

**January 1, 2024**  
**SUMMARY PLAN DESCRIPTION**  
**FOR**  
**FLAGLER SYSTEM, INC. EMPLOYEES' SAVINGS PLAN**

**Employer Identification Number: 65-0118212**  
**Plan Number: 002**

This is only a summary intended to familiarize you with the major provisions of the Plan. You should read this summary closely. If you have any questions and before you make any important decisions based on your understanding of the Plan from this summary, you should contact the Plan Administrator. To the extent there is a discrepancy or conflict between this summary and the Plan document, the Plan document will govern.

## **HOW TO USE THIS SUMMARY**

### **TABLE OF CONTENTS**

The table of contents gives a detailed description of where specific information concerning a particular topic may be found.

### **GLOSSARY**

Some terms used in the summary have special meanings. These terms are identified by capitalizing the term's first letter. To find out the exact meaning of a special term, there is a glossary at the end of this summary.

### **EFFECTIVE DATE**

This booklet describes in easy-to-understand terms the principal features of the Plan as in effect on January 1, 2024. It updates and replaces any prior descriptions of the Plan. Some Plan provisions may be different for employees whose employment terminated before January 1, 2024.

### **MORE SPECIFIC INFORMATION**

Some technical details and legal expressions contained in the formal Plan documents have been omitted in this summary. The formal Plan documents govern in administering and interpreting the rights of participants and their beneficiaries.

In this booklet, you will see references to contacting the Service Provider. Service Provider details are located in section **PLAN IDENTIFICATION INFORMATION**.

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## INTRODUCTION TO YOUR PLAN

The Flagler System, Inc. Employees' Savings Plan helps you provide for your retirement security by making it simple and convenient for you to contribute to your retirement savings regularly. Your Employer may also make contributions to your Account to provide you with additional savings. The Plan is intended to meet federal tax law qualification requirements, allowing your savings to accumulate on a tax-deferred basis and permitting you to save more dollars for your retirement.

### HOW YOU SAVE

- You may contribute a percentage of your Compensation to the Plan as 401(k) Contributions. You may make Pre-Tax 401(k) Contributions and/or Roth 401(k) Contributions. For information on making 401(k) Contributions, see **YOUR CONTRIBUTIONS: 401(k) CONTRIBUTIONS**.
- If you will be age 50 by the end of the year, you may make Catch Up 401(k) Contributions to the Plan. Catch Up 401(k) Contributions are additional 401(k) Contributions that are not subject to annual limits imposed on 401(k) Contributions under the Plan. For more information on making Catch Up 401(k) Contributions, see **YOUR CONTRIBUTIONS: 401(k) CONTRIBUTIONS** and **LIMITATIONS ON CONTRIBUTIONS**.
- You may elect to convert certain portions of your Account that are not already attributable to Roth 401(k) Contributions to In-Plan Roth Rollover Contributions, which are treated similarly to Roth 401(k) Contributions. For more information on the types of distributions that may be converted and the terms and conditions for making In-Plan Roth Rollover Contributions, see **YOUR CONTRIBUTIONS: IN-PLAN ROTH ROLLOVER CONTRIBUTIONS**.
- If you have savings from another retirement plan or annuity, you may be able to roll those savings into the Plan as Rollover Contributions. For more information on the types of savings that may be rolled over into the Plan and the terms and conditions for making Rollover Contributions, see **YOUR CONTRIBUTIONS: ROLLOVER CONTRIBUTIONS**.
- If you contribute to the Plan, your Employer will add a Regular Matching Contribution. For information on the amount of your Employer's Matching Contribution and the terms and conditions for receiving Matching Contributions, see **EMPLOYER CONTRIBUTIONS: MATCHING CONTRIBUTIONS**.
- Your Employer may make special contributions to the Plan for you that can be used to help it satisfy nondiscrimination rules applicable to 401(k) plans. These contributions are called Qualified Nonelective Contributions. For information on the terms and conditions for receiving Qualified Nonelective Contributions, see **EMPLOYER CONTRIBUTIONS: NONELECTIVE CONTRIBUTIONS**.
- If you contribute to the Plan, your Employer may make special contributions to the Plan for you that can be used to help it satisfy nondiscrimination rules applicable to 401(k) plans. These contributions are called Qualified Matching Contributions. For information on the terms and conditions for receiving Qualified Matching Contributions, see **EMPLOYER CONTRIBUTIONS: MATCHING CONTRIBUTIONS**.
- Dollars you save as Pre-Tax 401(k) Contributions and dollars your Employer contributes on your behalf are not currently included as part of your federal taxable income. Dollars saved as Roth 401(k) Contributions, including Designated Roth Rollover Contributions or In-Plan Roth Rollover Contributions, are taxed before contributed, but are not taxed when they are distributed to you. Taxes are also deferred on investment earnings on all contributions held in your Account. Therefore, you pay no federal income taxes on your Plan savings, except dollars saved as Roth 401(k) Contributions, including Designated Roth Rollover Contributions and In-Plan Roth Rollover Contributions, until they are distributed to you. If you satisfy certain rules, you will not pay taxes on investment earnings on your Roth 401(k) Contributions, Designated Roth Rollover Contributions and In-Plan Roth Rollover Contributions even when they are distributed to you.

### YOUR PLAN ACCOUNT

You have your own Account under the Plan to hold all contributions you make to the Plan and any contributions your Employer makes for you. Your Account also holds any investment earnings on those contributions. Your Account keeps track of your share of the assets held in the Plan.

## **VESTING OF YOUR ACCOUNT**

Your Vested Interest in your Account is the percentage of your Account that you would receive if your employment terminated.

Your Vested Interest in the balance of your Account resulting from your contributions is always 100%.

Your Vested Interest in the balance of your Account resulting from Employer Contributions is determined under the applicable vesting schedule, which may require you to complete a specified number of years of Vesting Service to earn a Vested Interest. (For more information about Vesting Service and vesting schedules, see **EMPLOYER CONTRIBUTIONS: VESTED INTEREST IN EMPLOYER CONTRIBUTIONS** and **VESTING SERVICE**.)

## **DISTRIBUTION OF BENEFITS**

You may receive distributions from your Vested Interest in your Account when any of the following happens:

- You satisfy the requirements for an in-service withdrawal. (For more information about withdrawals, see **IN-SERVICE WITHDRAWALS**.)
- You retire from employment after you reach your Normal Retirement Date.
- You die (distribution will be made to your Beneficiary).
- Your employment terminates. (For more information about distributions following termination of employment, see **DISTRIBUTION OF YOUR ACCOUNT**.)

## **SPONSOR DISCRETION**

The Sponsor has discretionary authority to interpret and construe the provisions of the Plan, to determine your eligibility for benefits under the Plan, and to resolve any disputes that arise under the Plan. The Sponsor may delegate this authority as provided under the Plan.

## **PLAN IDENTIFICATION INFORMATION**

### **TYPE OF PLAN**

The Plan is a "**defined contribution plan**". Under a defined contribution plan, all contributions you make to the Plan or that are made on your behalf are held in an Account that is invested on your behalf. When you retire, your retirement benefit from the Plan will be based on the value of your Account (including investment earnings and losses) at the time distribution is made to you.

The Plan is also a "**401(k) plan**". Under a 401(k) plan, you may elect to make contributions to the Plan from your Compensation. Your contributions (called "401(k) Contributions" in this summary) may be either Pre-Tax 401(k) Contributions or Roth 401(k) Contributions. You do not pay any taxes on your Pre-Tax 401(k) Contributions or earnings until they are distributed to you. You pay taxes on your Roth 401(k) Contributions for the year of the contribution, but earnings accumulate tax-free and, if you satisfy certain requirements, are also excluded from your taxable income when distributed to you.

The Plan is also intended to be a "**404(c) plan**". Under a 404(c) plan, you may select the investments for all or a portion of your Account under the Plan. For the Accounts over which you control investments, fiduciaries who would otherwise be responsible for assuring that your Account is invested appropriately are relieved of responsibility for your investment choices. For more information, see **PLAN INVESTMENTS: 404(c) PROTECTION**.

### **ADMINISTRATOR**

(This is the Plan Administrator for purposes of ERISA and the Internal Revenue Code.)

Flagler System, Inc. Employees' Savings Plan - Plan Administration Committee  
One South County Road  
Palm Beach, FL 33480  
(561) 659-8466

The Summary Plan Description generally refers to actions as being taken by the Administrator; however, the Administrator may delegate such actions, either at certain times or for certain processes, to a third party such as the Service Provider or other party.

**SPONSOR**

Flagler System, Inc.  
c/o The Breakers Palm Beach, Inc., One South County Road  
Palm Beach, FL 33480

**SPONSOR'S EMPLOYER IDENTIFICATION NUMBER**

65-0118212

**PLAN NUMBER**

002

**SERVICE PROVIDER**

T. Rowe Price Retirement Plan Services, Inc.  
100 East Pratt Street  
Baltimore, MD 21202  
  
(800) 922-9945  
  
rps.troweprice.com

**FUNDING MEDIUM**

Plan assets are held in a trust maintained by the Trustee.

**TRUSTEE**

T. Rowe Price Trust Company  
100 East Pratt Street  
Baltimore, MD 21202

**AGENT FOR SERVICE OF LEGAL PROCESS**

Legal process may be served on the Sponsor at its address listed above.

Legal process may also be served on the Administrator at its address listed above.

**ELIGIBILITY TO PARTICIPATE**

If you were eligible to make contributions to the Plan and/or receive Employer Contributions before January 1, 2024, you will continue to be eligible after January 1, 2024, provided you are still a Covered Employee, as described below. If you were *not* already eligible to make contributions to the Plan and/or receive Employer Contributions before January 1, 2024, you will become eligible after satisfying the eligibility requirements described below.

**ELIGIBILITY REQUIREMENTS**

To participate in the Plan you must satisfy the following requirements:

- you are a Covered Employee, as described in Covered Employees below.
- you complete 60 day(s) of Eligibility Service.
- you reach age 18.

Even if you have not satisfied the age and service requirements you may be able to make Rollover Contributions to the Plan. See **YOUR CONTRIBUTIONS: Rollover Contributions**.



## **COVERED EMPLOYEES**

You are a Covered Employee if:

- you are a common law employee of the Employer.

### **OR**

- you are self-employed (e.g., a partner) and receive income for personal services performed for the Employer (but are not an independent contractor with respect to the Employer).

### **AND**

- you have **not** executed a contract, letter of agreement, or other document acknowledging your status as an independent contractor and are **not** otherwise treated by the Employer as an independent contractor with respect to whom the Employer does not withhold income taxes and file Form W-2 (or any replacement Form) with the Internal Revenue Service. If the Employer treats you as an independent contractor and you are later adjudicated to be a common law employee of the Employer, you will not be considered a Covered Employee unless and until the Employer extends Plan coverage to you.
- you are **not** a Leased Employee.
- you are **not** a union employee.
- you are **not** a resident of Puerto Rico.

## **DATE OF PARTICIPATION**

You may make contributions to the Plan and receive Employer Contributions (provided you satisfy any allocation requirements) beginning on the first day of the month immediately following the date you meet the applicable eligibility requirements described above.

## **TRANSFERS OF EMPLOYMENT**

If you are transferred from other employment with the Employer or a Related Company to employment as a Covered Employee (as described in **COVERED EMPLOYEES** above), you will be eligible to participate beginning on your transfer date if you would have been eligible to participate on or before your transfer date had you been employed as a Covered Employee for your entire period of employment. Otherwise, you will be eligible to participate as provided above.

## **REEMPLOYMENT**

If your employment terminates and you are later reemployed as a Covered Employee (as described in **COVERED EMPLOYEES** above), you will be eligible to participate beginning on your reemployment date if you were eligible to participate at the time you terminated employment. Otherwise, you will be eligible to participate when you have met the requirements above.

## **ELIGIBILITY SERVICE**

### ***Crediting Eligibility Service***

You are credited with Eligibility Service from your hire (or rehire) date until your Severance Date. If your employment terminates but you are rehired before you have been absent from work for 12 months, you are credited with Eligibility Service for the period that you were absent from work.

- Elapsed Time Crediting Method: You are credited with Eligibility Service under the elapsed time crediting method from your hire (or rehire) date until your Severance Date. If your employment terminates but you are rehired before you have been absent from work for 12 months, you are credited with Eligibility Service for the period that you were absent from work.

You are credited with Eligibility Service for employment with the Employer, any Related Company, and a Predecessor Employer (provided the Employer maintains a plan of that Predecessor Employer).

### ***Excluded Eligibility Service***

The following Eligibility Service that would otherwise be credited to you under the above rules is excluded in determining your eligibility to participate in the Plan:

- If your employment terminates before you become eligible and you are later rehired, Eligibility Service completed before your termination is excluded **unless** you are rehired before you have been absent from employment for 5 years.

## **YOUR CONTRIBUTIONS**

### **401(k) CONTRIBUTIONS**

If you elect to make 401(k) Contributions, you authorize your Employer to reduce the Compensation you would regularly receive by a specified amount. This amount is then deposited in your Account as a 401(k) Contribution. You may elect to make Pre-Tax 401(k) Contributions and/or Roth 401(k) Contributions to the Plan. Once you have designated a 401(k) Contribution as either a Pre-Tax or Roth 401(k) Contribution, you may not later change its designation, unless you elect to convert Pre-Tax 401(k) Contributions to Roth 401(k) Contributions, as provided in **YOUR CONTRIBUTIONS: IN-PLAN ROTH ROLLOVER CONTRIBUTIONS** below. You may, however, change your designation with respect to future 401(k) Contributions. (See **Change in Amount and/or Treatment of 401(k) Contributions** below).

#### ***Pre-Tax 401(k) Contributions***

You do not pay federal income taxes (or, in many states, state income taxes) on Compensation you contribute to the Plan as Pre-Tax 401(k) Contributions for the year in which you make the contribution. Instead, your Pre-Tax 401(k) Contributions and earnings on your Pre-Tax 401(k) Contributions are only taxable when they are distributed from the Plan. However, you are subject to payroll taxes on your Pre-Tax 401(k) Contributions when the contribution is made (but not when your Account is distributed).

#### ***Roth 401(k) Contributions***

You pay federal income taxes and state income taxes on Compensation you contribute to the Plan as Roth 401(k) Contributions for the year in which you make the contribution. However, your Roth 401(k) Contributions are not taxable when they are distributed from the Plan. In addition, if certain conditions are satisfied, the earnings on your Roth 401(k) Contributions are also not taxable when distributed from the Plan.

There are 2 separate sets of requirements that must be satisfied in order for the distribution of the earnings on your Roth 401(k) Contributions to be non-taxable:

- First, distribution must be made at least 5 years after the first day of the calendar year in which you first made Roth 401(k) Contributions to the Plan or, if earlier, you first converted a portion of your Account by making an In-Plan Roth Rollover Contribution, as described in **YOUR CONTRIBUTIONS: In-Plan Roth Rollover Contributions**. Special rules apply for determining this 5-year period if you make Designated Roth Rollover Contributions.
- Second, the distribution must be a "qualified distribution." A "qualified distribution" is a distribution made to you after you reach age 59 1/2 or become Disabled or made to your Beneficiary after your death. For this purpose, you are considered Disabled if you are unable to engage in **any** substantial gainful activity because of a medically determinable physical or mental impairment that can be expected to result in your death or to be of long-continued and indefinite duration.

#### ***Automatic Annual Increase***

Unless you are excluded from participating in the automatic annual increase your Employer will automatically increase your 401(k) Contributions each year by an additional 1% of Compensation until a maximum of 15% is reached.

Automatic escalation applies to all Covered Employees who are making 401(k) Contributions in an amount less than the cap(s) specified above.

The automatic increase will apply on the first day of each calendar year. The first increase will apply beginning with the first adjustment date after (1) the date the first automatic contribution is made or (2) the date you first become subject to the automatic escalation provisions.

**Please note:** Elections against the automatic annual increase expire under certain circumstances and your 401(k) Contributions will again become subject to automatic escalation as described above unless you make a new election. Your affirmative election out of automatic escalation expires upon your termination of service.

### ***How to Make an Election***

To make 401(k) Contributions or to elect out of the automatic annual increase, you must contact the Service Provider. Be prepared to indicate the amount you want to contribute and the portion of your 401(k) Contributions to be treated as Pre-Tax 401(k) Contributions and Roth 401(k) Contributions. If any administrative procedures apply to your election (e.g., elections are not implemented until after a specified notice period has expired), you will be notified.

### ***Amount of 401(k) Contributions***

You may contribute from 0% to 50% of your Compensation as 401(k) Contributions.

### ***Commencement of 401(k) Contributions***

401(k) Contributions will be withheld from your paycheck based on your election as soon as administratively possible after the effective date of your election. If your change is not reflected within the next few paychecks, you should notify your Employer's human resources department and the Service Provider. If any administrative procedures apply to your election (e.g., elections are not implemented until a specified notice period has expired), you will be notified.

### ***Change in Amount and/or Treatment of 401(k) Contributions***

You may change the amount your Employer withholds from your future Compensation or change the portion of your 401(k) Contributions treated as Pre-Tax and Roth 401(k) Contributions effective as of the date or dates prescribed by the Administrator. To change the amount or treatment of your 401(k) Contributions, you must contact the Service Provider. If any administrative procedures apply to your election (e.g., elections are not implemented until a specified notice period has expired), you will be notified.

### ***Suspension of 401(k) Contributions***

You may direct your Employer to stop withholding amounts from your future Compensation and suspend your 401(k) Contributions at any time. To suspend your 401(k) Contributions, you must notify the Service Provider. If any administrative procedures apply to your election (e.g., elections are not implemented until a specified notice period has expired), you will be notified.

If you suspend your 401(k) Contributions, the suspension will remain in effect until you elect to resume making 401(k) Contributions again.

### ***Resumption of 401(k) Contributions***

If you suspend your 401(k) Contributions, you may resume making 401(k) Contributions effective as of the date or dates prescribed by the Administrator. To resume your 401(k) Contributions you must notify the Service Provider. If any administrative procedures apply to your election (e.g., 401(k) Contributions cannot resume until after a required suspension period), you will be notified.

### ***Annual Federal Limit on Amount of 401(k) Contributions***

Federal law limits the amount of 401(k) Contributions (including both Pre-Tax and Roth 401(k) Contributions) that you can make to the Plan each calendar year. For 2023, the maximum amount is \$22,500. The IRS may adjust this limit for future years. Any adjustment will be in increments of \$500. If the Administrator determines that the amount you authorize your Employer to withhold from your Compensation would exceed the maximum amount permitted for the year, the Administrator will adjust the amount withheld so that it does not exceed the maximum. If you participate or participated in more than one retirement plan during the calendar year, you are responsible for monitoring the amount of your 401(k) Contributions

contributed across all qualified plans and must notify the Administrator generally by March 1<sup>st</sup> (or such other date established by the Administrator) of the following year, if your total 401(k) Contributions exceed the annual federal limit.

### ***Catch Up 401(k) Contributions***

If you will be age 50 or older by the end of the calendar year, you may make Catch Up 401(k) Contributions for that year that exceed the annual Federal limit above. Your total Catch Up 401(k) Contributions for a year cannot exceed the Catch Up Limit in effect for the year. If you made a Catch Up 401(k) Contribution in excess of the 50% of Compensation limit, as described above in ***Amount of 401(k) Contributions***, the dollar amount of that Catch-Up 401(k) Contribution will be subtracted from the Catch-Up Limit to determine the amount of any Catch-Up 401(k) Contributions you may make above the Federal limit. For 2023 the Catch Up Limit is \$7,500. The IRS may adjust this limit each year.

## **ROLLOVER CONTRIBUTIONS**

If you are a Covered Employee, you may elect to rollover qualified distributions into the Plan.

Your Rollover Contributions are subject to all the terms and conditions of the Plan and are only distributable to you under the terms of the Plan.

### ***Savings Eligible for Direct Rollover***

The Plan permits "direct rollovers" from the following:

- "qualified plans" (these are plans that meet the requirements of Section 401(a) or annuities that meet federal tax law qualification requirements, such as 401(k) or profit-sharing plans). Your "direct rollover" may include Roth contributions.
- 403(b) retirement plans (these are retirement plans maintained for employees of tax-exempt organizations or governments). Your "direct rollover" may include Roth contributions.
- 457 deferred compensation plans (these are deferred compensation plans for employees of state or local governments). Your "direct rollover" may include Roth contributions.
- IRAs, but only if the IRA holds assets you rolled over from another qualified retirement plan. You may not rollover amounts from an IRA maintained as part of a SIMPLE plan.

A "direct rollover" is a rollover made directly from another plan or annuity without being distributed to you first. You may not make a direct rollover to the Plan of after-tax employee contributions.

If you have an outstanding loan under another plan or annuity, you may rollover the loan note as part of your Rollover Contribution, but only if the rollover is in connection with the Employer's merger with or acquisition of the employer maintaining the plan that holds the loan note.

### ***Savings Eligible for Indirect Rollover***

The Plan permits "indirect rollovers" from the following:

- "qualified plans" (these are plans that meet the requirements of Section 401(a) or annuities that meet federal tax law qualification requirements, such as 401(k) or profit-sharing plans). Your "indirect rollover" may include the taxable portion of any Roth contributions, but may not include non-taxable Roth contributions.
- 403(b) retirement plans (these are retirement plans maintained for employees of tax-exempt organizations or governments). Your "indirect rollover" may include the taxable portion of any Roth contributions, but may not include non-taxable Roth contributions.
- 457 deferred compensation plans (these are deferred compensation plans for employees of state or local governments). Your "indirect rollover" may include the taxable portion of any Roth contributions, but may not include non-taxable Roth contributions.
- IRAs, but only if the IRA holds assets you rolled over from another qualified retirement plan. You may not rollover amounts from an IRA maintained as part of a SIMPLE plan.

An "indirect rollover" is a rollover you make to the Plan of amounts you have actually received as a distribution from another plan or annuity. You may not make an indirect rollover to the Plan of after-tax employee contributions or, except as provided above, Roth contributions.

### ***Rollover Procedures***

The Administrator may require you to provide information to show that the savings you want to rollover meet the Plan requirements. However, if it is later determined that the amount rolled over is invalid, the amount rolled over plus any attributable earnings will be distributed to you within a reasonable time after such determination.

If the distribution qualifies, you may roll it over into the Plan by having it delivered to the Trustee. If you actually receive distribution of the amount you are rolling over, your Rollover Contribution must be delivered to the Trustee within 60 days of the date you receive it (unless otherwise permitted by applicable IRS guidance or Treasury Regulations).

### ***Treatment of Designated Roth Rollover Contributions***

If you make Designated Roth Rollover Contributions to the Plan, those amounts will be accounted for separately from your other Rollover Contributions. This is required so that the Plan can keep track of the non-taxable portion of the rollover.

## **IN-PLAN ROTH ROLLOVER CONTRIBUTIONS**

You may elect to convert a part of your Account that is not already attributable to Roth 401(k) Contributions to In-Plan Roth Rollover Contributions that are treated similarly to Roth 401(k) Contributions. Your In-Plan Roth Rollover Contributions and, if certain conditions are satisfied, the earnings on those contributions, are not taxable when distributed from the Plan.

**Please Note:** Once any part of your Account is converted to In-Plan Roth Rollover Contributions, you may not undo your election.

### ***In-Plan Roth Rollover Procedures***

Slightly different rules apply to In-Plan Roth Rollover Contributions attributable to "distributable amounts" (amounts held in your Account that you may withdraw or receive from the Plan and that would be eligible for direct rollover to another plan) and In-Plan Roth Rollover Contributions attributable to "non-distributable amounts" (amounts held in your Account that you are not able to withdraw or receive under the terms of the Plan).

In-Plan Roth Rollovers of Distributable Amounts: If you could receive a non-hardship withdrawal, as described in **Special Withdrawal Options** below, that would be eligible for direct rollover (as described in **FORM OF PAYMENT: FORM OF PAYMENT TO YOU**) and that is not already attributable to Roth 401(k) Contributions, you may elect, in accordance with rules prescribed by the Administrator, to convert that distributable amount to an In-Plan Roth Rollover Contribution. Your Vested Interest in the contribution source you are converting must be 100%. Otherwise, you may not even convert the vested portion to In-Plan Roth Rollover Contributions.

Special Withdrawal Options: The Plan allows special "withdrawals" that are available only for purposes of letting you convert amounts held in your Account to In-Plan Roth Rollover Contributions. You may convert amounts attributable to the following if you satisfy the specified conditions, if any:

- Rollover Contributions (other than Designated Roth Rollover Contributions) at any time.
- Pre-Tax 401(k) Contributions, provided you have reached age 59 1/2.

Your In-Plan Roth Rollover Contributions attributable to distributable amounts must be withdrawable under the same conditions permitted before the conversion. Therefore, the Plan provides that in-service withdrawals of previously distributable In-Plan Roth Rollover Contributions are permitted at any time. See **IN-SERVICE WITHDRAWALS: WITHDRAWALS OF YOUR CONTRIBUTIONS**.

In-Plan Roth Rollovers of Non-Distributable Amounts: Except as otherwise provided below, you may convert your Vested Interest in amounts held in your Account that are not currently distributable to you to In-Plan

Roth Rollover Contributions. The Plan restricts the contribution sources that may be converted to In-Plan Roth Rollover Contributions. Amounts attributable to the following contributions may be converted:

- Rollover Contributions (other than Designated Roth Rollover Contributions).
- Pre-Tax 401(k) Contributions.

Your Vested Interest in the contribution source you are converting must be 100%. Otherwise, you may not even convert the vested portion to In-Plan Roth Rollover Contributions. You may not convert any portion of your Account that is being held as collateral for a Plan loan.

Your In-Plan Roth Rollover Contributions attributable to non-distributable amounts continue to be subject to the same distribution requirements and restrictions that applied before they were converted. For example, if the Plan permits in-service withdrawals of a contribution source at age 59 1/2 and you convert all or a portion of that contribution source to In-Plan Roth Rollover Contributions when you are age 55, you will not be able to withdraw those In-Plan Roth Rollover Contributions until you reach age 59 1/2.

### **Vested Interest in Your Contributions**

Your Vested Interest in the Value of your contributions to the Plan is always 100%.

### **EMPLOYER CONTRIBUTIONS**

In addition to your contributions, your Employer may make Employer Contributions to your Account. You are not taxed on any Employer Contributions made to your Account until distribution is made to you.

### **MATCHING CONTRIBUTIONS**

#### ***Regular Matching Contributions***

Once you have met the requirements to participate in the Plan with respect to Regular Matching Contributions, as described in **ELIGIBILITY TO PARTICIPATE** above, you will receive Regular Matching Contributions for a calendar quarter if you are a Covered Employee at any time during that calendar quarter.

If you are eligible, each calendar quarter your Employer will determine a Regular Matching Contribution equal to 100% of your 401(k) Contributions for the *calendar quarter*.

Your Employer will match your Catch-Up 401(k) Contributions to the Plan.

#### ***Limitations on Regular Matching Contributions***

Your 401(k) Contributions are **not** included in determining the amount of the Regular Matching Contributions your Employer makes to your Account if:

- They exceed 6% of your Compensation.

#### ***Qualified Matching Contributions***

If you are not a Highly Compensated Employee, your Employer may make a special "failsafe" Qualified Matching Contribution to your Account in order to satisfy federal nondiscrimination rules. Your Employer may further limit the employees eligible to receive failsafe Qualified Matching Contributions. Qualified Matching Contributions are always 100% vested and are subject to withdrawal restrictions.

### **NONELECTIVE CONTRIBUTIONS**

#### ***Qualified Nonelective Contributions***

Once you have met the requirements to participate in the Plan with respect to Qualified Nonelective Contributions, as described in **ELIGIBILITY TO PARTICIPATE** above, you may receive Qualified Nonelective Contributions for a Plan Year if you are a Non-Highly Compensated Employee at any time during that Plan Year.

If you are eligible, each Plan Year your Employer, in its discretion, may make a Qualified Nonelective Contribution to your Account equal to any of the following: (1) a dollar amount; (2) a percentage of your "test compensation" (compensation used in applying federal nondiscrimination tests); or (3) a percentage of your Compensation for the Plan Year.

The contribution amounts will be deposited to your Account no later than the due date for an Employer to file its federal tax return for the Plan Year. If the term "fiscal year" is used in this summary, it means the fiscal year of the Employer.

**VESTED INTEREST IN EMPLOYER CONTRIBUTIONS**

***Vesting Schedule***

Your Vested Interest in the following contributions is always 100%:

- Qualified Nonelective Contributions.
- Qualified Matching Contributions.

Your Vested Interest in the Value of the Regular Matching Contributions in your Account is determined using the following schedule:

<b>Years of Vesting Service</b>	<b>Vested Interest</b>
Less than 1	0%
1, but less than 2	20%
2, but less than 3	40%
3, but less than 4	60%
4, but less than 5	80%
5 or more	100%

***Special Vesting Events***

Notwithstanding the foregoing, if you are employed by the Employer (or a Related Company) on your Normal Retirement Date or the date you die or become Disabled, your Vested Interest in your full Account will be 100%. If you are absent from employment because of military service and you die while performing "qualified" military service (as described in the Uniformed Services Employment and Reemployment Rights Act of 1994), you are treated as if you died while employed by the Employer.

**VESTING SERVICE**

Vesting Service is used to determine your Vested Interest under the applicable schedule above.

***Crediting of Vesting Service***

You are credited with Vesting Service from your hire (or rehire) date until your Severance Date. If your employment terminates but you are rehired before you have been absent from work for 12 months, you are credited with Vesting Service for the period that you were absent from work.

You are credited with Vesting Service for employment with the Employer, any Related Company, and a Predecessor Employer (provided the Employer maintains a plan of that Predecessor Employer).

If you are absent from employment with an Employer (or a Related Company) because of military service, and you die while performing "qualified" military service (as described in the Uniformed Services Employment and Reemployment Rights Act of 1994), you will be credited with Vesting Service for the period you were absent as if you returned to work immediately before your death.

***Excluded Vesting Service***

The following Vesting Service that would otherwise be credited to you under the rules above is excluded in determining your Vested Interest in the Value of the Employer Contributions (including any investment gains or losses on them) in your Account:

- If you are rehired after your Severance Date, Vesting Service completed before your Severance Date, unless:
  - you had a Vested Interest in the 401(k) Contributions or Employer Contributions held in your Account or
  - the period of time that you are absent is less than the greater of 5 years or the number of your years of Vesting Service immediately before your Severance Date. For this purpose, if

you are on a maternity/paternity absence of at least 1 year, your Severance Date will be the second anniversary of the date your maternity/paternity absence started.

- If you are rehired after 5 consecutive Breaks in Service, Vesting Service completed after you return to work is not included in determining your Vested Interest in your Account earned before your Break in Service.

## **PLAN INVESTMENTS**

### **WHERE PLAN CONTRIBUTIONS ARE INVESTED**

You direct how the contributions made to your Account are invested. You may direct that contributions be invested in any of the funds made available to you under the Plan. The Investment Fiduciary will provide you with a description of the different investment funds available. New investment funds may be added and existing funds changed. The Investment Fiduciary will update the description of the available funds to reflect any changes.

### **404(C) PROTECTION**

Because you direct how contributions to your Account are invested, the Employer, the Investment Fiduciary, and the Trustee, who might otherwise be responsible under federal rules for directing investments, are relieved of this responsibility with respect to those contributions. Therefore, they are no longer liable under the law for any losses to your Account that are the direct and necessary result of your investment directions. They are still responsible, however, for providing you with diverse investment opportunities and sufficient opportunity to direct the investment of your Account.

### **MAKING INVESTMENT ELECTIONS**

#### ***Investment Elections***

When you become eligible to participate in the Plan, you must notify the Service Provider of your investment election. Your investment election must specify the percentage of contributions to your Account that will be invested among the available investment funds.

#### ***Failure to Direct Investments***

If you do not direct how contributions to your Account should be invested, the contributions will be invested among the investment funds selected by the Investment Fiduciary. The Plan will provide a separate notice that describes the Plan's investment options including default investment provisions, if applicable.

#### ***Change of Investment Elections***

You may change how contributions to your Account are invested. If your election is received in time and in good order in accordance with the procedures established by the Administrator, it will be initiated on the same business day it is received. Otherwise, it will be initiated on the following business day.

#### ***Transfers/Exchanges Between Funds***

You may transfer any amount held in your Account from one investment fund to another investment fund. You must specify the amount that is to be transferred.

If your election is received in good order and in accordance with the procedures established by the Administrator, it will be initiated on the same business day it is received. Otherwise, it will be initiated on the following business day.

#### ***Restrictions on Transfers/Exchanges***

In order to prevent excessive or abusive trading or "market timing", the Administrator or Service Provider may prescribe rules that limit the number of transfers that you can make during a specified period or that otherwise prevent this abuse. For more information, you should contact the Administrator.

### **INVESTMENT IN LIFE INSURANCE CONTRACTS**

You may not direct that a portion of your Account be used to purchase life insurance on your life.



## VALUING YOUR ACCOUNT

The Value of your Account is periodically adjusted (e.g., if you are invested in mutual funds or collective trusts, it may be adjusted each day the stock market is open for trading) to show any earnings or losses on your investments, any distributions that you have received, and any contributions that have been made to your Account since the preceding valuation date. Legal rules require this adjustment to be made at least annually.

The Value of your Account may increase or decrease at any time due to investment earnings or losses. You are only entitled to receive from the Plan the Value of your Vested Interest in your Account on the date distribution is made to you. That Value will be determined on the adjustment date immediately preceding the date of distribution and may be larger or smaller than the Value determined on any other adjustment date. The Plan fiduciaries and functionaries handling Plan assets (including the Sponsor, the Employer, the Investment Fiduciary, the Administrator, and the Trustee) do **not** guarantee your Account from investment losses.

## LOANS FROM YOUR ACCOUNT

The Plan provides for loans to participants from their vested Accounts. Loans from the Plan are governed by a separate loan policy adopted by the Administrator. The Administrator can provide you with a copy of the policy governing Plan loans.

Outstanding loan notes made under another plan or annuity may be rolled to this Plan as part of your Rollover Contribution, provided such rollover occurs because of a merger or acquisition.

### APPLICATION FOR LOAN

To apply for a loan, you must contact the Service Provider. You may only apply for a loan from your Account if you are a "party in interest" (generally, any employee of the Employer or a Related Company or certain individuals who have an ownership interest in the Employer or a Related Company).

### FEDERAL TAX RULES GOVERNING PLAN LOANS

For the Plan to retain its tax-qualified status (that allows your retirement savings to accumulate on a tax-deferred basis), any Plan loan must meet the following minimum requirements:

- **Interest rate:** must be a reasonable rate similar to the rate charged for a loan made under similar circumstances by persons in the business of lending money. (If you are absent because of military leave, federal law limits the interest rate that can apply to your loan.)
- **Loan amount:** cannot exceed specified limits when added to the outstanding balance of all other loans made to you from the Plan or any other plan maintained by your Employer or a Related Company.
- **Loan term:** cannot exceed 5 years, unless it is used to purchase your principal residence.
- **Repayment schedule:** must be substantially equal installments made not less frequently than quarterly. Some exceptions are made for unpaid leaves.

The loan guidelines provided by the Administrator may have more stringent requirements than the federally required minimum. In that case, any Plan loan must meet the more stringent requirements set forth in the loan guidelines.

### COLLATERAL FOR LOAN

If you receive a Plan loan, a portion of your Vested Interest in your Account will be used as collateral for the loan. You may not receive a loan in excess of 50% of your Vested Interest. If a Plan loan is still outstanding at the time distribution of your Account is to be made, the amount distributed will be reduced by the portion of your Account being held as collateral for the loan, but only to the extent necessary to repay the loan. All plans of the Employer or any Related Company will be treated as one plan when determining the maximum amount available for a loan.

### DEFAULT ON LOAN

You will not receive a Plan loan unless you agree that your Account may be charged for unpaid principal and interest if you default on the loan. A Plan loan will be declared to be in default as provided in the written loan guidelines (but not later than the end of the calendar quarter following the quarter in which payment was due).

## SPECIAL LOAN RULES

- **Repayment:** Repayment will be made by payroll withholding or by any other repayment method authorized by the Administrator and communicated to Participants.
- **Minimum loan amount:** \$1,000.
- **Limit on outstanding loans:** only 1 outstanding Plan loan is permitted at any time.
- **Prepayment of full outstanding balance:** permitted without penalty.
- **Due on termination:** outstanding balance immediately due and payable on termination of employment.
- **Rollover of loans:** you may not rollover any loan note. Participants may not elect to roll over any loan note held under this plan to another plan or annuity.
- **Principal residence loans:** may not exceed 15 years.

## IN-SERVICE WITHDRAWALS

Under certain circumstances, you may make a cash withdrawal, from your Account while you are still employed by your Employer. To make a withdrawal, you must contact the Service Provider.

## WITHDRAWALS OF YOUR CONTRIBUTIONS

If you meet the applicable requirements indicated below, if any, you may withdraw all or part of the Value of the following contributions you made (or were made on your behalf) to your Account:

- **Rollover Contributions** at any time.
- **Designated Roth Rollover Contributions** at any time.
- **In-Plan Roth Rollover Contributions** at any time. This only applies to amounts converted when they were already distributable. Amounts converted when they were not distributable are subject to the same withdrawal/distribution rules in effect before the conversion.
- **Pre-Tax 401(k) Contributions** at age 59 1/2.
- **Roth 401(k) Contributions** at age 59 1/2.

Your withdrawal will be effective as soon as administratively practicable after your election is received.

## WITHDRAWALS OF EMPLOYER CONTRIBUTIONS

If you meet the applicable requirements indicated below, you may withdraw all or part of the Value of your Vested Interest in the following Employer Contributions held in your Account:

- **Qualified Nonelective Contributions** at age 59 1/2.
- **Regular Matching Contributions**, provided your Vested Interest in your Regular Matching Contributions is 100% and you have reached age 59 1/2.

Your withdrawal will be effective as soon as administratively practicable after your election is received.

## WITHDRAWALS WHILE ABSENT ON MILITARY DUTY

If you are absent from employment with your Employer or a Related Company to perform military service, you may be entitled to withdraw amounts from your Account.

### ***Deemed Severance of Employment Withdrawals***

If you are absent from employment for more than 30 days because of service with the uniformed services (as described in United States Code, Title 38, Chapter 43), federal law permits the Plan to treat you as if you had terminated employment, **but solely** to allow you to withdraw amounts from your Account that are not otherwise available for withdrawal. (This summary does not address the effect of military leave on your other employer-provided benefits.) If you are deemed to have terminated employment for this purpose, you may withdraw all or part of the Value of the following contributions:

- **Pre-Tax 401(k) Contributions.**

- ***Roth 401(k) Contributions.***

Your withdrawal will be effective as soon as administratively practicable after your election is received. Your withdrawal will **not** be subject to the limitations described in **LIMITATIONS ON NON-HARDSHIP IN-SERVICE WITHDRAWALS** below.

If you take a withdrawal because of your deemed severance of employment, you will not be permitted to make 401(k) Contributions to the Plan (or any other plan maintained by the Employer or a Related Company) for 6 months from the date of the withdrawal. This suspension requirement will **not** apply if your withdrawal qualifies as a qualified reservist distribution, as described below.

***Qualified Reservist Distributions***

If you are a reservist or national guardsman and are called to active duty either (1) for an indefinite period or (2) for a period longer than 179 days, any withdrawal you make because of your deemed severance of employment, as described above, will qualify as a "qualified reservist distribution." You may also elect to make a separate withdrawal of all or a portion of the Value of the following contributions as a "qualified reservist distribution":

- ***Pre-Tax 401(k) Contributions.***
- ***Roth 401(k) Contributions.***

A qualified reservist distribution must be made during the period beginning on the date you are ordered or called to active duty and ending on the date your period of active duty ends. Your distribution is not subject to the 10% penalty tax on early distributions described in **DISTRIBUTION OF YOUR ACCOUNT: SPECIAL TAX RULES APPLICABLE TO DISTRIBUTIONS**. In addition, federal law permits you to repay the amount of a qualified reservist distribution to an IRA within 2 years after you cease active duty. This permits you to build back your retirement funds. Finally, if your withdrawal is a qualified reservist distribution, you will not be subject to the 6 months suspension on making 401(k) Contributions to the Plan that applies to withdrawals because of a deemed severance from employment, as described in **Deemed Severance from Employment Withdrawals** above.

Your qualified reservist distribution will be effective as soon as administratively practicable after your election is received. Your withdrawal will **not** be subject to the limitations described in **LIMITATIONS ON NON-HARDSHIP IN-SERVICE WITHDRAWALS** below.

**LIMITATIONS ON NON-HARDSHIP IN-SERVICE WITHDRAWALS**

Your election to make a non-hardship in-service withdrawal is subject to the following limitations. The limitations described in this section do **not** apply to withdrawals made during periods of military leave, as described in **WITHDRAWALS WHILE ABSENT ON MILITARY DUTY** above.

**HARDSHIP WITHDRAWALS**

If you incur an immediate and heavy financial need, you may withdraw all or part of the Value of the following contributions held in your Account:

- ***Pre-Tax 401(k) Contributions (excluding investment earnings unless otherwise noted below).***
- ***Roth 401(k) Contributions (excluding investment earnings unless otherwise noted below).***
- ***Post-1988 income on 401(k) Contributions.***

You may only make a hardship withdrawal if the Administrator determines that the withdrawal is necessary to meet your financial need. Generally, the amount of your hardship withdrawal cannot exceed the amount of your financial need, except it may include amounts necessary to pay any federal, state, or local income taxes or penalties reasonably expected to result from the withdrawal.

Your hardship withdrawal will be effective as soon as administratively practicable after your election is received.

### ***Financial Needs For Which Hardship Withdrawals Are Available***

The financial needs for which you can request a hardship withdrawal include one or more from the list below. For the complete list of financial needs recognized by the Plan, contact the Service Provider.

- medical expenses of you, your Spouse, or your dependents for the diagnosis, cure, mitigation, treatment, or prevention of disease.
- purchase of your principal residence (excluding mortgage payments).
- tuition payments, related educational fees, and room and board expenses for post-secondary education for you, your Spouse, or your dependents.
- prevention of your eviction from your principal residence or foreclosure on the mortgage of your principal residence.
- funeral or burial expenses for your deceased parent, Spouse, child, or dependent.
- expenses for the repair of damages to your principal residence that would qualify for a casualty loss deduction (determined without regard to whether the loss exceeds 10% of your adjusted gross income).
- expenses and losses (including loss of income) you incur on account of a disaster declared by the federal government (FEMA) provided your principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for disaster assistance.
- any other distribution which is deemed by the Commissioner of Internal Revenue to be made on account of immediate and heavy financial need as provided in Treasury Regulations.

Generally, for purposes of a hardship withdrawal, your dependent is as defined for purposes of receiving an income tax deduction, without regard to the rules (1) prohibiting persons treated as dependents from claiming dependents of their own, (2) precluding persons who file a joint return with their Spouse from being claimed as dependents, and (3) precluding persons who have gross income for the year equal to or greater than the exemption amount from being claimed as dependents.

### ***Demonstrating Need for Hardship Withdrawal***

You must represent (in writing, by an electronic medium, or in such other form required by the Administrator) that you have insufficient cash or other liquid assets reasonably available to satisfy your financial need. The Administrator may rely on your substantiation of such necessity and is not obligated to inquire into your financial condition, unless it has actual knowledge to the contrary, that the need cannot be satisfied by one of the actions listed below or if the effect would increase the need.

Your hardship withdrawal will be approved if:

- the withdrawal amount does not exceed the amount you need to meet your financial need.
- you have obtained all other distributions available to you from any plan maintained by your Employer or any Related Company.

### ***Limitations on Hardship Withdrawals***

You may not make more than 2 hardship withdrawal(s) during the calendar year.

## **FORFEITURE OF NON-VESTED AMOUNTS**

If your employment terminates with the Employer (and all Related Companies) and you are not 100% vested in the Value of the Employer Contributions in your Account at that time, you will forfeit the non-vested portion of your Account.

### ***Timing of Forfeiture***

- If you have no Vested Interest in your Account, your Account will be forfeited on the date your employment terminates.

- If you have a Vested Interest in your Account and receive distribution of that amount because of your termination, the non-vested portion of your Account will be forfeited on the date distribution is made to you.
- If you have a Vested Interest in your Account, but do not receive distribution of that interest because of your termination, the non-vested portion of your Account will be forfeited on the date you incur 5-consecutive Breaks in Vesting Service following your termination of employment.

If you are reemployed by the Employer (or a Related Company) before the non-vested portion of your Account is forfeited, the forfeiture will not occur.

### ***Recrediting of Forfeited Amounts***

If you are reemployed by the Employer (or a Related Company) after forfeiting the non-vested portion of your Account, the amount you forfeited will be recredited to your Account if you meet all of the following conditions:

- you are reemployed before the last day of the 5-year period that begins on the date distribution was made to you (or the date your employment terminated, if you did not receive a distribution because you had no Vested Interest in your Account).
- you become an employee covered under the Plan within 5 years of your reemployment date.
- if you received distribution of the vested portion of your Account, you repay the full amount of the distribution within 5 years of your reemployment date.

### ***Treatment of Forfeited Amounts***

Non-vested Matching Contributions forfeited during a Plan Year are used to meet the Employer's contribution obligations to the Plan or to pay Plan expenses.

## **DISTRIBUTION OF YOUR ACCOUNT**

### **DISTRIBUTION TO YOU**

If your employment with the Employer (and all Related Companies) terminates, you may receive distribution of your Account. Distribution may be made as soon as reasonably practicable following: the date your employment terminates.

You may postpone distribution until April 1 of the calendar year following the calendar year in which you reach age 72 (or age 70 1/2 if you were born before July 1, 1949).

Instead of receiving distribution of your full Vested Interest, you may elect to receive a partial distribution of only a portion of your Account following termination and postpone distribution of the remaining balance.

If your employment has not terminated, the Administrator may permit you to transfer your entire Account from the Plan to another plan maintained by the Employer or a Related Company if you meet the following requirements:

- you transfer from employment as a Covered Employee to other employment with the Employer or a Related Company that is not covered by the Plan.
- the other employment is covered by another profit-sharing plan that includes a cash or deferred arrangement qualified under Code Section 401(k).
- you make a voluntary, fully-informed election to transfer your entire Account to the other plan.

### ***Request for Distribution***

Unless your Account is cashed out as described below, distribution of your Account will not be made before April 1 of the calendar year following the calendar year in which you reach age 72 (or age 70 1/2 if you were born before July 1, 1949) or retire, whichever is later, unless you request an earlier distribution. To request a distribution, you must contact the Service Provider.

### ***Effect of Reemployment***

If you are reemployed by the Employer (or a Related Company) before distribution of your full Vested Interest in your Account has been made, distribution of your Account will be suspended until your reemployment terminates.

### ***Required Distribution***

Federal tax law requires distribution of your Account to begin no later than April 1 of the calendar year following the year in which you reach age 72 (or age 70 1/2 if you were born before July 1, 1949) or retire, whichever is later. Special rules apply if you are a 5% owner of the Employer (see the Administrator for details).

### **SPECIAL TAX RULES APPLICABLE TO DISTRIBUTIONS**

If you terminate employment before reaching age 55 and elect to receive distribution of your Account before reaching age 59 1/2, you may be subject to a 10% penalty tax on your distribution. The penalty tax does not apply to amounts that are rolled over to another eligible retirement program. You should consult your own tax advisor to determine whether this tax applies to you.

If you receive distribution of your Roth 401(k) Contributions, Designated Roth Rollover Contributions or In-Plan Roth Rollover Contributions fewer than 5 years after you first made Roth 401(k) Contributions to the Plan, first converted funds through an In-Plan Roth Rollover Contribution or if you made a Designated Roth Rollover Contribution, the date you first made Roth contributions to the other plan, whichever is earliest, the earnings on your Roth 401(k) Contributions, Designated Roth Rollover Contributions or In-Plan Roth Rollover Contributions will be taxable. (The 5-year period is counted from January 1 of the year in which you made the contribution.) In addition, if distribution of your Roth 401(k) Contributions, Designated Roth Rollover Contributions or In-Plan Roth Rollover Contributions is made to you before you reach age 59 1/2 or become Disabled, the earnings on your Roth 401(k) Contributions, Designated Roth Rollover Contributions or In-Plan Roth Rollover Contributions will be taxable. For this purpose, you are considered Disabled if you are unable to engage in **any** substantial gainful activity because of a medically determinable physical or mental impairment that can be expected to result in your death or to be of long-continued and indefinite duration.

### **DISTRIBUTION TO YOUR BENEFICIARY**

If you die before distribution of the full Value of your Account has been made to you, distribution of your Account will be made to your Beneficiary as soon as reasonably practicable following the date your Beneficiary requests distribution. To request distribution, your Beneficiary must contact the Service Provider. Your Beneficiary may elect to receive a partial distribution of only a portion of the benefit to which your Beneficiary is entitled and postpone distribution of the remainder.

Federal tax law requires distribution to your Beneficiary to be made in full within certain legal timeframes that are dependent upon several factors, including (a) whether you have a designated Beneficiary, (b) your relationship to the Beneficiary (spousal or non-spousal Beneficiary), and (c) certain elections that your Beneficiary may make after your death. Contact the Administrator or consult with a qualified tax advisor or financial planner for more information regarding payments to Beneficiaries.

### **CASH OUTS OF ACCOUNTS AND CONSENT TO DISTRIBUTION**

If the Value of your Vested Interest in your Account is \$5,000 or less, your Account will be "cashed out" by distributing your Vested Interest in your Account in a single-sum payment or by direct rollover to an IRA or other eligible retirement plan as soon as reasonably practicable following the date your employment terminates. Your Account will be cashed out even if you do not consent to the distribution.

If the Value of your Vested Interest in your Account is more than \$5,000, distribution of your Account cannot be made before the date you reach your Normal Retirement Date without your written consent.

The Value of your Rollover Contributions will be included in determining whether the Value of your Account is more than \$5,000.

## **AUTOMATIC ROLLOVERS**

If the Value of your Vested Interest in your Account is \$5,000 or less, the Administrator will notify you of the cash out rules and give you the opportunity to elect whether to (1) receive payment yourself or (2) have the payment rolled over directly to the IRA or other eligible plan that you select. If you do not make an election within the period prescribed by the Administrator, tax rules require that your Vested Interest in your Account be rolled over directly to an IRA maintained by a provider selected by your Employer (an "automatic rollover IRA").

You are the beneficial owner of any automatic rollover IRA established for you. The automatic rollover IRA must initially be invested in products that are designed to preserve principal (the amount of the initial investment) and provide a reasonable rate of return, consistent with retaining liquidity (so that you can change investments readily). Examples of this kind of investment product are money market funds and certificates of deposit. As the IRA owner, you will be able to change your future investments.

All fees and expenses of maintaining the automatic rollover IRA will be paid directly from your IRA. For more information regarding automatic rollover IRAs, contact the Administrator at the telephone number and address shown at the beginning of this booklet.

## **FORM OF PAYMENT**

### **FORM OF PAYMENT TO YOU**

- **Single-sum payment:** Distribution of your Account will be made in one payment.
- **Installment payments:** Distribution of your Account will be made in a series of installment payments. Under federal law, however, the maximum period over which installment payments may be paid cannot exceed your life expectancy or the joint life expectancies of you and your Beneficiary. Installment payments will be made in reasonably equal amounts, except as necessary to reflect increases or decreases in the Value of your Account. You may accelerate the rate at which installments are paid. Your installment payments may be adjusted for cost-of-living if provided in your Plan's administrative procedures.
- **Partial payments:** You and your Beneficiary may elect to receive a partial distribution of only a portion of your Account following termination and postpone distribution of the remaining balance.
- **Direct rollover:** If your distribution is eligible for rollover into an IRA or other eligible retirement plan, you can elect to have the distribution transferred directly into the IRA (including a Roth IRA) or other eligible plan. If you do not elect a direct rollover of your eligible distributions, a 20% mandatory federal income tax withholding applies to the distribution. All or any portion of a distribution from your Account is eligible for rollover except:
  - any minimum distribution that is required under federal tax law.
  - any distribution that is one of a series of installment payments made over your life, the life of you and your Beneficiary, or for a specified period of 10 or more years.
  - any hardship withdrawal.

The Administrator may restrict direct rollovers if the total value of your distribution is less than \$200 or you only want to rollover part of your distribution and the part you want to rollover is less than \$500.

### **FORM OF PAYMENT TO YOUR BENEFICIARY**

If you die before distribution of your Account is made, your Beneficiary may elect among the same forms of payment that are available to you.

If your Beneficiary receives distribution in a single-sum payment or in installments over a period of less than 10 years, your Beneficiary may also elect a direct rollover, as described above. If your Beneficiary is your Spouse or a former Spouse, he or she may rollover the distribution to an IRA (including a Roth IRA) or to any other eligible plan. Your non-Spouse Beneficiary may only rollover the distribution to an IRA (including a Roth IRA) that is treated as an inherited IRA for required distribution purposes.

## **YOUR BENEFICIARY UNDER THE PLAN**

### ***Beneficiary if You Have No Spouse***

You may designate a Beneficiary to receive distribution of your Account if you die. Unless your marital status changes, your Beneficiary will not change until you designate a different Beneficiary. To designate a Beneficiary or change a prior designation, you must contact the Service Provider.

### ***Beneficiary if You Have a Spouse***

If you have a Spouse, your Beneficiary under the Plan is your Spouse. You may designate a non-Spouse Beneficiary with your Spouse's consent. To designate a non-Spouse Beneficiary or change a prior designation, you must contact the Service Provider.

### ***Effect of Marriage on Prior Beneficiary Designation***

If you designate a non-Spouse Beneficiary and then get married, your prior Beneficiary designation will be ineffective.

### ***Effect of Divorce on Prior Beneficiary Designation***

If your Spouse is your Beneficiary under the Plan and you get divorced, your Spouse will cease to be your Beneficiary on the date of the final divorce or similar decree or order, unless either (i) you re-designate your former Spouse as your Beneficiary or (ii) your former Spouse is designated as your Beneficiary under a qualified domestic relations order. If your Spouse is designated as your Beneficiary under a qualified domestic relations order, he or she will be treated as your Beneficiary only to the extent required under the order.

### ***Beneficiary Where There is No Designated Beneficiary***

If you die without properly designating a Beneficiary or if no Beneficiary survives you, your Beneficiary will be your surviving Spouse or, if you have no surviving Spouse, your estate. Be sure to keep your Beneficiary designation and your Beneficiary's address up-to-date. Revisit your Beneficiary designation after any significant life change such as marriage, divorce, or the birth or death of a family member, so that the designation continues to reflect your wishes. You must follow the Plan's process to change your Beneficiary designation.

## **SPOUSAL CONSENT**

If you make an election that requires your Spouse's consent, your Spouse's consent must acknowledge the effect of providing the consent and must be validated by a Plan representative or a notary public. Your Spouse's written consent will not be required if you make a good faith attempt to find your Spouse and your Spouse cannot be located, you have a court order stating that you are legally separated from your Spouse, or you have a court order stating that your Spouse has abandoned you.

## **ERISA CLAIMS PROCEDURES**

ERISA requires a Plan to establish and maintain procedures governing the filing of benefit claims, notification of benefit determinations, and appeal of adverse benefit determinations.

This section describes the procedures used by the Plan whenever a claimant's request under the Plan is denied, in whole or in part. A "claimant" is any person who either (i) makes a claim for benefits under the Plan or (ii) seeks a remedy under any provision of ERISA or other applicable law in connection with any question regarding a benefit under the Plan. A Participant or the Participant's Beneficiary may be a claimant under the Plan.

A claimant may authorize a representative to act on his or her behalf with respect to any claim under the Plan. The representative must provide satisfactory evidence to the Administrator of the representative's authority to act for the claimant, such as a letter of authority with the claimant's notarized signature. To the extent consistent with the authority granted by a claimant to his or her representative, references to the claimant in these claims procedures include the claimant's representative.



The Administrator may review claims under the Plan or may delegate that authority to an appropriate claims adjudicator. References in these claims procedures to the Administrator include any claims adjudicator acting on behalf of the Administrator.

Benefit claim determination shall be made based on the applicable provisions of the Plan document and any documents of general application that interpret the Plan provisions and are maintained by the Employer or the Administrator for purposes of making benefit determinations. The Administrator shall take such steps as are necessary to ensure and verify that benefit claim determinations are made in accordance with such documents and that the Plan provisions are being applied consistently with respect to similarly situated claimants.

All notices to claimants will be written in a manner calculated to be understood by the claimant.

### ***Limitation On Claims Related To Implementation Of Investment Elections***

A claimant alleging that there has been a failure or error in implementing investment directions with respect to an Account must file a claim with the Administrator on or before the earlier of 60 days from the mailing of a trade confirmation, Account statement, or other document, from which the alleged error can be discovered, or one year from the date of the transaction related to the alleged error. If a claim is filed outside of that period, any recovery will be limited to the benefit that would have been determined if the claim were timely filed. Therefore, any adjustments for investment experience will be calculated only for such period.

### ***Standard Claims Provisions***

The standard claims provisions apply to any claim that does **not** require a determination under the Plan as to whether or not a claimant is Disabled. The standard claims provisions also apply if a claim requires a disability determination, but that determination is made outside the Plan for reasons other than determining eligibility for a Plan Benefit. Examples of this are where the disability determination is based solely on whether the claimant is entitled to disability benefits under either the Social Security Act or the Employer's long-term disability plan.

### **INITIAL REVIEW**

**Review Period.** Generally, the Administrator has 90 days from the date on which a claim is filed in which to review the claim and render a decision. This review period may be extended with the voluntary consent of the claimant or if the Administrator determines that special circumstances require an extension. If special circumstances require an extension, the Administrator will notify the claimant before the end of the initial review period that additional review time is necessary. The notice will describe the special circumstances requiring a delay; and specify the date a decision is expected to be made.

The Administrator cannot extend the review period beyond an additional 90 days unless the claimant voluntarily agrees to a longer extension.

If the Administrator requires additional information from the claimant in order to process the claim, the Administrator has discretion to decide whether to request the information and extend the initial review period as described in this section or, instead, to deny the claim on the basis that there is not sufficient information to proceed. If the Administrator notifies the claimant that additional information is needed, the notice may also serve as a denial notice if it clearly states that unless the claimant provides the requested information within the prescribed time period, the claim will be denied for failure to provide sufficient information. A combined notice must provide both the information described above and the information under "*Denial Notice*" below.

**Denial Notice.** The notice denying a claimant's claim will contain the following information:

- the specific reasons for the denial of the claim;
- specific reference to pertinent Plan provisions on which the denial is based;

- a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such information is necessary;
- a description of the Plan's appeal procedures; and
- a statement that if the claimant appeals an adverse benefit determination in accordance with the Plan's procedures and the reviewing fiduciary's decision on appeal is adverse to the claimant, no further administrative review is required, and the claimant then has a right to bring a civil action under ERISA Section 502(a).

The notice shall also include a statement advising the claimant that, within 60 days of the date on which he receives such notice, he may appeal the adverse benefit determination in accordance with the appeal procedures described below.

#### **APPEAL OF ADVERSE BENEFIT DETERMINATION**

***Filing an Appeal.*** Within the 60-day period beginning on the date the claimant receives notice of the adverse benefit determination, the claimant may appeal the determination by filing with the Administrator a written request that contains the following information:

- the date on which the claimant's appeal request was received by the Administrator; provided that the date on which the appeal request was in fact received by the Administrator shall control in the event that the date of the actual filing is later than the date stated by the claimant;
- the specific portions of the denial of his claim which the claimant requests the Administrator (or other reviewing fiduciary) to review;
- a statement by the claimant setting forth the basis upon which he believes the Administrator should reverse its previous denial of his claim for benefits and accept his claim as made; and
- any written or other material (offered as exhibits) which the claimant desires the Administrator to examine in its review of the adverse benefit determination.

***Review on Appeal.*** If a claimant files a timely appeal, the Plan shall provide a full and fair review of the adverse benefit determination in accordance with the following:

- ***Free Access to Information.*** Upon request, the Plan shall provide the claimant reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim. No fee may be charged for such access and/or copies.
- ***Record on Appeal.*** In reviewing the claimant's appeal, the Administrator shall take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.
- ***Timing.*** Generally, the Administrator has 60 days from the date on which it received the claimant's appeal request in which to consider the appeal and render a decision. This review period may be extended with the voluntary consent of the claimant or if the Administrator determines that special circumstances require an extension. If special circumstances require an extension, the Administrator will notify the claimant before the end of the initial review period that additional review time is necessary. The notice will:
  - describe the special circumstances requiring a delay; and
  - specify the date a decision is expected to be made.

The Administrator cannot extend the review period beyond an additional 60 days, unless the claimant voluntarily agrees to a longer extension.

The Administrator may review a claimant's appeal itself or appoint a separate appeals fiduciary to conduct the review.

**Denial of Appeal.** If the Administrator decides for whatever reason to deny, whether in whole or in part, a claimant's appeal of an adverse benefit determination, the Administrator's decision shall be written in a manner calculated to be understood by the claimant and shall contain the following information:

- the specific reasons for the adverse determination;
- specific reference to pertinent Plan provisions on which the determination is based;
- a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim;
- a statement describing any voluntary review procedures and the claimant's right to obtain copies of such procedures; and
- a statement of the claimant's right to bring an action under ERISA Section 502(a) and a description of any applicable contractual limitation period that applies to the claimant's right to bring such an action.

### ***Disability Claims Provisions***

The disability claims provisions apply to any claim that requires a determination under the Plan as to whether or not a claimant is Disabled. The disability claims provisions do **not** apply if a claim requires a disability determination, but that determination is made outside the Plan for reasons other than determining eligibility for Plan Benefits. Examples of when the disability claims provisions do **not** apply are where the disability determination is based solely on whether the claimant is entitled to disability benefits under either the Social Security Act or the Employer's long-term disability plan.

### **INITIAL REVIEW**

**Review Period.** Generally, the Administrator has 45 days from the date on which a claim is filed in which to review the claim and render a decision. This review period may be extended with the voluntary consent of the claimant or if the Administrator determines that special circumstances require an extension.

- **Extension of Initial Review Period for Special Circumstances.** If special circumstances outside the control of the Administrator, other than the need for additional information from the claimant, require an extension, the Administrator will notify the claimant before the end of the initial review period that additional review time is necessary. The notice will:
  - specify the circumstances requiring a delay and the date a decision is expected to be made;
  - explain the standards for approving a disability claim;
  - state the unresolved issues that prevent the Administrator from reaching a decision; and
  - describe any additional information needed to resolve the issues. If additional information is required from the claimant, the review period will temporarily cease to run, as described in "*Tolling of Review Period when Additional Information is Required.*"

The Administrator cannot extend the review period beyond an additional 30 days unless the review period is tolled (temporarily ceases to run) because information is required from the claimant or the claimant voluntarily agrees to a longer extension. If the special circumstances cannot be resolved within the initial extension period (including any extension due to the tolling of the review period) and a further extension is required, the Administrator will notify the claimant before the end of the initial extension that additional review time is necessary and the date by which a final decision is expected. The further extension cannot exceed an additional 30 days, unless either (1) additional information is required from the claimant and the review period is tolled or (2) the claimant voluntarily agrees to a longer extension.

- *Tolling of Review Period when Additional Information is Required.* If the Administrator requires additional information from the claimant to make a disability determination, the Administrator will notify the claimant. The notice will:
  - explain the standards for approving a disability claim;
  - describe the additional information needed to enable the Administrator to make a disability determination; and
  - the date by which such information must be provided in order to be taken into consideration in processing the claim. The Administrator must allow the claimant at least 45 days from the date it provides the notice in which to respond to the request for additional information.

The claims review period will be tolled (temporarily cease to run) until the earlier of (i) the date the claimant provides the required information or (ii) the end of the claimant's response period.

The notice requesting additional information may also serve as notice of a claim denial if the notice clearly states that unless the claimant provides the requested information within the prescribed time period, the claim will be denied for failure to provide sufficient information. A combined notice must provide both the information described above and the information under "*Denial Notice*" below.

If additional information is required from the claimant, the Administrator has discretion to decide whether to request the information and extend the initial review period as described in this section or, instead, to deny the claim on the basis that there is not sufficient information to proceed.

**Denial Notice.** The notice denying a claimant's claim for a disability benefit will be provided in a culturally and linguistically appropriate manner and will contain the following information:

- the specific reasons for the denial of the claim;
- specific reference to pertinent Plan provisions on which the denial is based;
- a discussion of the decision, including an explanation for disagreeing with or not following:
  - the views presented by the claimant of health care professionals treating the claimant and vocational professionals who evaluated the claimant;
  - the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the adverse benefit determination, without regard to whether the advice was relied on in making the determination; and
- any disability determinations made by the Social Security Administration;

- one of the following:
  - a statement that the claim denial is based on an internal rule, guideline, protocol, or other similar criterion and a copy of the specific rule, guideline, protocol, or other criterion relied upon in denying the claim; or
  - a statement that the claim denial is **not** based on an internal rule, guideline, protocol, or other similar criterion;
- if the claim denial is based on an exclusion or limit (such as a medical necessity requirement or an experimental treatment exclusion), either (1) an explanation of the scientific or clinical judgment, applying the terms of the Plan to the claimant's circumstances or (2) a statement that such an explanation is available upon request, free of charge;
- a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim;
- a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such information is necessary;
- a description of the Plan's mandatory appeal procedures and, in the event of an adverse benefit determination on appeal, a description of any voluntary appeal procedures and the claimant's right to obtain copies of such procedures; and
- a statement that if the claimant appeals an adverse benefit determination in accordance with the Plan's procedures and the reviewing fiduciary's decision on appeal is adverse to the claimant, no further administrative review is required, and the claimant then has a right to bring a civil action under ERISA Section 502(a).

The notice shall also include a statement advising the claimant that, within 180 days of the date on which he receives such notice, he may appeal the adverse determination in accordance with the appeals procedures described below.

#### **APPEAL OF ADVERSE BENEFIT DETERMINATION**

***Filing an Appeal.*** Within the 180-day period beginning on the date the claimant receives notice of the adverse benefit determination, the claimant may appeal the determination by filing with the Administrator a written request that contains the following information:

- the date on which the claimant's appeal request was received by the Administrator; provided that the date on which the appeal request was in fact received by the Administrator shall control in the event that the date of the actual filing is later than the date stated by the claimant;
- the specific portions of the denial of his claim which the claimant requests the reviewing fiduciary to review;
- a statement by the claimant setting forth the basis upon which he believes the reviewing fiduciary should reverse the Administrator's previous denial of his claim for benefits and accept his claim as made; and
- any written or other material (offered as exhibits) which the claimant desires the reviewing fiduciary to examine in its review of the adverse benefit determination.

**Review on Appeal.** If a claimant files a timely appeal, the Plan shall provide a full and fair review of the adverse benefit determination in accordance with the following:

- **Free Access to Information.** Upon request, the Plan shall provide the claimant reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim. No fee may be charged for such access and/or copies.
- **Identification of Experts.** The Plan shall either (1) identify to the claimant any medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the adverse benefit determination, without regard to whether the advice was relied on in making the benefit determination or (2) notify the claimant that such identification is available upon request and free of charge.
- **Reviewing Fiduciary.** A claimant's appeal of an adverse benefit determination will be reviewed by a Plan fiduciary who is different from and not subordinate to the fiduciary who denied the claim.
- **Medical Consultation.** If the adverse benefit determination was based in whole or in part on a medical judgment, the reviewing fiduciary shall consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment and (1) was not consulted on the original claim and (2) is not subordinate to someone who was consulted on the original claim.
- **Standard of Review and Record on Appeal.** In reviewing the claimant's appeal, no deference shall be afforded to the initial adverse benefit determination and the reviewing fiduciary shall take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.
- **Timing.** Within 45 days of the date on which the claimant's appeal request was received by the Administrator, the reviewing fiduciary shall render its decision on appeal to the claimant. If the reviewing fiduciary anticipates denying the claimant's appeal, whether in whole or in part, the Administrator must provide the information described in (i) and (ii) below to the claimant. The information must be provided as soon as possible and sufficiently in advance of the date the reviewing fiduciary is required to render its decision to provide the claimant a reasonable opportunity to review the information and submit a response. The reviewing fiduciary shall provide the claimant free of charge with:
  - (i) any new or additional evidence considered, relied upon, or generated in connection with the claim by the Plan, the insurer, the reviewing fiduciary, or any other person making the benefit determination (or at the direction of the Plan, the insurer, the reviewing fiduciary, or such other person); and
  - (ii) if the anticipated adverse determination is based on a new or additional rationale, the rationale for the determination.

**Denial of Appeal.** If the reviewing fiduciary decides for whatever reason to deny, whether in whole or in part, a claimant's appeal of an adverse benefit determination, the reviewing fiduciary's decision will be provided in a culturally and linguistically appropriate manner and will contain the following information:

- the specific reasons for the adverse determination;
- specific reference to pertinent Plan provisions on which the determination is based;

- a discussion of the decision, including an explanation for disagreeing with or not following:
  - the views presented by the claimant of health care professionals treating the claimant and vocational professionals who evaluated the claimant;
  - the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the adverse benefit determination, without regard to whether the advice was relied on in making the determination; and
  - any disability determinations made by the Social Security Administration;
- one of the following:
  - a statement that the claim denial is based on an internal rule, guideline, protocol, or other similar criterion and a copy of the specific rule, guideline, protocol, or other criterion relied upon in denying the claim; or
  - a statement that the claim denial is **not** based on an internal rule, guideline, protocol, or other similar criterion;
- if the claim denial is based on an exclusion or limit (such as a medical necessity requirement or an experimental treatment exclusion), either (a) an explanation of the scientific or clinical judgment, applying the terms of the Plan to the claimant's circumstances or (b) a statement that such an explanation is available upon request, free of charge;
- a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim;
- a statement describing any voluntary review procedures and the claimant's right to obtain copies of such procedures; and
- a statement of the claimant's right to bring an action under ERISA Section 502(a) and a description of any applicable contractual limitation period that applies to the claimant's right to bring such an action, including the calendar date on which the contractual limitations period expires for the claim.

#### **ADDITIONAL LEVELS OF APPEAL**

If the Plan provides additional level(s) of appeal, the following shall apply:

- The Plan may not require a claimant to file more than 2 appeals of an adverse benefit determination prior to bringing a civil action under ERISA Section 502(a).
- If the Plan offers voluntary level(s) of appeal, the following shall apply:
  - The Plan waives any right to assert that a claimant failed to exhaust administrative remedies because the claimant did not submit a benefit dispute to any voluntary level of review provided by the Plan.
  - Any statute of limitations or other defense based on timeliness is tolled during the time that a voluntary appeal pursuant to the Plan's procedures is pending.
  - A claimant may only submit a benefit dispute to a voluntary level of review if the claimant has exhausted the appeals permitted above.

- The Plan provides to the claimant, upon request, sufficient information concerning the voluntary level(s) of appeal to enable the claimant to make an informed decision about whether to submit a benefit dispute to the voluntary level of appeal, including:
  - a statement that the decisions of the claimant as to whether or not to submit a dispute to the voluntary level of appeal will have no effect on the claimant's right to other benefits under the Plan;
  - information about the applicable rules;
  - the claimant's right to representation;
  - the process for selecting a decision maker; and
  - any circumstances that may affect the impartiality of the decision maker.
- No fees or costs may be imposed on the claimant as part of the voluntary level of appeal.

### ***Bringing A Civil Action Under ERISA***

Before bringing a civil action under ERISA, a claimant must exhaust the remedies provided under the Plan's claims procedures. This means the claimant must have (1) submitted a timely claim for benefits under the Plan, (2) received notice of an adverse benefit determination, (3) filed a timely appeal, and (4) received an adverse benefit determination on appeal.

A claimant must file a civil claim within 12 months of receiving a final adverse determination on appeal. If a claimant does not pursue or exhaust the claims review procedures under the Plan, the 12-month period runs from the date the claimant would allegedly have become entitled to the claimed benefit.

Any civil action by a claimant must be based only on the issues identified during the administrative review process. Judicial review will be limited to the Plan document and the record developed during the administrative review process.

## **AMENDMENT AND TERMINATION OF THE PLAN**

### **PLAN AMENDMENT**

The Sponsor reserves the right to amend the Plan, either prospectively or retroactively.

### **PLAN TERMINATION**

The Sponsor reserves the right to terminate the Plan at any time. Under federal law, if all contributions under the Plan cease, the Plan will be deemed to have terminated.

If the Plan is terminated, you will be 100% vested in the Value of the Employer Contributions (including any investment gains or losses on them) in your Account and distribution of your Account will be made as permitted under federal law.

## **MISCELLANEOUS INFORMATION**

### **PLAN BOOKLET DOES NOT CREATE EMPLOYMENT CONTRACT**

The only purpose of this booklet is to provide you with information about the benefits available under the Plan. The booklet is not intended to create an employment contract between you and your Employer. Nothing in this booklet should be construed as a limitation on your right or your Employer's right to terminate your employment at any time, with or without cause.



## **NO GUARANTEES REGARDING INVESTMENT PERFORMANCE**

The Plan fiduciaries and functionaries handling Plan assets (including the Sponsor, the Employer, the Investment Fiduciary, the Administrator, and the Trustee) do not guarantee any particular investment gain or appreciation on your Account nor guarantees your Account against investment losses or depreciation.

## **PAYMENT OF ADMINISTRATIVE EXPENSES**

Reasonable administrative expenses of the Plan will be paid from the Plan to the extent not paid by your Employer or otherwise defrayed.

Your individual Account may be charged reasonable fees and expenses directly related to you. These expenses may include fees for the processing loans, distributions, qualified domestic relations orders, wire transfers, express delivery service, and other similar transactions. Fees and expenses that you may pay as a participant are detailed in a fee disclosure notice which is provided to you by the Plan at least once each year.

## **QUALIFIED DOMESTIC RELATIONS ORDERS**

Generally, federal law prohibits payment of your Account to someone other than you, unless you have died. An exception to this rule is made for qualified domestic relations orders. A qualified domestic relations order may require that a portion of your Account be paid to someone other than you or your Beneficiary.

"Qualified domestic relations orders" are court judgments, decrees, etc. that pertain to child support, alimony, or marital property and that meet specific legal requirements. The Administrator has procedures for determining whether a court judgment or decree meets the specific legal requirements to be a qualified domestic relations order. You or your Beneficiary may obtain, without charge, a copy of these procedures from the Service Provider.

## **MILITARY LEAVE**

If you return to employment following a military leave, you may be entitled to benefits under the Plan for the period that you were absent from employment. You should consult the Administrator for information regarding Plan benefits during military leave.

If you die while absent from employment with the Employer or a Related Company because of "qualified" military service (as described in the Uniformed Services Employment and Reemployment Rights Act of 1994), you will be treated for purposes of the Plan as if you died while employed by the Employer (or Related Company). However, no additional contributions will be made to your Account.

If you become Disabled while absent from employment with the Employer or a Related Company because of "qualified" military service (as described in the Uniformed Services Employment and Reemployment Rights Act of 1994) and cannot return to active employment, you will be treated for purposes of the Plan as if you became disabled while employed by the Employer (or Related Company). In addition, your Employer will make Employer Contributions, other than Matching Contributions, to your Account as if you had returned to employment on the date you became Disabled.

## **RETURN OF CONTRIBUTIONS TO YOUR EMPLOYER**

If your Employer makes a contribution to your Account by mistake or if your Employer cannot deduct a contribution made to the Plan on its tax return, that contribution will be returned to your Employer in accordance with federal law.

## **TOP-HEAVY PROVISIONS**

Federal law requires that the Plan contain certain provisions that become effective only if the Plan becomes top-heavy. The Plan will become "top-heavy" if the aggregate Value of Accounts for certain officers and shareholders is 60% or more of the Value of all assets held under the Plan. If the Plan becomes top-heavy, specific minimum vesting and minimum benefits provisions become effective. If the Plan becomes top-heavy, the Service Provider will notify you and give you additional details regarding these provisions.

## LIMITATIONS ON CONTRIBUTIONS

As described above in **YOUR CONTRIBUTIONS: 401(k) CONTRIBUTIONS**, federal law limits the dollar amount of 401(k) Contributions that you can make each calendar year. For 2023, the maximum contribution amount is \$22,500.

If you are a Highly Compensated Employee, federal law also limits the amount of 401(k) Contributions you may make to the Plan and the amount of Matching Contributions your Employer may make to your Account compared to the contributions made to the Plan for employees who are not Highly Compensated Employees. If the Administrator determines that contributions for Highly Compensated Employees would impermissibly exceed the contributions for other employees, it may adjust the amount of 401(k) Contributions and Matching Contributions that would otherwise be made for Highly Compensated Employees.

In addition, total contributions to your Account under the Plan are subject to annual limitations under federal law. Your Employer is required to restrict total contributions to your Account under the Plan so they do not exceed the annual limitation.

If you will be age 50 or older by the end of the year, you may make Catch-Up 401(k) Contributions that exceed any of the above limits. The total amount of your Catch-Up 401(k) Contributions cannot exceed the Catch-Up Limit for the year.

## MORE THINGS YOU SHOULD KNOW

Contributions you make to the Plan and contributions your Employer makes to the Plan for you are held for the exclusive benefit of you and your Beneficiaries.

If your employment terminates with the Employer (and all Related Companies) before you are fully vested in your Account, you will lose the non-vested portion of your Account.

Because the Plan assets are held in individual Accounts and are never less than the total benefits payable to participants, no insurance of benefits by the Pension Benefit Guaranty Corporation under Title IV of ERISA is necessary or available. The Plan is subject, however, to the applicable provisions of Title I of ERISA (protection of employee benefit rights) and Title II of ERISA (amendments to the Internal Revenue Code relating to retirement plans).

## YOUR RIGHTS UNDER THE PLAN

The Plan is covered by ERISA, which was designed to protect employees' rights under benefit plans. As a participant in the Plan, you should know as much as possible about your Plan benefits.

### RIGHT TO INFORMATION

You are entitled to:

- Examine, without charge, at the Administrator's office during normal business hours and at other specified locations, such as worksites and union halls, copies of all 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.
- Obtain, upon written request to the Administrator, copies of documents governing the operation 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. The Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Administrator is required by law to furnish each participant with a copy of this summary at no charge.
- Receive a quarterly statement of your benefits under the Plan, and, if you are not fully vested, the earliest date on which you will have a nonforfeitable right to such benefits. The statement must include a description of any limitations or restrictions on your ability to direct investment of your Account.
- Obtain information as to whether a particular employer has adopted the Plan and, if so, the employer's address, upon written request addressed to the Administrator.

- Receive a written explanation with respect to any denied benefit claim regarding the reasons for such denial and the steps that must be taken in order to have such denial reviewed.

### **PRUDENT ACTIONS BY FIDUCIARIES**

In addition to creating rights for employees participating in the Plan, ERISA imposes duties upon the people who are responsible for the operation of the Plan. These people are called "fiduciaries" and have a duty to act prudently and in the best interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

### **ENFORCING YOUR RIGHTS**

If your claim for a benefit is denied in whole or in part, you have a right to know why this was done, to obtain copies (without charge) of documents relating to the decision, and to appeal any denial, all within certain time schedules. See the section titled **ERISA CLAIMS PROCEDURES**.

Under ERISA, there are steps you can take to enforce your rights under the Plan. For example, if you request a copy of Plan documents or the latest annual report for the Plan and you do not receive them within 30 days, you have the right to file suit in federal court. In such a case, a court may require the Administrator to provide the materials and pay you up to \$110 per day, up to a maximum amount per request as provided by law, until you receive the materials, unless the materials were not provided for reasons outside the Administrator's control. 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. However, you cannot bring an action at law or in equity unless you have exercised your appeal rights (see the section titled **ERISA CLAIMS PROCEDURES**) and your benefits requested in the appeal have been denied in whole or in part. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If you believe a Plan fiduciary has misused Plan funds, 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.

After deciding your case, 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 these 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 to be frivolous.

### **ASSISTANCE WITH YOUR QUESTIONS**

If you have any questions, you should contact the Administrator at the address indicated in **PLAN IDENTIFICATION INFORMATION** at the front of this booklet. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Administrator, you may contact the nearest Office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Deputy Assistant Secretary, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210, Attn: 3001 Comment Request. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

## GLOSSARY

<b>Account</b>	The account established to track the contributions made to the Plan on your behalf and the investment earnings and losses on those contributions.
<b>Administrator</b>	The fiduciary responsible for the administration of the Plan.
<b>Beneficiary</b>	The person (or persons) entitled to receive distribution of your Account if you die before your Account has been fully distributed to you.
<b>Catch-Up 401(k) Contribution</b>	Any 401(k) Contribution that you make to the Plan for any year (beginning with the year you reach age 50) that exceeds an applicable limit by no more than the Catch-Up Limit in effect for the year.
<b>Catch-Up Limit</b>	The maximum amount by which your Catch-Up 401(k) Contributions for a particular year may exceed the limitations applicable to 401(k) Contributions for the year. The Catch-Up Limit for 2023 is \$7,500. The IRS may adjust this limit for future years.
<b>Compensation</b>	<p>The compensation from your Employer that is taken into account in determining the amount of contributions that you or your Employer can make to your Account.</p> <p>Your Compensation for any period means the wages paid to you for employment covered under the Plan that would be reported as income on Form W-2.</p> <p>Compensation includes the following:</p> <ul style="list-style-type: none"><li>• 401(k) Contributions you make to the Plan, transportation fringe benefits you receive from your Employer that are excluded from your taxable gross income, amounts that you contribute on a pre-tax basis to a cafeteria plan (or that the Employer contributes on your behalf unless you elect to receive cash instead), and amounts you contribute as salary reduction contributions to a 403(b) Account, or other plan. For purposes of this paragraph, if the Employer does not permit you to elect cash instead of coverage under the group health plan unless you certify you have other health coverage, and you cannot make that certification, those amounts are included in your Compensation the same as if you could have elected to receive them in cash.</li><li>• differential pay you receive from the Employer for periods that you are absent because of military service.</li><li>• pay you receive after your termination of employment for your services before termination, including your regular pay and, if otherwise included in Compensation, overtime, differential pay, etc., provided payment is made before the later of 2 1/2 months following termination or the end of the year in which termination occurs.</li></ul> <p>Notwithstanding the foregoing, Compensation does not include the following:</p> <ul style="list-style-type: none"><li>• reimbursements and other expense allowances, fringe benefits, moving expenses, deferred compensation, and welfare benefits.</li></ul> <p>Your Compensation if you are self-employed means your earnings for personal services you performed for the business covered by the Plan.</p> <p>Legal rules limit the Compensation that may be included under the Plan each year. For 2023, the maximum amount is \$330,000. (The IRS may adjust this limit for future years.)</p>

<b><i>Covered Employee</i></b>	You are employed by the Employer in a job category and at a location that is covered by the Plan. Only employees who are Covered Employees may make and receive contributions under the Plan.
<b><i>Designated Roth Rollover Contributions</i></b>	A Rollover Contribution that consists of designated Roth contributions you made to another plan or annuity contract and/or earnings on those contributions.
<b><i>Disabled</i></b>	You have a mental or physical condition that is likely to result in death or is expected to be of long-continued or indefinite duration and that prevents you from continuing in employment with your Employer. You are Disabled only if: <ul style="list-style-type: none"> <li>• the Administrator determines you are unable to perform your usual and customary duties because of a medically determinable disability.</li> </ul>
<b><i>Eligibility Service</i></b>	The service credited to you that is used for determining whether you are eligible to participate in the Plan.
<b><i>Employer</i></b>	A company that participates in the Plan. At this time, only the Sponsor participates in the Plan. The companies that participate in the Plan are referred to collectively in this booklet as "the Employer."
<b><i>Employer Contribution</i></b>	Any contribution (other than a 401(k) Contribution) that your Employer makes to your Account.
<b><i>ERISA</i></b>	The Employee Retirement Income Security Act of 1974, as amended.
<b><i>401(k) Contribution</i></b>	Any contributions you make to the Plan as provided in your salary reduction election.
<b><i>Highly Compensated Employee</i></b>	An employee who is treated as highly compensated for purposes of the federal tax law governing retirement plans. Generally, you may be a Highly Compensated Employee if you are a 5% owner in the current or preceding year or you were paid more than the applicable limit set by the federal government during the preceding year. For 2022 (the look back year used to determine who is a Highly Compensated Employee for 2023, this limit is \$135,000. If you are concerned that you may be a Highly Compensated Employee, you should consult the Administrator.
<b><i>In-Plan Roth Rollover Contribution</i></b>	Any amount that you elect to convert to a Roth 401(k) Contribution as described in detail in <b>YOUR CONTRIBUTIONS: IN-PLAN ROTH ROLLOVER CONTRIBUTIONS</b> .
<b><i>Investment Fiduciary</i></b>	The fiduciary responsible for determining the investment options available under the Plan.
<b><i>Matching Contribution</i></b>	Any Employer Contribution your Employer makes to your Account because of your 401(k) Contributions to the Plan, as described in detail in <b>EMPLOYER CONTRIBUTIONS: MATCHING CONTRIBUTIONS</b> .
<b><i>Normal Retirement Age</i></b>	The date you are entitled to retire with full benefits. Your Normal Retirement Age is the later of the date you reach age 65 or the 5th anniversary of the date you commenced employment with the Employer or a Related Company.

<b>Normal Retirement Date</b>	The date distribution may be made due to your attainment of Normal Retirement Age. Your Normal Retirement Date is the date you reach Normal Retirement Age.
<b>Plan</b>	The Flagler System, Inc. Employees' Savings Plan.
<b>Plan Year</b>	The period on which the Plan's records are kept. The current Plan Year is the 12-month period beginning on January 1st and ending on December 31st. If the term "fiscal year" is used in this summary, it means the fiscal year of the Employer.
<b>Pre-Tax 401(k) Contribution</b>	Any 401(k) Contribution made to the Plan on a before-tax basis.
<b>Predecessor Employer</b>	Any company that is a predecessor to the Employer, under federal tax rules, provided the Employer maintains a Plan of that company.
<b>Qualified Matching Contributions</b>	Any Matching Contribution that can be used to satisfy federal limitations on 401(k) Contributions of Highly Compensated Employees.
<b>Qualified Nonelective Contributions</b>	Any Employer Contribution that can be used to satisfy federal limitations on 401(k) and Matching Contributions of Highly Compensated Employees, as described in detail in <b>EMPLOYER CONTRIBUTIONS: NONELECTIVE CONTRIBUTIONS</b> .
<b>Regular Matching Contributions</b>	Any Matching Contribution other than: <ul style="list-style-type: none"> <li>• a Qualified Matching Contribution.</li> </ul>
<b>Related Company</b>	Any company or business that is considered to be related to an Employer under federal tax law.
<b>Rollover Contribution</b>	Any qualified cash contribution that you elect to rollover to the Plan from another retirement plan or from a rollover IRA.
<b>Roth 401(k) Contribution</b>	Any 401(k) Contribution you made to the Plan that is taxable under federal law for the year in which contributed, but is not taxable upon distribution from the Plan. If certain conditions are met, earnings on Roth 401(k) Contributions are also not taxable upon distribution from the Plan.
<b>Service Provider</b>	The entity to which certain administrative functions have been assigned by the Sponsor. For more information, see <b>PLAN IDENTIFICATION INFORMATION: SERVICE PROVIDER</b> .
<b>Severance Date</b>	The date your employment terminates or you are absent from work (without terminating employment) for 1 year.
<b>Sponsor</b>	The company that maintains the Plan and has the power to amend the Plan. The Sponsor of the Plan is Flagler System, Inc..
<b>Spouse</b>	The person to whom you are legally married in accordance with the laws of the State, Commonwealth, or foreign country in which the marriage was celebrated.

<b><i>Trustee</i></b>	The entity that holds the Plan assets for the benefit of Covered Employees. The entity may be a trust company, a bank, an insurance company, or a group of individuals chosen by the Sponsor.
<b><i>Value</i></b>	The monetary worth of the contributions and investment earnings and losses on such contributions in your Account.
<b><i>Vested Interest</i></b>	The percentage of the Value of your Account that you are entitled to receive upon distribution.
<b><i>Vesting Service</i></b>	The service credited to you that is used for determining your Vested Interest in the Value of the following contributions: <ul style="list-style-type: none"><li>• Regular Matching Contributions.</li></ul>