

**2006 CONEXIS ADMINISTRATIVE SERVICES AGREEMENT**  
**SMG - REIMBURSEMENT ACCOUNT SERVICE APPENDIX**

Client has established one or more of the following health care, dependent care and/or transportation reimbursement account arrangements:

- An Internal Revenue Code (“Code”) Section 105 Healthcare Flexible Spending Arrangement (“Healthcare FSA”)
- A Code Section 125 Cafeteria Premium Only Plan (“Cafeteria Plan”)
- An Individual Premium Reimbursement Account Plan, as permitted in IRS Revenue Ruling 61-146 (“IPR”)
- A Code Section 129 Dependent Care Flexible Spending Arrangement (“Dependent Care FSA”)
- A Code Section 132 Transportation Fringe Benefit Plan (“Transportation Plan”)
- A Health Reimbursement Arrangement, as defined in IRS Revenue Ruling 2002-41 in IRS Notice 2002-45 (“HRA”)
- Other reimbursement account services

All such plans shall be referred to collectively as the “Reimbursement Accounts”. Client has asked CONEXIS to assist it with its administrative obligations under one or more of the Reimbursement Accounts (as indicated above).

This Service Appendix is incorporated into and made apart of the Service Agreement (the “Agreement”). The effective date of this Service Appendix is the Effective Date of the Agreement or if later, the date that both parties have agreed to this Service Appendix. If there is a conflict between this Service Appendix and the Agreement, the Agreement controls.

In consideration of the mutual promises set forth below, the parties agree as follows:

1. For the purposes of this Service Appendix, the Data Provider shall mean the party that is providing information to CONEXIS. Data Provider may be a Client, a Business Partner or another third party entity designated by Client. Data Provider shall be responsible for providing CONEXIS timely, accurate and complete information necessary for CONEXIS to provide the Services described herein. CONEXIS is under no obligation to verify the accuracy and completeness of the information it receives from the Data Provider.
2. CONEXIS shall provide sample plan documentation and forms for review and potential adoption by Client and Client’s legal counsel. Such documentation will be limited to a plan document, summary plan description, board resolution, salary reduction/change of election forms and sample forms for the Client’s participating employee (the “Participant”) to request reimbursement under the Reimbursement Accounts. CONEXIS makes no warranties or representations regarding the adequacy of such documentation in light of Client’s particular facts, circumstances and modifications.
3. CONEXIS shall maintain employee participation census, Client contribution (if any), and salary reduction (if any) information for the Reimbursement Accounts, including initial enrollments, annual enrollments and changes made to such elections as reported to CONEXIS. CONEXIS shall maintain separate bookkeeping accounts with regard to each Participant’s Reimbursement Account based on information provided to CONEXIS. CONEXIS is not responsible for processing elections or changes to elections.
4. CONEXIS shall process requests for reimbursement in accordance with applicable law and information provided to CONEXIS by Data Provider. CONEXIS will make determinations on all levels of appeal adopted under the Reimbursement Accounts other than the final appeal level (except as otherwise agreed to by CONEXIS). Client shall be responsible for the determination on the final level of appeal. Client shall be responsible for determining who is eligible for the Reimbursement Accounts and who has satisfied the requirements to become a Participant in the Reimbursement Accounts. In addition, CONEXIS is not responsible for any consequences arising from its takeover of administrative duties relating to a Reimbursement Account from another service provider or arising from payments made to terminated employees prior to CONEXIS receiving notice of termination. CONEXIS may, at the Client’s request and in the manner from time to time prescribed, accept electronic explanations of benefits (EOBs) from health plans or administrators for purposes of processing reimbursements to Participants. Client must identify all health plans and other third parties from whom CONEXIS may accept EOBs for purpose of reimbursement processing. Client understands that such a process may not comply with the applicable certification requirements since the participant is unable to certify that the expense has not been reimbursed at the time CONEXIS processes the reimbursement; however, Client assumes all risks associated with such process by requesting such services from CONEXIS.

5. If a request for reimbursement is approved, CONEXIS shall disburse benefit payments that are determined to be payable in accordance with the terms of the plans as soon as reasonably possible after such determination is made, provided that sufficient funds have been made available by Client to pay such benefit payments. Except as set forth herein regarding Electronic Payment Card procedures, Client shall make sufficient funds available to pay benefits under the Plans in accordance with the following method set forth below:

(i). Check writing Authority over Client Account. If the Employer chooses this option, the Client will make sufficient funds available from its general assets for amounts allocable to eligible reimbursement benefits under the Reimbursement Accounts administered by CONEXIS in a Client-owned and named account (the "Account") at a financial institution selected by the Client and CONEXIS to facilitate the timely processing of Requests under the Reimbursement Accounts. Client will also provide written proof that such funds have been made available. The Client bears sole responsibility for any fees imposed with respect to the Account by the financial institution and Client and CONEXIS may agree that CONEXIS' fees may be withdrawn from such account; or

(ii) Benefits Payable from Custodial Account maintained by CONEXIS. If the Client chooses this option, Client will make sufficient funds available from its general assets for amounts allocable to eligible reimbursement benefits under the Reimbursement Accounts, as indicated by a claims report submitted by CONEXIS, by electronically transferring such funds to an account designated by CONEXIS. Client will make all transfers to such custodial account upon receipt of the claims report from CONEXIS.

(iii) Electronic Payment Card Funding and/or Transit Pass Funding. To the extent that the Client has chosen to make an Electronic Payment Card available and/or Transit Passes are provided as set forth below, the Client may choose either option (i) or (ii) set forth above. If an electronic payment card is used, Client agrees to deposit a minimum, ("Minimum Balance") in amounts specified by CONEXIS from time to time from its general assets for amounts allocable to eligible reimbursement benefits under its Plan, Client and CONEXIS may, if agreed to in writing, substitute Client's bank-issued Letter of Credit in lieu of Minimum Balance deposit. Client shall also deposit additional funds in order to reestablish the Minimum Balance at the request of CONEXIS. If the Client does not deposit additional funds upon the third request from CONEXIS, all payments are suspended and all electronic payment cards are deactivated.

(iv) Client Issues Participant Payments. If Client chooses this option, CONEXIS will provide a register of claims processed according to the cycle selected by Client. Client bears sole responsibility for issuing reimbursements to participants.

If sufficient funds have not been made available, reimbursements will be suspended until sufficient funds are made available. In the event this Agreement is terminated, all requests for reimbursement submitted to CONEXIS after the effective date of termination will be returned to Client, or at Client's request, submitted to another third party. CONEXIS will have no further responsibility with respect to such claims submitted after the effective date of termination.

Participant reimbursements unclaimed or not cashed by the end of the plan year following the year in which such reimbursement was issued are considered forfeited by the Participant. Such forfeitures will be refunded to Client before the end of the thirteenth month following the end of the applicable plan year.

6. CONEXIS may make an electronic payment card ("Card") available to Participants through which eligible medical, transportation and/or dependent care expenses (if available) may be paid. If the Client wishes to make an electronic payment card available, CONEXIS will administer the card as follows:

(i) CONEXIS or a service provider chosen by CONEXIS will provide an electronic payment card ("Card") to each participant in the Health and/or Dependent Care FSAs who elects to use a Card or, at the employer's option, a Card will be sent to all employees who enroll in the Plan. The Card will be deactivated upon notice from the Client that the participant is no longer employed by the Client or has ceased to satisfy the eligibility requirements. Neither CONEXIS nor the Card Service Provider is responsible for any damages or costs arising from use of such Card by an ineligible individual prior to notice being received by CONEXIS or the Card Service Provider. CONEXIS reserves the right to deactivate the Card any other time that it deems appropriate.

(ii) Participants must agree to use the Card in accordance with the terms of the Cardholder Agreement that accompanies the Card. CONEXIS or the Card services provider will deactivate the Card if the participant fails to use the Card in accordance with the Cardholder Agreement.

(iii) The Card may be used by Participants to pay for Eligible Expenses (as defined by the applicable Reimbursement Account) with merchants who have a category code associated with medical services, day care services and/or parking transit services (to the extent applicable). CONEXIS reserves the right to allow the Card to be used at merchants who do not have an appropriate category code under certain circumstances.

(iv) CONEXIS will require substantiation of expenses paid with the Card in accordance with the requirements set forth in the applicable Treasury regulations and/or other applicable guidance. The Card will be deactivated if the Participant fails to provide the requested substantiation. CONEXIS will make reasonable attempts to collect repayment of claims paid through the Card for ineligible expenses. No more than 2 requests for repayment will be made. If repayment is not made, Client will be informed and will be responsible for taking any necessary action required by law (e.g. including such amounts in income).

(v) CONEXIS or the Card Service Provider will incur no liability for any ineligible Card payments except those arising from CONEXIS' or the Card Service Provider's negligence or material breach of its obligations under this Agreement. It is the Client's responsibility to ensure that they comply with all applicable tax and other laws.

(vi) All Cards will be deactivated on the date this Agreement is terminated.

(vii) If the Card has been deactivated (other than for failure to properly fund), neither CONEXIS nor the Card Service Provider will reactivate the card except as prompted by written instructions from the Employer.

(viii) Client understands that until the IRS or Treasury issues formal guidance approving the use of an electronic payment card under a Code Section 129 Dependent Care FSA and/or 132 Tax-Free Transportation Plan and outlining the required terms and condition of such use, the Client assumes all risks of offering the electronic payment card as administered by CONEXIS (as set forth above and in the cardholder agreement) for use by participants in a Dependent Care FSA or Transportation Plan. Client agrees to indemnify and hold CONEXIS harmless from any and all damages that may arise as a result of using the electronic payment card in accordance with the terms set forth above.

7. For qualified transit benefits provided under a Transportation Plan, CONEXIS will not process cash reimbursements for transit expenses. CONEXIS shall either provide access to transit benefits through a Card (if said card is offered, the terms of such services are discussed above) or to a website established by CONEXIS through which Participants who have elected to establish a transit account may purchase transit passes for use with mass transit in their respective geographic areas.

For qualified parking provided under a Transportation Plan, CONEXIS will either process cash reimbursements, provide access to parking benefits through a Card (if said card is offered, the terms of such services are discussed above) or to a website established by CONEXIS through which Participants who have elected to establish a parking account may purchase parking vouchers for use in their respective geographic areas or enroll in direct pay parking.

Benefits provided under a Transportation Plan, Data Provider is responsible for providing all information requested by CONEXIS via the website or file transfer with regard to Participants who elect transit and/or parking benefits under the Transportation Plan. Alternatively, eligible Employees may place an order online and such transaction(s) will be considered a conditional enrollment in the plan (subject to confirmation of eligibility by Client). CONEXIS will submit all applicable enrollment data to the Client and if approved, Client is responsible for commencing the applicable payroll deductions. CONEXIS shall transfer all information provided to it to a third party vendor with whom CONEXIS has contracted to assist in processing orders and delivering passes/vouchers pursuant to such orders. Participants who wish to purchase for any given month must order a pass on the website during the "ordering period". The "ordering period" is the one-month period ending on the 10th day of the month before the month in which the transit pass and/or direct pay parking will be used by the Participant.

Based on the information provided to CONEXIS, CONEXIS shall determine whether such order may be approved (if applicable). Requests in excess of the monthly statutory limit must be paid for by other means using after-tax dollars (e.g., a credit card), the information for which will be provided by the Participant when the order is made. If request exceeds the lesser of the account balance or the statutory limit, the request may be denied. If the order is denied, CONEXIS shall notify the Participant via an email address required of the Participant.

Passes/vouchers that are approved will be delivered by first class mail to the last known address of the Participant (as provided by Client). CONEXIS is not responsible for lost or stolen passes/vouchers. In addition, CONEXIS is not responsible for any tax consequences arising from distribution of a pass/voucher to a terminated employee or payments made in excess of statutory limits.

8. With respect to an IPR, Client shall be responsible for confirming, during the initial or annual enrollment periods, that the Participant's individual accident or health insurance policy is a "qualified benefit" under the Plan.
9. CONEXIS shall provide, upon request from Client, any information maintained in CONEXIS' database that is required to be included on the Form 5500 for the Reimbursement Accounts. Such information will be provided within a reasonable period of time following Client's request. Client is responsible for determining whether a Form 5500 is required to be filed.
10. Upon Client request, CONEXIS shall conduct the following nondiscrimination testing required under the Code (collectively referred to as the "Nondiscrimination Tests") to the extent CONEXIS provides Dependent Care FSA and/or Cafeteria Plan services:
  - a) The 55% Average Benefits Test required under Code Section 129 (Dependent Care FSA services only);
  - b) The 5% Owner Concentration Test required under Code Section 129 (Dependent Care FSA services only);
  - c) The Key Employee Concentration Test required under Code Section 125(g) (Cafeteria Plan services only); and/or
  - d) The Eligibility Test required under Code Section 105(h) (HRA services only).

To the extent necessary, CONEXIS shall provide Client with a form requesting data necessary to complete the Nondiscrimination Tests. Upon CONEXIS' receipt of the completed form from Client, CONEXIS shall complete the Nondiscrimination Tests and provide a report summarizing its interpretations of the results (based solely on information provided by Client and/or maintained by CONEXIS in accordance with this Service Appendix) within a reasonable amount of time after receipt of the requested information. Client is responsible for making appropriate adjustments to bring its Dependent Care FSA and/or Cafeteria Plan into compliance, based on the Nondiscrimination Tests.

11. CONEXIS shall provide written monthly reports summarizing the Reimbursement Account activities from the previous month. Client is responsible for reviewing the reports submitted by CONEXIS and notifying CONEXIS of any errors of which it is aware within a reasonable period of time after reviewing them
12. Bank Fees charged to CONEXIS for any Client ACH or wire transfer rejection may be billed to the Client on their next Billing Statement. Charges to CONEXIS for the replacement of any Participant's electronic payment card may also be billed to the Client on their next statement.

Client is responsible for all other duties related to the Reimbursement Accounts not otherwise set forth above.

Attached is the **Performance Standards Exhibit D3 for Reimbursement Account Services** provided by CONEXIS. This Performance Standards Exhibit is incorporated into and made apart of the Administrative Services Agreement (the "Agreement"). The effective date of this Performance Standards Exhibit is the Effective Date of the Agreement or if later, the effective date agreed and signed on the Fee Appendix page of this Reimbursement Service Appendix package. The responsibilities of the parties set forth in this Performance Standards Exhibit are in addition to any responsibilities set forth in the Agreement. If there is a conflict between this Performance Standards Exhibit and the Agreement, the Agreement controls.

**The Reimbursement Accounts Fee Appendix** attached has the fees for the Reimbursement Account Services agreed to with the client. By Initialing the Fees and by Authorized Client Signature at the bottom of the Fee Appendix, Client establishes this appendix as a part of the Service Agreement.

**Exhibit D3:  
Reimbursement Account Performance Standards**

V1.3

| <b>Performance Standard Category</b>                             | <b>Performance Standard</b>   | <b>Performance Standard Definition</b>  | <b>Percentage at Risk for Service Charge Reduction</b> |
|--|---|---|--|
| 1. Client Statement Timeliness                                   | 98% distributed, equal to or less than, 7 business days after the 1 <sup>st</sup> of the month  | Time in which statement and premiums are sent by CONEXIS to Client after the close of the previous month  | 1.5%   |
| 2. Inbound File Processing Timeliness                            | 98% processed by CONEXIS, equal to or less than, 2 business days after date received by CONEXIS | Time from CONEXIS' receipt of accurate data from Client to accurate application within the CONEXIS system   | 1.5%   |
| 3. Average Speed to Answer Participant Calls                     | Equal to or less than 30 seconds  | Average speed to answer all incoming Participant Calls.   | 1.5%   |
| 4. Participant Call Abandonment Rate                             | Equal to or less than 5% of calls   | Percent of Participant calls abandoned (i.e., calls that are not answered by a CONEXIS representative) after a Participant transfers out of CONEXIS' Interactive Voice Response (IVR) system to speak with a CONEXIS representative | 1.5%   |
| 5. Resolution of Participant Inquiries*                          | 90% within 1 business day, after date case was opened by CONEXIS                                | Percent of all Participant initiated Inquiries resolved by CONEXIS. Inquiries include those received via phone, email, facsimile or regular mail within a specified timeframe.  | 1.0%   |
| 6. Resolution of Participant Inquiries*                          | 98% equal to or less than, 5 business days after date case was opened by CONEXIS                | Percent of all Participant initiated Inquiries resolved by CONEXIS. Inquiries include those received via phone, email, facsimile or regular mail within a specified timeframe.  | 1.0%   |
| 7. Participant Claims Turnaround Timeliness                      | 98% equal to or less than, 3 business days after date received by CONEXIS                       | Percent of all participant claims ready for payment within a specific number of business days from CONEXIS' receipt of properly completed claim form  | 1.0%   |
| 8. Percent of Participant Claims Paid Financially Accurate**     | 98% of claims are financially accurate.   | Percent of all participant claims paid financially accurate by CONEXIS, based on information available at the time and CONEXIS procedures then in effect, by using the analysis technique described below.                          | 1.0%   |
| <b>MAXIMUM PERCENTAGE AVAILABLE FOR SERVICE CHARGE REDUCTION</b> |   |   | <b>10.0%</b>   |

\* Resolution to the extent that CONEXIS has received all information required by the plan and/or applicable law to resolve the inquiry. Resolution includes forwarding issues to Client where CONEXIS is not authorized.

\*\* The total population of paid claims is generated from a scheduled query. An American National Standards Institute (ANSI) sampling chart identifies sample size, and the systematic sample is automatically generated by using a commonly accepted data analysis tool. The total population of paid claims includes those received via regular mail or facsimile and excludes any card claims, IPR, HRA, or other claims without an EOB or Claim form. The total population of paid claims excludes those claims where Client directs CONEXIS to pay or deny a claim (in whole or in part) contrary to CONEXIS' interpretation and administration of applicable law.

**CONEXIS ADMINISTRATIVE SERVICES AGREEMENT  
2006 FEE APPENDIX – Schedule of Service Fees  
SMG - REIMBURSEMENT ACCOUNT SERVICES**

**Business Name:** \_\_\_\_\_

This Fee Appendix – Schedule of Service Fees is incorporated into and made apart of the Service Agreement (“Agreement”). If there is a conflict between this Fee Appendix and the Agreement, the Agreement controls.

**\*Please initial next to all services that CONEXIS is to perform on behalf of client. Services will only be performed if initialed by Client.**

| <u>Item Code</u>  | <u>Description</u>  | <u>Fee</u>                | <u>Initialed by Client to Accept*</u> |
|---|---|---------------------------|---------------------------------------|
| <b>R72TS</b>  | <b>New Group Set-Up Fee (One-Time Fee)</b><br>(All Reimbursement Accounts New Group Fees)   | <u>\$325.00</u>           | _____                                 |
| <b>R126TE</b>   | <b>Transportation / Parking Plan Set-up Fee (One Time Fee)</b><br>(All Transportation/Parking/Commuter Accounts New Group Fees)   | <u>NA</u>                 | _____                                 |
| <b>R76TR</b>  | <b>Reimbursement Account Renewal Set-Up (Annual Fee)</b>  | <u>\$100.00</u>           | _____                                 |
| <b>R128TG</b>   | <b>Transportation / Parking Plan Renewal Fee (Annual Fee)</b>   | <u>NA</u>                 | _____                                 |
| <b>R73M8</b>  | <b>Minimum Monthly Billing - Reimbursement</b><br>(If total monthly fees billed by CONEXIS equal less minimum monthly fee, an adjustment fee will be billed to meet the Minimum Monthly Fee noted above.) | <u>\$100.00</u>           | <b>Required</b>                       |
| <b>Flexible Benefits – Participant Fees</b>                         |   |                           |                                       |
| <b>R15T2</b>  | Fixed Rate Per Medical FSA/DCAP Plan Participant<br>(Includes participation in one or both FSA accounts)  | <u>\$5.00</u>             | _____                                 |
| <b>Commuter Benefits – Participant Fees</b>                         |   |                           |                                       |
| <b>R23TK</b>  | Fixed Rate Per Transportation/Parking Plan Participant<br>(Includes participation in one or both Commuter Benefits Accounts)  | <u>NA</u>                 | _____                                 |
| <b>Commuter Benefit - Optional Service</b>                          |   |                           |                                       |
| <b>R74F3</b>  | Transit--30 Day CONEXIS Bank Pre-Funding<br>(per participant/per month)   | <u>\$ 0.30</u>            | _____                                 |
| <b>R75F6</b>  | Transit--60 Day CONEXIS Bank Pre-Funding<br>(per participant/per month)   | <u>\$ 0.50</u>            | _____                                 |
| <b>Reimbursement Accounts – Optional Services and One-Time Fees</b> |   |                           |                                       |
| <b>R20T9</b>  | Electronic Payment Card Monthly Fee – Per Participant   | <u>\$1.50</u>             | _____                                 |
| <b>R21L3</b>  | Discrimination Testing<br>(Initial testing included at plan inception; per each additional requested set of tests)  | <u>\$ 200.00</u>          | _____                                 |
| <b>R24L2</b>  | Plan Document Amendment (per amendment)   | <u>\$100.00</u>           | _____                                 |
| <b>R67L8</b>  | Run-out Fee (Per month same as fixed rate per participant at termination)   | <u>Current Fixed Rate</u> | <b>Required</b>                       |
| <b>R13TO</b>  | 2.5 Month Grace Period (for plan years beginning 01/01/06 or later)<br>\$3.00 x Participant Count on last day of plan year -- \$100 Minimum Fee per year  | <u>\$ 3.00</u>            | _____                                 |
| <b>T82IR</b>  | Programming for Custom Reporting Requests (per hour)  | <u>\$ 150.00</u>          | _____                                 |
| <b>Reimbursement Accounts - Enrollment Support</b>                  |   |                           |                                       |
| <b>R22L5</b>  | Enrollment Meeting Support<br>(per person/per day, plus travel expenses, if applicable)   | <u>\$ 500.00</u>          | _____                                 |
| <b>R65R8</b>  | Paper Enrollments Data Entry Fee (per enrollment form processed)  | <u>\$ 8.00</u>            | _____                                 |
| <b>R66L7</b>  | Enrollment Kits (hard copy)   | <u>\$ 1.00</u>            | _____                                 |
| <b>R45Z5</b>  | Cafeteria Plan Enrollment Confirmation<br>(Election Confirmation Statements mailed to employees' home)  | <u>\$ 1.25</u>            | _____                                 |
| <b>A122WN</b>   | Employee Group Webinar Meeting<br>(Three initial Webinars included at no charge; \$100 per additional session)  | <u>\$ 100.00</u>          | _____                                 |

**CONEXIS Administrative Services Agreement**  
**SMG 2006 Fee Appendix – Continued**

**Business Name:** \_\_\_\_\_

**Effective Date:** \_\_\_\_\_ 1, 200

**Client Authorized Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Name and Title:** \_\_\_\_\_

**CONEXIS Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Eva Boucher, VP and Chief Compliance Officer**