

State Farm®

*Individual(k)*™ Plan Establishment Kit

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## Is the State Farm® Individual(k)<sup>TM</sup> Program Right for Me?

The State Farm® Individual(k)<sup>TM</sup> program is designed exclusively for owner-only businesses and for small businesses that can exclude non-owner employees from the plan. The State Farm Individual(k) program may be right for you if you meet these requirements.

- Your plan must cover only you (or you and your spouse) and you (or you and your spouse) must own the entire business (which may be incorporated, unincorporated, or LLC).
- Your plan must cover only one or more partners (or partners and their spouses) in a business organized as a business partnership, and all partners must own at least 10% of the business.

Before completing the Adoption Agreement, please consult with a tax/legal advisor to determine if the State Farm Individual(k) program is appropriate for you. This Individual(k) program is intended to be the only plan maintained by the employer. If you intend to maintain or make contributions to any other retirement plan in addition to the State Farm Individual(k), please consult with a tax/legal advisor to determine if the State Farm Individual(k) program is suitable for you.

**NOTE:** *Ascensus requires that a working email address be provided to receive communication and other information related to the plan. Signature ready amendments are also delivered to employers electronically with the ability to e-sign.*



*If you answer “Yes” to any of the following questions, State Farm will not establish a retirement plan for your business:*

- |   |                              |                             |
|---|------------------------------|-----------------------------|
| Is your business a corporation that includes non-spousal owners?  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Does the business have contracts or other agreements to provide services to the federal or state government?  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is this business required by law or by contract with any government entity to provide retirement benefits?  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| If the business employs union employees, does this business pay the prevailing fringe benefit as a contribution to a retirement plan?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Does this business sponsor a “Davis-Bacon” qualified retirement plan and/or provide prevailing wage contributions into a “Davis-Bacon” qualified retirement plan?                           | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is the business entity sponsoring and/or operating the plan a sovereign tribe, a tribal entity, an entity entitled to sovereign immunity or a foreign nation?                               | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is the business sponsoring the retirement plan a federal, state, local, or other type of governmental entity (for example, a “State Alcoholic Control Board”, a “Tollway Authority”, etc.)? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Once you've decided to establish an Individual(k) plan, the process of executing the necessary paperwork is quite straightforward. The "Helpful Information" instructions located on the following page will help walk you through the steps necessary to establish an Individual(k) plan.

**IMPORTANT: The IRS Issued Employer Identification Number (EIN) is required for tax reporting. For the privacy and protection of your Social Security Number, Ascensus will require you to have an EIN. If you haven't already done so, you will need to obtain an Employer ID Number (EIN) prior to completing the Adoption Agreement. You may obtain your EIN by applying online on the IRS website ([www.irs.gov](http://www.irs.gov)).**

There are three basic steps to the overall plan establishment process. Once you've completed steps 1, 2 and 3, simply refer to the checklist below that summarizes the documents and forms to be completed, the entity to be provided with either an original or a photocopy of the document or form (you and/or Ascensus), and mailing instructions.

**Step 1: Establish Your Plan** (Forms A and B)

**Step 2: Establish Recordkeeping Services** (Form C)

**Step 3: Fund Your Plan** (Forms D and E)

**WHAT GOES WHERE?**

Ascensus' recordkeeping services are supported by the most knowledgeable people and the most advanced technology in the industry. Your assistance in this process, accomplished by the completion of this Plan Establishment Kit, helps ensure the long-term success of the processing relationship. Please follow the mailing instructions below.

	<u>MAIL TO ASCENSUS</u>	<u>RETAINED BY PLAN SPONSOR</u>
<input type="checkbox"/> Adoption Agreement (Form A)	Copy	Original
<input type="checkbox"/> Account Application (Form B)	Copy	Original
<input type="checkbox"/> Recordkeeping Service Agreement (Form C including Schedules)	Copy	Original
<input type="checkbox"/> Funding Your <i>Individual(k)</i> Plan (Form D and E, if applicable)	Copy	Original
<input type="checkbox"/> Ascensus Trust Custodial Agreement (Form F)	Copy	Original
<input type="checkbox"/> Check* payable to Ascensus for installation and first year recordkeeping fees		

\*Unless invoice option is selected (See Form B)

**BE SURE TO:**

- Apply for an Employer Identification Number (EIN) at [www.irs.gov](http://www.irs.gov)
- Complete, sign and date all forms
- Obtain the six-digit Business Code at [www.irs.gov/instructions/i5500ez](http://www.irs.gov/instructions/i5500ez)
- Make copies of the forms. Keep the original forms for your records.

When all items are completed, mail or fax the applicable items to Ascensus at:

Ascensus, Inc.  
 Attn: *Individual(k)*  
 124 Eighth Avenue NE  
 PO Box 807  
 Brainerd, MN 56401  
 Fax: 218-855-6010

**WHAT'S NEXT?**

Upon receipt of your completed Plan Establishment Kit, Ascensus will establish your Plan on Ascensus' recordkeeping system. Once your Plan has been completely installed, Ascensus will send an email to activate your account online. A welcome packet will follow within two days providing you with the instructions for administering your newly established *Individual(k)* plan, funding your plan, and the process for accessing your account online.

**IMPORTANT:** Instructions on the remittance of contributions to your Plan will be included in your welcome packet.  
**(DO NOT REMIT CONTRIBUTIONS TO ASCENSUS.)**

**Questions? Contact Ascensus Sales Desk at 800-345-6363, Option 1**

Please follow the directions below and make sure all required sections of the enclosed forms are completed to avoid delays in establishing your plan.

### FORM A – ADOPTION AGREEMENT

These instructions are designed to help you, the business owner, along with an attorney and/or tax advisor, review and complete the Adoption Agreement for your *Individual(k)* plan. These instructions are to be used as a general guide and are not intended as a substitute for qualified legal and tax advice. We recommend that you obtain the advice of a legal or tax advisor before you sign the Adoption Agreement.

You will use Form A, the *Individual(k)* Adoption Agreement, to execute your *Individual(k)* plan document. Once completed, this Adoption Agreement, along with the Basic Plan Document in this packet, will constitute your *Individual(k)* Plan Document—the legal documents governing your *Individual(k)* plan.

### EMPLOYER INFORMATION

This section defines the employer information for the *Individual(k)* plan.

<b>Name of Adopting Employer</b>	Generally, the Name of the Adopting Employer is your name or name of business (e.g., Johnson Consulting Services).
<b>Adopting Employer's Federal Tax Identification Number</b>	The Adopting Employer's Federal Tax Identification Number (EIN), not your social security number as the owner of the business, is a nine-digit number assigned to the business entity for tax filing and reporting purposes. An EIN can be quickly obtained at no cost from the IRS website at <a href="http://www.irs.gov">www.irs.gov</a> . The EIN is required for tax reporting purposes.
<b>Adopting Employer's Tax Year End</b>	Indicate your business tax year end (e.g., 12/31).
<b>Type of Business</b>	Select your Type of Business.
<b>Name of Plan</b>	The Name of Plan should be different from the Name of Adopting Employer and should indicate the plan type (e.g., Johnson Consulting Services <i>Individual(k)</i> Plan).
<b>Plan Sequence Number</b>	The Plan Sequence Number is used on the IRS Form 5500 to identify an employer's particular plan to the IRS. If you are adopting your <i>Individual(k)</i> plan as an amendment and restatement of an existing plan, the Plan Sequence Number should remain the same as the Plan Sequence Number of the plan you are restating. Otherwise, you should enter a three-digit Plan Sequence Number that indicates the number of this plan in the sequence of all plans you have previously maintained. For example, if this is the first plan you have ever adopted for your business, the Plan Sequence Number will be 001. If this plan represents the second plan you have ever established, the Plan Sequence Number will be 002, and so on. For purposes of the Plan Sequence Number, you do not include SEP-IRA and SIMPLE IRA plans.
<b>Trust Identification Number</b>	A Trust Identification Number is only used if the plan has a separate tax identification number assigned to it that is different from the Adopting Employer's Federal Tax Identification Number. This field can be left blank if your plan does not have a separate tax identification number.
<b>Account Number</b>	Ascensus will assign an Account Number after we receive your completed paperwork. This field should be left blank.

### SECTION 1: EFFECTIVE DATES

#### Part A: New Plan Effective Date

Used for startup/new plans only to indicate when the plan initially becomes effective. The Elective Deferral Effective Date for new plans is also indicated in this section.

<b>Effective Date</b>	An <i>Individual(k)</i> plan is designed to operate on the same 12-month period as your business tax year, meaning the plan year will generally run January 1 through December 31. As a general rule, you will want to establish your <i>Individual(k)</i> plan effective as of January 1 of the calendar year in which you are establishing the plan. The Effective Date determines the measuring period in determining compensation to be used for profit sharing allocations. Choosing a date other than the first day of the plan year will create a short plan year. If a short plan year is elected, you must consider the impact on compensation for contributions (i.e., only compensation earned during the plan year can be included and contribution limits will generally be prorated).
<b>Elective Deferral Effective Date</b>	The Elective Deferral Effective Date must be a current or future date and must not pre-date the plan Effective Date. If no option is selected, the Elective Deferral Effective Date will be the next payroll date coinciding with or following the later of the date this Adoption Agreement is signed or becomes effective.

## State Farm *Individual(k)* Plan

### HELPFUL INFORMATION

#### Part B: Existing Plan Amendment or Restatement Date

This section is completed if you are establishing your plan as an amendment or restatement of an existing plan. **NOTE:** *Ascensus will request additional information from you regarding your prior plan once your plan is established.*

Initial Plan Document Effective Date	The Initial Plan Document Effective Date of the plan should reflect the original effective date of the plan prior to Ascensus.
Frozen Plan Effective Date	If the plan is frozen, the date it became a frozen plan is indicated. (If a plan is frozen, no contributions will be made to the plan based on compensation earned after the effective date of the frozen plan; however, loan payments may continue to be deposited.)
Amendment or Restatement Effective Date	Generally, the Amendment or Restatement Effective Date will be the date that amended provisions will take effect in the plan. This date should coincide with when Ascensus takes over the recordkeeping.

#### SECTION 2: ELIGIBILITY

An *Individual(k)* plan is designed for use by businesses that either do not have any employees (with the exception of spouses of business owners) or businesses that only employ employees that may be excluded from coverage under federal laws governing qualified retirement plans. This section allows you to establish the eligibility criteria that will determine who is eligible to participate in this plan. It is important to note that you, the business owner, are also subject to the eligibility criteria you establish. **Refer to the front of this packet for additional information regarding the Ascensus *Individual(k)* product requirements.**

##### Part A: Age and Eligibility Service

This section allows you to elect a minimum age and service requirement for eligibility to participate in the plan. The eligibility criteria selected will apply to both profit sharing and elective deferrals.

Age Requirement	The Age Requirement cannot be greater than 21. If no age is specified, there will be no age requirement.
Eligibility Service Requirement	A year of eligible service is defined as completion of 1,000 hours of service during the eligibility computation period, unless less than one year of service is required. The Eligibility Service Requirement cannot be longer than one year. If no option is selected, no eligibility service will be required.

##### Part B: Employees Employed as of a Specified Date

This provision may be completed to waive the age and eligibility service requirements for employees that were employed as of date specified. This provision is available either at the time of establishment of a new plan or upon an amendment to the plan.

Age and Eligibility Waiver	You may elect this provision if your business was only recently established in order to avoid excluding yourself from participation because you have included a service requirement for eligibility which you have not met. Even with an age and eligibility waiver, all employees must satisfy an entry date before becoming a participant in the plan. Entry dates are defined as the first day of the plan year and the first day of the seventh month of the plan year. <b>NOTE:</b> <i>The waiver will only apply if Option 1 is selected and a date is specified. If no employees are specified, all defined classes of employees (i.e. owners, owners &amp; spouses, partners) on the specified date will be subject to the waiver.</i>
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#### SECTION 3: CONTRIBUTIONS

This section identifies whether employees may make Roth Elective Deferrals into the plan in addition to pre-tax Elective Deferrals.

Elective Deferrals	If no option is selected, Elective Deferrals will be allowed.
Roth Elective Deferrals	If no option is selected, Roth Elective Deferrals will be allowed. <b>NOTE:</b> <i>Ascensus assumes you do not want to permit In-Plan Roth Rollovers. Contact Ascensus for the In-Plan Roth Rollover Amendment if you want to allow In-Plan Roth Rollovers. The plan must permit Roth Elective Deferrals in order to have In-Plan Roth Rollovers.</i>

#### SECTION 4: VESTING AND FORFEITURES

No elections are required for Section 4. Employer contributions are 100% vested immediately in accordance with Section 4.01A.1. of the Basic Plan Document.

#### SECTION 5: DISTRIBUTIONS AND LOANS

Loans	Selecting "Yes" to this provision does not mean you will be required to take a loan. It simply ensures that you will have the flexibility to take a loan if you so desire. If no option is selected, the plan <b>will not</b> allow for loans. <b>NOTE:</b> <i>The Ascensus <i>Individual(k)</i> product allows for only one outstanding participant loan at a time.</i>
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#### SECTION 6: DEFINITIONS

No elections are required for Section 6. This section of the Basic Plan Document provides definitions to certain terms used throughout the document.

#### SECTION 7: MISCELLANEOUS

Life Insurance	Life Insurance <b>is not</b> permitted as an investment in the <i>Individual(k)</i> product.
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## State Farm *Individual(k)* Plan

### HELPFUL INFORMATION

#### SECTION 8: TRUSTEE AND CUSTODIAN

##### Part A: Trustee

This section defines who the Trustee is for the plan.

Trustee Appointment	You must assign someone (generally yourself) to act as Trustee for your plan. <b>NOTE:</b> <i>The name of the business (or company name) may not be listed as a Trustee.</i>
Type of Trustee	The individual named as Trustee, will be a discretionary trustee.
Trustee Signature	The designated Trustee must complete and sign Part A. 1. c.
Trust Agreement	The trust provisions contained in the Basic Plan Document, Section 8 will apply.
Limited Trustee	Each plan must list a “Limited” Trustee for the sole purpose of ensuring timely deposit of contributions. The Limited Trustee will default to the Individual Trustee named in Part A. 1. c., unless someone else is named here.

##### Part B: Custodian

This section defines who the Custodian is (often the trading organization) for the plan.

Custodian Appointment	Ascensus Trust is the Custodian for your <i>Individual(k)</i> plan.
Custodian Agreement	A separate custodial agreement for Ascensus Trust is included.

#### SECTION 9: EMPLOYER SIGNATURE

This section identifies the Prototype Document Sponsor and includes the employer’s authorized signature.

Prototype Document Sponsor	The Prototype Document Sponsor is the entity that has an opinion letter from the IRS for the document that is adopted.
Authorized Employer Signature	Your signature as the Adopting Employer is required in Section 9 to properly execute the Adoption Agreement. The signature date should be the date the document is signed. The document should be signed no later than the last day of the plan year for which the plan is adopted. For an amended or restated plan, the Date Signed should generally be no later than the Amendment or Restatement Effective Date.

#### FORM B – ACCOUNT APPLICATION

This form is used to supply pertinent information that will be needed during the installation process.

Plan Information	The Employer Contact Name is who and where Ascensus will send all communication relevant to your plan. A working email address is <b>required</b> to receive notices, reports, materials, disclosures, and other information related to the plan. Ascensus must be promptly notified of any changes to this section. The six-digit Business Code can be obtained at <a href="http://www.irs.gov/instructions/i5500ez">www.irs.gov/instructions/i5500ez</a> . The list can be found under the section titled Forms 5500 and 5500EZ codes for Principal Business Activity.
Agent Information	Complete agent information must be provided. A working email address is <b>required</b> to receive copies of notices, reports, materials, disclosures, and other information related to the plan. Ascensus must be promptly notified of any changes to this section.
Plan Fund Selection	Select up to (14) funds that will be made available to participants in the plan.
Designation of Successor Plan Administrator/Trustee	If you are the sole owner of the business sponsoring the plan, you must designate a Successor Plan Administrator/Trustee. The Successor Plan Administrator/Trustee is the person that Ascensus would work with to distribute the plan assets to the beneficiaries, if the Plan Sponsor (owner) were to pass away. The <b>designated Successor Plan Administrator/Trustee</b> (not the employer) must sign this section of the form.
Recordkeeping Payment Options	Make your check payable to Ascensus in the amount of the installation, first year’s annual service fee and additional participant fee (if applicable) or choose the option to be invoiced after your plan has been completely installed. <b>NOTE:</b> <i>Future fees will be debited from Plan Assets unless Payment by Employer is selected on Schedule B of the Recordkeeping Service Agreement.</i>
Participant Information	Provide participant information for each participant in the plan. Investment election percentages must be whole percentages. Make copies for additional participants. Please review page 1 of this packet “Is the “State Farm Individual(k) Program Right for Me?”. <b>NOTE:</b> <i>Refer to Schedule B of the Recordkeeping Service Agreement for additional participant fees.</i>

## State Farm *Individual(k)* Plan

### HELPFUL INFORMATION

#### **FORM C – RECORDKEEPING SERVICE AGREEMENT**

This document outlines the third-party administrative services that will be provided by Ascensus.

<b>Employer</b>	Enter your name or name of your business (e.g., Johnson Consulting Services) consistent with what was entered in Form A – Adoption Agreement.
<b>Plan</b>	Enter the name of the plan (e.g., Johnson Consulting Services <i>Individual(k)</i> Plan) consistent with what was entered in Form A – Adoption Agreement.
<b>Effective Date</b>	Enter the Effective Date of the agreement, in Section 1. <b>NOTE: This date should be a current date (mm/dd/yyyy).</b>
<b>Signatures</b>	You, as the Employer, must complete, sign, and date Section 9.

#### **FORM D – FUNDING YOUR INDIVIDUAL(k) PLAN**

This form is used to provide contribution funding information to Ascensus.

<b>Funding Method</b>	Complete the banking information if you would like to use the ACH funding method to fund your <i>Individual(k)</i> plan.
<b>Rollovers</b>	Complete this section if you have assets that you intend to roll over into your <i>Individual(k)</i> plan. <b>NOTE: Do NOT initiate the liquidation of assets at this time. Ascensus will provide you with additional instructions once your plan has been established.</b>
<b>New Contributions</b>	Instructions on the remittance of contributions to your Plan will be included in your welcome packet. (DO NOT REMIT CONTRIBUTIONS TO ASCENSUS).

#### **FORM E – AUTOMATIC ACH ADDENDUM TO RECORDKEEPING SERVICE AGREEMENT**

This document is used to setup a recurring contribution via ACH. Complete this form only if the Automatic ACH option is selected on Form D.

#### **FORM F – ASCENSUS TRUST CUSTODIAL AGREEMENT**

This document outlines the Ascensus Trust Company's Custodial responsibilities.

<b>Trustee</b>	Enter the Trustee's name consistent with what was entered in Form A – Section 8 of the Adoption Agreement.
<b>Plan</b>	Enter the Name of the Plan (e.g., Johnson Consulting Services <i>Individual(k)</i> Plan) consistent with what was entered in Form A – Adoption Agreement.
<b>Employer</b>	Enter your name or name of your business consistent with what was entered in Form A – Adoption Agreement.
<b>Effective Date</b>	Enter the effective date of the agreement consistent with what was entered in Form C, Section 1 of the Recordkeeping Service Agreement. <b>NOTE: This date should be a current date (mm/dd/yyyy).</b>
<b>Article IX – Signatures</b>	You, as the Employer and the designated Trustee, must sign and date Article IX.





Individual(k)

Individual 401(k) Profit Sharing Plan
STANDARDIZED ADOPTION AGREEMENT

Form A

EMPLOYER INFORMATION
Name of Adopting Employer
Address
City State Zip
Telephone Adopting Employer's Federal Tax Identification Number
Adopting Employer's Tax Year End
Type of Business
Name of Plan
Plan Sequence Number Trust Identification Number Account Number
Related Employers - If the Adopting Employer is part of a controlled group of corporations...

SECTION 1. EFFECTIVE DATES Complete Part A or B
Part A. New Plan Effective Date
This is the initial adoption of a 401(k) profit sharing plan by the Adopting Employer.
The Effective Date of this Plan is
If different from the Effective Date above, Elective Deferrals can be made under this Plan effective
Option 1: Option 2:
NOTE: If no option is selected, Option 1 will apply.
NOTE: The Effective Date is usually the first day of the Plan Year in which this Adoption Agreement is signed...
Part B. Existing Plan Amendment or Restatement Date
This is an amendment or restatement of an existing qualified plan.
The Initial Plan Document was effective on
This Plan is a frozen Plan effective on
If this Plan is a frozen Plan, no Employer Contributions may be made to the Plan with respect to Compensation earned on or after the Effective Date...
NOTE: Specifying an amendment or restatement Effective Date as any day other than the first day of the Plan Year following the Plan Year in which this Adoption Agreement is signed may result in a reduction or elimination of accrued benefits...

SECTION 2. ELIGIBILITY Complete Parts A and B
Part A. Age and Eligibility Service
1. Age Requirement. An Employee will be eligible to become a Participant in the Plan for purposes of becoming a Contributing Participant...
NOTE: If no age is specified, there will be no age requirement.
2. Eligibility Service Requirement. An Employee will be eligible to become a Participant in the Plan for purposes of becoming a Contributing Participant...
Option 1: Option 2: Option 3:
NOTE: If no option is selected, Option 1 will apply.

**State Farm Individual(k) Plan**  
STANDARDIZED ADOPTION AGREEMENT

	<p><b>Part B. Employees Employed as of a Specified Date</b></p> <p>Will an Employee listed below (other than an Employee who is part of an excluded class of Employees) and employed on _____ (specify a month, day, and year) who has not otherwise met the age and eligibility service requirements be considered to have met those requirements and be eligible to become a Participant in the Plan for purposes of becoming a Contributing Participant (and thus eligible to make Elective Deferrals) or receiving an allocation of any Employer Profit Sharing Contributions, as applicable, made pursuant to Section Three of the Adoption Agreement (select one)?</p> <p><b>Option 1:</b> <input type="checkbox"/> Yes. Employees subject to the waiver (define classifications and prior employers): _____ _____</p> <p><b>Option 2:</b> <input type="checkbox"/> Not applicable.</p> <p><b>NOTE:</b> If no option is selected, Option 2 will apply. If Option 1 is selected but no date is specified, no additional age and eligibility service waivers will apply. If Option 1 is selected but no Employees are specified, all Employees employed on the specified date will be subject to the waiver. This age and eligibility service waiver may be used either when this Plan is adopted or when the Plan is subsequently amended (e.g., to add one or more types of contributions, to add a previously excluded group of Employees).</p>
<p><b>SECTION 3.</b></p> <p><b>Part A.</b></p> <p><b>Part B.</b></p>	<p><b>CONTRIBUTIONS</b> Complete Part A and B</p> <p><b>Elective Deferrals</b></p> <p><b>Authorization of Elective Deferrals</b></p> <p>Will Elective Deferrals be permitted under this Plan (select one)?</p> <p><b>Option 1:</b> <input checked="" type="checkbox"/> Yes. (Complete the following.) Will Roth Elective Deferrals be permitted under this Plan in addition to Pre-Tax Elective Deferrals? <b>Suboption (a):</b> <input type="checkbox"/> Yes. <b>Suboption (b):</b> <input type="checkbox"/> No. <b>NOTE:</b> If no suboption is selected, Suboption (a) will apply.</p> <p><b>Option 2:</b> <input type="checkbox"/> No.</p> <p><b>NOTE:</b> If no option is selected, Option 1 will apply. A Contributing Participant's combined Pre-Tax and Roth Elective Deferrals during their taxable year will not exceed the limit contained in Code section 402(g) in effect at the beginning of such taxable year.</p> <p><b>Employer Profit Sharing Contributions</b></p> <p>Employer Profit Sharing Contributions, if any, will be allocated to all Qualifying Participants pursuant to the pro rata allocation formula described in Plan Section 3.04(B)(1).</p>
	<p><b>SECTION 4.</b></p> <p><b>VESTING AND FORFEITURES</b> There are no elections required for Section Four. <b>There are no elections required for Section 4. Refer to the Basic Plan Document for information regarding this Section.</b></p>
	<p><b>SECTION 5.</b></p> <p><b>DISTRIBUTIONS AND LOANS</b></p> <p><b>Loans</b></p> <p>Will a Participant be entitled to request a loan pursuant to Plan Section 5.14 (select one)?</p> <p><b>Option 1:</b> <input checked="" type="checkbox"/> Yes. <b>Option 2:</b> <input type="checkbox"/> No. <b>NOTE:</b> If no option is selected, Option 2 will apply.</p>
	<p><b>SECTION 6.</b></p> <p><b>DEFINITIONS</b> There are no elections required for Section Six. <b>There are no elections required for Section 6. Refer to the Basic Plan Document for information regarding this Section.</b></p>
<p><b>SECTION 7.</b></p> <div style="border: 1px solid black; padding: 5px; width: fit-content;"> <p>Not permitted in the Individual(k) product</p> </div>	<p><b>MISCELLANEOUS</b></p> <p><b>Life Insurance</b></p> <p>Will life insurance investments be permitted under the Plan (select one)?</p> <p><b>Option 1:</b> <input type="checkbox"/> Yes. <b>Option 2:</b> <input checked="" type="checkbox"/> No. <b>NOTE:</b> If no option is selected, Option 2 will apply.</p>

**State Farm Individual(k) Plan**  
STANDARDIZED ADOPTION AGREEMENT

**SECTION 8.**

**Part A.**

You must assign someone (generally yourself) to act as Trustee for your Individual(k) plan

**NOTE:** Options 1 and 3 are not applicable



**TRUSTEE AND CUSTODIAN** Complete Parts A and B (as applicable)

**Trustee**

**1. Trustee Appointment**

**a. Trustee (Select one.)**

- Option 1:**  Financial Organization as Trustee.
- Option 2:**  Individual Trustee.
- Option 3:**  Not applicable, a Trustee is not required to be named for this Plan (select one).

**Suboption (a):**  Plan assets are invested solely in annuity contracts or insurance policies provided by an Insurer.

Name of Insurer \_\_\_\_\_

Address \_\_\_\_\_

Telephone \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_

**Suboption (b):**  This Plan is exempt from the trust requirements under ERISA section 403 (e.g., the Plan covers one or more self-employed individuals as defined in Code section 401(c)(1)).

**NOTE:** If Suboption (b) is selected, a Custodian must be named in Part B below.

**b. Type of Trustee**

Will the Trustee of this Plan be a Directed or Discretionary Trustee (select one)?

- Option 1:**  Directed Trustee.
- Option 2:**  Discretionary Trustee.
- Option 3:**  Not applicable, Option 3 was selected in Part 1(a) above.

**c. Trustee Signature**

**NOTE:** If you are an individual Trustee and no Limited Trustee is named in Part A, item 3 below you will also be deemed to be a Limited Trustee.

Name of Trustee \_\_\_\_\_

Address \_\_\_\_\_

Telephone \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

(type or print name if different from name of Trustee above)

Signature \_\_\_\_\_

**2. Trust Agreement**

If a Trustee is designated in Part A, item 1 above, which trust agreement will apply to the Plan (select one)?

- Option 1:**  Trust provisions contained in Plan Section Eight.
- Option 2:**  Separate executed trust agreement attached hereto.

**NOTE:** If no option is selected, Option 1 will apply. If Option 2 is selected, the attached trust agreement must be on file with the IRS for use by the Prototype Document Sponsor listed in Section Nine below. If Option 2 is selected and a Limited Trustee is named below, the separate trust agreement will not replace Plan Section 8.09.

**3. Limited Trustee**

The Limited Trustee appointed solely for the purposes of ensuring the timely collection and deposit of Employer Contributions will be:

- Option 1:**  The individual Trustee named above.
- Option 2:**  The party named below.

Name of Limited Trustee \_\_\_\_\_

Address \_\_\_\_\_

Telephone \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

(type or print name if different from name of Limited Trustee above)

Signature \_\_\_\_\_

**NOTE:** A Trustee, including a Limited Trustee, must be an individual or corporation. A corporate Trustee must be a bank, trust company, broker, dealer, or clearing agency as defined in Labor Regulation section 2550.403(a)-1(b).

**Part B.**

**Custodian** (Both a Custodian and Trustee may be appointed for the Plan. This Part B must be completed if the Plan is exempt from the Trustee requirements under ERISA section 403 and neither a Trustee nor an Insurer is appointed in Part A, item 1 above.)

**1. Custodian Appointment**

Financial Organization Ascensus Trust Company

Address 1655 43rd Street South, Suite 100, Fargo, ND 58103

Name (type or print) Bradley Kraft Title President

Signature

**2. Custodial Agreement**

If a Custodian is designated in Part B, item 1 above, which custodial agreement will apply to the Plan (select one)?

- Option 1:**  Custodial provisions contained in Plan Section Eight.
- Option 2:**  Separate executed custodial agreement attached hereto.

**NOTE:** If no option is selected, Option 1 will apply. If Option 2 is selected and the separate custodial agreement is being used in place of a trust agreement under Code section 401(f), the attached custodial agreement must be on file with the IRS for use by the Prototype Document Sponsor listed in Section Nine below.

**State Farm Individual(k) Plan**  
STANDARDIZED ADOPTION AGREEMENT

**SECTION 9.**

**EMPLOYER SIGNATURE**

**Prototype Document Sponsor**

Name of Prototype Document Sponsor Ascensus, Inc.

Address 415 8th Avenue NE, Brainerd, MN 56401

Telephone 218-825-5000

Check the applicable box if there is an attachment(s) that applies to this Plan other than a separate trust or custodial agreement.

- Protected Benefits and Prior Plan Document Provisions Attachment.  
 Other Plan Information Attachment. *(If this box is checked, please describe the attachment(s).)*

**Authorized Employer Signature**

I am an authorized representative of the Adopting Employer named above and I state the following:

1. I acknowledge that I have relied upon my own advisors regarding the completion of this Adoption Agreement and the legal tax implications of adopting this Plan;
2. I understand that my failure to properly complete this Adoption Agreement may result in disqualification of the Plan;
3. I understand that the Prototype Document Sponsor will inform me of any amendments made to the Plan and will notify me should it discontinue or abandon the Plan; and
4. I have received a copy of this Adoption Agreement, the corresponding Basic Plan Document and, if applicable, any separate trust or custodial agreement used in lieu of the trust or custodial agreement contained in the Basic Plan Document.



Signature of Adopting Employer \_\_\_\_\_ Date Signed \_\_\_\_\_

Type Name \_\_\_\_\_ Title \_\_\_\_\_

**NOTE:** *The Adopting Employer may rely on an opinion letter issued by the Internal Revenue Service as evidence that the Plan is qualified under Code section 401 except to the extent provided in Revenue Procedure 2011-49. An Employer who has ever maintained or who later adopts any plan (including a welfare benefit fund, as defined in Code section 419(e), which provides post-retirement medical benefits allocated to separate accounts for key employees, as defined in Code section 419A(d)(3), or an individual medical account, as defined in Code section 415(l)(2) in addition to this Plan may not rely on the opinion letter issued by the Internal Revenue Service with respect to the requirements of Code sections 415 and 416.*

*If the Employer who adopts or maintains multiple plans wishes to obtain reliance with respect to the requirements of Code sections 415 and 416, application for a determination letter must be made to Employee Plans Determinations of the Internal Revenue Service. The Employer may not rely on the opinion letter in certain other circumstances, which are specified in the opinion letter issued with respect to the Plan or in Revenue Procedure 2011-49. This Adoption Agreement may be used only in conjunction with Basic Plan Document #04.*

**PLAN INFORMATION**

Street address required;  
PO Boxes not permitted.

Plan Name \_\_\_\_\_  
 Employer Contact Name \_\_\_\_\_  
 Mailing Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_  
 Email Address \_\_\_\_\_  
 Business Code<sup>1</sup> \_\_\_\_\_ Nature of Business \_\_\_\_\_

**STATE FARM AGENT INFORMATION**

Name of State Farm Agent N/A Agent ID N/A  
 Mailing Address N/A  
 City N/A State N/A Zip N/A  
 Telephone N/A Fax N/A  
 Email Address N/A

**DESIGNATION OF SUCCESSOR PLAN ADMINISTRATOR/TRUSTEE**

If you are the sole owner of the business sponsoring the Plan, you must designate a successor plan administrator/trustee. The designated successor plan administrator/trustee must sign this form, accepting associated responsibilities.  
 If I am the sole owner of the business sponsoring the Plan, the following individual will become the successor plan administrator/trustee of the Plan upon my death for purposes of plan termination and liquidation. Upon presentation of certified proof of death, Ascensus is authorized to process payout request(s) in accordance with the instructions provided by the Successor Plan Administrator/Trustee. I understand that I must inform Ascensus in writing of any change to this designation. Absent any written notification, Ascensus will rely on the designation on file.

Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Email \_\_\_\_\_

Successor Plan Administrator/Trustee Must Sign and Date Here

I understand and accept the responsibilities associated with this designation.  
 Successor Plan Administrator/Trustee Signature \_\_\_\_\_ Date \_\_\_\_\_

**RECORDKEEPING PAYMENT OPTIONS/ INSTRUCTIONS**

(Select One)

- Check**
- Invoice**

The following payment options only pertain to plan installation and recordkeeping fees for the first year. An election for payment of subsequent years recordkeeping fees must be made in the Recordkeeping Service Agreement (Form C, Schedule B).

Make your check payable to Ascensus in the amount of the installation, first year's annual service fee and additional participant account fee (if applicable).

Ascensus will invoice you after your Plan has been completely installed.

Recordkeeping Fees  
 \$340 (\$125 installation and \$215 first year's annual service fee)  
 \$490 (\$125 installation and \$215 first year's annual service fee; \$150 additional participant account)  
 Other \_\_\_\_\_

Invoice option will apply if no option is selected.

**NOTE:** Sales tax may be applicable, either now or in the future, to the products and/or services provided by Ascensus. All applicable sales tax will be in addition to the fees set forth in Recordkeeping Service Agreement.

**ATTORNEY/ ACCOUNTANT ACKNOWLEDGMENT**

Employers adopting a retirement plan are responsible for the legal and tax implications involving the establishment and maintenance of the plan. Every employer must rely upon the advice of its legal counsel and/or other advisors concerning the federal and state laws and regulations which govern the plan.

I understand that State Farm Investment Management Corp. and Ascensus recommend that the adopter of a retirement plan be represented by an attorney or accountant in the adoption process. I understand and agree that I will be solely responsible for the legal and tax implications of adoption and operation of the retirement plan. I further agree and understand that State Farm or Ascensus cannot, and does not, have any responsibility for these matters.

Employer Must Sign and Date Here

Employer's Signature \_\_\_\_\_ Date \_\_\_\_\_

<sup>1</sup>The 6-digit Business Code can be obtained at [www.irs.gov/instructions/i5500ez](http://www.irs.gov/instructions/i5500ez). Review the selection titled Forms 5500 and 5500EZ codes for Principal Business Activity.

# State Farm Individual(k) Plan

## ACCOUNT APPLICATION

### PLATFORM PROVIDER DISCLOSURE



#### Acknowledgment of Non-Fiduciary Status

The Employer, as the Plan Fiduciary, understands that State Farm VP Management Corp. is making available to the Plan Fiduciary, without regard to the individualized needs of the Plan, its participants, or beneficiaries a platform from which the Plan Fiduciary may select or monitor investment alternatives. None of State Farm VP Management Corp., Ascensus, or their affiliates are undertaking to provide impartial investment advice or give advice in a fiduciary capacity.

Employer's Signature (as Plan Fiduciary) \_\_\_\_\_ Date \_\_\_\_\_

### PLAN FUND SELECTION

Select up to fourteen (14) funds that will be made available to participants within this plan.

Fund Name	
<input type="checkbox"/>	State Farm Equity Fund
<input type="checkbox"/>	State Farm Small/Mid Cap Equity Fund
<input type="checkbox"/>	State Farm International Equity Fund
<input type="checkbox"/>	State Farm S & P 500 <sup>®</sup> Index Fund
<input type="checkbox"/>	State Farm Small Cap Index Fund
<input type="checkbox"/>	State Farm International Index Fund
<input type="checkbox"/>	State Farm Equity and Bond Fund
<input type="checkbox"/>	State Farm Bond Fund
<input type="checkbox"/>	State Farm Money Market Fund
<input type="checkbox"/>	State Farm LifePath <sup>®</sup> Retirement Fund
<input type="checkbox"/>	State Farm LifePath 2020 <sup>®</sup> Fund
<input type="checkbox"/>	State Farm LifePath 2030 <sup>®</sup> Fund
<input type="checkbox"/>	State Farm LifePath 2040 <sup>®</sup> Fund
<input type="checkbox"/>	State Farm LifePath 2050 <sup>®</sup> Fund (R1 & R2 share class only)

Fund Exchanges may be made once per: \_\_\_\_\_ Quarter \_\_\_\_\_ Month

**NOTE:** *If no option is selected, quarterly shall be deemed to be selected.*

#### Fund Eligibility

Answer the following questions to determine which share class applies:

- Is any Registered State Farm Agent, Sales Leader (SL), or an officer, director, partner, or owner (greater than 10%) of this business?
  - Yes – this plan will be funded with R3 shares
  - No – go to **question 2**
- Is this business entity a sole proprietorship?
  - Yes – go to **question 3**
  - No – go to **question 4**
- Is the sole proprietor a family member (spouse, lineal ascendant, lineal descendant, lineal descendant's spouse, sibling, or sibling's spouse) of a Registered State Farm Agent or SL?
  - Yes – this plan will be funded with R3 shares
  - No – go to question 4

You may obtain information about the Securities Investor Protection Corporation (SIPC), including the SIPC brochure, by contacting SIPC. SIPC's website address is [sipc.org](http://sipc.org) and SIPC's telephone number is (202) 371-8300.

- Is any Registered State Farm Agent, SL, or a family member (spouse, lineal ascendant, lineal descendant, lineal descendant's spouse, sibling, or sibling's spouse) of any of the foregoing expected to be plan administrator, trustee or fiduciary of this plan? (**NOTE:** *A fiduciary is a person who has discretionary authority to manage or direct plan investments or administration in any manner, including the authority to appoint the trustee or another fiduciary.*)
  - Yes – this plan will be funded with R3 shares
  - No – this plan will purchase R1 or R2 shares. Choose R1 or R2 below
    - R1 Share Class. Available for plans with less than \$500,000 in assets.
    - R2 Share Class. Available for plans with more than \$500,000 in assets.

- If you qualify for **Class R-1 or R-2** shares, review the *Employee Retirement Income Security Act of 1974 Disclosure*.
- If you qualify for **Class R-3** shares, review the *Information on Appropriate Investments for Retirement and Savings Plans* and the *Fees Applicable to Class R-3 Shares of State Farm Mutual Funds<sup>®</sup> and Retirement Savings Plans*.

**State Farm Individual(k) Plan**

ACCOUNT APPLICATION

**PARTICIPANT INFORMATION**

Make another copy of this page for additional participants as needed.

Participant Name \_\_\_\_\_  
 Social Security Number \_\_\_\_\_  
 Home Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Date of Birth \_\_\_\_\_ (mm/dd/yyyy)  
 Date of Hire \_\_\_\_\_ (mm/dd/yyyy)  
 Date of Participation \_\_\_\_\_ (mm/dd/yyyy)

Check here if you are the spouse of a second participant in this plan.

Indicate your investment elections.

*(NOTE: You may select only those funds that have been indicated in the Plan Fund Selection section of this form.)*

Fund Name		Fund Name	
<input type="checkbox"/> State Farm Equity Fund	_____ %	<input type="checkbox"/> State Farm Bond Fund	_____ %
<input type="checkbox"/> State Farm Small/Mid Cap Equity Fund	_____ %	<input type="checkbox"/> State Farm Money Market Fund	_____ %
<input type="checkbox"/> State Farm International Equity Fund	_____ %	<input type="checkbox"/> State Farm LifePath® Retirement Fund	_____ %
<input type="checkbox"/> State Farm S & P 500® Index Fund	_____ %	<input type="checkbox"/> State Farm LifePath 2020® Fund	_____ %
<input type="checkbox"/> State Farm Small Cap Index Fund	_____ %	<input type="checkbox"/> State Farm LifePath 2030® Fund	_____ %
<input type="checkbox"/> State Farm International Index Fund	_____ %	<input type="checkbox"/> State Farm LifePath 2040® Fund	_____ %
<input type="checkbox"/> State Farm Equity and Bond Fund	_____ %	<input type="checkbox"/> State Farm LifePath 2050® Fund	_____ %

*NOTE: Please refer to Section 2, Eligibility in Form A – Adoption Agreement Helpful Information for product eligibility requirements.*

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This Agreement is made between Ascensus, Inc. (“Ascensus”) and \_\_\_\_\_ (“Employer”) and sets forth the terms and conditions pursuant to which Ascensus will provide services to the retirement plan known as \_\_\_\_\_ (“Plan”), which is sponsored by Employer.

1. **EFFECTIVE DATE AND TERM.** The term of this Agreement will begin on \_\_\_\_\_ (the “Effective Date”) (*The Effective Date needs to be a current date.*) and will continue in effect until terminated pursuant to Section 5.

2. **SERVICES.**

2.01 **General –**

- (a) Ascensus will provide to the Plan the services (“Services”) set forth on Schedule A to this Agreement. Any additional services, such as technical consulting, must be mutually agreed to in writing by the parties. Unless otherwise agreed to in writing, Ascensus will perform the Services only for the Plan and only using data with respect to the Plan, even if there are other benefit plans related to the Plan. It is within Ascensus’ sole discretion to reasonably modify Schedule A from time to time upon written notice to Employer of such modifications. The Services are made available exclusively for individuals who are considered owners of the Employer and their spouses. Plans covering non-owners and non-spouses require additional services not included in the Services Schedule, and non-owners are not eligible to receive the Services. Any service or task not set forth on Schedule A to this Agreement or in the description of responsibilities provided to Employer is Employer’s responsibility. Ascensus will maintain records regarding the allocation of assets and liabilities (including loans to participants and beneficiaries) to participants and beneficiaries, and will be responsible for the balancing and reconciliation of Plan assets. Ascensus will maintain appropriate balancing and reconciliation procedures for the Plan and will maintain accurate records of Plan assets, including balancing, reconciliation and allocation of all assets and liabilities of the Plan.
- (b) Ascensus will act only upon the instructions of Employer, the plan administrator (“Plan Administrator”) appointed by Employer or a Plan participant that are provided to Ascensus either in writing, or by mutually agreed upon electronic means, or via Ascensus’ voice response system or via a website designated by Ascensus. Ascensus will have neither access to Plan assets nor discretionary authority or control over the management of the Plan or Plan assets. Employer is responsible for establishing the Plan, reviewing the Plan document, maintaining the qualified status of the Plan under the Employee Retirement Income Security Act as amended, (“ERISA”) and federal tax law, and performing all other Employer duties set forth in this Agreement. Employer acknowledges that Ascensus cannot properly provide the Services without Employer properly forwarding the prescribed information to Ascensus, and Employer agrees to provide complete, accurate, and timely information and approvals in the manner and within the time frames reasonably requested by Ascensus.

2.02 **Plan Document Services –**

- (a) Ascensus will provide recordkeeping services to the Employer using an Ascensus prototype plan document qualified under the IRS mass submitter program. Employer expressly acknowledges that Employer is responsible for choosing a plan document that is appropriate for Employer and taking all necessary actions to adopt the plan (e.g., adopting a board resolution if necessary, etc.). Employer acknowledges that Ascensus has provided no advice regarding the document used by Employer. Employer acknowledges that if it is using an Ascensus prototype for which Ascensus is acting as “sponsor” as that term is defined in Revenue Procedure 2011-49 and 2007-44, Ascensus’ responsibilities as prototype sponsor will automatically end upon the termination of this Agreement.
- (b) In the event that Employer is converting to an Ascensus prototype plan document from another qualified plan document, the Employer represents and warrants that the pre-existing plan: (i) is qualified under Internal Revenue Code Section 401(a) and is exempt from tax under Code Section 501(a), and that the plan has been amended for all legislative or regulatory changes; and (ii) has operated in compliance with all ERISA and Code requirements, or the Employer has taken the appropriate steps necessary to correct any compliance failures. Employer will provide Ascensus with accurate and reliable information as set forth in Ascensus’ plan establishment materials. Ascensus will not review prior plan documents, prior administrative or recordkeeping work, or IRS and DOL filings or reporting performed by parties other than Ascensus for pre-existing plans. Ascensus will generate plan documents and perform the Services based solely on the information supplied by Employer using the documents and information-gathering tools provided by or approved by Ascensus.

2.03 **Other Responsibilities –**

- (a) Employer acknowledges and agrees that Ascensus is not a “plan administrator” or “fiduciary,” as those terms are defined in ERISA, and that nothing in this Agreement is intended to confer upon Ascensus the status of plan administrator or fiduciary to the Plan. Ascensus Trust Company (“Ascensus Trust”), an Ascensus subsidiary, will provide such trust and/or custodial services as Employer may elect in a separate agreement between Employer and Ascensus Trust. If Ascensus Trust acts as a custodian (and not as trustee) to the Plan, Ascensus Trust is not a fiduciary to the Plan. Fees for Ascensus Trust’s services are set forth on Schedule B to this agreement. The parties further acknowledge and agree that Ascensus will not be deemed to be providing legal or tax advice to Employer pursuant to this Agreement, and Employer agrees to obtain from third parties such legal and tax advice as the Plan may require. Ascensus will not be responsible for payment of any federal, state or other taxes or penalties which may be charged against the Plan, Employer or other parties to the Plan. Except as expressly set forth in this Agreement, Ascensus will not be responsible for filing notices of any taxable or otherwise reportable events as defined under applicable law, nor will Ascensus be liable in any manner for any failure by Employer to file accurate reports with the IRS or Department of Labor (“DOL”) in a timely manner, or for Employer’s responsibility to distribute any other required notices and materials, including but not limited to, if applicable, proxy materials, prospectuses and other investment information.
- (b) If the Plan’s assets exceed \$250,000 at plan year end and the Plan is an owner-only plan that satisfies the conditions necessary to file a Form 5500-EZ, then Ascensus will prepare Form 5500-SF. Ascensus will provide the Form 5500-SF online for the Employer’s electronic signature. If (a) the Plan’s assets do not exceed \$250,000 at plan year end, and (b) the Plan is an owner-only plan that satisfies the conditions necessary to file a Form 5500-EZ, the Employer must instruct Ascensus to prepare Form 5500-SF. If Ascensus is to prepare Form 5500-SF, the Employer must: (a) provide Ascensus with the information necessary to prepare such form, (b) review the prepared form for accuracy and completeness, (c) obtain filing credentials from DOL, and (d) file such form with the IRS and/or DOL by its due date. Any Form 5500-SF requested under this section will only contain the information necessary to complete a Form 5500-EZ.

- (c) Ascensus may provide Employer's State Farm Agent, the State Farm Agent's assistant or upon written direction, Employer's designee with information regarding the Plan and Plan participants. Ascensus may release any information or documentation related to Employer, the Plan and Plan participants as requested by the company that markets and sells Employer's plan product, the providers mutual funds or other investments (or their designees) invested in by the Plan or Plan participants, the Plan's trustee and custodian, the IRS, the DOL, or any other regulatory or judicial authority.
- (d) The Employer acknowledges that it will follow the procedures set forth in the plan sponsors guide including the requirements set forth in the "roles and responsibilities."
- (e) The Employer acknowledges that it will monitor and is responsible for compliance with all statutory and regulatory limits on contributions and benefits.

**2.04 Incomplete or Inaccurate Information; Imputed Knowledge** – Employer acknowledges and agrees that Ascensus may rely upon the completeness and accuracy of all information provided to Ascensus by Employer. Employer acknowledges that Ascensus will not be responsible for any errors, delays, or additional costs resulting from the receipt of incomplete, inaccurate, or untimely information from Employer. No information with respect to the Plan known by a parent, subsidiary or affiliate of Ascensus will be attributed to Ascensus or considered imputed knowledge of Ascensus.

**2.05 Agency Relationship** – Employer acknowledges and agrees that Ascensus will serve as the agent and authorized representative of Employer solely for purposes of providing orders, instructions and other communications to the Plans' trustee or custodian.

**2.06 Use of Ascensus' Website and Other Media –**

- (a) Ascensus will provide Employer with access to the Plan's information via an Ascensus website, FTP site, email or other Media (collectively, the "Ascensus Media"). Employer and Plan participants are each responsible for installing the necessary hardware and software, as determined by Ascensus from time to time, to access and use the Ascensus Media. Employer is responsible for determining who will have access to the Ascensus Media and for providing access codes and/or passwords to participants and other parties authorized by Employer to use the Ascensus Media. Unless Employer provides Ascensus with written objection, the State Farm Agent for the Plan will be given both plan- and participant-level view-only access to the Ascensus Media and considered an authorized user.
- (b) Employer acknowledges that Ascensus will not be responsible for any damages that may result from Employer's failure to follow all instructions and procedures posted on the Ascensus Media, nor is Ascensus responsible in any manner for the actions of any authorized or unauthorized user of the Ascensus Media. Ascensus will in no way be responsible for any damages resulting from improper, inadequate, or unauthorized use of the Ascensus Media. All applicable rights to patents, copyrights, trademarks, trade secrets and intellectual property rights of whatsoever kind in the Ascensus Media are and will remain Ascensus' property.

**2.07 Administrative Fees; No Investment Advice or Recommendations** – Ascensus makes investment options and other services available to the Plan through its recordkeeping platform. Ascensus is not intended to be, and is not, acting as: (i) a fiduciary, as defined in ERISA or otherwise, with respect to a plan fiduciary, Employer, Plan, plan participants or beneficiaries; or (ii) a registered investment adviser or broker-dealer. Employer acknowledges that it has the exclusive authority, discretion and responsibility to select the investment options available for investment under the Plan. The Employer will notify Ascensus and the trustee in writing of the selection of the investment options available for the investment under the Plan, including a default fund, and any changes to such investment options. Employer will provide to Ascensus in writing all instructions related to the investment options. If there is a closing of an investment option or other event that requires investment of Plan assets and Employer, after notification, fails to timely provide written instructions regarding such investment, Employer hereby directs Ascensus to instruct the trustee to invest Plan assets in the Plan's default investment option. Ascensus may use one or more third parties (each, a "Paying Agent"), which may be affiliates of Ascensus, to collect 12b-1 fees, commissions and other fees (collectively, the "Administrative Fees") payable by the investment options which were chosen by the Employer and made available to the Plan, and to remit the Administrative Fees to the financial advisor designated by Employer or such financial advisor's broker-dealer or other institution. In consideration of its services, the Paying Agent will retain 5% of the Administrative Fees it collects. Employer acknowledges and agrees that neither Ascensus nor the Paying Agent will provide to Employer, the Plan or any Participant any investment advice or recommendations, guidance, suitability analysis or determination, or similar service relating to the offer, sale, distribution, selection, trading or holding of any investment (all of the foregoing, collectively, the "Investment Services"). EMPLOYER REPRESENTS THAT IT HAS RECEIVED AND WILL CONTINUE TO RECEIVE THE SERVICES OF A REGISTERED REPRESENTATIVE OF A BROKER-DEALER OR OTHER AUTHORIZED PARTY TO PROVIDE THE INVESTMENT SERVICES TO EMPLOYER AND/OR THE PLAN, AND EMPLOYER AGREES, FOR ITSELF AND ON BEHALF OF THE PLAN AND THE PARTICIPANTS, THAT NEITHER EMPLOYER NOR THE PLAN WILL BRING ANY CLAIM OR ACTION WITH RESPECT TO ANY OF THE INVESTMENT SERVICES AGAINST ASCENSUS, PAYING AGENT OR ANY OF THEIR OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES, PARENTS, SUBSIDIARIES, AFFILIATES AND AGENTS.

**3. FEES AND EXPENSES.**

**3.01 Fees Payable by Employer** – Ascensus will receive the fees ("Fees") set forth on Schedule B to this Agreement. In addition, Ascensus will, on behalf of the Plan's trustee and/or custodian, collect fees for trustee and/or custodial services, as applicable. Ascensus reserves the right to modify the Fees upon not less than 90 days written notice to Employer. Installation and Plan Set Up fees and first year's Annual Service fees are due on the Effective Date of this Agreement. Annual Service fees are payable annually or quarterly in advance, at Ascensus' option. Ascensus will bill Employer or debit Plan assets, as applicable, for Annual Service fees in advance, and all other fees will be due upon receipt of an invoice from Ascensus. Employer acknowledges and agrees that the Fees are based upon Employer's compliance with all reasonable practices and procedures set forth by Ascensus, and that Employer may be responsible for the payment of additional fees to Ascensus if Employer deviates from Ascensus' practices and procedures.

**3.02 Nonpayment of Fees by Employer** – Employer expressly acknowledges and agrees that if Employer does not pay an invoice in full when due, and does not provide Ascensus with written notification of its reasons for not paying such invoice in full within 60 days after Ascensus sends such invoice, Employer directs Ascensus to request that the trustee or custodian of the Plan pay all unpaid Fees and trust/custody fees from the Plan's assets. Employer further authorizes Ascensus to continue to request that the trustee or custodian pay from the Plan's assets all unpaid Fees due thereafter unless and until

**State Farm Individual(k) Plan**  
**RECORDKEEPING SERVICE AGREEMENT**

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Employer delivers written direction to the contrary to Ascensus and pays to Ascensus all unpaid fees. Regardless of any different election by Employer for payment of fees in Schedule B to this Agreement, all such Fees and trust/custody fees will be allocated prorata based on account balance among all remaining participants. In the event that Employer fails to pay Fees or trust/custody fees when due, and Ascensus pursues a collection against Employer, Employer will pay Ascensus' reasonable attorney's fees and expenses for such collection. Ascensus will be entitled to charge reasonable interest on any past-due Fees. Ascensus reserves the right to discontinue providing any or all of the Services in the event Employer fails to pay all Fees when due.

**3.03 Bankruptcy/Dissolution** – In the event Employer becomes the debtor in a voluntary or involuntary bankruptcy or insolvency proceeding, the parties agree that upon the filing of such proceeding this Agreement will be considered an executory contract under 11 U.S.C. Section 365 and that any pre-petition arrearage under this Agreement must be paid in full if the Agreement is to be assumed. However, Ascensus reserves the right to withhold its consent to such assumption of the executory contract. In the event of a dissolution by Employer under state law, the parties agree Ascensus will not provide any Services without first receiving payment for such Services. The parties agree that Ascensus is entitled to recover Ascensus' reasonable attorneys fees and expenses associated with representing Ascensus in a bankruptcy or dissolution proceeding.

**3.04 Loans** – Each participant may have a maximum of one loan outstanding at any time.

**3.05 Fees Payable by Mutual Funds and Third Party Service Providers** – Ascensus receives compensation from certain mutual funds or their affiliates in consideration of services that Ascensus provides to the funds, including but not limited to processing the purchase and redemption of fund shares and participant-level fund recordkeeping. This compensation is paid directly to Ascensus by the funds, their affiliates, or their service providers pursuant to a services agreement between Ascensus and one or more such parties, and Employer is not responsible for payment of this compensation. The compensation paid to Ascensus by such parties is based either on a percentage of the average daily net asset value of shares invested in the fund, or on a set fee per each participant that invests in the fund. In addition, Ascensus also receives compensation from certain third party service providers with respect to services provided by Ascensus and/or such third party service providers to the Plan or Plan participants. This compensation is paid directly to Ascensus by the third party service provider pursuant to an agreement between Ascensus and such third party service provider. Such fee is paid subject to a services agreement between Ascensus and each fund, its distributor or other affiliate. The rate of compensation described in this Section 3.05 generally ranges from 0% to 0.35% (0 to 35 basis points) of average daily net asset value of shares invested in the fund, or \$0.00 to \$20.00 per participant that invests in the fund. Employer may contact Ascensus to receive more detailed information concerning such compensation related to the Plan, including which funds or third party service providers pay compensation to Ascensus and an estimate of how much Ascensus may receive or has received in compensation with respect to the Plan during a particular time period.

**4. INDEMNIFICATION AND LIMITATION OF LIABILITY.**

**4.01 Indemnification** – Employer will be liable for and indemnify Ascensus, its officers, directors, shareholders, employees, parents, subsidiaries, affiliates and agents (collectively, the "Indemnitees") against, any and all expenses, costs (including defense costs and reasonable attorneys fees), liabilities, damages, claims and losses (collectively, "Damages") suffered or incurred by an Indemnitee to the extent based on or arising out of a breach of any of Employer's representations, warranties or covenants set forth in this Agreement, or Employer's negligence or willful misconduct, or any claim or action with respect to the Investment Services.

**4.02 Consequential Damages** – NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, ASCENSUS WILL NOT BE LIABLE TO EMPLOYER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR SIMILAR DAMAGES, INCLUDING LOST REVENUE, LOST PROFITS AND LOST OR DAMAGED DATA, EVEN IF ASCENSUS WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

**4.03 Limitation on Damages** – NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, IN NO EVENT WILL ASCENSUS' AGGREGATE LIABILITY UNDER THIS AGREEMENT FOR ALL DAMAGES PERMITTED UNDER THIS AGREEMENT EXCEED THE ANNUAL SERVICE FEE PAID BY EMPLOYER TO ASCENSUS DURING THE 12 MONTHS BEFORE ASCENSUS RECEIVES WRITTEN NOTICE OF THE FIRST DAMAGES CLAIM. THIS LIMITATION ON ASCENSUS' LIABILITY FOR PERMITTED DAMAGES WILL NOT APPLY TO PERMITTED DAMAGES CAUSED BY ASCENSUS' FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

**4.04 Third Party Beneficiaries** – Employer acknowledges and agrees that the Plan's investment providers (e.g., the companies that sponsor, administer, sell, market or provide the investments available to Plan participants) and Ascensus' parents, affiliates and subsidiaries are intended third party beneficiaries of this Agreement and are entitled to the benefit of, and may enforce, this Agreement, including this Article 4, to the same extent as such provisions apply to Ascensus.

**4.05 Reports and Communications** – Upon Employer's receipt of any reports or written communications from Ascensus or a third party acting on Ascensus' behalf (other than as set forth in Subsection 4.06 of this Agreement), Employer must notify Ascensus in writing of all inaccuracies and errors reflected in such reports or communications, with a complete description of the inaccuracies or errors, within 30 days after Employer's receipt of such report or communication. After 30 days, the information provided in such reports and communications will be deemed correct, and Ascensus will have no responsibility for any inaccuracies or errors that may exist, including any responsibility to correct any records or to make the Plan or the affected participants whole for any investment losses or any other consequences resulting from such inaccuracies or errors.

**4.06 ACH** – If the Automatic Clearing House ("ACH") process is offered by Employer's investment provider for payment of Ascensus' fees, submission of payrolls, or other transactions, and Employer elects to use ACH for any of such transactions, the following terms and conditions will apply:

Employer appoints and authorizes Ascensus to transmit Employer's ACH instructions to one or more clearing brokers or similar parties selected by Ascensus and to take such other actions as are necessary to effect ACH transactions for the Plan. Employer acknowledges and agrees that such appointment and authorization shall in no way confer upon Ascensus the status of Ascensus as plan administrator or other fiduciary for the Plan as those terms are defined in ERISA, as amended, or otherwise. Submission of payroll or other data to Ascensus constitutes the Employer's

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**RECORDKEEPING SERVICE AGREEMENT**

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representation and warranty that: (i) there are sufficient funds in the appropriate account to complete the ACH transaction, and (ii) the data submitted to Ascensus is accurate. Employer must notify Ascensus promptly after its receipt of an automated funding request (“AFR”) or other communication related to ACH if the AFR or other communication contains an error. Employer assumes all responsibility and liability for any delays or failures to process an ACH transaction, or any incorrect processing, which may occur as a result of its submission of untimely, incorrect or incomplete data, or as a result of the lack of sufficient funds in the account specified by Employer to be used for ACH processing.

**5. TERMINATION.**

**5.01 Events of Termination** – This Agreement may be terminated:

- (a) By either party upon at least 60 days prior written notice to the other party;
- (b) By either party immediately if the other party commits a material breach of this Agreement and does not cure such breach within 30 days after receiving written notice of the breach from the non-breaching party; or
- (c) By Ascensus immediately upon notice if Employer is administering or operating the Plan in a manner inconsistent with the plan documents, or if Employer engages in activities which Ascensus reasonably believes to be illegal or a violation of Ascensus’ intellectual property rights.

**5.02 Termination of the Plan** –

- (a) **Ascensus Services** – During the term of this Agreement, if Employer causes or permits the Plan to terminate, Ascensus, upon the written request of Employer, will prepare the final Form 5500-SF for Employer, provided that Employer supplies Ascensus with timely notice of such termination and the information necessary to prepare such Form.
- (b) **Duties of Employer** – Upon termination of the Plan, Employer will promptly notify Ascensus of the effective date of such termination. Employer is solely responsible for the legal review, signing and filing of the final Form 5500-SF if prepared by Ascensus, and the Notice to Interested Parties. Employer must provide Ascensus and the Plan’s trustee or custodian with written wire instructions for any transfer of Plan assets upon termination.

**6. OTHER PROVISIONS.**

**6.01 Confidential Information** – Any confidential information provided by the Employer, Plan Administrator or any Plan participant to Ascensus for use in connection with Ascensus’ performance of its obligations pursuant to this Agreement (the “Confidential Information”) shall be deemed to be the confidential and proprietary information of such disclosing party. Ascensus will use the same degree of care in its handling of the Confidential Information as it uses with regard to its own proprietary information to prevent the unauthorized or inadvertent disclosure, use or publication of the Confidential Information. Except as otherwise permitted by this Agreement, the Confidential Information will only be divulged to and used by Ascensus’ employees, agents and subcontractors with a need to know, and may be disclosed as required or permitted by law, regulation, order of a court or regulatory authority. Ascensus will instruct its employees, agents or subcontractors not to divulge, use or publish any Confidential Information except in accordance with the terms of this Section 6.01.

**6.02 Force Majeure** – Ascensus will not be liable for, nor will Ascensus be considered in breach of this Agreement due to, any failure or delay in performance of its obligations under this Agreement as a result of a cause beyond its reasonable control including, but not limited to, any act of God or public enemy, act of any military, civil or regulatory authority, any act of terrorism, change in any law or regulation, fire, flood, tornado, earthquake, storm or other like event, disruption or outage of computers or communications, equipment failure, power or other utility failure, labor strikes, exchange action, unusual trading activity or the suspension or disruption of trading on any exchange.

**6.03 Copyrighted Works** – Employer acknowledges that Ascensus is the sole copyright owner of all Ascensus administrator’s guides, the operations forms, all content on the Ascensus Media and all other materials provided under the terms of this Agreement (“Ascensus Materials”). Ascensus grants Employer a nonexclusive, nontransferable right to copy the operations forms as needed for the sole purpose of collecting and processing participant information. Except as provided in this Section 6.03, none of the Ascensus Materials will be copied, reproduced or distributed by Employer without Ascensus’ prior written consent.

**6.04 Communications and Notices** –

- (a) Employer agrees to provide a working email address or, if accepted by Ascensus as a means of communication, text message number, to receive communications, notices, reports, materials, disclosures and other information related to this Agreement and the Plan, and to promptly notify Ascensus of any changes to such address or number. Employer consents to receiving any and all communications, notices, reports, materials, disclosures and other information related to this Agreement (including amendments or changes to this Agreement) and the Plan, including all notices that must be given in writing, at the then-current email address and/or text message number for Employer in Ascensus’ records and/or via a website designated by Ascensus, and Employer agrees to periodically check such website for new or updated information. Ascensus may deliver such communications and other information by hard copy, email, text message or other method at Ascensus’ option. By agreeing to the receipt of such electronic communications and other information, Employer agrees to allow emails and text messages from Ascensus and the Third Party Providers to pass through Employer’s filters. Ascensus (including the Indemnitees) will not be liable for any Damages arising from non-delivery of any such electronic communication due to factors beyond Ascensus’ control, including, but not limited to, system failures, misdirected delivery or failed delivery due to SPAM or other filters.
- (b) Employer hereby authorizes Ascensus to deliver communications, statements, transaction confirmations and updates, notices, alerts, reports, materials, disclosures and other information to eligible employees, Participants and beneficiaries electronically (which may include email, text message and other electronic media or methods) pursuant to applicable regulations. Ascensus may deliver such communications and other information by hard copy, email, text message or other method at Ascensus’ option. Employer is responsible for ensuring compliance with applicable regulations, including, if applicable: obtaining a working email address or text message number for each recipient, ensuring that each recipient has the ability to receive communications and information in an electronic format, and obtaining consent of the recipient.



**State Farm Individual(k) Plan**  
**RECORDKEEPING SERVICE AGREEMENT**

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- (c) Any notice with respect to this Agreement sent by Employer must be in writing and must be given by either certified mail, return receipt requested, or by overnight mail sent with a nationally recognized courier service, and must be addressed to Ascensus at:

Ascensus, Inc.  
200 Dryden Road  
Dresher, PA 19025  
Attention: President

- 6.05 Record Retention** – Employer acknowledges and agrees that it is expressly responsible for the retention of all records related to the Plan other than copies of IRS required reports. Ascensus agrees to retain IRS required reports for 3 years after each such report has been filed.
- 6.06 Amendment and Modification; Handwritten Changes** – Employer may not amend or modify this Agreement except in a written agreement signed by both parties. Ascensus may amend and modify this Agreement from time to time by providing written notice to Employer; provided, however, that if Employer objects to any such amendment or modification, it may exercise its termination rights under this Agreement. Any handwritten changes, markings, or other alterations to this Agreement as initially provided to Employer will be binding upon Ascensus only if initialed by a duly authorized officer of Ascensus.
- 6.07 Waiver** – In the event any provision of this Agreement is not enforceable in any jurisdiction, the remainder of this Agreement will not be affected thereby.
- 6.08 Applicable Law and Venue** – The validity, construction and interpretation of this Agreement will be governed by the laws of the State of New York, without regard to New York’s conflicts of laws principles. The State of New York will have exclusive jurisdiction and venue over any claim or other action pertaining to or arising out of this Agreement.
- 6.09 Time Limit for Bringing Claim or Action** – Any claim made or action brought under this Agreement must be commenced within 24 months after the act which caused the error or inaccuracy occurred. If this time limitation is prohibited by New York law, the 24 month period will be deemed amended to conform with the minimum period permitted by New York law.
- 6.10 Authority of Employer** – Employer warrants it is legally authorized to enter into this Agreement on behalf of the Plan.
- 6.11 Entire Agreement** – This Agreement supersedes all prior agreements and understandings, either written, electronic or oral, between the parties with respect to the subject matter of this Agreement, and this Agreement constitutes the entire agreement between the parties with respect to its subject matter.
- 6.12 Successors and Assigns** – Employer may not assign its rights or delegate its duties under this Agreement without Ascensus’ prior written consent. This Agreement will be binding upon each party’s successors and permitted assigns.
- 6.13 Third Party Providers** – Ascensus may make available to the Employer certain optional services provided by various third parties that are not affiliated with Ascensus (collectively, the “Third Party Providers”). Ascensus makes no representations or warranties with respect to any Third Party Provider and Ascensus will have no liability related to any Third Party Provider or services provided by any Third Party Provider.
- 6.14 Gain/Loss Policy** – If there are any delays, errors or omissions in connection with processing investment transactions attributable to the Plan, Ascensus will use reasonable efforts to correct the transactions by making the Plan and affected Participants whole (i.e., to restore Plan and Participant accounts to the position they would have been in had the delay, error or omission not occurred). These corrections may generate certain transaction losses or gains. If there are losses to the Plan, correction will include funding a loss from Ascensus’ resources to the extent due to an Ascensus delay, error or omission, or seeking funding from a responsible third party. Ascensus generally will retain any gains that result from corrections of delays, errors and omissions as part of its compensation for services to the Plan, which services include Ascensus’ agreement to fund losses to the Plan to the extent due to an Ascensus delay, error or omission. In general, the amounts of individual gains and losses are small, and during the past five years gains across our business have not materially exceeded losses. Please note that Ascensus processes many investment transactions on an “omnibus” or aggregated basis and because of this, we may not be able to determine whether a gain or loss is attributable to a particular plan.
- 7. RESPONSIBLE PLAN FIDUCIARY REPRESENTATION.** Employer represents and warrants that reasonably in advance of the execution of this Agreement by Employer, a responsible Plan fiduciary has: (a) received and reviewed information with respect to the services and fees of Ascensus and its affiliates; (b) determined that the services and fees of Ascensus and its affiliates, as well as the terms and condition of this Agreement and any other agreements with Ascensus or its affiliates, are reasonable and prudent; and (c) determined that the entering into this Agreement and any other agreements with Ascensus or its affiliates does not result in a prohibited transaction under ERISA or other violation of applicable law.

**State Farm Individual(k) Plan**  
RECORDKEEPING SERVICE AGREEMENT

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**8. INDEPENDENT FIDUCIARY CONFIRMATION.** Employer represents and warrants that Employer, and/or one or more of its officers, directors, shareholders, employees, parents, subsidiaries, affiliates, agents, or Employer's financial advisor or broker of record is (x) an independent fiduciary with financial expertise (as defined in 29 CFR 2510.3-21) with respect to the Plan; (y) responsible for exercising independent judgment with respect to the transactions contemplated by this Agreement; and (z) capable of evaluating investment risk independently, both in general and with regard to particular transactions and investment strategies. Employer acknowledges that Ascensus (i) does not intend to be a fiduciary under either section 3(21) of ERISA or section 4975 of the Internal Revenue Code; (ii) is not undertaking to provide impartial investment advice or to give advice in a fiduciary capacity; and (iii) does not receive any compensation for providing investment advice. Ascensus has a financial interest in the transactions contemplated by this Agreement, and Ascensus will receive compensation for providing certain recordkeeping and administrative services provided to the Plan. Ascensus will rely on the representations and warranties in this paragraph in treating Employer, and/or one or more of its officers, directors, shareholders, employees, parents, subsidiaries, affiliates, agents, or Employer's financial advisor or broker of record as an independent fiduciary with financial expertise to the Plan until such time as the Employer provides Ascensus with written notice that such representations and warranties are no longer true and accurate. The terms of this Section 8 shall apply in accordance with 29 CFR 2510.3-21, as amended, and will remain in effect so long as the operative provisions of 29 CFR 2510.3-21 are not materially modified, rescinded, revoked, delayed or otherwise superseded by law or regulation.

**9. SIGNATURES**

\_\_\_\_\_  
Name of Company (the "Employer")



Name \_\_\_\_\_ Title \_\_\_\_\_  
Signature \_\_\_\_\_ Date \_\_\_\_\_

To Be Completed By:

**Ascensus, Inc.**

Name Diane Supernant Title Vice President

Signature *Diane Supernant*

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**SCHEDULE A – SERVICES**

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**1. Installation and Plan Set-Up Services**

- A. Ascensus' Plan Sponsor's Guide
- B. Ascensus' current prototype plan document
- C. 1-800 Recordkeeping Client Service for Installation
- D. Entering the Plan's information onto Ascensus' recordkeeping system

**2. Annual Services**

- A. Daily valuation of participant accounts
- B. Contribution processing for deferrals, rollovers and discretionary contributions
- C. Loan repayment processing, if applicable
- D. IRS Form 5500-SF\* preparation, if required
- E. Quarterly Participant Statements

**3. Loan Services**

- A. Process loan application paperwork
- B. Project the loan amount available
- C. Produce the amortization schedule for new loans
- D. Provide other forms required to initiate the loan

**4. Distribution Services**

- A. Prepare and file IRS Form 1099-R
- B. Process payouts of terminated employees and retirees
- C. Calculate and process age 70½ required minimum distributions
- D. Calculate hardship and in-service distributions
- E. Process excess contributions, death, and disability distributions
- F. Process QDRO distributions

**5. Plan Termination and Service Termination Services**

- A. Plan Termination: Prepare final IRS Form 5500-SF\*
- B. Service Termination: Provide one copy of Plan document upon employer's request, reports for most recent quarter in paper format, and transfer Plan assets to one investment provider

*\*Ascensus will prepare an electronic IRS Form 5500-SF in accordance with Section 2.03 of this Agreement.*

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**SCHEDULE B – FEES**

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**1. PAYMENT METHOD FOR RECORDKEEPING FEES**

Please check one payment option below for the fee payable by Employer. If you do not check a payment option, Employer will be deemed to have selected to debit from the Plan's assets pro rata based on account balance as the payment method for all such fees.

- Fees Paid By:  Debit from Plan Assets Pro Rata based on account balance  
 Payment by Employer

**2. FEES PAYABLE BY EMPLOYER**

- A. Installation and Plan Set-Up Fee:** **\$125**  
This is a one-time nonrefundable fee payable on the Effective Date of the Agreement.
- B. Annual Service Fee:** **\$215** for the first participant for first year (\$190 for each subsequent year of servicing), plus **\$150** for each additional participant  
This is an annual fee billable on the Effective Date of the Agreement and each anniversary month coinciding with the Effective Date.
- C. Loan Fee:** **\$150** per loan
- D. Distribution Fee:** **\$50** per distribution, plus **\$25** per stop payment order, and **\$12** per check reissue
- E. Plan Termination or Service Termination Fee:** **\$150**
- F. Plan Amendment Fee:** **\$100** per plan

**NOTE:** Sales tax may be applicable, either now or in the future, to the products and/or services provided by Ascensus under this Agreement. All applicable sales tax will be in addition to the fees set forth in this Agreement.

**3. COMPENSATION ASCENSUS OR ITS AFFILIATES MAY RECEIVE FROM PARTIES OTHER THAN EMPLOYER OR THE PLAN (INDIRECT COMPENSATION)**

- A. Fees payable by the Plan's investment options:**  
Ascensus may receive compensation from certain Plan investments (such as mutual funds) or their affiliates (which may include the investment's advisor, distributor and transfer agent) for services that Ascensus provides related to those investments. These services include processing the purchase and redemption of shares, participant-level recordkeeping, furnishing periodic account statements, making investment information available, and answering plan participant inquiries. The compensation paid to Ascensus by those investments is based either on a percentage of the average daily net asset value of shares invested in the fund, or on a fee per each participant that invests in the fund. This compensation is payable to recognize the reduction in cost to the investment and its affiliates for work performed by Ascensus. This compensation is sometimes referred to as sub-transfer agency fees, shareholder service fees, revenue sharing, or other terms. The rate of compensation described in this section generally ranges from 0.05% to 0.35% (5 to 35 basis points) of average daily net asset value of shares invested in the fund, or \$2 to \$20 per participant that invests in the fund, although actual amounts received with respect to the Plan may differ depending on the investment options and plan services that Employer selects.
- B. Float:**  
As part of the compensation it receives for trustee and/or custodial services provided to the Plan, Ascensus Trust Company, an Ascensus subsidiary, retains any interest earned on the amounts in its disbursement account until checks are presented for payment, and interest earned in its contribution account until the amounts are invested. This interest is commonly known as "float" and is paid by the bank at which Ascensus Trust maintains such accounts and/or the investments in which Ascensus Trust invests in such accounts. These accounts generally earn interest at a rate between the money market rate and that of the U.S. Treasury Notes, although the rate payable with respect to the Plan may differ from time to time.



**FUNDING METHOD**

The following methods are available to fund your plan.

Funding Method

- ACH<sup>1</sup> (Complete the banking information below.)
- Automatic ACH<sup>1</sup> (Select this option if you desire pre-scheduled contributions to your Individual(k) plan via ACH. Skip this section of Form D and complete Form E.)
- Check
- Wire

Plan Account Information\*

Bank Name \_\_\_\_\_

Name in which account is registered \_\_\_\_\_

Bank Address \_\_\_\_\_

Bank City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Bank ABA (Routing) Number \_\_\_\_\_

Plan's Bank Account Number \_\_\_\_\_

Type of Account

- Checking
- Savings

**\*NOTE:** Only one account may be used per plan.

**ROLLOVERS**

Do you have assets in another eligible retirement plan or IRA that you intend to rollover into your *Individual(k)* plan?

- Yes
- No (skip this section)

Current Holding Company \_\_\_\_\_

Estimated Value of Assets \_\_\_\_\_

**NOTE: Do NOT** initiate the liquidation of your current eligible retirement plan or IRA assets at this time. Ascensus will provide you with additional instructions once your plan has been established.

**NEW CONTRIBUTIONS**

Instructions on the remittance of contributions to your Plan will be included in your welcome packet. (DO NOT REMIT CONTRIBUTIONS TO ASCENSUS).

**Your contributions (including rollovers) will be invested according to the investment elections indicated on the Account Application, unless otherwise instructed.**

<sup>1</sup> Only one account may be used per plan. It is the employer's responsibility to ensure there are sufficient funds in the appropriate account for Ascensus to complete ACH transactions. Submission of incorrect data or failure to maintain sufficient funds in the designated ACH account can result in inaccurate processing, delay or failure of transaction processing, and fines and penalties. The information provided above will constitute the ACH account information on file and as such will be used for subsequent plan contributions as directed by the employer. You must notify Ascensus in writing to make a change to the ACH account or the ACH funding method. ACH funding is the most timely funding method available, Ascensus also offers check and wire funding methods for your plan if you choose not to fund your plan via ACH.

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**Individual(k)** **AUTOMATIC ACH ADDENDUM TO RECORDKEEPING SERVICE AGREEMENT**

*Complete this form only if the Automatic ACH option is selected on Form D.*

This Addendum (Addendum) amends the Recordkeeping Service Agreement (the Agreement ) dated \_\_\_\_\_ between \_\_\_\_\_ (Employer) and Ascensus, Inc. (Ascensus). Capitalized terms used herein shall have the meanings ascribed to them in the Agreement.

- The Purpose.** The purpose of this Addendum is to set forth the terms and conditions pursuant to which Ascensus will transmit the Employer's automatic clearing house (ACH) instructions to a clearing broker (Broker) selected by Ascensus in the course of providing recordkeeping services to the Plan. The Employer herein authorizes and directs Ascensus to transmit such ACH instruction pursuant to the terms of this Addendum.
- Appointment of Ascensus as Agent.** Under the terms of this Addendum, the Employer appoints Ascensus as its agent for the purpose of providing Employer's ACH instructions to Broker and taking other actions necessary to effect ACH transactions for the Plan. The Employer acknowledges and agrees that: (a) such appointment shall in no way confer upon Ascensus the status of plan administrator or other fiduciary for the Plan as those terms are defined in ERISA, as amended, or otherwise, and (b) Ascensus is not, and shall not be deemed to be, providing legal, investment, or tax advice to the Employer or any party as a result of the obligations undertaken by Ascensus as described in this Addendum.
- ACH Process.** Employer shall properly complete the ACH Instruction Form attached hereto as Schedule A (the ACH Instructions) detailing the specifics of the ACH transaction to be processed by Ascensus. Within 10 business days upon Ascensus receipt of the properly completed ACH Instructions, Ascensus will process such instructions as set forth in this Addendum. Ascensus will and is instructed to reasonably rely on the ACH Instructions without further direction or authorization until either modified or terminated in writing by Employer. Ascensus will send the Employer an Automated Funding Request Form (AFR) and will send the ACH Instructions to Broker. Such submission to Broker will serve as the instruction to Broker from the Employer to initiate and process the ACH transaction specified in the ACH Instructions, subject to this Addendum. The Employer must notify Ascensus within 24 hours after its receipt of an AFR if the AFR contains an error and herein agrees to do so. Employer directs and authorizes Ascensus and Broker to effect all ACH transactions through the financial organization and the account listed in the ACH Instructions. **If the Employer desires to change all of or any portion of the ACH Instructions, Employer must provide Ascensus with at least 10 business days advance written notice of such change(s).** Such notice shall be sent to the following address in the form of a Restated and Amended ACH Instruction Form provided by Ascensus:

Ascensus, Inc.  
Attn: *Individual(k)*  
124 Eighth Avenue NE  
PO Box 807  
Brainerd, MN 56401

- Funding Limitations.** Employer shall be responsible for monitoring funding limitations. Funding limitations, corrective action and penalty information may be found in the Plan Sponsor Guide.
- Employer Certifications.** The Employer acknowledges that it understands the importance of submitting correct and complete data to Ascensus. The Employer agrees that Ascensus may rely on the ACH Instructions the Employer submits to Ascensus and Ascensus may assume that such data is complete and accurate. The Employer also agrees that submission of the ACH Instructions to Ascensus constitutes the Employer's certification that: (a) there are sufficient funds in the appropriate account for Broker to complete the ACH transactions and (b) the data submitted to Ascensus is accurate. The Employer acknowledges that a submission of incorrect or incomplete data or a failure to maintain sufficient funds in the Employer's designated ACH account can result in inaccurate processing, a delay or failure of transaction processing, and fines and penalties.

The Employer assumes complete responsibility for any delays or failures to process transactions, any funding limitations or any incorrect processing, which may occur as a result of its submission of incorrect or incomplete data. The Employer also assumes complete responsibility for any delay or failure to process due to the lack of sufficient funds in the account specified by the Employer to be used for ACH processing.

- Indemnification.** The Employer indemnifies and holds harmless Ascensus and its affiliates, representatives, agents and employees (Indemnified Ascensus Parties) against all losses, liabilities, claims, costs, actual (and not consequential) damages and expenses whatsoever (including any investigation, legal or other fees or expenses) in connection with, and any amount paid in settlement of, any claim, action, suit or proceeding to which any of the Indemnified Ascensus Partners may become subject as a result of any delay in processing, failure to process or incorrect processing as a result of the Employer's submission of incorrect or incomplete data or the Employer's failure to maintain sufficient funds in the ACH account.
- Term.** This Addendum shall remain effective until the earlier of: (a) the date that the Agreement expires or is terminated, or (b) 15 days after either party received written termination notice from the other. Such termination notice shall be sent to the following addresses:

If to Employer: to the address for notices set forth in the Agreement.

Ascensus, Inc.  
Attn: *Individual(k)*  
124 Eighth Avenue NE  
PO Box 807  
Brainerd, MN 56401

8. **Full Force and Effect; Conflict.** Except as expressly set forth in this Addendum, all terms and conditions set forth in the Agreement shall remain in full force and effect. In the event a term or condition of this Addendum conflicts with a term or condition set forth in the Agreement, the term or condition set forth of this Addendum shall control.

9. **Effective Date.** The Effective Date of this Addendum is \_\_\_\_\_.

Employer Name

Ascensus, Inc.

\_\_\_\_\_  
Authorized Signature

*Diane Supernant*  
\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Name of Individual

Diane Supernant  
\_\_\_\_\_  
Name of Individual

\_\_\_\_\_  
Title

Vice President  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**SCHEDULE A**  
**AUTOMATIC ACH INSTRUCTIONS FORM**

Contribution Frequency (*choose one*):

- a.  Monthly **NOTE:** *Monthly contributions will be processed on the last business day of the month.*
- b.  Quarterly **NOTE:** *Quarterly contributions will be processed on the last business day of each calendar quarter.*

Effective start (*month/day/year*) \_\_\_\_\_ (*Specify a date on or after the Effective Date of the Automatic ACH Addendum*)

Participant #1 Name \_\_\_\_\_

Participant #2 Name \_\_\_\_\_

Contribution type:

Contribution type:

Deferral \$ \_\_\_\_\_  
Roth Deferral \$ \_\_\_\_\_  
Loan Repay \$ \_\_\_\_\_  
Profit Sharing \$ \_\_\_\_\_  
Total (\$25 minimum) \$ \_\_\_\_\_

Deferral \$ \_\_\_\_\_  
Roth Deferral \$ \_\_\_\_\_  
Loan Repay \$ \_\_\_\_\_  
Profit Sharing \$ \_\_\_\_\_  
Total (\$25 minimum) \$ \_\_\_\_\_

*(All contributions will be processed as current year. For additional participants, please make a copy of this page.)*

ACH information:

Bank Name \_\_\_\_\_

Bank Address \_\_\_\_\_

Bank ABA# \_\_\_\_\_

Plan's Bank Account # \_\_\_\_\_

Type of Account: (*Check appropriate account type.*)  Checking  Savings

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**Individual** *(k)* **CUSTODIAL AGREEMENT  
WITH ASCENSUS TRUST COMPANY**

THIS CUSTODIAL AGREEMENT (“Agreement”) is made and entered into by and between Ascensus Trust Company, (the “Custodian”), a trust company organized under the laws of the State of North Dakota, and

\_\_\_\_\_ the trustee (“Trustee”) for the \_\_\_\_\_ (the “Plan”) established for the benefit of the employees of \_\_\_\_\_ (the “Employer”) and related companies (Participating Affiliates). This Agreement is effective as of \_\_\_\_\_. *(The Effective Date needs to be a current date mm/dd/yyyy).*

The Trustee and the Employer intend that the Plan shall qualify and that the Fund shall be tax-exempt under respectively, §401(a) and §501(a) of the Internal Revenue Code of 1986, as amended (the “Code”), and applicable state law. The “Plan Administrator” shall be either the Employer or an individual designated to serve in such capacity by the Employer.

The Employer has retained a recordkeeper (the “Recordkeeper”) to assist with the recordkeeping requirements of the Plan. The Trustee represents that the Recordkeeper has been authorized to instruct the Custodian as to actions to be taken under the Plan. In such event, the Recordkeeper will not be exercising any independent discretion as to the operation of the Plan or choice of investments.

The Custodian agrees to hold all cash amounts or other assets transferred to it pursuant to this Agreement, together with any gains and losses thereon in an account for the Plan (the “Fund”). The Custodian agrees to hold and administer the Fund for the uses and purposes and on the terms and conditions set forth in this Agreement. In-kind contributions will be permitted in non-pension plans as long as they are discretionary and unencumbered as determined by the Employer.

#### ARTICLE I – RELATIONSHIP OF CUSTODIAL AGREEMENT TO PLAN

The Plan and this Agreement shall be read and construed together. The terms of the Plan shall prevail over the terms of this Agreement in the event of conflict, except that the Agreement shall prevail in matters relating to the rights and duties of the Custodian. Nothing contained in the Plan shall be deemed to impose any additional powers, duties, or responsibilities on the Custodian. The Custodian shall have no responsibility or authority to interpret the provisions of the Plan. The Custodian will take direction from the Plan Administrator on any matter of Plan provision interpretation.

#### ARTICLE II – INVESTMENT RESPONSIBILITIES

##### §2.01 Investment Responsibility of the Custodian

The Custodian shall have no investment management responsibility with respect to the assets of the Fund, other than certain short-term investment responsibility as described in §3.01(a).

It is understood that certain of the investments of the Fund may be commingled in a group trust offered by the Custodian for the collective investment of the assets of eligible employee benefit plans, as described in §3.01(a), and such commingling of assets is hereby expressly authorized. Such group trust shall be used to hold un-invested cash which may result from un-cashed disbursement checks or unsettled trades within the Plan.

To the extent of the Fund’s participation in a group trust as described above, the declaration of trust of such composite trust shall be deemed to be a part of the Plan, and any investment in such composite trust shall be subject to all the provisions of such declaration of trust, as the same may be amended or supplemented.

Except as specified in §3.01(a), the Custodian shall be subject to the directions of the Plan Administrator as the named fiduciary responsible for the management and control of the assets of the Fund, and to the investment directions of the participants and beneficiaries, as such directions are communicated to the Custodian by the Recordkeeper.

Contributions or payments made to the Custodian by the Trustee on behalf of the Employer, Participating Affiliates, and participants shall be applied or invested in accordance with instructions received from the Plan Administrator through the Recordkeeper. The Custodian will not exercise any discretion or authority either with regard to investments or the administration of the Plan.

##### §2.02 Loans to Participants

The Custodian shall make payment of Plan loans to participants and beneficiaries in accordance with the directions of the Plan Administrator as communicated to the Custodian by the Recordkeeper, and any money so paid shall be sent by the Custodian to the Plan Administrator for disbursement to the participant or beneficiary unless otherwise instructed by the Recordkeeper. The Custodian shall have no responsibility for the disbursement or the repayment of such participant loans, but shall be subject to the directions of the Plan Administrator as communicated to the Custodian by the Recordkeeper.

##### §2.03 Other Accounts

The Plan Administrator or Employer is hereby authorized to serve as signatory to execute any application for Plan participation in, but not limited to, collective trusts accounts, collective fund accounts, mutual fund accounts, stocks, bonds, exchange traded funds, annuity contracts, brokerage accounts and insurance contracts. However, when applications are completed, the applications are to indicate that all funds disbursed are to be sent to the Custodian. In regard to participant loans, the Plan Administrator is also authorized to serve as signatory for loan requests and loan notes.

## State Farm *Individual(k)* Plan

### CUSTODIAL AGREEMENT WITH ASCENSUS TRUST COMPANY

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#### §2.04 Recordkeeper Direction

Any contribution, distribution, investment or other direction referred to in this Agreement received by the Custodian through the Recordkeeper shall be deemed to be a direction from the Plan Administrator.

### ARTICLE III – RESPONSIBILITIES OF THE CUSTODIAN

#### §3.01 General Responsibilities and Powers

The Custodian is authorized and directed to take any action set forth below with respect to any asset of the Fund:

- (a) to invest funds as instructed by the Recordkeeper in (i) any group trust offered by the Custodian or (ii), pending the communication by the Recordkeeper of other investment instructions from the Plan Administrator or participants or beneficiaries, in the group trust offered and selected by the Custodian as a medium for the collective investment of eligible employee benefit plans;
- (b) to hold the Fund assets separate from the Custodian's other assets;
- (c) to cause any property of the Fund to be issued, held or registered in the individual name of the Custodian, in the name of its nominee, in a securities depository or in such other form as may be required or permitted under applicable law (however, the records of the Custodian shall indicate the true ownership of such property);
- (d) to employ such agents and counsel, including legal counsel, as the Custodian determines to be reasonably necessary to manage and protect the assets of the Fund, to handle controversies under §5.02 or §6.01 or any other section of this Agreement or to defend itself successfully against allegations of breach of this agreement and to pay them reasonable compensation from the Fund unless otherwise paid by the Employer; and
- (e) to do all other acts necessary or desirable for the proper administration of the Fund assets.

Additionally, except as otherwise provided in this Agreement, the Custodian shall have the power, but, in the absence of proper direction, as provided above, not the duty to take any action with respect to the portion of the Fund for which it serves as Custodian that it deems necessary or advisable to discharge its responsibilities under this Plan including, but not limited to, the following powers:

1. to purchase or subscribe for securities or other property and to hold them; to sell any such property at any time held by it for cash or other consideration at such time or times and on such terms and conditions as may be deemed appropriate; to exchange such property and to grant options for the purchase or exchange thereof, and to convey, partition, or otherwise dispose of, with or without covenants, including covenants of warranty of title, any securities or other property free of all trusts; to charge the Fund for the cost of all securities purchased or received against a payment and to credit the Fund with the proceeds received from the securities sold or delivered against payment. For any trades not settled immediately upon placement, the Custodian shall have the right to sell securities from the Fund in a reasonably prudent fashion sufficient to recover any funds advanced;
2. to oppose, or consent to and participate in, any plan of reorganization, consolidation, merger, combination, or other similar plan; to oppose or to consent to any contract, lease, mortgage, purchase, sale, or other action by any corporation pursuant to such plan, and to accept and retain any securities or other property issued under any such plan; to deposit any such property with any protective, reorganization or other similar Plan Administrator; to delegate discretionary power thereto and to pay and agree to pay part of its expenses and compensation and any assessments levied with respect to any such securities or other property so deposited;
3. to assign, renew, extend, or discharge, or to participate in the assignment, renewal, extension, or discharge of any debt, mortgage, or other lien, upon such terms, including a partial release, as may be deemed advisable by the Custodian, and to agree to a reduction in the rate of interest thereon or to any other modification or change in the terms thereof or of any guarantee pertaining thereto, in any manner and to any extent that may be deemed in the best interest of the Fund; to waive any default, whether in the performance of any covenant or condition of any note, bond, or mortgage or in the performance of any guarantee, or to enforce any such default in such manner and to such extent as may be deemed advisable; to exercise and enforce any and all rights of foreclosure and to exercise and enforce, in any action, suit, or proceeding at law or in equity, any rights or remedies in respect of any debt, mortgage, lien, or guarantee;
4. to exercise all conversion and subscription rights pertaining to any securities or other property;
5. to collect and receive any and all moneys, securities, or other property of whatsoever kind or nature due or owing or belonging to the Fund and to give full discharge and acquittance therefore;
6. to exercise, personally or by general or limited power of attorney, any right, including the right to vote or grant proxies, discretionary or otherwise, appurtenant to any assets held by the Fund, and the right to participate in voting trusts with other stockholders. The Plan Administrator shall have responsibility for instructing the Custodian as to voting such shares and the tendering of such shares, by proxy or in person, except to the extent such responsibility is delegated to another person, under the terms of the Plan or under an agreement between the Employer and an investment manager, in which case such persons shall have such responsibility. In no event shall the Custodian be responsible for the voting or tendering of shares of securities held in the Fund or for ascertaining or monitoring whether or how proxies are voted or whether the proper number of proxies is received;



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7. to register any securities or other property held by it hereunder in the name of the Custodian or in the names of nominees with or without the addition of words indicating that such securities or other property are held in a fiduciary capacity, to take and hold the same unregistered or in form permitting transferability by delivery, to deposit or arrange for the deposit of securities in a qualified central depository even though, when so deposited, such securities or other property may be held in the name of the nominee of such depository with other securities deposited therein by other persons, or to deposit or to arrange for the deposit of any securities or other property issued by the United States government, or any agency or instrumentality thereof, with a Federal Reserve bank, provided that the books and records of the Custodian shall at all times disclose that all such securities or other property are part of the Fund;
8. to settle, compromise, or submit to arbitration, any claims, debts, or damages due or owing to or from the Fund; to commence or defend suits or legal proceedings whenever, in its judgment, any interest of the Fund so requires, and to represent the Fund in all suits or legal proceedings in any court of law or equity or before any other body or tribunal and to charge against the Fund all reasonable expenses and attorney's fees in connection therewith;
9. to borrow money from others, excluding the Custodian in its corporate capacity or any party-in-interest, for the purposes of the Fund, and upon such terms and conditions as the Custodian may deem proper, and for the sum so borrowed or advanced, the Custodian may issue its promissory note as Custodian and secure the repayment thereof by creating a lien upon any assets of the Fund;
10. to invest all or part of the Fund in interest bearing deposits with a bank or similar financial institution related to the Custodian if such bank or other institution is a fiduciary with respect to the Plan, as defined in the Employee Retirement Income Security Act of 1974 (ERISA), including but not limited to investments in time deposits, savings deposits, certificates of deposit, or time accounts that bear a reasonable interest rate;
11. to invest and reinvest all or a part of the Fund in any available investments and to dispose of all or any part of the securities or other property that may from time to time or at any time constitute the Fund;
12. to invest and reinvest all or a portion of the Fund pursuant to an agreement between the Employer and the Custodian establishing a special designated "pooled investment fund" primarily for the purpose of valuing certain Fund assets held by the Custodian in a fiduciary capacity;
13. to register Fund property in the Custodian's own name, in the name of a nominee, or in bearer form, provided the Custodian's records and accounts show that such property is an asset of the Fund;
14. to exercise or dispose of any right it may have as the holder of any security, to convert the same into another security, to acquire any additional security or securities, to make any payments, to exchange any security, or to do any other act with reference thereto;
15. to exchange any property for other property upon such terms and conditions as the Custodian may deem proper, and to give or receive money to effect equality in price;
16. to deposit any security with any protective or reorganization committee, to delegate to that committee such power and authority as the Custodian may deem proper, and to agree to pay out of the Fund that portion of the expenses and compensation of that committee as the Custodian may deem proper;
17. to invest in Qualifying Employer Securities if the Employer designates qualifying employer securities as a permissible investment option under the Agreement;
18. to appoint agents as necessary or desirable, including legal counsel who may be counsel for the Employer;
19. to hold that portion of the Fund as the Custodian may deem necessary for ordinary administration, the transfer of assets to another trust or fiduciary, pending investment instructions, and for the disbursement of funds in cash, without liability for interest, by depositing the same in any bank (including deposits that bear no interest or a reasonable rate of interest in a bank or similar financial institution supervised by the United States or a State, even where a bank or financial institution is the Custodian, or otherwise is a fiduciary of the Plan, subject to the rules and regulations governing such deposits, and without regard to the amount of any such deposit);
20. to retain insurance contracts that are guaranteed investment contracts;
21. to invest cash balances held by the Custodian, from time to time, in short-term cash equivalents having ready marketability, including but not limited to interest bearing accounts, money market mutual funds, U.S. Treasury bills, commercial paper (including such forms thereof, other than the Custodian's own paper, as may be available through the Custodian's own trust department), certificates of deposit, and similar types of securities; and
22. generally to do all such acts, execute all such instruments, initiate such proceedings, and exercise all such rights and privileges with relation to property constituting the Fund as if the Custodian were the absolute owner thereof, and, to the extent not inconsistent with the express provisions hereof, the enumeration of any power herein shall not be by way of limitation, but shall be cumulative and construed as full and complete power in favor of the Custodian. In addition to the authority specifically herein granted, the Custodian shall have such power to do all acts as may be deemed necessary for full and complete management of the Fund and appropriate to carry out the purposes of the Fund, and shall further have all powers and authorities conferred on Custodians by the laws of the Custodian's domiciliary state.

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#### §3.02 Accounts of the Custodian

- (a) **Records.** The Custodian shall maintain accurate records of all Fund assets, including all contributions, distributions, or other transactions of the Fund, and those records shall be available at all reasonable times for inspection by the Recordkeeper, the Employer, the Trustee, or the Plan Administrator.
- (b) **Reports.** The Custodian shall cause to be submitted to the Recordkeeper such reports as agreed upon between the Custodian and the Recordkeeper. The Custodian shall not maintain records regarding the allocation of assets and liabilities (including loans to participants and beneficiaries under §2.02) to participants and beneficiaries or perform any balancing and reconciliation of the Plan assets. The Recordkeeper shall maintain appropriate balancing and reconciliation procedures for the Plan and is responsible for maintaining accurate records of the Plan assets. This would include balancing, reconciliation and allocation of all assets and liabilities of the Plan. Nothing contained in the Agreement shall deprive the Custodian of the right to have a judicial settlement of its accounts.

#### §3.03 Representations and Warranties of the Custodian

- (a) The Custodian has full power and authority to execute, deliver, and perform this Agreement and has taken all necessary and proper action to authorize the execution and delivery of this Agreement;
- (b) the Custodian will perform its obligations hereunder in accordance with the terms of this Agreement, the standard of care and its fiduciary obligations under ERISA;
- (c) the Custodian acknowledges that, to the extent any Plan assets are invested in a collective fund or trust offered by the Custodian, it is a fiduciary with respect to Trust assets invested in any fund maintained under the declarations;
- (d) the Custodian acting under this Agreement shall comply with all applicable laws, including any federal, state and local government law, statute, rule, requirement, code, regulation, permit, ordinance, authorization or other such similar governmental requirement and interpretation of the same by a governmental authority within the United States with jurisdiction over same, as well as any and all requirements of any governing body in any jurisdiction outside the United States, including by obtaining and maintaining any and all required permits, licenses and other documentation necessary to perform its services hereunder;
- (e) no officer, employee, contractor or agent of the Employer or any affiliate of the Employer has been or will be employed, retained, paid a fee, or otherwise has received or shall receive any personal compensation or consideration by or from Custodian or any of the Custodian's officers, employees, contractors or agents in connection with the obtaining, arranging or negotiation of this Agreement or other documents entered into or executed in connection herewith; and
- (f) the Custodian will not cause the Trust to engage in a transaction with respect to the Plan that it knows would constitute a prohibited transaction under §406 of ERISA or §4975 of the Code.

## ARTICLE IV – FIDUCIARY RESPONSIBILITIES AND LIABILITIES

#### §4.01 General

- (a) The Trustee, the Plan Administrator, the Employer, and all other fiduciaries under the Plan and this Agreement intend that each fiduciary shall be solely responsible for its own acts or omissions. The Custodian shall not be responsible for the breach of responsibility by any other Plan fiduciary except as required under ERISA or unless due to the Custodian's negligence or bad faith. A fiduciary shall be liable for its acts or omissions or the acts or omissions of the other persons only to the extent required by federal law. Any person may serve in more than one fiduciary capacity under the Plan, and a fiduciary may be a participant under the Plan provided such individual otherwise satisfies the requirements for participation under the Plan. The fiduciaries under the Plan will discharge their duties with respect to the Plan solely in the interest of the participants and beneficiaries and with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.
- (b) The Trustee, the Plan Administrator and the Employer (if the Plan Administrator is not the Employer) each shall be a named fiduciary (within the meaning of §402(a) of ERISA, as amended) with respect to the administration and management of the Plan and this Agreement. A named fiduciary, by written instrument filed by the Plan Administrator with the records of the Plan, may designate a person who is not a named fiduciary to carry out its responsibilities under the Plan, other than a responsibility which is delegated under the terms of this Agreement to the Custodian.

#### §4.02 Custodian Responsibilities with Respect to Assets Subject to Investment by Other Persons

- (a) Except with regard to the group trust as described in §2.01 and §3.01(a), (i) The Custodian shall have no obligations or duties with respect to the acquisition, retention or disposition of any securities or other property of the Fund; and (ii) the Custodian shall have no obligation or duty to respond to communications, other than to forward such communication to the Plan Administrator, which relate to securities or other property which are assets of the Fund (including, but not limited to, proxy statements, tender offers and class action communications), all such obligations or duties hereby being expressly reserved to the Plan Administrator, as the named fiduciary responsible for directing the Custodian as to the management and control of the assets of the Fund. The Custodian shall transmit such communications to the Plan Administrator, who shall take whatever action is required by the Plan.

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- (b) Except as otherwise provided by federal law, the Custodian shall not be liable, in any manner or for any reason, for the making or retention of any investment pursuant to investment directions received from a person authorized to make such directions. The Custodian shall not be liable for the Custodian's failure to invest any or all of the assets of the Fund in the absence of such directions, except as otherwise provided in Article II.

#### §4.03 Other Limitations on the Custodian's Responsibility

- (a) The Custodian shall have no powers, duties, or responsibilities with regard to the administration of the Plan nor shall it have any power, duty, or responsibility to determine the rights or benefits of any person having or claiming an interest under the Plan or this Agreement.
- (b) The Custodian shall have no liability for the adequacy of contributions to the Plan and no responsibility to enforce the payment of such contributions. Such responsibility shall be the responsibility of the Plan Administrator or other party as appointed by the Plan Administrator.
- (c) The Custodian shall not act as an investment fiduciary for the Plan and shall not have any power, duty or responsibility for investments in the Plan except as it is directed by an authorized individual as described in §4.02(b).

#### §4.04 Reliance on Counsel and Indemnification

The Custodian may from time to time consult with counsel (who may be counsel for the Trustee, Plan Administrator or Employer) and shall be fully protected in acting upon the advice of counsel in such instance. The Employer agrees to indemnify and hold the Custodian harmless from and against any liability or expense that it may incur in the administration of the Fund, unless arising from the Custodian's own negligence or willful misconduct. The Custodian shall not be required to give any bond or other security for the faithful performance of its duties under this Agreement except to the extent required by applicable law. The Custodian agrees to indemnify and hold the Employer harmless from and against any liability or expense to the extent caused by the Custodian negligence or willful misconduct.

## ARTICLE V – DIRECTIONS

#### §5.01 Form of Directions

Any action to be taken by the Custodian hereunder that is to be taken upon instruction from the Recordkeeper shall be taken by the Custodian if, when, and as instructed by the Recordkeeper (i) in a written instrument, signed by the person or persons authorized by the Recordkeeper to sign on its behalf, and delivered to the Custodian or (ii) electronically using secured communication methods acceptable to the Custodian and the Recordkeeper. The Custodian shall comply with such instructions and shall have no obligation to comply with the instructions of any other person, including the Plan Administrator and the Employer, except as provided in §5.02. The Custodian shall be under no liability for any loss or breach of trust of any kind that may result from any action or failure of action due to compliance with instructions of the Recordkeeper, Trustee, or Plan Administrator or a failure on the part of the Recordkeeper, Trustee, or Plan Administrator to give instructions properly or within a required period of time.

#### §5.02 Reliance on Directions

The Custodian may assume that the Recordkeeper is acting in accordance with authority granted to it by the Plan Administrator or Employer unless and until it is notified to the contrary in writing by the Plan Administrator or Employer. In the event the Custodian receives such written notice, the Custodian shall be subject to the written instructions of the Plan Administrator pending the appointment of a successor Recordkeeper. In the event that a successor Recordkeeper is not appointed and the Custodian is unable to obtain any instructions from the Plan Administrator, the Custodian may, but is not required to, exercise its own discretion and may, if it so desires, apply to a court of competent jurisdiction for guidance with respect to any matter regarding the Fund.

## ARTICLE VI – PAYMENTS AND EXPENSES

#### §6.01 Payments by the Custodian

- (a) All payments from the Fund shall be made by the Custodian to such persons, in such manner, at such time and in such amounts as directed by the Plan Administrator and communicated to the Custodian by the Recordkeeper. The Custodian shall be under no duty to make inquiry as to whether any distribution instruction by the Recordkeeper is made pursuant to the provisions of the Plan and shall have no liability for any distribution made by it pursuant to instructions received from the Recordkeeper. The Custodian may make any payment required to be made by it hereunder by mailing its check for the amount thereof to the Plan Administrator unless otherwise instructed by the Recordkeeper.
- (b) In the event any controversy arises between the Employer and the Custodian regarding any matter arising in the administration of the Plan, the Custodian shall be subject to the direction of the Plan Administrator as communicated to the Custodian by the Recordkeeper.

#### §6.02 Custodian Compensation and Expenses

The Custodian shall be paid compensation in such amount as the Employer and the Custodian will agree upon from time to time in writing. Such amounts shall be deducted from the assets of the Fund in accordance with procedures established by the Custodian unless paid by the Employer. The Custodian's compensation will be disclosed in the Recordkeeping Service Agreement entered into with the Recordkeeper or in a separate agreement or fee schedule entered into with or provided by the Custodian. Transactional charges made by the Custodian may be deducted from distributions to participants or beneficiaries to the extent the Custodian is instructed to do so by the Recordkeeper. Moneys to be invested in any investments where the appropriate data or investment direction has not been timely provided to the Custodian or the Recordkeeper may be

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retained by the Custodian in cash or invested temporarily, i.e. the Custodian has received the funds to be invested but has not received the corresponding investment data. Moneys to be invested will be invested within one business day of receipt of funds and the correct corresponding investment data. As additional compensation for its services hereunder, the Custodian shall retain any interest earned (float) on such amounts. In addition, the Custodian retains any interest earnings (float) on all distribution checks from the time the funds are received until the time they are presented to the issuing bank for payment as part of its compensation for services provided. Generally funds are distributed the same day as the distribution request is received or when the distribution data is in good order. The Custodian anticipates that the income earned on such amounts will be earned at a rate that generally fluctuates between the then current money market rate and the average 1 year C.D. rate.

#### §6.03 Taxes

The Custodian is authorized to pay from the Fund all real and personal property taxes, income taxes and other taxes of any kind levied or assessed under existing or future laws against the Fund, unless paid by the Employer. The Custodian shall not be personally liable for any such taxes.

#### §6.04 Other Expenses

Any expenses, charges, or fees incurred by the Custodian or the Recordkeeper for the servicing of the Fund, including but not limited to recordkeeping, legal and accounting expenses, shall be deducted from Fund assets in accordance with procedures established by the Custodian unless paid by the Employer.

### ARTICLE VII – REPLACEMENT OF THE CUSTODIAN

#### §7.01 Resignation and Removal

The Custodian may resign at any time after providing ninety days' written notice to the Trustee. The Trustee may remove the Custodian by delivery of a written notice of removal, to take effect at a date specified therein, which shall not be less than ninety days after the delivery of the notice to the Custodian unless the Custodian agrees to a shorter notice period.

#### §7.02 Successor Account Servicer

- (a) Upon resignation or removal of the Custodian, a successor account servicer shall be appointed by the Trustee and such successor account servicer shall have all of the powers and duties conferred herein on the Custodian. The Custodian shall not cease to be the account servicer until the successor account servicer assumes the appointment or sixty days have elapsed since its specified date of resignation, whichever occurs first.
- (b) The Custodian shall deliver to the successor account servicer all property of the Fund as determined by the Recordkeeper together with all records needed by the successor account servicer to administer the Fund properly. The Custodian is authorized, however, to reserve such amount as may be necessary for the payment of expenses as described in Article VI incurred prior to its transfer of Fund assets and records to the successor account servicer to the extent not inconsistent with federal law.
- (c) The Custodian shall execute, acknowledge, and deliver all documents and written instruments which are necessary to transfer the right, title, and interest in the Fund assets, and all related rights and privileges, to the successor account servicer.
- (d) To the extent a successor account servicer is not appointed, the Custodian shall treat the Trustee as the successor account servicer.

### ARTICLE VIII – AMENDMENT AND TERMINATION

#### §8.01 Amendments

- (a) Amendments to this Agreement shall be agreed to by the Trustee, Plan Administrator, Employer, and the Custodian and shall be made in writing. Any such amendment shall be effective in the manner and at the time therein set forth.
- (b) Notwithstanding the provisions of subsection (a) above, the Custodian may amend this Agreement at any time for the purpose of conforming this Agreement to changes in the law or to cure any ambiguity, defect, or omission in the terms of the Agreement. The Custodian shall furnish notice of any such amendment to the Trustee, Plan Administrator, and Employer following its execution. Notwithstanding the foregoing, retroactive amendments may only be made if they satisfy the applicable requirements of the Internal Revenue Code and accompanying regulations and other Internal Revenue Service requirements (e.g., the Employee Plans Compliance Resolution System).

#### §8.02 Termination of the Plan

The Employer may partially or completely terminate the Plan at any time and shall give the Custodian written notice thereof. The Custodian shall thereafter liquidate and distribute the Fund's assets pursuant to the directions of the Plan Administrator as communicated to the Custodian by the Recordkeeper.

### ARTICLE IX – MISCELLANEOUS

#### §9.01 Contributions not Recoverable

Under no circumstances shall any part of the Fund be recoverable by the Employer or Participating Affiliates or be used other than for the exclusive purposes of providing benefits to participants and their beneficiaries and paying proper expenses; provided, however, that, pursuant to the direction of the Plan Administrator as communicated to the Custodian by the Recordkeeper:

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- (a) each contribution of the Employer and the Participating Affiliates for any plan year is hereby conditioned upon its being deductible by the Employer or Participating Affiliate for its fiscal year in which (or for which) such contribution was made, and, to the extent disallowed as a deduction under §404 of the Code, such contribution shall be returned by the Custodian to the Employer or Participating Affiliate within one year after the final disallowance of the deduction by the Internal Revenue Service or the courts;
- (b) a contribution by the Employer, a Participating Affiliate or a participant made as a result of a mistake of fact shall be returned to the Employer or Participating Affiliate within one year after the contribution, if the Recordkeeper so requests,
- (c) the contribution of an Employer to the Fund incident to initial qualification, with the gains and losses thereon, shall be returned by the Custodian to such Employer, upon the request of the Plan Administrator as communicated to the Custodian by the Recordkeeper, within one year if 1) the contribution is conditioned upon the initial qualification of the Plan, a timely determination letter request is filed and the Plan receives an adverse determination that the Plan, as first adopted, is not qualified and tax-exempt (within the meaning of §401(a) and §501(a) of the Code); 2) the reversion is due to a good faith mistake of fact, or 3) the contribution is conditioned on its deductibility under §404 of the Code.; and
- (d) any amounts contributed to the Plan by an Employer or Participating Affiliate that cannot then be allocated to participants because of §415 of the Code shall, upon termination of the Plan, revert to the Employer.

#### §9.02 Alienation

No account, benefit, payment, or distribution under the Plan or this Agreement shall be subject to attachment, garnishment, levy, execution or any claim or legal process of any creditor of a participant or beneficiary. A participant or beneficiary shall have no right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments or proceeds which such participant or beneficiary may expect to receive under the Plan. The provisions of this §9.02 shall not preclude any assignment or alienation required by applicable law or permissible under the provisions of the Plan.

#### §9.03 Successor Employers; Participating Affiliates

- (a) If any successor to the Employer continues the Plan, it shall automatically become a successor party to this Agreement.
- (b) If any other company related to the Employer adopts the Plan and becomes a Participating Affiliate in accordance with the provisions therein, it shall automatically become a party to this Agreement.

#### §9.04 Agents

In performing its obligations under the Agreement, the Custodian shall be entitled to employ suitable agents, counsel, sub-custodians, and other service providers.

#### §9.05 Force Majeure

The Custodian shall not be responsible or liable for the failure or delay in performance of its obligations arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, or that could not be avoided by the exercise of due care, such as an act of God or any mechanical, electronic, or communications failure.

#### §9.06 Governing Law

This Agreement shall be construed, administered, and governed in all respects under applicable federal law and, to the extent that federal law is inapplicable, under the laws of the state in which the Custodian's principal place of business is located. Further, except as expressly stated otherwise, no provision of the Plan or this Agreement is intended to nor shall grant any rights to participants or beneficiaries or any interest in the Fund in addition to those minimum rights or interest required to be provided under ERISA and the Code and the regulations under ERISA and the Code.

#### §9.07 Necessary Parties

To the extent permitted by law, only the Employer and the Custodian shall be necessary parties in any application to the court for an interpretation of this Agreement or for an accounting by the Custodian, and no other fiduciary of the Plan, participant, beneficiary, or other person having an interest in the Fund shall be entitled to any notice or service of process. Any final judgment entered in such an action or proceeding shall, to the extent permitted by law, be conclusive upon all persons claiming in this Agreement.

#### §9.08 Severability

If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of this Agreement shall continue to be fully effective.

#### §9.09 References

Unless the context clearly indicates to the contrary, a reference to a statute, regulation, document, or provision shall be construed as referring to any subsequently enacted, adopted, or re-designated statute or regulation or executed counterpart.

#### §9.10 Headings

Headings and subheadings in the Agreement are inserted for convenience or reference only and are not to be considered in the construction of its provisions.

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CUSTODIAL AGREEMENT WITH ASCENSUS TRUST COMPANY

**ARTICLE X – COUNTERPARTS, IDENTIFICATION AND EXECUTION**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which shall constitute but one in the same instrument, which may be sufficiently evidenced by any one counterpart.

By \_\_\_\_\_  
(Name of Employer)



By \_\_\_\_\_  
(Signature of Authorized Officer)

Date \_\_\_\_\_



Trustee Name \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Trustee Name \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Trustee Name \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Trustee Name \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

**By: ASCENSUS TRUST COMPANY**

By \_\_\_\_\_  
*Bradley Knight*  
(Signature of Authorized Officer)

Date \_\_\_\_\_

Ascensus Trust Company  
1655 43rd Street South, Suite 100  
Fargo, ND 58103  
(701) 234-0207



