

# REQUEST FOR INFORMATION

## Advisory Services for the ABC Company 401(k) Plan

ABC Company is requesting your response to ensure that we follow a prudent process in the evaluation of our current investment advisor in order to establish a baseline for comparison and to identify potential candidates should we determine that a change in investment advisors would be in the best interests of our retirement plan participants.

The core investment options of our 401(k) Plan (“Plan”) consist of mutual funds with low cost expense ratios. Any remuneration received from the Plan investments is applied to offset the cost of recordkeeping the Plan. The core investment options represent a broad spectrum of Morningstar Investment Categories from an open architecture universe of mutual funds.

The core investment options of our Plan total approximately \$25 million. The Plan also has a brokerage option and participant loans which will not be your responsibility and should not be considered for the purpose of determining your fee structure. The Plan does not allow employer securities, real estate, non-publicly traded partnership interests, or other non-publicly traded securities. Our retirement plan committee has been actively involved with the selection and monitoring of the core investment options, and we do not believe the menu of fund options will require significant restructuring.

The following information describes the basic scope of services that we require and sets forth questions to determine your acceptance of fiduciary liability, risk management protocol, and fee(s) for services. This will be the extent of the information provided by ABC Company at this phase of our due diligence. A prompt response to this inquiry will be confirmation that you are both interested and qualified to meet all of the requirements that we have outlined.

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### SCOPE OF SERVICES

- Prepare a written Investment Policy Statement (the “IPS”) for the Plan. The IPS will establish the investment policies and objectives of the Plan, set forth the asset classes and investment categories to be offered under the Plan, and define the criteria and standards for selecting and monitoring the Core Investment Options.
- Provide investment recommendations with regard to the specific selection criteria set forth in the IPS.
- Monitor the core investment funds being utilized to assure both ongoing compliance with the objective criteria as outlined and required by the IPS as well as ongoing satisfaction of reasonable objective and subjective criteria.
- Make recommendations with respect to Plan investments including, but not limited to, investment changes or supporting documentation as to the ongoing retention of investments when such recommendations are deemed advisable.
- Provide on-site investment reviews with the committee, generally accepted to be held quarterly during the first year, transitioning to a semi-annual basis thereafter. The meetings will be held at our corporate offices in New York, NY.
- Provide group enrollment or informational meetings designed to increase retirement plan participation among employees and improve their understanding of saving and investing for retirement. ABC Company currently employs approximately 500 people. We anticipate the need for semi-annual meetings to be held at our corporate offices in New York, NY and potentially in Los Angeles, CA.
- Provide Model Portfolios that are consistent with the requirements of the recordkeeping system and communication materials that support the participant experience. The underlying investment funds used in the Model Portfolios should be monitored in accordance with the guidelines established in the IPS.

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### ACCEPTANCE OF FIDUCIARY LIABILITY + PROFESSIONAL RESPONSIBILITY

YES

NO

Please provide the name and contact information of your firm.

1. Does your firm acknowledge their role as a fiduciary as defined by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) with respect to investment advisory services provided to retirement plans?
2. Does your firm accept the responsibility for loss incurred as a direct result of their willful misfeasance, bad faith, and breach of fiduciary duty or negligence in the performance of their duties and agree to hold our company, officers and retirement plan committee members harmless from resulting damages, judgments, settlements and defense costs?

*Please note that our choice of wording is specific and cannot be changed in the final agreement with your firm. We will not accept the standard for fiduciary responsibility being changed to a form that may require proof of intentional damage on the part of your firm as with gross negligence or malfeasance. Also understand that your firm’s fiduciary responsibility will not be satisfied by simply meeting the diversification requirements as defined by ERISA 404(c).*

3. Our company will not agree to arbitration or waive any of the remedies afforded to us by ERISA before the facts and circumstances of an alleged cause of action are clearly understood. Will your firm agree to remove any reference to mandatory arbitration or mediation from your documents?

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### RISK MANAGEMENT PROTOCOL

YES

NO

1. Does your firm have professional liability coverage for investment advisory services specifically for retirement plans regulated by ERISA?

Please provide the name of the company who underwrites the policy, the financial ratings of the insurer, and the specific terms of coverage. How much risk does your firm retain?

2. What potential conflicts of interest is your firm required to disclose to be in compliance with SEC regulations?

Does your firm accept reimbursement for travel related to ongoing due diligence of investment managers, managed account solutions, or recordkeeping vendors?

Does your firm accept compensation or other considerations from investment managers, managed account solutions, or recordkeeping vendors that is not paid for directly from the assets of retirement plans?

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If you responded yes to any of these questions, please describe specific items such as business retention bonuses, meals, and/or entertainment.

YES

NO

3. Does your firm solicit or have a history of soliciting the plan participants of your Plan Sponsor clients for IRA rollovers upon their termination or retirement?

Does your firm solicit or have a history of soliciting plan participants of your Plan Sponsor clients for any other financial services?

4. Does your firm recommend any managed account solutions integrated with a retirement plan that may result in increased fees? These fees could be charged to the overall retirement plan or to the plan participants who select the managed account solution.

5. Does your firm provide specific written recommendations that follow a defined investment discipline and are intended to document that a prudent fiduciary process was followed for all investment decisions?

### FEE FOR SERVICES

What is your proposed fee structure?

Signature of Authorized Company Representative\*

Date