

403(b) PROGRAM COMPLIANCE SERVICES AGREEMENT

THIS 403(b) PROGRAM COMPLIANCE SERVICES AGREEMENT ("Agreement") is entered into between the employer and plan sponsor named below (the "Client"), as Employer and Sponsor of the 403(b) program named below (the "Plan"), and Security Financial Resources, Inc. (SFR), an affiliate of Security Benefit Corporation.

WHEREAS, the Client has adopted a 403(b) program for the eligible employees of the Client, and wishes to appoint an agent to perform certain non-discretionary plan administration, plan compliance and related services for the Plan, and SFR agrees to provide these services:

NOW, THEREFORE, the Client and SFR agree as follows:

Section 1.0: Responsibilities of SFR

SFR will provide the following administrative, compliance and related services for the Plan:

- 1.1 Provision of Plan Documents.** SFR will provide a Basic Plan Document and an Adoption Agreement to Client, for review and approval by the Client and counsel. The Client will complete and review the documents to assure that they reflect the intended operation of the Plan by the Client. SFR will also provide updates, amendments and restatements of these documents as it deems appropriate to conform to changing statutory and regulatory requirements. The right to use SFR Plan documents is granted and licensed to Client by SFR only during the term of this Agreement, and they should not be used, and may become outdated and non-compliant, after the termination of this Agreement.
- 1.2 403(b) Investment Products.** SFR shall make available and provide through its affiliates, Security Benefit Life Insurance Company and Security Distributors, Inc., and independent agents and broker/dealers investment products that comply with 403(b), including separate annuity contracts that satisfy the requirements of 403(b)(1) of the Code and/or separate custodial accounts for mutual fund shares that satisfy the requirements of 403(b)(7) of the Code. These investment providers will, upon reasonable advance notice, comply with all pertinent written directives of the Client regarding the solicitation of Employees to the extent that compliance is not inconsistent with any law. The 403(b) investment products provided by SFR affiliates under the Plan are listed on a Schedule of Investment Providers and Approved 403(b) Investment Products attached to the Adoption Agreement for the Plan, which SFR will update as needed and present to Client for approval and execution.
- 1.3 Other Approved Investment Providers.** In addition to 403(b) investment products provided by SFR affiliates, the Plan may include 403(b) qualified investment products provided by other investment providers. SFR will also include those providers and products, as reasonably requested by Client, and update the Schedule of Investment Providers and Approved 403(b) Investment Products for approval and execution by Client. Other providers must agree to cooperate with SFR in the administration of the Plan. Actual plan investment allocations between available investment products will be directed by Plan Participants under rules provided by the Employer. The allocation of Plan contributions shall be in accordance with the salary reduction or other agreement of the Participant with the Employer, shall be provided to SFR, and shall be promptly updated as it changes. Other investment providers will be expected to agree to cooperate with SFR in the provision of services under this Agreement, including providing 403(b) qualified products, and following Plan procedures established hereunder for loans and distributions.
- 1.4 Common Remitting Services.** Client will forward the aggregate contributions and loan repayments (if applicable) for each payroll period to a custodial account (the "Account") per instructions provided by SFR. SFR may change the bank serving as Custodian upon reasonable advance written notice. Client will forward to SFR data relating to participant allocations an agreed upon number days before the forwarding of Client contributions and any loan repayments to the custodial account. SFR will calculate allocation instructions for each payroll period of the Client contributions and any loan repayments among the authorized Plan investment providers (including SFR affiliates) and authorized investment products in the amounts and proportions directed by Plan Participants (and the Client for any default investments or other investment manager, where appropriate) and will submit to the Custodian a report allocating the contributions between Participants, contribution and any loan payment types, and investment products. The Client authorizes the Custodian, upon receipt of allocation instructions from SFR, to disburse contributions and loan repayments from the Account to the investment providers by draft, wire or electronic fund transfer to the approved investment providers in accordance with such allocation instructions. SFR will furnish

allocation instructions to the Custodian within three days of the provision by Client of complete and accurate data, and Custodian will complete fund transfers within three days of an accurate fund deposit or transfer by the Client. Earnings on the Account, if any, will be retained by SFR as fees for the services provided hereunder.

SFR will provide to Client Internet access to summary data on its remittance activities and will assist the Client in reconciliations of remittances on such periodic basis as SFR and the Client shall agree, with at least annual hard copy reports. If allocations and remittances are made in error, SFR may reverse those erroneous transactions, provided that the reversal complies with applicable laws, rules and regulations. The Client further authorizes SFR to make remittances to itself for any fees payable to SFR out of contributions made hereunder.

In addition to remittances for the Plan, with the prior consent of SFR, the Client may make remittances for other Client benefit programs, including other retirement programs and 125 cafeteria plans, through the process as set forth in the preceding paragraphs. Remittances will only be provided upon timely provision of data and deposit of contributions under procedures applicable to Plan remittances above.

1.5 Contribution limit testing. SFR will monitor the following limits on contributions which can be made to the Plan:

- (a) The regular Code Section 402(g) annual limit on salary deferral contributions for a Participant.
- (b) The 15 years of service Code Section 402(g)(7) additional catch-up salary deferral contribution limit for a Participant.
- (c) The age 50 and greater Code Section 414(v) additional catch-up salary deferral contribution limit for a Participant.
- (d) The total annual addition Code Section 415 limit on all contributions made to the Plan for a Participant.

Contribution limit testing will be conducted using data provided by the Client and the Participant. All limits will be conducted on a calendar plan year basis. If excess contributions are detected after the end of the plan year, the Client and the Participant will be notified. The Participant may, by March 15, notify SFR of the investment product from which the excess contribution and any applicable income will be distributed. If no direction is received from the Participant, the Client may so direct corrective distributions. SFR will provide corrective distribution information to the applicable investment provider. SFR cannot be responsible for compliance with corrective distribution instructions given to any provider except SFR affiliates. Although certain plans must be combined for testing purposes, SFR can only test plans for which it maintains or receives participant contribution and compensation data for all applicable plans of the Employer.

1.6 Transfers. The Plan limits transfers of plan assets from approved investment products to other approved investment products. Transfers between approved products offered by the same investment provider may be completed directly with the provider. To enforce this limitation for transfers between products offered by different investment providers, all such plan transfers must be initiated by the Participant requesting the transfer on forms provided by SFR and remitted to SFR by the employee or the Client. SFR will only complete transfers between products listed at the time of the transfer request on the Schedule of Investment Providers and Approved 403(b) Investment Products attached to the Adoption Agreement. Similarly, SFR will review and approve transfers out of or into the Plan to or from other Plans that comply with applicable regulations.

1.7 Participant loans. If allowed under the Plan, SFR will approve all Participant loans, assuring compliance with the limits on loans provide by Section 72(p) of the Code based on information on outstanding loans provided by the Participant or the Investment Providers. To assure that SFR is aware of all outstanding loans, SFR will periodically solicit information on outstanding loans from Investment Providers. Loans will be payable by an automated payment mechanism, such as EFT payments or payroll deductions. For loans repaid by payroll deduction, loan payments shall be remitted through SFR. The Investment Providers from whom the loan is requested shall be responsible for the generation of checks for new loans, the recordkeeping of interest and principal payments, and the generation and submission of all information returns and other reports required by the Code and regulations thereunder relating to such loans.

1.8 Hardship distributions. In order to assure that the hardship provisions of the Plan, including deferral suspension for six months, are followed, all hardship distributions will be approved by SFR. SFR shall approve the need for hardship distributions based on the certified representations of the Participant. The Investment Provider (including SFR affiliates) will be responsible for all tax compliance on the distributions, including the provision of required tax forms and notices, withholding and submission of mandatory federal taxes and the generation and submission of all information returns and other reports required by the Code and regulations thereunder, relating to such distributions. Upon approval of a hardship distribution, SFR shall notify the Client to suspend deferral contributions for a period of six months.

- 1.9 **Other Distributions.** SFR will generally approve all other benefit payments and withdrawals from the Plan, based on date of birth and employment severance information provided by the Client. SFR will also notify Participants when required minimum distributions are due and will calculate the amount of distributions due at the request of the Participant, using information provided by the Participant or Investment Providers on December 31 account values. Although Investment Providers will generally agree to make a benefit distribution only with the approval of SFR, they will be authorized to make required minimum distributions without prior approval when necessary. The Investment Provider (including SFR affiliates) will be responsible for all tax compliance on the distributions, including the provision of required tax forms and notices, withholding and submission of mandatory federal taxes and the generation and submission of all information returns and other reports required by the Code and regulations thereunder, relating to such benefit payments and withdrawals. All benefit payments and withdrawals will be made only upon receipt of all necessary written Participant applications, as approved by the SFR.
- 1.10 **Employee Communications Materials.** SFR will provide a sample Plan Summary for Client to provide to Plan Participants, which will include basic information about Plan features and participation procedures. The Plan Summary will also provide any required notice to Participants of their Eligibility to make Elective Deferral Contributions to the Plan. SFR will also provide Plan communication materials suitable for Plan enrollments and periodic Participant communications. The client and counsel, if desired, should review these materials to assure itself that they comply with the particular administrative practices of the Client. Although the Client may modify the communication materials, SFR will not be responsible for any Client changes.
- 1.11 **Technical Assistance and Consulting Services.** Technical and consulting services are available for the Client upon request for the Plan and other retirement programs maintained by the Client at the fees provided in the Fee Schedule attached for extraordinary services. SFR has employee benefits consultants available to the SFR administrative staff to assist staff members with day-to-day plan administrative and compliance issues and DRO (Domestic Relations Order) review. Staff members are available as consultants to assist the Client with plan amendments, determining the effect of any new legislation on the Plan, DROs and other Plan related issues. The Client or the Plan may be charged hourly fees for any extraordinary services performed by consultants in accordance with the Fee Schedule. SFR is not able to provide legal services to the Client. Client should obtain its own legal counsel.
- 1.12 **Other Assistance.** SFR may agree in writing to provide additional non-discretionary services as may be reasonably requested by the Client to assist it in the administration of the Plan at the hourly fees for these extraordinary services provided in the Fee Schedule.
- 1.13 **Basic Service Enhancements.** SFR will provide to the Client any future service enhancements that SFR makes available in its basic package of 403(b) administrative and compliance services it offers to new and existing clients comparable to the Client. Although any modification in the basic duties of SFR as set forth in the Service Agreement must be reflected in an amendment to that Agreement or 60 days advance written notice from SFR, the manner of providing these services described in this Service Agreement may change through supplemental written processing procedures provided by SFR, by announcement of enhancements by SFR and acceptance of the enhancements by Client (or failure to object by termination of this Agreement), or by any other clearly established course of dealing between SFR and the Client.

Section 2.0: Responsibilities of Client

The duties described below will remain the responsibility of the Client:

- 2.1 **Plan Document.** The Client will review, with such assistance of counsel or other advisors as it may wish to obtain, Plan Documents provided by SFR, and will complete and execute the Adoption Agreement and such other supplemental documents, amendments, restatements, and supplemental schedules as may be reasonably requested by SFR to establish and maintain the Plan. The Client will provide copies of signed documents to SFR upon request. Although these documents are prepared in the form of a prototype document and are represented by SFR to comply with the requirements of Section 403(b) of the Code, Client acknowledges that these documents have not been approved by the Internal Revenue Service (IRS), since the IRS has no procedure for prior approval of 403(b) Plan document forms. The Client acknowledges that it is solely responsible for any changes it makes to plan documents without the approval of SFR. Client acknowledges that documents are provided under a license limited to the term of this Agreement. Upon the termination of this Agreement and the transfer of the Plan to another plan compliance service provider, Client will promptly cease using the SFR plan documents and adopt other plan documents, as needed.

- 2.2 **Other Plan Investment Providers.** Client will develop with SFR a list of approved Plan Investment Providers and approved 403(b) investment products. SFR will list these products and providers on the Schedule of Investment Providers and Approved 403(b) Investment Products attached to the Adoption Agreement for the Plan and present the Schedule and any updates to Client for approval and execution. Client will require all approved Investment Providers to execute an agreement acceptable to SFR to (a) comply with Client Plan solicitation guidelines, (b) cooperate with SFR in the administration of the Plan, including cooperation in distributing excess deferrals and contributions, in extending plan loans and distributions, and in returning contributions remitted in error, and (c) providing a hold harmless agreement acceptable to Client and SFR promising to indemnify them for the consequences of providing disqualified investment products or disqualifying administrative services and for its errors in operating its investment funds under the terms of the Plan.
- 2.3. **Participant and Plan Data.** The Client will provide data on Participant elective deferral contributions, and the division of elective deferrals between Pre-tax (Traditional) Deferrals and Roth Deferrals (if Roth Deferrals are allowed), Participant investment directions on salary reduction agreements (or other applicable investment direction), addresses and accounts for remittances to other Investment Providers, Participant compensation, any other contributions, loan payments (if applicable) and the dates of Participant severance from employment. Also, the Client will provide Participant dates of birth, addresses, Social Security Numbers, and will provide and verify information upon the request of SFR on eligibility to participate in the Plan and such other information as SFR may reasonably request for the administration of the Plan. Although some of this data may be provided by a prior administrative services provider or payroll vendor who may ultimately be responsible, as between the Client and SFR, the Client is responsible for the accuracy, timeliness and completeness of all of this data. Data will be provided in a format acceptable to SFR, in magnetic or electronic media, unless otherwise agreed by SFR. Should the Client fail to deliver (or cause to be delivered) accurate information in a timely basis to SFR, SFR will not be responsible for meeting regulatory deadlines or other compliance requirements and the Client will be responsible for any resulting fines, penalties or corrective actions.
- 2.4 **Contributions.** The Client (directly or through a third-party payroll vendor) will withhold participant elective contributions and remit such contributions and other contributions provided under the Plan to SFR on a timely basis as established by regulatory authorities from time to time. SFR will not be responsible for monitoring the amount and timeliness of such contributions. The client will also withhold and remit to SFR payments on any participant loan that is payable by payroll deduction, if any, to the extent the participant receives current employee compensation from the Client and the Client or payroll vendor is notified about the amount and timing of loan payments. SFR cannot accept contributions on behalf of a Participant until it has received a completed investment allocation from the Participant or the Client. Although SFR will generally accept contributions for remittance to all Investment Providers approved by Client under the Plan, SFR cannot accept contributions for providers which refuse to cooperate with SFR in the administration of the Plan.
- 2.5 **Authorized Representatives.** Client will designate at least one individual to serve as a primary contact for the Client, and at least one individual to serve as a backup contact. The authorized representatives for the Client are: _____

Unless the authority of these individuals is expressly limited by the Client in writing, SFR shall be entitled to rely on the authority of these individuals to act for the Client, to rely on any information or authorizations provided by such individuals, and to receive any Plan or participant information and Plan reports or notices. SFR will similarly designate primary and backup contacts, but notes that only individuals who are designated as a Vice President or higher are authorized to execute contracts or amendments for SFR.

- 2.6 **Other Retained Duties.** The Client specifically agrees that it has retained or assigned to Investment Providers or other third parties the duties of: (a) determining the employees eligible to participate in the Plan, (b) except for SFR affiliate products, obtaining and retaining beneficiary designations for death benefits under the Plan and determining the recipients of any death benefits, (c) filing regulatory reports not mentioned above, (d) retaining an auditor for the Plan to provide audit reports, if required or desired, (e) providing any copies of plan documents to Plan participants and beneficiaries upon request, (f) interpreting the Plan, (g) making discretionary decisions about Plan administration, (h) establishing claims review procedures and conducting a review of claims filed or appeals, (i) establishing other internal administrative procedures and forms, (j) adopting plan amendments provided by SFR that are necessary to maintain qualification of the Plan, (k) conducting any other administrative activity not referred to above. SFR will assist with these activities upon reasonable request. SFR may charge hourly fees for any extraordinary assistance or additional services in accordance with the fee schedule.

Section 3.0 Miscellaneous

- 3.1 **Termination.** Client or SFR may terminate this Agreement at any time, upon sixty (60) days prior written notice to the other party. SFR agrees to deliver to Client or its designee, all records reasonably necessary for the continuing operation of the Plan in the standard SFR format at the hourly fees established for extraordinary services in the fee schedule. Should any other formats be required, additional fees at hourly rates will be charged. Any termination will be revocation of SFR's license to the Client's use of SFR's Plan documents and other administrative forms.
- 3.2 **Fees, Payment, Other Revenue.** SFR will charge fees for its services in accordance with the Fee Schedule attached to this Service Agreement, and will bill these fees to the Client as Plan sponsor, to be paid by the Client, by Investment Providers, out of Plan contributions or assets as provided in the Fee Schedule, or as specifically instructed by the Client in writing. If the Client agrees to pay the fees, but either (a) does not do so within 60 days from the date of the Fee Invoice, or (b) the client instructs SFR to pay the fees from Plan contributions and SFR accepts such instructions, the fees will be paid out of contributions and, if necessary, allocated to participant accounts.

The Fee Schedule shall remain in effect in the amounts described in Fee Schedule for a term of two plan years in which SFR is providing administrative services. Thereafter, any changes to the fee agreement will be supplied to the client 60 days prior to the effective date of the changes.

In addition, Client acknowledges that SFR and its affiliates may receive investment earnings on any common remitting clearing account for Plan contributions and investment management and other fees and expense reimbursements from the SFR affiliate investment options included in the Plan, including payments from outside fund providers. Fees may include investment management fees (for funds managed by an affiliate of SFR), 12b-1 fees, service, distribution and accounting fees which relate to the distribution, marketing and sub-accounting activities performed by SFR for the funds. Client understands that the Fee Schedule attached to this Agreement will consist of fees that have been adjusted to reflect the expected receipt of such outside fees by SFR or an affiliate. SFR will retain these investment fees without an offsetting reduction of the fees to be paid by the Client under this Agreement.

- 3.3 **Hold Harmless Agreement and Indemnity.** SFR and the Client agree that they will each be responsible for the prompt and complete performance of the services each has agreed to provide under this Agreement, as set forth above. In addition to these undertakings, the parties assume the following responsibilities:
- (a) *Hold Harmless Agreement of SFR:* SFR shall indemnify and hold harmless the Employer, any member of the governing board, and Employees from every claim, demand or suit which may arise out of, be connected with, or be made due to the negligence of SFR or failure of SFR to meet the requirements of this Agreement. However, this indemnification shall not cover any claim, demand, or suit based on erroneous information provided by the Employer or Employees or their willful misconduct or negligence. SFR, at its own expense and risk, shall defend, or at its option settle, any court proceeding that may be brought against the Employer, members of the governing board, and Employees based on any claim, demand or suits covered by this indemnification. Any settlement or judgment rendered against the Employer, any member of the governing board, or Employees related to this indemnification shall be satisfied by SFR, provided that the Employer notifies SFR, in writing, within ten (10) business days of receipt of such claim or demand. SFR's liability hereunder shall be limited to actual damages and out-of-pocket legal fees and expenses only.
- (b) *Other Providers:* If the services provided by SFR under this Agreement were previously provided by the Employer or a third party, the Employer agrees that SFR shall not be responsible for any failure of the prior plan document or administrative services to comply with the requirements for tax sheltered accounts under Section 403(b) of the Code, other applicable law, or the prior Plan. SFR is also not responsible for the accuracy and completeness of participant and payroll data provided by the Employer or any third party provider. Employer agrees that SFR and its affiliates and employees will be indemnified by any responsible third parties from any claim asserted against any of them for any of these reasons, and will further be indemnified from any cost and expense they incur, including reasonable attorneys fees, due to the assertion of such a claim, or by the Employer if not adequately indemnified by third parties. Nothing herein will prevent the assertion of any claim directly against any third party by SFR or the Employer.

3.4 **Notices.** Notices or other communications under this Agreement shall be hand delivered, mailed by first class mail, postage prepaid or via an overnight mail service (such as Federal Express), addressed as follows, or as changed by notice:

a) To SFR: Security Financial Resources, Inc.
Attn.: Retirement Plan Services
One Security Benefit Place
Topeka, Kansas 66636-0001

b) To Client: _____

3.5 **Entire Agreement; Supplements and Amendments.** This Agreement generally constitutes the entire agreement between the parties, merging all prior discussions. It may be modified by written side agreements executed by all parties along with this Agreement. It may be further supplemented, but not modified, by SFR from time to time with written procedures that provide a description of the ordinary processes for the parties to fulfill their obligations hereunder, which shall not exclude extraordinary processing in appropriate situations that produces comparable results. Finally, this Agreement may be amended at any time, but only by written agreement signed by the parties.

3.6 **Assignment.** Some or all of the rights and duties of SFR hereunder may be assigned to an affiliate of SFR, or to any successor through merger, reorganization, or sale of assets. Some or all of the duties of SFR may also be performed by others under subcontract to SFR, without the release of SFR for responsibility for such services. SFR may, by letter or other writing, agree to extend this Agreement to any other plan of the Client or plans sponsored by affiliates of the Client. Otherwise, no party may assign this Agreement nor any rights or duties hereunder without the written consent of the other party.

3.7 **Governing Law.** Except to the extent governed by federal law, this Agreement shall be governed by and constructed according to the Laws of the State of Kansas.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by authorized Client representatives effective as of:

Date: _____, 20____

CLIENT

By: _____

Title: _____
(Authorized Client Representative)

SECURITY FINANCIAL RESOURCES, INC.

By: _____

Title: _____
(SFR Authorized Officer)

FEE SCHEDULE

Administration Fee:

For all services rendered under this Agreement, SFR will be entitled to receive the sum of \$12.00 per year, prorated into monthly billing periods. The periodic, prorated fee will be earned for each individual Participant for whom contributions are correctly received during the billing period or who maintain assets in the Plan, as represented by a distinct Social Security Number.

SFR will collect its fee in the manner specified below. If no option is selected fees will be billed to Investment Providers.

Fees may be collected in any the following ways **(Please select one of the following options):**

- ☐ Bill to the Client Employer.
- ☐ Deduct the fee from contributions received from the Client for the Participant during the billing period.
- ☐ Bill the Investment Provider(s) to which contributions are remitted during the billing period or with which a Participant maintains an account in the Plan but is not making contributions to the Plan. Where contributions are remitted to more than one Provider, each Provider will be billed an equal portion of the total fee for the billing period. Where Participants maintain assets in the plan but do not make contributions to the Plan, each provider where the Participant maintains an account will be billed an equal portion of the total fee for the billing period.

SFR will bill and receive fees in arrears provided, that when fees are collected from contributions, SFR will be entitled to collect the fee for a particular Participant from the first contribution received for the billing period.

If extraordinary services are required due to failure of the Client to perform its duties under this Service Agreement, or upon request of the Client, and hourly extraordinary services fee may be charged to the Client at the basic rate of \$75.00 per hour.

Implementation Fees:

The following fees will be assessed to the Client Employer for services rendered under this Agreement. **Fees are due with the submission of the completed Adoption Agreement and 403(b) Program Compliance Services Agreement.**

Employer Size (Number of Eligible Employees)	Implementation Fee	Per Investment Provider Implementation Fee (> 5 Investment Providers)	Annual Plan Fee (Billed annually)
1,000+	\$0	\$100 per Investment Provider	\$0
500 to 999	\$500 <i>annual fee</i>	\$100 per Investment Provider	\$0
100 to 499	\$500	\$100 per Investment Provider	\$500
<100	\$750	\$100 per Investment Provider	\$750

Complete the implementation fee worksheet on the following page.

with understanding that over 450 plan will be implemented
was

Implementation Fee Worksheet

Number of eligible employees (check appropriate category and indicate fee) \$ _____

- ☐ 1,000+ Implementation Fee: \$0
- ☐ 500 – 999 Implementation Fee: \$500
- ☐ 100 – 499 Implementation Fee: \$500
- ☐ < 100 Implementation Fee: \$750

Number of Investment Providers greater than 5 indicated on Adoption Agreement
Schedule of Investment Providers

Number of Investment Providers (> than 5): _____ x (\$100) = \$ _____

Total: \$ _____

Please make check payable to Security Financial Resources, Inc.



SECURITY BENEFITSM

One Security Benefit Place • Topeka, Kansas 66636-0001 • securitybenefit.com