



PUTNAM FIDUCIARY TRUST COMPANY, LLC

Prototype Simplified Employee Pension Plan

Adoption agreement

A. PREAMBLE

A.1 BY THIS AGREEMENT, the Employer hereby ... [check one]:

- a. adopts a new plan effective as of ... [complete]:
 - i. Original Effective Date: _____ [month, day, year].
- b. amends/restates its existing plan effective as of ... [complete].
 - i. Amendment Effective Date: _____ [month, day, year].

This Adoption Agreement must be used with an Internal Revenue Service model traditional IRA or a Service-approved prototype traditional IRA.

B. EMPLOYER

- B.1. Employer Name: _____
- B.2. Address: _____
- B.3. Telephone Number: _____
- B.4. Email Address: _____
- B.5. Employer Identification Number: _____
- B.6. Company Contact: _____
- B.7. Company Authorized Signer: _____
- B.8. Company Broker Information:
 - a. Dealer number: _____
 - b. Branch office number: _____
 - c. Financial advisor number: _____
 - d. Financial advisor name(s) exactly as it appears on firm's registration: _____
 - e. Financial advisor's firm: _____
 - f. Branch office street address: _____
 - g. City: _____

Note: If you do not designate a financial advisor, or if the broker-dealer firm you designate does not have a selling agreement with the distributor, Putnam Retail Management Limited Partnership ("PRM"), PRM will be designated as the default broker-dealer firm of record on your account and PRM will retain all applicable sales charges. You may designate another broker-dealer firm at any time by returning a signed Change of Financial Advisor Form to Putnam Investor Services.

B.9. Investment Method [check one]:

- a. Check & roster
- b. Wire

C. PLAN YEAR

C.1. The Plan Year is the ... *[check and complete one]*:

- a. calendar year.
- b. Employer's fiscal year beginning _____ *[month, day]*
and ending _____ *[month, day]*.

D. ELIGIBILITY REQUIREMENTS

**Excluded
Employment
Categories:**

- D.1. For purposes of determining which employees are eligible to participate, only the following employees of the Employer (as defined in plan section 2.7) are excluded from consideration:
- a. nonresident aliens who receive no earned income from the Employer that constitutes income from sources within the United States.
 - b. employees covered by a union agreement and whose retirement benefits were bargained for in good faith by the employees' union and the employer.

Age Requirements:

- D.2. For an employee to participate, he/she must have attained age ... *[check one]*:
- a. _____ *[21 or less]*.
 - b. N/A — there is no age requirement.

**Service
Requirements:**

- D.3. For an employee to participate, he/she must have performed service for the Employer during at least _____ *[3 or fewer]* of the immediately preceding 5 calendar years.

**Compensation
Requirements:**

- D.4. For an employee to participate, he/she must have received at least \$ _____ *[cannot exceed \$600, as adjusted for the cost of living in accordance with Code Section 408(k)(8)]* of compensation from the Employer during the calendar year.

E. COMPENSATION

**Compensation:
[Plan Sec. 2.4]**

- E.1. For purposes of Section D.4. above, compensation means 415 Safe-Harbor Compensation.
- E.2. For all other purposes, compensation means ... *[check one]*:
- Form W-2 Compensation.
 - Withholding Wages.
 - 415 Safe-Harbor Compensation.

F. EMPLOYER DISCRETIONARY CONTRIBUTIONS

Contribution/ Allocation Formula [Plan Sec. 3.1]

- F.1 Each participant will share in an allocation of the Employer's discretionary contributions as follows. The Employer's contribution for each calendar year will be allocated to the SEP-IRA of each participant ... *[check one]*:
- a. using the nonintegrated allocation formula in Article III, section 3.1. The amount of the contribution will be a discretionary amount determined by the Employer.
 - b. using the integrated allocation formula in Article III, section 3.1. The amount of the contribution will be a discretionary amount determined by the Employer. The integration level is equal to ... *[check one]*:
 - i. the Taxable Wage Base.
 - ii. _____% *[not to exceed 100%]* of the Taxable Wage Base.

G. ELECTIVE DEFERRALS

[Note: this section may not be completed by an Employer who did not maintain a salary reduction simplified employee pension plan on December 31, 1996.]

Elective Deferrals [Plan Sec. 4.1]

- G.1 Elective deferrals ... *[check one]*:
- a. are
 - b. are not *[skip to section H]*

allowed under the plan.

Elective Deferrals — Maximums [Plan Secs. 4.5 and 5.1]

- G.2 A Participant may elect to have his/her compensation reduced by the following maximums percentage or amount per pay period, or for a specified pay period or periods, as designated in writing ... *[check and complete one]*:
- a. an amount not in excess of _____ percent of his/her compensation.
 - b. an amount not in excess of \$ _____ of his/her compensation.

Notwithstanding the foregoing, a Participant who would attain age 50 or over by the end of the calendar year may elect to defer an additional amount, up to the Catch-Up Elective Deferral Limit for the year.

H. TOP HEAVY PROVISIONS

Coordination with Other Plans of the Employer [Plan Sec. 7.1]

- H.1 The minimum top heavy contribution will be made to ... *[check one]*:
- a. this plan.
 - b. the following other plan of the Employer ... *[complete]*:

I. ADOPTION

The undersigned Employer by signing this Adoption Agreement adopts this Simplified Employee Pension Plan for the exclusive benefit of its Employees who are eligible to participate. It is intended that this plan qualify under Code Section 408(k). When the Employer signs this Adoption Agreement, it incorporates by reference the provisions of the Putnam Prototype Simplified Employee Pension Plan and expressly agrees to be bound by its provisions. The undersigned Employer also expressly acknowledges that its failure to properly fill out this Adoption Agreement may result in disqualification of the plan. Putnam recommends that the Employer receive advice from its legal and/or tax advisor regarding completion of this Adoption Agreement before execution. The Employer's completion of this Adoption Agreement has tax and non-tax legal consequences for which the Employer assumes full responsibility. This agreement must be used in conjunction with Putnam Individual Retirement Accounts.

<i>First</i>	<i>MI</i>	<i>Last</i>	<i>Date (mm/dd/yyyy)</i>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<i>Signature of Employer</i>			<i>Title</i>
<input type="text"/>			<input type="text"/>

PUTNAM FIDUCIARY TRUST COMPANY, LLC

Prototype Simplified Employee Pension Plan

Basic plan document

ARTICLE I – GENERAL

1.1 Effective Dates

- (a) **Original Effective Date.** The original effective date is the date as of which the plan was initially adopted, whether in the form of this prototype or in some other form (e.g., as another prototype or in the form of IRS Form 5305-SEP OR 5305A-SEP).
- (b) **Amendment Effective Date.** The amendment effective date is the date specified in the Adoption Agreement as of which an amendment is effective with respect to the Plan.

1.2 Construction And Controlling State Law. The plan is intended to meet the requirements of Code Section 408(k) and to comply with ERISA (unless exempt from the provisions thereof), and will be administered and construed consistent with this intent.

The plan also will be administered and construed according to the laws of the state or commonwealth (applied without regard to its conflict of laws principles) in which is located the main administrative office of the Employer, to the extent that such laws are not preempted by ERISA or other laws of the United States of America. However, with respect to any dispute involving Putnam Fiduciary Trust Company, LLC, the controlling law will be the laws of the Commonwealth of Massachusetts (applied without regard to its conflict of laws principles).

1.3 Sponsoring Organization. This prototype simplified employee pension plan is made available to employers by Putnam Fiduciary Trust Company, LLC, 100 Federal Street, Boston, Massachusetts, 02110.

ARTICLE II – DEFINITIONS

2.1 Catch-Up Elective Deferral Limit — means \$1,000 for 2002, \$2,000 for 2003, \$3,000 for 2004, \$4,000 For 2005, and \$5,000 for 2006 and later years. After 2006, the limit will be adjusted by the Secretary of the Treasury for cost-of-living increases under Code Section 414(v)(2)(C). Such adjustments will be in multiples of \$500.

2.2 Code Section 402(g)(1) Limit — means the limitation under Code Section 402(g)(1) (without regard to Code Section 402(g)(1)(C)) based on all of the plans of the Employer. The limitation under Code Section 402(g)(1) (without regard to Code Section 402(g)(1)(C)) is \$11,000 for 2002, \$12,000 For 2003, \$13,000 for 2004, \$14,000 for 2005, and \$15,000 for 2006 and later years. After 2006, the limitation will be adjusted by the Secretary of the Treasury for cost-of-living increases under Code Section 402(g)(4). Such adjustments will be in multiples of \$500.

2.3 Code — means the Internal Revenue Code of 1986, as amended from time to time.

2.4 Compensation — means the following:

- (a) **Employees.** In the case of an employee, compensation is determined under whichever of the following definitions is specified in the Adoption Agreement:
 - (1) **Form W-2 Compensation** — means wages within the meaning of Code Section 3401(a) and all other payments of compensation to an employee by the Employer (in the course of the Employer’s trade or business) for which the Employer is required to furnish the employee a written statement under Code Sections 6041(d), 6051(a)(3), and 6052. Form W-2 Compensation must be determined without regard to any rules under Code Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2)).
 - (2) **Withholding Wages** — means wages within the meaning of Code Section 3401(a) for the purposes of income tax withholding at the source but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2)).

(3) **415 Safe-Harbor Compensation** — means wages, salaries, and fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer to the extent that the amounts are includible in gross income (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan (as described in Regulations Section 1.61-2(c)), and excluding the following:

- (A) Employer contributions to a plan of deferred compensation that are not includible in the employee's gross income for the taxable year in which contributed, or employer contributions under a simplified employee pension, or any distributions from a plan of deferred compensation;
- (B) Amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or property) held by the employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;
- (C) Amounts realized from the sale, exchange, or other disposition of stock acquired under a qualified stock option; and
- (D) Other amounts which received special tax benefits, such as premiums for group-term life insurance (but only to the extent the premiums are not includible in the gross income of the employee).

Under each of the above definitions, compensation includes only that compensation that is actually paid or made available to the participant during the year. In addition, except where specifically stated otherwise under the Plan, compensation includes any elective deferral described in Code Section 402(g)(3) or any amount that is contributed by the Employer at the election of the employee and that is not includible in the gross income of the employee under Code Section 125, 132(f)(4) or 457.

- (b) **Self-Employed Individuals.** For any self-employed individual covered under the Plan, compensation means earned income.
- (c) **401(A)(17) Limit.** The annual compensation of each participant taken into account under the Plan for any year shall not exceed \$200,000, as adjusted for increases in the cost of living in accordance with Code Section 401(a)(17)(B). If the Plan determines compensation for a period of time that contains fewer than 12 calendar months, then the annual compensation limit is an amount equal to the annual compensation limit for the calendar year in which the compensation period begins multiplied by a fraction, the numerator of which is the number of full months in the short compensation period, and the denominator of which is 12.

2.5 Cumulative Permitted Disparity Limit — means, effective for calendar years beginning on or after January 1, 1995, 35 total cumulative permitted disparity years. Total cumulative permitted disparity years means the number of years credited to the Participant for allocation or accrual purposes under this plan or any other simplified employee pension or any qualified plan described in Code Section 401(a) (whether or not terminated) ever maintained by the Employer. For purposes of determining the Participant's Cumulative Permitted Disparity Limit, all years ending in the same calendar year are treated as the same year. If the Participant has not benefited under a defined benefit or target benefit plan for any year beginning on or after January 1, 1994, the Participant has no Cumulative Permitted Disparity Limit.

2.6 Deferral Percentage Limitation — means the maximum amount of elective deferrals (other than catch-up elective deferral contributions determined before application of the deferral percentage limitation), expressed as a percentage of compensation, that can be contributed on behalf of any Highly Compensated Employee for a particular Plan Year and it equals the product of

- (a) the average of the amounts of elective deferrals (other than catch-up elective deferral contributions) expressed as a percentage of each such employee's compensation made on behalf of all the non-Highly Compensated Employees for the same Plan Year, and
- (b) 1.25.

In calculating this average, the percentage for an eligible non-Highly Compensated Employee who chooses not to have elective deferrals made on his/her behalf for a plan year, is zero. The determination of the deferral percentage for any employee is to be made in accordance with Code Sections 408(k)(6) and 414(v) and any guidance issued thereunder.

2.7 Employer — means the employer specified in section 8.1 of the Adoption Agreement and each corporation in a controlled group as described in Code Section 414(b), each entity or business under common control with such employer as described in Code Section 414(c), and affiliated service groups described in Code Section 414(m).

- 2.8 Highly Compensated Employee** — means an individual described in Code Section 414(q) who, during the current or preceding year,
- (a) Was a 5-percent owner as defined in Code Section 416(i)(1)(B)(i); or
 - (b) Received compensation in excess of \$80,000, as adjusted pursuant to Code Section 414(q)(1), and was in the top-paid group (the top 20 percent of employees, by compensation).
- 2.9 Key Employee** — means any employee or former employee (and the beneficiaries of these employees) who, at any time during the preceding Plan Year, was:
- (a) an officer of the employer with compensation greater than \$130,000 (as adjusted under Code Section 416(i)(1)(A));
 - (b) a 5-percent owner of the Employer as defined in Code Section 416(i)(1)(B)(i); or
 - (c) a 1-percent owner of the Employer with compensation greater than \$150,000.
- 2.10 Participant** — means an employee who satisfies the eligibility requirements of Section D. of the Adoption Agreement, including leased employees required to be treated as employees of the Employer pursuant to Code Section 414(n) and all employees required to be aggregated under Code Section 414(o).
- 2.11 Plan Year** — means the twelve-consecutive month period designated as the Plan Year in the Adoption Agreement. If the Employer changes from a calendar year Plan Year to a Plan Year that does not correspond to the calendar year, an employee who has any service during the period from January 1 to the beginning of the new Plan Year (the “short year”) will be given credit for that service in determining whether the requirements of Section D.3 of the Adoption Agreement (regarding eligibility for participation) have been satisfied. Such employee must also be given a contribution for the short year if he or she would have been entitled to a contribution for the full calendar year containing the short year, if the Plan Year had not been changed.
- 2.12 SARSEP** — means salary reduction simplified employee pension within the meaning of Code Section 408(k)(6).
- 2.13 SEP** — means simplified employee pension within the meaning of Code Section 408(k)(1).
- 2.14 SEP-IRA** — means the individual retirement account or individual retirement annuity established by or on behalf of each Participant to accept contributions made under the Employer’s SEP or SARSEP.
- 2.15 Taxable Wage Base** — means the contribution and benefit base in effect under section 230 of the social security act at the beginning of the year.

ARTICLE III — EMPLOYER DISCRETIONARY CONTRIBUTIONS

- 3.1** Employer discretionary contributions will be allocated in the following manner:
- (a) **Nonintegrated Allocation Formula.** If a nonintegrated formula is specified in the Adoption Agreement, the allocation will be made to the Participant’s SEP-IRA in the same ratio that the Participant’s Compensation bears to all Participants’ Compensation for that year. The amount allocated to each Participant’s SEP-IRA will be limited to the lesser of 25% of the Participant’s Compensation or \$40,000, as adjusted under Code Section 415(d). For purposes of the 25% limit described in the preceding sentence, a Participant’s Compensation does not include any elective deferral described in Code Section 402(g)(3) or any amount that is contributed by the Employer at the election of the Participant and that is not includible in the gross income of the Participant under Code Sections 125, 132(f)(4) or 457.
 - (b) **Integrated Allocation Formula.** If an integrated formula is specified in the Adoption Agreement, the allocation will be made as follows:
 - STEP ONE:** Contributions will be allocated to each Participant’s SEP-IRA in the ratio that the Participant’s total Compensation bears to all Participants’ total Compensation, but not in excess of 3% of the Participant’s Compensation.
 - STEP TWO:** Any contributions remaining after the allocation in step one will be allocated to each Participant’s SEP-IRA in the ratio that the Participant’s Compensation for the calendar year in excess of the integration level bears to the excess Compensation of all Participants, but not in excess of 3% of the Participant’s Compensation. For purposes of this step two, in the case of any Participant who has exceeded the cumulative permitted disparity limit, such Participant’s total Compensation for the calendar year will be taken into account.

STEP THREE: Any contributions remaining after the allocation in step two will be allocated to each Participant's SEP-IRA in the ratio that the sum of the Participant's total Compensation and Compensation in excess of the integration level bears to the sum of all Participants' total Compensation and Compensation in excess of the integration level, but not in excess of the maximum disparity rate. For purposes of this step three, in the case of any Participant who has exceeded the cumulative permitted disparity limit, 2 times such Participant's total Compensation for the calendar year will be taken into account.

STEP FOUR: Any remaining employer contributions will be allocated to each Participant's SEP-IRA in the ratio that each Participant's total Compensation for the calendar year bears to all Participants' total Compensation for that year.

Notwithstanding the preceding paragraphs, for any calendar year this plan benefits any Participant who benefits under another simplified employee pension or qualified plan described in Code Section 401(a) maintained by the Employer that provides for permitted disparity (or imputes disparity), Employer contributions will be allocated to each Participant's SEP-IRA in the ratio that the Participant's total Compensation for the calendar year bears to all Participants' total Compensation for that year.

The maximum disparity rate is equal to the lesser of 2.7% or the applicable percentage determined in accordance with the table below.

If the integration level			
is more than	but not more than	the applicable percentage is:	
\$0	X	2.7%	X = the greater of \$10,000 or 20% of the TWB
X	80% of TWB	1.3%	Y = any amount more than 80% of the TWB but less than 100% of the TWB
80% of TWB	Y	2.4%	TWB = Taxable Wage Base

If the integration level is equal to the Taxable Wage Base, the applicable percentage is 2.7%.

In no event can the amount allocated to each Participant's SEP-IRA exceed the lesser of 25% of the Participant's Compensation or \$40,000, as adjusted under Code Section 415(d). For purposes of the 25% limitation described in the preceding sentence, a Participant's Compensation does not include any elective deferral described in Code Section 402(g)(3) or any amount that is contributed by the employer at the election of the Participant and that is not includible in the gross income of the Participant under Code Sections 125, 132(f)(4) or 457.

ARTICLE IV – EMPLOYEE ELECTIVE DEFERRAL CONTRIBUTIONS

4.1 Amendment. If the Employer has elected to allow elective deferrals in the Adoption Agreement, this is an amendment to the Employer's existing SARSEP that is intended to qualify under Code Section 408(k)(6) and any guidance issued thereunder. The Employer agrees to permit elective deferrals to be made that will be contributed by the Employer to each Participant's SEP-IRA. If the Employer has not elected to allow elective deferrals in the Adoption Agreement, the provisions of this Article IV will not apply.

4.2 Participation and Coverage Requirements. Elective deferrals will be permitted for a plan year only if:

- (a) not less than 50 percent of the Participants elect to have amounts contributed to the Plan on their behalf; and
- (b) the Employer had no more than 25 employees at all times during the prior Plan Year who were eligible to participate in the Plan.

If the 50-percent requirement is not satisfied as of the end of any plan year, all the elective deferrals made by employees for that Plan Year will be considered "disallowed deferrals," meaning IRA contributions that are not SEP-IRA contributions.

4.3 Salary Reduction Agreement and Allocation of Elective Deferrals. A Participant may elect to have elective deferrals made under this plan through either single-sum or continuing contributions, or both, pursuant to a salary reduction agreement. The Employer will contribute to each Participant's SEP-IRA the amount of elective deferrals chosen by the Participant.

4.4 Timing of Elective Deferrals. No deferral election may be based on compensation an employee received, or had a right to receive, before execution of a salary reduction agreement by the employee.

- 4.5 Catch-Up Elective Deferral Contributions.** Notwithstanding any other provision herein, a Participant who would attain age 50 or over by the end of the calendar year can choose to have an additional amount of elective deferrals made by the employer, up to the Catch-Up Elective Deferral Limit for the year, over any dollar or percentage limit applicable to Participants in the absence of any catch-up elective deferral contributions. Catch-up elective deferral contributions will be determined in accordance with Code Section 414(v) and any guidance issued thereunder.
- 4.6 Withdrawal Restrictions.** The Employer will notify each Participant who makes an elective deferral for a Plan Year that, notwithstanding the prohibition on withdrawal restrictions contained in this plan, any amount attributable to such elective deferrals which is withdrawn or transferred before the earlier of 2½ months after the end of the particular Plan Year and the date the employer notifies its Participants that the Deferral Percentage Limitations have been calculated, will be includible in income for purposes of Code Sections 72(t) and 408(d)(1).
- 4.7 Disallowed Deferrals.** The Employer will notify each affected Participant, within 2½ months after the end of the Plan Year to which the disallowed deferrals relate, that the deferrals are no longer considered SEP-IRA contributions. Such notification will specify the amount of the disallowed deferrals and the calendar year of the Participant in which they are includible in income and must provide an explanation of applicable penalties if the disallowed deferrals are not withdrawn in a timely fashion. The notice to each affected Participant must state specifically:
- (a) The amount of the disallowed deferrals;
 - (b) That the disallowed deferrals are includible in the Participant's gross income for the calendar year or years in which the amounts deferred would have been received by the Participant in cash had he or she not made an election to defer and that the income allocable to such disallowed deferrals is includible in the year withdrawn from the SEP-IRA; and
 - (c) That the Participant must withdraw the disallowed deferrals (and allocable income) from the SEP-IRA by April 15 following the calendar year of notification by the Employer. Those disallowed deferrals not withdrawn by April 15 following the year of notification will be subject to the IRA contribution limitations of Code Sections 219 and 408 and thus may be considered an excess contribution to the Participant's SEP-IRA. Disallowed deferrals may be subject to the 6-percent tax on excess contributions under Code Section 4973. If income allocable to a disallowed deferral is not withdrawn by April 15 following the year of notification by the Employer, the income may be subject to the 10- percent tax on early distributions under Code Section 72(t) when withdrawn.

ARTICLE V — LIMIT ON ELECTIVE DEFERRALS, NONDISCRIMINATION TEST

- 5.1 Elective Deferral Limit.** A Participant's elective deferrals in any calendar year cannot exceed the lesser of 25 percent of his/her Compensation (determined without including the elective deferrals to the Plan) or the Code Section 402(g)(1) limit.
- 5.2 Compensation Limitation.** Each Participant's elective deferrals under this plan may be based only on the first \$200,000 of Compensation (as adjusted for increases in the cost of living in accordance with Code Section 401(a)(17)(B)).
- 5.3 Nondiscrimination Test.** Elective deferrals (other than catch-up elective deferral contributions determined before application of the deferral percentage limitation) by a highly compensated employee must satisfy the deferral percentage limitation under Code Section 408(k)(6).
- 5.4 Excess SEP Contributions.** Amounts in excess of the deferral percentage limitation under Code Section 408(k)(6) will be deemed excess SEP contributions on behalf of the affected highly compensated employee or employees. The Employer will notify each affected highly compensated employee, within 2½ months following the end of the Plan Year to which the excess SEP contributions relate, of any excess SEP contributions to the highly compensated employee's SEP-IRA for the applicable year. Such notification shall specify the amount of the excess SEP contributions and the calendar year in which the contributions are includible in income and must provide an explanation of applicable penalties if the excess contributions are not withdrawn in a timely fashion. Excess SEP contributions of a Participant who would attain age 50 or over by the end of the calendar year are not includible in income and do not have to be withdrawn to the extent such Participant has not reached the catch-up elective deferral limit for the Plan Year to which the excess SEP contributions relate.

Excess SEP contributions that are includible in the Participant's gross income are includible on the earliest dates any elective deferrals made on behalf of the Participant during the Plan Year would have been received by the Participant had he/she originally elected to receive the amounts in cash. However, if such excess SEP contributions (not including allocable income) total less than \$100, then the excess contributions are includible in the Participant's gross income in the year of notification. Income allocable to such excess SEP contributions is includible in the year of withdrawal from the SEP-IRA.

If the Employer fails to notify any of the affected Participant within 2½ months following the end of the Plan Year of an excess SEP contribution, the Employer must pay a tax equal to 10 percent of the excess SEP contribution. If the Employer fails to notify Participants by the end of the Plan Year following the plan year in which the excess SEP contributions arose, the Plan no longer will be considered to meet the requirements of Code Section 408(k)(6), then any contribution to a Participant's SEP-IRA will be subject to the IRA contribution limitations of Code Sections 219 and 408 and thus may be considered an excess contribution to the Participant's SEP-IRA.

The notification to each affected Participant of the excess SEP contributions must specifically state in a manner calculated to be understood by the average Participant:

- (a) The amount of the excess SEP contributions attributable to that Participant's elective deferrals;
- (b) The calendar year in which the excess SEP contributions are includible in gross income, to the extent applicable; and
- (c) To the extent applicable, that the Participant must withdraw the excess SEP contributions (and allocable income) from the SEP-IRA by April 15 following the year of notification by the Employer. Those excess contributions not withdrawn by April 15 following the year of notification will be subject to the IRA contribution limitations of Code Sections 219 and 408 for the preceding calendar year and thus may be considered an excess contribution to the Participant's SEP-IRA. Such excess contributions may be subject to the 6-percent tax on excess contributions under Code Section 4973. If income allocable to an excess SEP contribution is not withdrawn by April 15 following the year of notification by the Employer, the income may be subject to the 10-percent tax on early distributions under Code Section 72(t) when withdrawn.

ARTICLE VI – DEDUCTIBILITY OF CONTRIBUTIONS

- 6.1 Deductibility.** Contributions to the Plan are deductible by the Employer for the taxable year with or within which the Plan Year of the Plan ends. Contributions made for a particular taxable year and contributed by the due date of the Employer's income tax return, including extensions, are deemed made in that taxable year.

ARTICLE VII – TOP HEAVY RULES

- 7.1 Minimum Contribution.** Unless another plan of the Employer is designated, in the Adoption Agreement, to satisfy the top-heavy requirements of Code Section 416, the Employer will make a minimum contribution each year to the SEP-IRA of each Participant (other than a Key Employee as defined in Code Section 416(i)), which, in combination with other nonelective contributions, if any, is equal to the lesser of 3 percent of each Participant's Compensation or a percentage of such compensation equal to the percentage of compensation at which elective (not including catch-up elective deferral contributions) and nonelective contributions are made under the Plan for the Plan Year for the Key Employee for whom such percentage is the highest for the Plan Year. For purposes of satisfying the minimum contribution requirement under Code Section 416, all nonelective contributions under the Plan will be taken into account, but elective deferrals will not be taken into account.

ARTICLE VIII – MISCELLANEOUS

- 8.1 Amendment.** The Employer may at any time amend the elections in the Adoption Agreement and thereby amend or terminate the Plan. If the Employer amends the Plan (other than by amending a permitted election in the Adoption Agreement), the Plan will be deemed to be an individually designed plan and will no longer participate in this prototype plan. Putnam Fiduciary Trust Company, LLC may at any time amend the form of the Adoption Agreement and the Basic Plan Document. Putnam Fiduciary Trust Company, LLC will inform the Employer of any amendments to the form of the Adoption Agreement or the basic plan document or if Putnam Fiduciary Trust Company, LLC no longer sponsors this prototype plan.
- 8.2 Exclusive Benefit.** The benefits under the Plan will not be anticipated, assigned, alienated, or subject to attachment, garnishment, levy, execution, or other legal or equitable process, except as may be required by law.
- 8.3 Maintenance of Defined Benefit Plan.** If the Employer has ever maintained a defined benefit plan that is now terminated, or if subsequent to adopting this plan, any defined benefit plan of the Employer terminates, the Plan will be deemed to be an individually designed Plan and may no longer participate in this prototype plan.



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

Sponsor Name: PUTNAM FIDUCIARY TRUST CO
Plan Description: Prototype SEP 001
FFN: 50495310000-001 Case: 200302181 EIN: 04-2777224
BPD: 00 Plan: 001 Letter Serial No: K400069c

Contact Person:
Ms. Arrington 50-00197
Telephone Number:
(202) 283-8811
In Reference To:
T:EP:RA:T2
Date: 02/12/2004

Dear Applicant:

In our opinion, the amendment to the form of your Simplified Employee Pension (SEP) arrangement does not adversely affect its acceptability under section 408(k) of the Internal Revenue Code. This SEP arrangement is approved for use only in conjunction with an Individual Retirement Arrangement (IRA) which meets the requirements of Code section 408 and has received a favorable opinion letter, or a model IRA (Forms 5305 and 5305-A).

Employers who adopt this approved plan will be considered to have a retirement savings program that satisfies the requirements of Code section 408 provided that it is used in conjunction with an approved IRA. Please provide a copy of this letter to each adopting employer.

Code section 408(1) and related regulations require that employers who adopt this SEP arrangement furnish employees in writing certain information about this SEP arrangement and annual reports of savings program transactions.

Your program may have to be amended to include or revise provisions in order to comply with future changes in the law or regulations.

If you have any questions concerning IRS processing of this case, call us at the above telephone number. Please refer to the Letter Serial Number and File Folder Number shown in the heading of this letter. Please provide those adopting this plan with your phone number, and advise them to contact your office if they have any questions about the operation of this plan.

You should keep this letter as a permanent record. Please notify us if you terminate the form of this plan.

Sincerely yours,

Director,
Employee Plans Rulings & Agreements