

# Putnam

403(b)(7)  
Employer Service  
Agreement

## 403(b)(7) Employer Service Agreement

This Putnam 403(b) Employer Service Agreement (the “Service Agreement”) is made by and among Putnam Fiduciary Trust Company, a Massachusetts trust company, and the employer (the “Employer”) which sponsors a 403(b) tax-sheltered annuity plan (the “Plan”).

WHEREAS, the Employer wishes, and is eligible, to make available to its employees a program for retirement contributions under Section 403(b) of the Internal Revenue Code of 1986 as amended (the “Code”) and applicable regulations; and

WHEREAS, the Employer shall on or before January 1, 2009 (or the initial effective date of the Plan, if later), adopt and maintain a written plan document (the “Plan Document”) in accordance with applicable IRS regulations; and

WHEREAS, Putnam is custodian of the Putnam 403(b)(7) Custodial Accounts (the “Putnam 403(b)(7) Accounts”); and

WHEREAS, the Employer wishes to include Putnam 403(b)(7) Accounts as a designated investment option for Plan assets under the Plan eligible to receive qualified contributions and/or transfers and exchanges from other designated investment providers under the Plan,

NOW, THEREFORE, it is agreed as follows:

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### A. REPRESENTATIONS AND RESPONSIBILITIES OF THE EMPLOYER.

- 1. Eligible Employer.** The Employer hereby represents that it is an organization described in Section 403(b)(1)(A) of the Code, and agrees to notify Putnam immediately in writing if it ceases to be such an organization.
- 2. Plan Document.** The Employer represents that it will maintain a written Plan Document (the “Plan Document”) in accordance with Section 403(b) of the Code and applicable regulations, and that any Putnam 403(b)(7) Accounts established on behalf of its employees shall be maintained pursuant to the Plan Document.
- 3. Not an ERISA Plan.** The Employer represents that the Plan is not, and will not be, subject to the Employee Retirement Income Security Act of 1974, as amended, or regulations thereunder, and agrees to notify Putnam immediately in writing if for any reason the foregoing representation ceases to be true.
- 4. Eligible Employees.** The Employer hereby represents that it will make the Plan available to all eligible employees as required under the terms of Section 403(b)(12)(A)(ii) of the Code.
- 5. Authorized Signer(s).** The Employer will identify the person/s in writing who are authorized to act on behalf of the Employer hereunder and who will serve as the primary contact persons for purposes of implementing, administering, and coordinating any issues that may arise with respect to this Service Agreement, the Plan, and any Putnam 403(b)(7) Accounts thereunder. The Employer shall notify Putnam in writing of any changes to the Authorized Signer(s).
- 6. Transmit Contributions.** The Employer shall transmit all contributions to Putnam in a time and manner acceptable to both parties and consistent with applicable income tax regulations.
- 7. Provide Information.** The Employer hereby agrees that it shall furnish Putnam as soon as practicable any and all information which Putnam may require from time to time in order to fulfill its duties under this Service Agreement, the Putnam 403(b)(7) Account Custodial Agreement, and the Plan Document, including but not limited to information regarding employment status, termination of employment date, age, and the financial hardship of an employee.
- 8. Third-Party Administrator.** The Employer may designate a third-party administrator (“TPA”) to act on its behalf as the administrator of the Plan. Upon written notice to Putnam of the designation of such TPA, Putnam shall be authorized to communicate directly with such TPA regarding all matters related to the Plan, and to share any information required or permitted under this Service Agreement, the Putnam 403(b)(7) Custodial Accounts, the Putnam 403(b)(7) Custodial Account Agreement, and the Plan Document, and to release any such information to such TPA as the TPA may from time to time request. Putnam may also obtain such information from the TPA and rely on it as if provided directly by the Employer. The Employer further accepts responsibility for the confidentiality, as described under this Service Agreement, of any information released to any designated TPA by the Employer or by Putnam, including, without limitation, through the Internet, and for taking reasonable steps to ensure the TPA’s compliance with all applicable state and federal privacy laws.

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**B. DUTIES AND RESPONSIBILITIES OF PUTNAM.**

- 1. Employer Plan Reports.** Putnam shall provide Employer with access to Plan reports (typically via a secure Internet Web site) based on participant records, including but not limited to information such as number of participants with Putnam 403(b)(7) Accounts under the Plan, participant account balances, contributions, and distribution amounts.
- 2. Contributions to Account Investments.** Putnam shall allocate all amounts received in good order from Employer or Employer's designee to participant accounts within one business day of receipt unless circumstances beyond Putnam's control require a later allocation among participant accounts.
- 3. Tax Reporting.** Putnam shall provide federal income tax reporting and notices under Section 402(f) of the Code to participants requesting distributions.
- 4. Tax Withholding.** Putnam shall withhold and remit any federal and state income taxes on any distributions made directly to any employee and/or his or her beneficiary as required under applicable law.
- 5. Required Minimum Distributions.** Putnam shall provide notification to participants who, according to Putnam's records, are 70½ years of age that they may be required to take a Required Minimum Distribution and, upon request of a participant, shall calculate and distribute such amounts as may be required under the Code.
- 6. Solicitation.** Putnam, upon reasonable advance notice, shall comply with all pertinent written directives regarding solicitation of employees of the Employer to the extent compliance is not inconsistent with applicable law.
- 7. Employer Audit.** In the event of a federal income tax audit of the Employer, Putnam will extend its reasonable cooperation in providing to the Employer necessary and appropriate information maintained by Putnam regarding the Putnam 403(b)(7) Accounts.
- 8. Participant Statements.** Putnam shall deliver participant statements no later than thirty business days after the end of each calendar quarter.

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**C. BOTH PARTIES AGREE** that the following terms and conditions are included as part of this Service Agreement:

- 1. Information Sharing.** Putnam and the Employer, or either party's authorized representative, including, without limitation, a TPA designated by the Employer, may share any information concerning the Putnam 403(b)(7) Accounts and the Putnam 403(b)(7) Account Owner (and the Account Owner's beneficiary and beneficiaries of such beneficiary) with each other to the extent reasonably necessary or desirable to implement the terms and conditions of the Plan Document, this Service Agreement, and any and all agreements contemplated hereby, including, without limitation, the Putnam 403(b)(7) Custodial Account Agreement, or as reasonably necessary to satisfy tax requirements. Such information that may be necessary for the parties to share includes, but is not limited to, information on employment status, contributions, and transactions made to or from other 403(b) annuity contracts and/or custodial accounts under the Plan, information on other exchanges, loans, hardship withdrawals (as permitted under the Plan), and any other information necessary to facilitate activities permitted under the terms of the Plan, or as contemplated in the Putnam 403(b)(7) Custodial Account Agreement, or tax compliance and reporting, as such information shall be requested from time to time between the Employer and Putnam.
- 2. Confidentiality and Participant Privacy.** The Employer and Putnam recognize that in the course of sharing information reasonably necessary or desirable to implement the terms and conditions of the Plan Document, this Service Agreement, or the Putnam 403(b)(7) Account Custodial Agreement, and any other agreements contemplated hereby, each party may disclose to the other (or to the other's designees) confidential information related to the Plan, Plan participants, and their respective business operations ("Confidential Information"), and/or also including, without limitation, the individual account owner's (or the account owner's beneficiaries and their respective beneficiaries) name, address, telephone number, Social Security number, date of birth, account number, or a personal identifier that would permit access to the account owner's account, and also including, without limitation, any passwords or logons provided to the Employer to access Putnam Web sites, and any and all other Sensitive Customer Information as defined in the Putnam 403(b)(7) Custodial Account Agreement (collectively, the "Sensitive Customer Information").

All such Confidential Information and Sensitive Customer Information, individually and collectively, and other proprietary information disclosed by either party shall remain the sole property of the party disclosing the same, and the receiving party shall have no interest or rights with respect thereto if so designated by the disclosing party to the receiving party. Each party agrees to maintain (and to cause its designees to maintain) all such Confidential Information and Sensitive Customer Information in trust and confidence to the same extent that it protects its own proprietary information, and not to disclose (and to cause its designees not to disclose) such Confidential Information or Sensitive Customer Information to any third party (other than, in the case of Putnam, to the Employer's third-party service provider or other designee) without the written consent of the other party. Each party further agrees to comply with all applicable state and federal privacy laws, and to take all reasonable precautions to prevent any unauthorized disclosure of Confidential Information or Sensitive Customer Information by itself or its authorized designees. In addition, each party agrees not to disclose or make public to anyone, in any manner, the existence or the terms of this Service Agreement, except as required by law, without the prior written consent of the other party. Notwithstanding the foregoing, Putnam may disclose that it is a vendor under the Plan and has an Information Sharing Agreement in place with the Employer without obtaining the Employer's prior consent. Putnam shall not use the information received hereunder for any purpose other than providing services in connection with this Service Agreement, the Plan, any Putnam 403(b)(7) Accounts thereunder, and any other agreements contemplated thereby, and to comply with the Code and applicable law.

- 3. Indemnification.** Putnam shall hold harmless and indemnify the Employer, its officers, and employees from any and all claims, demands, or causes of action arising from Putnam's breach of this Agreement or gross negligence of Putnam. Notwithstanding the preceding sentence, Putnam shall not hold harmless or indemnify the Employer from any claim, demand, or cause of action arising from erroneous information provided to Putnam by an employee, the Employer, the Employer's designee, including without limitation a TPA, or other person. Putnam at its own expense and risk may defend, or at its option settle, any legal proceeding that may be brought against the Employer, its officers, or employees on any claim, demand, or cause of action for which any of them is indemnified and held harmless hereunder, provided that the Employer provides Putnam with written notice of such legal proceeding within twenty (20) business days of its commencement. Putnam's liability hereunder shall be limited to actual direct damages and out-of-pocket legal fees and expense only. The Employer shall hold harmless and indemnify Putnam, its officers, and employees from any and all claims, demands, or causes of action arising from Putnam's reliance on information provided by the Employer or the Employer's designee or Employer's breach of Section C.2. hereof.
- 4. Termination.** This Service Agreement supersedes all prior agreements and understandings concerning the matters set forth herein. This Service Agreement may not be changed or modified by the Employer without Putnam's prior written consent; however, Putnam may change or modify this Service Agreement upon sixty (60) days written notice to Employer. This Agreement may be terminated by either party upon sixty (60) days written notice to the other party, provided that such notice may be waived by the party receiving such notice.
- 5. Governing Law.** This Service Agreement is to be construed and enforced under the laws of the Commonwealth of Massachusetts without regard to its conflict of laws rules.
- 6. Assignment.** This agreement may not be assigned without the other party's consent, provided that Putnam may assign its rights and responsibilities under this Service Agreement to one or more affiliates without the Employer's consent. Notwithstanding the foregoing, the Employer agrees that Putnam may arrange with one or more entities to provide all or any portion of its services or other obligations hereunder on its behalf.