits

**6.1 Initial Deposits.** The parties agree that the rolled-over funds in each IRA shall be deposited in an FDIC-insured deposit account at Charles Schwab Trust Bank. This deposit product is designed to preserve principal and provide a reasonable rate of return, consistent with liquidity. This deposit product shall seek to maintain, over the term of the investment, the dollar value that is equal to the amount invested in the product by the IRA. The rolled-over funds shall remain in the deposit account until the Depositor takes control of the IRA, as evidenced by the Depositor's execution of an account activation agreement, and directs Trust Bank to distribute the funds in the IRA directly to the Depositor, or to transfer the funds in the IRA to another IRA (whether or not with Trust Bank) or to invest in mutual funds or other

securities made available to the IRA by Trust Bank or its authorized agents, if applicable. Subject to the satisfaction of certain conditions, funds deposited at Charles Schwab Trust Bank are eligible for Federal Deposit Insurance Corporation (FDIC) Insurance.

**6.2 Depositor's Responsibility.** Each Depositor shall be responsible for all investment decisions, effective upon his or her taking control of the IRA pursuant to his or her execution of an account activation agreement, with regard to the funds in the IRA and may direct Trust Bank to invest in mutual funds or other securities made available to the IRA by Trust Bank or its authorized agents, if applicable. Any such mutual funds or other securities in which each Depositor chooses to invest are not deposits, are not FDIC-insured, may lose value and are not bank-guaranteed. Trust Bank, its parent corporation, its affiliates and subsidiaries shall not be responsible for determining whether any investment transaction or strategy is suitable for each Depositor.

**6.3 Control over the Assets.** Once funds have been transferred by the Plan Administrator to Trust Bank and deposited in an IRA, (i) the Plan Administrator shall have no duty or responsibility to exercise control over such funds (or to otherwise, in any way, monitor the performance of the IRA) and (ii) each Depositor will have the authority to exercise control over the funds deposited to such IRA pursuant to his or her execution of an account activation form. Notwithstanding the foregoing, the Plan Administrator may, if the terms of the Plan permit, instruct Trust Bank to terminate an IRA or transfer the funds held in an IRA to the distributing Plan. In such event, the Plan Administrator represents and warrants that such transfers to the distributing Plan are permissible under the terms of the Plan and applicable law and regulations.

## 7. Depositor's Rights

Each Depositor on whose behalf the Plan Administrator makes an automatic rollover or a rollover contribution from

the terminating Plan(s) shall have the right to enforce the terms of the Traditional IRA Agreement and/or the Roth IRA Agreement, as the case may be, but not the terms of this Agreement, with regard to his or her rolled-over funds pursuant to his or her execution of an account activation form.

## 8. Amendment and Termination

**8.1 Amendment.** This Agreement may be amended by a written agreement executed by Trust Bank and the Plan Administrator.

**8.2 Termination.** This Agreement may be terminated upon sixty (60) days' written notice by either Trust Bank or the Plan Administrator. Such termination will be effective at the end of the notice period, except that the parties may agree to an earlier termination. The termination of this Agreement shall not impact any IRAs established prior to the effective date of the termination (nor in any way affect the rights of the Depositors of such IRAs to enforce the terms of the Traditional IRA Agreement or Roth IRA Agreement, as the case may be).

## 9. Miscellaneous Provisions

**9.1 Severability.** If any provision of the Agreement is unenforceable or invalid for any reason, the remainder of the Agreement will remain in effect.

**9.2 Governing Law.** All questions as to the validity of this Agreement will be determined in accordance with the laws of the State of Nevada.

**9.3 Headings.** The headings throughout the Agreement have been inserted for administrative convenience only.

**9.4 Entire Agreement.** The Agreement constitutes the entire agreement among the parties with respect to the establishment of IRAs to receive automatic rollovers of mandatory distributions from the Plan or rollover distributions from a terminating Plan and the appointment of Trust Bank as custodian of such IRAs.



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**9.5 Notices, Change of Address.** Notices and other writings between the Plan Administrator and Trust Bank will be delivered or mailed postage prepaid to the following:

*Plan Sponsor:*

Address listed on the Execution Page.

*Charles Schwab Trust Bank:*

Charles Schwab Trust Bank

ATTN: Asset Control

2423 E. Lincoln Drive

Phoenix, AZ 85016

or to such other address as the Plan Administrator or Trust Bank hereafter specifies in writing by providing ten days prior notice of such change to the other party. All notices, requests, demands and other communications will be in writing and will be deemed to have been duly given on the date of service, if served personally on the party to whom notice is to be given, or on the fifth day after mailing, if mailed and properly addressed as indicated herein.

**9.6 Extraordinary Events.** Trust Bank is not responsible for losses caused directly or indirectly by conditions beyond its control, including, but not limited to, war, natural disasters, government restrictions, exchange or market rulings, strikes, interruptions of communications or data processing services, or disruptions in orderly trading on any exchange or market.

**9.7 Arbitration of Disputes Between Depositor and Charles Schwab Trust Bank.** The Plan Administrator, on behalf of each Depositor, agrees to settle by arbitration, to the maximum extent permitted by law, any controversy between each Depositor and Trust Bank and/or any Trust Bank officers, directors, employees or agents relating to the IRA or IRA transactions, or in any way arising from Depositor's relationship with Trust Bank as provided in the Traditional IRA Agreement in Article VIII, Section 11, and in the Roth IRA Agreement in Article IX, Section 11.

**9.8 Arbitration of Disputes Between Plan Administrator and Charles Schwab Trust Bank.** Any dispute under this Agreement between the Plan Administrator and Trust Bank will be resolved by submission of the issue to a member of the American Arbitration Association who is chosen by the Plan Administrator and Trust Bank. If the Plan Administrator and Trust Bank cannot agree on such a choice, each will nominate a member of the American Arbitration Association, and the two nominees will then select an arbitrator. Expenses of the arbitration will be paid as decided upon by the arbitrator.

**9.9 Notice of Plan Termination.** The Plan Administrator shall notify Trust Bank of a Plan's termination prior to processing any terminated Plan rollover contributions. Trust Bank shall have no duty to determine a Plan's status with respect to its termination prior to such notice from the Plan Administrator, and Trust Bank shall have no liability for processing rollover contributions in accordance with the terms of this Agreement.

**9.10 Indemnification.** Trust Bank's responsibilities are limited to those responsibilities specifically allocated to it by the terms of this Agreement. Trust Bank shall incur no liability to Depositors, the Plan Administrator or the Plan Sponsor for any action taken by it or failure to act pursuant to the term of this Agreement. If Trust Bank incurs any liability, loss, claim, suit or expense (including attorney's fees) in connection with or arising out of its provision of services under this Agreement, then the Plan Sponsor shall indemnify and hold harmless Trust Bank, and its officers, employees, affiliates and agents from and against all such loss, claim, suit or expense (including attorney's fees), except to the extent such liability, loss, claim, suit or expense arises directly from Trust Bank's breach in executing its responsibilities specifically allocated to it by the terms of this Agreement.

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TRUST BANK

# Charles Schwab Trust Bank Automatic Rollover IRA Services Agreement

**Execution Page:** *Please complete all sections below even if the Plan Sponsor and Plan Administrator are the same in order to avoid delays in processing.*

\_\_\_\_\_, Plan Sponsor

## Signature and Date Required

**X**

Signature

Date

Print Name

Title

\_\_\_\_\_, Plan Administrator

## Signature and Date Required

**X**

Signature

Date

Print Name

Title

## Plan Sponsor or Plan Administrator Mailing Address

Firm Name			
Address		City	State
			Zip Code
Attn:		Telephone Number	
Email address			

*If Directions will not be submitted to Trust Bank directly from the Third Party Administrator listed below, please complete Appendix B.*

## Third Party Administrator

Firm Name			
Address		City	State
			Zip Code
Attn:		Telephone Number	
Email address			

## Charles Schwab Trust Bank, Bank

## Signature and Date Required

**X**

Signature

Date

Print Name

Title



TRUST BANK

# Charles Schwab Trust Bank Automatic Rollover IRA Services Agreement

## Appendix A

**List of Plan(s):**

Current Third-Party Administrator Name:

Plan 1 Name*:		<input type="checkbox"/> Plan held at Schwab (Check if yes.)
Account Number:	Trustee/Custodian:	

Plan 2 Name*:		<input type="checkbox"/> Plan held at Schwab (Check if yes.)
Account Number:	Trustee/Custodian:	

Plan 3 Name*:		<input type="checkbox"/> Plan held at Schwab (Check if yes.)
Account Number:	Trustee/Custodian:	

\*Please list the employer, the committee or individual assigned as “Plan Administrator.” If more than three plans, attach separate Execution pages.



Appendix B

List of Authorized Individuals to act on behalf of the Plan Administrator  
Please complete only if Directions will not be submitted to Trust Bank by the Third Party Administrator or Recordkeeper listed on the Execution Page.

1	Name:	Title:
	Phone:	Email:
2	Name:	Title:
	Phone:	Email:
3	Name:	Title:
	Phone:	Email:
4	Name:	Title:
	Phone:	Email: