



Date

«Primary_Contact_First_Name» «Primary_Contact_Last_Name»
«Client_Name»
«Client_Address_1»
«Client_Address_2»
«Client_City», «Client_State» «Client_Zip»

Re: «Plan_Name»

Dear «Primary_Contact_Last_Name»:

Thank you for engaging **Professional Pension Planners, Inc. (“PPP”)** to perform various services for your plan for the «Plan_Year_End_Date» plan year end. We look forward to working with you, and will do our utmost to service your retirement plan in a prompt and efficient manner.

As you may be aware the Department of Labor (DOL) has issued the final 408(b)(2) plan sponsor fee disclosure and 404(a)(5) participant level disclosure regulations. If you have not already received correspondence from your investment platform in regard to these regulations, please expect them shortly.

The 408(b)(2) regulations require that “covered service providers” disclose certain fee and service information to assist the plan fiduciaries (typically the plan sponsor) in fulfilling their fiduciary duties under Section 408(b)(2) of the Employee Retirement Income Security Act of 1974 (ERISA). The disclosures relate specifically to compensation, direct and indirect, received by the covered service provider, an affiliate or subcontractor. Indirect compensation does not include fees paid by the plan sponsor to any service provider for services performed in connection with a contract or arrangement with the plan.

Professional Pension Planners, Inc. (PPP) always bills the plan sponsor directly with regard to our service fees and the plan sponsor pays the fee. Under that arrangement PPP is not a covered service provider. However, there are occasions in which the plan pays some or all the fee. In either situation you have a description of the services provided and the amount paid.

PPP has opted to take the most conservative approach interpreting the regulations and therefore, enclosed is an “Engagement Agreement” which complies with the disclosure requirements. Please read it carefully and sign and return one (1) copy to us.

As always, we appreciate your business and the confidence shown by your continued use of our services. If you have questions or need any clarification please do not hesitate to contact us.

Sincerely,

Professional Pension Planners, Inc.

Fred Harrison

By: Fred Harrison, President

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This Agreement summarizes the work we are to perform, outlines our fees and billing procedures, and notifies you of your responsibilities under our engagement.

1. ENGAGEMENT

We are being retained by «Client_Name» (the “Company”) to perform some or all of the services outlined in this letter. We request that an authorized fiduciary of the «Plan_Name» (the “Plan”), sign this engagement letter, agreeing that the Plan will be liable for our fees to the extent permitted by the Employee Retirement Income Security Act (ERISA).

This engagement is effective for your Plan year beginning on the date this letter is signed and will remain in effect until terminated in accordance with Section 11 below.

2. OUR SERVICES: WHAT WE WILL DO FOR YOU

- **New Plan Design or Redesign**

PPP will work with you and your other advisors to develop the specifics of a retirement program to meet your objectives. Our fee for providing this service to you is included in the amount shown under Initial Plan Design & Plan Documents, as listed in our Schedule of Fees, attached as Appendix 2.

- **Plan Takeover Review**

If you are a new client to PPP, we will be coordinating with you, your accountant, and, if necessary, your prior administrator, regarding your existing retirement plan. This will involve obtaining current and historic plan documentation and prior administrative records, reviewing the information we receive, and inputting your records into our administrative system.

Our sole purpose in reviewing the information for prior years is to collect the data that impacts the work we will be performing for you. We will accept this information as correct and complete, and will not audit those records for accuracy, compliance with government requirements, or consistency. We will not be responsible for errors or omissions made during the time prior to our engagement, nor for those which may result from our reliance on these prior records. When we review the information for prior years, we will evaluate whether your retirement program was in proper compliance with the law and the plan documents for those years. We will report to you about any issues we think must be addressed for those prior years, and will make recommendations for necessary action.

Our fee for providing this “Plan Takeover” service to you is determined on a per-plan basis, as listed in the attached Appendix 2.

- **Preparation of Plan and Trust Documents and Submission to the Internal Revenue Service**

PPP maintains IRS-approved volume submitter and prototype plan documents for defined contribution and defined benefit plans. We will prepare a plan and trust document for your review and signature. The fee for this service is listed on the attached Appendix 2. If you have adopted our prototype or volume submitter document, we will provide you with standardized amendments for changes in the law. Our Annual compliance fee for this service is listed in Appendix 2.

In addition to the plan and trust document, PPP will prepare a Summary Plan Description for distribution to your employees. This booklet will describe the provisions of the Plan.

PPP is not a law firm. Therefore, we strongly recommend that the documents we prepare be reviewed by your legal counsel and that any changes requested by your lawyer be communicated to us.

Depending on the type of plan document adopted the executed documents and all required supporting materials will then be submitted to the IRS for a determination letter. Because of the highly specialized plan design used in your retirement program, special supporting documents may be provided to the IRS. It is also likely that additional discussions will be needed with the IRS in the favorable determination letter process. PPP will communicate on your behalf with the IRS in connection with the determination letter process, and will provide additional information to the IRS as needed. Our fee for preparing the determination letter submission and in related communication with the IRS regarding



this submission is included in the amount shown under Initial Plan Design & Plan Documents, as listed in our Schedule of Fees, attached as Appendix 2.

Please be advised that the IRS charges a user fee on all determination letter applications. You will be responsible for paying this user fee at the time the Plan is submitted to the IRS.

Prototype or Volume Submitter Plans must be restated in their entirety approximately every six years, and Individually Designed Plans every 5 years, under current IRS procedures to bring the plans up to date with all legislation and regulations that become applicable in the interim period. As long as you are our client, we will advise you of when such update is needed for your Plan.

The IRS publishes an annual list of changes that must be made to plans, and those changes, if applicable, must be adopted by plan sponsors as amendments to the plan within two years of the publication of that list. Therefore, as long as you are our client, we will review your Plan in connection with this list each year, and will advise you when amendments to your Plan are required.

- **Annual Administration**

We will request information from you annually during the last month of your Plan year. This information will include: employee census data, asset reconciliation for the year, and updated information about your company.

Upon receipt of complete information from you, **PPP** will perform some or all of the services shown in *Appendix 1: Base Administration Services* (this Appendix reflects what is included in the Base Fee). Additional services may be performed upon request for the additional fees disclosed in Appendix 2, under in Miscellaneous Administrative Costs.

- **Plan Termination and Submission to IRS and Pension Benefit Guaranty Corporation**

Upon your request, **PPP** will prepare the documents needed to terminate the Plan. This generally includes an amendment to the Plan, an action by the Company to adopt this amendment, and any required notice to the employees or plan participants.

If applicable we will prepare all notices and documents needed to be submitted to the Pension Benefit Guaranty Corporation (PBGC) and to comply with the PBGC's rules.

If you so request, we will prepare the documents needed to file the plan termination with the Internal Revenue Service to obtain a favorable determination letter. Please note that the law requires that your Plan be brought up to date with all legislation enacted and regulations issued as of the date of termination, even if the normal amendment due date is still pending. The only way to ensure that this is done to the IRS's satisfaction is to submit the documents for a favorable determination letter. If you do not want us to take this action, we will do our best to ensure that the documents comply with all rules, but cannot be responsible if an IRS examiner determines on audit that the Plan was not completely up-to-date on termination.

PPP will communicate on your behalf with the IRS and the PBGC if applicable, in connection with the termination process, and will provide additional information to the government agencies as needed.

We will calculate the benefits payable to the participants as a result of the termination of the Plan, and will prepare distribution forms to be given to the participants regarding these benefits.

Once we are informed that all benefits have been paid from the Plan, we will prepare a final Annual Return/Report (*i.e.*, Form 5500) for your signature and, if applicable, notify the PBGC that benefits have been paid.

The fees for this termination process will be quoted to you before we begin the termination process. Because this Agreement ends when the Plan is terminated, we will not submit the final Form 5500 until you have paid the fees for the termination process.

- **General Consulting**

From time to time, issues may arise that are not within the scope of our general administrative services. These issues will be resolved on a consulting basis, and we will charge additional fees for these services.

General consulting includes any item not enumerated in either the prior sections or in any attached fee schedule. Examples of general consulting issues are: revision of your Plan to accommodate new objectives or changes in the law, preparation of excise tax returns relating to the Plan, or preparing an FASB 132/158 Report for your Company's financial statements. Additional examples appear in *Appendix 2* under Miscellaneous Administrative Costs.



- **“Partnering” with Your Fund Holder to Provide Services to You**

PPP has entered into contracts with various fund holders that permit us to work together to provide services to retirement plans. We have such a contract with your fund holder. The services we will provide to you are governed by this engagement letter. The services that will be provided by your fund holder to your Plan will be governed by the agreement you sign with them. By working together with your fund holder, PPP believes that we can maximize the quality and breadth of services that we provide to you, helping your Plan to run properly and successfully for your employees.

- **Assistance With Government Inquiries, Examinations, or Audits**

Another service we provide is to work with you upon your request to gather information and prepare responses to IRS or DOL inquiries or examinations. If you so desire, we will also represent you or the Plan in an audit by the government, in our capacity as an Enrolled Actuary. Fees for this service will be billed under Actuarial Consulting (see Appendix 2, Miscellaneous Administrative Costs). In some circumstances, particularly if sanctions or other fines are likely, we may recommend that you retain the services of an ERISA attorney to assist in the audit process.

- **Use of Subcontractors**

PPP may subcontract with an ERISA attorney to perform legal duties in relation to the Plan, i.e., preparation of the documents necessary to submit the Plan for a determination letter. To the extent that PPP uses the services of an attorney in relation to the Plan, any such cost will be passed through to you.

3. WHAT YOU AGREE TO DO

It is impossible for us to provide services to you without your cooperation. Therefore, you are responsible for the following:

Timeliness and Accuracy of Data. Timely processing of information is essential to the proper administration of the Plan, and avoids costly penalties and other adverse consequences. You will provide us with the requested information on a timely basis, and will be responsible for ensuring that the provided information is accurate and complete. PPP will rely exclusively on information provided by you or, at your direction, your other advisors, and will have no responsibility to independently verify the accuracy of that information, including the value of trust investments and earnings. We assume no responsibility to acquire information other than to request it from you, and will not be liable for any errors or omissions made as a result of incomplete or incorrect information that you furnish to us.

With regard to your annual Plan administration, we ask that you return the requested year-end information to us within 45 days of the Plan year end. This will enable us to provide you with the information you require to make Plan contributions without having to apply for a tax return extension for the Company.

If we do not receive the information within 5 months of the Plan year end, we will automatically file a 2½-month extension of time to file the Annual Return/Report forms (i.e., the Forms 5500 and attachments). These forms are normally due 7 months after the Plan year end. You will be charged for this extension (Form 5558) as listed on Appendix 2.

We are not responsible for any late filings, penalties, fines, or taxes that result from your failure to provide us with complete information on a timely basis, as specified above.

Plan Contributions. You will be responsible to make sure that funds are actually contributed to the Plan trust when required for tax deductibility (i.e., generally by the due date of your corporate or partnership return, including extensions), minimum funding standards for pension plans (i.e., within 8 ½ months of the end of the Plan year), or for Department of Labor (“DOL”) fiduciary requirements (i.e., as soon as possible for 401(k) salary deferrals and loan repayments, but not later than 7 days after the relevant payroll date, if the plan has fewer than 100 participants).

Filing Government Reports. You will be responsible to file the government reports that we prepare with the appropriate agency. Your annual Form 5500 must be filed *electronically* with the Department of Labor. We will require your cooperation to accomplish this filing in one of two ways. You may need to make yourself available to us on a timely basis for a “signing ceremony” where we provide the electronic forms (including the actuary’s certification, where applicable) and you provide the plan sponsor’s electronic signature, thereby enabling the electronic filing to be completed. In the alternative, you may authorize us in writing to submit your manually-signed return on your behalf. However, if we submit your return for you electronically, the manual signature on the Form 5500 will be posted on the internet for public disclosure. We will coordinate this process and your choice of filing method with you when the time comes.

As part of your annual reporting obligations, you will need to provide information regarding compensation paid to your service providers. We have provided the necessary information about our fees and compensation in this Agreement and the Appendices and we will include



any additional information required as part of the Schedule C that we prepare for you annually. However, if for any reason you need additional information regarding our compensation to meet your reporting and disclosure obligations, please send us a written request stating the information you need and the applicable compliance deadline and we will provide you with the necessary information sufficiently in advance to permit you to meet your deadline.

If you must file a Form 5500-EZ instead of a Form 5500, you will be responsible for signing, dating, and filing the form that we prepare for the IRS. (A Form 5500-EZ is appropriate if the only participant(s) in the plan are owners and spouses of owners.) We will provide you with instructions on how to accomplish this filing when we provide you with the form. If the value of assets of the Plan is less than \$250,000, you are not required to file a Form 5500-EZ. However, you will be responsible for informing **PPP** when the value of the assets in the Plan exceeds \$250,000.

If applicable, and upon your request, we can also assist you in filing the Form 8955-SSA package with the IRS. If you are an employer who is required to file at least 250 returns of any type with the IRS for any calendar year, you will be required file Form 8955-SSA electronically using the IRS' Filing Information Returns Electronically ("FIRE") system. We can assist you in obtaining the credentials you will need to file the 8955-SSA package through FIRE. If you are not required to file these forms electronically, you may do so through the mail system on paper, and we can also assist you in that process. Our fees for providing this particular service are located on *Appendix 2*.

Participant Information and Distribution Forms. We will prepare necessary information for delivery to your participants, including such items as notices, elections, and reports required by law. You will be responsible to then provide the necessary information to your participants and to obtain participants' and, if required, spouses' signatures on all benefit distribution forms. We will not be responsible for providing you with the annual and quarterly fee-related disclosures that must be given to Plan participants. Your fundholder, which provides participant statements, is responsible for sending these disclosures to you or your participants.

To assist you in fulfilling your obligation to disclose participant-level fees charged by the investments available under the Plan, we may forward to you disclosure materials provided to us by the issuer of such investment. While we assume that such information is correct (and have no knowledge to the contrary), we make no representations as to the completeness or accuracy of any such materials that we pass through to you from the investment issuer.

Distribution Tax Forms and Income Tax Withholding. If your fundholder does not perform this service, we will prepare the end of year tax forms required by law when a participant receives a distribution from the Plan (*i.e.*, Form 1099R). We will also prepare the forms necessary to report any taxes withheld from the distributions (*i.e.*, Form 945). **PPP** is not responsible for preparing any applicable state forms. The charge for distribution tax forms and withholding is included in the Terminated Participant Documentation as shown on *Appendix 2*.

Other Plans and Companies. The Plan's operation and tax qualification are affected by other plans sponsored by the Company (whether currently active or terminated, and whether or not we administer them). Other companies owned by the Company or by the owners of the Company may also affect the Plan. You are responsible for informing us of other plans or companies, and of notifying us when there is a change to this information. **Please note:** the options for dealing with certain plan issues when you buy another company or your company is purchased by another are much broader *before* the transaction occurs than after. Please advise us as early as possible of a pending company transaction so that we can do our best work for you in this context.

Taxable Cost of Life Insurance in Plan. You and your advisors will be responsible for the preparation of Forms 1099R for your participants to report the taxable term cost (*i.e.*, PS-58 cost) of any life insurance held by the Plan for their benefit.

Participant Loans from the Plan. Unless this service is provided by your fundholder, we will assist you in preparing loan documentation and amortization schedules for participant loans. You are responsible for setting up procedures relating to making loans to participants from the Plan, including the evaluation of a participant's creditworthiness, properly securing the loan, and setting up the loan repayment schedule on your payroll system.

Hardship Withdrawals from the Plan. While we will assist you in preparing distribution documentation for hardship withdrawals to the extent this service is not provided by your fundholder, you are responsible for setting up procedures relating to when such withdrawals will be permitted and the documentation needed from the participant to support the claim that a hardship has occurred, as well as insuring any cessation of deferrals upon receipt of the hardship distribution.

Maintenance of Fidelity Bond. Generally, employees of Plan Administrators who handle retirement plan funds must be covered by a fidelity bond. You are responsible to obtain and maintain this bond. You must notify **PPP** of the insurance carrier and the face amount of the fidelity bond.

Record Retention and Document Custody. Generally, information related to the preparation of the Forms 5500 and 1099R that we will prepare for you must be maintained for at least 6 years after the forms are due. It is your responsibility to comply with these record retention obligations. In addition, the DOL requires you to retain sufficient information to determine the benefits of the participants and beneficiaries. Although we keep copies of the work we perform for you, these copies are for our files. Therefore, you must retain copies of the work we perform for you and the information we send you. Failure to do so can result in a civil penalty payable to the DOL.

Similarly, you are responsible to maintain signed and dated copies of all plan documents at all times. These documents must be made available for inspection by participants and beneficiaries at your principal office. In addition, you must furnish copies of these documents in writing if a participant so requests (you may charge a reasonable fee for reproduction costs).

Duty to Monitor the Performance of Service Providers. As a fiduciary, you are responsible for monitoring the performance of anyone providing services to the Plan, including PPP. You must review the reports or other items that we prepare for you on a regular basis, and notify us immediately of any errors or inconsistencies that you identify on any report, form, or other communication from us. You must similarly monitor your other service providers.

Determination of Fees That May Be Paid by the Plan. Under ERISA, the fees for certain services cannot be paid for by the Plan, but must be paid for by the Plan sponsor. These fees include, but are not limited to those related to the plan design or redesign to accomplish company goals. If you choose to pay our or other fees from the Plan, it is your responsibility as the fiduciary to ensure that ERISA permits the Plan to pay for such activities.

Determination of Reasonableness of Fees. As a fiduciary, you are responsible for ensuring that the fees paid with Plan assets for services are reasonable. Therefore, you are responsible for reviewing this engagement letter and the contracts into which you enter on behalf of the Plan to ensure that you understand what is being paid to all your service providers (including PPP) and can determine that the amount being paid is reasonable. Our recommendation of other service providers or financial institutions for the Plan is not an endorsement of the amount of any compensation paid to those providers or institutions, and should not be considered to be a substitute for your own judgment as a plan fiduciary.

The law requires that service providers give you an estimate of their fees a reasonable time before you enter into the services contract. This letter and the attached Appendix 2, and any fee materials provided to you by your fund holder together constitute our compliance with this law.

Recommendation to Other Service Provider(s)

From time to time and upon your request, we may make recommendations to other service providers or financial institutions for the Plan. Unless we advise you otherwise, we receive no fees or other compensation for these recommendations. Further, these recommendations are not endorsements of the amount of compensation paid to those other service providers or financial institutions or the quality of any services provided by them. Therefore, our recommendations are not a substitute for your judgment as to their services and fees as the primary Plan fiduciary.

4. SERVICES WE DO NOT PERFORM

PPP does not provide the following services:

Investment Services. PPP does not invest trust assets, value trust assets, or prepare trust accountings. We do not monitor investment performance or the performance of investment managers or advisors. We do not handle plan assets.

Fiduciary Services. You are responsible for all discretionary decisions relating to the Plan, including the interpretation of plan document provisions, the evaluation of claims made by participants for plan benefits, and the investment of plan assets. PPP performs services in an advisory capacity only, and exercises no discretion as to the administration of the Plan and the management of Plan assets. Therefore, PPP and its employees are **NOT** fiduciaries of the Plan and Trust, nor are any of them the Administrator of the Plan as that term is defined in ERISA.

Participant Communications. PPP is retained by you to perform certain administrative functions for you in relation to the Plan. We do not communicate directly with participants except in enrollment meetings and when we are specifically authorized by you to do so. We are not authorized to, and will not, independently initiate communications with the participants. Unless we have separately and specifically arranged with you, we are not responsible for advising participants regarding their Plan options, any rights they have under the Plan, or any issues in relation to the Plan and its operations of which they should be aware.

Section 404(c) Compliance. Section 404(c) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") provides that, if certain requirements are met, the normal plan fiduciaries will not be responsible for investment losses occasioned by a participant's own direction of investment of his or her account. PPP is not responsible for ensuring that you are in compliance with all the requirements under Section 404(c).

State and Local Forms. PPP does not prepare any State or Local filing forms.



Brokerage Accounts. If the Plan offers to participants the option of self-directed brokerage accounts, **PPP** is not responsible for monitoring the access to any such accounts, the Plan assets invested in such accounts, or the risks of violating ERISA that may arise, including but not limited to:

- Verifying that the self-directed brokerage account option has been made available in a manner that is nondiscriminatory;
- Monitoring such accounts for, or identifying prohibited transactions that may occur through the use of such accounts;
- Advising you regarding additional bonding requirements that may result from investments in anything other than “qualifying assets”; and
- Identifying and preparing tax forms in relation to Unrelated Business Taxable Income that may result from certain investments in such accounts.

5. FEES, BILLING PROCEDURES, AND COLLECTIONS

a. Fees

Our fees for administration are outlined on the fee schedule attached as Appendix 2, Schedule of Fees. If we change our fee schedule at any time other than at the time we send you our annual information request package, we will so advise you in advance of the change. If you do not object to such a change within 30 days of our advising you of the modification, we will assume it is acceptable to you and will institute the change.

We reserve the right to request the payment of certain fees prior to the performance of services or to require a retainer prior to performing annual services.

b. Other Compensation to Us

It is possible that **PPP** may receive additional compensation from other sources in relation to your Plan. These amounts are paid to us because we provide support services to your other service providers (such as your fund holder, as discussed above) for which you compensate those providers. Furthermore, it is possible that we will receive certain financial and other incentives from your other service providers in relation to your decision (and the decision of others of our clients) to use their services. We will disclose to you the monetary value of anything we receive in connection with our provision of services to the Plan. A listing of these possible additional items of compensation is included in the attached Appendix 3.

c. Statements, Late Charges, Stopping of Work

For one-time services, such as Plan termination: You will be billed on a per case basis. We may require payment prior to completion of such one-time services.

For Annual Plan Administration: You will be billed on an annual basis, in arrears, for the entire year’s administration. You will be advised in writing of the base fee for the annual administration fee (“Retainer”) in the last month of the Plan year (December, for calendar year plans), when we send your annual anniversary letter and information request. You may choose to pay the Retainer at that time. Then, you will be billed for the entire year’s administration in an invoice that you will receive prior to the date on which we file the Annual Return/Report for the Plan for that Plan year. You will receive credit for a pre-paid Retainer, if applicable, on this invoice.

Invoices are due upon receipt, and become delinquent if not paid within 30 days. Balances not paid within 30 days of the invoice date will be subject to a finance charge of 1% of the outstanding balance for each month or partial month, equivalent to a 12% annual rate, until paid

in full. If payment is outstanding more than 90 days after the initial invoice date, we reserve the right to stop all work until your account is brought current. If payments are past due in excess of 90 days, we may withdraw from the engagement, at our sole discretion. Our withdrawal under such circumstances does not affect your obligation to pay our outstanding balance.

PPP is not responsible for any late tax filings or penalties, fines, taxes, or other charges that may be assessed as a result of our nonperformance of services while our fees remain unpaid.

d. Use of “ERISA Accounts” to Pay Our Fees

It is possible that your financial institution has agreed to make certain funds available for the payment of fees to other service providers at your direction. This arrangement is commonly called an “ERISA Account.” You may direct that these funds be used to pay for our fees under this Agreement, which will reduce the amount the Company pays directly. If we receive payment from the ERISA Account at your direction, the manner in which we are being paid – but not the amount that we receive – is different than if you pay us directly.



e. Collection Costs, Arbitration, and Governing Law

If we are required to commence collection procedures to collect fees and we prevail, you agree to pay our attorney fees and court costs. In the event of a dispute arising from this engagement letter, you and we agree to submit to resolution by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. However, **PPP** is not required to submit any claim for unpaid fees and expenses to arbitration if the amount involved is \$5,000 or less. Such arbitration shall be binding and final.

IN AGREEING TO ARBITRATION, PPP AND THE COMPANY ACKNOWLEDGE THAT, IN THE EVENT OF A DISPUTE ARISING FROM THIS AGREEMENT, OTHER THAN ANY DISPUTE THAT INVOLVES SOLELY UNPAID FEES AND EXPENSES OF \$5,000 OR LESS, THEY ARE EACH GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD EACH ACCEPTS THE USE OF ARBITRATION FOR RESOLUTION.

This engagement is entered into, or to be performed, in Westchester County, New York, and shall be interpreted, construed, and enforced in accordance with New York law. In the event that any dispute arises under this Agreement, or relating to our obligations to each other, you consent to jurisdiction in Westchester County, New York.

f. Costs and Expenses

In addition to the fees quoted in this engagement letter and in the Appendices, you are responsible for payment of any out-of-pocket expenses we may incur on your behalf, such as messenger service fees, overnight delivery fees, IRS user fees, and travel expenses.

6. CONFIDENTIALITY

All data, records, and information concerning the Plan and the participants of the Plan provided by you or on your behalf to **PPP** in connection with this Agreement, other than information that is either in the public domain, obtained from third parties, or which is otherwise developed by **PPP** shall be considered "Confidential Client Information." **PPP** has reasonable safeguards to protect against the disclosure or misuse of Confidential Client Information that is in **PPP's** care or custody. **PPP** will protect the Confidential Client Information with the same degree of care that it uses to protect and safeguard **PPP's** own like information, but not less than the degree of care that would be exercised by a prudent person given the sensitivity of the Confidential Client Information.

PPP agrees to use reasonable efforts to protect all Confidential Client Information, except as otherwise set forth in this Agreement and as needed to perform **PPP's** obligations under this Agreement. By signing this agreement, you authorize the personnel of **PPP** to provide Confidential Client Information to the Plan's other service providers. You agree to provide **PPP** in writing with the names and contact information for the Plan's other service providers. You also agree to notify **PPP** of any changes in the Plan's other service providers.

In addition, we may from time to time, and depending on the circumstances, sub-contract with third party providers to assist in the administration of the Plan. Under such circumstances, we may share Confidential Client Information with these third-party service providers. **PPP** will use reasonable efforts to ensure that each of the sub-contracting third parties have appropriate procedures in place to prevent the unauthorized release of Confidential Client Information to others.

PPP will use reasonable efforts to notify you upon the discovery of any unauthorized disclosure of Client Confidential Information and will reasonably cooperate to help regain such Client Confidential Information and prevent its further unauthorized disclosure.

7. INDEMNIFICATION

You agree as part of this engagement to indemnify and hold harmless **PPP** from and against any and all claims, losses, damages, liabilities, costs, and other expenses of any kind whatsoever (including all attorneys' fees and collection or court costs) arising from or in connection with the operation of the Plan or the rendering of plan-related services by the Company, the Plan Administrator, or any third party. Naturally, this indemnification does not include claims, losses, damages, liabilities, costs, and expenses attributable solely to any gross negligence or willful misconduct by **PPP** in the performance of our responsibilities under this engagement.

You also agree to pay our normal hourly rates and copying costs if **PPP** is called to testify or give documentation in regard to any lawsuit in relation to the Plan, whether or not we are named as a party, and whether or not we are still engaged to perform services for you.

8. NO ASSIGNMENT OR DELEGATION

Neither **PPP** nor you may assign this Agreement in whole or in part, nor delegate any part or all of its duties, without the other's prior written consent. However, such consent shall not be required where an entity becomes an assignee due to the purchase of substantially all of **PPP's** or your assets or by virtue of being the successor to either yours or **PPP's** business (whether by merger, consolidation, stock sale or



otherwise), if such assignor guarantees and remains fully liable for the obligations of the respective assignee.

9. SEVERABILITY

If any provision of this engagement letter is held to be or is invalid or unenforceable, the validity and/or enforceability of the remaining portions shall not be impaired or affected in any way. A waiver of any provision of this letter does not likewise waive any other provision of this letter.

10. ENTIRE AGREEMENT

This Agreement represents the entire agreement between you and us, and replaces any prior agreement, whether written or oral, between us.

11. MODIFYING THIS ENGAGEMENT

The terms of this engagement between you and us represented by this letter shall not be subject to modification (except with regard to fees, as outlined above), except as agreed upon in writing by both you and us.

12. TERMINATING THIS ENGAGEMENT

This Agreement may be terminated:

1. By either you or **PPP** 30 days' written notice.
2. Immediately by you or by us if the other breaches or fails to perform any material provision of this Agreement and such breach is not cured within * days after receipt of written notice by the nonbreaching party to the breaching party; or
3. Upon completion of the Plan's termination and the filing of the final Form 5500.

Upon termination of the engagement, all fees owed to us, including fees for administrative services for the current year earned through the date of termination, will be immediately payable in full

PPP will photocopy and send any records to your new administrator upon request and prepayment of the costs of doing so. However, no records will be provided while there are fees outstanding.

Please see the relevant portion of Appendix 2 to identify any fees that may be due in relation to the termination of this engagement.

* * * * *

We will commence work under this Agreement upon receipt of a signed copy of this Engagement Letter.

If you have questions regarding this letter, please call me.

Very truly yours,

Fred Harrison

Fred Harrison, President



ACCEPTANCE

The items and conditions of this engagement letter are agreed to and accepted by the Company:

«Client_Name»

Date

By: _____
Signature

Title

If fees are not paid by the Company, the Plan Administrator, on behalf of the Plan, agrees that payment may be made from the Plan:

«Plan_Name»

Date

Signature of Plan Administrator

APPENDIX 1
PLAN ADMINISTRATION SERVICES

Upon receipt of the requested information from you, PPP will perform some or all of the following Plan Administration Services, as applicable, which are included in the Plan Administration Services Fee listed on Appendix 2:

- Apply the eligibility requirements of the Plan to the employee census information to determine which employees are eligible to participate in the Plan.
- Reconcile the plan assets based upon the financial data provided.
- Maintain the service and employment records of the Plan's participants based on the information you have supplied to us for purposes of determining plan allocations and contributions.
- Calculate and maintain each employees vesting schedule and vested benefit.
- Perform any required testing to show that the Plan meets the coverage requirements and that the salary deferrals and matching contributions are not discriminatory, as required under Internal Revenue Code sections 410(b), 401(k), and 401(m); make recommendations to you as needed on ways to comply with these Code sections.
- Calculate the Plan benefits or contribution allocations, subject to your review and approval, and ensure that the limitations on such benefits or allocations in Code Section 415 are not exceeded.
- Determine whether the Plan is top heavy and, if so, determine the ramifications of the top heavy status. Perform nondiscrimination testing under Code section 401(a)(4).
- Confirm that limitations on salary deferrals under Internal Revenue Code sections 401(a)(30) and 402(g) are not exceeded; assist with determination of catch-up contribution(s), as applicable.
- Prepare benefit and/or account statements for the participants and the Summary Annual Report.
- Prepare PBGC premium payment forms and Annual Funding Notice, as necessary - You will be responsible for paying the premium and following our instructions to sign and file these forms with the appropriate government agency.
- Be available to educate your new Plan participants as to their benefits and options under the Plan. Please note that such discussions with your participants shall not include the rendering of any legal advice or opinions regarding either the Employer's obligations or Plan participants' rights under the Plan, nor shall these discussions include investment advice.
- Perform the annual valuation. (Semi-annually, quarterly, or monthly valuations are quoted at additional cost on a per case basis.)
- Prepare distribution documentation for retired, disabled or terminated participants.



Preparation of government forms and reports for your signature, as appropriate, for defined contribution and/or defined benefit plans (as applicable to your plan):

- IRS Annual Return/Reports: Form 5500, 5500EZ, 5500SF
- Schedules A, B, C, D, H, I, R, SB
- Form PBGC – Comprehensive Premium Filing
- Form 5330
- Form 8955 –SSA
- Form 945

You will be responsible for following our instructions to sign and file these forms with the appropriate government agency. However, PPP will prepare a “Filing Authorization” for you to sign that will allow PPP to filing the IRS forms electronically on your behalf.

If the Plan has more than 100 participants, or if the Plan holds more than 5% of its total value in nonqualifying assets and does not maintain a fidelity bond with a face value amount of at least the value of the nonqualifying assets, you must retain a certified public accountant to audit the Plan. In that event, we will await the preparation of the above items until the audit is complete.

Note: the Form 5500 and its Required Schedules require the disclosure of certain fee-related information. We will, of course, provide all of this information with respect to our services to you as part of preparing the Form 5500 for you.



Appendix 2 Additional Compensation Sources

No compensation or revenue sharing is paid to PPP from your current investment provider, for any of the administrative services provided to you and your pension plan.

We do not expect to participate in, or otherwise acquire a financial interest in, any transaction into which the Plan enters in connection with this agreement.