COMMONWEALTH OF VIRGINIA

STANDARD CONTRACT

Contract Number: TS-007-15

This contract entered into this 1st of November 2014 by Conexis Benefits Administrators, L.P. hereinafter called the "Contractor" and Commonwealth of Virginia, Virginia Polytechnic Institute and State University called "Virginia Tech."

WITNESSETH that the Contractor and Virginia Tech, in consideration of the mutual covenants, promises and agreements herein contained, agree as follows:

SCOPE OF CONTRACT: The Contractor shall provide the administrative services to Virginia Tech as set forth in the Contract Documents.

PERIOD OF CONTRACT: From November 1, 2014 through October 31, 2016.

COMPENSATION AND METHOD OF PAYMENT: The Contractor shall be paid by Virginia Tech in accordance with the Contract Documents.

CONTRACT DOCUMENTS: The Contract Documents shall consist of this signed contract, the contractor’s Direct Client Administrative Services Agreement and the contractor’s Administrative Services Agreement Fee Appendix, all of which are incorporated herein.

In WITNESS WHEREOF, the parties have caused this Contract to be duly executed intending to be bound thereby.

Contractor
By: [Signature]
Name and Title

Virginia Tech
By: [Signature]
Kimberly Dulaney, CPSM, CUPO
Assistant Director and Contracts Manager
MEMORANDUM

TO: Kim Dulaney
FROM: Tracey Gallagher
SUBJECT: Conexis Direct Client Administrative Services Agreement
DATE: August 25, 2014

My recommendation to the captioned matter is as follows:

X Approved as to form and execution*

Approved with recommended changes as noted below

Not approved for reasons indicated below

COMMENTS:

The services agreement and fee appendix you received via email on August 22 are legally acceptable without change.

Please call me if you have any questions or concerns.

*The following should not be understood as an official opinion of the Attorney General nor construed as an endorsement of the terms/conditions of the referenced agreement. This review addresses only the legal authority of the Commonwealth to enter into this agreement and the enforceability of its terms; the wisdom of the agreement is by law addressed to the sound discretion of responsible officials of the institution/agency.
CONEXIS

DIRECT CLIENT ADMINISTRATIVE SERVICES AGREEMENT

Client’s Name (“Client”): Virginia Polytechnic Institute and State University

Client has requested that CONEXIS Benefits Administrators, L.P. (“CONEXIS”), its parent and affiliates shall provide administrative services as described in this Administrative Services Agreement (“Agreement”) for certain employee Benefit Plans (“Benefit Plans”) maintained by Client. In consideration of the mutual promises contained in this Agreement, the sufficiency of which is hereby acknowledged, Client and CONEXIS (“each, a “Party” and collectively the “Parties”) agree as follows:

SECTION 1. Introduction

1.1 Effective Date and Term: This Agreement is effective November 1, 2014 (“Agreement Effective Date”) upon being signed (“Executed”) by CONEXIS and Client and remains effective until terminated as set forth herein.

1.2 Fee Schedules and Service Appendices: Each attached Fee Schedule and accompanying Service Appendix (“Fee Schedule / Service Appendix”) that is specifically incorporated into and made a part of this Agreement constitutes part of this Agreement. Each Fee Schedule / Service Appendix will have a Service Fees Guarantee Period date and each Fee Schedule / Service Appendix can be terminated independently of the other appendices and the Agreement.

1.3 Relationship of the Parties: Client and CONEXIS are independent contractors with respect to each other and nothing in this Agreement will be deemed to create an employee/employer relationship; a partnership; or joint venture between Client and CONEXIS. CONEXIS’ only obligation under this Agreement is to provide the Services set forth in the applicable Service Appendix to Client and nothing in this Agreement shall be deemed to confer responsibility on CONEXIS to any person covered under the Benefit Plans, the Covered Employees (“Participants”).

SECTION 2. Client Duties

2.1 Benefit Plans: Client has sole responsibility and liability for: (i) establishment and operation of the Benefit Plans, (ii) construing and interpreting the provisions of the Benefit Plans and (iii) deciding all questions of fact arising under the Benefit Plans except as otherwise specifically delegated to CONEXIS in the Fee Schedule/Service Appendix. Client shall not represent to Participants or to any third party that CONEXIS is the “Plan Administrator” or “Named Fiduciary” as defined by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), whether or not ERISA is applicable. It is Client’s sole responsibility to ensure the Benefit Plans complies with all applicable laws and regulations, and CONEXIS’ provision of services under this Agreement does not relieve Client of this obligation or resulting liability related to the Benefit Plans non-compliance. Client has the sole responsibility to pay any fee or penalty arising from the Benefit Plans that is assessed by the Internal Revenue Service, the Department of Labor, and/or other federal, state, or local governmental agencies provided, however, that the Client may seek indemnity from CONEXIS for such fee or penalty as set forth in Section 3.7.

2.2 Service Fees: Service Fees as set forth on the Fee Appendix attached hereto (“Service Fees”) shall be assessed for each month during which services are performed and the CONEXIS Service Fee Invoice will be distributed by the 7th business day of the following month per the Client’s instructions, to the address or other entity responsible or designated for submitting payment to CONEXIS. Payment of the Service Fee Invoice is within 30 days receipt of the invoice and considered past due if payment is not received after 30 calendar days from the due date of invoice. Client retains the ultimate responsibility for payment of fees regardless of the entity submitting payment. Any unpaid past due Service Fees not reasonably disputed are subject to interest not to exceed 1.5% per month, (18% per annum). A $35.00 fee will be charged for all payments returned Not Sufficient Funds (“NSF”).

If Client reasonably and in good faith disputes any charge or amount on any invoice and such dispute cannot be resolved within thirty (30) days (“Dispute Period”) through good faith discussions between the Parties, Client shall pay the amounts due under this Agreement within thirty (30) business days after the end of the Dispute Period. An amount will be considered disputed in good faith if (i) Client delivers a written statement to CONEXIS on or before the past due date of the invoice, describing in detail the basis of the dispute and the amount being withheld by Client, (ii) such written statement represents that the amount in dispute has been determined after investigation of the facts and that such disputed amount has been determined in good faith, and (iii) all undisputed amounts due from Client are paid in accordance with the terms of this Agreement. Disputed amounts shall not be considered past due during the Dispute Period and the thirty (30) day period following the end of the Dispute Period. If any undisputed amounts owed to CONEXIS under this Agreement become past due as set forth herein, Client acknowledges and agrees that CONEXIS may suspend its performance hereunder during any portion of the term that such amounts owed by Client hereunder are
past due and/or terminate this Agreement for failure to make payments as required herein as set forth in Section 4.9 herein.

CONEXIS may also change the service charges and or services as of the date any change is made in postal rates or to law or regulations to the extent such change imposes additional duties or obligations on CONEXIS or requires CONEXIS to carry out its obligations in a manner not otherwise contemplated by this Agreement in force at the time of such change. CONEXIS may, at its sole discretion, revise the applicable Service Fees at the expiration of any Service Guarantee Period, as indicated on the appropriate Fee Schedule by providing Client written notice of such changes, at least sixty (60) days prior to the expiration date of the Fee Schedule. Service Fee Guarantee Periods are only effective with fully Executed Services Agreements. In addition, Service Fees may be revised at any time, if Client makes changes to the Benefit Plans (regardless of reason) that materially revise the nature or volume of the services contemplated by this Agreement and/or the increase of pass through fees from third party service providers to CONEXIS.

2.3 Payments to CONEXIS: Notwithstanding any provision herein to the contrary, Client and CONEXIS agree that any funds submitted by Client or any other individual or entity to CONEXIS in accordance with this Agreement do not include participant's salary reductions. Client further understands that CONEXIS does not hold any funds submitted to CONEXIS by Client in a trust as that term is contemplated by ERISA. Client warrants that: (i) neither it nor any of its employees, directors, representatives, fiduciaries, Benefit Plans (or any entity performing services for Client or such Plans), any of its predecessors, successors or assigns have represented or shall represent to any Participant or beneficiary of the Benefit Plans that a separate account, fund, or trust is being held on behalf of the Benefit Plans that may be used to provide or secure benefits under the Benefit Plans; (ii) Client shall advise the Participants and beneficiaries of the Benefit Plans that the benefits under the Benefit Plans shall at all times be paid out of the general assets of Client. Nothing herein prevents CONEXIS from depositing any such amounts received from Client into a CONEXIS-owned interest bearing account and from retaining such interest.

2.4 Furnish Information to CONEXIS: Client shall furnish to CONEXIS the information reasonably determined by CONEXIS to be necessary to fulfill its duties under this Agreement, including but not limited to, quarterly updates of employee/Participant headcount to the extent that such headcount is applicable for calculating Service Fees and such information shall be provided in a mutually agreeable format. Client shall furnish such headcount within 10 business days of the beginning of each calendar quarter with the corresponding increase/decrease applicable for that quarter. Client understands and acknowledges that CONEXIS will operate on the assumption that the information provided by Client or its designee is accurate and complete and is not liable for errors resulting from inaccurate and/or untimely information provided by Client or its designee. Client agrees that CONEXIS may assess a reasonable additional fee for costs, (e.g. postage and related labor costs) incurred by CONEXIS as reasonably necessary to take corrective action due to inaccurate and/or untimely information received from Client or its designee.

SECTION 3. CONEXIS’ DUTIES

3.1 Recordkeeping: Each Party shall maintain the usual and customary records related to its obligations under this Agreement as required under applicable law. CONEXIS will deliver records held by CONEXIS that relate to administration of the Benefit Plans to Client or its designee within thirty (30) days of receiving Client’s written request for the records. Client shall be required to pay CONEXIS’ reasonable charges for transportation, for preparation of such data in formats other than CONEXIS’ standard format, and for duplication of such records.

3.2 Audit by Client: Client may perform one audit per year (except as required to comply with government mandated audits) of the records specifically related to CONEXIS’ duties under this Agreement after providing thirty (30) days prior written notice to CONEXIS. No such Audit shall last more than five (5) business days. For reasonable cause in unusual circumstances, Client may perform additional audits as needed with the understanding that Client will bear the full cost of such audits. Client’s auditor may perform audits provided such auditor signs a confidentiality agreement acceptable to CONEXIS and is not a direct competitor of CONEXIS’. Audits must be performed during CONEXIS’ standard business hours. CONEXIS will provide reasonable assistance and information to the auditors and Client shall reimburse CONEXIS for CONEXIS’ reasonable expenses, including, but not limited to, copying and labor costs associated with the audit. Client will provide CONEXIS with a summary of the findings from each report prepared in connection with any such audit and provide CONEXIS with a reasonable period of time following receipt of such report to provide written comments to the findings. Such reports will be considered confidential information that may not be further disclosed for any purpose except as required by applicable law. Under no circumstances is Client permitted to audit CONEXIS’ records that relate to other Clients.

3.3 Audit by CONEXIS. Client will promptly furnish its financial statements as prepared by or for Client in the ordinary course of its business for the purpose of determining Client’s ability to satisfy its financial obligations hereunder. To the extent such financial statements are not otherwise publicly available, such statements will be deemed to be Confidential.

CONEXIS initials

Client initials

Direct Client Services Agreement 2

V9.0-040111
Information and shall be used by CONEXIS solely for the purpose of determining Client's ability to perform its duties hereunder. If CONEXIS' review of financial statements causes CONEXIS to question Client's ability to perform its duties hereunder, CONEXIS may request, and Client shall provide to CONEXIS, reasonable assurances of Client's ability to perform its duties hereunder. Failure by Client to provide such reasonable assurances to CONEXIS shall be deemed a material breach of this Agreement. Furthermore, Client shall notify CONEXIS immediately in the event there is a change of control or material adverse change in Client's business or financial condition since the Effective Date.

3.4 Standard of Care: In performing its duties and obligations under this Agreement, CONEXIS and its subcontractors shall exercise a standard of care that includes the following: (i) exercising the level of care in the performance of its duties hereunder generally exercised by reasonable and prudent service providers performing similar services and (ii) exercising commercially reasonable efforts, in accordance with this Agreement, to assist the Client with ensuring that the Benefit Plans comply with all applicable federal laws and regulations.

3.5 Nature of Duties: The services to be performed by CONEXIS under this Agreement shall be ministerial in nature and shall generally be performed in accordance with CONEXIS' standard operating procedures. It shall not be considered a breach of this Agreement if CONEXIS refuses to perform services generally required under this Agreement if the manner in which Client desires such services to be performed requires material changes to CONEXIS' operating procedures that were not contemplated at the time the Parties entered into the Agreement. CONEXIS, at its discretion, shall act in accordance with Client's written instructions. Client acknowledges that CONEXIS is not an accounting or law firm and no services provided by CONEXIS in accordance with this Agreement should be construed as legal, accounting, or tax advice in providing administrative services under this Agreement.

3.6 Customer Service and Electronic Administrative Services: Except during times of scheduled maintenance and company scheduled closures, CONEXIS shall provide telephonic or Web-based electronic access to:
   i) Client Services personnel for Client Representative(s) during CONEXIS' standard business hours (8:00 AM – 5:00 PM Central Time) Monday through Friday (telephonic support);
   ii) Participant Services personnel for Client's Qualified Beneficiaries ("Continuants") and Participants (7:00 AM to 7:00 PM Central Time) Monday through Friday (telephonic support);
   iii) Administrative Services support twenty-four (24) hours per day, seven (7) days per week for Client's Representatives, Participants and Continuants (Web-based electronic access).

3.7 Indemnify Client: CONEXIS agrees to indemnify, defend, and hold harmless Client, its officers, directors and employees from and against all losses, liabilities, damages, expenses including reasonable attorneys' fees (that are awarded from a court of competent jurisdiction) ("Losses") arising out of CONEXIS' material breach of the standard of care set forth in this Agreement. Notwithstanding the foregoing, CONEXIS will not be liable to Client in a breach of contract claim for other than monetary, compensatory damages that are reasonably foreseeable and ascertainable, regardless of whether or not CONEXIS was informed of the possibility of such damages. CONEXIS further agrees to indemnify and hold harmless Client, its officers, directors and employees from any claim, demand, or expense arising from the negligent act or omission or willful misconduct of a subcontractor of CONEXIS who assists CONEXIS with the performance of its duties under this Agreement. The foregoing indemnification right is contingent upon Client satisfying Section 4.16 herein.

SECTION 4. GENERAL PROVISIONS

4.1 Entire Agreement: This Agreement embodies the entire understanding between CONEXIS and Client regarding the subject matter hereof and supersedes all prior and contemporaneous oral or written agreements relating to the same subject matter. Client further agrees that this Agreement supersedes any prior service agreement(s) between the Parties (or their predecessors) and acknowledges that the execution of this Agreement will serve as written notice of termination of such prior written agreement(s).

4.2 Severability: The provisions of this Agreement shall be severable and the invalidity or unenforceability of any provision(s) hereof shall not affect the validity or enforceability of the remaining provisions provided the basic purpose of this Agreement can still be achieved through the execution of the remaining valid provisions.

4.3 Titles/Heading/Numbering: The titles/headings/numbering of the sections herein are for convenience of reference only and are not to be considered in construing this Agreement.

4.4 Waiver; Modification; Amendment: No waiver, modification or amendment of this Agreement shall be valid or binding unless the same is in writing and duly Executed by both Parties, except as otherwise set forth herein.

4.5 Assignment: Notwithstanding any acquisition or merger of either Party, neither Client nor CONEXIS may assign this Agreement without the other Party's prior written consent, which such consent shall not be unreasonably withheld, conditioned, or delayed. Any attempt or purported assignment in violation of the foregoing shall be void. This Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.
4.6 Confidential Information: Client and CONEXIS each acknowledge that in performance of this Agreement, each Party has and will continue to disclose to the other, proprietary and confidential information ("Confidential Information"). The term "Confidential Information" shall mean and all data, trade secrets, and other information of any kind whatsoever that a Party ("Discloser") discloses, in writing, orally, visually or in any other medium, to the other Party ("Recipient") or to which Recipient obtains access and that relates to Discloser's business or, in the case of CONEXIS, its customers or is otherwise identified by the Discloser as confidential or proprietary. A "writing" shall include an electronic transfer of information by e-mail, over the Internet or otherwise. Each of the Parties, as Recipient, hereby agrees that it will not, and will cause its employees, agents and subcontractors not to disclose Confidential Information of the other Party, during or after the term of this Agreement, other than on a "need to know" basis and then only to: (a) affiliate employers (defined as a business entity now or hereafter controlled by, controlling or under common control with a Party); (b) employees; (c) officers; (d) agents and/or (e) subcontractors provided that any third parties who receive Discloser's Confidential Information from Recipient or on behalf of Recipient are subject to a written confidentiality agreement that shall be no less restrictive than the provisions of this Section; and (f) as required by law or as otherwise expressly permitted by this Agreement. If Recipient is required by law to disclose Discloser's Confidential Information, Recipient will promptly notify Discloser and reasonably cooperate with Discloser if Discloser takes action to prevent any such disclosure. Client further agrees that CONEXIS may communicate confidential, protected, privileged or otherwise sensitive information to Client through a named contact designated by Client ("Named Contact") via facsimile, mail, telephone, email or any other media, acknowledging the possibility that such communications may be inadvertently misrouted or intercepted once CONEXIS has sent such to Client. The obligations of confidentiality in this Section shall not apply to any information that (i) Recipient rightfully has in its possession when disclosed to it, free of obligation to Discloser to maintain its confidentiality; (ii) Recipient independently develops without access to Discloser's Confidential Information; (iii) is or becomes known to the public other than by breach of this Section or (iv) is rightfully received by Recipient from a third party without the obligation of confidentiality. Any combination of Confidential Information disclosed with information not so classified shall not be deemed to be within one of the foregoing exclusions merely because individual portions of such combination are free of any confidentiality obligation or are separately known in the public domain. Each Party hereby agrees that it will not disclose Confidential Information of the other Party during or after the Term of this Agreement, other than as necessary to satisfy its obligations herein or as otherwise permitted herein, and then only to, the Party's affiliates, the Party's employees, agents, officers, independent contractors, or subcontractor provided that subcontractor agrees to terms of confidentiality; and as required by law or as otherwise expressly permitted by this Agreement.

4.7 Notices and Communications: All notices between Client and CONEXIS provided for herein shall be sent by confirmed facsimile; by guaranteed overnight mail, with tracing capability; by first class United States mail, with postage prepaid; or by email addressed to the other party at their respective addresses as set forth below for CONEXIS and on the signature page for the Client.

CONEXIS Benefits Administrators, LP
6191 North State Highway 161, Suite 400
Irving, TX 75038

Email: contractadministration@CONEXIS.com
FAX: 1.800.806.9112

Notices shall be deemed provided when sent except as otherwise set forth in this Agreement. Emails sent to CONEXIS should be sent to the appropriate CONEXIS Service Representative or Contract Administration. Both Parties agree to promptly notify the other of any changes in addresses and/or email addresses that neither party shall be responsible under this Agreement for notices sent prior to notification of a change in the address.

4.8 Termination: If there is more than one Fee Schedule / Service Appendix attached hereto, termination of one Fee Schedule / Service Appendix will not terminate the entire Agreement, but termination of the Agreement will terminate all Fee Schedule / Service Appendix.

a. Agreement – Either Party may terminate this Agreement or a Fee Schedule/Service Appendix without a showing of cause by providing sixty (60) days prior written notice to the other Party. Termination without cause will be effective on the last day of the month following the 60-day period the notice was provided by terminating Party or the end of such longer period set forth in the notice of termination. Client acknowledges that termination of a Fee Schedule / Service Appendix prior to the expiration of a Service Fee Guarantee Period will result a financial penalty defined in Section 4.8b.

b. Fee Schedule / Service Appendix – Client understands and acknowledges that CONEXIS is entitled to reimbursement of implementation costs and expenses ("Implementation Expenses") not otherwise passed on to Client if this Agreement or the Fee Schedule/Service Appendix is terminated by Client without show of cause within the Service Fees Guarantee Period of any Fee Schedule / Service Appendix. In the event CONEXIS is entitled to reimbursement of Implementation Expenses herein,
Client agrees to pay the implementation fee to CONEXIS within thirty (30) days of the termination effective date.

Notwithstanding anything to the contrary, CONEXIS may terminate this Agreement with thirty (30) days prior written notice if Client is past due on any undisputed amounts that it owes hereunder and fails to cure within that thirty (30) day period. If CONEXIS agrees to reinstate services following notice of termination, Client acknowledges that CONEXIS may charge a reinstatement fee. Either party may terminate this Agreement immediately, by providing written notice to the other if: (i) such other party becomes insolvent, makes a general assignment for the benefit of creditors, suffers, or permits the appointment of a receiver for its business or assets or (ii) becomes subject to any proceedings under Bankruptcy or insolvency law of which does not result in a reorganization (ii) fails to cure a material breach within thirty (30) days following written notice from the non-breaching party of the breach. Termination of this Agreement will not terminate the rights or obligations of either party arising prior to the effective date of such termination.

4.9 Interpretations: Client and CONEXIS agree that this Agreement’s terms will be construed fairly and not in favor of or against a party based solely on which party drafted the Agreement’s terms.

4.10 Governing Law: This Agreement will be governed by and construed in accordance with the laws of the state of Virginia without regard for conflicts of law principles. Any proceeding shall be initiated and prosecuted in a federal or state court of general jurisdiction sitting in the county and state in which Client’s headquarters are located.

4.11 No Third Party Beneficiaries: Nothing express or implied in this Agreement is intended to confer upon any person other than Client and CONEXIS and their respective successors or assigns, any rights, remedies or obligations whatsoever.

4.12 Force Majeure: CONEXIS and Client will not be deemed in default of this Agreement, nor held responsible for, any cessation, interruption or delay in the performance of its obligations to provide such services hereunder due to causes beyond its reasonable control, including, but not limited to, natural disaster, act of God, labor controversy, civil disturbance, disruption of the public markets, terrorism, war or armed conflict, or the inability to obtain sufficient materials or services required in the conduct of its business from CONEXIS’ vendors or other parties, including Intranet or Internet access, or any change in or the adoption of any law, judgment or decree. This clause shall not apply to Client’s obligations to pay CONEXIS’ fees related to this Agreement.

4.13 Warranties and Representations: CONEXIS and Client represents and warrants the following: (i) The Parties will comply with applicable law in carrying out their respective obligations hereunder; (ii) Its agreement to each provision contained in this Agreement is a duly authorized, legal, valid, binding and enforceable Agreement. (iii) The signature appearing for the Client on this Agreement is the true signature of a person authorized to execute the Agreement on behalf of the Client with respect to the Services, (iv) The Client will not instruct CONEXIS to perform any service or perform a service in any manner that it knows or reasonably should know will violate applicable law.

4.14 Intellectual Properties: CONEXIS retains all rights, title, and interest in and to all software, web pages, web services, documents, processes and any other information, equipment, and materials (including with no limitation the intellectual property rights) used in connection with the providing of services identified in this Agreement, including those developed by CONEXIS for use by Client and their employees.

4.15 Survival: In the event of expiration or termination of this Agreement, the Indemnity Section 3.7; Confidentiality and Privacy Provisions Section 4.6; and the Recordkeeping Section 3.1 of this Agreement shall survive its termination.

4.16 Indemnification Notice: If any civil, criminal, administrative or investigative action or proceeding (each, a "Claim") is commenced against any Party entitled to indemnifications hereunder (an "Indemnifying Party"), written notice thereof shall be given to the party that is obligated to provide indemnification (the "Indemnified Party") as promptly as practicable but in any event within thirty (30) days. After such notice, if the Indemnifying Party shall acknowledge in writing to such Indemnified Party that this Agreement applies with respect to such Claim, then the Indemnifying Party shall be entitled, if it so elects, in a written notice delivered to the Indemnified Party not less than 10 days prior to the date on which a response to such Claim is due, to take control of the defense and investigation of such Claim and to employ and engage attorneys of its choice to handle and defend the same, at the Indemnified Party’s sole cost and expense. The Indemnified Party shall cooperate in all reasonable respects with the Indemnifying Party and its attorneys in the investigation, trial and defense of such Claim and any appeal arising there from; provided, however, that the Indemnified Party may, at its own cost and expense, participate, through its attorneys or otherwise, in such investigation, trial and defense of such Claim and any appeal arising there from. No settlement of a Claim that involves a remedy other than the payment of money by the Indemnifying Party shall be entered into without the consent of the Indemnified Party. After written notice by the Indemnifying Party to the Indemnified Party of its election to assume full control of the defense of any such Claim, the Indemnifying Party shall not be liable to the Indemnified Party for any legal expenses incurred thereafter by such Indemnified Party in connection with the defense of that Claim. If the Indemnifying Party does not assume full control over the defense of a Claim subject to such defense as provided hereunder, the Indemnified Party may participate in such defense, at its sole cost and expense, and the Indemnified Party shall be entitled, if it so elects, in a written notice delivered to the Indemnified Party, not less than 10 days prior to the date on which a response to such Claim is due, to take control of the defense and investigation of such Claim and to employ and engage attorneys of its choice to handle and defend the same, at the Indemnified Party’s sole cost and expense.
Party shall have the right to defend the Claim in such manner as it may deem appropriate, at the cost and expense of the Indemnifying Party.

4.17 Limitation of Liability. IN NO EVENT OR UNDER ANY CIRCUMSTANCE SHALL ANY PARTY BE LIABLE TO ANOTHER PARTY FOR ANY LOSS OF PROFITS OR INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY KIND WHATSOEVER EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; PROVIDED, HOWEVER, THAT THE FOREGOING SHALL NOT BE INTERPRETED TO LIMIT INDEMNIFICATION FOR ANY DAMAGES ASSESSED IN FAVOR OF A THIRD PARTY IN CONNECTION WITH A CLAIM AGAINST AN INDEMNIFIED PARTY TO THE EXTENT THE INDEMNIFIED PARTY IS OTHERWISE ENTITLED TO INDEMNIFICATION HEREUNDER.

Section 5.0 Performance Standards and Guarantee

Performance Standards and Guarantees are only available to those Clients who have a fully Executed Services Agreement on file with CONEXIS.

5.1 In consideration of the mutual promises set forth below and for the fees set forth in the Fee Schedule, Client and CONEXIS agree as follows:

5.1.1 “Calendar Quarter” will mean each quarter of a calendar year (e.g., Jan. 1 – Mar. 31; Apr 1 – Jun 30; Jul 1 – Sep. 30; Oct. 1 – Dec. 31).

5.1.2 “Percentage at Risk for Service Fee Reduction” will mean the percentage of the monthly fee that may be reduced as a result of failing to meet the particular Performance Standard in a Calendar Quarter.

5.1.3 “Performance Standard” will mean specific standards, described in the Exhibit, which is part of the attached Services Appendix for each described service to which CONEXIS has committed to meet or exceed for all similarly situated Clients in each Calendar Quarter.

5.1.4 “Quarterly Performance Report” will mean the specific report, delivered to Client for each Calendar Quarter, which contains CONEXIS’ actual performance against each Performance Standard for Client. The Quarterly Performance Report will be formatted as CONEXIS deems appropriate.

5.1.5 “Performance Standards Effective Date” will be the first Calendar Quarter following the execution of the Services Agreement.

5.1.6 “Service Fee Reduction” will mean the total amount of reduction of monthly Service Fees, as defined in the Agreement, based on CONEXIS failing to meet one or more Performance Standards, in accordance with the Exhibit attached to the appropriate Service Appendix describing the three services offered with performance standards. The Service Fee Reduction is calculated by adding the percentages associated with each Performance Standard not met by CONEXIS. Then multiplying that percentage by the total of monthly Service Fees invoiced by CONEXIS to the Client for that particular Calendar Quarter for that particular service CONEXIS is performing for Client. In no case shall the percentage available for Service Fee Reduction exceed 10% as indicated in the Performance Standards Exhibit for any given Calendar Quarter.

5.2 CONEXIS’ Responsibilities. CONEXIS will measure its performance against all of the Performance Standards in each Calendar Quarter. CONEXIS will adopt standard processes and procedures for measuring timeliness, resolution of inquiries, call abandonment, and accuracy and all other Performance Standards described in the Exhibit. CONEXIS retains final authority for determining whether one or more Performance Standards have been met but will consider any reasonable objections made by Client within ten (10) business days of the issuance of the Quarterly Performance Report, in accordance with the Performance Standards Exhibit. In no event will CONEXIS be in breach of the Agreement into which this Exhibit is incorporated or of any standard of care solely by reason of failing to meet a Performance Standard set forth herein.

On or about forty-five (45) calendar days after the end of each Calendar Quarter, CONEXIS will distribute the Quarterly Performance Report to the Client.
CONEXIS will refund the Service Fee Reduction to Client for any missed Performance Standard(s) in accordance with this Performance Standards Exhibit, by applying such Service Fee Reduction as a one-time credit against future Services Fees in the following Calendar Quarter. For example, a Service Fee Reduction in the 1st Calendar Quarter of a given year would be applied to Service Fees in the 2nd Calendar Quarter.

If CONEXIS is not able to perform services under this Agreement due to a force majeure event as defined in Section 4.13 or other serious event beyond its reasonable control (such as but not limited to, severe weather conditions that delay the opening or cause the closing of a CONEXIS facility), then at CONEXIS sole discretion, the standards set forth in this Exhibit shall not apply during the period that CONEXIS is unable to perform.

5.3 Client Responsibilities. Client is responsible for reviewing the Quarterly Performance Report and addressing any definitions, concerns, or objections to the contents of the Quarterly Performance Report with the appropriate CONEXIS Client Services Manager within ten (10) business days of the issuance of the Quarterly Performance Report.

CONEXIS reserves the right to modify or eliminate one or more Performance Standards or Service Fee Reductions, as long as such modifications or elimination does not impact the quality of service or performance of the standards, upon 30 day written notice to Client prior to the next Calendar Quarter.
Client and CONEXIS have caused this Agreement to be Executed in their names by their undersigned officers or authorized representatives, the same being duly authorized to do so.

Client/Company FAX: 

Client/Contact Email: 

Client/Company Name: 

Client/Company Address: 

CONEXIS Benefits Administrators, LP

Eva Boucher, CCEP
Executive VP, Chief Compliance Officer

Date: 01/18/14

Client Authorized Signature

Printed Name and Title

Date: 

CONEXIS Initials

Client Initials

Direct Client Services Agreement 8

V9.0-040111
CONEXIS ADMINISTRATIVE SERVICES AGREEMENT

FEE APPENDIX – Schedule of Service Fees – Reimbursement Account Services

Transportation / Parking Plans

This Fee Appendix – Schedule of Service Fees is incorporated into and made a part of the CONEXIS Services Agreement ("Agreement"). If there is a conflict regarding service fees between this Fee Appendix and the Agreement, this Fee Appendix controls. Termination without show of cause of this Fee Appendix within the Service Fees Guarantee Period will result in a financial penalty equal to the average of the monthly service and administration fees for the months services were provided during the Service Fees Guarantee Period, times the number of months remaining in the Service Fees Guarantee Period, not to exceed 12 months. Penalty is assessed per Fee Schedule / Service Appendix with an in effect Service Fee Guarantee Period.

CLIENT: Virginia Polytechnic Institute and State University

ALL FEES BILL TO: Virginia Polytechnical Institute and State University

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<th>Item Code</th>
<th>Description</th>
<th>Service Fee</th>
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<td>R128TG</td>
<td>Transportation / Parking Plan Renewal Fee (Annual Fee)</td>
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<td>Required</td>
</tr>
<tr>
<td>R23TK</td>
<td>Fixed Rate Per Transportation/Parking Plan Participant</td>
<td>$4.50</td>
<td></td>
</tr>
<tr>
<td>R73M8</td>
<td>Minimum Monthly Billing (if total monthly Service Fees are less than Minimum, an adjustment will be applied)</td>
<td>$50.00</td>
<td>Required</td>
</tr>
<tr>
<td>T82R</td>
<td>IT Custom Reporting (programming per hour charge)</td>
<td>$195.00</td>
<td></td>
</tr>
<tr>
<td>R22L5</td>
<td>Enrollment Meeting Support (per person per day plus travel expenses)</td>
<td>$500.00</td>
<td></td>
</tr>
<tr>
<td>R65R8</td>
<td>Paper Enrollment Form Data Entry (per form processed by CONEXIS)</td>
<td>$8.00</td>
<td></td>
</tr>
<tr>
<td>R66L7</td>
<td>Welcome Kits</td>
<td>$3.00</td>
<td></td>
</tr>
<tr>
<td>R45Z0</td>
<td>Welcome Kit with Confirmation Statement-CLF04</td>
<td>$4.25</td>
<td></td>
</tr>
<tr>
<td>R45Z5</td>
<td>FSA Enrollment Confirmation Statement-CLF04</td>
<td>$1.25</td>
<td></td>
</tr>
<tr>
<td>R122WN</td>
<td>Employee Group Webinar Meeting</td>
<td>$100.00</td>
<td></td>
</tr>
</tbody>
</table>

Reimbursement Accounts - Enrollment Support

R22L5 Enrollment Meeting Support (per person per day plus travel expenses) $500.00
R65R8 Paper Enrollment Form Data Entry (per form processed by CONEXIS) $8.00
R66L7 Welcome Kits $3.00
R45Z0 Welcome Kit with Confirmation Statement-CLF04 $4.25
R45Z5 FSA Enrollment Confirmation Statement-CLF04 $1.25
R122WN Employee Group Webinar Meeting (Three initial Webinars included, after three, $100 per session) $100.00

Service Fees Guarantee Period: November 1, 2014 through December 31, 2016
(This date must be the same date that your services begin with CONEXIS)

Authorized Bill To Signature: ___________________________ Date: ____________

Name and Title: ___________________________ Date: ____________

CONEXIS Signature: ___________________________ Date: ____________

By Initialing the Fees and by Authorized Bill To Signature at the bottom of this Fee Appendix, this Fee Appendix is established as a part of the Services Agreement.
CONEXIS ADMINISTRATIVE SERVICES AGREEMENT
REIMBURSEMENT ACCOUNT SERVICES APPENDIX

Client has established a transportation reimbursement arrangement

- R12TK-Fixed Rate Per Transportation/Parking Plan Participant
  - A Code Section 132 Transportation Fringe Benefit Plan ("Transportation Plan")

The plan shall be referred to as a "Reimbursement Plan". Client has asked CONEXIS to assist it with its administrative obligations under this Reimbursement Plan (as indicated above). Client is responsible for Reimbursement Plan complying with Internal Revenue Services and applicable regulations.

This Fee Schedule / Service Appendix is incorporated into and made a part of the Administrative Services Agreement ("Agreement"). This Fee Schedule / Service Appendix is effective as long as there is an executed Fee Schedule with a current Service Fees Guarantee Period date. If there is a conflict between this Fee Schedule / Service Appendix and the Agreement, the Agreement controls.

For the purposes of this Service Appendix, the "Data Provider" shall mean the party that is providing information to CONEXIS. Data Provider may be Client, a Partner or another third party entity designated by Client. Data Provider shall be responsible for providing CONEXIS timely, accurate and complete information necessary for CONEXIS to provide the Services described herein. CONEXIS is under no obligation to verify the accuracy and completeness of information provided to it by Data Provider. Data Provider is solely responsible for providing the necessary information to CONEXIS sufficiently in advance of the federal deadline, taking into account the agreed upon timeframes in this Agreement, to ensure that all notices are furnished in accordance with applicable federal law. CONEXIS is not responsible for resending any notices that are returned to CONEXIS to the extent they were mailed to the last known address of the Covered Individual.

For purposes of this Service Appendix, "Card Administrator" shall mean the third party engaged by CONEXIS who issues and/or processes electronic payment cards.

"Card" shall mean the electronic payment card issued to Participants in accordance with this Appendix.

CONEXIS may, as a courtesy to Client, provide Client with sample documents and forms based on Client specific requests. Such sample documents and forms have been prepared in accordance with the standard of care set forth in Section 3.5 of the Agreement; however, CONEXIS does not warrant sample documents and forms in any regard. Client is solely responsible for ensuring the documents and forms comply with applicable laws and regulations.

If Client has requested CONEXIS to assist it with satisfying certain Client obligations under the aforementioned Reimbursement Plans, in consideration of the mutual promises set forth below, the parties agree as follows:

1. CONEXIS shall maintain for each plan year administered, employee participation census, Client contribution (if any), and salary reduction (if any) information for the Reimbursement Plans, including initial enrollments, annual enrollments and changes made to such elections as reported to CONEXIS. CONEXIS shall maintain separate bookkeeping accounts with regard to each Participant’s Reimbursement Plan based on information provided to CONEXIS. CONEXIS is not responsible for data entry of paper elections and or validating life status changes. Client or Data Provider shall furnish to CONEXIS the information determined by CONEXIS to be necessary to fulfill its duties.

2. Client will make funds available to pay Reimbursement Plan claims in accordance with the terms of this Agreement. Client understands and acknowledges that it is responsible for funding in full all claims paid or payable under the Reimbursement Plan(s). Client will fund Reimbursement Plan(s) in accordance with either (a) or (b) below:
   (a) Client will establish a new account or designate an existing account ("Transfer Account") in the Client’s name at a bank chosen by Client into which Client will transfer funds for purposes of paying Reimbursement Plan(s) claims. When applicable, Client will take all steps necessary to grant CONEXIS and/or the Card Administrator (if a Card is issued in accordance with this Appendix) Automated Clearing House (ACH) withdrawal authority or check writing authority over the Transfer Account. Reimbursement Plan claims will be paid from the Transfer Account as follows:
i. To the extent Client has chosen to make qualified transit and/or parking benefits available via a Web site established by CONEXIS through which Participants who have elected to establish a transit and/or parking account may purchase transit passes, parking vouchers and/or enroll in cash reimbursement and/or direct pay parking, Client will be required to provide by the 13th of the month an amount equal to the aggregate monthly elections made under a transit and/or parking Reimbursement Plan for the subsequent month. Client understands CONEXIS will initiate transfer of such funds from the Transfer Account to the Funding Account. When an employee makes a cash reimbursement election for transit or parking, funding for any claim reimbursements will occur on the schedule outlined herein.

ii. To the extent Client has chosen to make qualified transit and/or parking benefits available via Cash Reimbursement, Client will receive a report (the "Funding Register(s)") that identifies all Reimbursement Plan claims determined by CONEXIS to be payable in accordance with the CONEXIS Agreement. The Funding Register will be sent in a reasonable manner and format determined by CONEXIS and/or Card Administrator. Within one (1) business day of receipt of the Funding Register from CONEXIS, Client will make the funds available in the Transfer Account. Checks and direct deposits will be released to Participants or Participants' account upon verification that the ACH transfer of funds from the Transfer Account was successful. Client must provide CONEXIS with ACH authority over the Transfer Account unless otherwise agreed to by CONEXIS.

iii. If Client does not grant CONEXIS and/or Card Administrator (if applicable) ACH withdrawal authority over the Transfer Account, Client will be required to electronically transfer funds to a CONEXIS owned account ("Pre-Fund Account") To the extent Client has chosen to make qualified transit and parking benefits available via a Web site established by CONEXIS through which Participants who have elected to establish a transit and/or parking account may purchase transit passes, parking vouchers and/or enroll in cash reimbursement and/or direct pay parking, Client will be required to electronically transfer to the Pre-Fund Account an amount equal to the statutory maximum limits of monthly elections which could be made under a transit and/or parking Reimbursement Plan. Client must make this transfer within two (10) business days of executing this Agreement. CONEXIS reserves the right to request additional pre-fund amounts if it deems necessary under the current arrangement.

(b) Client understands and acknowledges that failure to satisfy its funding obligations as set forth herein may result in the suspension or termination of Services as set forth in the Services Agreement.

(c) Client agrees to provide all information to CONEXIS that CONEXIS deems necessary to verify or confirm the Minimum Deposit amount and/or the applicable funding amounts.

(d) Bank Fees charged to CONEXIS for any Client ACH or wire transfer rejection may be billed to the Client on their next Billing Statement. Charges to CONEXIS for the replacement of any Participant's electronic payment card (if applicable) may also be billed to the Client on their next statement.

(e) Participant reimbursement checks unclaimed or not cashed by the end of the plan year following the year in which such reimbursement was issued are considered forfeited by the Participant. Such forfeitures will be refunded to Client as soon as reasonably possible following the end of the applicable plan year.
(f) The Funding Account is a CONEXIS owned custodial account in which funds are held for the purpose of paying Reimbursement Plan claims as set forth herein. Nothing herein prevents CONEXIS from establishing and maintaining a single Funding Account in which CONEXIS will deposit and separately account for funds from Client in accordance with this Agreement. All funds in the Funding Account attributable to Client will be returned following termination of this Agreement within a reasonable period of time after all outstanding claims required to be processed as set forth herein have been processed and paid. CONEXIS will exercise commercially reasonable efforts to locate Client in order to return funds as set forth herein; however, Client agrees that CONEXIS may retain such funds to the extent CONEXIS is unable to locate Client as set forth herein.

3. Client understands and acknowledges that the Funding Account may be an account bearing interest at a rate determined by the applicable financial institution at which such account is maintained and that CONEXIS reserves the right to retain all such interest. CONEXIS will identify the rate of interest for Client from time to time upon written request from Client. CONEXIS shall process requests, including a review of substantiating evidence, for reimbursement during the course of the Plan Year(s) under contract and its associated run-out period as stipulated by Client, subject to applicable law. Requests for reimbursement received after the effective date of termination will not be processed. In addition, CONEXIS is not responsible for any consequences arising from its takeover of administrative duties relating to a Reimbursement Plan from another service provider or arising from payments made to terminated employees prior to CONEXIS receiving notice of termination. Client understands that such a process may not comply with the applicable certification requirements since the Participant is unable to certify that the expense has not been reimbursed at the time CONEXIS processes the reimbursement; however, Client assumes all risks associated with such process by requesting such services from CONEXIS.

4. For qualified transit benefits provided under a Transportation Plan, CONEXIS will not process cash reimbursements, for transit expenses unless otherwise mutually agreed by both parties. Client confirms tax rules generally require distribution of mass transit passes to employees rather than reimburse employees under a cash reimbursement account arrangement. An exception to this rule allows for mass transit cash reimbursement arrangements where the mass transit pass is not "readily available" for direct distribution by the employer to employees. If a mass transit cash reimbursement arrangement is provided, Client bears sole responsibility for determining if transit passes are "readily available" in each applicable geographic location and assumes all risks of offering such arrangement as administered by CONEXIS. CONEXIS shall provide access to a Web site established by CONEXIS through which Participants who have elected to establish a transit account may purchase transit passes and or card used for procuring fare media "Smart Card" for use with mass transit in their respective geographic areas.

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

For Benefits provided under a Transportation Plan, Data Provider is responsible for providing all information requested by CONEXIS via the Web site or file transfer with regard to Participants who elect transit and/or parking benefits under the Transportation Plan within an agreed upon timeframe. When data is not provided in the appropriate format or in a timely manner, commuter passes may be subject to delay, funds charged to the employee credit card on file, or cancelled. Alternatively, eligible Employees may place an order online and such transaction(s) will be considered a conditional enrollment in the plan (subject to confirmation of eligibility by Client). CONEXIS will submit all applicable enrollment data to the Client and if approved, Client is responsible for commencing the applicable payroll deductions. CONEXIS shall transfer all information provided to a Smart Card vendor with whom CONEXIS has contracted to assist in processing orders and delivering passes/vouchers pursuant to such orders. Participants who wish to purchase for any given month must order a pass on the Web site during the "ordering period". The "ordering period" generally is the one-month period ending on the 10th (or the 4th if State applicable) day of the month before the month in which the transit pass and/or direct pay parking will be used by the Participant.

Based on the information provided to CONEXIS, CONEXIS shall determine whether such order may be approved (if applicable). Requests in excess of the monthly statutory limit must be paid for by other means using after-tax dollars (e.g., a credit card or payroll deduction), the information for which will be provided by the Participant when the order is made. If request exceeds the lesser of the account balance or the statutory limit, the request may be denied. If the order is denied, CONEXIS shall notify the Participant via an email address required of the Participant.
Passes/vouchers that are approved will be delivered by first class mail to the last known address of the Participant (as provided by Client) or Client where applicable. CONEXIS is not responsible for lost or stolen passes/vouchers. In addition, CONEXIS is not responsible for any tax consequences arising from distribution of a pass/voucher to a terminated employee or payments made in excess of statutory limits.

In cases where both passes and cash reimbursement are being utilized CONEXIS will hold claims during the monthly processing cycle which is the 10 days preceding the order funding process. The Employee terminations must be passed in an agreed format to CONEXIS before the order funding process. The client accepts responsibility for payment of passes in situations where the timing of employee termination communication did not allow cancellation of passes. When client chooses to allow employees commuter expenses to be payroll deducted for both pre-and post tax amounts, the client accepts responsibility for funding of after tax amounts to CONEXIS on the same schedule as for pretax benefits.

Client agrees to pay all yearly renewal fees charged by the Service Provider and pass-through Merchant Fees. Such amounts will be billed on the client monthly statement from CONEXIS. Client understands tax rules generally require distribution of mass transit passes to employees rather than reimburse employees under a cash reimbursement account arrangement. An exception to this rule allows for mass transit cash reimbursement arrangements where the mass transit pass is not "readily available" for direct distribution by the Client to employees. Client bears sole responsibility for determining if transit passes are "readily available" in each applicable geographic location and assumes all risks of offering a mass transit cash reimbursement arrangement as administered by CONEXIS. In consideration for CONEXIS' compliance with Client's instructions to process cash reimbursement, to the extent allowable by law, Client shall accept responsibility for any expenses, taxes, fines, penalties, interest, damages and costs (including reasonable attorney's fees, if ordered by a court of competent jurisdiction) that arise from or relate to, directly or indirectly, Client's direction set forth above. In addition, it is agreed by both parties that CONEXIS may act in accordance with the directions of the Client and that such action shall not be considered a breach of any agreement between CONEXIS and Client; nor shall it be considered a breach of any applicable standard of care.

5. CONEXIS may bill Client a $1.00 Reimbursement Check Processing Fee for each reimbursement check issued by CONEXIS, invoiced on a monthly basis. Expenses paid using the CONEXIS Card or reimbursements issued to Participants via ACH transfer (direct deposit) will not incur this charge. Only those claims that result in the issuance of a check will result in a charge (if applicable).

6. CONEXIS will provide standard reports as it may from time to time prescribe depending on Client requirements. Uncashed checks will be forfeited and returned to the employer in accordance with CONEXIS' relevant internal policies and procedures. Client is responsible for any stop payment fees associated with checks that are not cashed within the reasonable period established by CONEXIS.

7. CONEXIS shall provide written monthly reports summarizing the Reimbursement Plan activities from the previous month. Client is responsible for reviewing the reports submitted by CONEXIS and notifying CONEXIS of any errors of which it is aware within a reasonable period of time after reviewing them. Upon receipt of such notification, CONEXIS will correct Participant records as appropriate and directed by Client.

8. Third Party Beneficiaries. Nothing express or implied in this Appendix is intended to confer, nor shall anything herein confer, upon any person other than Client, CONEXIS, Card Administrator(s) and their respective successors or assigns, any rights, remedies or obligations whatsoever.

9. Fraud Detection. CONEXIS shall not independently determine fraudulent activities by employee participants, such as:
   (a) whether a submitted receipt is authentic;
   (b) whether any expense had in fact been incurred by the employee participant;
   (c) that the services as claimed by the employee participant had been provided;
   (d) that a payee actually provided the service; or
   (e) that a payee hold the necessary local, state, or federal licenses to provide services of the type covered by the relevant Code Sections (e.g., whether a physician is actually licensed to practice in a particular state).

   Client agrees to make reasonable efforts to promote and ensure compliant use of the Payment Technology Card where applicable and take whatever action necessary to investigate fraudulent activities by employee participants.
Client is responsible for all other duties related to the Reimbursement Plans not otherwise set forth above.

Attached is the **Performance Standards Exhibit: Reimbursement Services** provided by CONEXIS. This Performance Standards Exhibit is incorporated into and made a part of the Administrative Services Agreement (the "Agreement"). The effective date of this Performance Standards Exhibit is the Effective Date of the Agreement or if later, the date that both parties have agreed and signed this Service Appendix package. The responsibilities of the parties set forth in this Performance Standards Exhibit are in addition to any responsibilities set forth in the Agreement. If there is a conflict between this Performance Standards Exhibit and the Agreement, the Agreement controls. The penalties reflected in the Performance Standards Exhibit reflect the Client's sole remedy with respect to any failures giving rise to such a penalty except failures due to CONEXIS' gross misconduct.
Performance Standards Exhibit: Reimbursement Services

<table>
<thead>
<tr>
<th>Performance Standard Category</th>
<th>Performance Standard</th>
<th>Performance Standard Definition</th>
<th>Percentage at Risk for Service Charge Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Client Statement Timeliness</td>
<td>98% distributed, equal to or less than, 7 business days after the 1\textsuperscript{st} of the month</td>
<td>Time in which client statement is posted by CONEXIS to the CONEXIS web site after the close of the previous month.</td>
<td>1.5%</td>
</tr>
<tr>
<td>2. Inbound File Processing Timeliness</td>
<td>98% processed by CONEXIS, equal to or less than, 2 business days after date received by CONEXIS</td>
<td>Time from CONEXIS' receipt of accurate data from Client to accurate application within the CONEXIS system</td>
<td>1.5%</td>
</tr>
<tr>
<td>3. Average Speed to Answer Participant Calls</td>
<td>Equal to or less than 30 seconds</td>
<td>Average speed to answer all incoming Participant Calls</td>
<td>1.5%</td>
</tr>
<tr>
<td>4. Participant Call Abandonment Rate</td>
<td>Equal to or less than 5% of calls</td>
<td>Percent of Participant calls abandoned</td>
<td>1.5%</td>
</tr>
<tr>
<td>5. Resolution of Participant Inquiries*</td>
<td>90% within 1 business day, after date case was opened by CONEXIS</td>
<td>Percent of all Participant initiated Inquiries resolved or closed by CONEXIS. Inquiries include those received via phone, email, facsimile or regular mail within a specified timeframe.</td>
<td>1.0%</td>
</tr>
<tr>
<td>6. Resolution of Participant Inquiries*</td>
<td>98% equal to or less than, 5 business days after date case was opened by CONEXIS</td>
<td>Percent of all Participant initiated Inquiries resolved or closed by CONEXIS. Inquiries include those received via phone, email, facsimile or regular mail within a specified timeframe</td>
<td>1.0%</td>
</tr>
<tr>
<td>7. Participant Claims Turnaround Timeliness</td>
<td>98% equal to or less than, 3 business days after date received by CONEXIS</td>
<td>Percent of all participant claims ready for payment within a specific number of business days after CONEXIS' receipt of properly completed claim form</td>
<td>1.0%</td>
</tr>
<tr>
<td>8. Percent of Participant Claims Paid Financially Accurate**</td>
<td>98% of claims are financially accurate.</td>
<td>Percent of all participant claims paid financially accurate by CONEXIS, based on information available at the time and CONEXIS procedures then in effect, by using the analysis technique described below</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

MAXIMUM PERCENTAGE AVAILABLE FOR SERVICE CHARGE REDUCTION

| V1.4/031907 |

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

** The total population of paid claims is generated from a scheduled query. An American National Standards Institute (ANSI) sampling chart identifies sample size, and the systematic sample is automatically generated by using a commonly accepted data analysis tool. The total population of paid claims excludes those claims where Client directs CONEXIS to pay or deny a claim (in whole or in part) contrary to CONEXIS' interpretation and administration of applicable law.