

FranklinCovey Co.
401(k) Automatic Enrollment and Automatic Increase Notice
For Full- and Part-Time Associates

Congratulations!

As a new full- or part-time associate of FranklinCovey, or an associate with a recent status change from on-call to either full- or part-time status, **you will be automatically enrolled in the FranklinCovey 401(k) Plan.** The Plan is an excellent way for you to save and invest for your financial future.

Automatic Enrollment Overview

If you do nothing, you will be automatically enrolled as follows:

- 3% of your salary will be deducted, pre-tax, from each paycheck
- The money deducted from your paycheck will be contributed to the Merrill Lynch GoalManagerSM Moderate Portfolio Model.
- Your 401(k) contributions will be increased automatically by 1 percentage point each year
- **Your enrollment will begin on the first of the month following 45 days of employment.**

You can change any of these enrollment options or opt out completely if you wish.

Watch your email

Soon you will receive an email from Merrill Lynch with election and opt out instructions. The email will tell you how to learn more about automatic enrollment and investing and will receive the Plan's highlights. The Merrill Lynch email will be sent to you at your FranklinCovey email address. Once you have received this you will be able to manage your 401(k) through the Merrill Lynch website at www.benefits.ml.com . Log in to :

- Change your rate of contribution
- Schedule, change, or cancel automatic contribution rate increases
- Manage your investment portfolio
- Designate your beneficiaries
- Terminate your participation in the 401(k) program
- Begin contributions if you opted out at an earlier time
- Find instructions for 401(k) loans, 401(k) rollover, etc.

If you have not received an email from Merrill Lynch within 30 days of your start date, please call the Retirement Service Center at (800) 228-4015.

Contact Information

Answers to most of your 401(k) questions can be found online or by calling the Retirement Service Center:

- (800) 228-4015 Merrill Lynch Retirement Service Center
- www.benefits.ml.com
- FranklinCovey 401(k) Plan Administrator: Aaron Thompson phone: (801) 817-6025

The 401(k) Plan is an important part of the overall benefits program FranklinCovey provides to our associates. FranklinCovey urges you to make the most of this valuable opportunity.

Rollover Contribution Form Instructions

Dear Plan Participant

Thank you for choosing to roll your account balance into your company's retirement plan. To process your rollover quickly, you, your employer and Merrill Lynch must conform to certain rollover process rules dictated by the Internal Revenue Code (IRC). An acceptable Rollover application consists of three documents mailed to Merrill Lynch in one envelope. These documents are:

- The rollover contribution check
- Distribution qualification document(s)
- Completed & signed Merrill Lynch Rollover Contribution Form

Follow these instructions and reduce the risk of delays:

1. Confirm with your current employer that you are eligible to make a rollover contribution into your retirement plan
2. For a **Direct Rollover**, contact your former qualified plan, Roth 401(k) Plan or conduit rollover IRA administrator and request a rollover distribution check made payable to **the Trustee for FranklinCovey 401(k) Plan**, FBO (your name). Have this distribution check sent to your primary address, do not send directly to Merrill Lynch
 - If you took a lump-sum distribution and now want to "roll" that money into your current retirement plan (**In-Direct Rollover**) you must create a certified check made payable to **the Trustee for FranklinCovey 401(k) Plan**, FBO (your name).
3. Collect your distribution qualification documents. Qualification documents prove to Merrill Lynch and the IRS that the dollars are eligible for rollover.
 - A). If your rollover contribution comes from a qualified retirement plan include one of the following documents.
 - Most rollover distribution checks include a document (check stub) that shows that the source of the dollars are from an IRC qualified plan or IRA.
 - A copy of your closing statement or a letter of distribution from your former qualified plan showing the dollars (distribution check) that were distributed.
 - Documentation stating that your former plan is intended to be qualified. After-tax money must come directly from a qualified plan. All assets must be clearly identified as being either pre-tax or after tax dollars.
 - B). If rollover distribution is from a conduit IRA or rollover IRA, send copies of both the opening IRA statement showing the original deposit, and the closing IRA statement.
 - C). If your Direct Rollover is from a former employer's Roth 401(k) Plan, specify the year of your first Roth 401(k) contribution to that plan and provide documentation that reflects the breakdown of your total Roth 401(k) contributions and earnings that comprise your Direct Rollover.
4. The IRS requires that the rollover check be deposited at Merrill Lynch within 60 days from the day you receive your distribution check.
5. Complete and sign the Merrill Lynch Rollover Contribution Form. Make sure you select investments.

If you do not follow these instructions your rollover will be delayed. If you have concerns call the Merrill Lynch Employee Retirement Savings Center at 1-800-228-4015 between 8 a.m. & 8 p.m.. Eastern Time any day that the New York Stock Exchange is open.



1. Employee Identification *Please Print*

For your protection, Merrill Lynch cannot accept any rollover contribution that is not attached to this form (wire transfers, for example, are not accepted). To roll your money over, submit your completed Rollover Contribution and Beneficiary Designation Forms (if not previously submitted), with check(s) attached, to Merrill Lynch at the address on page 4.

Name: _____
Last First Middle Initial

Home Address: _____

City: _____ State: _____ Zip: _____
Social Security Number Date of Birth MM-DD-YYYY Home Phone Number

2. Rollover Description

1. **Check Appropriate Box. All checks must be made payable to the:** "Trustee for FranklinCovey 401(k) & Profit Sharing Plan, FBO _____ [Enter Your Name Here]."

- (a) Attached is a check from my previous employer's plan, made payable as indicated above (Direct Rollover).
- (b) Attached is a check from my previous employer's plan, made payable to me and endorsed as indicated above (In-Direct Rollover).
- (c) Attached is a cashier's check made payable as indicated above (In-Direct Rollover).

WARNING: If (b) or (c) above is chosen, you should be aware that the previous custodian will likely withhold 20% for Federal taxes. This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59 1/2 (unless an exception applies). You can avoid that withholding requirement by requesting that the check be made payable as indicated above. Also note, an in-direct rollover must be made within 60 days of the distribution from your previous employer's plan or IRA.

2. Total dollar amount of Rollover Contribution: \$ _____ (Must equal total below).

Source of Contributions & Earnings

1)	From a Qualified Plan \$ _____
2)	From a 403(b) Plan \$ _____
3)	From a 457 Plan \$ _____
4)	From a SEP Plan \$ _____
5)	From a Rollover* IRA \$ _____
6)	From a Contributory* IRA \$ _____
7)	Roth 401(k)** \$ _____
Total \$ _____	

Notes:

- After Tax Contributions in an IRA or 403(b) may NOT be rolled over to a qualified plan.
- * A "Rollover" IRA consists SOLELY of assets originally contributed directly to a QUALIFIED PLAN, and a "Contributory" IRA contains any assets that were contributed directly to an IRA.
- ** If your Direct Rollover is from a previous employer's Roth 401(k) Plan, please specify the year your first contribution was made to the Plan and the earnings received.

20____ (YYYY) \$ _____ (Total Amount)

Please note that if you are making an Indirect Rollover from a previous employer's Roth 401(k) Plan, the Rollover must be made within 60 days of the date of the distribution and only the taxable portion may be rolled into your current employer's Plan.

3. I have attached a copy of the distribution statement from my previous employer or IRA custodian. If the rollover is from my previous employer, verification is needed from that previous employer stating that the plan has received a determination letter, or the plan is intended to be a qualified plan with nothing in its provisions or operations that would result in disqualification of the plan. I certify that my rollover contribution:

- ◆ Does not contain money from any of the following: any withdrawal due to hardship; installment payments if the projected payment schedule is 10 years or more; annuity payments made over my life expectancy or the joint life expectancy of me and my beneficiary; after tax contributions from any IRA, 401(k) or 403(b); or a payment required because I reached age 70 1/2 (distribution under IRC Section 401(a)(9)).
- ◆ (Applies to numbers 1(b) and 1(c) above only.) Is being rolled over into the Plan within 60 days of the date of the distribution from either my prior employer's plan or my rollover IRA (where the funds were temporarily held separately from other IRA funds).

2B. Rollover Description— Option Two

Rollover from a 401(a) Plan

I understand that under a recent IRS Revenue Ruling, I need to provide the three digit plan number and EIN of plan sponsor of a 401(a) retirement plan that I am rolling over from. I also understand that the most recent Form 5500 from the plan I am rolling over from will be reviewed to determine if there is a Code 3C on the Form, which indicates the plan is not qualified under Code Section 401(a). Assuming there is a Code 3C on its Form 5500, my rollover will not be accepted.

Total dollar amount of Rollover Contribution: \$ _____

Plan #

EIN Number

Please choose either Option 3A OR 3B

3A. Investment Selection – Option One

Please note that if you select Option 3A, do not complete the investment selection section in Option 3B. Your selections will ONLY be executed if you choose Option 3B.

- I have already enrolled in the FranklinCovey 401(k) & Profit Sharing Plan and made investment selections. Your rollover contribution will be invested according to your current investment selections. If you wish to change your investment, call Merrill Lynch at 1-800-228-4015. For hearing-impaired participants, the TDD number is 1-866-657-3323. If you have access, you may also use this website: www.benefits.ml.com

Please choose either Option 3A OR 3B

3B. Investment Selection – Option Two

- I have not yet enrolled in the FranklinCovey 401(k) & Profit Sharing Plan and have not yet made any investment selections or wish to have my rollover contribution invested differently than the investment selections on file.

See the Plan enrollment kit for information about the Plan and the investment selections.

Enter percentages to show how you want your rollover contribution divided among the investment selections. Use any whole percentages (from 1% to 100%). If you do not make investment selections, your rollover will be invested in the **age appropriate Vanguard Target Retirement Fund**.

To access your account on line you will need to create a User ID and Password. You'll need your Social Security number to get started. In addition, your Password will automatically apply to the IVR. However, when you become eligible for the plan, you will receive an IVR personal identification number (PIN) by mail which will apply until you change it or select a Benefits Online Password. Just log on to www.benefits.ml.com or call 1-800-228-4015. (or the TDD number 1-866-657-3323 if you are hearing-impaired).

BlackRock Global Allocation Fund I _____ %	Vanguard Energy Fund Admiral _____ %
BlackRock Russell 2000 Index Non Lendable Fund (M) _____ %	Vanguard LifeStrategy Conservative Growth Fund Investor _____ %
Dodge & Cox International Stock Fund _____ %	Vanguard LifeStrategy Growth Fund Investor Class _____ %
Franklin Biotechnology Discovery Fund A _____ %	Vanguard LifeStrategy Income Fund Investor _____ %
Hotchkis and Wiley Mid Cap Value Fund I _____ %	Vanguard LifeStrategy Moderate Growth Fund Investor _____ %
INVESCO Comstock R6 _____ %	Vanguard Mid-Cap Index Fund Admiral _____ %
INVESCO Stable Value Retirement Fund 3 _____ %	Vanguard REIT Index Fund Admiral _____ %
IVY High Income Fund I _____ %	Vanguard Target Retirement 2030 (Inv) _____ %
John Hancock Bond R6 _____ %	Vanguard Target Retirement 2040 (Inv) _____ %
JP Morgan Large Cap Growth R6 _____ %	Vanguard Target Retirement 2050 (Inv) _____ %
Oppenheimer Senior Floating Rate Fund Y _____ %	Vanguard Target Retirement 2060 (Inv) _____ %
PIMCO StocksPLUS Small Institutional Fund _____ %	Vanguard Total Bond Market Index Fund Admiral _____ %
PNC Multifactor Small Cap Core Fund (I) _____ %	Vanguard Total International Stock Index Fund Admiral _____ %
Van Eck Emerging Markets Fund I _____ %	
Vanguard 500 Index Fund Admiral _____ %	
Vanguard Balanced Index Fund Admiral _____ %	
	Total Must Equal 100%

Please carefully check the confirmation you'll be receiving in the mail to make sure your investment instructions have been implemented properly.

Investing in mutual funds, which are intended as long-term investments, involves risk, including the possible loss of principal. Investing in mutual funds, which are intended as long-term investments, involves risk, including the possible loss of principal. Investments in foreign securities or sector funds, including technology or real estate stocks, are subject to substantial volatility due to adverse political, economic or other developments and may carry additional risk resulting from lack of industry diversification. Funds that invest in small or mid-capitalization companies experience a greater degree of market volatility than those of large-capitalization stocks and are riskier investments. Bond funds have the same interest rate, inflation, and credit risks associated with the underlying bonds owned by the fund. Generally, the value of bond funds rises when prevailing interest rates fall and falls when interest rates rise. Investing in lower-grade debt securities ("junk" bonds) may be subject to greater market fluctuations and risk of loss of income and principal than securities in higher rated categories. There are ongoing fees and expenses associated with owning mutual funds. Bear in mind that higher return potential is accompanied by higher risk.

Investors should consider the investment objectives, risks, charges and expenses of investment options carefully before investing. This, and additional information about the investment options, can be found in the prospectuses and, if available, the summary prospectuses which can be obtained on Benefits OnLine® at www.benefits.ml.com or by calling Merrill Lynch at (800) 228-4015. Investors should read the prospectuses and, if available, the summary prospectuses carefully before investing.

¹**This is a collective trust that seeks to maintain a \$1.00 net asset value per share, although achievement of that objective cannot be**

4. Employee Signature

By signing this form, I certify that the information in section 2 is true and correct and that the above amount qualifies as an eligible rollover under the Internal Revenue Code. I authorize implementation of any instructions in Sections 2 and 3.

Employee Signature _____ Date _____

Merrill Lynch Use Only

Entered by _____ Verified by _____ Date _____

**Employee: Please make a copy of this form for yourself, then return the original to:
Merrill Lynch
Retirement & Benefit Plan Services
1400 American Blvd.
Mail-Stop NJ2-140-03-50
Pennington, NJ 08534**

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