

# Our performance standards

Prepared for: The City of Foster City

Prepared by: VALIC

December 2011

VALIC's philosophy is to have highly satisfied plan participants and plan sponsors. We believe in providing our clients with the utmost in products, services and client satisfaction. To that end, we have agreed to the following standards with the City of Foster City (COFC).

## I. Participant Service Standards

<b>Standard</b>	<b>Guarantee</b>
<b>A.</b> Answer telephone calls to Client Care Center within 90 seconds 90% of the time.	<b>For the period from 10/01/11 – 12/31/11, 96% of all calls were answered within 30 seconds, within the standard of 90 seconds 90% of the time.</b>
<b>B.</b> Mail participant statements within 10 business days after quarter-end.	<b>4th quarter 2011 participant statements were mailed by January 12, 2012, within 10 business days after quarter-end standard.</b>
<b>C.</b> Provide website with customized landing page and hot link between COFC and VALIC websites. Provide communication advertising site content and ways to access	<b>Completed March 31, 2011. VALIC will partner with the COFC on placing communication on the website.</b>
<b>D.</b> Process investment fund transfers and contribution posting within one business day effective with the market date of good order receipt.	<b>Contributions in good order were processed within VALIC standard of before 3:00 PM CST Monday through Friday (not including designated holidays)</b>
<b>E.</b> Process hardship distributions, rollover requests, in-service distributions, retiree distribution requests within 5 working days of acceptable documentation.	<b>All distribution requests were processed within VALIC Standard of 2-3 business days.</b>
<b>F.</b> Provide mutually agreeable number of educational seminars annually to participants, offering distinctive programs to employees and retirees.	<b>Presented agreed upon educational seminars in 2011. Will continue to partnership with COFC as is pertains to on-site visits, workshops and campaigns.</b>
<b>G.</b> Provide quarterly newsletters to plan participants regarding plan benefits and/or topical issues.	<b>Provided in Quarterly Statements.</b>
<b>I.</b> Provide communication to plan participants describing investment advice services and access.	<b>Presenting Guided Portfolio Services campaign materials to be mailed to the participants at the February 14, 2012 quarterly meeting.</b>

<p><b>J.</b> Encrypt all laptops and remote computers carrying Foster City participant information. Provide notification to COFC within 24 hours of our knowledge of any compromise. Provide written quarterly reports on any compromise of data that occurs.</p>	<p><b>All laptops and remote computers carrying Foster City participant information are encrypted to ensure the protection of all plan information. There has not been any compromise of data to date.</b></p>
<p><b>K.</b> Recommend, in writing, steps VALIC and COFC may take to communicate and coordinate information regarding defined benefits offered through COFC.</p>	<p><b>Presentation by VALIC given at the November 15, 2011 quarterly meeting.</b></p>

## II. Plan Sponsor Service Standards

<b>Standard</b>	
<p><b>A.</b> Review plan documents for legal, legislative compliance, identify policy issues between employer and provider and summarize, in writing, any recommended changes to documents.</p>	<p><b>The Deferred Compensation Plan Document was restated on December 6, 2011 to meet legislative requirements to comply in form with the Pension Protection Act (PPA) of 2006, Heroes Earning Assistance and Relief Tax Act of 2008 (HEART Act), and the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA). On an ongoing basis, VALIC Legal team monitors any legislative changes and updates the plan document accordingly. Employer is notified of the changes and updated plan document is provided for signature.</b></p>
<p><b>B.</b> Review investment policy and summarize, in writing, any recommended changes.</p>	<p><b>Investment Policy was finalized on December 9, 2011. SST and VALIC will be reviewing the funds and will recommend changes at the February 14, 2012 meeting.</b></p>
<p><b>C.</b> Provide plan for ongoing participant communication utilizing various distribution channels.</p>	<p><b>Communication strategy document delivered at November 15, 2011 quarterly meeting.</b></p>
<p><b>D.</b> Provide operational reports on a monthly basis accessible to administrative staff via Plan Sponsor Online portal within 30 days of month-end.</p>	<p><b>The following operational reports are available via Plan Sponsor Online website on a monthly basis and within the 30 days of month-end standard:</b></p> <ul style="list-style-type: none"> <li>▪ Contribution Report</li> </ul>

	<ul style="list-style-type: none"> <li>▪ <b>Distribution Report</b></li> <li>▪ <b>Fund Activity Report</b></li> <li>▪ <b>Loan Summary Report</b></li> <li>▪ <b>Separation Report</b></li> </ul>
<b>E.</b> Provide annual plan review comparing COFC Plan with other VALIC Plans which recap prior year information and written plan addressing strategy for upcoming year (plan/participant enhancement services).	<b>12/31/2011 Annual plan review delivered at February 14, 2012 meeting.</b>
<b>F.</b> Conduct training of employer-designated personnel on access to online reports and use of reporting capability.	<b>On going training by Account Manager to designated personnel for PSO. At November meeting the Account Manager will set up a meeting with the new Director of Human Resources. Revisit at February meeting to set a date.</b>
<b>G.</b> Draft and distribute participant survey. Analyze survey results, provide executive summary and recommended actions no more frequently than once per year.	<b>Survey for 2011 mailing will be discussed at the February 14, 2012 meeting.</b>
<b>H.</b> Provide regular training and education program to decision makers and administrative staff on mutually agreeable topics. Schedule and content to be agreed-upon with staff and consultant.	<b>Will partner with SST and Foster City to identify these opportunities and deliver as requested by client and consultant</b> <b>May 19<sup>th</sup> Meeting – Roth 457(b) Presentation</b> <b>August 24<sup>th</sup> Meeting – GPS Services</b> <b>November 15<sup>th</sup> Meeting – DC/DB Strategies</b> <b>February 14<sup>th</sup> Meeting – Fee Disclosures</b>
<b>I.</b> Develop, schedule and deliver new decision-maker training for employer identified new Committee members or administrative staff on as needed basis.	<b>Will partner with SST and Foster City to identify these opportunities and deliver as requested by client and consultant.</b>
<b>J.</b> Provide annual written summary of all Performance Standards/Guarantees and results along with any suggested modifications or enhancements to the Standards.	<b>Reviewed at the quarterly meeting on November 15, 2011. Next review will be November 13, 2012.</b>
<b>K.</b> Upon termination of our contract	<b>\$1,000 for failure to provide the</b>

with COFC, VALIC will provide participant data including: 1) last four quarters of transaction reports, 2) current account balances, 3) past 12 months distribution and deferral information and 4) loan or other outstanding payment amounts. VALIC will provide the data to the successor record keeper via FTP protocol or encrypted on CD within 30 business days after termination, or on a timeframe mutually agreed to with the successor vendor.

**data within agreed upon timeframe and \$500 for each additional day delay.**

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