



*Lincoln Director*<sup>SM</sup>  
group variable annuity  
with plan document/plan  
administration services

- ▶ General plan and employer information
- ▶ Specific plan provisions
- ▶ Contract information
- ▶ Lincoln Financial Group notices



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**Mailing information**

Send this completed questionnaire to:

Lincoln Financial Group  
 New Business  
 1300 S. Clinton Street, Suite 500  
 P.O. Box 2248  
 Fort Wayne, IN 46801-2248

- Where should the employer materials (*such as the contract, administration manual, plan services agreement and the adoption agreement*) be mailed?

Financial Advisor/Broker
  Trustee
  Plan Sponsor

**Part A – General plan and employer information (all plans)**

**The employee cannot have funds withheld from payroll, nor can Lincoln Financial Group accept funds until the adoption agreement is properly executed by the Plan Sponsor/Trustee.**

**1. General selection**

- Plan status (check one)     New plan                     Restatement of an existing plan
- Plan type (check one)     Profit Sharing only     401(k)                     401(k) Safe Harbor  
    Money Purchase (please contact us)     Governmental 457(b)
- Employer type (check one)     Single employer     Multiple employer including PEO (please contact us)
- Services requested:

- The Lincoln Director<sup>SM</sup> group variable annuity contract
- Lincoln Financial Group's plan document services such as the preparation of the plan document, summary plan description and 5300 Series forms for submission to the IRS, if applicable.

Optional service (check one)

- Lincoln Financial Group's plan administration services (bundled/full-servicing) which include: 5500 reporting, nondiscrimination testing, and loan administration/tracking and will commence with the reporting period which begins

\_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ (mm/dd/year) and ends \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ (mm/dd/year).

- The Service Provider/Third Party Administrator (TPA) named below will provide the plan administration services

Service provider/TPA name \_\_\_\_\_

Contact name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

E-mail \_\_\_\_\_

Phone \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Fax \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

**2. Sponsor information**

- Legal name of Plan Sponsor (as reported on your tax return, include D.B.A. if applicable)

\_\_\_\_\_

Legal name of plan \_\_\_\_\_

Contact name \_\_\_\_\_ Title \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

E-mail \_\_\_\_\_

Phone \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Fax \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

- Who will be the trustee(s) of this plan?  
The individual(s)/organization named on the next page. A minimum of two trustees is recommended. If the trustee is an organization, provide the contact's name.

Name of trustee \_\_\_\_\_

Contact name (if an organization) \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Fax \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Name of trustee \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Fax \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

List any additional trustees on a separate sheet.

• Type of sponsor organization for tax purposes

Partnership\*

Sole proprietorship\*

Corporation

S corporation

Limited liability company\* taxed as:

Partnership\*  Corporation  S corporation

Limited liability partnership\*

Governmental

Non-electing church

ERISA-electing church

Other \_\_\_\_\_

\* Complete the Pension unincorporated employer's financial experience representation (Appendix D – page 36)

• Date business began \_\_\_\_/\_\_\_\_/\_\_\_\_ (mm/year)

• Sponsor's employer ID number (EIN) \_\_\_\_\_ (as shown on Federal tax return)

• Sponsor's trust ID number (TIN) \_\_\_\_\_ (if applicable)

### 3. Plan information

• The effective date of the plan is \_\_\_\_/\_\_\_\_/\_\_\_\_ (mm/dd/year). (Must be later than date business began.)

• The tax year begins \_\_\_\_/\_\_\_\_ (mm/day) and ends \_\_\_\_/\_\_\_\_ (mm/day).

• The plan year will be: (check one and fill in the blanks)

A 12-consecutive-month period beginning on January 1 and ending on December 31.

A 12-consecutive-month period beginning on \_\_\_\_/\_\_\_\_ (mm/day) ending on \_\_\_\_/\_\_\_\_ (mm/day)

Short plan year: There will be a short plan year beginning on \_\_\_\_/\_\_\_\_/\_\_\_\_ (mm/dd/year) and ending on \_\_\_\_/\_\_\_\_/\_\_\_\_ (mm/dd/year). Thereafter, the plan year will be a 12-consecutive-month period beginning on \_\_\_\_/\_\_\_\_ (mm/day) and ending on \_\_\_\_/\_\_\_\_ (mm/day).

If there is a short plan year, additional reporting, filing and costs may be incurred.

If the plan year is different from the tax year, it will require you, as the Plan Sponsor/Trustee, to maintain dual reporting records for both the tax year and the plan year.

• If this is a 401(k) or profit sharing plan, are assets being transferred from a previous plan that includes assets from a money purchase, target benefit/assumed benefit or defined benefit plan? If "Yes," special plan language and handling will be required.

Yes, assets from one of the above described plans are being transferred.

No such assets are being transferred.

- Are there any collectively bargained union employees employed by either the Plan Sponsor or by any member of the controlled group(s) or affiliated service group(s), if applicable?  Yes  No
- Does this company currently maintain or has it ever maintained any other plan(s)?  Yes  No *(do not complete the rest of Part A)*  
If "Yes," please list all plans.

Plan serial #	Type of plan	In force	Terminated	Frozen	Date of termination (mm/dd/yy)
001	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____/____/____
002	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____/____/____
003	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____/____/____
004	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____/____/____
005	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____/____/____
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____/____/____

**Note:** It is important that accurate information is provided for qualified status of this plan.

- If any of the above plans are active defined benefit plans or have terminated in the last 5 years, indicate the assumptions used for the plan(s) for the purpose of establishing the present value to compute the top-heavy ratio. This information can be obtained from the defined benefit plan actuary.
  - Interest rate \_\_\_\_\_% Mortality table \_\_\_\_\_
  - The sponsor has no defined benefit plan.
- Select and complete as many of the following as appropriate for your plan.
  - Non-key employees participate in two active defined contribution plans.  
Which plan will meet the minimum allocation requirement?
    - This plan
    - The other plan, name of other plan \_\_\_\_\_
  - Non-key employees participate in both an active defined benefit plan and this defined contribution plan.  
The minimum top-heavy benefit will be provided in the:
    - Defined contribution plan with a minimum allocation of 5% of total compensation.
    - Defined benefit plan with a minimum annual accrual of 2% of highest 5 consecutive year average compensation.
    - Other (specify) \_\_\_\_\_

### Part B – Restatement of an existing plan to a Lincoln Financial Group plan document (takeover plans only)

Existing plans will be restated using the prior plan provisions unless you request otherwise. If this is a non-401(k) existing plan restating to a 401(k) plan, also complete, as applicable, sections 4, 5, 6 and 7 of Part C. Benefits under the prior plan that are protected by IRS regulations will be continued under the restated plan. In addition to answers to the following questions, we must receive:

- Executed copy of all plan documents including adoption agreements, master plans and all amendments since the date of the last IRS Letter of Determination
- Current copy of the Summary Plan Description
- Most recent IRS Letter of Determination
- Prior year nondiscrimination testing results (if requesting plan administration services)
- Prior year Form 5500 (if requesting plan administration services)

**1. Plan provision changes**

- Should any current plan provisions be changed?  Yes  No  
*(Some provisions may be protected benefits which may not be reduced or eliminated.)*  
 If "Yes," specify changes \_\_\_\_\_

**2. Loans**

- Will the restated plan allow loans?  Yes  No

**3. Life insurance**

- Are there life insurance policies currently existing in the plan?  Yes  No  
*If "Yes," and you are requesting bundled/full-servicing, please contact us.*

**4. Which contribution sources currently exist in the plan?**

*Note: These contribution sources will be available in the Director contract and will be participant-directed unless otherwise instructed.*

- |   |   |
|---|---|
| <input type="checkbox"/> Employee pre-tax salary deferrals        | <input type="checkbox"/> Rollover   |
| <input type="checkbox"/> Employee Roth 401(k) after-tax deferrals | <input type="checkbox"/> Qualified non-elective   |
| <input type="checkbox"/> Employer matching                        | <input type="checkbox"/> Employee mandatory   |
| <input type="checkbox"/> Employer Safe Harbor/SIMPLE non-elective | <input type="checkbox"/> Employee nondeductible voluntary   |
| <input type="checkbox"/> Employer Safe Harbor/SIMPLE match        | <input type="checkbox"/> Employer <i>(non-matching)</i> discretionary <i>(profit sharing)</i>                       |
| <input type="checkbox"/> Employer prevailing wage                 | <input type="checkbox"/> Employer contributions<br><i>(money purchase, target benefit, or governmental pick-up)</i> |
| <input type="checkbox"/> Employer secondary match                 | <input type="checkbox"/> Other _____  |

**Part C – Plan provisions (new plans only)**

**If you checked "Restatement of an existing plan" in Part A, section 1, do not complete this Part C unless this is a non-401(k) existing plan restating to a 401(k) plan. In this situation, you will need to complete sections 4, 5, 6 and 7. Otherwise, go to Part D (page 12).**

**For your convenience, some of the most commonly used plan provisions have been pre-checked. However, if another option listed better meets your plan's objectives, check the applicable box and cross through any pre-checked boxes that do not apply.**

**1. General information**

- Will the sponsor also be the following? *(If "No," provide name and plan administrator's tax ID number. If an organization is listed, provide a contact name and address.)*

Named fiduciary  Yes  No \_\_\_\_\_

Plan administrator  Yes  No \_\_\_\_\_

Tax ID no. \_\_\_\_\_

Representative for legal service of process  Yes  No \_\_\_\_\_

- The allocation of earnings and losses will be allocated on a daily basis.
- Any hours and/or last day requirement for a participant to receive a contribution will be waived in the event of death, retirement or disability.
- Life insurance will not be purchased with any plan contributions.

## 2. Eligibility

- Do you have any leased employees?  Yes  No
- Will this plan cover all employees?  Yes  No

If "No," which classes of employees will be excluded?

- Collectively bargained union employees (*Plan Sponsor/Trustee must negotiate retirement benefits.*)  
Are any of the collectively bargained union employees categorized as professionals?

Yes, Union ID \_\_\_\_\_  No

- Nonresident aliens earning no United States income
- Highly compensated employees
- Hourly paid employees\*
- Salaried employees\*
- Leased employees\*
- Other classes (*specify*)\* \_\_\_\_\_
- All individuals who become employees as a result of a merger or acquisition.

**\*Note:** *Excluding these classes of employees may cause the plan to fail IRS Code Section 410(b) coverage testing. An excluded class of employees may not be determined by using hours worked.*

- What are the age and service requirements to become a participant in the plan?  
(*Service requirements less than one year may adversely affect nondiscrimination testing.*)

- Age 21 and 1 year of service (*1000 hours*)
- No age or service requirement
- Other \_\_\_\_\_ Age \_\_\_\_\_  
\_\_\_\_\_ Months of service (*For 401(k) plans, the service requirements must be 12 months or less.*)  
\_\_\_\_\_ Years of service  
(*Profit sharing plans may require up to 24 months of service with immediate 100% vesting if over 12 months.*)

- The method used to determine hours of service will be:

- on the basis of actual hours the employee is paid or entitled to payment.
- on the basis of months worked. An employee will be credited with 190 hours of service if such employee works at least one hour during the month. (*Normally selected for bundled/full-serviced plans.*)

- All current employees may not be eligible to enter the plan on the effective date. Do you wish to waive these requirements?

- Yes\*, both age and service will be waived for employees actively employed on \_\_\_\_/\_\_\_\_/\_\_\_\_ (mm/dd/year).
- Yes\*, only the age requirement will be waived for employees actively employed on \_\_\_\_/\_\_\_\_/\_\_\_\_.
- Yes\*, only the service requirement will be waived for employees actively employed on \_\_\_\_/\_\_\_\_/\_\_\_\_.
- No
- Age and service are not requirements.

**\*Note:** *The selection of this option must be carefully evaluated to ensure compliance with coverage nondiscrimination requirements and may lead to higher administrative fees.*

- Will any prior years of service with a predecessor employer, for whom this sponsor does not maintain a prior plan, be counted under this plan for vesting and eligibility purposes?

- Yes  No

If "Yes," list all companies to which this applies \_\_\_\_\_



- Identify when eligible employees can enter the plan.
  - Twice a year – the first day of the plan year and six months later
  - Four times a year – the first day of each quarter in the plan year
  - Twelve times a year – the first day of each month (*not recommended*)
  - Other \_\_\_\_\_

### 3. Vesting

- A year of service for vesting purposes will be 1000 hours during the plan year.
- What is the vesting schedule that will be used to determine when the participant will own any contributions made by the employer? (*check one*)

#### Standard schedules

- |  |  |
|--|--|
| <input type="checkbox"/> 100% immediately owned by the participant at all times: | <input type="checkbox"/> Applies to discretionary employer contributions |
|  | <input type="checkbox"/> Applies to matching employer contributions      |
| <input type="checkbox"/> Six-year graded vesting schedule:                       | <input type="checkbox"/> Applies to discretionary employer contributions |
| – 20% participant owned after 2 years of service                                 | <input type="checkbox"/> Applies to matching employer contributions      |
| – 40% after 3 years of service   |  |
| – 60% after 4 years of service   |  |
| – 80% after 5 years of service   |  |
| – 100% after 6 years of service  |  |
| <input type="checkbox"/> 100% participant owned after 3 years:                   | <input type="checkbox"/> Applies to discretionary employer contributions |
|  | <input type="checkbox"/> Applies to matching employer contributions      |

#### Customized schedule

- |  |  |
|--|--|
| <input type="checkbox"/> * _____% participant owned after _____ years of service | <input type="checkbox"/> Applies to discretionary employer contributions<br><input type="checkbox"/> Applies to matching employer contributions<br><i>* In all years, this schedule must be at least as favorable as one of the <b>standard schedules</b>.</i> |
| _____ % participant owned after _____ years of service                           |  |
| _____ % participant owned after _____ years of service                           |  |
| _____ % participant owned after _____ years of service                           |  |
| _____ % participant owned after _____ years of service                           |  |
| _____ % participant owned after _____ years of service                           |  |

The participant will always fully own any employee deferral contributions and any qualified non-elective contributions (QNEC) made by the employer. The participant will fully own any rollover contributions at all times.

- Will all years of service be counted for vesting?  Yes  No  
 If "No," what will not be counted? (*check all that apply*)
  - Years of service prior to age 18
  - Years prior to the original effective date of the plan

### 4. Contribution sources/hours and last day requirements

- Please complete the chart below to answer the following questions:
  - Which contributions will be allowed? All contributions will be participant directed. Please contact us if you have any sources directed by the employer.
  - How many hours must a participant work in a plan year before the employer contribution is made on their behalf?
  - Must participants be employed on the last day of the plan year before an employer contribution is made on their behalf?

Plan type	a. Contribution sources (check all that apply)	b. Ongoing hours required for employer contribution <sup>1,2</sup>	c. Employed on the last day of the plan year for employer contribution? <sup>1</sup>
401(k)	Employee deferrals (also complete section 5) <input type="checkbox"/> Pre-tax salary deferrals <input type="checkbox"/> Roth 401(k) after-tax deferrals Catch-up contributions allowed <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Not applicable	Not applicable
401(k)	<input type="checkbox"/> Employer matching (also complete section 6)	<input type="checkbox"/> 1000 <input type="checkbox"/> 500 <input type="checkbox"/> One	<input type="checkbox"/> Yes <input type="checkbox"/> No
401(k)	(If safe harbor, check one) <input type="checkbox"/> Safe harbor 3% non-elective <sup>3</sup> <input type="checkbox"/> Safe harbor basic match <sup>3</sup> (100% of first 3% and 50% of next 2%) <input type="checkbox"/> Safe harbor enhanced match <sup>3</sup> (100% of first 4%)	<input checked="" type="checkbox"/> One <input checked="" type="checkbox"/> One <input checked="" type="checkbox"/> One	<input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> No
401(k)	<input checked="" type="checkbox"/> Qualified non-elective (QNEC) allocated on a pro-rata basis	<input type="checkbox"/> 1000 <input type="checkbox"/> 500 <input type="checkbox"/> One	<input type="checkbox"/> Yes <input type="checkbox"/> No
401(k)	Employer prevailing wage <sup>4</sup>	Not applicable	Not applicable
401(k) or Profit Sharing	<input type="checkbox"/> Employer discretionary profit sharing (also complete section 7)	<input type="checkbox"/> 1000 <input type="checkbox"/> 500 <input type="checkbox"/> One	<input type="checkbox"/> Yes <input type="checkbox"/> No
401(k) or Profit Sharing	<input checked="" type="checkbox"/> Rollover <sup>5</sup> Can employees not yet eligible also make this type of contribution? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Not applicable	Not applicable

<sup>1</sup> Note: Any restriction to receive a contribution must be carefully evaluated to ensure compliance with coverage nondiscrimination requirements.

<sup>2</sup> This is not the same hours of service requirement used for eligibility purposes. Refer to section 2 (eligibility) for the eligibility hours of service.

<sup>3</sup> If also selecting employer matching contributions and you want to maintain the ACP safe harbor, the plan cannot permit any hours or last day requirements on the non-safe harbor employer matching contributions.

<sup>4</sup> Includes Service Contract Act, Davis-Bacon Act or similar federal, state, or municipal prevailing wage statutes.

<sup>5</sup> Rollovers include distributions from 401(a), 401(k), 403(b) including voluntary after-tax, and 457(b) governmental plans.

## 5. Employee deferrals

- What limits does the sponsor want to place on employee deferrals?

Up to the maximum allowed by law.

From \_\_\_\_\_ % to \_\_\_\_\_ % of compensation (80% recommended to allow for taxes and employer contributions)

- Identify when an eligible employee can change the amount of their employee deferrals.

The beginning of the next payroll period

On a daily basis

\_\_\_\_\_ days (not to exceed 90) after approved notice to the plan administrator

The first day of the next quarter

The first day of the next month

## 6. Employer matching contribution

- The employer matching contribution will be made without regard to current or accumulated profits. Non-vested funds forfeited at the end of the plan year will be applied in the following order:
  - 1) restore participant's forfeitures,
  - 2) reduce the employer's contribution, and
  - 3) offset plan expenses.
- Employer matching contributions will be based on compensation.
  - At the end of each pay period  
*(Large employee deferral amounts received early or late in the plan year may not be fully matched.)*
  - At the end of the plan year  
*(This is the only selection available when the plan requires 1000 or 500 hours of service and/or last day service.)*
- Employer discretionary matching contribution will be determined each year by the employer. The matching contribution will be contributed to each eligible participant using the nondiscriminatory formula determined by the Plan Sponsor/Trustee.  
Caution: Safe Harbor plans have special restrictions when a discretionary matching contribution is made in addition to the safe harbor contribution.
- Employer fixed matching contribution *(if selecting a fixed matching contribution, complete all questions in this section).*  
The employer will contribute and allocate the following for each \$1.00 of employee deferral:
  - \$1.00    \$0.50    \$0.25    Other \$\_\_\_\_\_ or \_\_\_\_\_ %
  - Employee deferrals that exceed \_\_\_\_\_ % of compensation shall not be matched *(insert N/A if no limit).*  
**Note:** *If N/A inserted, all employee deferrals will be matched.*
- Will the employer match catch-up contributions?       Yes       No  
**Note:** *If this is a safe harbor plan, catch-up contributions must be matched.*

## 7. Employer discretionary profit sharing contribution

- The employer discretionary profit sharing contribution will be determined by the board of directors each year and will be made without regard to current or accumulated profits. Non-vested funds forfeited at the end of the plan year will be applied in the following order:
  - 1) restore participant's forfeitures,
  - 2) reduce the employer's contribution, and
  - 3) offset plan expenses.
- How should this contribution be allocated to the participants each plan year?
  - Based on the ratio of a participant's compensation to total compensation of all participants.
  - Based on integration with Social Security *(Only one plan can be integrated with Social Security).*  
If integrated with Social Security, what level of integration should be used?
    - Current taxable wage base
    - \$\_\_\_\_\_ (must be less than the current taxable wage base)
- If integrated with Social Security, are there any eligible employees who are covered under any other plan that is integrated with Social Security?       Yes       No
- Other \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## 8. Distributions and benefits

- The normal retirement age requirement will be the first day of the month on or following age 65. There is no service requirement for normal retirement. Participants may withdraw their account balance upon attainment of the normal retirement age.
- Early retirement will be:
  - First day of the month on or following age 55. There is no service requirement for early retirement. The participant will become 100% vested.
  - Early retirement is not available.
- Distributions will be made as soon as administratively possible following the date on which the distribution is requested or otherwise payable.
- Distributions may be made in any form allowed by the plan with a single lump sum payment being the normal form.
- In the event of total and permanent disability, a participant will become 100% vested.
- Total and permanent disability is defined as:
  - Unable to work in any job he/she is suited for as determined by the plan administrator
  - Unable to perform normal duties as determined by the plan administrator
  - Qualifies for Social Security Disability benefits
- Can a participant take an in-service distribution of their entire account balance if they are 100% vested and at least age 59½?  Yes  No
- **(401(k) plan only)** Are financial hardship withdrawals allowed at any time against the
  - Employee salary reduction contributions?  Yes  No
  - Other fully vested contribution sources?  Yes  No

## 9. Loans

- Will the plan allow loans?  Yes  No
- If "Yes," complete the following:
  - The plan will allow loans for the following reasons:
    - Only due to the participant's financial hardship (e.g., medical expenses, purchase of principal residence, educational fees, to prevent eviction or mortgage foreclosure, funeral expenses or certain expenses for the repair to a principal residence).
    - For any reason
  - The minimum loan will be  \$1,000  \$\_\_\_\_\_ (enter amount less than \$1,000)
  - A participant may have  only one outstanding loan at any time  two loans outstanding at any time
  - Loan repayments will be made through payroll deduction and forwarded to Lincoln Financial Group
    - weekly  bi-weekly  semi-monthly  monthly
  - The interest rate applied to loans will be:
    - prime rate plus one
    - other \_\_\_\_\_

## 10. Top-heavy information

- For any plan year during which the plan is top-heavy, the top-heavy minimums will be allocated to:
  - All eligible participants
  - Only eligible non-key employees who are participants

## 11. Compensation

- Which definition of compensation will this plan use?
  - W-2 wages with all pre-tax contributions added.
  - Code Section 3401(a) wages with all pre-tax contributions added (*taxable fringe benefits and severance pay excluded*).
  - 415 safe-harbor compensation with all pre-tax contributions added (*income from nonqualified stock options & severance pay excluded*).
- What compensation will be used for the participant's first year of entry into the plan?
  - Compensation earned from the participant's entry date to the plan year end.
  - Compensation earned for the entire plan year regardless of the participant's plan entry date.
- Will there be any exclusions from compensation for plan purposes?  Yes  No  
If "Yes," select all applicable:
  - Overtime
  - Bonuses
  - Other \_\_\_\_\_

## 12. ADP & ACP

- Which testing method will this plan use?
  - Current year.
  - Prior year. If prior year:
    - 3%
    - First plan year's actual numbers.

**Part D – Controlled/affiliated service groups (all plans)**

Check here if you are not a member of a controlled group or an affiliated service group. If you check this box, do not complete the rest of Part D, skip to Part E.

**All employees of a controlled group of corporations and/or an affiliated service group will be treated as if they work for your company and the plan will be administered as one plan. This will include combining all employees for testing purposes. All participating sponsors of this plan must be members of the same controlled group or affiliated service group. After consulting with your legal counsel, complete the following questions, remembering to take into account any foreign companies to which you are related. If certain members of the controlled group or affiliated service group do not participate, both the participating and nonparticipating employee data must be carefully evaluated to ensure compliance with applicable nondiscrimination requirements.**

**Controlled group\***

- List all companies or business entities, in addition to your company, who are members of the controlled group of corporations or businesses under common control. *(If you are an unincorporated business or have a foreign affiliation, consult your legal counsel to determine if you are a member.)*

Member employer name	Employer tax I.D. # (9-digit)	Participating employer		Foreign affiliation		Plan participation effective date (mm/dd/year)
		Yes	No	Yes	No	
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____/____/____
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____/____/____
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____/____/____
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____/____/____
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____/____/____

**Affiliated service group\***

- List all of the business entities, in addition to your company, who are members of the affiliated service group. *(If you have a foreign affiliation, consult your legal counsel.)*

Member employer name	Employer tax I.D. # (9-digit)	Participating employer		Foreign affiliation		Plan participation effective date (mm/dd/year)
		Yes	No	Yes	No	
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____/____/____
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____/____/____
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____/____/____
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____/____/____
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____/____/____

**Controlled/affiliated service group for tax-exempt organizations\***

- List any members within the controlled group or affiliated service groups who are tax-exempt organizations, after you consult your legal counsel.

Member employer name \_\_\_\_\_

Member employer name \_\_\_\_\_

Member employer name \_\_\_\_\_

Member employer name \_\_\_\_\_

Member employer name \_\_\_\_\_

\*Note: List all members including those with no employees

## Part E - Contract information (all plans)

- Contract status (check one)

New contract

Contract conversion – current contract number(s) \_\_\_\_\_

What assets will be transferred to the new contract?  All  Part

**Note:** Refer to Appendix B, pages 25-34, for instructions and forms to assist you with the transfer of assets.

- Do you need enrollment materials?

Yes Order enrollment kits by completing the enclosed Appendix A – Enrollment Kit Order Form, EM60810RFC-DI (page 23).

No I'm sending an electronic census file with the participants' investment elections.

- Ongoing quarterly statements

How should the **employer's name** appear on the quarterly statement? Address not required.

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- Quarterly statements will be mailed to the participant's home address.

### 1. Tax reporting

The Internal Revenue Code requires the plan administrator to withhold and report taxes on Form 1099 on all taxable distributions from all qualified retirement plans. The plan administrator is allowed to transfer this withholding responsibility. (check one)

Yes I choose to transfer the withholding responsibility to Lincoln Financial Group. I agree to provide Lincoln Financial Group with the information necessary to fulfill this responsibility. I understand that Lincoln Financial Group will make all checks for benefit distributions payable to the participant and will withhold and send all applicable taxes to the IRS. Lincoln Financial Group will provide the required IRS Form 1099, in a time period required by law, for attachment to the participant's tax return.

No I choose not to transfer the withholding responsibility to Lincoln Financial Group. I relieve Lincoln Financial Group of any responsibility in reporting this type of event. However, I do authorize Lincoln Financial Group to make direct rollovers if the participant elects to keep the funds with Lincoln Financial Group.

### 2. Contract information and disclosure

(This section will be completed based on information provided by the Financial Advisor.)

The effective date of the contract will be the first day of the month this form is received by New Business in good order.

- **Initial asset fee** \_\_\_\_\_ %

The initial asset fee will be reviewed annually on the contract effective date. The asset fee will be adjusted according to the schedule provided in the investment contract based on the total assets and average account balance.

- **Contract type**

Allocated (contract provides account balances on a participant level)

• **Contract pricing**

- Base (investment contract only)
- Select (fees for plan administration services are billed separately)
- Complete (pricing includes plan administration and recordkeeping services)
- Other pricing \_\_\_\_\_
- Special pricing tracking number \_\_\_\_\_

• **Contract charge information**

- The asset fee will be withdrawn from account value.
- The per participant account charge will be withdrawn from account value. Account charge varies by contract pricing.
- Should the asset fees and account charges appear on the statement?
  - Yes, will show as a withdrawal from each participant account.
  - No, the deduction for asset fees and account charges will be netted out of earnings, and will not show as a withdrawal.

- Estimated takeover asset amount \$ \_\_\_\_\_
- Estimated annual contribution amount \$ \_\_\_\_\_
- Estimated average account balance \$ \_\_\_\_\_
- Estimated number of participant accounts \_\_\_\_\_

**Note:** To establish a Lincoln Director<sup>SM</sup> contract with administration handled by a TPA, start-up plans must have a minimum of 5 eligible lives, and takeover plans must have 5 participating lives or \$50,000 in conversion assets. For bundled servicing, start up plans must have a minimum of 25 eligible lives, and takeovers must have 25 participating lives or \$250,000 in conversion assets.

You represent that the information provided is accurate. The asset fee is based on the estimated plan valuation data provided. If actual plan characteristics vary from the assumptions at the time of plan establishment, the pricing will be adjusted accordingly.

• **Surrender charges**

Year 1 _____ %	Year 4 _____ %
Year 2 _____ %	Year 5 _____ %
Year 3 _____ %	Year 6 _____ %

Not applicable for the contract pricing selected

• **Surrender charge reimbursement**

Yes  No If "Yes," indicate percentage \_\_\_\_\_% (must be whole percentage)

**Commission schedule disclosure**

The Department of Labor Prohibited Transaction Class Exemption 84-24 requires that certain information be provided to an independent fiduciary of the plan when insurance or annuity contracts are purchased for an employee benefit plan. The information which follows is intended to meet the Department of Labor requirements.

Commissions will be paid by Lincoln Financial Group to the Financial Advisor or to the Financial Advisor's Broker/Dealer, or Agency on the sale of the products indicated below. **The commissions listed are selected by the Financial Advisor from a range of pricing options offered. These options have varied cost and commission structures that enable the Financial Advisor to match the cost of the plan to the level of services he or she will provide.**



**Type of insurance or annuity contract or transaction**

**Commission schedule**

Group Variable Annuity contract  
(check and complete all that apply)

Deposit-based commissions \_\_\_\_\_% all years

Deposit-based commissions \_\_\_\_\_% years \_\_\_\_\_

Asset-based commissions \_\_\_\_\_% all years

Asset-based commissions \_\_\_\_\_% years \_\_\_\_\_

Group Deferred Annuity\* asset-based commissions 0.40% for all years

\* This distribution option allows individual plan participants with a vested account balance of \$5,000 or more to take their distribution in the form of a Lincoln Group Deferred Annuity (GDA). They are able to keep their assets in the same investment options they have become familiar with in the *Lincoln Director*<sup>SM</sup>.

**Note:** Distributions to a GDA as a result of a plan termination are not allowed in the state of Oregon. GDAs are not currently offered in the state of New York.

- You understand the expense charges, adjustments, or other charges that may be applicable to the product as outlined in the proposal.
- You are authorized to approve these matters on behalf of the plan and approve the purchase of the contract referenced above.
- You understand the provisions of this contract will govern when accepted.

*A copy of this form should be retained by the Financial Advisor for six years from the date of this disclosure statement. No additional disclosure will be required to be made upon any subsequent sale to the plan, with respect to the same annuity contract or transaction and the same commission schedule, if such sale is made within three years of the date of this disclosure.*

In addition, the Third Party Administrator (TPA) utilized by your Plan, if any, may be eligible to participate in partner recognition programs and promotional programs sponsored by Lincoln National Corporation and its affiliates. These programs seek to compensate TPAs using formulae with established criteria including: total assets in contracts administered by the TPA; deposits into contracts issued within the previous 12 months; retention of assets and other factors. Payments are not made from the assets of your Plan or from your contract, but rather are made from the financial resources of The Lincoln National Life Insurance Company. Any such payments are reported on the Schedule A for the Form 5500.

### 3. Investment options

- **Investment lineup** (check one)

Full lineup

Lincoln Ibbotson Insight Series<sup>1</sup> (separate Ibbotson agreement must be completed)

Customized lineup (Complete the Enrollment Kit Order Form, EM60810RFC-DI (Appendix A – page 23) and return to New Business at the address shown on page 1. If submitting census electronically, complete only page 2 of the EM60810RFC-DI form.)

<sup>1</sup> The Lincoln Ibbotson Insight Series is not an investment option. It is a fund lineup chosen by Ibbotson and Associates from the investment options that Lincoln Financial Group selects for the *Lincoln Director*<sup>SM</sup> group variable annuity. Ibbotson and Associates is not a member of Lincoln Financial Group. Ibbotson Associates Advisors, LLC, 225 North Michigan Ave., Suite 700, Chicago, IL 60601-7676.

• **Qualified Default Investment Alternatives (QDIA) selections**

Ongoing contributions received without investment instructions will be deposited into the following default account<sup>1</sup>:

Balanced options:	<input type="checkbox"/> SA95 LVIP Wilshire Conservative Profile <input type="checkbox"/> SA96 LVIP Wilshire Moderate Profile <input type="checkbox"/> SA97 LVIP Wilshire Moderately Aggressive Profile <small>The LVIP Wilshire Aggressive Profile is not a viable QDIA as it may be invested at or near 100% in equities at any given point in time.</small>
Life Cycle options:	<input type="checkbox"/> Wilshire Target Maturity Profiles <sup>2</sup> : SAL1 LVIP Wilshire 2010 Profile – birth year before 1947 SAL2 LVIP Wilshire 2020 Profile – birth year 1947-1957 SAL3 LVIP Wilshire 2030 Profile – birth year 1958-1967 SAL4 LVIP Wilshire 2040 Profile – birth year 1968 and after – The LVIP Wilshire Profile will be selected based on each participant's year of birth.
Managed Account Option	<input type="checkbox"/> 401k Toolbox® Manage It For Me® account management <sup>1,3</sup> – In order to use the 401k Toolbox® Manage It For Me® account management as a QDIA you must complete the 401k Toolbox® Agreement for <i>Lincoln Director</i> <sup>SM</sup> Contractowners and submit with this request. – If participant's date of birth is not provided, the contributions will be invested in the Capital Preservation Model until the correct date of birth is received. Upon receipt of the date of birth, 401k Toolbox® will transfer the assets and change the future investment allocations to the age appropriate model. – The Short Term investment option will be the plan level default for situations such as fund closings for participants who are not in the managed account.

<sup>1</sup> The investment options listed above meet the Department of Labor's (DOL's) Qualified Default Investment Alternative (QDIA) criteria.

<sup>2</sup> In order to use the Life Cycle options, the plan sponsor must agree to provide date of birth information for the participant along with contributions. If the date of birth is not provided, contributions will be invested in the Short Term investment option until the missing information is received. Upon receipt, the participant's future investment allocations will be directed to the age-appropriate Life Cycle option. The participant's accumulated balance will remain in the Short Term investment option until the participant transfers the balance by accessing their account via the Web or by contacting the Participant Contact Center.

<sup>3</sup> 401k Toolbox® investment advice and account management services are provided by PMFM, Inc., a registered investment advisor. 401k Toolbox® and PMFM, Inc., are not members of Lincoln Financial Group.

*Reminder: As required by the DOL, an initial and annual notice must be provided to affected participants (those with defaulted investments) by the plan sponsor. In order to receive fiduciary protection, the plan sponsor must provide notices at least 30 days before initial investment into the QDIA and at least 30 days before the plan year beginning. Sample notices for each QDIA investment option can be downloaded at [www.lincolndirector.com](http://www.lincolndirector.com).*

If the Qualified Default Investment Alternative Option is not chosen, contributions received without investment instructions will be deposited into the following default account:

SA \_\_\_\_\_ Account name \_\_\_\_\_

• **Other default fund selections** (If fund options listed below are not selected, SA14 will be used as the default account)

**Employer account:** This special account may be used for takeover assets or employer contributions that have yet to be allocated to participants' accounts. The following investment option will be used for the Employer Account:

SA \_\_\_\_\_ Account name \_\_\_\_\_

**Forfeiture account:** This special account is used to place forfeitures, until forfeitures are used by the plan. The following investment option will be used for the Forfeiture Account:

SA \_\_\_\_\_ Account name \_\_\_\_\_

For Takeover Plans only, please indicate fund option desired (if other than default account) to invest initial transfer of assets until breakdown is received:

SA \_\_\_\_\_ Account name \_\_\_\_\_

**4. Contract administration**

• **Who will be responsible for remitting contributions?**

Service provider/TPA named in Part A, Section 1 on page 2.

Other (specify name) \_\_\_\_\_

E-mail (required) \_\_\_\_\_

Phone \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Fax \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Please select the system access level this person should have?  Full access  Contribution submission-only access

- As Plan Sponsor/Trustee, I authorize the following individuals to sign on my behalf for administration of the contract with regard to day-to-day functions such as authorizing loans and distributions.

Name *(please print)* \_\_\_\_\_ Title \_\_\_\_\_

Name *(please print)* \_\_\_\_\_ Title \_\_\_\_\_

- If the plan permits loans, who will be responsible for loan tracking? *(check one)*

Other/Service provider/TPA

Lincoln Financial Group\*

**\*Note:** The Appendix C – Loan record-keeping agreement, EM50894RFC-DIN (page 35), must be completed by the Plan Sponsor/Trustee. The Loan record-keeping agreement outlines the fees that will be charged for this service.

- The Financial Advisor for this plan will always have view-access to participant accounts.

Do you also want to grant the Financial Advisor full investment option transfer access?  Yes  No

**Note:** If you grant this additional access, the Financial Advisor will be able to perform trades and make investment changes on behalf of all plan participants as part of this access. While the Financial Advisor should only initiate trades and make investment changes at the explicit direction of a plan participant, the access provided if you agree to it in this paragraph could allow the Financial Advisor to perform such transactions even if the plan participant has not provided such explicit direction. You should be confident in the Financial Advisor and his or her understanding of the limited purpose of full system investment option transfer access provided by your consent.

By signing the Authorizations and Signatures section on page 19, the Financial Advisor acknowledges that he/she may not exercise discretion with the above-referenced transactions and may not provide investment advice, investment management or act as a plan fiduciary on behalf of any participant.

- Select one contribution frequency  52 times  26 times  24 times  12 times  Other \_\_\_\_\_

**Note:** Contributions should be remitted to Lincoln Financial Group as soon as possible, but no later than the 15th business day of the month following the month in which the participant contributions are withheld or received by the employer.

- Select one contribution option  Internet  Diskette **Note:** See Appendix E – page 37 for an electronic contribution file layout.

- Payment method for contributions *(check one)*

Check (drawn on the employer's account)

Wire transfer

Automated Clearing House (ACH) debit

**ACH debit authorization**

I hereby authorize The Lincoln National Life Insurance Company (Lincoln) to initiate debit entries from my checking account indicated at the depository named below. This authorization will only allow Lincoln to access funds that it is authorized to draw against. If I change financial institutions or account numbers, or wish to discontinue this agreement, I agree to provide Lincoln with a 30-day written notice. **Notice to the financial institution (or depository) only will not be sufficient.** Any debit returned to Lincoln marked "insufficient funds or uncollected funds" will automatically be processed against my account a second time. Lincoln assumes no responsibility for bank charges or, in the case of the registered security products, for investment losses on these debits.

Depository name \_\_\_\_\_

Branch \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

ABA 9-digit checking account routing number \_\_\_\_\_

Checking account number *(requires a voided check)* \_\_\_\_\_

**5. Financial Advisor information**

Financial Advisor name	Social Security number	Financial Advisor split	Broker Dealer/ Agency name
_____	____-____-____	_____	_____
_____	____-____-____	_____	_____
_____	____-____-____	_____	_____

= 100%

Servicing Advisor name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

E-mail \_\_\_\_\_

Phone \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Fax \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

- Is any Financial Advisor named above:
  - A party in interest (e.g., a partial owner or owner of the company purchasing this contract)?  Yes  No
  - A Trustee of the plan?  Yes  No
  - A spouse of any of the Trustees?  Yes  No

*If "Yes" is checked in any box, a contract version that pays no commission must be selected to avoid a prohibited transaction.*
- Who is the internal wholesaler assigned to this plan? \_\_\_\_\_ Territory code \_\_\_\_\_
- Who is the external wholesaler assigned to this plan? \_\_\_\_\_ Territory code \_\_\_\_\_

**• To be completed by Morgan Stanley brokers only**

Broker branch number \_\_\_\_\_ Broker team number \_\_\_\_\_

Broker state \_\_\_\_\_

Current investment company \_\_\_\_\_

**Contract questions?**

- The person to contact with questions regarding the setup of this contract is?
  - Regional wholesaler  Servicing representative  Other (specify name): \_\_\_\_\_
  - E-mail \_\_\_\_\_
  - Phone \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Fax \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

**Part F – Authorizations and signatures (all plans)**

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**By signing below, I certify that I:**

- Am authorized to purchase this contract on behalf of the plan and the contributions used for the payment of premiums are:
  - qualified under Section 401(a), 404(a)(2), or 414(d) of the Internal Revenue Code or in the opinion of my counsel are qualified, or
  - from a 457(b) Governmental plan.
- Understand that contributions should not be submitted with this application and I will be notified when the contract is active and ready to receive contributions. I also understand that if contributions are received before the contract is completed, Lincoln Financial Group will receive “float” on these contributions as outlined in the “Float notice” in Part G on page 21. I agree to be bound by the terms of this application and the contract when issued.
- As Plan Sponsor/Trustee, authorize Lincoln Financial Group to deposit the takeover assets into the default investment option that will be in my contract, if a breakdown of assets by participant is not received with the money. Any earnings the default investment option receives, while the money is in the investment option, will be allocated to the participants’ accounts on a pro-rata basis after the takeover assets are allocated, unless otherwise instructed by the Plan Sponsor/Trustee.
- Understand that retirement plan fiduciaries, including plan administrators, are required to be bonded or insured for an amount equal to at least \$1000 or 10% of plan assets up to a maximum of \$500,000.
- Authorize Lincoln Financial Group to annually file (if required for my plan) the Pooled Separate Accounts (PSAs) information directly with the Department of Labor.
- Grant the Service Provider/Third Party Administrator access to nonpublic contract and participant information.
- Have read, understand and agree to the provisions in the Contract Information and Disclosure section in Part E starting on page 13 of this application, and
  - have been advised that the Third Party Administrator, if any, utilized by my plan may be eligible to participate in partner recognition programs sponsored by Lincoln National Corporation and its affiliates, as outlined in the Contract Information and Disclosure section starting on page 13 of this application, and
  - understand that the Financial Advisor may select from a number of pricing options with varied costs and commissions.
- Have read, understand and agree to the provisions in the authorization of the ACH debit payment contribution method to secure Internet Web site, if selected, in the Contract Administration section on page 16 of this application and the Privacy Notice section on page 20 of this application.

**Plan Sponsor/Trustee**

Name *(please print)* \_\_\_\_\_ Title \_\_\_\_\_

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

Name *(please print)* \_\_\_\_\_ Title \_\_\_\_\_

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

**Financial Advisor**

Name *(please print)* \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_

Include city and state where this application is being signed

City \_\_\_\_\_ State \_\_\_\_\_

**Note:** Needed to validate the Financial Advisor’s licensing.

## Lincoln Financial Group® Privacy practices notice

The Lincoln Financial Group companies\* are committed to protecting your privacy. To provide the products and services you expect from a financial services leader, we must collect personal information about you. **We do not sell your personal information to third parties.** We share your personal information with third parties as necessary to provide you with the products or services you request and to administer your business with us. This notice describes our current privacy practices. While your relationship with us continues, we will update and send our Privacy Practices Notice as required by law. Even after that relationship ends, we will continue to protect your personal information. **You do not need to take any action because of this notice, but you do have certain rights as described below.**

### **Information we may collect and use**

We collect personal information about you to help us identify you as our customer or our former customer; to process your requests and transactions; to offer investment or insurance services to you; to pay your claim; or to tell you about our products or services we believe you may want and use. The type of personal information we collect depends on the products or services you request and may include the following:

- **Information from you:** You give us information when you submit your application or other forms, such as your name, address, Social Security number; and your financial, health, and employment history.
- **Information about your transactions:** We keep information about your transactions with us, such as the products you buy from us; the amount you paid for those products; your account balances; and your payment history.
- **Information from outside our family of companies:** If you are purchasing insurance products, we may collect information from consumer reporting agencies such as your credit history; credit scores; and driving and employment records. With your authorization, we may also collect information from other individuals or businesses, such as medical information.
- **Information from your employer:** If your employer purchases group products from us, we may obtain information about you from your employer in order to enroll you in the plan.

### **How we use your personal information**

We may share your personal information within our companies and with certain service providers. They use this information to process transactions you have requested; provide customer service; and inform you of products or services we offer that you may find useful. Our service providers may or may not be affiliated with us. They include financial service providers (for example, third party administrators; broker-dealers; insurance agents and brokers, registered representatives; reinsurers; and other financial services companies with whom we have joint marketing agreements). Our service providers also include non-financial companies and individuals (for example, consultants; vendors; and companies that perform marketing services on our behalf). Information obtained from a report prepared by a service provider may be kept by the service provider and shared with other persons; however, we require our service providers to protect your personal information and to use or disclose it only for the work they are performing for us, or as permitted by law.

When you apply for one of our products, we may share information about your application with credit bureaus. We also may provide information to group policy owners, regulatory authorities and law enforcement officials and to others when we believe in good faith that the law requires disclosure. In the event of a sale of all or part of our businesses, we may share customer information as part of the sale. **We do not sell or share your information with outside marketers who may want to offer you their own products and services; nor do we share information we receive about you from a consumer reporting agency. You do not need to take any action for this benefit.**

### **Security of information**

Keeping your information safe is one of our most important responsibilities. We maintain physical, electronic and procedural safeguards to protect your information. Our employees are authorized to access your information only when they need it to provide you with products and services or to maintain your accounts. Employees who have access to your personal information are required to keep it strictly confidential. We provide training to our employees about the importance of protecting the privacy of your information.

Questions about your personal information should be directed to:

Lincoln Financial Group  
Attn: Enterprise Services Compliance-Privacy, 6C-00  
1300 S. Clinton St.  
Fort Wayne, IN 46801

\*This information applies to the following Lincoln Financial Group companies:

Allied Professional Advisors, Inc.	Lincoln Financial Advisors Corporation
First Penn-Pacific Life Insurance Company	Lincoln Investment Advisors Corporation
Hampshire Funding	Lincoln Life & Annuity Company of New York
Jefferson Pilot Securities Corporation	Lincoln Variable Insurance Products Trust
JPSC Insurance Services, Inc.	The Lincoln National Life Insurance Company

## **Additional privacy information for insurance product customers**

### ***Confidentiality of medical information***

We understand you may be especially concerned about the privacy of your medical information. We do not sell or rent your medical information to anyone; nor do we share it with others for marketing purposes. We only use and share your medical information for the purpose of underwriting insurance, administering your policy or claim and other purposes permitted by law, such as disclosure to regulatory authorities or in response to a legal proceeding.

### ***Making sure medical information is accurate***

We want to make sure we have accurate information about you. Upon written request, we will tell you, within 30 business days, what personal information we have about you. You may see a copy of your personal information in person or receive a copy by mail, whichever you prefer. We will share with you who provided the information. In some cases we may provide your medical information to your personal physician. We will not provide you with information we have collected in connection with, or in anticipation of, a claim or legal proceeding. If you believe that any of our records are not correct, you may write and tell us of any changes you believe should be made. We will respond to your request within 30 business days. A copy of your request will be kept on file with your personal information so anyone reviewing your information in the future will be aware of your request. If we make changes to your records as a result of your request, we will notify you in writing and we will send the updated information, at your request, to any person who may have received the information within the prior two years. We will also send the updated information to any insurance support organization that gave us the information, and any service provider that received the information within the prior 7 years.

Questions about your personal medical information should be directed to:

Lincoln Financial Group  
Attn: Medical Underwriting  
P.O. Box 21008  
Greensboro, NC 27420-1008

The CONFIDENTIALITY OF MEDICAL INFORMATION and MAKING SURE INFORMATION IS ACCURATE sections of this Notice apply to the following Lincoln Financial Group companies:

First Penn-Pacific Life Insurance Company  
Lincoln Life & Annuity Company of New York  
The Lincoln National Life Insurance Company

## **Float notice**

Another important priority for us is providing you with accurate information on how your investment contract works. Part of that responsibility includes informing you about "float."

"Float" is a term that refers to interest earned: (i) on contributions from the date received by the investing company until the contributions are credited to the client's investment contract and (ii) on distributions from the date the distribution check is issued from the investment contract by the investing company until the date the check is presented for payment. Under these circumstances Lincoln National Corporation will receive "float" on contributions.

Funds are deposited directly into an account of The Lincoln National Life Insurance Company (Lincoln). Interest will be earned on assets deposited into this account based on AA financial commercial paper 30-day investments.

### ***Contributions***

It is our policy to process contributions as soon as administratively possible and to credit your contract within three business days of receipt of contribution information in good order.

### ***Distributions***

Presentation for payment of distribution checks is controlled by the recipients of those checks. If the check is not presented for payment, float will continue to be earned through the period developed by Lincoln for handling "stale" checks. After that period, the funds will be re-deposited to the plan's investment contract. If the investment contract is no longer active, the funds will be deposited into the abandoned property account and will remain there until subsequently distributed. Our current understanding of applicable law is that such funds will not be escheated to any state. Funds in the abandoned property account will not earn interest and will continue to produce float earnings for Lincoln.

## **Business continuity and disaster recovery strategy**

While Lincoln National Corporation (LNC) makes every effort to avoid business disruptions, it is reasonable and prudent to guard against potential disruptions and prepare plans that will enable our affiliated business units to recover from such disruptions and resume business functions.

LNC is headquartered in Philadelphia, PA, and has affiliated business offices located in Atlanta, GA; Concord, NH; Fort Wayne, IN; Greensboro, NC; Hartford, CT; Omaha NE; Schaumburg, IL; and Syracuse, NY. Lincoln Financial Advisors and Lincoln Financial Distributors have retail business locations throughout the USA. Each of these locations has a business continuity program that aligns with the LNC enterprise wide business continuity plan. LNC has established a Business Recovery Officer Council that is comprised of business recovery officers for each of these business locations.

### ***The Lincoln National Corporation business continuity strategy employs:***

- System and telecommunication accessibility
- System back-up and recovery
- Employee safety and communication

LNC's business continuity/disaster recovery plan includes documented and tested procedures that will assist in ensuring the availability of critical resources and in maintaining the continuity of operations during an emergency situation.

### ***Alternative facilities***

Strategies include the use of both affiliated sites and mobile sites for client response centers. The location of the continuity site will be determined based on the geographical scope of a disruption (firm, city, and region).

### ***Critical systems***

Critical applications have been identified throughout LNC. In the event of a site disruption, these critical applications will be available upon the alternative facilities being established.

### ***Recovery time***

Recovery time for critical systems will be determined based on the scope of the disruption. Targeted recovery for critical systems, ranges from 24 hours to 72 hours.

### ***Communication***

Communication teams are identified in each location as well as at an LNC level. These teams will establish communications with internal employees, clients and members of the media.



# Enrollment kit order form

**Important:** Please complete this form in its entirety and fax to 260 455-0200. Delivery of kits may take **7-10 business days** from receipt of a fully completed form. For enrollment meeting support services, please complete the Enrollment Meeting Support Request Form, EM60811-DI.

## Section 1: General information

### Requestor information

Name \_\_\_\_\_

Phone \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ E-mail \_\_\_\_\_

### Plan information – check one box per row

Company name \_\_\_\_\_

Contract:  Existing  New

Contract number (if assigned) GP \_\_\_\_\_

Plan type:  401(k)  Money Purchase  Profit Sharing  457(b) Governmental Plan

Roth:  Yes  No

QDIA Selected?  Yes  No

If Yes, which QDIA?  Managed Account Option (401k Toolbox® Manage It For Me®)

Life Cycle Option (Wilshire Target Date Maturity Profiles)

Balanced Option:  LVIP Wilshire Conservative Profile

LVIP Wilshire Moderate Profile

LVIP Wilshire Moderately Aggressive Profile

### Service provider information

TPA name \_\_\_\_\_

## Section 2: Enrollment kit type and quantity

Enter the **QUANTITY** of kits you want next to your selection.

### English:

\_\_\_ Generic enrollment materials  
(skip section 3, complete section 4)

\_\_\_ Customized enrollment materials  
(Complete section 3 & 4 – May include  
Financial Advisor name and phone on kit)

### Spanish:

\_\_\_ Generic enrollment materials  
(skip section 3, complete section 4)

\_\_\_ Customized enrollment materials  
(Complete section 3 & 4 – May include  
Financial Advisor name and phone on kit)

### Additional materials:

\_\_\_ Participant rollover forms

\_\_\_ 401k Toolbox participant choice kits  
(Not for use with plans that have  
selected 401k Toolbox as a QDIA)

\_\_\_ Envelopes

## Section 3: Customized kit only

Complete items to be customized.

Plan name/title to be printed on the front cover of the kit \_\_\_\_\_

Financial Advisor information to be printed on the back cover of the kit (optional)

Name \_\_\_\_\_

Firm \_\_\_\_\_

Phone \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ E-mail \_\_\_\_\_

**Section 4: Select investment options**

- OFFER ALL** investment options in the following list to participants.
- OFFER Lincoln Ibbotson Insight Series ONLY** to participants.
- OFFER ONLY** the investment options that are check marked in the following list for a custom lineup. (If 401k Toolbox® services are offered, a custom lineup cannot be selected.)

**Fixed Income (Domestic and International)**

- American Century VP Inflation Protection (SA92)
- Delaware VIP Capital Reserves (SA87)
- Delaware VIP Diversified Income (SA93)
- Government/Corporate Bond (SA12)
- Guaranteed
- High Yield Bond (SA20)
- LVIP SSgA Bond Index (SAL6)
- Short Term (SA14)
- Templeton Global Income Securities (SA86)

**Domestic Equity**

- AllianceBernstein VPS Global Technology (SA31)
- AllianceBernstein VPS Growth and Income (SA19)
- AllianceBernstein VPS Small/Mid Cap Value (SA39)
- American Funds Growth (SA48)
- American Funds Growth-Income (SA49)
- BlackRock Aurora (SA75)
- BlackRock Capital Appreciation (SA81)
- BlackRock Large Cap Value (SA80)
- BlackRock Mid-Cap Value Equity (SA83)
- BlackRock Small/Mid-Cap Growth (SA76)
- Core Equity (SA11)
- Delaware VIP Value (SA61)
- Delaware VIP Small Cap Value Series (SA56)
- Fidelity VIP Contrafund® (SA35)
- Fidelity VIP Equity-Income (SA57)
- Fidelity VIP Growth (SA58)
- Fidelity VIP Mid Cap (SA84)
- Franklin Small-Mid Cap Growth Securities (SA63)
- Janus Aspen Series Large Cap Growth (SA70)
- Janus Aspen Series Mid Cap Growth (SA64)
- Large Capitalization Equity (SA23)
- LVIP Delaware Social Awareness (SA33)
- LVIP Delaware Special Opportunities (SAL7)
- LVIP Mid-Cap Value (SA38)

- LVIP SSgA S&P 500 Index (SA27)
- LVIP SSgA Small-Cap Index (SA36)
- LVIP T. Rowe Price Growth Stock (SA29)
- Medium Capitalization Equity (SA17)
- MFS VIT Growth Series (SA65)
- MFS VIT Utilities Series (SA67)
- Neuberger Berman AMT Mid-Cap Growth (SA37)
- Small Capitalization Equity (SA24)
- Value Equity (SA28)

**International/Global Equity**

- American Funds Global Growth (SA34)
- American Funds Global Small Capitalization (SA46)
- American Funds International (SA54)
- BlackRock Global Resources (SA77)
- Delaware VIP Emerging Markets (SA94)
- Fidelity VIP Overseas (SA59)
- International Equity (SA22)
- LVIP Cohen & Steers Global Real Estate (SA55)
- LVIP SSgA International Index (SAL5)
- LVIP Templeton Growth (SA62)

**Other (Balanced)**

- Aggressive Balanced (SA32)
- Balanced (SA21)
- Conservative Balanced (SA30)
- LVIP Wilshire Aggressive Profile (SA98)
- LVIP Wilshire Conservative Profile (SA95)
- LVIP Wilshire Moderate Profile (SA96)
- LVIP Wilshire Moderately Aggressive Profile (SA97)
- LVIP Wilshire 2010 Profile (SAL1)
- LVIP Wilshire 2020 Profile (SAL2)
- LVIP Wilshire 2030 Profile (SAL3)
- LVIP Wilshire 2040 Profile (SAL4)

**Section 5: Provide shipping address**

**Give street address – NO deliveries are made to a P.O. Box. Kits are sent via our vendor's "best way."**

Company name \_\_\_\_\_ Phone \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Contact name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Special instructions \_\_\_\_\_

401k Toolbox® investment advice services are provided by PMFM, Inc. PMFM, Inc. is an independent registered advisory firm and is neither an affiliate nor a member of the Lincoln Financial Group. Participants are responsible for their own due diligence and can obtain information from their plan sponsor and PMFM, Inc.

Lincoln Director™ group variable annuity is a contract issued on policy form #19476 (and variations thereof) by The Lincoln National Life Insurance Company, Fort Wayne, IN, and is distributed by broker/dealers with selling agreements. Product and features subject to state availability. Not for use in New York.

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Affiliates are separately responsible for their own financial and contractual obligations.



Lincoln Financial Group  
1300 S. Clinton Street, Suite 500  
P.O. Box 2248  
Fort Wayne, IN 46801-2248  
Phone 800 248-0838  
Fax 260 455-0200

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## Appendix B – Transfer of assets

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### **Guidelines**

It is the responsibility of the Financial Advisor and the Plan Sponsor/Trustee to coordinate with Lincoln Financial Group, the current Service Provider/TPA, and the current investment company, the transfer of assets and records to the appropriate parties. The following items will provide guidance for establishing the contract/participant accounts in order to transfer the assets to Lincoln Financial Group.

- If the Plan Sponsor/Trustee intends to change Service Providers/TPAs when the transfer of assets occurs, the Plan Sponsor/Trustee should notify both the current and the new Service Provider/TPA of this change and negotiate which services will be performed by each.
- Financial Advisor/Plan Sponsor/Trustee should contact the current investment company to find out what is required to liquidate and transfer the assets. A Letter of Intent to terminate the current investment contract and to grant authorization for the current investment company to work directly with Lincoln Financial Group should be mailed to the current investment company. **See page 26 for a sample letter that can be drafted and printed on the Plan Sponsor/Trustee's letterhead.** A copy of this letter should be sent to Lincoln Financial Group.
- Plan Sponsor/Trustee and the current investment company, with Lincoln Financial Group approval, will determine the date the assets will be transferred.
- Plan Sponsor/Trustee should notify participants via a blackout notice that the investment company and Service Provider/TPA (if applicable) are being changed. See pages 30-32 for blackout notice instructions and form.
- Financial Advisor/Plan Sponsor/Trustee will provide Lincoln Financial Group with this completed application including the Plan Sponsor/Trustee's signature on the Liquidation of Assets form on page 27. Census should be submitted via secure Internet Web site or diskette. See page 38 of Appendix E for a sample comma-delimited file for census.

When the census is provided, the participant's account can be set up with 100% of the future investment allocation going to the default account or the future investment allocations can be selected via electronic file submission for each participant.

**If signature guarantee or medallion is required by the current investment company, the Plan Sponsor/Trustee must obtain.**

- Lincoln Financial Group will mail the contract and acceptance application to the Financial Advisor, Plan Sponsor or Trustee according to the instructions in this application. **Once the contract is fully established and ready to receive the assets/contributions, Lincoln Financial Group will sign the Liquidation of Assets form and forward the form and transfer instructions to the current investment company.**
- Once the contract is fully established, participants will receive a Participant Handbook and can access their account toll-free or via the Web site.
- Financial Advisor/Plan Sponsor/Trustee/TPA provides a breakdown of assets by participant and source that matches the total amount of the transfer. If this breakdown is not received with the money, Lincoln Financial Group will deposit the takeover assets into a default investment option. Any earnings the default investment option receives, while the money is in the investment option, will be allocated to the participants on a pro-rata basis after the takeover assets are allocated, unless otherwise instructed by the Plan Sponsor/Trustee.
- If you elected to have Lincoln Financial Group track participant loans associated with the takeover of an existing plan (on page 17), the following information is required:
  - a copy of the amortization schedule for any/all outstanding loan(s);
  - current outstanding loan balance by contribution source;
  - date last payment was applied to amortization schedule (timing of the last loan payment remitted and when it was applied to the amortization schedule); and
  - loan payment frequency (to the extent payroll deducted loans are transferred from a prior carrier, the employer authorizes Lincoln Financial to hold any payroll deducted loan payments received until full records and assets are received from the prior carrier. Such contributions will be posted as soon as administratively possible with the effective date when Lincoln Financial has full records to process the loan payment(s).)

See the Appendix C – Loan record-keeping agreement, Form EM50894RFC-DIN (page 35) for fees that will be charged for this service.

**Sample Letter of Intent**

Please draft this letter and print on your (Plan Sponsor/Trustee) company letterhead.

**The information in brackets [ ] must be completed.**

[Current Date]

[Current Investment Company]  
[Address]

**SAMPLE**

Re: [Plan Name] & [Current Investment Contract #]

Dear [Current Investment Company Contact]:

This letter is to notify you of our intent to terminate our investment contract for [plan name]. We are changing our retirement plan investment vendor to Lincoln Financial Group. Please contact me regarding the deconversion requirements and necessary paperwork to facilitate the transfer.

The transfer instructions, including mailing/wiring instructions along with the contract number at Lincoln Financial Group, will be communicated to you at a later date. Consider this your authorization to release information directly to Lincoln Financial Group and our financial advisors, in order to facilitate the transfer of the assets.

If individual participant accounts are maintained, please organize the accounts by participant name and source of contribution and forward to:

Lincoln Financial Group  
New Business  
1300 S. Clinton Street, Suite 500  
P.O. Box 2248  
Fort Wayne, IN 46801-2248

This participant breakdown must equal the amount of the proceeds being transferred.

If individual participant accounts are not maintained, please forward:

- A financial statement reflecting plan asset balances by source of contributions as of the date of the transfer.
- All transactions from the last statement date to the date of the transfer.
- Balance sheet reconciling plan assets and balances.

Please notify me [phone number or email address] if you have any questions regarding this request.

Sincerely,

[Name of Plan Sponsor/Trustee]

# Liquidation of assets form

**Instructions:** Lincoln Financial Group will work with your current investment company to liquidate participant accounts and transfer the assets. If you want Lincoln Financial Group to pursue the assets, you will need to complete the following form. We will then contact your current investment company and work with that company and you to complete the transfer.

## Current investment company information

Name \_\_\_\_\_  
Contact name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
E-mail \_\_\_\_\_  
Phone \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Fax \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

## Asset liquidation information

Please liquidate all assets from account number \_\_\_\_\_ for (insert name of plan) \_\_\_\_\_ on (insert date, which must meet blackout notification requirements) \_\_\_\_/\_\_\_\_/\_\_\_\_ and send all proceeds to Lincoln Financial Group (see mailing instructions).  
Assets being transferred \$ \_\_\_\_\_ (approximate)

## Who will be pursuing the transfer?

Lincoln Financial Group will pursue the transfer  
 I, as Plan Sponsor/Trustee, will work with my current investment company to transfer the assets

- The Plan Sponsor/Trustee authorizes the release of information directly to Lincoln Financial Group and the Plan Sponsor/Trustee's financial advisors as needed to complete the transfer of assets.
- By signing below the Plan Sponsor/Trustee requests the transfer of assets as outlined above.

Plan Sponsor/  
Trustee signature \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

## To be completed by Lincoln Financial Group

Lincoln Financial Group certifies that an approved qualified retirement account, GP \_\_\_\_\_, exists for the plan named above. We hereby accept the transfer of assets requested above.

Authorized officer's signature \_\_\_\_\_  
Title \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

## Mailing instructions

Send assets to Lincoln Financial Group using one of the following methods:

- **Wire**

Wells Fargo Bank, N.A., San Francisco, CA  
ABA routing transit #: 121000248  
Account #: 0085911525 (no dashes, use leading zeros)  
Reference: Lincoln Financial Group

Further reference: GP # \_\_\_\_\_

Attn: \_\_\_\_\_

- **Overnight Mail**

Lincoln Financial Group  
New Business  
1300 S. Clinton St., Suite 500  
Fort Wayne, IN 46802  
800 248-0838

- **Mail**

Lincoln Financial Group  
New Business  
P.O. Box 2248  
Fort Wayne, IN 46801-2248

**Note:** For overnight mail and standard mail, make check payable to **Lincoln Financial Group**.

## Breakdown of assets

- An individual participant breakdown by source corresponding to the total assets transferred must be provided to Lincoln Financial Group

**Note:** I authorize Lincoln Financial Group to deposit the takeover assets into the default investment option that will be in my contract, if a breakdown of assets by participant is not received with the money. Any earnings (gains/losses) the default investment option receives, while the money is in the investment option, will be allocated to the participants on a pro-rata basis after the takeover assets are allocated, unless otherwise instructed by the Plan Sponsor/Trustee.

*Lincoln Director<sup>SM</sup> group variable annuity is a contract issued on policy form #19476 (and variations thereof) by The Lincoln National Life Insurance Company, Fort Wayne, IN, and is distributed by broker/dealers with selling agreements. Product and features subject to state availability. Not for use in New York.*



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1300 S. Clinton Street, Suite 500  
P.O. Box 2248  
Fort Wayne, IN 46801-2248  
Phone 800 248-0838

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**Sample comma-delimited file layout for takeover assets**

Below is a sample of the comma-delimited file format for uploading files. A comma separates all data fields. A comma-delimited file can be created easily from a Microsoft Excel spreadsheet by choosing "Save As" and then selecting the CSV file type from the drop down list (by "Save As Type") or from a word processing program by saving it as a text file. The file can be saved to a diskette or CD and sent via overnight or regular mail. If you have access to the internet and would like to transfer the file to Lincoln Financial Group's secure Web site, the file transfer option can be selected by choosing "Data Upload," "File Transfer." **The information should not be sent via regular e-mail. E-mail is not considered a secured site for files containing confidential information such as the Social Security number.**

**Note:** Microsoft, Encarta, MSN, and Windows are either registered trademarks or trademarks of Microsoft Corporation in the United States and/or other countries.

Whether you have data for each field or not, every field must be present within your file. This may be accomplished by inserting a zero in the fields for which you do not have takeover asset amounts. **Do not include column headings or totals in CSV text file.** For dollar amounts of \$1000.00 and above, do not include a comma in the dollar amount figure (i.e.1500.00) or preceding a name suffix (i.e. Jr or Sr). This will cause the field offsets to be interpreted incorrectly. Do not format cells.

EXCEL		
COLUMN	COLUMN DESCRIPTION	
A	Social Security Number	
B	Last Name	
C	First Name	
D	Middle Initial	
E	Source/Money Type	Values
	Employee Salary Reduction	G
	Employee Rollover	E
	Employee Non Deduction Mandatory	J
	Employee Deduction Voluntary	H
	Employee Non Deduction Voluntary	I
	Employer Matching	D
	Employer (i.e. Money Purchase)	A
	Employer Discretionary (i.e. Profit Sharing)	C
	Employer Non Discretionary	B
	Safe Harbor/Simple Non-Elective	P
	Safe Harbor/Simple Match	Q
	Secondary Match	U
	Prevailing Wage	R
	Roth	S
F	Investment Option (The current investment company's investment option code may be used in lieu of the Lincoln Financial Group SA numbers. This can be left blank if the assets are not being mapped. Only the total amount by source should be provided if not mapping investment options.)	
G	Amount (Takeover asset amount by source by participant. This must match the total amount transferred.)	

**Example of Excel spreadsheet that needs to be saved in a comma-delimited format (.csv)**

	A	B	C	D	E	F	G
1	Social Security Number	Last Name	First Name	Middle Initial	Source/Money Type	Investment Option	Amount
2	123456789	Farr	Raymond		G	SA11	500.45
3	123456789	Farr	Raymond		G	SA32	500.45
4	123456789	Farr	Raymond		D	SA11	250.23
5	123456789	Farr	Raymond		D	SA32	250.23
6	123456789	Farr	Raymond		E	SA11	5000.25
7	123456790	Adams	Wilson	K	G	SA12	5005.45
8	123456790	Adams	Wilson	K	G	SA32	5500.63
9	123456790	Adams	Wilson	K	D	SA12	2502.73
10	123456790	Adams	Wilson	K	D	SA32	2750.32

**Save as a Comma-Delimited (.csv) file:**  
 Within Excel, go to "File" and "Save As." Change "Save As Type" from "Microsoft Excel Workbook" to "CSV (Comma-delimited)." Name file accordingly and click "Save."

## Blackout notice instructions

If there is a blackout period (as outlined in the Sarbanes-Oxley Act of 2002) with respect to a defined contribution plan, the Plan Sponsor/Trustee must notify affected plan participants and beneficiaries in writing no later than 30 days prior to the beginning date of the blackout period.

**A “blackout period” is defined as a period of more than three consecutive business days during which participants or beneficiaries are:**

**1) unable to direct or diversify assets in their account; 2) unable to obtain a loan; or 3) unable to obtain a distribution.**

To assist the Plan Sponsor/Trustee with its responsibility, a blackout notice form is provided on the next couple of pages. For additional details about the Sarbanes-Oxley Act of 2002, please logon to <http://www.dol.gov/ebsa/regs/fedreg/final/2003001430.pdf>.

### General instructions for completing the Blackout Notice:

- The notice must be
  - Completed by the Plan Sponsor/Trustee and printed out on their company letterhead.
  - Delivered by the Plan Sponsor/Trustee to all participants and beneficiaries who are affected.
  - Provided at least 30 days, but not more than 60 days in advance of the last day on which the rights will be temporarily suspended.
  - Delivered in writing by mail (First Class mail, certified mail, interoffice mail or express mail) or electronically, provided actual receipt of the electronic distribution is ensured.
- **What happens if the notice is late?** If the time frame outlined above cannot be met due to circumstances beyond your control, the notice including an explanation of the failure to meet the time frame must be provided as soon as reasonably possible. Alternatively, the blackout dates may need to be adjusted.
- **What if the blackout lasts longer than communicated in the notice?** An updated notice may be required. According to the Department of Labor Regulations, it is the Plan Sponsor/Trustee’s responsibility to determine the length of the time period of the blackout and the circumstances under which an updated notice may be required.
- **What are the penalties for noncompliance?** The Secretary of Labor is permitted to levy a penalty of up to \$100 per day, per participant or beneficiary, for the failure to provide timely notice. Each participant represents a separate violation. The penalty may begin on the date on which the failure occurred and end on the last day of the blackout period. For example, if there are 25 affected participants, and the failure is for 10 days, the maximum penalty is \$25,000 (\$100 x 10 (days) x 25 (violations)).
- **How do I determine my blackout period?** The blackout period will begin on the date that accounts with the current investment company become temporarily unavailable and participants will not be able to direct or diversify investments and/or obtain a loan or distribution. The beginning date of the blackout period will need to be coordinated with the current investment company.

The ending date of the blackout period will be 10 business days after Lincoln Financial Group receives the transferring assets and the individual participants’ account balance breakdown in good order.

Example:

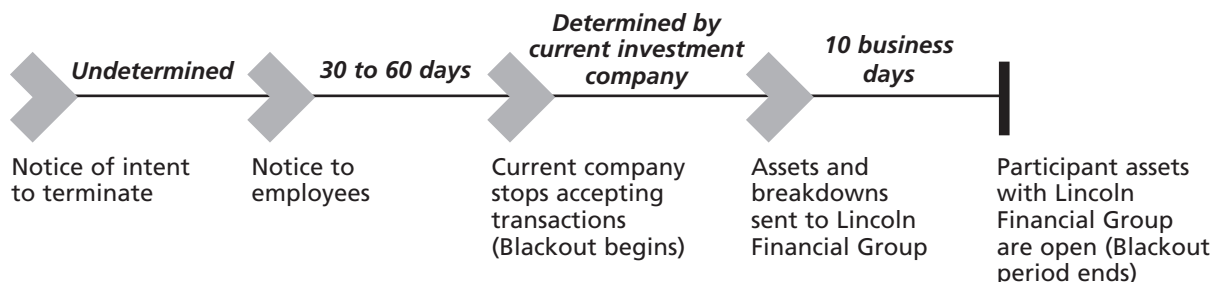
- Plan liquidates on 01/01/2008.
- Plan assets wired to Lincoln Financial Group on 01/03/2008.
- Individual participant breakdown provided on 01/14/2008.

Allow 10 business days from 01/14/2008 for processing so the end date of the blackout period would be 01/25/2008.

This blackout period only applies to assets transferring from your current investment company to Lincoln Financial Group.



## Takeover assets timeline



### Specific instructions for completing the Blackout Notice:

- Item 1** Complete the Plan Name.
- Item 2** Complete the date on which the notice will be distributed.
- Item 3** Check all boxes that apply.
- Item 4** Check all boxes that apply.
- Item 5** Determine and insert the date that the blackout period will begin. This is the date that accounts will be temporarily unavailable and participants will not be able to direct or diversify investments and/or obtain a loan or distribution. This will need to be coordinated with the current investment company.
- Determine and insert the date that the blackout period will end. This is the date when participants may resume directing or diversifying their investments and/or obtain a loan or distribution. This end date must add together:
- The number of business days the current investment provider and/or the current recordkeeper needs to liquidate assets and provide individual account balances.
  - Allow for Lincoln Financial Group’s processing time frame of 10 business days following receipt of the assets and the individual participants’ account balance breakdown in good order, totaling to the transferred assets.
- If more than one box is checked in Item 4, the beginning date of the blackout period may be different for each item.
- Item 6** Check yes or no.
- Item 7** Check yes or no. If “no,” is checked provide the reason for the late notice.
- Item 8** Provide a contact from the plan administrator/trustee’s office for additional questions.

If you choose to electronically fill out the Blackout Notice Form on the following page, you can save the PDF once completed and then print that specific page (print ONLY page 3 of this 3 page Blackout notice PDF) onto your company letterhead.

Lincoln Financial Group® affiliates, their distributors, and their respective employees, representatives, and/or insurance agents do not provide tax, accounting, or legal advice. Any tax statements contained herein were not intended or written to be used, and cannot be used for the purpose of avoiding U.S. federal, state or local tax penalties. Clients should consult their own independent advisor as to any tax, accounting or legal statements made herein.

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# Blackout Notice Form

1. Important notice concerning your rights under the \_\_\_\_\_ (plan name)

2. Date of notice \_\_\_\_/\_\_\_\_/\_\_\_\_ (mm/dd/year)

3. This notice is to inform you that the plan listed above will be (check all that apply)

- Changing investment options
- Changing record keepers
- Other (specify) \_\_\_\_\_

4. As a result of these changes, you temporarily will be unable to (check all that apply)

- Direct or diversify investments in your individual accounts. If only specific investments are subject to the blackout, specify those investments \_\_\_\_\_
- Obtain a loan from the plan
- Obtain a distribution from the plan
- Other (specify) \_\_\_\_\_

This period, during which you will be unable to exercise these rights otherwise available under the plan, is called a "blackout period." Whether or not you are planning retirement in the near future, we encourage you to carefully consider how this blackout period may affect your retirement planning, as well as your overall financial plan.

5. The blackout period for the plan will begin on (enter date) \_\_\_\_/\_\_\_\_/\_\_\_\_ (mm/dd/year) and end \_\_\_\_/\_\_\_\_/\_\_\_\_ (mm/dd/year).

6. Will plan investments be affected by the blackout period?  Yes  No

If "Yes," during the blackout period you will be unable to direct or diversify the assets held in your plan account. For this reason, it is very important that you review and consider the appropriateness of your current investments in light of your inability to direct or diversify those investments during the blackout period. For your long-term retirement security, you should give careful consideration to the importance of a well-balanced and diversified investment portfolio, taking into account all your assets, income and investments. You should be aware that there is a risk to holding substantial portions of your assets in the securities of any one company, as individual securities tend to have wider price swings, up and down, in short periods of time, than investments in diversified funds. Stocks that have wider price swings might incur a loss during the blackout period, and you would not be able to direct the sale of such stocks from your account during the blackout period.

7. Was notice provided within 30 days of the blackout period?  Yes  No

Federal law generally requires that you be furnished notice of a blackout period at least 30 days in advance of the last date on which you could exercise your affected rights immediately before the commencement of any blackout period in order to provide you with sufficient time to consider the effect of the blackout period on your retirement and financial plans.

If "No," enter the explanation of reasons for inability to furnish 30 days advance notice.

\_\_\_\_\_  
\_\_\_\_\_

8. If you have any questions concerning this notice, you should contact the following Plan Sponsor/Trustee at the address listed below.

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Fax \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_





# Loan record-keeping agreement

## Roles and responsibilities

### Plan information

Plan name \_\_\_\_\_

### Plan Sponsor/Trustee/Third Party Administrator

- Review availability of the loan based on the Plan Document and/or the Loan Policy.
- Determine the vested balance amount, the available loan amount and the applicable interest rate.
- Must obtain the necessary signatures on the loan application (Form DIR-50893).
- Ensure delivery of the Promissory Note and the Truth in Lending Disclosure forms to the participant.
- Deduct, via payroll deduction, the loan payment in accordance with the amortization schedule as provided by Lincoln Financial Group (Lincoln Financial).
- Submit the loan payment via internet, using approved electronic format, and correctly identify as a loan payment.
- Notify Lincoln Financial to report a defaulted loan (Form EM-30007) on Form 1099R.

### Lincoln Financial Group

- Provide the information on the Web site to model the loan amortization schedule.
- Provide the loan application form (Form DIR-50893) & defaulted loan (Form EM-30007) on the Web site.
- Produce the customized amortization schedule and have available on the Web site, upon completion of the loan distribution.
- Provide loan proceeds in the form of a check. By cashing the check, the participant agrees to repay the loan according to the terms and conditions of the Promissory Note.
- Make loan reports available on the Web site.
- Provide participant loan balance on the Web site and report on the participant's quarterly statement.
- Complete 1099R reporting for defaulted loans upon receipt of the completed loan default form (Form EM-30007) or completion of a distribution form indicating the amount to default. The 1099R will be generated at the close of the year in which the default is reported.
- A \$60.00 set-up fee for each loan originating from Lincoln Financial will be deducted from the participant's account. An ongoing annual service fee of \$30.00 per loan will be deducted from the participant's account on the anniversary date of the contract.
- A \$60.00 set-up fee will be billed to the Plan Sponsor/Trustee on any existing loans originating from prior investment companies and transferred to Lincoln Financial. If payment is not submitted as indicated on the applicable invoice, the fee will be deducted from the participant's account. An ongoing annual service fee of \$30.00 per loan will be deducted from the participant's account on the anniversary date of the contract.

### Options

Lincoln Financial can provide a customized Promissory Note (Form DIR-50896) and Truth in Lending Disclosure (Form DIR-50895) for participants via the Web site. Please indicate if Lincoln Financial will be responsible for providing these forms:

- Yes, I want Lincoln Financial to provide these customized forms
- No, I do not want Lincoln Financial to provide these customized forms

Plan Sponsor/  
Trustee signature \_\_\_\_\_ Date \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

**Please retain a copy of this document for your records.**

*Lincoln Director<sup>SM</sup>* group variable annuity is issued on contract form #19476 (and variations thereof) by The Lincoln National Life Insurance Company, Fort Wayne, IN, and offered by broker/dealers with an effective selling agreement. The Lincoln National Life Insurance Company is not authorized nor does it solicit business in the state of New York.

Contracts sold in New York are issued on contract form #19476NY-A 7/04 by Lincoln Life & Annuity Company of New York, Syracuse, NY, and offered by broker/dealers with an effective selling agreement.

Product and features subject to state availability.

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Affiliates are separately responsible for their own financial and contractual obligations.



Lincoln Financial Group  
1300 S. Clinton Street, Suite 500  
P.O. Box 2248  
Fort Wayne, IN 46801-2248  
Phone 800 248-0838

**EM50894RFC-DIN 6/08**  
PAD0801-0011-DIR

## Appendix D – Pension unincorporated employer’s financial experience representation

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*If this is a sole proprietor, partnership, limited liability partnership or a limited liability company complete the information below which is required by the Securities Act of 1933.*

*If this is a **multiple employer AND the principal employer** is a sole proprietor, partnership, limited liability partnership or a limited liability company complete the information below required by the Securities Act of 1933. This information needs to be provided ONE time only.*

The Plan Sponsor/Trustee, in connection with the purchase of the *Lincoln Director<sup>SM</sup>* contract by an unincorporated business, to fund a pension or profit sharing plan covering employees defined under IRC Section 401(c) represents that:

- The plan covers only employees of a single employer or employees of interrelated partnerships. If this is a multiple employer plan, only the principal employer is required to complete this section, if applicable. *(check one)*
  - The employer is a law firm, investment banking firm, pension consulting firm or investment advisory firm with such knowledge and experience in financial and business matters that the employer is able to represent adequately its interests and those of its employees.
  - Independent advice was obtained from a person or firm\*, who because of knowledge and experience in financial matters is able to adequately represent the interests of the employer and its employees.
- By signing below, I (Plan Sponsor/Trustee) confirm that all statements listed above are accurate and true.

Plan Sponsor/  
Trustee signature \_\_\_\_\_ Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_

*\* Review has been performed by an individual or firm not having a material relationship with The Lincoln National Life Insurance Company. The reviewer, by virtue of knowledge and experience in financial and business matters, is able to adequately represent the interests of the employer and its employees.*

## Appendix E – Sample comma-delimited file layouts

### For contributions

Following is a sample of the comma-delimited file format our internet or diskette method requires for uploading files. A comma separates all data fields. A comma-delimited file can be created easily from an Excel spreadsheet by selecting the CSV file type from the drop down list (instructions to follow) or from a word processing program by saving it as a text file.

The order of information required in the comma-delimited file is shown below, and reflects the order of information listed in the "Record" details area of the Contribution Input screen on the Web site. Whether you have data for each field or not, every field must be present within your file. This may be accomplished by inserting a zero in the fields for which you do not have contribution data.

**Note: Do not include column headings or totals in CSV text file.** For dollar amounts of \$1000.00 and above, do not include a comma in the dollar amount figure (ex: 1500.00) for files to be uploaded via Internet or preceding a name suffix (ex: Jr or Sr). This will cause the field offsets to be interpreted incorrectly. Do not format cells.

#### Example of CSV file layout:

SSN, LName, FName, MI, DOB, EV, EE, JJ, HH, II, DD, RS, CC, BB, LPEV, LPEE, LPJJ, LPHH, LPII, LPDD, LPRS, LPCC, LPBB, PS, QS, UE, RW, SR, LPPS, LPQS, LPUE, LPRW, LPSR

222334444, Smith, Joseph, I, 08/07/59, 5.00, 10.00, 15.00, 20.00,,,,,,,,,,,,

333445555, Jones, William, A, 02/27/62, 0.00, 0.00, 0.00, 0.00, 0.00, 100.00, 100.00, 0.00, 0.00, 0.00, 0.00, 50.00

Excel Col.	Field descriptions	Field names	Excel Col.	Field descriptions	Field names
A	Social Security Number .....	(SSN)	R	Loan Repayment Employee Deductible Voluntary	(LPHH)
B	Last Name .....	(Lname)	S	Loan Repayment Employee	
C	First Name.....	(Fname)		Non Deductible Voluntary.....	(LPII)
D	Middle Initial .....	(MI)	T	Loan Repayment Employer Matching.....	(LPDD)
E	Date of Birth .....	(DOB)	U	Loan Repayment Employer (A).....	(LPRS)
F	Employee Salary Reduction .....	(EV)	V	Loan Repayment Employer Discretionary .....	(LPCC)
G	Employee Rollover .....	(EE)	W	Loan Repayment Employer Non Discretionary.....	(LPBB)
H	Employee Non Deductible Mandatory .....	(JJ)	X	Employer Safe Harbor/Simple Non-Elective.....	(PS)
I	Employee Deductible Voluntary.....	(HH)	Y	Employer Safe Harbor/Simple Match .....	(QS)
J	Employee Non Deductible Voluntary .....	(II)	Z	Employer Secondary Match .....	(UE)
K	Employer Matching.....	(DD)	AA	Employer Prevailing Wage .....	(RW)
L	Employer (A) (i.e. money purchase) .....	(RS)	AB	Roth (currently not available) .....	(SR)
M	Employer Discretionary (i.e. profit sharing) .....	(CC)	AC	Loan Repayment Safe Harbor/Simple Non-Elective	(LPPS)
N	Employer Non Discretionary .....	(BB)	AD	Loan Repayment Safe Harbor/Simple Match	(LPQS)
O	Loan Repayment Employee Salary Reduction.....	(LPEV)	AE	Loan Repayment Secondary Match .....	(LPUE)
P	Loan Repayment Employee Rollover.....	(LPEE)	AF	Loan Repayment Prevailing Wage.....	(LPRW)
Q	Loan Repayment Employee		AG	Loan Repayment Roth (currently not available)....	(LPSR)
	Non Deduction Mandatory .....	(LPJJ)	AH	Custodial.....	(LL)

**Example of Excel spreadsheet that needs to be saved in a Comma-Delimited format (.csv)**

	SSN	Lname	Fname	MI	DOB	EV	EE	JJ	HH	II	DD	RS	CC						
1	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
2	123456789	Smith	Frank	J	1/1/59	125.5					12.5								
3	234567890	Black	Greg	J	3/12/59	130.2					13								
4	345678901	Grey	Sally	J	10/4/78	76.25					7.63								
5	456789012	Perle	Gail	K	6/1/87	45.87					4.59								
6																			

Only populate if you use

- Columns G-J are not commonly used by most 401(k) clients but they still need to be included in your spreadsheet to ensure the proper placement of other data being entered.
- Do not include column headings or totals in file. Do not format cells or include dollar signs or commas in any fields (incorrect: Smith, Jr.)

**Save as a Comma-Delimited (.csv) file:** Within Excel, go to "File" then "Save As." Change from "Microsoft Excel Workbook" to "CSV (comma-delimited)." Name file accordingly and click "Save." Once saved, it's ready to import onto the Web site.

**For census**

Census data needs to be submitted using the format described below. You may choose to provide this information by first creating an Excel spreadsheet and saving as a comma-delimited (.csv) file\*. You can then submit this file via internet or diskette. Alternatively, you may manually key the information in via internet (we do not recommend manual keying unless you have 25 or fewer employees). \*Within Excel, go to "File," then "Save As" Change "Save As Type" from "Microsoft Excel Workbook" to "CSV (comma-delimited)." Name file accordingly and click "Save."

Following is a sample of the comma-delimited file format Lincoln Financial Group requires for uploading files.

- Note:** A comma separates all data fields.  
 Every field must be present within your file, even if you do not have data for each field.  
 Do not include column headings or totals in the file.  
 Do not format cells.  
 Do not include dollar signs (incorrect: \$1,000.00) (correct: 1000.00)  
 Do not include commas in any fields (incorrect: Smith, Jr.) (correct: Smith Jr.)

The order of information required in the comma-delimited file is as follows.

**SSN, NP, FName, MI, Lname, NS, GEN, DOB, DOH, AC, LD, EL, ADR1, ADR2, CITY, ST, ZIP, RST, NEX, FS, PF**

222334444, dr, joseph,s,smith,jr,M,01/01/1955,01/01/1990,750000.00,001,Y,1001 main st,po box 1001,fort wayne,in 46801  
 333445555,,mary,,smith,,F,01/01/1955,01/01/1995,90000.00,,Y,2002 main st,,fort wayne,in,46802 444556666,, illiam,b,jones,sr,M,  
 01/01/1940,01/01/1980,50000.00,,Y,,,,,

Excel Col.	Field/Col. descriptions	Field/Col. names
A	*Social Security Number .....	(SSN)
B	Name Prefix.....	(NP)
C	*First Name .....	(FNAME)
D	Middle Initial.....	(MI)
E	*Last Name.....	(LNAME)
F	Name Suffix.....	(NS)
G	*Gender .....	(GEN)
H	*Date of Birth .....	(DOB)
I	*Date of Hire.....	(DOH)
J	*Annual Compensation .....	(AC)
K	Location/Division Code .....	(LD)
L	*Eligible .....	(EL)
M	Address Line 1.....	(ADR1)
N	Address Line 2.....	(ADR2)
O	City .....	(CITY)
P	State .....	(ST)
Q	Zip Code.....	(ZIP)
R	Resident State.....	(RST)
S	Number of Exemptions .....	(NEX)
T	Filing Status.....	(FS)
U	Pay Frequency .....	(PF)

\*Required field



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## A tradition of integrity

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Lincoln Financial Group  
1300 South Clinton Street, Suite 500  
P.O. Box 2248  
Fort Wayne, IN 46801-2248  
800 248-0838

[www.LincolnDirector.com](http://www.LincolnDirector.com)

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PAD0709-0070

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