

# VOYA SDBA TERMS AND CONDITIONS AGREEMENT

## Schwab Personal Choice Retirement Account® (PCRA)

(FOR GOVERNMENTAL PLANS)



### IMPORTANT INFORMATION

To offer the Schwab Personal Choice Retirement Account® (PCRA), as an additional investment option to your Plan participants, simply read and complete the following agreements and return them to your Voya Financial® representative. *Please retain a copy of these agreements for your records.*

- **Voya SDBA Terms and Conditions Agreement**
- **Voya Trust/Custodian Agreement**
- **Schwab Personal Choice Retirement Account® (PCRA)-Plan Application and Agreement**

### TERMS AND CONDITIONS

#### Type of Entity (check one)

☐ Voya Retirement Insurance and Annuity Company

☐ Voya Institutional Plan Services, LLC

The Voya Financial® company denoted above (hereinafter referred to as "Voya") and

\_\_\_\_\_ ("Sponsor"),  
the Plan Sponsor of the \_\_\_\_\_ (the "Plan"),  
on its own behalf and on behalf of the Plan, Voya Plan/Contract No. \_\_\_\_\_ agree that the operation  
of the Self- Directed Brokerage Account ("SDBA") option ("Brokerage Account") shall be exercised in accordance with the  
following terms and conditions:

#### 1. Nature of Services Provided

The Sponsor understands that the SDBA is made available to Plan participants as an additional Plan investment option that is not offered through the Voya product that the Sponsor has selected as a funding vehicle for the Plan (such Voya product is referred to herein as the "Core Product"). The Brokerage Account is offered by Charles Schwab & Co. Inc. ("Schwab"), subject to the terms of a separate agreement between the Sponsor and Schwab. Voya and Schwab are not affiliated.

#### 2. Participant Authorization

The Sponsor authorizes participants, beneficiaries, or alternate payees under the Plan ("Participants") to establish Brokerage Accounts and specifically delegates to each Participant establishing a Brokerage Account investment control over that portion of the Participant's Plan account invested in the Brokerage Account. The Trustee/Custodian of the Plan will be identified as the owner of each Participant's Brokerage Account. Brokerage Accounts are subject to any applicable mutual fund minimums and are generally suited for Participants with substantial account balances and who are experienced investors. Additionally, the Sponsor delegates to the Participant authority to place trading orders for the Brokerage Account pursuant to this agreement. The Sponsor may revoke this authorization at any time by giving written notice to Voya.

#### 3. Money Source

The Sponsor understands and acknowledges that Participants may transfer assets from all Participant Directed Money Sources in the Core Product to the Brokerage Account.

NOTE: If Sponsor is transferring existing brokerage accounts in-kind from another Brokerage Account provider, Voya must receive the Brokerage Account balances broken down by Money Source.

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## TERMS AND CONDITIONS *(continued)*

### 4. Eligibility Requirements

- The Sponsor agrees to the following money transfer rules by Participant:

Minimum Initial Transfer Amount:	<u>\$2,500</u>
Minimum Subsequent Transfer Amount:	<u>\$2,500</u>
Minimum Account Balance Maintained in Core Product Participant Account:	<u>\$2,500</u>
- The Sponsor agrees that no Participant may make a transfer to the Brokerage Account that would result in more than 50% of that Participant's aggregate balance in the Core Product and Brokerage Account being held in the Brokerage Account.
- All permitted transfers from the Core Product must originate from all Participant Directed Money Sources under the Plan.
- The Sponsor agrees to provide Voya with a breakdown of money sources on all Brokerage Account balances if they are transferring existing Brokerage Accounts in-kind from another Brokerage Account provider.
- The Sponsor agrees that no contributions will be made directly to the Participant's Brokerage Account.
- The Sponsor agrees that no withdrawals will be made directly from the Participant's Brokerage Account. Participants wanting to make withdrawals from the Brokerage Account must first transfer balances to the Core Product and then request the withdrawal from the Core Product.
- Transfers-in-kind to another plan provider are not allowed by Participants.
- The calculation of maximum permitted loans will take into account the balance in the Participant's Brokerage Account. However, Participants cannot access money for loans directly from their Brokerage Account. If necessary, a Participant will need to liquidate securities in his/her Brokerage Account and request a transfer of assets to his/her balance in the Core Product, before the loan request is processed.

### 5. Account Statements

Voya's account statements will reflect only a Participant's total Brokerage Account balance without specific investment detail.

### 6. Single Sign-On

Voya will automatically offer Single Sign-On (SSO) to Schwab for all Plans offering the Brokerage Account at no additional cost. SSO access for Participants will authenticate them on Voya's participant website. Once authenticated, Participants will be granted access to Schwab's website without having to enter additional login credentials.

### 6. Form 5500

To the extent required by Form 5500, Voya will include the Brokerage Account information that Schwab reports to Voya in the draft of the Plan's Form 5500 that Voya compiles.

### 7. Service Provider Fees

Voya, in consideration for services provided in connection with the Brokerage Account, shall assess a \$50 annual fee for each Participant who has established a Brokerage Account. The \$50 Participant fee will be deducted annually, on November 1st or the next business day, from each applicable Participant's balance in the Core Product. Voya may change this fee and the date the fee is assessed with 30 days advance notice to the Sponsor. In no event will any such change result in fees higher than the then current fees being charged to new Plans of the same class. Additionally, Participants with Brokerage Accounts will be assessed applicable brokerage account fees in accordance with the terms of the Charles Schwab Pricing Guide for Retirement Plan Accounts.

### 8. Roles

The Sponsor understands that Voya will not provide any investment advice in connection with the Brokerage Accounts, nor does Voya give any advice or offer any opinion with respect to the suitability of any security or order. All transactions will be done on the order of the Participants and will be carried out through brokerage accounts at Schwab and not through Voya. The Sponsor has sole responsibility for supervising or monitoring trading by Participants in the Brokerage Account.

### 9. Service Provider Compensation

Schwab shall compensate Voya one (1) basis point, computed each calendar quarter in arrears, for eligible assets of which are held at Schwab. To calculate the amount, a daily average balance of all active PCRA Brokerage Accounts will be determined for each business day of the month during the quarter. The amount will constitute 1/4th of 4 basis points (1 basis point each quarter) on the average daily balance to be paid each quarter in arrears.

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**TERMS AND CONDITIONS** *(continued)***10. ERISA (where applicable)**

The Sponsor's authorized representative acknowledges that it has made available the Brokerage Account as a Plan investment option in its capacity as an ERISA fiduciary and will hold all Brokerage Accounts established under the Plan in trust/custody in compliance with ERISA requirements. The Sponsor further acknowledges that Voya does not serve in an ERISA fiduciary capacity with regard to accounts held in the Brokerage Accounts. The Sponsor understands that offering the SDBA is subject to certain non-discrimination rules under the Internal Revenue Code that affect the tax-qualified status of the Plan, and that the responsibility of ensuring the Plan's compliance with those rules resides with the Sponsor and not Voya.

**11. Entire Agreement**

This Agreement contains all of the agreements, representations and understandings made between the Sponsor and Voya as to the subject matter set forth herein. Voya may amend this Agreement at any time by providing Sponsor with sixty (60) days advance written notice.

**12. Waivers**

The failure of any party at any time to require performance by another party of any provision of this Agreement will not affect the right to require such performance at any time thereafter.

**13. Assignment:**

Voya may assign its rights and obligations under this Agreement to any subsidiary, affiliate, or successor by merger or consolidation to any other entity after thirty days written notice to the Sponsor. The Sponsor may not assign this Agreement without Voya's consent. This Agreement is binding upon and will inure to the benefit of the parties' successors and assigns.

**14. Termination**

This Agreement shall terminate upon discontinuance of the Core Product by the Sponsor. Either party may terminate this agreement upon 90 days' written notice to the other party.


**15. Applicable Law:**

This Agreement and its enforcement shall be governed by the laws of the State of Connecticut.

**Authorized Signature:** THE UNDERSIGNED ACKNOWLEDGES THAT IT HAS RECEIVED AND READ THE TERMS AND CONDITIONS THAT GOVERN THE SELF-DIRECTED BROKERAGE OPTION AND AGREES TO BE BOUND THEREBY. VOYA'S ACCEPTANCE OF THE TERMS AND CONDITIONS OF THE AGREEMENT SHALL BE SIGNIFIED BY THE ESTABLISHMENT OF A SDBA OPTION FOR THE PLAN ON ITS RECORKEEPING SYSTEM.

**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY OR VOYA INSTITUTIONAL PLAN SERVICES, LLC**

Name Melissa M. McAuliffe Title Vice President, Retirement Operations

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

**SPONSOR**

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

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