

Qualified Retirement Plan

SUMMARY PLAN DESCRIPTION

Qualified Retirement Plan and Trust Summary Plan Description

TABLE OF CONTENTS

INTRODUCTION	iii
--------------------	-----

DEFINITIONS.....	1
Beneficiary	1
Catch-up Contributions.....	1
Compensation	1
Core Funds.....	1
Differential Military Pay.....	1
Direct Rollover	1
Early Retirement Age	1
Elective Deferrals	1
Eligible Retirement Plan.....	1
Eligible Rollover Distribution	1
Employee.....	1
Employer	1
Employer Contribution	1
Enrollment/Change Form	1
Entry Dates	1
Forfeitures.....	1
General Information Sheet.....	1
Hours of Service	1
Individual Account	1
Individual Retirement Account (IRA)	1
Key Employee	1
Loan Disclosure.....	1
Matching Contribution.....	1
Nondeductible Employee Contributions.....	1
Nonelective Contributions	1
Normal Retirement Age.....	1
Outside Plan Investment	1
Participant.....	1
Plan.....	2
Plan Administrator.....	2
Plan Year	2
Pretax Elective Deferrals	2
Qualified Distribution.....	2
Qualified Joint and Survivor Annuity (QJSA).....	2
Related Employer	2
Required Beginning Date	2
Roth Elective Deferrals.....	2
Self-Directed Brokerage Account (SDBA).....	2
Taxable Wage Base	2

SECTION ONE: EFFECTIVE DATE	2
--	----------

SECTION TWO: ELIGIBILITY AND PARTICIPATION.....	2
Eligibility Requirements	2
When You Can Participate in the Plan.....	2
How to Continue Plan Participation	2

SECTION THREE: CONTRIBUTIONS TO THE PLAN.....	3
Contributions to 401(k) Plans	3
Contributions to Profit Sharing and Money Purchase Pension Plans	6
Limitations on Contributions and Allocations.....	7

SECTION FOUR: VESTING AND FORFEITURES.....	7
How Your Vested Amount is Determined	7
What Happens to Nonvested Amounts.....	8
Break in Service Situations	8

SECTION FIVE: DISTRIBUTION OF BENEFITS, CLAIMS PROCEDURE AND LOANS.....	8
Benefit Eligibility.....	8
Distribution of Benefits.....	9
Restrictions or Penalties on Distributions	10
Payouts to Your Beneficiaries.....	10
What to do to Receive Benefits.....	10
How to File a Claim.....	11
Borrowing From the Plan.....	11

SECTION SIX: DEFINITIONS.....	11
--------------------------------------	-----------

SECTION SEVEN: MISCELLANEOUS.....	11
Self-Direction of Investments	11
Plan Administration and Management	11
Plan Termination.....	12

SECTION EIGHT: RIGHTS UNDER ERISA	12
Rights and Protections to Participants Under the Employee Retirement Income Security Act	12

SECTION NINE: LOAN DISCLOSURE AND BASIC LOAN AGREEMENT	14
---	-----------

SECTION TEN: SUMMARY OF MATERIAL MODIFICATIONS.....	18
Disability Claims Procedures	18
Hardship Distributions	21

APPENDIX: PARTICIPANT DISTRIBUTION NOTICE AND SPECIAL TAX NOTICE REGARDING PLAN DISBURSEMENTS	
--	--

This page intentionally left blank.

Qualified Retirement Plan and Trust

Summary Plan Description

INTRODUCTION

Your Employer has adopted an employee benefit plan designed to help you meet your financial needs during your retirement years. To become a Participant in the Plan, you must meet the Plan's eligibility requirements. Once you become a Participant, the Plan Administrator (your Employer) will maintain an Individual Account for you. Minimally each Plan Year, your account will be adjusted to reflect contributions, gains, losses, etc. The percentage of your account to which you will be entitled when you terminate employment depends on the Plan's vesting schedule. These features are explained further in the following pages.

The actual Plan is a complex legal document that has been written in the manner required by the Internal Revenue Service (IRS) and is referred to as the Basic Plan Document.

This document is called a Summary Plan Description (SPD) and explains and summarizes the important features of the Basic Plan Document. The SPD includes this document along with the General Information Sheet, which highlights information unique to the Plan that your Employer has adopted. Refer to the top of the General Information Sheet to determine whether your Plan is a 401(k) (including simplified 401(k)), profit sharing, or money purchase pension plan. If your Plan is a 401(k) plan, you may elect to reduce your annual taxable income by deferring a portion of your Compensation into the Plan as Elective Deferrals. If your Plan is a profit sharing or money purchase pension plan, your Employer will make all contributions to the Plan. As you read the SPD, you will need to refer to the General Information Sheet to understand how your Plan works. You should consult the Basic Plan Document for technical and detailed Plan provisions. *The legal operation of the Plan is controlled by the Basic Plan Document and not this SPD.*

The Plan sequence number, which identifies the number of qualified plans the Employer currently maintains or has previously maintained, may be found in the General Information Sheet.

If at any time you have specific questions about the Plan as it applies to you, bring them to the attention of the Plan Administrator whose address and telephone number appear in the General Information Sheet. You also may examine the Basic Plan Document itself at a reasonable time by making arrangements with the Plan Administrator.

NOTE: This Summary Plan Description is not complete if the "General Information Sheet" is not attached. Contact your Employer if you do not have the "General Information Sheet."

This page intentionally left blank.

Qualified Retirement Plan and Trust

Summary Plan Description

DEFINITIONS

The following definitions are used in the text of this SPD. These words and phrases are capitalized throughout the SPD for ease of reference.

Beneficiary - the person(s) and/or entity(ies) that will receive all or a specified portion of your Individual Account in the event of your death.

Catch-up Contributions - additional Elective Deferrals, not to exceed the applicable dollar amount for a given year, made under this Plan by Participants who attain age 50 before the close of the Plan Year.

Compensation - the earnings paid to you by your Employer that are taken into account for purposes of the Plan.

Core Funds - primary investment options made available from an investment manager selected by the Employer.

Differential Military Pay - compensation paid while on active duty with the uniformed services that will be used for purposes of determining plan contributions.

Direct Rollover - a way of rolling over an Eligible Rollover Distribution from a qualified plan directly to another Eligible Retirement Plan, thereby avoiding federal income tax withholding.

Early Retirement Age - the age specified in the adoption agreement upon attainment of which you may become 100% vested in your Individual Account and may possibly be entitled to receive a distribution. This feature is generally not available.

Elective Deferrals - the dollars you put into the Plan through payroll deductions. The term Elective Deferrals shall mean Pretax Elective Deferrals and Roth Elective Deferrals. Refer to the separate definitions of these terms.

Eligible Retirement Plan - an eligible 457(b) plan maintained by a state governmental entity, a traditional or Roth IRA, a qualified retirement plan, a qualified annuity plan, and a 403(b) plan.

Eligible Rollover Distribution - any distribution to your credit which does not include the following: any distribution that is one of a series of substantially equal periodic payments; required minimum distributions; and hardship distributions. In addition, an Eligible Rollover Distribution includes a Direct Rollover of Nondeductible Employee Contributions made to a traditional IRA or qualified retirement plan, if those amounts are separately accounted for in the receiving plan.

Employee - any person employed by the Employer.

Employer - the sole-proprietorship, partnership, or corporation or other entity maintaining this Plan.

Employer Contribution - the amount contributed to the Plan on your behalf by your Employer.

Enrollment/Change Form - the agreement between you and your Employer authorizing your Employer to deduct your Elective Deferrals from your Compensation and put them into the 401(k) Plan. Your Employer may accept your authorization in electronic, telephonic, or paper formats.

Entry Dates - the dates on which you will enter the Plan upon satisfying the age and service requirements.

Forfeitures - nonvested portions of a Plan Participant's Employer Contributions that are allocated to other Plan Participants, applied to reduce Employer Contributions, or used toward administrative expenses of the Plan.

General Information Sheet - outlines the provisions of the Plan. You should have received a copy of the General Information Sheet along with this SPD.

Hours of Service - unless the adoption agreement defines otherwise, each hour for that you are paid or entitled to payment for the performance of duties for your Employer.

Individual Account - the contribution account established and maintained for you that is made up of all contributions made by you or on your behalf, adjusted according to any earnings or losses due to market fluctuations.

Individual Retirement Account (IRA) - a separate individual retirement plan established by, or on behalf of, the Participant. The IRA may be a traditional one that accepts rollovers of pretax balances or a Roth IRA that accepts rollovers of Roth Elective Deferral accounts.

Key Employee - an Employee who at any time during the Plan Year is an officer of the Employer having annual Compensation greater than \$170,000 (indexed); a five-percent owner of the company; or a one-percent owner of the company with annual Compensation exceeding \$150,000.

Loan Disclosure - the form that outlines the loan program available under your Plan. Your Plan offers a loan program, and a copy of the Loan Disclosure is included in this SPD.

Matching Contribution - a contribution made by your Employer to the 401(k) plan on your behalf based upon your Elective Deferrals made to the Plan.

Nondeductible Employee Contributions - generally not permitted. A contribution that you make to a plan on an after-tax basis. These contributions do not include Roth Elective Deferrals and may only be made to 401(k) plans and certain 403(b) plans.

Nonelective Contributions - a contribution made by your Employer on your behalf in lieu of a Matching Contribution. These contributions may only be made as Safe Harbor cash or deferred arrangement (CODA) Contributions or to SIMPLE 401(k) plans.

Normal Retirement Age - the age specified in the General Information Sheet and is generally age 65. If no age is specified, the Normal Retirement Age is 59½. Upon attaining the specified age, you will become 100% vested in your Individual Account and may be entitled to a distribution.

Outside Plan Investment - investment option maintained outside of those offered through Paychex and is outside the scope of your Core Funds.

Participant - an Employee who has met the eligibility requirements, has entered the Plan, and has become eligible to make or receive a contribution to his or her Individual Account.

Plan - the retirement plan your Employer has set up. The Plan is controlled by a legal document containing many technical and detailed provisions. The Plan Administrator has a copy of the Plan document.

Plan Administrator - the Employer. The Plan Administrator is responsible for directly administering the Plan.

Plan Year - the 12-consecutive-month period upon which the Plan is maintained.

Pretax Elective Deferrals - the dollars you put into the Plan through pretax payroll deductions.

Qualified Distribution - a distribution of Roth Elective Deferral account balances where the participant satisfies the requirements of attaining age 59½, death or disability, and completion of the 5-year participation period.

Qualified Joint and Survivor Annuity (QJSA) - a lifetime annuity payment to a Participant who separates from service. When the Participant dies, periodic payments will continue to a surviving spouse in a percentage specified in the General Information Sheet. A Plan Participant may waive the QJSA form of distribution and elect an alternative form of distribution. Profit sharing or 401(k) plans that are subject to the Retirement Equity Act (REA) Safe Harbor provisions will pay your benefits under the Plan in a form other than an annuity. Refer to the General Information Sheet to determine if your Plan is subject to the REA Safe Harbor provisions.

Related Employer - an Employer that has ownership in common with the Employer establishing this Plan.

Required Beginning Date - the date distribution of benefits is generally required to commence. The date is no later than April 1 of the calendar year following the year you attain age 70½ or, if later, April 1 of the calendar year following the year in which you retire. However, if you own more than 5% of your Employer, distributions are required to commence no later than April 1 of the calendar year following the year you attain age 70½.

Roth Elective Deferrals - the dollars you put into the Plan through post-tax payroll deductions. The Roth Elective Deferral may not be an option available to your Plan.

Self-Directed Brokerage Account (SDBA) - an investment option that enables the Participant to select investments outside the scope of your Core Funds. It allows you to invest in a broader range of investments, including additional mutual funds, stocks, and bonds. The SDBA is available in Plans in which the Plan Administrator has elected this as an investment option. It may not be an investment option available to your Plan.

Taxable Wage Base - the base salary amount, as indexed annually by the Social Security Administration, upon which the Employer's Social Security obligation is determined.

SECTION ONE: EFFECTIVE DATE

In general, your Employer selects the Effective Date of this Plan. Refer to your General Information Sheet to determine what the Effective Date is.

SECTION TWO: ELIGIBILITY AND PARTICIPATION

Part 1. What are the eligibility requirements of the Plan?

Employees Eligible to Participate

The Plan may require or permit your Employer to exclude certain classifications of Employees from participation. Refer to the General Information Sheet to determine if any Employee classifications have been excluded from participation in your Plan.

Age and Service Requirements

To be eligible to participate in the Plan, you may be required to reach a certain age and/or complete a certain number of years of service for your Employer. Under some circumstances, you may be given credit for years of service with predecessor employers. Refer to the General Information Sheet for minimum age and service requirements.

Replacement Plan

If this is restatement of a prior Plan with the same Employer, in which you were a Participant, you will automatically participate.

Part 2. After I meet the eligibility requirements, when do I actually become a Participant in the Plan?

During each Plan Year there are generally at least two Entry Dates upon which you can begin participation. The Plan Entry Dates for your Plan are indicated in the General Information Sheet. After you have met the eligibility requirements, you will enter the Plan and thus become a Participant on the applicable Entry Date.

Part 3. Once I am a Plan Participant, what must I do to continue to participate in the Plan?

You will continue to participate in the Plan while you are still employed by the Employer, even if you have a break in eligibility service. A break in service is a 12-consecutive-month period during which you fail to work more than the minimum number of Hours of Service. Unless otherwise stated in the General Information Sheet, this is 500 hours. However, no break in service will occur if the reason you did not work more than 500 hours was because of certain absences due to birth of a child, pregnancy or adoption of children, military service or other service during a national emergency during which your re-employment under a federal or state law is protected and you do, in fact, return to your employment within the time required by law.

If you had met the eligibility requirements and were a Participant in the Plan before terminating employment or having a break in eligibility service, and are later rehired, you will enter the Plan immediately.

SECTION THREE: CONTRIBUTIONS TO THE PLAN

Subsection I. Contributions to 401(k) Plans

You are generally allowed to make Pretax Elective Deferrals to the Plan through payroll deductions. Refer to the General Information Sheet to determine if you are permitted to make Roth Elective Deferrals. Your Employer may also make various contributions to the Plan on your behalf. These may include the following:

Matching Contributions - these contributions match a percentage of your Elective Deferrals and Catch-up Contributions made to the Plan.

Employer Profit Sharing Contributions - these contributions are discretionary. Your entitlement to an Employer Profit Sharing Contribution is not dependent upon making Elective Deferrals.

Nonelective Contributions - in lieu of Matching Contributions, your Employer may make these contributions. Nonelective Contributions may only be made as Safe Harbor CODA Contributions or to SIMPLE 401(k) Plans.

Qualified Nonelective Contributions and Qualified Matching Contributions - these contributions may be made by your Employer to satisfy special nondiscrimination rules that apply to the Plan. These contributions are fully vested when made and are subject to the same restrictions on withdrawals applicable to Elective Deferrals. These types of contributions are available under a 401(k) Plan at the Employer's discretion.

Nondeductible Employee Contributions - some 401(k) plans allow Participants to make after-tax contributions to the Plan that accrue earnings on a tax-deferred basis. These contributions are called Nondeductible Employee Contributions.

Refer to the General Information Sheet to determine the types of contributions available under your Plan.

Part 1. Elective Deferrals

The General Information Sheet provides specific information about Elective Deferrals unique to your Plan.

A. How do I make Elective Deferrals?

If you wish to make Elective Deferrals and the Plan permits it, you must complete and sign an *Enrollment/Change Form* or follow another Deferrals election process provided to you by your employer. Once you become eligible to participate in the Plan, the Employer will provide you with instructions. Information is also available in the Fee Disclosure for Participants document.

EXAMPLE: Your Compensation is \$15,000. You wish to make an Elective Deferral to the Plan and sign an *Enrollment/Change Form* authorizing an Elective Deferral of 5% of your Compensation. As a result, your Employer will pay you \$14,250 as gross taxable income and will deposit your 5% Elective Deferral (\$750) into the Plan for you.

You may change the amount or percentage of your pay that you are putting into the Plan as often as specified in the General Information Sheet or in the *Enrollment/Change Form*. If you want to change the amount or percentage of your Elective Deferral, you must execute a new *Enrollment/Change Form* and return it to your Plan Administrator at least 30 days before the change will take effect, or a lesser number of days if the Plan Administrator permits or notify your Employer of your desire to change your Deferral rate using another method approved by your Employer.

NOTE: If the Plan elects to follow the Safe Harbor CODA Contribution provisions, a notice from the Employer will be provided to you if you are a Participant. This notice will be provided at least 30 days, but no more than 90 days, before the beginning of the Plan Year. The notice will also be provided within 90 days prior to and no later than the day you first become a Participant. Once you have received the notice, you have 30 days to make or modify an Elective Deferral election. This election period is in addition to any other election period allowed by the Employer to modify or discontinue Elective Deferrals.

Automatic Elective Deferrals

If your Plan provides for automatic Elective Deferrals, your Elective Deferrals will be considered Pretax Elective Deferrals unless your Employer has designated that they will be Roth Elective Deferrals. Refer to the General Information Sheet or *Enrollment/Change Form* to determine if your Employer may make payroll deductions without you completing and signing the *Enrollment/Change Form*.

B. How much may I defer each year?

The Internal Revenue Code (IRC) limits the maximum amount you may put into the Plan during each of your tax years. Most people pay income tax on a calendar-year basis. The deferral limit is \$19,500 for 2020. This limit may be adjusted periodically by the Internal Revenue Service (IRS) for increases in cost-of-living. This limit applies to all Elective Deferrals you make during your tax year to any 401(k) plans maintained by your present or former employers. Your Plan may also limit the amount of the Elective Deferrals you may make. Refer to the General Information Sheet to determine what that limit is. Elective Deferrals you make to a SIMPLE 401(k) plan are subject to a different dollar limit. The SIMPLE 401(k) deferral limit for 2020 is \$13,500. This limit will be adjusted periodically by the IRS for increases in cost-of-living.

C. May I stop making Elective Deferrals?

Yes, you may stop making Elective Deferrals by executing an *Enrollment/Change Form*, which your Employer will provide or follow another Deferrals election process provided to you by your employer. You are permitted to stop making Elective Deferrals at any time. Your General Information Sheet provides additional information about making Elective Deferrals to your Plan. If you stop your Elective Deferrals, you may begin putting money in the Plan again at any time.

D. What if I defer more than the maximum amount allowed?

If you put too much money into the Plan through Elective Deferrals, the excess amount and any earnings you may have received on the excess must be taken out of the Plan by April 15 of the year following the year the money went into the Plan. You are responsible for notifying your Employer of the excess Elective Deferral by the date specified in the General Information Sheet. Any contributions in

excess of the IRC limits will be taxable income for the year in which you put the excess into the Plan. If the excess is not removed from the Plan by April 15, you will have to pay additional income tax.

EXAMPLE: In 2019, you make an excess contribution of \$100 and have \$10 of earnings on the excess. You remove \$110 by April 15, 2020. The \$110 will be reported on a Form 1099-R and you will pay income tax on that amount.

You must sign a form to claim a return of any excess amounts that you put into the Plan. Your Employer will furnish the form to you, and you must return it to your Employer by the date specified in the General Information Sheet.

E. May highly compensated Participants contribute the maximum amount?

Highly compensated employees making Elective Deferrals may be subject to additional limitations on Elective Deferral amounts contributed to the Plan for each Plan Year. The IRC and tax rules define highly compensated employee for these purposes. Highly compensated employees making Elective Deferrals are limited in the percent of the Compensation that they may defer based on the average percent of Compensation deferred by the non-highly compensated group of employees during the Plan Year. If these limits apply to you, your Plan Administrator will give you additional information. The additional limitations described above do not apply to SIMPLE 401(k) plans or plans meeting the Safe Harbor CODA Contribution requirements.

F. Are Catch-up Contributions available under the Plan?

Unless otherwise indicated in the General Information Sheet, all Employees who are eligible to make Elective Deferrals under your Plan and who have attained age 50 before the close of the Plan Year are eligible to make Catch-up Contributions, not to exceed the applicable dollar amount for the year. In addition, certain limits, as required by law, must be met prior to being eligible to make a Catch-up Contribution. The primary limit you must meet is the annual deferral amount permitted by the IRS. For 2020, this limit is \$19,500. If you are eligible for, and elect to make, a Catch-up Contribution in 2020, you will be required to first make an \$19,500 salary deferral. However, you will not be required to make the maximum annual deferral amount permitted by the IRS if the Plan limits salary deferrals to a percentage of your annual Compensation that is less than the IRS limit. Finally, if you are a highly compensated employee, the Catch-up Contribution you are eligible to make may be limited by other limits set by the IRC. See your Plan Administrator for additional information.

Part 2. Employer Matching Contributions

Your Plan may provide for Matching Contributions. If so, the General Information Sheet provides specific information about Matching Contributions unique to your Plan.

A. What must I do to share in an Employer Matching Contribution?

You may receive Matching Contributions if you make Elective Deferrals, and/or Catch-up Contributions to the Plan.

To share in the Matching Contribution, you must be a qualifying contributing Participant in the Plan. Some plans require that you work a minimum number of hours or require you to be working for the Employer on the last day of the Plan Year to share in the Matching Contribution. Refer to the General Information Sheet to determine if a minimum number of hours worked requirement applies to your Plan.

Plans may waive hourly and/or last day requirements under certain circumstances such as death, disability, etc. Refer to the General Information Sheet to determine if and when such requirements are waived.

The amount of your Matching Contribution will be based upon the formula described in the General Information Sheet.

EXAMPLE: Your annual Compensation is \$15,000. You agree to make an Elective Deferral of 10% of your Compensation. Under the terms of the Plan, assume your Employer has selected a Matching Contribution formula that will match your Elective Deferrals on the basis of 50% for each percentage you contribute. For the Plan Year, your Elective Deferral will be \$1,500 and the Matching Contribution will be \$750.

B. Are highly compensated Participants eligible to receive Matching Contributions?

Yes. However, additional limitations may exist on the Matching Contribution amounts. The IRC and tax rules define highly compensated employee for these purposes. If these limits apply to you, your Plan Administrator will provide additional information about them. The additional limitations described above do not apply to SIMPLE 401(k) plans or plans meeting the Safe Harbor CODA Contribution requirements.

Part 3. Employer Contributions

Unless your Plan is a SIMPLE 401(k) plan or Safe Harbor CODA, your Employer will decide each Plan Year whether to make a contribution based on your Compensation to the Plan, unless a more detailed method of determining the amount of an Employer Contribution is specified in the General Information Sheet. This contribution is also referred to as a profit sharing contribution.

A. What must I do to share in the Employer Contribution?

To share in the Employer Contribution, you must be a Participant in the Plan. Some plans require that you work a minimum number of hours or be working for the Employer on the last day of the Plan Year to share in the Employer Contribution. Refer to the General Information Sheet to determine if this applies in your Plan.

Plans may waive hourly and/or last day requirements under certain circumstances such as death, disability, etc. Refer to the General Information Sheet to determine if and when the minimum Hours of Service and/or last day requirements may be waived.

If the Plan is top-heavy and an Employer Contribution is made, you may be eligible to receive a portion of the contribution, even if you fail to work the required number of Hours of Service, as long as you are a Participant and you are employed on the last day of the Plan Year.

B. What portion of the Employer Contribution will be allocated to my Individual Account?

How the Employer Contribution is allocated to your Individual Account depends on the allocation formula selected by your Employer. Refer to the General Information Sheet to determine which of the following formulas will be used.

Pro Rata Allocation - if this Plan allocates contributions on a pro rata basis and a contribution is made, you will receive a pro rata portion of the contribution equal to the ratio of your Compensation to the Compensation of all Participants.

EXAMPLE: Assume you are one of 10 Participants in the Plan and your Compensation is \$10,000. Assume further the Compensation of all Participants when added together equals \$100,000. The ratio of your Compensation (\$10,000) to that of all Participants (\$100,000) is 1/10. Therefore, 1/10 of the contribution made by your Employer to the Plan will be allocated to your account (that is, \$10,000).

Flat Dollar Allocation - if this Plan allocates contributions on a flat dollar basis, each Participant in the Plan will receive the same contribution dollar amount.

Integrated Allocation - if this Plan uses an integrated allocation formula, the contribution your Employer makes will consist of two parts: a base contribution and an excess contribution. The base contribution will be a percentage of your Compensation up to the integration level. The excess contribution will be a percentage of your Compensation above the integration level. The integration level is the Social Security Taxable Wage Base for the year unless otherwise specified in the General Information Sheet.

Age-Weighted Allocation - if this Plan allocates contributions on an age-weighted basis, the contribution will be allocated among the accounts of Participants according to a formula that, in addition to Compensation, takes into account the ages of Participants. As a result, older Participants generally receive a greater contribution relative to that of younger Participants.

The particular formula used to allocate the contribution in your Plan assumes various facts as a prerequisite to making specific allocations to the Individual Accounts of Participants. Consult your Plan Administrator for such assumptions unique to your Plan.

New Comparability Allocation - if this Plan uses a new comparability allocation formula, your Employer has designated two or more allocation groups for this Plan. Each allocation group contains a designated class of Employees. In years that the Employer makes a contribution, a contribution will be made for each allocation group. Your Employer may contribute a different percentage of Compensation for each group. Refer to the General Information Sheet for a description of the allocation groups.

Part 4. Nondeductible Employee Contributions

Your Plan does not allow Nondeductible (after-tax) Employee Contributions.

Part 5. Rollover/Transfer Contributions

Your Plan may allow you to make rollover and/or transfer contributions to this Plan. Your Plan may also allow you to make rollover contributions to another Roth Elective Deferral account from an Eligible Retirement Plan other than a Roth IRA. Refer to the General Information Sheet to determine if these contributions can be made under your Plan.

A. Are rollovers and transfers subject to a vesting schedule?

No. You are always 100% vested in your rollover and/or transfer contributions.

B. When may I withdraw rollover and transfer contributions?

Unless stated otherwise in the General Information Sheet, rollover and transfer contributions will generally be subject to the Plan's provisions regarding timing of distributions (the provisions are described in this section of this SPD and the Distributions section of the General Information Sheet). However, assets transferred from a money purchase pension plan to this Plan may not be distributed before your retirement, death, disability, severance from employment, or prior to Plan termination.

Part 6. Nonelective Contributions

If your Plan is a SIMPLE 401(k) plan, or elects the Safe Harbor CODA Contribution provisions, your Employer must make either a Matching Contribution or a Nonelective Contribution. Your Employer will notify you before the beginning of each Plan Year as to which type of contribution will be made.

A. What must I do to share in the Nonelective Contribution?

To share in the Nonelective Contribution, you must have satisfied the Plan's eligibility requirements, entered the Plan, and if a SIMPLE 401(k) plan earned a minimum amount of Compensation during the year. Refer to the General Information Sheet to determine the Compensation requirements.

In addition, a Safe Harbor CODA plan may limit the contribution to non-highly compensated participants (NHCE). Refer to the General Information Sheet to determine if the Plan limits contributions to NHCEs.

B. What portion of the Nonelective Contributions will be allocated to my account?

If your Plan is a SIMPLE 401(k) and you are eligible to receive a Nonelective Contribution, you will receive a contribution equal to 2% of your Compensation.

If your 401(k) Plan elects the Safe Harbor CODA Contribution provisions and you are eligible to receive a Nonelective Contribution, you will receive a contribution equal to at least 3% of your Compensation. Refer to the General Information Sheet for the exact contribution that will be made on your behalf.

Part 7. What is meant by my Compensation?

The definition of Compensation for Plan purposes can vary for many reasons. For example, federal law may require use of one definition of Compensation for nondiscrimination testing and another for contribution allocation purposes.

In general, the amount of your earnings from your Employer taken into account under the Plan is all earnings reported to you on Form W-2. In the event your Compensation exceeds an annual limit imposed by the IRC, only the amount of Compensation up to that limit will be counted as Compensation under the Plan. For 2020 this limit is \$285,000 and will be adjusted periodically by the IRS for increases in cost of living. See your Plan Administrator for the current year's limit on Compensation. Refer to the General Information Sheet to determine whether a more specific definition of Compensation is provided under the Plan.

Differential military pay received from your Employer while you are on active duty with the uniformed services for a period of more than 30 days, will be considered additional Compensation paid to you for purposes of determining Plan contributions.

Part 8. Military Service

A. If I am reemployed by my Employer after completing military service, am I entitled to make-up contributions?

Yes. If your Plan permits Deferrals, you may also have the option of making up missed employee contributions and receiving a Matching Contribution, if applicable, on these contributions. Please discuss these options with your Plan Administrator.

B. If I die or become Disabled during military service, will the time I was providing military service be considered for determining whether I will receive employer contributions?

If you die or become disabled during military service, the time while providing military service will be included for determining whether you are entitled to employer contributions. You will be treated as if you had been reemployed on the day before your death or disability and terminated on the day of death or disability to determine your Plan contributions.

Subsection II. Contributions to Profit Sharing and Money Purchase Pension Plans

Part 1. What are the sources of Plan contributions?

All contributions will be Employer Contributions made by your Employer. You may also make rollover and/or transfer contributions to the Plan.

Part 2. How will the amount of the Employer Contribution be determined?

If this is a profit sharing plan, your Employer will decide whether or not to make a contribution based on your Compensation to the Plan during the applicable computation period. Generally, total contributions to a profit sharing plan will not exceed 25% of Participants' Compensation each year.

If this is a money purchase pension plan, your Employer will contribute the percentage of Compensation or amount specified in the General Information Sheet. Contributions to a money purchase pension plan can range from 0% to 25% of a Participants' Compensation each year.

Part 3. What must I do to share in the Employer Contribution?

To share in the Employer Contribution, you must be a Participant in the Plan. Some plans require that you work a minimum number of hours or be working on the last day of the Plan Year to share in the Employer Contribution. Refer to the General Information Sheet to determine if either of these applies in your Plan.

NOTE: If the Employer has established a standardized Plan and you are employed on the last day of the Plan Year, you are not required to work a minimum number of hours to receive an Employer Contribution, regardless of whether or not a minimum number of hours worked requirement is specified on your General Information Sheet.

Plans may waive hourly and/or last day requirements under certain circumstances such as death, disability, etc. Refer to the General Information Sheet to determine if and when the minimum Hours of Service and/or last day requirements are waived.

If the Plan is top-heavy and an Employer Contribution is made, you may be eligible to receive a portion of the contribution, even if you fail to work the required number of Hours of Service, as long as you are a Participant and you are employed on the last day of the Plan Year.

Part 4. What portion of the Employer Contribution will be allocated to my Individual Account?

How the Employer Contribution is allocated to your Individual Account depends on the allocation formula selected by your Employer. Refer to the General Information Sheet to determine which of the following formulas will be used.

Pro Rata Allocation - if this Plan allocates contributions on a pro rata basis and a contribution is made, you will receive a pro rata portion of the contribution equal to the ratio of your Compensation to the Compensation of all Participants.

EXAMPLE: Assume you are one of 10 Participants in the Plan and your Compensation is \$10,000. Assume further the Compensation of all Participants when added together equals \$100,000. The ratio of your Compensation (\$10,000) to that of all Participants (\$100,000) is 1/10. Therefore, 1/10 of the contribution made by your Employer to the Plan will be allocated to your account (that is, \$10,000).

Flat Dollar Allocation - if this Plan allocates contributions on a flat dollar basis, each Participant in the Plan will receive the same contribution dollar amount.

Integrated Allocation - if this Plan uses an integrated allocation formula, the contribution your Employer makes will consist of two parts: a base contribution and an excess contribution. The base contribution will be a percentage of your Compensation up to the integration level. The excess contribution will be a percentage of your Compensation above the integration level. The integration level is the Social Security Taxable Wage Base for the year unless otherwise specified in the General Information Sheet.

Age-Weighted Allocation - if this Plan allocates contributions on an age-weighted basis, the contribution will be allocated among the accounts of Participants according to a formula that, in addition to Compensation, takes into account the ages of Participants. As a result, older Participants generally receive a greater contribution relative to that of younger Participants.

The particular formula used to allocate the contribution in your Plan assumes various facts as a prerequisite to making specific allocations to the Individual Accounts of Participants. Consult your Plan Administrator for such assumptions unique to your Plan.

New Comparability Allocation - if this plan uses a new comparability allocation formula, your Employer has designated two or more allocation groups for this Plan. Each allocation group contains a designated class of Employees. In years that the Employer makes a contribution, a contribution will be made for each allocation group. Your Employer may contribute a different percentage of Compensation for each group. Refer to the General Information Sheet for a description of the allocation groups.

Part 5. What is meant by my Compensation?

The definition of Compensation for Plan purposes can vary for many reasons. For example, federal law may require use of one definition of Compensation for nondiscrimination testing and another for contribution allocation purposes.

In general, the amount of your earnings from your Employer taken into account under the Plan is all earnings reported to you on Form W-2. In the event your Compensation exceeds an annual limit imposed by the IRC, only the amount of Compensation up to that limit

will be counted as Compensation under the Plan. For 2020 this limit is \$285,000 and will be adjusted periodically by the IRS for increases in cost of living. See your Plan Administrator for the current year's limit on Compensation. Refer to the General Information Sheet to determine whether a more specific definition of Compensation is provided under the Plan.

Differential military pay received from your Employer while you are on active duty with the uniformed services for a period of more than 30 days, will be considered additional Compensation paid to you for purposes of determining Plan contributions.

Part 6. Where does the contribution made on my behalf go?

The Employer makes the contribution to a trust fund where all dollars are held for the benefit of the Participants. The Employer must establish and maintain an Individual Account for each Participant. The Individual Account is used to track each Participant's share in the total trust fund.

Part 7. Rollover/Transfer Contributions

Your Plan allows you to make rollover and/or transfer contributions. The Plan may accept rollover contributions and/or Direct Rollovers of distributions from an Eligible Retirement Plan.

A. Are rollovers and transfers subject to a vesting schedule?

No. You are always 100% vested in your rollover and/or transfer contributions.

B. When may I withdraw rollover and transfer contributions?

Unless stated otherwise in the General Information Sheet, rollover and transfer contributions will generally be subject to the Plan's provisions regarding the timing of distributions (the provisions are described in this section of this SPD and the Distribution portion of the General Information Sheet). However, assets transferred from a money purchase pension plan to this Plan may not be distributed before your retirement, death, disability, severance from employment, or prior to Plan termination.

Subsection III. Limitations on Contributions and Allocations

Part 1. Do any limits apply to the amount that may be allocated to my Individual Account for any Plan Year?

Yes. The amount that may be allocated to your Individual Account for any year is subject to IRC provisions limiting your allocation amount to the lesser of \$57,000 (indexed) or 100% of your Compensation paid to you by your Employer for a given year. The limit for 2020 is \$57,000 and will be adjusted periodically by the IRS for increases in the cost of living. See your Plan Administrator for the current year's limit amount.

SECTION FOUR: VESTING AND FORFEITURES

Part 1. When I request my benefits, will I receive the full value of my account(s) established under the Plan?

It depends upon the reason you are receiving the distribution and your vested percentage in your contributions. Your distribution will be the full value of your Individual Account (that is, you will be 100% vested) if your Plan is a SIMPLE 401(k) Plan, you reach Normal Retirement Age, or your Employer terminates the Plan or completely discontinues contributions to the Plan. In addition, unless indicated otherwise in the General Information Sheet, your Individual Account will become 100% vested if you die, become disabled (as defined by the Plan, the disability is expected to minimally last for 12 continuous months or until death), satisfy the Early Retirement Age requirements, or attain Normal Retirement Age.

However, if you terminate employment, and thus become eligible for a distribution from the Plan, your distribution will only be the vested amount in your Individual Account.

Part 2. How is my vested amount determined?

Your vested amount is determined by multiplying a percentage from a vesting schedule by the total value of your Individual Account. The vesting schedule determines how rapidly your money becomes nonforfeitable based upon your years of service.

EXAMPLE: Assume you have \$10,000 in your Individual Account and you terminate employment when you are 40% vested. Your vested amount would be \$4,000 (.40 x \$10,000).

The vested amount of your Individual Account will depend upon the types of contributions made to your account. All Elective Deferrals and Qualified Nonelective contributions are 100% vested at all times. Refer to the General Information Sheet to determine the vesting schedule that applies to this Plan. If your Employer Matching Contribution is subject to a vesting schedule, your vested benefit is determined by multiplying a percentage from the Plan's vesting schedule by the total amount of the Matching Contributions that have been contributed on your behalf.

For Employer Contributions, your vested amount is determined by multiplying a percentage from the Plan's vesting schedule by the total amount of the Employer Contributions contributed on your behalf. The vesting schedule for your Matching Contributions and Employer Contributions determines how fast your money becomes nonforfeitable based upon your years of service.

EXAMPLE: You have received \$5,000 in Matching Contributions and you are 50% vested. Upon distribution, the vested amount that you will receive is \$2,500 and the remaining \$2,500 will be forfeited.

For SIMPLE 401(k) plans, the Matching Contributions and Nonelective Contributions are 100% vested at all times.

For 401(k) plans with Safe Harbor CODA Contributions, the Safe Harbor basic or enhanced Matching Contributions and Safe Harbor Nonelective Contributions are 100% vested at all times.

For 401(k) plan with Automatic Enrollment Safe Harbor CODA Contributions, the Safe Harbor match and Nonelective contributions must be fully vested within 2 years.

Part 3. Which vesting schedule will be used to determine my vested benefit?

You will become vested according to the vesting schedule(s) selected in the General Information Sheet. If your Plan is a 401(k) plan, different vesting schedules may apply to Matching Contributions and Employer Profit Sharing Contributions.

Part 4. What years of service are counted for vesting purposes?

All of your years of service with your Employer are counted for the purpose of determining your vested percentage unless otherwise indicated in the General Information Sheet. Your Plan may also credit years of service with predecessor Employers.

Part 5. If I am not 100% vested and I receive a distribution after terminating employment, what happens to the dollars I leave in the Plan?

If you are not 100% vested and receive a distribution, the dollars left in the Plan are called Forfeitures. Nonvested dollars are forfeited after the terminated Participant receives a distribution of a vested benefit. Forfeitures may be used to reduce Employer contributions or allocated to the remaining Participants. Refer to the General Information Sheet to determine how Forfeitures will be applied in your Plan. In addition, your Employer may use forfeitures to pay the administrative expenses of the Plan.

Part 6. What happens if I return to work after receiving a distribution of my vested benefit?

A former Participant who returns to work for the Employer before incurring five consecutive one-year breaks in service may recapture the forfeited benefit. Generally, your forfeited benefit will be restored immediately by your Employer if you have not incurred five consecutive one-year breaks in service and if you pay back to the Plan the distribution that you received.

Part 7. What happens if I quit my job and incur a break in service and then return? When do I participate again?

The answer to these questions depends upon whether you were eligible to participate in the plan at the time of the break in service.

If you were eligible: You will participate immediately following your date of reemployment. Your vesting years of service accumulated prior to the time you incurred a break in service will be counted in determining your vested interest unless the number of consecutive one-year breaks in service exceeds five. Years of vesting service accrued after a five year break in service will be disregarded when determining the vested interest of amounts contributed prior to the five consecutive Breaks in Vesting Service.

If you were not eligible:

Any eligibility service incurred prior to the break in service will not be taken into account.

SECTION FIVE: DISTRIBUTION OF BENEFITS, CLAIMS PROCEDURE AND LOANS

Part 1. When may I withdraw money from the Plan?

Certain events must occur before you may withdraw money from the Plan. Benefits may be withdrawn if any of the following occur:

- A. Termination of employment after attaining Normal Retirement Age** - Normal Retirement Age under the Plan is specified in the General Information Sheet.
- B. Termination of employment after satisfying any Early Retirement Age Requirement** - The Early Retirement Age conditions, if applicable, are specified in the General Information Sheet.
- C. Termination of the Plan by your Employer.**
- D. Termination of employment before attaining Normal Retirement Age.**
- E. If your Plan is a 401(k) plan, there are several other circumstances under which you may withdraw Elective Deferrals** - your Plan may also allow you to take Elective Deferrals out of the Plan upon attainment of age 59½ or if you have a severe financial hardship. Generally, the only financial needs that are considered to meet the financial hardship requirements are: deductible medical expenses for you, your spouse, your dependents or your primary Beneficiary, purchase of your principal residence, payment of tuition and related educational fees for the next 12 months of post-secondary education for you, your spouse, your dependents or your primary Beneficiary, to prevent eviction or foreclosure upon your principal residence, funeral expenses for your deceased parent, spouse, children, dependents or primary Beneficiary, certain repairs of damage to your principal residence, and expenses and losses incurred by you as a result of a FEMA declared disaster. See your Plan Administrator to determine if any other financial needs meet the financial hardship requirements under your Plan. A hardship distribution cannot exceed the amount of your immediate and heavy financial need. To qualify for a hardship distribution, you must certify that you have insufficient cash or liquid assets reasonably available to satisfy the financial need, and exhaust any other available distribution options from the plan. Hardship distributions are subject to a 10% penalty tax if received before you reach age 59½. Refer to the General Information Sheet to determine whether your Plan allows for hardship withdrawals.
- F. Nonelective and basic or enhanced Matching Contributions under the Safe Harbor CODA Contribution provisions** - these contributions are subject to the same distribution restrictions as Elective Deferrals.

Part 2. What are the distribution rules that apply to the Roth Elective Deferral balances?

The entire amount of the Roth Elective Deferral Account, including investment earnings, will be distributed to you tax-free if the qualified distribution rule is satisfied. A distribution is qualified if both of the following criteria are satisfied:

1. the distribution occurs after a five-taxable-year ("five-year") period of participation. The five-year period begins on the first day of your taxable year in which you first made Roth Elective Deferrals to the Plan and ends when five consecutive taxable years have passed. For example, if your first Roth Elective Deferral is made on February 1, 2020, the five-year period begins January 1, 2020 and you may not receive a qualified distribution before January 1, 2025, **and**
2. at least one of the following events has occurred:
 - employee attains age 59½,
 - death of the participant, or
 - long-term disability

Part 3. May I take a payout from the Plan under any other circumstances?

Refer to your General Information Sheet to determine if in-service withdrawals are permitted under your Plan. If so, under certain circumstances, you may take a payout of all or a portion of your vested benefits. The amount that you may withdraw may depend upon the length of time that you have participated in the Plan and the reason for the withdrawal. See your Plan Administrator for further information on in-service withdrawals. The Distribution section of your General Information Sheet will list any additional circumstances under which you may take distributions.

May I take a distribution from the Plan if I am an active-duty member of the armed forces?

If you are on active duty in the uniformed services for a period of more than 30 days, you may elect to take a distribution of your Elective Deferrals from the Plan while you are on active duty without severing from employment with your Employer. However, if you choose to take distributions under this provision, you will not be permitted to make Elective Deferrals or Nondeductible Employee Contributions to the Plan during the six-month period beginning on the date of the distribution.

Part 4. How will my benefits be paid to me?

In addition to the information provided in this section, read the "Participant Distribution Notice and Special Tax Notice Regarding Plan Distribution" contained in the Appendix of this document.

- A.** Payments from the Plan that are Eligible Rollover Distributions may be taken in two ways. You may have all or any portion of your Eligible Rollover Distribution either (1) paid in a Direct Rollover to an Individual Retirement Account (IRA) or another Eligible Retirement Plan, or (2) paid to you. Roth Elective Deferrals and the associated earnings, however, may not be rolled over to a traditional IRA, but may be rolled over to a Roth IRA. If you choose to have your Plan benefits paid to you, you will receive only 80% of the payment because the Plan Administrator is required to withhold 20% of the payment and send it to the IRS as income tax withholding to be credited against your taxes. Also, additional income tax may be withheld if the state you reside in requires the withholding.

Contained within this SPD is a Qualified Retirement Plan Distribution Notice. This notice contains information about your options at the time of distribution. This information will, among other things, define what an Eligible Rollover Distribution is.

- B.** If your vested Individual Account (that is, the amount of money in the Plan you are entitled to) is no more than \$5,000, your benefits will be paid, either directly to you in a single lump-sum payment, or as a Direct Rollover to a traditional IRA (Roth Elective Deferrals and their earnings may be rolled over to a Roth IRA). If this amount does not qualify as an Eligible Rollover Distribution or the amount is \$1,000 or less, your benefits will be paid directly to you. When determining the current value of your vested Individual Account, prior rollover contributions in the Individual Account may be disregarded. Please refer to the General Information Sheet.
- C.** If your vested Individual Account is in excess of \$1,000, but no more than \$5,000, you may request that your benefits be paid directly to you in a single lump sum payment; or as a Direct Rollover to an IRA of your choosing, or another Eligible Retirement Plan. When determining the vested value of your Individual Account, prior rollover contributions may be disregarded. If you fail to make one of these elections, your benefits will be distributed as an Automatic Rollover. An Automatic Rollover is generally one made to an IRA chosen by the Plan Administrator. Refer to Section Ten: Qualified Retirement Plan Distribution Notice for additional information on the Automatic Rollover requirement.
- i. If your benefit is distributed as an Automatic Rollover, the IRA will be invested in an investment product that is designed to preserve principal and provide a reasonable rate of return and liquidity, such as a money market or stable value fund.
 - ii. The setup fee for the IRA will be paid out of your vested Individual Account. Once the IRA is established, any other fees or expenses may be charged against your IRA by the IRA provider.
 - iii. If you have questions about Automatic Rollover to an IRA, contact the Plan Administrator.
- D.** If your Plan is a profit sharing or 401(k) plan subject to the Retirement Equity Act (REA) Safe Harbor provisions, payouts of your benefits under the Plan will be made in a form other than an annuity. Refer to the General Information Sheet to determine if your Plan is subject to the REA Safe Harbor provisions.
- E.** If your Plan is not subject to the REA Safe Harbor provisions and your vested Individual Account balance is more than \$5,000, your payouts will be in the form of an annuity, unless the annuity option is waived. An annuity will provide you with a series of periodic payments, usually monthly. The annuity must be purchased from an insurance company. The size of the payments you receive from the annuity will depend upon many factors, including the value of your vested Individual Account balance.
- i. If you are married, the annuity will provide monthly payments for as long as you or your spouse lives. This type of annuity is called a Qualified Joint and Survivor Annuity. If you die before your spouse, the monthly payments to your spouse will be a percentage of the payments you had been receiving before your death. Refer to the General Information Sheet to determine the survivor annuity percentage.
 - ii. If you are not married, the type of annuity you will receive will provide you with monthly payments for as long as you live.
 - iii. If you do not want an annuity payout, you may choose other types of payments. To waive the annuity option, you must fill out and sign a waiver form. If you are married, your spouse must consent to and sign the waiver form in the presence of a Notary Public. You and your spouse may sign the waiver form any time within 90 days of the start of your payments.
- EXAMPLE:** Bill wants to start receiving money on March 31, 2020. He and his spouse may sign the waiver form any time from January 1 through March 31, 2020. Bill may now take his money in another form of payment, such as a single lump sum payment.
- F.** Contributions made to the Plan by you or on your behalf may be used to purchase units in various investment funds. The value of these funds can change daily. Because the value of your units can change daily, the value shown on your statement(s) will generally be different than the actual amount you receive for a payout.

Part 5. Once I become eligible to receive benefits, when will they be distributed to me?

If you terminate employment and the vested value of your Individual Account (including rollovers) is no more than \$5,000, the Plan Administrator may direct that your benefits be paid as soon as administratively practicable. Generally, if the balance is between \$1,000 and \$5,000, and the employer directs the balance to be paid, and you have not provided distribution instructions, the balance will be distributed to an Individual Retirement Account established in your name.

If the vested value of your Individual Account is more than \$5,000, your benefits will not be paid until you submit a written request to the Plan Administrator for payment. The Plan Administrator will provide you with the proper request forms. Once the Plan Administrator has received a completed request, payment will be made as soon as administratively practicable.

If the value of your Individual Account includes a balance in the Self-Directed Brokerage Account, the entire SDBA fund must be transferred to the Core Funds before a distribution may be processed.

Part 6. Even if I am eligible to receive benefits, must I have my benefit distributed from the Plan?

If the vested value of your Individual Account exceeds \$5,000, your benefit will not be distributed until you request payment from the Plan Administrator. Your benefit could be left in the Plan until you retire. However, you must begin taking required minimum distributions at age 70½ if you are a more than 5% owner. Refer to Part 7 below for additional information about minimum distributions.

Part 7. What are required Minimum Distributions?

The tax laws and regulations require you to start taking minimum distributions from the Plan by April 1 of the year following the year in which you turn 70½ years of age, if you are considered to own more than 5% of your Employer. If you own 5% or less of your Employer, you must begin taking minimum distributions from the Plan by April 1 of the year following the year you turn 70½ years of age, or, if later, April 1 of the year following the year in which you retire. Minimum distributions must continue every December 31 thereafter. In general, the amount of the annual minimum distribution is determined by dividing the balance in your Individual Account by a life expectancy factor. The life expectancy factor is published by the IRS.

Part 8. Do any restrictions or penalties apply on distributions?

Yes. If you receive a distribution before reaching age 59½, you must pay an additional early withdrawal 10% penalty tax on the portion of the distribution that is included in income. There are limited exceptions to the 10% early distribution penalty. Your tax advisor can tell you if one of the exceptions applies to your distribution.

Part 9. What happens to my benefits if I die?

- A. Your Beneficiary will receive the total value of your Individual Account when you die. If you are married, your spouse will
 - a. automatically be your Beneficiary. To choose another Beneficiary, you must sign a written form listing a nonspouse Beneficiary. Your spouse must give written consent to this in the presence of a Notary Public or authorized Plan representative.
 - b. NOTE: Contact your Plan Administrator if you wish to choose a nonspouse Beneficiary.
- B. If the vested value of your Individual Account is no more than \$5,000, your nonspouse Beneficiary will receive a lump sum payment of the entire amount unless the Beneficiary elects to have the distribution directly rolled into an IRA that is established as an inherited IRA. If your Beneficiary is your spouse, or otherwise qualifies as a recipient, an Eligible Rollover Distribution that exceeds \$1,000, but does not exceed \$5,000, will be directly rolled into a traditional IRA (Roth Elective Deferrals and their earnings will be directly rolled into a Roth IRA), unless the Adoption Agreement specifies otherwise or you direct the Plan Administrator otherwise.
- C. If your Plan is a profit sharing plan or 401(k) plan and is subject to the Retirement Equity Act (REA) Safe Harbor provisions and the value of your Individual Account is greater than \$5,000, your Beneficiary will receive a payout(s) in one of the following forms of distribution: lump sum, installment payments, or applied to purchase an annuity contract. Refer to the General Information Sheet to determine if any of the preceding forms are unavailable.
- D. If the value of your Individual Account is greater than \$5,000 and your Plan is not subject to the Retirement Equity Act (REA) Safe Harbor provisions, your Beneficiary will receive the money in periodic payments from an insurance company, unless a special form is signed. These periodic payments will usually be made on a monthly basis for as long as your Beneficiary lives. EXAMPLE: Clarence, age 38, signs the waiver form. Mildred, his wife, signs the waiver form in the presence of a Notary Public. Clarence dies two years later. Mildred now has a choice of payments. She can, for example, take all the money in a single lump sum and roll it into her traditional IRA.
- F. If your Beneficiary is not your spouse and you want to give your Beneficiary a choice as to how he or she wants to receive the money, you must sign a special form. This form must also be signed by your spouse in the presence of a Notary Public. If you are under age 35 when you sign this form, you must sign a new form once you reach age 35.

NOTE: Contact your Plan Administrator if you wish to preserve the option of taking payouts in a form other than an annuity.

Part 10. Are there any circumstances under which I may lose, be denied, or have anticipated benefits reduced under the Plan? Loss, denial, or reduction of anticipated benefits may occur if you terminate employment before becoming fully vested or if all or a portion of your benefit is set aside for an alternate payee under a qualified domestic relations order (QDRO). (Participants and Beneficiaries may obtain, without charge, a copy of a description of the Plan's procedures governing QDRO determinations from the Plan Administrator.) You may also lose your benefit if the Plan cannot locate you when a benefit becomes payable to you.

Part 11. Do I or does my Beneficiary have to do anything to start receiving benefits when I retire or die?

Yes. You, or if you die, your Beneficiary, must file a written request for benefits with the Plan Administrator or follow other procedures defined by your Employer for processing distributions.

Part 12. What should I do if I do not receive a benefit to which I believe I am entitled?

You may file a claim with the Plan Administrator.

Part 13. How do I file a claim?

You may claim a benefit to which you think you are entitled by filing a written request with the Plan Administrator. The claim must set forth the reasons you believe you are eligible to receive benefits and authorize the Plan Administrator to conduct such examinations and take such steps as may be necessary to evaluate the claim.

Part 14. What if my claim is denied?

If your claim is denied, the Plan Administrator will provide you or your Beneficiary with a written notice of the denial within 90 days of the date your claim was filed. This notice will give you the specific reasons for the denial, the specific provisions of the Plan upon which the denial is based, and an explanation of the procedures for appeal.

Part 15. May I appeal the decision of the Plan Administrator?

Yes. You or your Beneficiary will have 60 days from receipt of the notice of denial in which to make written application for review by the Plan Administrator. You may request that the review be in the nature of a hearing. You may be represented by an attorney if you so desire. The Plan Administrator will issue a written decision on this review within 60 days after receipt of the application for review.

Part 16. May I borrow money from the Plan?

Unless stated otherwise in the General Information Sheet, the Plan does permit loans to Participants. If so, under certain circumstances, you are eligible to borrow a portion of your vested Individual Account. If loans are available under your Plan, refer to the *Loan Disclosure* in Section Nine of this SPD for more information.

In addition to the information provided in this section, read the "Loan Disclosure" contained in Section Nine and the "Qualified Retirement Plan Distribution Notice" in Section Ten.

SECTION SIX: DEFINITIONS

Unless modified in the Definitions section of the General Information Sheet, words used in the Plan with initial capital letters shall, for the purposes of this Plan, have the meanings set forth in the section in the beginning of this SPD titled "Definitions."

SECTION SEVEN: MISCELLANEOUS

Part 1. May I direct the investment of the assets in my Individual Account?

Unless stated otherwise in the General Information Sheet, your Plan allows self-direction of contributions. The Plan Administrator will establish the rules and procedures that will apply to the self-direction of contributions. The Plan Administrator will also establish uniform and nondiscriminatory policies describing how and when you may provide investment directions.

ERISA 404(c) permits fiduciaries of plans that allow for participant-direction of plan investments, to avoid liability for any loss associated with those investment instructions. The following guidelines must be met to satisfy the regulation. You, the participant, must: 1) be able to select from a broad range of investment alternatives; 2) have a reasonable opportunity to make an investment election and make changes at least on a quarterly basis; 3) receive disclosures required under ERISA 404(a); and 4) receive a description of the procedures for confidentiality of information regarding holding and voting of employer securities (if applicable).

To satisfy the requirements of 404(a) you will receive a Fee Disclosure Statement for Participants that describes any fees and expenses paid from plan assets. It also includes general plan information such as the methods available for enrollment.

If your Employer does not satisfy one or more of these requirements they will provide a separate notification.

Part 2. What investments are permitted under the Plan?

Your Employer (or someone appointed by your Employer) will select a list of investments that will be available under the Plan. The list of Plan investments may change from time-to-time as your Employer considers appropriate investment alternatives. The Fee Disclosure Statement for Participants will include a chart that identifies all funds available for investment under the Plan. You should carefully review the chart as well as any investment prospectus or other available information before making your investment selections. Contact your Employer if you are not certain whether a particular investment is permitted under the Plan.

Part 3. Who is responsible for the daily operations of the Plan?

Unless stated otherwise in the General Information Sheet, your Employer is responsible for the day-to-day administration and management of the Plan. To ensure efficient and sound operation and management of the Plan, your Employer has the discretionary authority to appoint other persons as may be necessary to act on its behalf or assist in performing these responsibilities.

Part 4. Who pays for the administrative expenses related to the Plan?

All reasonable expenses of administration, but not limited to those involved in retaining necessary professional assistance, may be paid from the assets of the Plan. Alternatively, the Employer may, in its discretion, pay any or all of these expenses. If an Employer does not pay these expenses, then the expenses paid using the Plan's assets will generally be allocated among the accounts of all Participants in the Plan. These expenses will be allocated either proportionally based on the value of the account balances or as an equal dollar amount based on the number of Participants in the Plan. The method of allocating the expenses depends on the nature of the expense itself. For example, certain administrative (or recordkeeping) expenses would typically be allocated proportionally to each Participant. If the Plan pays \$1,000 in expenses and there are 100 Participants, your account would be charged \$10 (\$1,000/100) of the expense. Any expenses paid with plan assets will be identified on the Fee Disclosure Statement for Participants.

Part 5. Does the Employer have the authority to change provisions within the Plan?

Yes, the Employer, under certain circumstances, has the authority to amend the Plan to change or eliminate provisions. The Employer may not, however, reduce accrued or protected benefits under the Plan.

Part 6. What happens if the Plan is terminated?

The Employer expects to continue the Plan indefinitely. However, the Employer may terminate the Plan at any time by appropriate action of its managing body. In the unlikely event the Employer must terminate the Plan, you will become 100% vested in the aggregate

value of your Individual Account regardless of whether or not your vesting years of service are sufficient to make you 100% vested under the vesting schedule(s).

If the Plan terminates, benefits are not insured by the Pension Benefit Guaranty Corporation (PBGC). Under the law, PBGC insurance does not cover this type of plan, called a defined contribution plan.

Part 7. What does it mean to be "missing" from the Plan?

The U.S. Department of Labor has issued guidance regarding the manner in which a Plan may distribute benefits to a missing Participant in a terminated Plan. Generally, the guidance requires that certain search methods are performed to locate the Participant, and if such searches fail to generate a distribution election from the Participant, the Participant shall be deemed missing. At such time, the Employer or its delegate is permitted to make a distribution using the distribution options permitted by the U.S. Department of Labor. The preferred distribution option will be to establish an individual retirement account (IRA).

A Plan Participant is not deemed missing simply because a distribution notice or other Plan notice is mailed to a Plan Participant's last known address, but is returned by the post office as "undeliverable," or if the Employer otherwise becomes aware that it does not have current contact information for the Plan Participant. However, when the Post Office does return any first-class mail because it is "undeliverable," the missing Participant search options referred to in the previous paragraph will be initiated.

Part 8. What happens if I am deemed "missing" from the Plan?

When a Plan Participant is deemed missing, the Employer or its delegate is permitted to make a distribution using the missing Participant distribution options.

Part 9. Who pays for the administrative expense of processing distributions?

All reasonable expenses of processing distributions will be paid from the assets of your Individual Account. All fee amounts will be identified on the forms provided to you to elect your distribution option.

However, there are certain expenses that will be paid just from your account. These are expenses that are specifically incurred by, or attributable to, you. For example, if you are eligible to receive a distribution of your vested account balance and you request a distribution of the balance, a distribution processing fee will apply. These additional expenses will be paid directly from your account (and not the accounts of other Participants) because they are directly attributable to your benefit under the Plan.

The Plan Sponsor, from time to time, may change the manner in which expenses are allocated. The following is a list of Plan expenses that may be paid directly from an individual Participant's account rather than from the accounts of all Participants:

- Distribution of a Participant's account in a single sum upon termination of employment, including preparation of required notices and elections, distribution check or transfer of funds by direct rollover, as appropriate, and tax reporting forms.
- If the Participant's account is distributable (for example, upon severance from employment) and the distribution processing fee equals or exceeds the Participant's vested account balance, the Plan may charge the processing fee against the vested account balance, resulting in the elimination of the account balance without any distribution to the Participant.
- Participant loan origination fee (includes processing and document preparation) and maintenance fee.
- Upon divorce, qualified domestic relations order ("QDRO") review and processing, including notices to parties and preparation of QDRO distribution check. In addition, the Plan may charge the Participant's account for actual legal expenses and costs if the Plan consults with legal counsel regarding the qualified status of the order.
- Hardship distribution, including application processing and preparation of required notices, elections and distribution check.
- Non-hardship in-service distribution, including application processing and preparation of required notices, elections and distribution check.

Part 10. Who pays for the expenses of attempting to locate a missing Plan Participant?

The expenses of attempting to locate a missing Plan Participant will be paid from the Individual Account of that Participant.

Part 11. Who pays for the expenses attributable to my account if it remains invested in (or is reinvested in) the Plan after I terminate employment?

Expenses for the accounts of terminated vested Participants are allocated to each terminated vested Participant. Therefore, your account balance may be reduced by a monthly maintenance fee each month it remains invested in (or is reinvested in) the Plan after you terminate employment. Other charges may also apply.

SECTION EIGHT: RIGHTS UNDER ERISA

As a Participant in this Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants shall be entitled to do the following.

Receive Information About Your Plan and Benefits

1. Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all Plan documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
2. Obtain, upon request to the Plan Administrator, copies of documents governing the operations of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description (SPD). The Plan Administrator may charge a reasonable fee for the copies.
3. Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each Participant with a copy of this Summary Annual Report.

4. Obtain, once a year, a statement of the total pension benefits accrued and the nonforfeitable (vested) pension benefits (if any) or the earliest date on which benefits will become nonforfeitable (vested). The Plan may require a written request for this statement, but it must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating Plan Participants' rights, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan are called "fiduciaries" of the Plan, and they have a duty to act prudently and in the interest of you and other Plan Participants and Beneficiaries. No one, including your Employer, your union, or any other person, may fire you or in any way discriminate against you to prevent you from obtaining a pension benefit or exercising your ERISA rights.

Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. Under ERISA, there are steps you may take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision, or lack thereof, concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay the costs and fees. If you lose, the court may order you to pay these costs and fees (for example, if the court finds your claim is frivolous).

Assistance with Your Questions

If you have any questions about your plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Further, if this Plan is maintained by more than one Employer, you may obtain a complete list of all such Employers by making a written request to the Plan Administrator.

SECTION NINE: LOAN DISCLOSURE AND BASIC LOAN AGREEMENT

Loan Disclosure

As a Participant in the qualified retirement plan adopted by your Employer, you may be able to borrow a portion of your pretax vested account balance. The Roth Elective Deferral balance will not be used to issue any amount of the requested loan. If the requested loan amount exceeds the amount available in the pretax vested account balance, the loan will be limited to the pretax vested account balance. If the pretax vested account balance is zero, no loan will be issued. The loan program adopted by your Employer is available on a uniform basis to all currently employed Plan Participants that meet the loan qualification requirements. For additional information about the loan program available under your Employer's Plan, contact the loan program administrator listed below.

Loan Program Administrator – The Plan administrator has delegated the day to day responsibility for administering your loan program to the following:

Paychex Retirement Services
1175 John Street
West Henrietta, NY 14586

Loan Application Procedure – to apply for a loan under this Plan, you must follow the procedure(s) listed below:

- You may model and request a loan by visiting the Paychex Online Retirement Services website.
- Submit your request online or complete the Loan Application form and return it to the Loan Program Administrator. Additional documentation for the purchase of a primary residence will be required. Incomplete paperwork may result in a delay in issuing the loan.
- Pay any required loan application processing fees.

Limitations on Types of Loans – you are not required to provide the reason you are requesting a loan if you agree to a repayment period of 4.5 years (54 months). If you wish to extend the repayment period, the loan will be restricted to the purchase of a primary residence. Additional documentation for the purchase of a primary residence is required.

Loan Approval Standards – decisions approving or denying loans from this Plan will be based on the value of your vested Individual Account balance.

Loan Principal Limitations – loans from this Plan shall be in a minimum amount of \$1,000. This means you need a \$2,105.26 vested balance and \$1,000 available in your pretax account balance at the time your loan is requested. The maximum amount of an outstanding loan cannot exceed the lesser of 95% of one-half the vested account balance or 95% of the total vested account balance excluding the Roth Elective Deferral balance. Under no event will the loan amount exceed \$50,000. The \$50,000 is reduced by the highest outstanding loan balance during the one-year period ending on the day before the date the loan agreement becomes effective.

Core Funds Required for Loan Request – loans from this Plan shall only be requested and paid from the vested balance of the pretax Core Funds. The Roth funds shall not be available. A vested balance in the Self-Directed Brokerage Account or an Outside Plan Investment is not available for loan issuance.

Loan Processing Fee – upon signing all requested loan documents, you will agree to pay a loan processing fee of \$175* (\$325* for a principal residence loan). This fee is applicable regardless of the repayment period. For a loan requested by returning the Loan Application, the fee will be deducted from the check that is mailed to you. For example, if you request a \$1,000 loan, you will receive a check in the amount of \$825. Your repayment schedule will be for a total loan amount of \$1,000 plus applicable interest. If your loan is authorized through the participant web, your loan amount will be increased by the fee amount. For example, if you request a \$1,000 loan, \$1,175 will be deducted from your account. You will receive a check in the amount of \$1,000.

**This loan fee amount is subject to change without notice. The amount of the fee will be communicated to you at the time that you initiate the loan request.*

Additional State and/or Local Taxes or Costs – the obligation to pay any state and/or local taxes or costs associated with obtaining a loan or taking any other related actions with respect to the issuance of a plan loan are the responsibility of the plan, plan administrator and/or participant (as applicable). Paychex shall not be responsible for collecting or remitting any such taxes or costs or for performing any other related actions. For example, Florida has a Documentary Stamp Tax that is payable on certain notes and written obligations, which include participant loans from 401(k) plans that are executed in Florida. The plan administrator and the participant are responsible for ensuring that any required tax is paid to the state of Florida and that all other applicable requirements are satisfied.

Interest Calculation – interest rate on loans from this Plan will be computed on the basis of the prime rate plus 1%. Your loan rate will be determined on the date you request your loan and will not change for the duration of the loan repayment period.

The applicable interest rate will be subject to periodic adjustment. It will change if the prime rate changes on the first business day of the month, as published in the *Wall Street Journal*.

Collateral Pledge – depending on the amount of your loan request, no more than fifty percent (50%) of your vested account balance will be pledged as security for repayment of all loans under this program.

All loans must be secured by adequate security sufficient to prevent the loss of Plan assets. Security in addition to a Participant's pledge of his or her vested account balance is not required, provided the present value of the account pledged does not exceed 50% of the total vested balance and is equal to the loan amount on the date the loan originates.

Loan Payment Requirements – you will agree to repay your loan on a per-payroll basis. Your loan paperwork will reflect a payment schedule that corresponds to your payroll frequency. For example, if you are paid weekly, you will generally make 52 payments a year. If you are paid biweekly, you will generally make 26 payments a year. If you choose to make loan repayments via EFT from a checking account you designate, the repayment frequency may not correspond with your payroll frequency, but will be no less often than monthly.

Limitation on Number of Loans – You are limited to the number of loans as specified in the General Information Sheet. To qualify for another loan, you may have to first pay off the outstanding balance on an existing loan so that the number of loans is less than the maximum specified in the General Information Sheet. To view your outstanding balance as well as payoff options, please visit the Paychex Retirement Services website.

Defaulted Loan Provisions - the following are deemed to be acts of default under your qualified plan loan program:

- failure to remit payment in a timely manner as required under the Basic Loan Agreement
- termination of employment
- breach of any of your obligations or duties under the Basic Loan Agreement
- death
- disability

Your loan program administrator is entitled to foreclose its security interest in your vested account balance pledged for repayment upon the occurrence of any event that triggers a distribution of your benefits.

You may have to treat the loan as a distribution and include all or part of the amount borrowed in your income, unless the loan is paid in full prior to the end of the cure period.

Cure Period - if you fail to remit a scheduled payment in a timely manner as required under the Basic Loan Agreement, you must forward the missed payment amount to the loan program administrator no later than the last day of the calendar quarter following the calendar quarter in which the scheduled payment was due. If payment is not received by the end of the cure period, your loan will be in default.

Basic Loan Agreement

In consideration for the mutual covenants and agreements contained in this Basic Loan Agreement, the Plan loan program administrator (hereinafter referred to as ADMINISTRATOR) and the Participant/Borrower (hereinafter referred to as BORROWER) mutually agree as follows.

Part 1. Definitions

For purposes of this Qualified Retirement Plan Basic Loan Agreement (hereinafter referred to as AGREEMENT), the following terms shall have the meaning set forth below:

- 1.1. Deductible Voluntary Employee Contributions** - any qualified voluntary employee contributions made by BORROWER after December 31, 1981, in a taxable year beginning after such date and made for a taxable year beginning before January 1, 1987, and allowable as a deduction under IRC section 219(a) for such taxable year.
- 1.2. Elective Deferral Contributions** those pretax contributions made by Borrower to a 401(k) qualified retirement plan.
- 1.3. Electronic Funds Transfer (EFT)** - Electronic debit of amounts from Participant's Designated Bank Account.
- 1.4. Employer** - the Employer sponsoring the Plan herein above named.
- 1.5. Indebtedness** - the outstanding principal and interest balance owing at any time under this AGREEMENT. The total Indebtedness includes, but is not limited to, the following: principal, interest, late fees, and advances made by the ADMINISTRATOR on behalf of BORROWER.
- 1.6. Internal Revenue Code** - the Internal Revenue Code of 1986 and amendments thereto.
- 1.7. Plan** - the Qualified Retirement Plan as designated in the General Information Sheet.
- 1.8. Roth Elective Deferral Contributions** - those post-tax contributions made by BORROWER to a 401(k) qualified retirement plan.
- 1.9. Vested Accrued Benefit** - the value of the BORROWER'S accumulated benefits that are nonforfeitable.

Part 2. The Indebtedness

For the benefit of the BORROWER, the following Indebtedness is established:

- 2.1. Principal and Interest** - subject to the terms and conditions set forth in the AGREEMENT, upon execution of this AGREEMENT, the ADMINISTRATOR shall advance to the BORROWER the principal sum as identified on the Truth-In-Lending Disclosure Statement (which includes the Promissory Note). Repayment of the principal balance plus interest shall be made on a per-pay-period basis, but shall not be less than quarterly. Your repayment schedule is identified on the Truth-In-Lending Disclosure Statement (which includes the Promissory Note). The term of the loan is identified on the Truth-In-Lending Disclosure Statement (which includes the Promissory Note). Payments made by the BORROWER shall be applied first to interest and then to principal. Payment shall be made through a payroll deduction authorized by the BORROWER, OR VIA EFT. If payment is to be made by payroll deduction, BORROWER agrees to execute an irrevocable payroll deduction authorization.
Under no circumstances shall the repayment term of this loan be more than 4.5 years; provided, however, in the event the loan proceeds are used to acquire the principal residence of the BORROWER, the 4.5 year repayment rule may be extended to 10 years.
 - 2.1.1. Cure Period** - subject to the terms and conditions set forth in the AGREEMENT, if BORROWER fails to remit a scheduled payment in a timely manner as required under the Basic Loan Agreement, the BORROWER must forward the missed payment amount(s) to the ADMINISTRATOR no later than the last day of the calendar quarter following the calendar quarter in which the scheduled payment was due. If payment is not received by the end of the cure period, the BORROWER'S loan will be in default as outlined in Part 5 of the AGREEMENT.
- 2.2. Prepayment** - BORROWER shall have the right to prepay without penalty all of the outstanding Indebtedness at any time.
- 2.3. Maximum Loan Amount** - During the term of the loan, the maximum amount of Indebtedness under this AGREEMENT shall not exceed the following:
 - 2.3.1. Vested Accrued Benefit** - the loan account shall not exceed the present value of the BORROWER'S Vested Accrued Benefit, excluding any amount derived from Roth Elective Deferral balance and Deductible Voluntary Employee Contributions.
 - 2.3.2. Overall Limit** - the loan account shall not exceed the lesser of 95% of one-half the BORROWER'S Vested Accrued Benefit in the Core Funds or 95% of the total vested account balance excluding the Roth Elective Deferral balance. The loan shall not exceed \$50,000 (reduced by the highest outstanding loan balance during the one-year period ending on the day before the date this AGREEMENT becomes effective).

2.3.3. Aggregation - for purposes of determining the overall limit, all loans from all qualified retirement plans of the Employer or its Related Employers described in section 414(b), (c), and (m) of the Internal Revenue Code shall be aggregated with the loan account balance.

- 2.4. Loan Account** - the ADMINISTRATOR will establish on its books and maintain a loan account for the BORROWER in accordance with this paragraph. The ADMINISTRATOR shall debit to the loan account the principal amount of Indebtedness of the loan advanced to the BORROWER under this AGREEMENT. The ADMINISTRATOR shall credit to the loan account all payments made on account of the Indebtedness by the BORROWER. Credit shall be applied first to accrued interest and then to principal.

Part 3. Security for Repayment

To secure repayment of the Indebtedness of the BORROWER to the Plan and any extensions, renewals, refinancing, modifications, or replacements thereof, the BORROWER grants the Plan a security interest in the property described below, whether owned by the BORROWER now or in the future, together with all proceeds of and products from the property.

- 3.1. Vested Accrued Benefits** - BORROWER grants to the Plan a security interest in 50% of the BORROWER's Vested Accrued Benefit under the Plan.

- 3.2. Representations and Warranties with Respect to Plan Security** - BORROWER represents that he or she owns all of the property, or to the extent this is a purchase money security interest, BORROWER will acquire ownership of the property pledged with the proceeds of the loan contemplated herein. BORROWER agrees to take such acts as may be requested by the ADMINISTRATOR to protect the priority of the lien granted to the Plan in the collateral pledged pursuant to Paragraph 3.1 above.

ADMINISTRATOR shall have the right to examine at any reasonable time all collateral pledged pursuant to this AGREEMENT. BORROWER agrees to keep all property pledged herein in BORROWER's possession in good repair and condition. BORROWER will not remove any property pledged herein to a state other than that in which BORROWER presently resides absent written consent of the ADMINISTRATOR.

BORROWER shall not sell or otherwise dispose of any property pledged herein absent the express written consent of the ADMINISTRATOR. In the event any collateral pledged is sold or otherwise disposed of, the proceeds of such sale or disposition shall be payable directly to the Plan.

BORROWER shall pay all taxes and charges on the property pledged herein as the same shall become due. BORROWER shall be responsible for payment of any sums advanced on behalf of BORROWER by the ADMINISTRATOR for the purpose of protecting the Plan's security interest in the property.

- 3.3. Continuing Pledge** - BORROWER's granting of a security interest to the Plan shall remain in effect until discharged in writing by the ADMINISTRATOR. For the sole purpose of determining the extent of a purchase money security interest arising under this AGREEMENT, payments on the purchase money loan will be deemed to apply first on any nonpurchase money portion of the loan, and then to the purchase money obligations in the order in which the items of collateral were acquired. No security interest shall be deemed terminated through application of this formula.

"Purchase Money Loan" means any loan under which the proceeds, in whole or in part, are used to acquire any collateral securing the loan together with all extensions, renewals, consolidations, and refinancing of such loans.

- 3.4. Insurance** - BORROWER shall cause the property pledged in this Basic Loan Agreement to be insured against risks at its full insurable value. BORROWER shall cause the insurer to name the Plan as loss payee on any such policy.

If BORROWER fails to buy or maintain insurance (or failed to name the Plan as loss payee), the ADMINISTRATOR may purchase insurance covering the collateral for which BORROWER will be liable.

- 3.5. Perfection of Plan Security upon ADMINISTRATOR's request, BORROWER shall make, execute, acknowledge, deliver, and cause to be recorded in the proper filing and recording places all such instruments necessary to perfect the security interests granted herein by BORROWER to the Plan. BORROWER expressly agrees that in the event public recordation is necessary for perfection, this AGREEMENT may be filed in lieu of financing statements, mortgages, etc., as may be allowed by law.**

Part 4. Representations and Warranties of BORROWER

The BORROWER represents and warrants the following:

- 4.1. Certain Information** - the BORROWER has furnished the ADMINISTRATOR complete and correct copies of financial statements attesting to the present financial condition of the BORROWER.

Part 5. Default

BORROWER shall be deemed in default if any one or more of the following events of default shall occur:

- 5.1.** The BORROWER shall fail to make a payment on time or in the amount due pursuant to the provisions of the section *The Indebtedness* in this Basic Loan Agreement.
- 5.2.** BORROWER shall fail to keep the collateral insured, if required.
- 5.3.** BORROWER shall fail to keep any other promise made or obligation incurred under the terms of this AGREEMENT.
- 5.4.** BORROWER shall make any written statement or provide any financial information which is untrue or inaccurate at the time it was provided.
- 5.5.** BORROWER shall terminate employment.

Important: BORROWER's termination of employment shall not be a default under your qualified plan loan program.

Part 6. Remedies

Upon default by BORROWER, the ADMINISTRATOR shall be entitled to take such action as prescribed by law, including, but not limited to, the following:

- 6.1. Acceleration of Payment** - ADMINISTRATOR may demand immediate payment of all of the outstanding balance secured by this AGREEMENT.

- 6.2. Assemble Collateral** – ADMINISTRATOR may require BORROWER to assemble property secured by this AGREEMENT and make it available to the ADMINISTRATOR in a reasonable manner and time.
- 6.3. Repossession and Sale** – ADMINSTRATOR may repossess the property and sell it as provided by law. The proceeds shall be applied in the following order: expenses of sale, reasonable attorney's fees incurred in disposition of the property where not prohibited by law, outstanding Indebtedness. BORROWER agrees that ten days' written notice sent to the BORROWER'S address listed on this AGREEMENT by first-class mail will be deemed reasonable notice under the Uniform Commercial Code, if applicable.
- 6.4 Foreclosure Upon Event Triggering Distribution** – ADMINISTRATOR may foreclose it interest in BORROWER'S vested Accrued Benefit upon the occurrence of a distribution triggering event as such events may be defined in the plan.

Disability Claims Procedures

Summary of Material Modifications

The purpose of this document is to update your Summary Plan Description (SPD) regarding several provisions. This document is very important and should be maintained with your SPD. Unless otherwise noted, these updates apply to claims for disability benefits under the Plan that are made on or after April 1, 2018.

ADMINISTRATIVE INFORMATION AND RIGHTS UNDER ERISA

How do I file a claim?

To claim a benefit that you are entitled to under the Plan, you must file a written request with the Plan Administrator. The claim must set forth the reasons you believe you are eligible to receive benefits and you must authorize the Plan Administrator to conduct any necessary examinations and take the steps to evaluate your claim.

What if my claim is denied, in whole or in part?

Non-Disability Determination

Except as described below, if your claim is denied (in whole or in part), your Plan Administrator will provide you (or your beneficiary) with notice, in writing or in any allowable format, of the Adverse Determination within a reasonable amount of time, but not later than 90 days after the date your claim was filed. The 90-day time period may be extended for up to 90 days if your Plan Administrator determines that an extension is necessary to process your claim due to special circumstances. Your Plan Administrator will notify you, in writing or in any other allowable format, before the end of the initial 90-day period, of the reason(s) for the extension and the date by which a decision is expected to be made regarding your claim.

The period of time within which approval or denial of your claim is required to be made generally begins at the time your claim is filed. If the period of time is extended because you fail to submit information necessary to decide your claim, the period for approving or denying your claim will not include the period of time between the date on which the notification of the extension is sent to you and the date on which you provide the additional information.

Your Plan Administrator will provide you with notice, in writing or in any allowable format, of an Adverse Determination, if applicable. The notification will provide the following:

- i. The specific reason or reasons for the Adverse Determination;
- ii. Reference to the specific section of the Plan on which the Adverse Determination is based;
- iii. A description of any additional material or information that you must provide before the claim may continue to be processed and an explanation of why such information is necessary; and
- iv. A description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act (ERISA) following a claim denial on review.

Disability Determination

Except as described below, if your disability claim is denied, (in whole or in part), your Plan Administrator will provide notice, in writing or in any allowable format, of the Adverse Determination within a reasonable amount of time, but not later than 45 days after the date your claim was filed. The 45-day time period may be extended for up to 30 days if your Plan Administrator determines that an extension is necessary to process your claim due to special circumstances. Your Plan Administrator will notify you, in writing or in any other allowable format, before the end of the 45-day period, of the reason(s) for the extension and the date by which a decision is expected to be made regarding your claim.

If, before the end of the 30-day extension, your Plan Administrator determines that, due to matters beyond the control of the Plan, a decision regarding your claim cannot be made within the 30-day extension, the period for making the decision may be extended for an additional 30 days, provided that your Plan Administrator notifies you, in writing or in any other allowable format, before the end of the first 30-day extension, of the circumstances requiring the additional extension and the date by which a decision is expected to be made regarding your claim. The notice will specifically explain the standards on which the approval of your claim will be based, the unresolved issues that prevent a decision on your claim, and the additional information needed to resolve those issues. You will have at least 45 days within which to provide the specified information.

The period of time within which approval or denial of your claim is required to be made generally begins at the time your claim is filed. If the period of time is extended because you fail to submit information necessary to decide your claim, the period for approving or denying your claim will not include the period of time between the date on which the notification of the extension is sent to you and the date on which you provide the additional information.

Your Plan Administrator will provide you with notice, in writing or in any allowable format, of an Adverse Determination, if applicable. The notification will provide the following:

- i. The specific reason or reasons for the Adverse Determination;
- ii. Reference to the specific section of the Plan on which the Adverse Determination is based;
- iii. A description of any additional material or information that you must provide before the claim may continue to be processed and an explanation of why such information is necessary;
- iv. A description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action under Section 502(a) of the ERISA following a claim denial on review;

- v. A discussion of the decision, including an explanation of the basis for disagreeing with or not following:
 - the views you presented to the Plan of the health care professionals treating you and the vocational professionals who evaluated you;
 - the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with your Adverse Determination, without regard to whether the advice was relied upon in making the benefit determination; and
 - a disability determination you presented the Plan made by the Social Security Administration;
- vi. If the Adverse Determination is based on a medical necessity, experimental treatment, or similar situation, either an explanation of the scientific or clinical judgment for the Adverse Determination, applying the terms of the Plan to your medical circumstances, or a statement that an explanation will be provided free of charge upon request;
- vii. Either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan that was relied upon in making the Adverse Determination or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist; and
- viii. A statement that the you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.

May I appeal the decision of the Plan Administrator?

Non-Disability Determination

You or your beneficiary will have 60 days from the date you receive the notice of an Adverse Determination within which to appeal your Plan Administrator's decision. You may request that the review be in the nature of a hearing and an attorney may represent you.

You may submit written comments, documents, records, and other information relating to your claim. In addition, you will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information pertaining to your claim.

Your appeal will take into account all comments, documents, records, and other information submitted by you relating to the claim, even if the information was not included originally.

Your Plan Administrator will provide you with notice, in writing or in any allowable format, of the final outcome of your appeal within a reasonable amount of time, but not later than 60 days after the date your request for review was filed. The 60-day time period may be extended for up to 60 days if your Plan Administrator determines that an extension is necessary to process your appeal due to special circumstances. Your Plan Administrator will notify you, in writing or in any allowable format, before the end of the initial 60-day period, of the reason(s) for the extension and the date by which a decision is expected to be made regarding your appeal.

The period of time within which approval or denial of your claim is required to be made generally begins at the time your appeal is filed. If the period of time is extended because you fail to submit information necessary to decide your appeal, the period for approving or denying your appeal will not include the period of time between the date on which the notification of the extension is sent to you and the date on which you provide the additional information.

In the case of an Adverse Determination, the notification will provide the following:

- i. The specific reason or reasons for the Adverse Determination;
- ii. Reference to the specific section of the Plan on which the Adverse Determination is based;
- iii. A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim; and
- iv. A statement describing any additional voluntary appeal procedures offered by the Plan, your right to obtain the information about such procedures, and a statement of your right to bring an action under Section 502(a) of ERISA.

Disability Determination

You will have 180 days from the date you receive the notice of an adverse benefit determination within which to appeal your Plan Administrator's decision. You may request that the review be in the nature of a hearing and an attorney may represent you.

You may submit written comments, documents, records, and other information relating to your claim. In addition, you will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information pertaining to your claim.

Your appeal will take into account all comments, documents, records, and other information submitted by you relating to the claim, even if the information was not included originally.

Your claim will be reviewed independent of your original claim and will be conducted by a named fiduciary of the Plan other than the individual who denied your original claim or any of his or her employees.

In deciding an appeal of an Adverse Determination that is based in whole or in part on a medical judgment, the appropriate named fiduciary will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment.

Your Plan Administrator will provide you with the name(s) of the health care professional(s) who was consulted in connection with your original claim, even if the Adverse Determination was not based on his or her advice. The health care professional consulted for purposes of your appeal will not be the same person or any of his or her employees.

Your Plan Administrator will provide you with notice, in writing or in any allowable format, of the final outcome of your appeal within a reasonable amount of time, but not later than 45 days after the date your request for review was filed. The 45-day period may be extended for up to 45 days if your Plan Administrator determines that an extension is necessary to process your appeal due to special circumstances. Your Plan Administrator will notify you, in writing or in any other allowable format, before the end of the initial 45-day period, of the reason(s) for the extension and the date by which a decision is expected to be made regarding your appeal.

The period of time within which approval or denial of your claim is required to be made generally begins at the time your claim is filed. If the period of time is extended because you fail to submit information necessary to decide your claim, the period for approving or denying your claim will not include the period of time between the date on which the notification of the extension is sent to you and the date on which you provide the additional information.

Your Plan Administrator will provide you, free of charge, any new or additional evidence that was considered, relied upon, or generated by the Plan, insurer, or other person making the benefit determination for your claim as well as any new or additional rationale that was the basis of the benefit determination for your claim. Such new or additional information will be provided as soon as possible and sufficiently in advance of the date on which the notice of the Adverse Determination is required to be provided to you so that you will have a reasonable opportunity to respond.

In the case of an Adverse Determination, the notification will include:

- i. The specific reason or reasons for the Adverse Determination;
- ii. Reference to the specific section of the Plan on which the Adverse Determination is based;
- iii. A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim;
- iv. A statement describing any additional voluntary appeal procedures offered by the Plan, your right to obtain the information about such procedures, and a statement of your right to bring an action under Section 502(a) of ERISA, including any contract limitations period that applies to your right to bring such action and the calendar date on which the limitation period expires;
- v. A discussion of the decision, including an explanation of the basis for disagreeing with or not following:
 - the views you presented to the Plan of the health care professionals treating you and the vocational professionals who evaluated you;
 - the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with your Adverse Determination, without regard to whether the advice was relied upon in making the benefit determination; and
 - a disability determination you presented the Plan made by the Social Security Administration;
- vi. If the Adverse Determination is based on a medical necessity, experimental treatment, or similar situation, either an explanation of the scientific or clinical judgment for the Adverse Determination, applying the terms of the Plan to your medical circumstances, or a statement that such explanation will be provided free of charge upon request; and
- vii. Either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan that was relied upon in making the Adverse Determination or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist.

Hardship Distribution Summary of Material Modifications

The purpose of this document is to update your Summary Plan Description (SPD). This document is very important and should be kept with your SPD. The following update to your SPD is limited to changes to certain hardship distribution provisions of the SPD and does not impact the other provisions of the SPD. To the extent that any provisions of this Summary of Material Modifications (SMM) conflict with your SPD, the terms of this SMM will apply. The following sections of your SPD are amended to read as follows:

DISTRIBUTIONS AND LOANS

Can I withdraw money from the Plan while I am still employed?

Hardship Distributions of Deferrals

If you are permitted to take a distribution from Pre-tax Deferrals and/or Roth Deferrals due to a financial hardship, such distribution will include any earnings on the respective contributions.

Hardship Distributions of QNECs, QMACs, and Safe Harbor Contributions

If you have a financial hardship, you may take a distribution from Qualified Nonelective Contributions, Qualified Matching Contributions, ADP safe harbor contributions, or QACA ADP safe harbor employer contributions, including any earnings on the respective contributions.

The types of expenses that qualify for a hardship distribution include medical expenses for you, your spouse, or your dependents; payment to purchase your principal residence; tuition and education-related expenses for you, your spouse, or your dependents; payments to prevent eviction from your principal residence; funeral expenses for your parent, your spouse, or your dependents; payments to repair your principal residence that qualify for a casualty loss deduction; and expenses and losses (including loss of income) that you incurred as a result of a disaster declared by the Federal Emergency Management Agency because your principal residence or principal place of employment was located in the area at the time of the disaster. The Plan Administrator may modify the list of events that qualify for a hardship distribution when Profit Sharing Contributions and/or Matching Contributions are being used to satisfy your hardship request.

Before you take a hardship distribution, you must take all other distributions, excluding nontaxable loans, available to you under the Plan and all other plans maintained by the Employer.

If you take a hardship distribution, you will not be eligible to make Deferrals (and Nondeductible Employee Contributions, if applicable) for the next six months. However, the six-month restriction will not continue during the Plan Year beginning on or after January 1, 2019. In addition, effective for Plan Years beginning on or after January 1, 2019, if you take a hardship distribution, you will be eligible to make Deferrals (and Nondeductible Employee Contributions, if applicable) immediately following the hardship distribution.

Participant Distribution Notice

The Special Tax Notice Regarding Plan Disbursements (hereafter referred to as 'Special Tax Notice') applies to disbursements (also referred to as payments) from your employer's eligible plan qualified under Section 401(a) of the Internal Revenue Code (a 'Qualified Retirement Plan'). Such plans include, and importantly are not limited to, 401(k), profit sharing, and money purchase plans. This Tax Notice contains important information you will need before you decide on how to receive benefit payments from the Plan. It explains when and how you can continue to defer federal income tax on your retirement savings when you receive a payment.

As a Participant in your employer's Qualified Retirement Plan, you may accumulate an account balance that will become vested to you when you have worked for a certain time period established by your employer. You may receive your vested account balance only when a triggering event occurs. A triggering event occurs if: you quit working for the employer, you attain the Normal Retirement Age indicated in the Plan, you become disabled, the Plan is terminated, your Plan permits in-service distributions, or you incur a hardship (only applicable to certain plans).

If you are a participant in a 401(k) plan and you are automatically enrolled under the terms of the plan, the value of your automatic salary deferral account may be distributed to you if you request it within the first 90 days of the first check date in which the automatic contribution is made. In addition, employer matching contributions made in conjunction with the automatic salary deferral will be forfeited to the plan. This is referred to as an 'opt-out distribution'. The opt-out distribution is not available to you after the initial 90 days have elapsed.

This Special Tax Notice is provided to you because all or part of the payment that you are eligible to receive from a plan you participate in may be eligible for rollover by you or your Plan Administrator to a Traditional and/or Roth IRA or an eligible employer plan. A rollover is a payment by you or the Plan Administrator of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid directly to you. Your payment(s) cannot be rolled over to a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA).

Please note that an eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to an IRA or eligible employer plan, you should find out whether the plan accepts rollovers and, if so, the types of payments it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll your distribution over to a Traditional IRA or split your rollover amount between the eligible employer plan in which you will participate and a Traditional IRA. If an eligible employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse's consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

NOTE: Generally, payments may not be made from your employer's Qualified Retirement Plan for a minimum of 30 days after you receive this Tax Notice in order to allow you time to consider your payment options and importantly, the tax implication of those payments. Although you are entitled to consider your distribution options for 30 days, you may waive this 30-day notice requirement. You will be considered to have waived the remaining unexpired period if you elect a form of payment before the end of the 30-day period. The value of your account balance will continue to increase or decrease until fully distributed or forfeited, as appropriate, based on the investment performance.

If you have additional questions after reading this notice, you can contact your Plan Administrator.

Plan Payment Options Available to Plan Participants

IMPORTANT NOTICE TO PARTICIPANT: Read the following message before reviewing your options. Of the four payment options listed below, the last two may not be available to you. If the Plan is a 401(k) or Profit Sharing Plan, then you may select a lump sum, installment or annuity contract payments. If the Plan is a Money Purchase Plan, your distribution options are limited to qualified joint and survivor annuity and annuity contract payments. Regardless of any other issue, if the Participant's vested account balance is \$1,000 or less, the Plan Administrator has the right to pay your distribution to you in a lump sum payment. If the Participant's account balance exceeds \$5,000, you must consent to the form of payment and have the ability to defer payment until attainment of age 72. If your vested account balance is not more than \$5,000, the Plan Administrator has the right to directly roll over your eligible rollover distribution to an individual retirement account (IRA) chosen by the Plan Administrator. Please note that your account may be distributed without your consent if your account falls below \$5,000.

Please note that the investment options available under the Plan may not be available to you on similar terms outside the plan. For more information about the investment options that are available under the plan, please review the Participant Fee Disclosure or contact the Plan Administrator.

Before taking a distribution, you should compare the expenses associated with leaving your funds in the Plan with the expenses associated with investing the funds in alternative retirement plans, such as your new employer's plan or an IRA. In some cases, the Plan may offer an investment vehicle that provides lower fees than is available to you in an IRA or other retirement plan. Alternatively, your new employer's plan may provide lower fees for comparable investments, particularly if your new employer's plan is significantly larger than the Plan. In addition, you should compare the investment options available to you in the Plan with the options available to you in alternative retirement plans. Keep in mind that the Plan Administrator may change at any time the manner in which expenses are allocated to your account as well as the investments offered in the Plan. Fees associated with investments offered in the Plan are also subject to change at any time.

LUMP SUM PAYMENT. If this is a 401(k) or Profit Sharing Plan or if this is a Money Purchase Plan and you properly waive the qualified joint and survivor annuity, you may request a single lump sum payment.

Lump Sum Payment Defined - lump sum payment is the payment of your entire vested account balance.

Financial Effect and Tax Consequences of a Lump Sum Payment - generally a lump sum payment is included in your income and taxed in the year of the distribution. Most lump sum payments are eligible rollover distributions and would therefore be subject to the 20% withholding rules unless directly rolled over to another plan. Refer to the "Special Tax Notice Regarding Plan Payments" below for more information on eligible rollover distributions.

INSTALLMENT PAYMENTS. If this is a 401(k) or Profit Sharing Plan or if this is a Money Purchase Plan and you properly waive the qualified joint and survivor annuity, you may elect to receive your vested account balance in installment payments. Installment payments for a period of less than 10 years are generally eligible rollover distributions and would therefore be subject to the 20% withholding rules unless directly rolled over to another plan. Refer to the "Special Tax Notice Regarding Plan Payments" below for more information.

Installment Payments Defined - installment payments are payments distributed to you in any amount you choose at intervals that you determine within limits set by the trustee or custodian. For example, the payments could be paid to you annually, semi-annually, quarterly, or monthly. The payment schedule you choose cannot be longer than your single life expectancy or, if you have a Beneficiary named, the joint life expectancy of you and your Beneficiary.

Financial Effect and Tax Consequences of Installment Payments - generally each installment payment will be included in your income in the year in which you receive it. For example, a Participant who receives \$500 per month will include \$6,000 (\$500 x 12 months) in income each tax year.

ANNUITY CONTRACT. If this is a 401(k) or Profit Sharing Plan or if this is a Money Purchase Plan and you properly waive the Qualified Joint and Survivor Annuity, you may purchase an annuity contract with your vested account balance. This distribution option allows you to choose the type of annuity contract you wish to purchase.

Annuity Contract Defined - you may use your vested account balance to purchase a term certain annuity, a single life annuity, or any other form of annuity. A term certain annuity would distribute dollars to you and your Beneficiary for a specified number of years. A single life annuity would distribute dollars to you for your lifetime and would cease distributions after your death.

Financial Effect and Tax Consequences of the Annuity - if you elect to use your vested account balance to purchase a single life annuity, you will receive payments as long as you are alive.

QUALIFIED JOINT AND SURVIVOR ANNUITY. *This option is available to Money Purchase Plan participants only.*

NOTE: The payment amounts indicated in this notice are only examples. The calculations for the Qualified Joint and Survivor Annuity are based on standard mortality tables using a 5% interest rate and a payment age of 65. Actual payment amounts will vary depending upon the entity from which you purchase your annuity. You may obtain financial projections based upon your account balance by submitting a request, in writing, to the Plan Administrator.

The law requires that your vested account balance be paid to you in the form of a Qualified Joint and Survivor Annuity if you are married, or a Single Life Annuity if you are not married. If you wish to receive your vested account balance using a different distribution option (described in this part), you must waive the Qualified Joint and Survivor Annuity (the Single Life Annuity if you are not married) and your spouse must consent to the annuity waiver. Unless properly waived, you will receive your vested account balance in the form of a Qualified Joint and Survivor Annuity.

Qualified Joint and Survivor Annuity Defined -

1. If you are married, a Qualified Joint and Survivor Annuity is a series of periodic payments to you during your lifetime and to your spouse upon your death. The periodic payment amount your spouse receives will be a set percentage of the periodic payment amount you received during your lifetime. To determine the percentage your spouse would receive (that is, Survivor Annuity), contact the Plan Administrator.
2. A Qualified Joint and Survivor Annuity for a Participant who is not married is a series of annuity payments for the life of the Participant.
3. If your vested account balance is \$1,000 or less at the time of the distribution, the Plan Administrator has the right to pay your distribution to you in a single cash payment. If your vested account balance exceeds \$5,000, you must consent to the form of payment. If your vested account balance is between \$1,000 and not more than \$5,000, the Plan Administrator has the right to directly roll over your eligible rollover distribution to an individual retirement account (IRA) chosen by the Plan Administrator.

Waiving the Qualified Joint and Survivor Annuity - if you wish to receive your vested account balance in a lump sum or installment payment listed above, you (and your spouse if you are married) must waive the Qualified Joint and Survivor Annuity. You can waive the Qualified Joint and Survivor Annuity by completing a distribution form. You can obtain this form from the Plan Administrator. After waiving the Qualified Joint and Survivor Annuity by signing the distribution form, you may receive your vested account balance using one of the other distribution methods explained below.

Financial Effect of a Qualified Joint and Survivor Annuity - as stated above, a Qualified Joint and Survivor Annuity will provide periodic payments to you during your lifetime and, if you are married, to your spouse after your death. Your spouse will generally receive smaller periodic payments than you received while you were alive. For example, assume a Participant retires with a \$10,000 vested account balance. A Qualified Joint and Survivor Annuity would provide the participant with the following payments:

Lifetime Monthly Participant Benefit	% of Survivor Annuity*	Monthly Survivor Benefit
\$63.40	100%	\$63.40
\$66.30	75%	\$49.72
\$69.40	50%	\$34.70

* These estimates are derived from standard mortality tables using a Participant with a 65 year old spouse Beneficiary beginning payments at age 65. To determine the survivor annuity percentage, contact the Plan Administrator.

Payment Options for Beneficiaries of Deceased Plan Participants

IMPORTANT NOTICE TO BENEFICIARY - If you are the designated Beneficiary of a deceased Participant's vested account balance, you are eligible to receive a distribution. The form of the benefit depends on several factors, including the type of plan and the amount in the Participant's account. Regardless of any other issue, if the Participant's vested account balance is \$2,000 or less, the Plan Administrator has the right to pay your distribution to you in a lump sum payment. If the Participant's account balance exceeds \$5,000, you must consent to the form of payment. If the vested account balance is not more than \$5,000, the Plan Administrator has the right to directly roll over your eligible rollover distribution to an individual retirement account (IRA) chosen by the Plan Administrator.

401(k) OR PROFIT SHARING PLANS ONLY - You may select rollover, lump sum, or installment payments option in the section titled Plan Payment Options Available to Plan Participants. However, if you select installment payments, the payment schedule you choose cannot be longer than your life expectancy.

MONEY PURCHASE PLANS –

SPOUSAL BENEFICIARY - If the Plan Participant died before distributions commenced, and you are a spouse Beneficiary, distributions from the Qualified Retirement Plan must be paid to you (if applicable) in the form of a qualified preretirement survivor annuity, unless the annuity requirement was properly waived. A Participant waives the annuity requirement by completing a "Designation of Beneficiary" form and obtaining his or her spouse's written consent to the waiver. If the Participant did not execute the required waivers, then his or her account balance will be paid to you (the deceased Participant's spouse) in the form of a preretirement survivor annuity, unless the Plan your employer has adopted specifically permits you to elect to receive payments in a form other than a preretirement survivor annuity.

NON-SPOUSE BENEFICIARY - If you are a non-spouse Beneficiary of a deceased Participant who was married, you will not receive any payment from the Plan unless the Participant properly waived the requirement that his or her spouse be the Beneficiary.

If the preretirement survivor annuity was properly waived by the Participant and/or his or her spouse (if applicable), then you may receive the entire vested account balance in a lump sum payment. The rollover option described below is available only if you are the spouse of the deceased Participant. The other distribution option available to you as a Beneficiary is explained above in "Installment Payments." However, the payment schedule you choose cannot be longer than your single life expectancy.

Special Tax Notice Regarding Plan Disbursements

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from your employer's qualified retirement plan (the "Plan") is eligible to be rolled over to an IRA or an employer plan; or if your payment is from a designated Roth account (a type of account in some employer plans that is subject to special tax rules), to a Roth IRA or a designated Roth account in an employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments from the Plan. Where the rules differ based on whether the payment is from a designated Roth account or from an account that is not a designated Roth account, those difference will be identified in each section of this notice. Rules that apply to most payments from a plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

Not a Designated Roth Account:

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (generally, distributions made before age 59½), unless an exception applies. However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception to the 10% additional income tax applies).

Designated Roth Account:

After-tax contributions included in a payment from a designated Roth account are not taxed, but earnings might be taxed. The tax treatment of earnings included in the payment depends on whether the payment is a qualified distribution. If a payment is only part of your designated Roth account, the payment will include an allocable portion of the earnings in your designated Roth account.

If the payment from the Plan is not a qualified distribution and you do not do a rollover to a Roth IRA or a designated Roth account in an employer plan, you will be taxed on the portion of the payment that is earnings. If you are under age 59½, a 10% additional income tax on early distributions (generally, distributions made before age 59½) will also apply to the earnings (unless an exception applies). However, if you do a rollover, you will not have to pay taxes currently on the earnings and you will not have to pay taxes later on payments that are qualified distributions.

If the payment from the Plan is a qualified distribution, you will not be taxed on any part of the payment even if you do not do a rollover. If you do a rollover, you will not be taxed on the amount you roll over and any earnings on the amount you roll over will not be taxed if paid later in a qualified distribution.

A qualified distribution from a designated Roth account in the Plan is a payment made after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying the 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you did a direct rollover to a designated Roth account in the Plan from a designated Roth account in another employer plan, your participation will count from January 1 of the year your first contribution was made to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the other employer plan.

What types of retirement accounts and plans may accept my rollover?

Not a Designated Roth Account:

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, IRAs are not subject to spousal consent rules, and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

Designated Roth Account:

You may roll over the payment to either a Roth IRA (a Roth individual retirement account or Roth individual retirement annuity) or a designated Roth account in an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457 plan) that will accept the rollover. The rules of the Roth IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the Roth IRA or employer plan (for example, Roth IRAs are not subject to spousal consent rules, and Roth IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the Roth IRA or the designated Roth account in the employer plan. In general, these tax rules are similar to those described elsewhere in this notice, but differences include:

- If you do a rollover to a Roth IRA, all of your Roth IRAs will be considered for purposes of determining whether you have satisfied the 5-year rule (counting from January 1 of the year for which your first contribution was made to any of your Roth IRAs).
- If you do a rollover to a Roth IRA, you will not be required to take a distribution from the Roth IRA during your lifetime and you must keep track of the aggregate amount of the after-tax contributions in all of your Roth IRAs (in order to determine your taxable income for later Roth IRA payments that are not qualified distributions).
- Eligible rollover distributions from a Roth IRA can only be rolled over to another Roth IRA.

How do I do a rollover?

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your IRA, Roth IRA, employer plan, or designated Roth account in an employer plan. You should contact the IRA/Roth IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover:

Not a Designated Roth Account:

You may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. Generally, you will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal

income taxes (up to the amount of cash and property received other than employer stock). 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 59½ (unless an exception applies).

Designated Roth Account:

You may still do a rollover by making a deposit (generally within 60 days) into a Roth IRA, whether the payment is a qualified or nonqualified distribution. In addition, you can do a rollover by making a deposit within 60 days into a designated Roth account in an employer plan if the payment is a nonqualified distribution and the rollover does not exceed the amount of the earnings in the payment. You cannot do a 60-day rollover to an employer plan of any part of a qualified distribution. If you receive a distribution that is a nonqualified distribution and you do not roll over an amount at least equal to the earnings allocable to the distribution, you will be taxed on the amount of those earnings not rolled over, including the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you at the same time, the portion directly rolled over consists first of earnings.

If you do not do a direct rollover and the payment is not a qualified distribution, the Plan is required to withhold 20% of the earnings for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover to a Roth IRA, you must use other funds to make up for the 20% withheld.

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Required minimum distributions after age 70½ (if you were born before July 1, 1949), after age 72 (if you were born after June 30, 1949), or after death;
- Hardship distributions;
- Payments of employee stock ownership plan (ESOP) dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends);
- Cost of life insurance paid by the Plan;
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution; and
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there generally will be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA); and
- Distributions of certain premiums for health and accident insurance.

The Plan Administrator or the payor can tell you what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation;
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Payments from a governmental plan made after you separate from service if you are a qualified public safety employee and you will be at least age 50 in the year of the separation;
- Payments made due to disability;
- Payments after your death;
- Payments of ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Cost of life insurance paid by the Plan;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relations order (QDRO);
- Payments of up to \$5,000 made to you from a defined contribution plan if the payment is a qualified birth or adoption distribution;
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year);
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days;
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution;
- Payments excepted from the additional income tax by federal legislation relating to certain emergencies and disasters; and
- Phased retirement payments made to federal employees.

Not a Designated Roth Account:

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax applies to the part of the distribution that you must include in income and is in addition to the regular income tax on the payment not rolled over.

Designated Roth Account:

If a payment is not a qualified distribution and you are under age 59½, you will have to pay the 10% additional income tax on early distributions with respect to the earnings allocable to the payment that you do not roll over (including amounts withheld for income tax), unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the earnings not rolled over.

If I do a rollover to an IRA or Roth IRA, will the 10% additional income tax apply to early distributions from the IRA or Roth IRA?

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions on the part of the distribution that you must include in income, unless an exception applies. If you receive a payment from a Roth IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions on the earnings paid from the Roth IRA, unless an exception applies or the payment is a qualified distribution. In general, the exceptions to the 10% additional income tax for early distributions from an

IRA or Roth IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA or Roth IRA, including:

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 for qualified public safety employees) does not apply;
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse); and
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.

Additional exceptions apply for payments from an IRA, including:

- Payments for qualified higher education expenses;
- Payments up to \$10,000 used in a qualified first-time home purchase; and
- Payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe State income taxes?

This notice does not address any State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

After-tax contributions included in a payment are not taxed. If you receive a partial payment of your total benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in the payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions. In this case, if you directly roll over \$10,000 to an IRA that is not a Roth IRA, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

Similarly, if you do a 60-day rollover to an IRA of only a portion of a payment made to you, the portion rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over \$10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

If your payment includes employer stock that you do not roll over

Not a Designated Roth Account:

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or, generally, the Plan. The Plan Administrator can tell you the amount of any net unrealized appreciation.

Designated Roth Account:

If you receive a payment that is not a qualified distribution and you do not roll it over, you can apply a special rule to payments of employer stock (or other employer securities) that are paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock included in the earnings in the payment will not be taxed when distributed to you from the Plan and will be taxed at capital gain rates when you sell the stock. If you do a rollover to a Roth IRA for a nonqualified distribution that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the distribution), you will not have any taxable income and the special rule relating to the distributed employer stock will not apply to any subsequent payments from the Roth IRA or, generally, the Plan. Net unrealized appreciation is generally the increase in the value of the employer stock after it was acquired by the Plan. The Plan Administrator can tell you the amount of any net unrealized appreciation.

If you receive a payment that is a qualified distribution that includes employer stock and you do not roll it over, your basis in the stock (used to determine gain or loss when you later sell the stock) will equal the fair market value of the stock at the time of the payment from the Plan.

If you have an outstanding loan that is being offset

Not a Designated Roth Account:

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers).

Designated Roth Account:

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount. If the distribution attributable to the offset is not a qualified distribution and you do not roll over the offset amount, you will be taxed on any earnings included in the distribution (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over the earnings included in the loan offset to a Roth IRA or designated Roth account in an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers). You may also roll over the full amount of the offset to a Roth IRA.

How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason (such as a failure to make level loan repayments that results in a deemed distribution), then you have 60 days from the date the offset occurs to complete your rollover.

If you were born on or before January 1, 1936

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

If you receive a nonqualified distribution and you were born on or before January 1, 1936

If you were born on or before January 1, 1936, and receive a lump sum distribution that is not a qualified distribution and that you do not roll over, special rules for calculating the amount of the tax on the earnings in the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

If your payment is from a governmental section 457(b) plan

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences include that you cannot do a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "If your payment includes employer stock that you do not roll over" and "If you were born on or before January 1, 1936" do not apply.

If you are an eligible retired public safety officer and your payment is used to pay for health coverage or qualified long-term care insurance

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income Plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

If you receive a nonqualified distribution, are an eligible retired public safety officer, and your payment is used to pay for health coverage or qualified long-term care insurance

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income nonqualified distributions paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

If you roll over your Non-Roth Designated payment to a Roth IRA

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. In general, the 10% additional income tax on early distributions will not apply. However, if you take the amount rolled over out of the Roth IRA within the 5-year period that begins on January 1 of the year of the rollover, the 10% additional income tax will apply (unless an exception applies).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

If you do a rollover to a designated Roth account in the Plan

You cannot roll over a distribution from a non-designated Roth account to a designated Roth account in another employer's plan. However, you can roll the distribution over into a designated Roth account in the distributing Plan. If you roll over a non-designated Roth account payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. In

general, the 10% additional income tax on early distributions will not apply. However, if you take the amount rolled over out of the Roth IRA within the 5-year period that begins on January 1 of the year of the rollover, the 10% additional income tax will apply (unless an exception applies). If you roll over the non-designated Roth payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made both after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying this 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies).

If you are not a Plan participant

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution generally will be taxed in the same manner described elsewhere in this notice. However, whether the payment is a qualified distribution generally depends on when the participant first made a contribution to the designated Roth account in the Plan. Also, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936" and "If you receive a nonqualified distribution and you were born on or before January 1, 1936" applies only if the deceased participant was born on or before January 1, 1936.

If you are a surviving spouse:

Not a Designated Roth Account:

If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½ (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949).

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½ (if the participant was born before July 1, 1949) or age 72 (if the participant was born after June 30, 1949).

Designated Roth Account:

If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to a Roth IRA, you may treat the Roth IRA as your own or as an inherited Roth IRA.

A Roth IRA you treat as your own is treated like any other Roth IRA of yours, so that you will not have to receive any required minimum distributions during your lifetime and earnings paid to you in a nonqualified distribution before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies).

If you treat the Roth IRA as an inherited Roth IRA, payments from the Roth IRA will not be subject to the 10% additional income tax on early distributions. An inherited Roth IRA is subject to required minimum distributions. If the participant had started taking required minimum distributions from the Plan, you will have to receive required minimum distributions from the inherited Roth IRA. If the participant had not started taking required minimum distributions, you will not have to start receiving required minimum distributions from the inherited Roth IRA until the year the participant would have been age 70½ (if the participant was born before July 1, 1949) or age 72 (if the participant was born after June 30, 1949).

If you are a surviving beneficiary other than a spouse.

If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA, or if the payment is from a designated Roth account, you have the option to do a direct rollover to an inherited Roth IRA. Payments from the inherited IRA, or from the inherited Roth IRA (even if made by a nonqualified distribution) will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA or inherited Roth IRA.

Payments under a QDRO. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a QDRO, you generally have the same options and the same tax treatment that the participant would have (for example, you may roll over the payment to your own IRA or Roth IRA or an eligible employer plan, or designated Roth account in an eligible employer plan that will accept it). However, payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, and in the case of Roth designated accounts is not a qualified distribution, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice whether to do a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than \$200 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold federal income taxes. However, you may do a 60-day rollover.

If your payments for the year (only including payments from the designated Roth account in the Plan) are less than \$200, the Plan is not required to allow you to do a direct rollover and is not required to withhold federal income taxes. However, you can do a 60-day rollover.

Unless you elect otherwise, a mandatory cashout of more than \$1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan Administrator or the payor. A mandatory cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

Unless you elect otherwise, a mandatory cashout from the designated Roth account in the Plan of more than \$1,000 will be directly rolled over to a Roth IRA chosen by the Plan Administrator or the payor. A mandatory cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, *Armed Forces' Tax Guide*. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at www.irs.gov.

FOR MORE INFORMATION

You may wish to consult with the Plan Administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.