

## CITY OF CARSON DEFERRED COMPENSATION PROGRAM

### ADMINISTRATIVE SERVICES AGREEMENT

This Agreement is made and entered into this first day of May, 2015, by and between City of Carson, California, (the "Plan Sponsor") on behalf of the City of Carson Deferred Compensation Plan (the "457 Plan") and the City of Carson 401(a) Retirement Plan (the "401(a) Plan"), unless specified otherwise, collectively referred to herein as the "Plan" or "City of Carson Deferred Compensation Program." Voya Retirement Insurance and Annuity Company ("VRIAC"), a corporation organized and existing under the laws of the State of Connecticut and Voya Financial Partners, LLC a limited liability company organized and existing under the laws of the State of Delaware and registered as a broker-dealer under the federal securities laws (the "Broker-Dealer"). VRIAC and the Broker-Dealer are hereinafter collectively called the "Contractor". This Agreement is separate and apart from any other contract issued to the Plan, including any group annuity contract or funding agreement issued to the Plan Sponsor by VRIAC.

#### RECITALS

WHEREAS, the 457 Plan has been established as an "eligible deferred compensation plan" pursuant to Section 457(b) of the Internal Revenue Code (the "Code") and the laws of the State of California; and

WHEREAS, the 401(a) Plan has been established as a qualified plan pursuant to Section 401(a) of the Internal Revenue Code (the "Code") and the laws of the State of California; and

WHEREAS, the Plan Sponsor has selected certain investment products offered or otherwise made available by or through VRIAC or the Broker-Dealer, respectively, for the investment of the Plan's assets (the "Program"); and

WHEREAS, the Plan Sponsor further wishes to engage the Contractor as an administrative service provider to facilitate the administration of the Plan by providing services that shall include without limitation, accounting for deferrals or contributions, disbursement of funds, withholding of taxes, investment education, retirement counseling, investment of assets in the appropriate Plan investment options and proper recordkeeping of participant accounts; and

WHEREAS, the Contractor wishes to provide such administrative services to the Plan.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties do hereby agree as follows:

## Section 1. Services

- 1.01 **Good Order:** The Contractor and the Plan Sponsor acknowledge that for purposes of this Agreement "Good Order" is defined as the receipt at the Contractor's designated location of a transaction request, instructions or data that is complete, accurate and in an acceptable format, and which do not require the Contractor to apply any research or discretionary judgment. To qualify as current business day instructions, a transaction request, instructions or data sent electronically, by telephone, facsimile or mail must be received by us no later than the close of the New York Stock Exchange ("NYSE") (typically 4:00 p.m. ET). If the Contractor receives a transaction request, instructions or data in Good Order after the close of the NYSE, the Contractor will process the data or request on the next business day that the NYSE is open. The parties understand and acknowledge a transaction request, instructions or data deemed by the Contractor as being received not in Good Order may be returned for correction and processed upon resubmission in Good Order.
- 1.02 **Allocation of Contractor Responsibilities:** The Broker-Dealer or other broker-dealers with which Voya Financial Partners, LLC has a selling agreement shall service or perform all marketing communications, enrollment and securities transactions settlement and processing functions assigned to the Contractor. VRIAC shall perform all other responsibilities assigned to the Contractor, including Plan and participant recordkeeping. For plans that have multiple providers of investment products and administrative services, VRIAC will provide recordkeeping services solely for that portion of the Plan utilizing assets record kept by the Contractor.
- 1.03 **Plan Specifications:** The relevant characteristics of the Plan that will govern the administration of the Plan are documented within the Plan Specifications section of this Agreement.
- 1.04 **Scope of Services:** The Contractor agrees to provide the Plan with the services listed on Schedule A for the term of this Agreement. Services offered pursuant to the Plan's loan program will be subject to the terms specified in Schedule B.
- 1.05 **Administrative Requirements:** The Contractor agrees to comply with the requirements set forth on Schedule C in the performance of this Agreement. The Contractor and the Plan Sponsor will review these administrative requirements periodically and make adjustments as necessary and mutually agreed.
- 1.06 **Performance Standards:** The Contractor agrees to comply with the standards set forth on Schedule D in the performance of this Agreement. At the Plan Sponsor's request, the Contractor shall report to the Plan Sponsor how it measures compared to these performance standards. Any non-performance fee payable pursuant to the terms of Schedule D shall be in addition to any damages or other remedies available to the Plan, participants or the Plan Sponsor hereunder. The Contractor and the Plan Sponsor will review these performance standards at the Plan Sponsor's request and make adjustments as necessary and mutually agreed.
- 1.07 **Selection of Investment Options:** The Plan Sponsor acknowledges that it is responsible for choosing the investment options to be made available to participants under the Plan. The Contractor agrees to provide Plan participants with a selection of investment options as specified in Schedule E. All contributions are to be invested as the Participant directs.

1.08 Investment Provider Minimum Standards: Subject to the minimum standards set forth in Schedule F, the Contractor will provide its administrative services in connection with the Plan Sponsor's selection of investment products to fund the Plan.

1.09 Modification to Investment Options: In order to confirm the fund selected by the Plan Sponsor can be recordkept by the Contractor, the addition or removal of any investment option to the Plan must be mutually agreed to by the Contractor and the Plan Sponsor and will be made in accordance with a mutually agreed upon schedule for implementing the change.

- (1) Subject to mutual agreement between the parties to add an investment option:
  - (i) The Plan Sponsor may direct the Contractor to add or remove an investment option from the range of investment products the Contract currently offers, and that are currently available in the Program, upon forty-five (45) days written notice of the proposed change.
  - (ii) The Plan Sponsor may direct the Contractor to add an investment option that the Contract does not currently offer or an investment option that the Contractor currently offers but is not currently available in the Program, upon at least ninety (90) days written notice of the proposed change. Any investment option additions made pursuant to this Subsection 1.09(1)(ii) will be made in accordance with the Contractor's scheduled quarterly fund updates.
- (2) The Contractor reserves the right to reject any new investment option that imposes short-term trading (redemption) fees on participant accounts.
- (3) To the extent an existing investment option imposes short-term trading (redemption) fees on Participant accounts, the Contractor reserves the right to discontinue offering the investment option or to deduct any such short-term trading (redemption) fees from participant accounts.

1.10 Limits Imposed by Underlying Funds: The Plan Sponsor understands and acknowledges that orders for the purchase of fund shares may be subject to acceptance by the fund. The Contractor reserves the right to reject, without prior notice, any allocation of payments to the variable investment products, including the NAV Funds, if the Contractor's purchase order for the corresponding fund is not acceptable by the fund for any reason.

1.11 Limits Imposed by Contractor on Frequent Transfers: The Plan Sponsor understands and acknowledges that the investment products offered or otherwise made available by or through the Contractor are not designed to serve as vehicles for frequent trading in response to short-term fluctuations in the market. Such frequent trading can disrupt management of a fund and raise its expenses. This in turn can have an adverse effect on fund performance. Accordingly, the Plan Sponsor agrees to adhere to the Contractor's current Excessive Trading Policy, as set forth in Schedule G (the "Excessive Trading Policy"). The Contractor reserves the right to modify the Excessive Trading Policy in whole or in part at any time and without prior notice, depending on the needs of the underlying fund(s), the best interest of contract owners and fund investors, and/or state or federal regulatory requirements.

- 1.12 Access to Investment Advice: The Contractor agrees to make available to Plan participants, an independent third party online investment advisory service, as specified in separately signed agreements.

## Section 2. Participant Information

- 2.01 Provision of Certain Participant Information: The Plan Sponsor or its authorized representative shall facilitate the transmission to the Contractor of all current Plan participant level records including, but not limited to: name; address; social security number; active or terminated employment status; loan information; and deferral amount information. The Contractor shall be able to rely on the information provided by the Plan Sponsor. We are not responsible for any errors, omissions or other inaccuracies in the data you or an unaffiliated third party, including without limitation, prior service providers furnish us. Over the term of this Agreement, the Contractor and the Plan Sponsor will develop procedures for the Plan Sponsor to notify the Contractor of changes in employment status and, to the extent the Plan Sponsor has knowledge of the death of any participant, the Plan Sponsor will notify the Contractor of such death. The Plan Sponsor shall provide such information on a timely basis and use its best efforts to assure the accuracy and completeness of all information provided to the Contractor.
- 2.02 Changes in Deferral or Contribution Information; New Participant Deferral or Contribution Information: The Contractor and the Plan Sponsor will develop procedures to coordinate the processing of (i) changes in deferral or contribution amount information and (ii) initial deferral or contribution information pertaining to participants joining the Plan on or after the date the Contractor commences the provision of services under this Agreement.
- 2.03 Restricting Participant Accounts: The Plan Sponsor directs the Contractor to place an administrative hold on a participant's account upon receipt of a draft domestic relations order, or upon the receipt of other types of court orders that assert a claim to plan benefits. Refer to APPENDIX IV to SCHEDULE A of this agreement, "DOMESTIC RELATIONS ORDER REVIEW AND APPROVAL REQUIREMENTS" for specifics regarding account restrictions as a result of a draft domestic relations order. Placing a restriction on the participant's account will prevent the participant from taking a distribution, including loans. The participant will continue to have the ability to make allocation changes and fund transfers. The restriction will remain on the participant's account until such time that the Contractor is advised to remove the administrative hold either by the Plan Sponsor, or upon a receipt of a court order indicating that that the matter has been resolved and the hold is no longer needed.

## Section 3. Compensation

- 3.01 Contractor's Compensation: The Contractor's services under the Agreement are rendered in connection with the Plan Sponsor's selection of certain investment products offered by or through the Contractor, including the Voya Fixed Plus Account III. The revenues paid to the Contractor from such investment products shall constitute one source of compensation for the services rendered under this Agreement. The Contractor's overall revenue requirement is 0.37% ("revenue required"). The Contractor will assess an Asset Based Fee of 0.34%, assuming the Contractor receives the revenue required from the investment products offered by or through the Contractor. The Asset Based Fee will be assessed quarterly and calculated across all funds, excluding the stability of principal

option. This fee is not assessed on assets held in the Self Directed Brokerage Account. The fee will be deducted from the participant's money sources in the sequence elected by the Plan Sponsor for participant-initiated withdrawals in the Plan Specifications section of this Agreement. The Contractor reserves the right to increase the Asset Based Fee if plan characteristics change from what was originally assumed, or if the Contractor does not receive the revenue required from the investment products offered by or through the Contractor.

Additional transactional fees and charges may apply for optional services such as loans and investment advisory services.

- 3.02 **Assumptions Regarding Pricing:** Any fees, reimbursements, products and services rendered in connection with this Agreement are contingent on the Contractor being the exclusive provider of investment products and administrative services to the Plan during the Term of this Agreement and any subsequent renewal periods (as described in Section 4.01). The addition of any other provider or providers to the Plan during the Term of this Agreement and any subsequent renewal periods or changes in the Plan document may impact any fees, reimbursements, products and services under this Agreement. The Plan Sponsor will notify Contractor of any such changes in a timely manner.

This Agreement and fees are contingent on the Plan provisions in effect on the date of this Agreement. Any amendment to the Plan may impact this Agreement and fees.

The Plan Sponsor understands and acknowledges that the compensation to the Contractor is subject to the certain general provisions, as set forth in Schedule H (the "General Compensation Provisions"). The Contractor reserves the right to modify the General Compensation Provisions in whole or in part at any time and without prior notice, depending on the needs of the underlying fund(s), the best interest of contract owners and fund investors, and/or state or federal regulatory requirements.

- 3.03 **Reimbursement of Plan Expenses:** The Contractor shall reimburse the Plan for reasonable administrative expenses as set forth in Schedule I as directed by the Plan Sponsor.
- 3.04 **Compensation Paid to Sales Professionals:** The Contractor shall pay sales professionals a flat salary. The compensation paid to sales professionals will be derived exclusively from the Contractor's compensation, defined in Schedule H. Sales professionals may also be eligible for additional expense reimbursement. Compensation may also be paid at the time of participant election of an annuitization distribution option and will be disclosed to the participant at the time the distribution option is elected.
- 3.05 **Float:** VRIAC and its affiliated companies (collectively referred to as "Voya<sup>SM</sup>" for purposes of this Section 3.05) earn income in the form of bank service credits on contributions awaiting investment and on payments awaiting distribution from the bank accounts that Voya maintains (or "float"). The bank service credits are applied against the bank service fees that apply to the bank accounts that Voya maintains and may not be redeemed for cash. Specifically, the bank accounts have been established to receive and hold for a reasonable time:
- contributions or other amounts to be invested in your retirement Plan, or
  - amounts redeemed to pay a distribution or disbursement from your Plan.

Voya will receive income in the form of bank service credits (as described below) and offset such credits against bank service fees that are charged to Voya for the use of such

bank accounts and for services provided by the banks for processing receipts or disbursements.

**Float Generated by Contributions:**

Voya uses a bank account to receive and hold contributions or other Plan deposit amounts to be invested. Contributions or other deposit amounts are held until authorized instructions are received in Good Order. Income in the form of bank service credits are earned on the bank account during any waiting period for authorized instructions. For authorized instructions received in Good Order, contributions or other deposit amounts will be invested on that business day. For authorized instructions received in Good Order after the close of the New York Stock Exchange, contributions or other deposit amounts will be processed on the next business day.

**Float Generated by Distributions:**

Voya receives income in the form of bank service credits in connection with distributions or disbursements that Voya pays on the Plan's behalf. The bank service credits accrue during the period beginning when an amount is redeemed from the Plan's investment to fund a distribution or disbursement check and ending when the check is presented for payment.

Additionally, from time to time, Voya may receive money market like rates of return on other deposit or short term investment products in which distributions may be held until such time as the check is presented for payment.

- 3.06 **Transaction Processing:** VRIAC seeks to avoid transaction processing errors to the greatest extent possible, but inadvertent errors do occur from time to time. When a transaction processing error for which VRIAC is directly responsible occurs, VRIAC will attempt to correct the error as soon as reasonably practicable after identification of the error. Once all necessary information has been gathered, VRIAC will promptly take corrective action to put the Plan and its Participants in a position financially equivalent to the position they would have been in if the VRIAC processing error had not occurred.

VRIAC processes your Plan's investment instructions on an "omnibus" or aggregated basis. If VRIAC's correction of a VRIAC processing error results in a loss to your Plan or its Participants, VRIAC will absorb the loss. If any gain results in connection with the correction of an VRIAC processing error, VRIAC will net any such gain against other losses absorbed by VRIAC and retain any resulting net gain as a component of its compensation for transaction processing services, including its agreement to make Plan and Participant accounts whole for losses resulting from VRIAC processing errors. For more information on our error correction policy, please refer to Voya Retirement Insurance and Annuity Company's Policy for Correction of Processing Errors ("VRIAC Policy"), which is included in Schedule J. The VRIAC Policy and any updates to the VRIAC Policy are posted in the Sponsor Disclosure section of Sponsor Web.

- 3.07 **Fund Management Fees:** Fund management fees and other fund operating expenses will also apply to the variable investment options under the Plan. Fees depend on the investment options chosen.

#### **Section 4. Term**

- 4.01 **Term:** This Agreement shall commence on the Effective Date and continue until either Plan Sponsor or Contractor provides at least ninety (90) days prior written notice of intent

to terminate this Agreement. The Plan Sponsor and Contractor may mutually agree in writing to an earlier termination. This Agreement may be amended in writing if agreed to by both parties.

- 4.02 **Termination:** Notwithstanding Section 4.01, either party may terminate this Agreement at any time upon written notice "for cause". For this purpose, "for cause" shall mean: (1) failure of the other party to comply substantially with this Agreement and attached schedules hereto which, when called to the attention of the other party in writing has not been corrected within thirty (30) days; (2) the fraud or embezzlement on the part of the other party or provider of investment advice; (3) if the other party ceases to conduct business in the normal course, becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets, or avails itself of, or becomes subject to any proceeding under the Federal Bankruptcy Act or any other statute of any state relating to insolvency or the protection of the rights of creditors; (4) failure of the other party to pay any fees under this Agreement; or (5) if pursuant to Section 1.09 the Plan Sponsor requests the addition or removal of an investment option under the Plans, that is reasonably anticipated by the Contractor to result in a reduction in revenues under the Plans and no mutual agreement is reached between the parties on the recoupment of such lost revenues, the Contractor shall have the right to terminate this Agreement.

## Section 5. General

- 5.01 **Circumstances Excusing Performance:** Neither the Plan Sponsor nor the Contractor shall be liable to the other for any delays or damages or any failure to act due, occasioned, or caused by reason of restrictions imposed by any government or government agency, acts of God, strikes, labor disputes, action of the elements, or causes beyond the control of the parties affected thereby.
- 5.02 **Business Recovery Plan:** The Contractor acknowledges that it has a Business Recovery Plan in place for its computer environment, specifying steps to be taken in the event of a disaster. The plan is built around a worst-case scenario involving loss of the facility or loss of access to the facility. It is also adaptable to less severe disasters. Generally, there are three phases to the Contractor's Business Recovery Plan:
- ♦ Immediate response, damage assessment and critical notifications
  - ♦ Environmental and operation restoration
  - ♦ Operational readiness, testing and business resumption.

A critical part of this plan is the Contractor's System Recovery Plan, which itself has three components:

**Hardware:** the Contractor maintains a primary data center to support its mainframe applications and a portion of its mid-range and Intel based distributed environment. The Contractor has contracted with an outside vendor to provide hot site recovery capabilities for the primary data center in case of a site level disaster. The vendor maintains equipment that the Contractor will use to restore its applications in case of emergency. In addition, the Contractor has several data centers located throughout the U.S. with mid-range and distributed equipment to lessen the risk from any one site. On-site generators and UPS systems provide continuous power to the Contractor's facilities. A fully redundant wide

area network connects all of the data centers in the U.S. as well as to the hot site vendor facility.

Application software: the Contractor secures program libraries, to tape cartridges weekly, storing them in both on-site and off-site vaults.

Production data: the Contractor's system and database files are backed up periodically, many on a daily basis, to tape cartridges stored in both on-site and off-site vaults.

The Contractor's internal auditors have reviewed its disaster recovery procedures. Portions of the plan are tested on an annual basis.

5.03 **Ownership of Records:** The Contractor agrees that all computer tapes, discs, programs and any records generated by the Contractor under this Agreement shall be the property of the Plan. In the event of the termination of this Agreement, the Contractor shall provide all electronic and/or written data records to the Plan's designated representative or to a new contractor in an agreed upon format at no cost and within 180 days of written notice of intent to terminate this Agreement.

5.04 **Ownership and Use of the Content Copyright:** Each party owns all right, title and interest in its pre-existing intellectual property. You acknowledge and agree that, except for your pre-existing intellectual property, all information and content distributed through or displayed on a Contractor Web site, printed or electronic literature, including but not limited to all text, graphics, images, software applications and code, video, audio, and user interface design ("Content") is the property of the Contractor and its affiliates or its third party licensors. You have a limited, non-exclusive license to use the Content during the term of this Agreement. Original Content developed by the Contractor for the benefit of the Plan Sponsor is the property of the Contractor and its affiliates unless both parties agree to transfer ownership to the Plan Sponsor in writing.

If you or any appointee thereof, provides the Contractor with Content for distribution or display on a Contractor Web site, or in printed or electronic literature, you are responsible for obtaining permission from the owner or licensor for use of the Content.

5.05 **Parties Bound:** This Agreement and the provisions thereof shall be binding upon the respective parties and shall inure to the benefit of the same.

5.06 **Applicable Law:** This Agreement shall be construed in accordance with the laws of the State of California. The Contractor and the Plan Sponsor shall comply with all state and federal laws and regulations applicable to the services to be performed.

5.07 **Mediation:** The parties agree that any dispute regarding this Agreement or our services may be submitted to mediation or arbitration (or similar process) by a mutually agreed upon third party. The parties agree to negotiate in good faith concerning the terms and conditions of such submission.

5.08 **Severability:** If any provision of this Agreement shall be found to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Agreement and the remainder of this Agreement shall be construed and enforced as if said illegal or invalid provision had never been inserted herein. Neither party shall be required to perform any services under this Agreement which would violate any law, regulation or ruling.



5.09 Acknowledgment: The Plan Sponsor acknowledges the following.

- (a) The Contractor is performing non-discretionary, ministerial administrative services at the direction of the Plan and its authorized representatives.
- (b) The Contractor is not the Plan Administrator or fiduciary under state law.
- (c) The Plan Sponsor is responsible for selecting the Plan design and investment options that best meet its objectives. The Plan Sponsor understands that it has selected a program that may include a stability of principal option and/or variable annuities funded through a group annuity contract and/or mutual funds offered through a custodial or trust agreement to fund a tax-qualified arrangement; that the tax laws provide for deferral of taxation on earnings on participant account balances (excluding Roth or after-tax contribution sources); and that, although the annuity provides features and benefits that may be of value to participants, it does not provide additional deferral of taxation beyond that provided by the tax qualified arrangement itself.
- (d) The Plan Sponsor and its authorized representatives have sole responsibility for the overall administration of the Plan, including periodically providing participants with any notices required under the Code and related Regulations to which the Plan is subject and for making all benefit determinations. The Contractor has no discretionary authority or control over eligibility or other benefit determinations, the administration, or the operation of the Plan. Plan Sponsor confirms that Contractor's practices are consistent with the terms and administrative practices of the Plan, where applicable. The Plan Sponsor may delegate the day-to-day administration of certain Plan Sponsor responsibilities to the Contractor as indicated in Schedule A.
- (e) The Plan Sponsor and its authorized representative have the sole authority for the review and final disposition of a Plan Participant's appeal of any benefit determination made by the Contractor under the Plan.
- (f) The Contractor does not directly provide any investment advice to the Plan Sponsor with respect to the Plan's assets.
- (g) In performing services under this Agreement, the Contractor is entitled to rely on any information the Plan Sponsor, or its authorized representatives identified in Schedule K, or the Plan participants provide. The Contractor has a reasonable duty to inquire as to the authenticity or the accuracy of such information or the actual authority of such person to provide it.
- (h) The Plan Sponsor will provide the Contractor with an up-to-date copy of the Plan document(s) and complete information governing the terms and operation of the Plan (including a written explanation of any practices and procedures not reflected in the Plan document). The Plan Sponsor will promptly provide to the Contractor any proposed amendments to the Plan for review and comment by the Contractor at least 90 days prior to the proposed amendment effective date.
- (i) **VRIAC Error.** VRIAC's responsibility with respect to providing the services is limited to correcting errors, within a reasonable time, which result from its

computer system malfunctions, its staff errors or are otherwise caused by VRIAC's negligent acts. VRIAC shall make a good faith effort to correct any such error as soon as reasonably practicable after identification of the error when such correction is reasonably necessary and practical under the circumstances. For more information on our error correction policy, please refer to Voya Retirement Insurance and Annuity Company's policy for Correction of Processing Errors ("VRIAC Policy"), which is included in Schedule J. The VRIAC Policy and any updates to the VRIAC Policy are also posted in the Sponsor Disclosure section of Sponsor Web.

- (j) **Plan Sponsor Error.** VRIAC will attempt to correct, at Plan Sponsor's expense, processing errors resulting from Plan Sponsor, or Plan Sponsor's representative, or otherwise caused by the negligent acts of Plan Sponsor; provided that Plan Sponsor promptly notifies VRIAC of such error and furnishes all data to VRIAC reasonably necessary to make such corrections. Plan Sponsor shall pay VRIAC its reasonable expenses incurred in making such corrections.

- 5.10 **Notices:** Each party will promptly provide the other with notice and copy of any attempts to levy or attach amounts held under the Plan and/or any litigation affecting the Plan of which it becomes aware and/or any notices or demands to be given under this Agreement. All such notices, demands or other communications hereunder shall be in writing and duly provided if sent certified mail, return receipt requested, addressed to the party to be notified or upon whom a demand is being made, at the addresses set forth in this Agreement or such other place as either party shall from time to time designate in writing. The date of service of a notice or demand shall be the receipt date on any certified mail receipt.

Notices to the Contractor shall be sent to:

Voya Retirement Insurance and Annuity Company  
Attn: Associate General Counsel  
Legal Department, C1S  
One Orange Way  
Windsor, CT 06095

Notices to the Plan Sponsor shall be sent to:

Gail McMahon  
Director of Human Resources and Risk Management  
City of Carson, California  
701 E. Carson Street  
Carson, CA 90745

- 5.11 **Copies of Agreement:** This Agreement may be executed in any number of counterpart copies, each of which when fully executed shall be considered as an original.
- 5.12 **Headings:** Headings are for convenience of reference only. Headings do not limit or expand the scope of the text and are not intended to emphasize any portion thereof.
- 5.13 **Independent Contractor:** The Contractor is associated with the Plan Sponsor only for the purposes and to the extent specified in this Agreement. With respect to the performance of the contracted services pursuant to this Agreement, the Contractor shall have the sole right

to supervise, manage, operate, control and direct performance of the details incident to its duties under this Agreement.

- 5.14 **Contractor Primary Contact:** The Contractor designates certain individual(s) to serve as the primary point of contact for the Agreement. These individuals are identified in Schedule L.
- 5.15 **Licensed Representative:** The Contractor agrees to provide licensed representatives to perform enrollment and education services, and to assist participants with account balance inquiries, investment selection changes, interfund transfers or exchanges, and transaction initiation. These individuals are identified in Schedule M.
- 5.16 **Subcontracting:** The Contractor may enter into subcontracting agreements for work contemplated under the Agreement. Any subcontractor shall be subject to the same terms and conditions as the Contractor. The Contractor shall be fully responsible for the performance of any subcontractor.
- 5.17 **Contract Assignability:** Without the prior written consent of the Plan Sponsor, the Agreement is not assignable by the Contractor either in whole or in part.
- 5.18 **Licenses and Permits:** The Contractor shall ensure that it has all necessary licenses and permits required by federal, state, and municipal laws, ordinances, rules and regulations. The Contractor shall maintain these licenses and permits in effect for the duration of this Agreement. The Contractor will notify the Plan Sponsor immediately of loss or suspension of any such licenses and permits. Failure to maintain a required license or permit may result in immediate termination of this Agreement.
- 5.19 **Conflict of Interest:** The Contractor shall make all reasonable efforts to ensure that no conflict of interest exists between its officers, employees, agents or subcontractors and the Plan Sponsor. The Contractor shall make a reasonable effort to prevent employees, consultants, or members of governing bodies from using their positions for purposes that are, or give the appearance of being, motivated by a desire for private gain for themselves or others such as those with whom they have family, business, or other ties.
- 5.20 **Improper Consideration:** The Contractor shall not offer or be forced to provide (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, services, the provision of travel or entertainment, or any items of value to any officer, employee, group of employees, or agent of the Plan Sponsor in an attempt to secure favorable treatment or consideration.
- 5.21 **Indemnification:** The Contractor agrees to indemnify and hold the Plan Sponsor, its officers, employees and agents harmless from any loss, liability, claim, suit or judgment resulting from work or acts done or omitted by the Contractor's officers, employees or agents in carrying out the Contractor's responsibilities as set forth in this Agreement to the proportionate extent that it results from the negligence or wrongdoing of the Contractor or any of its officers, employees or agents. The Contractor agreements to indemnify shall not extend to any injury or damage which results from the Contractor's reliance on information transmitted by the Plan Sponsor.

The Plan Sponsor agrees to indemnify and hold the Contractor, its officers, employees and agents harmless from any loss, liability, claim, suit or judgment resulting from work or acts done or omitted by the Plan Sponsor's officers, employees or agents in carrying out the

Plan Sponsor's responsibilities as set forth in this Agreement to the proportionate extent that it results from the negligence or wrongdoing of the Plan Sponsor or any of its officers, employees or agents.

- 5.22 **Right to Monitor:** The Plan Sponsor or any appointee thereof, shall have the right to review and audit all records, books, documents, and other pertinent items as requested, and shall have the right to monitor the performance of the Contractor in the delivery of services provided under this Agreement. Full cooperation shall be given by the Contractor in the implementation, and in any auditing or monitoring conducted.
- 5.23 **Confidentiality:** The Contractor acknowledges that all information made available by the Plan Sponsor about its employees shall be considered confidential. The Contractor agrees that it will not distribute, disclose or release to any third party any such confidential information except as may be necessary to the performance of services hereunder either during or at any time after the term of the Agreement, upon the prior written approval of the Plan Sponsor or as otherwise required by law.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement (including all referenced and attached Schedules and Appendices) to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

CITY OF CARSON, CALIFORNIA

VOYA RETIREMENT INSURANCE  
AND ANNUITY COMPANY

By: *Elito M. Santarini*

By: *Molly A. Garrett*

Printed Name: Elito M. SANTARINI

Printed Name: Molly Garrett

Title: *Mayor Pro Tem*

Title: Vice President

VOYA FINANCIAL PARTNERS, LLC

By: *Dianne Bogian*

Printed Name: Dianne Bogian

Title: Vice President

**CITY OF CARSON DEFERRED COMPENSATION PROGRAM**  
**Plan Specifications**

The following reflects the relevant provisions of the Plan document that will govern the administration of the Plan. The Plan Sponsor acknowledges it has reviewed and confirmed that these accurately reflect the provisions of the Plan as of the effective date of this Agreement.

1. **ERISA Status:** The 457(b) Plan and 401(a) Plan are not subject to Title I of the Employee Retirement Income Security Act of 1974 ("ERISA").
  
2. **Contribution Sources.**  
The sources of contribution permitted under the 457 Plan are:
  - Employee Pre-tax
  - 457 Rollover
  - Non-457 Rollover
  - Designated Roth Contributions
    - Roth 457(b) Rollover
    - Roth Non-457(b) Rollover
    - In Plan Roth 457(b) Rollover
    - In Plan Roth non-457(b) Rollover
  - Employer Contribution -: Employer Match  
(specify type of contribution)
  - Other (specify by name): Employer - Medical Insurance Premium  
The sources of contribution permitted under the 401(a) Plan are:
  - Employee Pre-tax
  - Employee Mandatory Contribution (including 414(h) pick-up)
  - Rollover
  - After-tax Contribution (not designated Roth)
  - Employer Contribution -: Employer Match  
(specify type of contribution)
  - Other (specify by name): \_\_\_\_\_
  
3. **Vesting Schedule.** The Employer source(s) of contributions under the Plan are subject to the following vesting schedule. The Contractor will maintain participant vesting information, if applicable, according to the Plan. The Contractor will allocate forfeitures (if applicable) according to the provisions of the Plan.
  - 100% Immediate or no vesting schedule applicable
  - 5 year graded (20% per year after one year of service)
  - 6 year graded (20% per year after two years of service)
  - 3 year cliff
  - Other (specify) \_\_\_\_\_
  
4. **Permissible In-Service Withdrawal Options**  
The following participant-initiated withdrawals and/or transfers from a Participant account are permitted under the 457 Plan (check all that applies):
  - Unforeseeable Emergency Withdrawal
  - In-Service Distribution of Rollover Account(s)
  - In-Service Withdrawal for Governmental 457(b) Plans (aka de minimus withdrawal)
  - Purchase of Governmental Defined Benefit Plan Service Credit

- Tax-Free Distribution for Health and Long Term Care Insurance (for retired public safety officers)
- Age Based Withdrawal – *identify the age level to allow withdrawal* 70.5

The following participant-initiated withdrawals and/or transfers from a Participant account are permitted under the 401(a) Plan (*check all that apply*):

- Hardship Withdrawal
- Purchase of Governmental Defined Benefit Plan Service Credit
- Tax-Free Distribution for Health and Long Term Care Insurance (for retired public safety officers)
- Normal Retirement Age – *identify the age level to allow withdrawal* 65
- Age Based Withdrawal – *identify the age level to allow withdrawal* \_\_\_\_\_

5. **Final Distribution Payment Options**

The following payment options are available under the 457 Plan to a participant upon separation from service (*check all that applies*).

- In cash (*check applicable option*):
  - full lump sum only       partial or full lump sum
- In installment payments over a period not to exceed the life expectancy of the participant or the joint and last survivor life expectancy of the participant and his or her designated primary Beneficiary. This includes the Systematic Withdrawal Option (SWO) and Estate Conservation Option (ECO) as described in the RetireFlex Information booklet.
- Applied to the purchase of an annuity contract (*must be checked if J&S annuity is the normal form of benefit under the Plan*)
- Rollover to another eligible retirement plan or IRA
- Plan to plan transfer
- Combination of all permitted payment options

The following payment options are available under the 401(a) Plan to a participant upon separation from service (*check all that apply*).

- In cash (*check applicable option*):
  - full lump sum only       partial or full lump sum
- In installment payments over a period not to exceed the life expectancy of the participant or the joint and last survivor life expectancy of the participant and his or her designated primary Beneficiary. This includes the Systematic Withdrawal Option (SWO) and Estate Conservation Option (ECO) as described in the RetireFlex Information booklet.
- Applied to the purchase of an annuity contract (*must be checked if J&S annuity is the normal form of benefit under the Plan*)
- Rollover to another eligible retirement plan or IRA
- Combination of all permitted payment options

6. Money Source Withdrawal Sequence

A withdrawal or liquidation sequence for money sources available to fund a withdrawal from the 457 Plan must be identified. Money will be withdrawn from participant investment options on a pro-rata basis.

<u>1st</u>	Employee Elective Deferrals
<u>3rd</u>	Rollovers from another 457 Plan
<u>4th</u>	Rollovers from a 401 or 403(b) Plan or IRA
<u>2nd</u>	Other (Please specify) _____ Employer Match _____

A withdrawal or liquidation sequence for money sources available to fund a withdrawal from the 401(a) Plan must be identified. Money will be withdrawn from participant investment options on a pro-rata basis.

<u>2nd</u>	Rollovers
<u>1st</u>	Other (Please specify) _____ Employer Match _____

7. Mandatory Distributions

Mandatory distributions for terminated participants apply under:

the 457 plan     the 401(a) plan     neither Plan (no mandatory distributions permitted).



**CITY OF CARSON DEFERRED COMPENSATION PROGRAM**  
**Schedule A: Scope of Contractor Services**

The Contractor agrees to provide the Plan with the services listed within this Schedule for the term of this Agreement. For purposes of this Schedule, all references to "participant" are intended to apply equally to all account holders under the Plan. This includes participants, beneficiaries and alternate payees.

1. The one-time preparation and implementation of a Plan-specific product and service conversion or transition schedule which shall include notice to all Plan participants.
2. The initial installation of overall Plan records and individual Plan participant records.
3. To assist the Plan Sponsor and its legal counsel, the Contractor will provide a specimen governmental 457(b) and/or 401(a) plan document upon your request. As a specimen plan, you and your legal counsel may modify the document(s) to reflect your Plan design needs.
4. The development of Plan enrollment materials, including basic investment education material. The distribution of such materials shall be as mutually agreed upon by the parties.
5. Conducting 4 (four) introductory on-site education and enrollment meetings for employees each year.
6. Ongoing allocation of Plan contributions received in Good Order to individual participant accounts, and reconciliation of Plan and participant activity on a daily basis. For purposes of this provision, Plan contributions are deemed to include loan repayments (if applicable) and non-routine contributions, such as rollovers or plan to plan transfers, if permitted under the Plan.
7. Contractor will perform one test per month beginning in October through December on each participant account per Plan covered by this Agreement for the limit on elective deferrals pursuant to Code section 402(g) and/or 457(e)(15) and on the annual additions limit in accordance with Code section 415(c), if applicable. If the Plan Sponsor sponsors more than one plan, the Contractor will not aggregate the plans for testing purposes, unless specifically agreed to within this Agreement.
8. Ongoing maintenance of participant beneficiary designations under the Plan based upon mutually agreed upon procedures which shall be reflected in the Plan document. Participants may designate a beneficiary via the Contractor's participant internet site or by speaking with a customer service representative via a toll free telephone line.

Community Property Edit

This optional feature of the online beneficiary maintenance service will take into account community property laws applicable in the Participant's resident state at the time that he or she is making a beneficiary designation. When this service has been elected, the Contractor's online beneficiary maintenance service will require any participant who has identified themselves as being married or in a registered domestic partnership or a civil union and who does not designate a person identified as his or her spouse or domestic partner as a primary beneficiary for at least the percentage prescribed under the community property laws to complete and submit a paper beneficiary designation form.

The Plan Sponsor elects to utilize the Contractor's Community Property Edit feature as described above.

9. Ongoing maintenance, recordkeeping of individual participant account records and processing in a timely manner of all transactions permitted under the Plan as authorized or approved by the Plan Sponsor. Any delegation of the Plan Sponsor's role of authorizing or approving transactions under the Plan to the Contractor will be as directed later within this Schedule or other written instrument between the parties. Such direction shall not be construed as delegating Contractor discretion with respect to such decision.
10. Ongoing generation of periodic Plan activity reports for Plan Sponsor use, as mutually agreed upon, to be made available through a secure website.
11. Ongoing processing of participant-initiated benefit payment requests received in Good Order, calculation and withholding of federal and state taxes, and the provision of necessary tax forms on a timely basis to participants who received taxable distributions during the previous year.
12. In addition to introductory on-site education services, ongoing provision of employee enrollment and education services, including the provision of communication packages which includes the necessary information for employees to enroll and make investment choices.
13. Establish and maintain an electronic interface with the Plan Sponsor for participant enrollment information (including default enrollments) and changes to the participant's contribution amount or rate, as provided in Appendix I and II to Schedule A.
14. Access to customer service representatives via a toll free telephone line to respond to Plan participant inquiries, provide information about participants' accounts and investment options, help facilitate the enrollment of an employee into the Plan and to distribute administrative forms.
15. Access to an automated voice response system via toll free telephone lines, through which participants may obtain updated account and investment information and initiate transactions permitted under the Plan.
16. Access to an internet site, through which participants may obtain updated account and investment information, and initiate transactions permitted under the Plan and request forms for initiating certain transactions as permitted under the Plan.
17. The Contractor has an ongoing commitment to advancing the retirement readiness of your participants which includes our continued addition of self-service planning tools to the participant internet site along with the availability of phone and local Voya Financial Advisors representatives to assist individuals with their broader financial needs. These services are offered outside of the recordkeeping services described in this Agreement. If individuals elect fee based services, fees are charged directly to the employee and will not be withheld from any plan participant account. In order to facilitate the delivery of the services, the Contractor may use participant data to the extent and for purposes authorized by the participant whose data is being used. Securities and investment advisory services offered through Voya Financial Advisors, Inc., member SIPC.

18. Access to a Sponsor Web site, through which a Sponsor may obtain. The Sponsor must select a primary contact by completing an administrative form to be provided by the Contractor.
19. Incoming Rollovers / Transfers Authorization  
Ongoing review and processing of participant-initiated incoming rollover or transfer requests, on behalf of the Plan Sponsor, shall be based on mutually acceptable procedures for the review, and processing of these types of requests. Incoming rollover and transfer requests determined to be in Good Order will be processed on the same business day as the assets are received by the Contractor.

At the Plan Sponsor's direction, participants who have had a request denied shall be given the opportunity to appeal to the Plan Sponsor for review and final disposition of the determination.

20. Unforeseeable Emergency Withdrawal Authorization under the 457 Plan  
Ongoing review and processing of participant unforeseeable emergency withdrawal requests on behalf of the Plan Sponsor, based on the standard for the review, qualification and processing of these withdrawals as provided in Appendix III to Schedule A.

The Contractor will make a determination (approval and/or denial) within 5 business days of receipt of the request, and supporting documentation, in Good Order. If the request is approved, the request will be processed as of the date of favorable determination; with payment being mailed or made available electronically through.

21. Permissible Withdrawal Authorization  
Ongoing review and processing of participant-initiated withdrawal or transfer requests, on behalf of the Plan Sponsor, shall be based on mutually acceptable procedures for the review and processing of these types of requests. Withdrawal or transfer requests are processed as of the date received in Good Order, with payment being mailed or made available electronically through ACH.

At the Plan Sponsor's direction, participants who have had a request denied shall be given the opportunity to appeal to the Plan Sponsor for a review and final disposition of the determination.

22. Domestic Relations Order Administration  
Ongoing review and processing of Domestic Relations Orders (DRO) on behalf of the Plan Sponsor, based on the standard for the review, qualification and processing of DROs as provided in Appendix IV to Schedule A.

The Contractor will make a determination within 5 business days of receipt of the domestic relations order in Good Order. If the request is approved, the request will be processed as of the date of favorable determination; with confirmation being mailed.

If the domestic relations order is not received in good order, the Contractor will work with the respective parties until the order is presented in Good Order.

23. Benefit Payment Authorization  
Ongoing review and processing of participant-initiated benefit payment requests (including annuity payments, if permitted, and death benefits) due to participant's separation from service or death, on behalf of the Plan Sponsor, based on mutually acceptable procedures for

the review, qualification and processing of these requests. The Plan Sponsor is responsible for providing the Contractor with any and all participant termination data in the mutually agreed upon electronic format, within a reasonable time period following the participant's separation from service or death. The Contractor may not make the applicable benefit payment request transaction and/or paperwork available to the participant until the termination data is received from the Plan Sponsor in Good Order.

Benefit payment requests are processed as of the date received in Good Order; with payment being mailed or made available electronically through ACH.

At the Plan Sponsor's direction, participants who have had a request denied shall be given the opportunity to appeal to the Plan Sponsor for a review and final disposition of the determination.

24. Access to counseling by licensed agents or representatives for Plan participants, who are retiring or otherwise requesting a benefit payment from the Plan, based on mutually acceptable standards.
25. Ongoing processing of Required Minimum Distributions ("RMD") in accordance with the rules of Code Section 401(a)(9) for eligible Plan participants and their beneficiaries as follows:
  - a. Participants: In the absence of an affirmative election or instructions received in Good Order from the Participant on an annual basis for receiving the RMD, the Contractor is directed by the Plan Sponsor, to calculate and distribute the RMD amount. The Contractor shall calculate the RMD in the following manner.
    - i. For Participants with either (1) no beneficiary, (2) a non-spouse beneficiary, (3) a spouse beneficiary without a date of birth, or (4) a non-individual beneficiary (e.g., charitable organization), calculate the current year RMD by dividing the account balance on 12/31 of the prior year by the distribution period under the Uniform Lifetime Table using the Participant's age on 12/31 of the current year.
    - ii. For Participants with a spouse beneficiary more than 10 years younger than the Participant, calculate the current year RMD by dividing the account balance on 12/31 of the prior year by the combined life expectancy factor under the Joint and Last Survivor Table using the ages of the Participant and the spouse beneficiary on 12/31 of the current year.
    - iii. For Participants who are at least 70-1/2 years of age in a calendar year and have separated from service with their employer, any distribution requested will first be reduced by the applicable RMD for the distribution calendar year.
  - b. Beneficiary(ies): In the absence of an affirmative election or instructions received in Good Order from the beneficiary (ies), the Plan Sponsor directs the Contractor to calculate the RMD amount in accordance with Code Section 401(a)(9) provided the Contractor has received in Good Order proper notification of the Participant's death and complete beneficiary(ies) information (including the complete name and address of the beneficiary(ies)). In situations where the life expectancy rules are not available for the calculation of the RMD either because the Contractor has not received the requisite information by the date for issuing RMD payments or the beneficiary is not entitled to receive RMD under the life expectancy rules, the Plan

Sponsor directs the Contractor to apply the five-year payout rule and force out a lump sum by December 31<sup>st</sup> of the fifth year following the year of the Participant's death.

The Plan Sponsor acknowledges that the Contractor shall not be responsible for any tax penalties or excise taxes the Plan Sponsor, Plan Participants, or beneficiaries may incur as a result of the Contractor's failure to calculate and distribute the RMD amount where the failure is due to the Plan Sponsor's, the Plan Participant's or the beneficiaries' failure to provide the required information in a timely manner.

26. Ongoing facilitation of communications between the Contractor, the Plan Sponsor and the Plan participants based on mutually acceptable guidelines.

**CITY OF CARSON DEFERRED COMPENSATION PLAN**  
Appendix I to Schedule A:

**Contribution Rate Services**

**Contribution Rate Change Service:**

This service allows 457 Plan participants to make contribution rate changes via the Contractor's Participant internet site or by speaking with a customer service representative of the Contractor. Please note it is your responsibility to notify the Contractor of terminated employees. Contribution rate changes in fractional percentages are supported after enrollment. This service supports the older worker catch-up contribution elections (if available under the Plan). No other types of catch-up or make-up contribution options available under the Plan are supported by the service.

Plan Sponsor acknowledges that it is responsible for ensuring that the Contribution Rate Change Service complies with their state laws in regards to wage withholding. The payroll withholding laws of the Plan Sponsor's state should be reviewed prior to implementation of this program to determine if deductions, and/or contribution rate changes, without an employee's written consent are permitted. The service includes increases, decreases, stops and restarts, either based on participant direction, or as directed by the Plan as a result of loans or unforeseeable emergency withdrawals.

- The Plan Sponsor elects to utilize the Contractor's Contribution Rate Change service and Participant Directed Contribution Rate Escalator service (described below) in accordance with the following criteria (*please check*).

Minimum and Maximum Contribution Schedule:

Pursuant to the Plan document, indicate the minimum and maximum contribution amount a participant can elect.

- Dollar-based
- |  |                       |                             |
|--|-----------------------|-----------------------------|
| Employee elective deferral contributions | Minimum <u>\$1.00</u> | Maximum <u>\$ IRS limit</u> |
|--|-----------------------|-----------------------------|

**Participant Directed Contribution Rate Escalator Service**

This service allows participants to elect automatic increases in deferral rates via the Contractor's Participant internet site or by speaking with a customer service representative of the Contractor. Participant will indicate the frequency and amount of the contribution rate increase. The Contractor will send a reminder to the Participant 30 days prior to the automatic increase.

**Restrictions and Limitations:**

- This service is only available if the Plan Sponsor elects to utilize the Contractor's Contribution Rate Change Service.
- This service does not apply to catch-up contribution elections.
- If there is a conflict between a Participant's Contribution Rate Escalator service and the contribution limits applicable to the Plan, the Participant's contribution rate escalator election will be cancelled.
- The Participant's contribution rate escalator election will be cancelled if participant submits a contribution rate change election pursuant to the Contribution Rate Change Service above.

**CITY OF CARSON DEFERRED COMPENSATION PROGRAM**

Appendix II to Schedule A:

**Payroll Feedback File**

**Payroll Feedback File**

If the Plan Sponsor has elected the Eligibility Tracking service, Automatic Enrollment service, the Contribution Rate Change service or offers loans, the Contractor will provide a periodic payroll feedback file through an automated process mutually acceptable to the Plan Sponsor and Contractor. It is the responsibility of the Plan Sponsor to update its payroll system based upon the data contained in the payroll feedback file in accordance with applicable Code requirements and regulations governing the effective date of deferral elections to the Plan.

The payroll feedback file is a .csv format file which can be uploaded to most payroll systems. As an alternative, a payroll feedback report in a .pdf format can be printed and used for manual entry into a payroll system.

**Electronic File Delivery:**

Please select one of the following delivery types (required):

- Email:** Contractor will send files in an encrypted format (access information will be provided). Please provide one or more email addresses:  
ameni@carson.ca.us AND vota@carson.ca.us
- FTP (File Transfer Protocol):** Contractor will send files via FTP. Please provide the FTP delivery address, ID and password:  
FTP Delivery Address: ftp://  
FTP ID: \_\_\_\_\_  
FTP Password: \_\_\_\_\_
- Sponsor Web/Archive:** Plan Sponsor will obtain reporting data through the Contractor's plan sponsor internet site.

The Contractor will send the periodic electronic payroll feedback file based on the information selected above until a change is provided, in writing, by the Plan Sponsor.

**Reporting Frequency:**

The Contractor will provide the automated contribution rate reporting data on the frequency that best meets the needs of the Plan Sponsor.

**Notification of Report Availability:**

The Plan Sponsor must identify an individual to receive notification of when the payroll feedback file is available. It is understood and acknowledged by the Plan Sponsor and Contractor that the individual designated below is responsible for accessing the file when notified of its availability.

Name: Anna Meni and Valerie Ota  
Telephone: 310-830-7600 x1214  
E-mail: ameni@carson.ca.us and vota@carson.ca.us

*In the event that any identified individual is removed or replaced, the Plan Sponsor is responsible for notifying the Contractor immediately in writing*

**CITY OF CARSON DEFERRED COMPENSATION PLAN**  
Appendix III to Schedule A:

**Unforeseeable Emergency Withdrawal  
Review and Approval Requirements**

The Contractor is responsible for the ongoing review and processing of participant unforeseeable emergency withdrawal requests on behalf of the Plan Sponsor. The Contractor's process is based on the following procedures for the review, qualification and processing of these withdrawals under 457(b) deferred compensation plans.

To request an unforeseeable emergency withdrawal, a participant must complete the relevant paperwork and provide the appropriate documentation to support the request.

The Contractor will review the request to determine whether it satisfies the Internal Revenue Service (IRS) requirements under Internal Revenue Code Section 1.457-6(c)(2) and Plan requirements for an unforeseeable emergency. Specifically, an unforeseeable emergency means extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant including:

- severe financial hardship of the participant resulting from an illness or accident of a participant, the participant's spouse or of a participant's dependent (as defined in Code Section 152(a))\*;
- loss of the participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance); or
- other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant.

\*Effective in 2007, the Pension Protection Act of 2006 expanded this definition to include the participant's designated primary beneficiary

In its evaluation, The Contractor will limit the withdrawal to the amount reasonably necessary to satisfy the emergency need, which may include any amounts necessary to pay Federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution. In addition, a withdrawal shall be allowed only to the extent that such emergency is or may not be relieved through: 1) reimbursement or compensation from insurance or otherwise; 2) liquidation of the participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship; or 3) cessation of the participant's deferrals under the Plan.

The determination of whether a request qualifies as an unforeseeable emergency will be based on all the facts and circumstances of the participant's specific situation. While it is a subjective decision, the Contractor's process incorporates three underlying principles: consistent application of the IRS rules to similar situations; decisions must be reasonable and not arbitrary; and when there is a close call, we err on the conservative side.

The Contractor takes this review process very seriously and understands the importance of consistently administering the IRS and Plan requirements. The Contractor recognizes that failure to do so, and thus treating the Plan like a savings account, can result in adverse tax consequences to the participant and to the Plan.

Withdrawal requests will be reviewed in a timely manner. For requests which are approved, The Contractor will process the withdrawal as of the date of the approval. A participant, who has had a



withdrawal request denied because of insufficient documentation, can resubmit his or her request to the Contractor for re-review with all applicable documentation.

A participant whose request has been denied after submission of all relevant documentation has the opportunity to appeal the decision to the Plan Sponsor.

#### **Appeals of Denied Requests**

The Plan Sponsor is the final authority for review of any withdrawal requests which have been denied by the Contractor.

- A participant desiring to appeal the Contractor's decision must submit the appeal to the Plan Sponsor or its designee within 30 days of receipt of the denied request. The participant must document in a letter the reason he or she feels the request should be reevaluated and why the circumstances qualify as an unforeseeable emergency.
- Appeals must include all documentation submitted with the original request to the Contractor; the Contractor's determination letter and any additional supporting documentation not previously submitted.
- The Plan Sponsor will review a participant's request within 30 business days of the date of receipt of an appeal request.
- In reviewing the original decision, the Plan Sponsor will review the specific facts and circumstances of the participant's situation, the Contractor's analysis and the applicable IRS and Plan requirements. The Plan Sponsor's focus is on ensuring that the Contractor's decision was made in accordance with all of the IRS and Plan guidelines, as summarized above. In its appeal review, the intent of the Plan Sponsor is not to be more lenient than the law requires as this would jeopardize the favorable tax treatment for the participant and the Plan.
- The Plan Sponsor or its designee shall provide written notification to the participant, with a copy to the Contractor, as to whether its decision is to affirm the Contractor's original decision to deny the request, or reverse that decision and approve the participant's request.
- The Plan Sponsor's decision shall be binding on the participant, and he or she shall have no further ability to have the Plan Sponsor's decision overturned.

**CITY OF CARSON DEFERRED COMPENSATION PROGRAM**  
Appendix IV to Schedule A:

**Domestic Relation Order  
Review and Approval Requirements**

The Contractor is responsible for the ongoing review and processing of Domestic Relations Orders (DRO) on behalf of the Plan Sponsor. The Contractor's process is based on the following procedures for the review, qualification and processing of DROs which if followed as specified below shall constitute a valid Plan Sponsor direction to process the DRO.

**Definition of a Domestic Relations Order**

A Domestic Relations Order ("DRO" or "Order") is a court order, judgment, or decree issued under a state's domestic relations law that recognizes the right of a spouse, former spouse, child, or other dependent of a Participant in an employee benefit plan to receive all or part of the Participant's benefit in the plan.

A Qualified Domestic Relations Order ("QDRO") is a DRO that has met the specific requirements mandated by federal law and the provisions of the Plan as determined by the Plan Administrator or its designee. A QDRO requires a qualified plan to pay all or any part of a Participant's benefits to an Alternate Payee. An Alternate Payee is a spouse, former spouse, or dependent of the Participant who is entitled to a portion of the Participant's benefits.

**Requirements for QDRO**

For a domestic relations order to meet the Contractor's good order processing standards and for the DRO to be qualified and considered a QDRO, the order must comply with the following requirements. In addition, certain state rules may be imposed on domestic relations orders by statute.

1. The order must be an original or a court-certified copy of the original, signed by the judge or clerk of the court. A fax or a photocopy cannot be accepted as they are not in compliance with the Contractor's good order standards.
2. The order must create or recognize the existence of an alternate payee's right to, or assign to an alternate payee the right to, receive all or a portion of the benefits payable with respect to a participant under the plan.
3. The order must constitute a judgment, decree or order (including approval of a property settlement agreement) that relates to provisions of child support, alimony payments or marital property rights to a spouse, former spouse, child or other dependent of a participant, and is made pursuant to a state domestic relations law (including a community property law).
4. The order must clearly and unambiguously name each plan to which the order applies.
5. The order must clearly specify the name and last known mailing address of the participant and each alternate payee covered by the order. (If the alternate payee is a minor or is legally incompetent, the order must include the name and address of the alternate payee's legal representative.)

The order should identify the social security number (or tax identification number) and date of birth of the participant and each alternate payee covered by the order. If State or local

law prevents the inclusion of such information in the court order, this data must be provided to the Contractor, in writing, by the party that drafts the court order, in order for good order processing standards to be met.

6. The order must be specific with respect to the dollar amount or percentage of the participant's benefits to be paid by the plan to each alternate payee or the manner in which the amount or percentage is to be determined. The calculation of this amount must be very clear and not subject to interpretation. If the amount ordered to be paid to the alternate payee's account is at all ambiguous, then the order cannot be accepted.
7. The order must specify the **exact date** when the account should be valued which should be a day the New York Stock Exchange (NYSE) is open. If the date provided is a date when the NYSE was not open, the Contractor will process the request, if received in good order, as of the preceding business date the NYSE is open.
8. The order must provide that the calculation of the amount of the participant's benefit to which the alternate payee is entitled to be readily calculable and according to records currently available to the Contractor. Pursuant to this requirement, the Contractor will not accept any order that requires calculations prior to the time the Contractor began providing services to the plan, unless the actual financial records necessary to make such calculation on a non-discretionary basis are provided to the Contractor.
9. If earnings prior to the effective date are also to be segregated on behalf of the alternate payee, the attorney representing the participant must provide the actual financial records necessary to make such calculation on a non-discretionary basis, if such records are not available to the Contractor.
10. If the order specifies a dollar amount to be paid to the alternate payee, such amount may not exceed the participant's vested balance in the plan.

Amounts payable to an alternate payee shall be **distributed proportionately** from the participant's account with the Contractor. Account values fluctuate with market conditions. If the dollar amount specified is above the current balance, the request may be rejected. When establishing the alternate payee's account, the Contractor shall first redeem amounts pro rata from all investment options other than non-core investment options (e.g., life insurance, self directed brokerage account, certificate of deposit, etc.), if applicable, held in the participant's account, and shall redeem amounts from non-core investment options, if applicable, only if necessary to obtain the amount consistent with this Order.

11. A plan may specify a date as of which QDROs are allowed under the plan (such as orders dated after a specified date, e.g., January 1, 2002). Court orders which pre-date the allowance of QDROs under the plan may not be accepted.
12. The order must **not** require the plan to provide any type or form of benefit or any option, not otherwise provided under the plan.
13. The order must **not** require the plan to provide increased benefits (determined on the basis of actuarial value).
14. The order must **not** require any payment of benefits to an alternate payee that are required to be paid to another alternate payee under another order previously determined to be a QDRO.

15. The order must not require the plan to pay benefits in the form of a qualified joint and survivor annuity for the lives of the alternate payee or his/her subsequent spouse.
16. The order must not provide for tax treatment of the account other than as required under federal law and regulations.

If the order meets all of the approval requirements listed above, it will be given effect and the Contractor will send notification of approval to the involved parties and their counsel.

If the order fails to meet one or more of the approval requirements listed above, it will be rejected. A letter notifying the involved parties of the rejection will be mailed, together with an explanation.

**Administrative Hold to Participant Accounts**

Plan Sponsor directs Contractor to place an administrative hold on the participant's account upon receipt of: (1) a signed DRO; (2) a draft DRO or joinder; or (3) a draft court order that reflects a claim for plan benefits is being sought. The Contractor will place an administrative hold on the participant's account for a period of up to 18 months (the "Period") from the date of notification, or, if earlier, until the date that the QDRO is processed. If a subsequent order is received a new 18-month period will be activated. During this Period, the participant will not be able to take a distribution or loan from the impacted plan account until the restriction has been removed. Notwithstanding the foregoing, with respect to joinders issued pursuant to California Family Code, Section 2060, the restriction will not be removed until the Contractor receives either: (1) a QDRO; (2) a court order vacating/dismissing the joinder; or (3) a final judgment that awards the participant all of the plan benefits.

**CITY OF CARSON DEFERRED COMPENSATION PLAN**  
**Schedule B: Loan Program**

Terms of Contractor's Loan Program ("Loan Program") applicable to the 457 Plan:

- **Types of Loans Permitted** – select all that apply.
  - General Purpose
  - Residential
- **Maximum number of loans that may be outstanding at any time.**

<u>  1  </u>	General Purpose
<u>  1  </u>	Residential
<u>  1  </u>	Total (regardless of type of loan)
- **Minimum Loan Amount** - Indicate the minimum loan amount pursuant to this Loan Program  
\$1,000.00.
- **Maximum Loan Amount** - the maximum amount of a loan made pursuant to this Loan Program shall be an amount which, when added to the outstanding balance of any other loans to the participant from the 457 Plan and any other qualified plan of the Employer, does not exceed the lesser of:
  - (i) \$50,000 reduced by the excess (if any) of
    - a) the highest outstanding balance of loans from the plan(s) to the participant during the one year period ending on the day before the date on which such loan is made, less
    - b) the outstanding balance of loans from the plan(s) to the participant on the date on which such loan was made, or
  - (ii) one-half (1/2) of the present value of the non-forfeitable accrued benefit of the participant under the plan(s).
  - For purposes of this limit, all plans of the Employer shall be considered one plan, to the extent required by Section 72 of the Internal Revenue Code, and the balance of all loans under any plan of the Employer under which the individual participates must be aggregated in determining the maximum loan available from the Plan. The Employer will be responsible for confirming the accuracy of the loan amount available for participant and has an outstanding loan balance with an Employer sponsored plan that is not administered by the Contractor.
  - All assets under the participant's Account with the Contractor will be considered in determining the maximum loan amount available.
  - Loan fee shall be deducted from the participant's total account balance before determining the maximum loan amount available.
- **Loan Interest Rate** – the interest rate used for loans from your 457 Plan must be commensurate with interest rates currently charged by persons in the business of lending money for loans which would be made under similar circumstances

The Contractor will set the loan interest rate on the first business day of each calendar month following the month in which a change in the loan interest rate index occurs. Changes to the loan rate will be applicable to loans issued on or after the first business day of the month following the month in which the rate is changed. The index for establishing the loan interest rate for the 457 Plan is as follows. Select one of the following options:

- The Prime Interest Rate published in the Wall Street Journal on the last business day of each month.
- Moody's Corporate Bond Yield Average – Monthly Average Corporates, as published by Moody's Investors Service, Inc. on the last business day of each month.

The following adjustment factor is to be added to the indexed interest rate for loans issued under the 457 Plan. Select **one** of the following options.

- No adjustment
- 0.5% (one-half percent)
- 1.0% (one percent)
- 1.5% (one and one-half percent)
- 2% (two percent)
- 2.5% (two and one-half percent)
- Other (specify)\* \_\_\_\_\_

\* Subject to the Contractor's underwriting review and approval.

- **Loan Repayment Frequency** - The loan repayment frequency will be used to amortize the loan and calculate loan repayments. The loan repayment frequency will be determined by the payroll frequency. Check all that apply. If more than one frequency is checked, indicate the payroll location name or number to which the frequency applies.

Frequency	Location Name or Number (list all that apply)
<input type="checkbox"/> Weekly	_____
<input type="checkbox"/> Bi-weekly	_____
<input checked="" type="checkbox"/> Semi-Monthly	_____
<input type="checkbox"/> Monthly	_____
<input type="checkbox"/> Annually	_____

- **Loan Repayment Method** All new loans issued after the effective date of this Agreement will have a repayment method of payroll deduction, subject to the "Loan Repayment Following Separation from Service" option shown below. Where applicable to pre-existing loans under the 457 Plan, the Contractor will continue to support ACH debit to a participant's bank account for loan repayments.
- **Loan Repayment Following Separation from Service** - Are participants that have separated from service permitted to continue loan repayments?
  - Yes - Plan Sponsor understands and agrees to the conditions noted below.
  - No, except where applicable to pre-existing loans under the 457 Plan that are being repaid by ACH debit to a participant's bank account.

Conditions:

1. Must be permitted under the 457 Plan document.
  2. Plan Sponsor is responsible for providing the Contractor with any and all participant termination data in a mutually agreed upon electronic format.
  3. Loan repayments for participants that have separated from service will be made via ACH Debit to the participant's bank account.
  4. Should the participant take a full distribution of his or her account balance, the outstanding loan will be automatically defaulted.
- **Prepayment** - Prepayment of the full loan amount will be allowed at any time, without penalty. Partial loan prepayments are not permitted.

- Maximum loan repayment period** – Internal Revenue Code section 72(p) requires a plan loan be repaid in full no later than 5 years from the date of the loan (except for a loan used to acquire a principal residence of the plan participant). Accordingly, it may be necessary to provide for a loan repayment term that is less than 60 months in order to meet the Code section 72(p) requirement (e.g., 57 or 58 months, etc.).

General Purpose 57 months (maximum of 57 months.)  
 Residential 120 months (maximum of 360 months.)
- Investment of Loan Repayments** - Loan repayments will be allocated in accordance with the participant's current contribution investment allocation instructions on the date a loan repayment is received in good order.
- Loan Default Restrictions** - If the participant defaults on any loan under the 457 Plan, the participant shall not be allowed to initiate another loan of that type under the 457 Plan until the defaulted amount is repaid.
- Loan Fee** - The Contractor shall charge a one-time fee to the Participant at the time of loan for services rendered under this Loan Program, in the amount of \$100 per loan.
- Money Source Withdrawal Sequence** – A withdrawal or liquidation sequence for money sources available to fund a loan from the 457 Plan must be identified. Omit from the sequence the money-source(s) not available to fund a loan.

<u>1st</u>	Employee Elective Deferrals
<u>3rd</u>	Rollovers from another 457 Plan
<u>4th</u>	Rollovers from a 401 or 403(b) Plan or IRA
<u>2nd</u>	Other (Please specify) <u>Employer Match</u>
- Fund Withdrawal Sequence** – money will be withdrawn from participant investment options on a pro-rata basis.
- Spousal Consent** – indicate if spousal consent is required for loans from the 457 Plan

Yes  
 No
- Loan Authorization** – indicate who will be responsible for authorizing loan disbursements. Select one of the following options:

Authorized Plan Sponsor representative  
 the Contractor, based on the loan provisions of the Internal Revenue Code Section 72(p), corresponding regulations and terms of the Loan Program as identified in this Schedule.
- Paperless Loan Processing** – This service allows 457 Plan participants to initiate general purpose loans online through a secure website or through a toll-free customer service line and receive a check directly from the Contractor without completing loan request paperwork. The loan provisions (Promissory Note and Truth and Lending Disclosure) are included on the check remittance. By endorsing the check, the participant accepts the terms of the loan.

Paperless loan processing service is not available if the Plan requires additional qualifying criteria for loans (e.g., hardships or unforeseeable emergency) or if the 457 Plan requires spousal consent for loan requests. This service is not available for residential loan requests.

Plan Sponsor elects to utilize the Contractor's paperless loan processing service.
- Loan Default Monitoring** – Where the Contractor is recordkeeping loans under the 457 Plan, the Contractor will perform loan default monitoring as described herein. The loan default process will occur on the next to last business day of each month. This schedule allows us to effectively monitor and take action on loans that risk default. The Plan Sponsor agrees that the Plan document shall identify the Grace Period as the last business day of the calendar quarter

following the calendar quarter in which the loan repayment was due. You also agree to have the Contractor actively monitor and alert participants of potential loan defaults and defaulted loans.

- **Trust Requirement** - Loans extended under this Loan Program will be held in trust by Voya Institutional Trust Company.

**Plan Sponsor Responsibilities:**

- Ensure the 457 Plan document and any applicable state/local law allows for loans to be administered in accordance with the terms of this Loan Program.
- The Plan Sponsor will inform the Contractor of the any change to the provisions of the Loan Program (and thus the criteria for approving loans under the Plan) as identified in this Schedule.
- Establish payroll deduction of loan repayment amount for each participant with a loan issued after the effective date of this Agreement.
- For all new loans issued after the effective date of this Agreement, remit loan repayment amounts via the payroll submission tool being utilized by the Plan Sponsor on behalf of each active participant with an approved loan. The data provided is to include the loan identifier and repayment amount.
- Notify the Contractor via the payroll submission tool being utilized by the Plan Sponsor of any participant with an outstanding loan who begins a leave of absence, either bona fide (for a period of not more than one year) or due to uniformed service (military duty) and for whom suspension of loan repayments will apply. The data provided is to include the type of leave, the start date and the end date.

**Contractor Responsibilities:**

- The Contractor will set the interest rate to apply to loans issued under the 457 Plan. Such rate will be determined monthly for new loans. A loan will be processed using the rate in effect when the loan request package is sent to the Participant. The loan request package and interest rate will be valid for a maximum of 30 days. The Contractor will reset the loan interest rate as indicated in the Loan Interest Rate section above. The rate will apply for the duration of the loan.
- Process loans from a participant's account in accordance with the terms of the Loan Program and the loan request package.
- Deduct the loan amount from the participant's account based on the Money Source Withdrawal Sequence selected above, on a pro-rata basis across all current investment options within the participants account or such other method as agreed upon between Contractor and the participant.
- Generate reports, including a Loan Amortization Report, to be made available to the Plan Sponsor through a secure website.
- Furnish participants with quarterly account statements, reflecting loan activity since the prior statement date.
- Provide the Plan Sponsor with the loan repayment amount for each participant loan as determined by the level amortization calculation applicable to the amount of the loan, the repayment frequency, and selected repayment period. Loan repayment amounts will be provided through an automated periodic payroll feedback file as described in Appendix III to Schedule A.

Loans can be re-amortized only upon written direction from the Plan Sponsor and only if there



has been a change in the borrower's payroll frequency or status. Outstanding loans cannot be refinanced.

- Upon notice from Plan Sponsor that a participant with an outstanding loan is on a qualifying leave of absence, loan repayments may be suspended for the maximum period permitted under IRS rules. Currently, IRS rules permit loan repayments to be suspended in the following circumstances:
  - A participant on a bona fide leave may suspend payments for up to one year if the pay received by the participant during this period is less than the amount of the installment payments required under the terms of the loan. However, the loan must still be repaid by the end of the loan term (i.e., the period of suspension will be less than one year if the loan was within one year of the final payment due date when the leave began).
  - A participant on a leave of absence due to performance of the uniformed services (as described under Internal Revenue Code Section 414(u)), may elect to suspend loan repayments for the period of uniformed service. In this situation, upon the participant's return from uniformed service, the loan repayment period will be extended by a period equal to the length of the uniformed service.
- The Contractor will monitor loan repayments and perform default processing if there is an outstanding balance after the scheduled loan maturity date or there is more than one scheduled loan repayment not received by the end of the Grace Period. Should this occur, the entire loan will be in default. Each month, we will generate a warning notification to any participant who has missed more than one loan repayment during the previous quarter or has an outstanding balance after the scheduled loan maturity date. The notification will describe the implications of missing a loan repayment and the date on which the loan will be defaulted unless a repayment is promptly received. At the same time, we will generate a series of loan reports as noted below to be made available to the Plan Sponsor through a secure website.
  1. Missed First Loan Payment Report – reflects loans with a first payment due during the current or previous month and have not had any loan payments applied.
  2. Delinquent Loans Report – reflects loans that had any missing payments during the current month.
  3. Loans Past Maturity Report – reflects loans that had a loan payoff/maturity date during the current month but have an outstanding loan balance.
  4. Deemed/Offset Loans Report – reflects loans that were deemed or offset due to not being paid by the grace period applicable to the Plan.

On the last business day of the calendar quarter we will default any loan in which the grace period expires that day. A confirmation statement will be sent to participants for whom a loan default is processed.

- Compute and withhold federal and state income taxes, as required by law, for loan defaults or withdrawals from the 457 Plan in order to repay outstanding loan amounts in full, in accordance with the Internal Revenue Code and applicable guidance. The Contractor will forward, within the applicable time limit, the appropriate information return reflecting the amount of the defaulted loan disbursement and taxes withheld to the appropriate taxing authority and to the participant.

**CITY OF CARSON DEFERRED COMPENSATION PROGRAM**  
**Schedule C: Administrative Requirements**

For purposes of this Schedule, all references to "participant" are intended to apply equally to all account holders under the Plan. This includes participants, beneficiaries and alternate payees.

1. Participant account statements and Plan Sponsor reports shall reflect accurate information with regard to contributions, allocations, earnings and withdrawals. Plan Sponsor agrees to review statements, IRS filings and other report or documents produced by the Contractor and to promptly identify in writing any errors or discrepancies. The Contractor agrees to correct any errors it is promptly notified of without charge. The Contractor will not have any additional liability for errors, unless due solely to its gross negligence.
2. Participant account statements include detail regarding all transactions since the prior statement date.
3. Under normal circumstances and unless otherwise authorized by the Plan Sponsor, participant quarterly statements shall be mailed within 15 days of the end of a calendar quarter. Where a participant has more than one Plan account subject to this Agreement, the account statement will reflect all Plan account balances, unless you direct the Contractor otherwise.
4. Information on payout options, including a notice which satisfies the requirements of Internal Revenue Code Section 402(f), will be made available to participants through the internet or a toll free telephone number. Additionally, upon a terminated Participant's request, a licensed representative will provide to the Participant education and assistance on the available payout options.
5. Contributions including loan repayments (if applicable) determined to be in Good Order on any day that the New York Stock Exchange is open (a "Business Day"), and prior to the close of the exchange, shall be applied to the appropriate account on that day's close of business of the New York Stock Exchange. Contributions received at any other time will be applied to the appropriate account on the next succeeding Business Day. Written confirmation of receipt and deposit will be provided to the Plan Sponsor or its designee by mail or posting to the Plan Sponsor website. The Contractor shall notify the Plan Sponsor or its designee by telephone within two business days of discovery of transactions received not in Good Order. If after 5 business days, transactions remain not in Good Order, the Contractor will require the Plan Sponsor to provide written consent for the Contractor to continue holding the amount of the contributions related to the not in Good Order transactions in a non-interest bearing suspense account. If after 14 business days, the transactions remain not in Good Order, the amount of the contributions received not in Good Order will be refunded to the Plan Sponsor.
6. A calendar year-end report shall be delivered to the Plan Sponsor, by March 31<sup>st</sup> of the following year. The custom Plan Review book includes Plan-specific data on plan assets, participant counts and average balances, contribution and distribution activities, service utilization along with fund performance and Scorecard information. Industry benchmarking is available to help you compare your Plan to other comparable plans in the industry.
7. Contractor will provide fee disclosure to the Sponsor in accordance with Department of Labor (DOL) regulation §2550.408(b)(2). The Plan Sponsor acknowledges it has received, understood and agrees to all pricing and fee information related to the services provided

under this Agreement, including the investment expenses and indirect compensation disclosure document which collectively confirm with the United States Department of Labor service provider fee disclosure regulations under Section 408(b)(2) of ERISA.

8. The Contractor will maintain appropriate records and documents for not less than six years from document creation. Upon reasonable prior notice, each party will make available to the other such records and documents relating to this Agreement as may be required for a Plan audit.

**CITY OF CARSON DEFERRED COMPENSATION PROGRAM**  
 Schedule D: Performance Standards

Service	Performance Standard(s)*	Annual Penalty if Standard not met per occurrence**
Enrollments	Participant enrollments are processed effective as of the date the request is received by Voya in good order prior to the close of the NYSE.	\$2,000
Contribution processing	Applied to participant accounts effective as of the date received in good order before the close of the NYSE on any day the NYSE is open for trading (usually 4:00 p.m. ET).	\$2,000
Retirement Readiness Service Center	An average response speed of 30 seconds or less	\$2,000
Fund Transfer Requests	Fund transfer requests are processed effective as of the date received in good order before the close of the NYSE.	\$2,000
Investment Election Changes	Investment election changes are processed effective as of the date received in good order before the close of the NYSE.	\$2,000
Distribution Requests	Distribution requests are processed effective as of the date received in good order before the close of the NYSE. Distribution payments are mailed/electronically transferred within five business days from good order date.	\$2,000
Participant Statements	Mailed within 15 calendar days after quarter end.	\$2,000
Education Services	Contractor to conduct ongoing participant meetings at least monthly onsite.	\$2,000
Responsiveness	<p>All telephone messages and e-mails received from participants by contractor's local Plan Representative will be responded to within forty eight (48) hours. If the Plan Representative is out of the office for more than 48 hours, another backup local plan representative will be assigned to service the plan sponsor account with the above 48 hour response time rule applicable to the backup plan representative.</p> <p>Contractor's plan representative shall consistently provide detailed voicemail and email automated messages indicated timeframes that they are out of their office/unavailable to respond to participants.</p>	\$2,000

\* The Contractor measures performance against standards for all its defined contribution plan sponsors.

\*\* The Contractor's obligation under these performance guarantees is conditioned as follows:

The Plan Sponsor shall provide the Contractor with at least 30 business days advance written notice of any determination that the Contractor has failed to perform or has insufficiently performed together with a detailed explanation of how the Plan Sponsor arrived at its determination. The Contractor shall have the right, during the ensuing 30 business days following such notice, to remedy the problem. If the Contractor satisfactorily remedies the service failure within the prescribed remedy period, it shall have no obligation to pay the performance penalty amount as to that failure. Notwithstanding the above listed penalties, the Contractor's total payment for all service failures shall not exceed \$20,000 annually.

**CITY OF CARSON DEFERRED COMPENSATION PROGRAM**  
**Schedule E: Plan Investment Options**

The Contractor agrees to provide Plan participants with a selection of investment options as shown below. The Plan Sponsor acknowledges that it has chosen these investment options to be made available to participants under the Plan. The Plan Sponsor acknowledges receipt and has reviewed the prospectuses for each identified investment option.

Fund Number	Fund Name	Fund Legal Structure
4020	Voya Fixed Plus Account III	Fixed
3526	Western Asset Core Plus Bond IS	Mutual Fund
3309	Vanguard Interm-Term Bond Index Adm	Mutual Fund
1141	Blackrock High Yield Bond Instl	Mutual Fund
3223	DFA Inflation Protected Securities I	Mutual Fund
3846	Goldman Sachs Govt Inc Instl	Mutual Fund
6404	Loomis Sayles Ltd Term Govt and Agency - Y	Mutual Fund
7725	Legg Mason BW Global Opportunities Bd I	Mutual Fund
1971	American Funds 2010 Target Date Retire R6	Mutual Fund
1973	American Funds 2015 Target Date Retire R6	Mutual Fund
1975	American Funds 2020 Target Date Retire R6	Mutual Fund
1977	American Funds 2025 Target Date Retire R6	Mutual Fund
1979	American Funds 2030 Target Date Retire R6	Mutual Fund
1981	American Funds 2035 Target Date Retire R6	Mutual Fund
1983	American Funds 2040 Target Date Retire R6	Mutual Fund
1985	American Funds 2045 Target Date Retire R6	Mutual Fund
1987	American Funds 2050 Target Date Retire R6	Mutual Fund
1989	American Funds 2055 Target Date Retire R6	Mutual Fund
2322	Vanguard Wellesley Income Adm	Mutual Fund
990	Fidelity Puritan	Mutual Fund
031	Voya Strategic Allocation Growth Portfolio	Mutual Fund
899	Vanguard 500 Index Adm	Mutual Fund
3482	DFA US Core Equity 1 I	Mutual Fund
7926	Vanguard Equity-Income Adm	Mutual Fund
8762	Vanguard Value Index Adm	Mutual Fund
1949	American Funds AMCAP R6	Mutual Fund
9895	Vanguard Growth Index Adm	Mutual Fund
3226	DFA US Core Equity 2 I	Mutual Fund
756	Vanguard Mid Cap Index Adm	Mutual Fund
3615	Victory Munder Mid-Cap Core Growth R6	Mutual Fund
3310	Vanguard Mid-Cap Growth Index Adm	Mutual Fund
9321	Vanguard Selected Value Inv	Mutual Fund
9753	DFA US Small Cap I	Mutual Fund
3311	Vanguard Mid-Cap Value Index Adm	Mutual Fund
3192	Schwab Small Cap Index	Mutual Fund
828	Vanguard Explorer Adm	Mutual Fund
3315	Vanguard Small Cap Growth Index Adm	Mutual Fund
2566	DFA US Targeted Value I	Mutual Fund
8212	T. Rowe Price Real Estate	Mutual Fund
8163	T. Rowe Price Health Sciences	Mutual Fund
5032	Franklin Utilities A	Mutual Fund
735	Dodge & Cox International Stock	Mutual Fund
2365	American Beacon International Equity I	Mutual Fund
2190	Vanguard International Growth Adm	Mutual Fund
1899	American Funds New Perspective R6	Mutual Fund
3355	DFA Emerging Markets Small Cap I	Mutual Fund

**Stability of Principal Disclosure**

The Stability of Principal option, the Voya Fixed Plus Account III, is not a mutual fund, but is a fixed interest option offered through a group annuity contract issued by VRIAC. Guarantees are based on the claims paying ability of VRIAC. VRIAC will notify the Plan Sponsor of the calendar year minimum rate(s) through the December 31st Fund Performance report (the rates will be shown in the Additional Notes section following the performance tables). This report will be available in the first few days of January through the Sponsor Website in the Investment Information section. The Plan Sponsor may also obtain the rate(s) by contacting the Contractor's Primary Contact identified in Appendix M in the latter part of December. The actual credited interest rate will be the greater of the declared interest rate, the calendar year floor rate in effect and the minimum guaranteed interest rate set forth in the group annuity contract.

For additional information on the Voya Fixed Plus Account III, including all withdrawal rules and restrictions, please refer to the product disclosure booklet, or to the group annuity contract.

*Plan Sponsor should consider the investment objectives, risks, and charges and expenses of the investment options carefully before choosing to make these options available to participants under the Plan. Fund prospectuses containing this and other information can be obtained by contacting your local representative. Please read the information carefully before signing this Agreement. You may also visit our website at [www.voyaretirementplans.com/sponsor](http://www.voyaretirementplans.com/sponsor) to view your Plan information on-line.*

**CITY OF CARSON DEFERRED COMPENSATION PROGRAM**  
Schedule F: Investment Provider Minimum Standards Disclosure Statement

The following items summarize the minimum administrative requirements required in order for the Contractor to transact with an investment provider on the Plan's behalf:

1. **Pricing Deadlines:** The investment provider must furnish the Contractor with confirmed net asset value information as of the close of trading (generally 4:00 p.m., Eastern Time) on the New York Stock Exchange ("Close of Trading") on each business day that the New York Stock Exchange is open for business ("Business Day") or at such other time as the net asset value of the fund is calculated as disclosed in the relevant then current prospectus(es) in a format that includes (i) the fund's name and the change from the last calculated net asset value, (ii) dividend and capital gains information as it arises, and (iii) in the case of a fixed income fund, the daily accrual or the distribution rate factor. Such information shall be provided to the Contractor by 6:30 p.m. Eastern Time. "Net" means after all management, service and administrative expenses are deducted.
2. **Pricing Error Reimbursements:** The investment provider shall agree to hold the Plan harmless for any amounts erroneously credited to participant accounts due to (i) an incorrect calculation of the fund's daily net asset value ("NAV"), dividend rate, or capital gains distribution rate or (ii) incorrect or late reporting of the daily net asset value, dividend rate, or capital gains distribution rate of a fund, by reimbursing the Contractor, on the Plan's behalf. In addition, the fund shall be liable to the Contractor for systems and out of pocket costs incurred by the Contractor in making the Plan's or the participant's account whole, if such costs or expenses are a result of the fund's failure to provide timely or correct net asset values, dividend and capital gains or financial information and if such information is not corrected by 4:00 p.m. Eastern Time of the next Business Day after releasing such incorrect information provided the incorrect NAV as well as the correct NAV for each day that the error occurred is provided. If a mistake is caused in supplying such information, which results in a reconciliation with incorrect information, the amount required to make a Plan's or a Participant's account whole shall be borne by the investment provider providing the incorrect information, regardless of when the error is corrected.
3. **Sales Literature:** The investment provider will provide to the Contractor at least one complete copy of all prospectuses, statements of additional information, annual and semiannual reports and proxy statements, other related documents, and all amendments or supplements to any of the above documents that relate to the fund promptly after the filing of such document with the SEC or other regulatory authorities. The investment provider agrees to provide to the Contractor, in electronic format, performance updates and portfolio updates for the fund within 10 business days after the end of each calendar quarter.
4. **Advertising:** Advertising and literature with respect to the fund prepared by the Contractor for use in marketing shares of the fund to the Plan shall be submitted to the investment provider for review and approval before such material is used with the Plan. The investment provider shall advise the



Contractor in writing within three (3) Business Days of receipt of such materials of its approval or disapproval of such materials.

5. Expense Reimbursement: The investment provider shall make available for reimbursement certain out-of-pocket expenses the Contractor incurs in connection with providing shareholder services to the Plan. These expenses include actual postage paid by the Contractor in connection with mailing updated prospectuses, supplements and financial reports to participants, and all costs incurred by the Contractor associated with proxies for the fund, including proxy preparation, group authorization letters, programming for tabulation and necessary materials (including postage).
6. Excessive Trading: The investment provider shall use its best efforts and shall reasonably cooperate with the Contractor to generally prevent any market timing and frequent trading activity under the Plan. See the Contractor's "Excessive Trading" Policy, Schedule G.

**CITY OF CARSON DEFERRED COMPENSATION PROGRAM**  
**Schedule G: Voya Financial™ “Excessive Trading” Policy**

The Voya Financial™ family of insurance companies (“Voya™”), as providers of multi-fund variable insurance and retirement products, has adopted this Excessive Trading Policy to respond to the demands of the various fund families which make their funds available through our variable insurance and retirement products to restrict excessive fund trading activity and to ensure compliance with Section 22c-2 of the Investment Company Act of 1940, as amended. Voya’s current definition of Excessive Trading and our policy with respect to such trading activity is as follows.

1. Voya actively monitors fund transfer and reallocation activity within its variable insurance and retirement products to identify Excessive Trading.

**Voya currently defines Excessive Trading as:**

- a. More than one purchase and sale of the same fund (including money market funds) within a 60 calendar day period (hereinafter, a purchase and sale of the same fund is referred to as a “round-trip”). This means two or more round-trips involving the same fund within a 60 calendar day period would meet Voya’s definition of Excessive Trading; or
- b. Six round-trips within a 12 month period.

**The following transactions are excluded when determining whether trading activity is excessive:**

- a. Purchases or sales of shares related to non-fund transfers (for example, new purchase payments, withdrawals and loans);
  - b. Transfers associated with scheduled dollar cost averaging, scheduled rebalancing or scheduled asset allocation programs;
  - c. Purchases and sales of fund shares in the amount of \$5,000 or less;
  - d. Purchases and sales of funds that affirmatively permit short-term trading in their fund shares, and movement between such funds and a money market fund; and
  - e. Transactions initiated by a member of the Voya family of insurance companies.
2. If Voya determines that an individual has made a purchase of a fund within 60 days of a prior round-trip involving the same fund, Voya will send them a letter warning that another sale of that same fund within 60 days of the beginning of the prior round-trip will be deemed to be Excessive Trading and result in a six month suspension of their ability to initiate fund transfers or reallocations through the Internet, facsimile, Voice Response Unit (VRU), telephone calls to Customer Service, or other electronic trading medium that Voya may make available from time to time (“Electronic Trading Privileges”). Likewise, if Voya determines that an individual has made five round-trips within a 12 month period, Voya will send them a letter warning that another purchase and sale of that same fund within 12 months of the initial purchase in the first round-trip in the prior twelve month period will be deemed to be Excessive Trading and result in a six month suspension of their Electronic Trading Privileges. According to the needs of the various business units, a copy of the warning letters may also be sent, as applicable, to the person(s) or entity authorized to initiate fund transfers or reallocations, the agent/registered representative or investment adviser for that individual. A copy of the warning letters and details of the individual’s trading activity may also be sent to the fund whose shares were involved in the trading activity.
  3. If Voya determines that an individual has used one or more of its products to engage in Excessive Trading, Voya will send a second letter to the individual. This letter will state that

the individual's Electronic Trading Privileges have been suspended for a period of six months. Consequently, all fund transfers or reallocations, not just those which involve the fund whose shares were involved in the Excessive Trading activity, will then have to be initiated by providing written instructions to Voya via regular U.S. mail. During the six month suspension period, electronic "inquiry only" privileges will be permitted where and when possible. A copy of the letter restricting future transfer and reallocation activity to regular U.S. mail and details of the individual's trading activity may also be sent to the fund whose shares were involved in the Excessive Trading activity.

4. Following the six month suspension period during which no additional Excessive Trading is identified, Electronic Trading Privileges may again be restored. Voya will continue to monitor the fund transfer and reallocation activity, and any future Excessive Trading will result in an indefinite suspension of the Electronic Trading Privileges. Excessive Trading activity during the six month suspension period will also result in an indefinite suspension of the Electronic Trading Privileges.
5. Voya reserves the right to limit fund trading or reallocation privileges with respect to any individual. with or without prior notice, if Voya determines that the individual's trading activity is disruptive, regardless of whether the individual's trading activity falls within the definition of Excessive Trading set forth above. Also, Voya's failure to send or an individual's failure to receive any warning letter or other notice contemplated under this Policy will not prevent Voya from suspending that individual's Electronic Trading Privileges or taking any other action provided for in this Policy.
6. Each fund available through Voya's variable insurance and retirement products, either by prospectus or stated policy, has adopted or may adopt its own excessive/frequent trading policy. Voya reserves the right, without prior notice, to implement restrictions and/or block future purchases of a fund by an individual who the fund has identified as violating its excessive/frequent trading policy. All such restrictions and/or blocking of future fund purchases will be done in accordance with the directions Voya receives from the fund.

**CITY OF CARSON DEFERRED COMPENSATION PROGRAM**  
Schedule H: General Compensation Provisions

1. **Direct and Indirect Compensation:**

This Schedule describes compensation received by the Contractor for services rendered to the Plan and Plan participants, including fees and revenue derived from both direct and indirect sources.

*Direct Compensation* includes compensation paid directly by Plan Sponsor or the Plan to the Contractor for plan recordkeeping and administrative services including certain transaction fees that are charged directly to participant accounts.

*Indirect Compensation* includes compensation from sources other than direct fees that the Contractor may collect from third parties, including revenue derived from service arrangements with mutual funds, revenue sharing and other indirect compensation that may be generated in servicing the Plan.

2. **Assumptions:**

As provided in Section 1 of the Agreement, the Contractor has agreed to perform certain services. Based on the assumptions outlined in the Agreement, the Contractor agrees to supply the Services for the compensation specified in Section 3.01 of the Agreement, as supplemented by any additional compensation or transaction fees as specified within Schedule B with respect to administration of loans under the 457 Plan and with respect to Investment Advisory Services, as specified in a separately executed agreement.

3. **Fund Specific Revenue:**

Indirect compensation received by the Contractor represents revenue from investment companies based on the investment of assets held in the Plan pursuant to agreements between the applicable investment companies and the Contractor. They represent fees payable from such investment companies for shareholder services, sub-transfer agency services, or pursuant to a 12b-1 plan adopted by such investment companies.

In the case of investment options of VRIAC affiliates or former affiliates, Contractor compensation represents revenue assumptions made by the Contractor's defined contribution business for purposes of product pricing. Gross revenues from such investment options generally include payments for investment management and for certain administrative services. Pricing assumptions are derived from gross fund revenues, less the internally transferred costs of fund management and administration. The pricing assumptions for certain investment options of VRIAC affiliates or former affiliates reflect the approximate weighted average of the net fund revenues of each portfolio within a given VRIAC fund complex.

In the case of the fixed income fund, the Contractor does not derive revenue at a fixed rate. As is the case with similar insurance company general account investment options, over the long-term we expect to earn a spread between the investment return on the underlying general account assets and amounts credited to contracts that utilize the Fixed Account. This spread is intended to cover our investment related expenses, a portion of product administration expenses that would otherwise be covered by explicit charges, and the risks associated with the minimum monthly, annual (if applicable), and lifetime interest rate guarantees, including those associated with asset defaults, as well as to provide a profit margin for the Contractor.

4. Changes in Investment Options:

To the extent the Contractor's compensation is derived in whole or in part from revenue from the Plan Sponsor's selection of certain investment products offered by or through the Contractor, the Contractor reserves the right to amend the Agreement, including this Schedule, in the event such revenue is reduced by a change in the investment products or options available under the Plan.

**CITY OF CARSON DEFERRED COMPENSATION PROGRAM**  
Schedule I: Reimbursement of Plan Expenses

**Expense Account for Services of Expenditures ("EASE Account")**

The EASE Account is a funding source that can be directed towards the payment of allowable plan administrative expenses or allocated to participant accounts. The amount allocated to the EASE Account is 0.21%, which is directly attributable to mutual fund revenue sharing amounts and/or the asset based fee on the Plan's assets invested in the mutual funds under this Agreement. Please refer to your Expense Account for Service Expenditures Agreement for complete details regarding the administration of this optional account.

Changes to the amount allocated to the EASE Account may be made by (i) the Plan Sponsor by submission of such change to the Contractor on such form as Contractor may prescribe from time to time, or (ii) the Contractor by written notice to the Plan Sponsor

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**CITY OF CARSON DEFERRED COMPENSATION PROGRAM**  
**Schedule J: VRIAC's Policy for Correction of Inadvertent Processing Errors**

As your Plan's administrative service provider, Voya Retirement Insurance and Annuity Company ("VRIAC") has agreed to process transaction orders received in good order prior to market close from the plan and plan participants accurately and on a timely basis. We seek to avoid transaction processing errors to the greatest extent possible, but inadvertent errors do occur from time to time. Inadvertent processing errors are exclusively defined as incorrect or untimely processing by VRIAC employees of transactions that are received in good order. Inadvertent processing errors do not include errors made by plan sponsors or third parties.

VRIAC will correct any identified inadvertent processing error caused by VRIAC (a "VRIAC inadvertent processing error") as soon as practicable, typically no later than five (5) business days after VRIAC has identified sufficient information to correct the error. VRIAC represents that in no event will VRIAC exercise discretionary authority or control over the correction of inadvertent processing errors in order to maximize gain or correct such error for VRIAC's own benefit or interest.

Once a VRIAC inadvertent processing error has been identified, we promptly take corrective action to put the plan and its participants a position financially equivalent to the position they would have been in if the processing error had not occurred. This means that VRIAC will make the plan whole for any loss to a plan resulting from correcting a VRIAC processing error. If any gain to a plan results in connection with a corrected transaction, VRIAC will keep that gain. The following examples illustrate the effect of the policy:

- When a plan participant directs that a certain dollar amount be contributed to his or her plan account, VRIAC credits the number of investment units that dollar amount will purchase to the participant's account on Day 1, the day the contribution is processed.

The number of units is based on the unit's dollar value on Day 1, as set by the investment fund and communicated to VRIAC after market close. If an inadvertent error occurs, and VRIAC does not process the contribution until Day 2, VRIAC will determine the number of units that should have been credited on Day 1, using Day 1's unit price. If, on Day 2, the unit price has gone up, the dollar amount of the contribution will not be enough to cover the number of units the participant should have received. VRIAC will make up the difference such that the participant receives the number of units he or she would have received on Day 1 and VRIAC will absorb the loss. The participant is not charged for any additional cost.

However, if, on Day 2, the unit price has gone down, the amount of the contribution would purchase more units on Day 2 than it would have purchased on Day 1. In that circumstance, the participant will receive the number of units he or she would have received on Day 1 had the transaction been processed and VRIAC will keep the excess as part of its overall fee for services under the contract.

Regardless of whether there is a gain or a loss, the participant receives the benefit of what he or she requested.

When a plan participant makes a withdrawal request of a certain dollar amount from his or her account, VRIAC liquidates or sells the number of investment units needed in order to make the distribution. Thus, on Day 1, VRIAC typically would sell or liquidate

investment units in the participant's investment fund at Day 1's price to make the distribution. If, due to a VRIAC inadvertent processing Error, VRIAC processes the instructions a day late, VRIAC will make sure that the participant receives the dollar amount he/she requested. VRIAC will sell or liquidate the same number of units that would have been sold on Day 1 had the transaction been accomplished on Day 1. If the unit price has declined, liquidated units will have a lower value on Day 2 than they had on Day 1, which means that VRIAC must make up the difference so that the participant receives the requested amount in full. In doing so, VRIAC will incur a loss, which it absorbs. On the other hand, if the market has gone up and the units have increased in value, VRIAC will sell the same number of units as it would have sold on Day 1, but the sales amount will be higher than the requested withdrawal. VRIAC will keep the excess as part of its overall fee. In either circumstance, the participant receives the benefit of what he or she requested and bears no additional cost.

VRIAC tracks the net financial experience of VRIAC's Correction Account and the effect of the corrections for each affected plan on an annual basis and will make that information available in accordance with ERISA Section 408(b)(2). Any gains kept by VRIAC constitutes additional compensation for the services provided by VRIAC under its contract and VRIAC will report it in accordance with ERISA Section 408(b)(2).

By executing an administrative services agreement with VRIAC, you are authorizing VRIAC's application of the error correction policy as described above to your Plan in connection with the plan administrative services that VRIAC will provide. You have the right to terminate VRIAC's services in accordance with the terms of the administrative services agreement.



**CITY OF CARSON DEFERRED COMPENSATION PROGRAM**  
**Schedule L: Contractor's Primary Contact**

The Contractor designates the following individual(s) to serve as its primary point of contact to the Plan Sponsor with respect to this Agreement.

Carol Temporado  
Plan Manager  
Voya Retirement Insurance and Annuity Company  
One Orange Way  
Windsor, CT 06095

**CITY OF CARSON DEFERRED COMPENSATION PROGRAM**  
Schedule M: Licensed Representatives

The Contractor designates the following individual(s) to serve as its licensed representatives with respect to this Agreement. Licensed representatives are designated as one of the following:

**Agent, including Career Agent** – Appointed with Voya Retirement Insurance and Annuity Company, registered representative of Voya Financial Advisors, Inc. and receives commission based compensation.

**Broker – (Non Voya FA Only)** – Appointed with Voya Retirement Insurance and Annuity Company, but affiliated with a broker-dealer other than Voya Financial Advisors, Inc. and receives commission based compensation.

**Salaried Enroller** – Voya Retirement Insurance and Annuity Company employees who will not receive commission based salary and are registered representatives of Voya Financial Advisors, Inc.

Agent     Broker     Salaried Enroller

Representative Name Kristina Bell-Taylor                      Last 4 Digits SSN 9900

Broker Dealer Affiliation Voya Financial Advisors, Inc.

Office Code 114    Rep # 020    % Participation 100%