



Southwest Securities, Inc. and/or Broker/Dealers for which it clears
Southwest Securities, Inc. Member NYSE/NASD/SIPC

Prototype SEP IRA Adoption Agreement

This form is used by Employers to establish the elections and terms that will be a part of the SEP IRA Plan they wish to establish.

1. Employer Information.

Company Name _____
Address _____ City _____ State/Province _____ Country _____ Zip _____
Contact Person _____ Phone Number _____

2. Plan Information. (This section, 2, should be completed by the Authorized Agent.)

- Beginning date of plan:
 The calendar year.
 The 12-consecutive month period commencing on _____ and each anniversary thereof.

Note: If the Employer maintains a SEP IRA and desires to change to a year other than a calendar year, the provisions of Section 2.03(d) of the plan must be met.

3. Eligibility Requirements.

- All Employees shall be eligible to participate under the Plan except (*Check ALL that apply*):
 Employees included in a unit of employees covered under a collective bargaining agreement described in Section 2.02(a) of the Plan.
 Non-resident alien employees described in Section 2.02(b) of the Plan.
 Employees who are otherwise eligible but earn less than \$450 (as adjusted for cost of living increases) during the Plan Year for which the contribution is being made.
- Each Eligible Employee will be eligible to become a Participant after having attained age ____ (not to exceed 21) and having worked for the employer ____ (not to exceed 3) out of the immediately preceding 5 Plan Years.

4. Written Allocation Formula.

- The Employer shall contribute on behalf of each Participant for each Plan Year as follows (*Check ONE*):
 Fixed Percentage - ____% (not to exceed 25%) of each Participant's Compensation.
 Flat Dollar - \$_____ per Participant (not to exceed \$40,000)
 Discretionary Employer Contribution: In each Plan Year, the Employer agrees to provide contributions on behalf of each Participant in the same proportion as such Participant's Compensation bears to all Participants' Compensation for such year.
 Integrated Formula (*Check ONE*):
 Definite Integrated Formula: The Employer shall contribute to the Plan based on the following and in accordance with Section 3.04(a) of the Plan.
Base Contribution Percentage (BCP) – First an amount equal to ____% (at least 3%) of each Participant's Compensation not in excess of the Integration Level; plus
Excess Contribution Percentage – An amount equal to ____% (at least 3% but not to exceed the BCP by more than the lesser of the BCP or the Maximum Disparity Rate) of the Participant's Excess Compensation.
 Discretionary Integrated Formula: The amount of Employer Contributions shall be determined by the Employer and allocated in accordance with Section 3.04(b) of the Plan.
 The Integration Level is equal to (*Check ONE*):
 Taxable Wage Base (TWB)
 ____% of the TWB (not to exceed 100%)

Note: In no event shall the Employer contributions indicated above exceed the lesser of 25% of each Participant's Compensation of \$40,000. Please refer to the SEP Custodial Agreement for more information.

5. Investment Provisions.

- The IRA accounts of each Participant shall be maintained and established with the (*Check ONE*):
 Trustee/Custodian
 A Trustee/Custodian of each Participant's choice.

6. Agreement. (Read and sign.)

The undersigned Employer hereby establishes a Southwest Securities, Inc. ("SWST") SEP IRA Plan ("Plan") and agrees that the following elections and terms shall be part of such Plan. SWST will inform the Employer of any amendments to the Plan or if SWST no longer sponsors this Plan.

Employer's Representative's Printed Name _____ Trustee's Printed Name _____
X _____ **X** _____
Employer's Representative's Signature Date Trustee's Signature (Optional) Date

Account Executive: _____ Office #: _____ Rep #: _____

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