

Third Party Administrator Contract Extension Update

Prudential contract amendment extends the current contract for two years through December 31, 2015.

Fee Reduction:

Current Fee: 10.5 basis points

Effective 10-1-2012: a discounted fee of 9.6 basis points

Effective 1-1-2014 (commencement of the renewal period): a discounted fee of 7.9 basis points

Represents a savings of over \$590,000 through the existing contract term (12/31/2013) and an approximate \$1.7M fee reduction for plan participants on an annual basis (1/1/2014 – 12/31/2015).

Marketing / Communication Enhancements:

Cooperation in the development of a Strategic Marketing Plan

Dedicated Communication Specialist support

Implementation of procedures to capture participant contact information

Operational Efficiencies:

Audit of FX trading practices: anticipated cost \$45,000

Data scrub to address issues raised in the PW audit

Grant access / authority to Investment Consultant to more effectively capture data from Custodian and Money Managers