

January 1, 2021
SUMMARY PLAN DESCRIPTION
FOR
BAYADA HOME HEALTH CARE 401(K) PLAN

Employer Identification Number: 23-1943113
Plan Number: 001

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.

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, 2021. It updates and replaces any prior descriptions of the Plan. Some Plan provisions may be different for employees whose employment terminated before January 1, 2021.

MERGED PLAN PROVISIONS

The Plan includes special provisions that may apply to you if you participated in a plan that merged into the Plan. These special provisions are described in an addendum to this booklet.

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.

DAILY ADMINISTRATIVE CONTACT

The person or entity handling the day-to-day operations of the Plan is:

BAYADA Home Health Care Inc.
4300 Haddonfield Road, East Building
Pennsauken, NJ 08109
(877) 291-3000

Any questions concerning the day-to-day operations of the Plan should be directed to the person or entity identified above.

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INTRODUCTION TO YOUR PLAN

The BAYADA Home Health Care 401(k) 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 pay 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**.
- 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 may add a 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 also make Nonelective Contributions to the Plan for you. For information on the amount of your Employer's Nonelective Contribution and the terms and conditions for receiving Nonelective Contributions, see **EMPLOYER CONTRIBUTIONS: NONELECTIVE 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, 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, 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 and Designated 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 a type of defined contribution plan called a "**profit-sharing plan**". Contributions under a profit-sharing plan are **not** subject to funding requirements under federal tax law. Therefore, contributions may be discretionary with the employer and may be conditioned on the employer's profits. However, any contributions made under a profit-sharing plan must be allocated among participants under a formula that is described in the plan.

The Plan is also a "**401(k) plan**". Under a 401(k) plan, you may elect to make contributions to the plan from your pay. 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.)

BAYADA Home Health Care Inc.
4300 Haddonfield Road, East Building
Pennsauken, NJ 08109
(877) 291-3000

SPONSOR

BAYADA Home Health Care Inc.
4300 Haddonfield Road, East Building
Pennsauken, NJ 08109

SPONSOR'S EMPLOYER IDENTIFICATION NUMBER

23-1943113

PLAN NUMBER

001

OTHER ADOPTING EMPLOYERS

BAYADA Home Health Care, Inc.; B.C.P., Inc.; BAYADA Home Care; Tri-County Home & Hospice Care, LLC, DBA BAYADA at Inspira; BBKSHH LLC; BPS Philadelphia, LLC; Community Care Center of the Northeast; SCHHA, LLC; BayBap, LLC, DBA Baptist Home Health Care by BAYADA; and Health at Home Central, LLC, DBA VCU Health at Home by BAYADA.

FUNDING MEDIUM

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

TRUSTEE

Prudential Bank & Trust, FSB
280 Trumbull Street, H07E
Hartford, CT 06103

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 or the Trustee 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, 2021, you will continue to be eligible after January 1, 2021, 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, 2021, you will become eligible after satisfying the eligibility requirements described below.

ELIGIBILITY REQUIREMENTS

To participate in the Plan with respect to any type of contribution, you must satisfy the applicable eligibility requirements. The eligibility requirements for each contribution type are:

- 401(k) Contributions and Rollover Contributions. For eligibility to make 401(k) Contributions and Rollover Contributions, you must be a Covered Employee, as described in **COVERED EMPLOYEES** below. (In some cases, even if you are not a Covered Employee, you may be able to make Rollover Contributions to the Plan. See **YOUR CONTRIBUTIONS: Rollover Contributions.**)
- Nonelective Contributions. For eligibility to receive Nonelective Contributions you must:
 - be a Covered Employee, as described in **COVERED EMPLOYEES** below.
 - complete 1 year of Eligibility Service.
 - reach age 21.
- Matching Contributions. For eligibility to receive Matching Contributions you must:
 - be a Covered Employee, as described in **COVERED EMPLOYEES** below.
 - complete 1 year of Eligibility Service.
 - reach age 21.

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 nonresident alien, or you are a nonresident alien who receives United States source income.
- you are **not** a Leased Employee.
- you are **not** a union employee.
- you are **not** a resident of Puerto Rico.
- you are **not** an undocumented worker.
- you are **not** an employee of an affiliated Employer who does not adopt this Plan.
- for purposes of making Elective Deferrals, you are **not** a Highly Compensated Employee or former Highly Compensated Employee who is or was eligible for the BAYADA Home Health Care 403(b) Plan, and who works for BAYADA Home Health Care, Inc., BAYADA Home Care, or Community Care Center of the Northeast.

If you become an employee in connection with an acquisition or merger, there may be a delay in when you are considered a Covered Employee.

DATE OF PARTICIPATION

You may make contributions to the Plan and receive Employer Contributions (provided you satisfy any allocation requirements) beginning on the applicable entry date (described below) coinciding with or immediately following the date you meet the applicable eligibility requirements described above. The applicable entry dates are: daily for your contributions to the Plan and the first day of the month for Nonelective Contributions your Employer makes to the Plan and Matching Contributions your Employer makes to the Plan.

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 a year of Eligibility Service if you complete at least 1,000 Hours of Service by the anniversary of your hire date. You are also credited with a year of Eligibility Service for each Plan Year beginning after your hire date in which you complete at least 1,000 Hours of Service. You are credited with a year of Eligibility Service immediately upon satisfying the hours requirement. You do not have to wait until the end of the 12-month computation period.

You are credited with Eligibility Service for employment with the Employer, any Related Company, and a Predecessor Employer. In addition, you are credited with Eligibility Service for employment with certain companies that are treated as Predecessor Employers under the Plan. For further information concerning the companies treated as Predecessor Employers, see the definition of "Predecessor Employer" in the **GLOSSARY**. Some prior employment with an employer that is treated as a Predecessor Employer may be excluded from Eligibility Service. The Plan document describes any applicable exclusions.

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. 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.

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. 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.

How to Make an Election

To make 401(k) Contributions, you must contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100), access your Account at the Insurance Company's internet site – www.Prudential.com/online/retirement, or notify the Administrator of your election in accordance with the rules established by the Administrator. Your election must specify the portion of your 401(k) Contributions to be treated as Pre-Tax 401(k) Contributions and the portion to be treated as Roth 401(k) Contributions.

Amount of 401(k) Contributions

You may contribute from 1% to 80% of your Compensation as 401(k) Contributions.

Notwithstanding the foregoing, if you are a Highly Compensated Employee, you may not contribute more than 4% of your Compensation as 401(k) Contributions.

If you will be age 50 or older by the end of the year, you may make Catch-Up 401(k) Contributions in excess of 80% of your Compensation (or, if you are a Highly Compensated Employee, in excess of 4% of your

Compensation). Your total Catch-Up 401(k) Contributions cannot exceed the Catch-Up Limit in effect for the year.

Commencement of 401(k) Contributions

401(k) Contributions will be made from your Compensation as provided in your election. Your election will be effective as soon as administratively practicable, usually within one to two payroll periods after the date your election is made.

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

You may change at any time 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. Your change will take effect as soon as administratively practicable after the change is requested. To change the amount or treatment of your 401(k) Contributions, you must contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100), access your Account at the Insurance Company's internet site – www.Prudential.com/online/retirement, or notify the Administrator in accordance with the rules established by the Administrator. Any change in your election must specify the portion of your future 401(k) Contributions to be treated as Pre-Tax 401(k) Contributions and the portion to be treated as Roth 401(k) Contributions.

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 contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100), access your Account at the Insurance Company's internet site – www.Prudential.com/online/retirement, or notify the Administrator in accordance with the rules established by the Administrator. The suspension will take effect as soon as reasonably practicable after you notify the Administrator.

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 soon as administratively feasible, usually within one to two payroll periods following your contribution election. To resume your 401(k) Contributions you must contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100), access your Account at the Insurance Company's internet site – www.Prudential.com/online/retirement, or notify the Administrator in accordance with the rules established by the Administrator. Your notice to resume 401(k) Contributions must specify the portion of your future 401(k) Contributions to be treated as Pre-Tax 401(k) Contributions and the portion to be treated as Roth 401(k) Contributions.

Annual Federal Limit on Amount of 401(k) Contribution

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 2021, the maximum amount is \$19,500. 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.

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 80% of Compensation limit (or, if you are a Highly Compensated Employee 4% 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 2021, the Catch-Up Limit is \$6,500. 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.

You may also elect to rollover qualified distributions to the Plan if you are a former employee who participated in the Plan and you still have an Account under 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.

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 **not** rollover the loan note as part of your Rollover Contribution.

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.

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.

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.

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.

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

Matching Contributions

Once you have met the requirements to participate in the Plan with respect to Matching Contributions, as described in **ELIGIBILITY TO PARTICIPATE** above, you may receive Matching Contributions for a Plan Year only if you either (i) are employed by the Employer or a Related Company on the last day of the Plan Year or (ii) complete at least 501 Hours of Service during the Plan Year. The number of Hours of Service required to receive Matching Contributions will be pro-rated for any short Plan Year.

The last day or service requirement described above does not apply to you if you are absent because:

- you retire on or after your Normal Retirement Date.
- you die.
- you become Disabled.

If you are eligible, each Plan Year your Employer, in its discretion, may make a Matching Contribution to your Account equal to a percentage, determined by your Employer, of your 401(k) Contributions to the Plan for the Plan Year. You may also receive a Matching Contribution if you make deferrals to the BAYADA Home Health Care 403(b) Plan.

Your Employer will **not** match your Catch-Up 401(k) Contributions to the Plan.

Limitations on Matching Contributions

Compensation you earn before you first became eligible to participate in the Plan with respect to Matching Contributions will be excluded in determining the amount of your Matching Contributions.

NONELECTIVE CONTRIBUTIONS

Once you have met the requirements to participate in the Plan with respect to Nonelective Contributions, as described in **ELIGIBILITY TO PARTICIPATE** above, you may receive Nonelective Contributions for a Plan Year only if you either (i) are employed by the Employer or a Related Company on the last day of the Plan Year or (ii) complete at least 501 Hours of Service during the Plan Year. The number of Hours of Service required to receive Nonelective Contributions will be pro-rated for any short Plan Year.

The last day or service requirement described above does not apply to you if you are absent because:

- you retire on or after your Normal Retirement Date.
- you die.
- you become Disabled.

If you are eligible, each Plan Year your Employer may, in its discretion, make a Nonelective Contribution to your Account equal to a percentage of your Compensation, determined by your Employer, for the Plan Year.

Compensation you earned before you first became eligible to participate in the Plan with respect to Nonelective Contributions will be excluded in determining the amount of your Nonelective Contributions.

VESTED INTEREST IN EMPLOYER CONTRIBUTIONS

Vesting Schedule

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

Years of Vesting Service	Vested Interest
Less than 2	0%
2, but less than 3	20%
3, but less than 4	40%
4, but less than 5	60%
5, but less than 6	80%
6 or more	100%

The following provisions of the Professional Nurses Service 401(k) (PNS) and Bayada Nurses, Inc. 401(k) Plans (the "merged plans") that were in effect before December 31, 2009 (the "merger date") will continue to apply your Account if you had an account under the "merged plans" before the "merger date":

Participants on December 31, 2009 will remain on a 5-year graded vesting schedule for their accrued benefit under the PNS 401(k) Plan and future contributions under the Bayada Nurses, Inc. 401(k) Plan. This applies to both Matching and Nonelective Contributions which will vest at 20% after 2 years of service, 60% after 3 years of service, 80% after 4 years of service and 100% after 5 years of service. Loans currently outstanding under the PNS 401(k) Plan will remain in effect under the Bayada Nurses, Inc. 401(k) Plan and will be administered in accordance with the PNS 401(k) Plan provisions. No new loans will be available to PNS employees after December 31, 2009.

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 a year of Vesting Service for each Plan Year in which you complete at least 1,000 Hours of Service.

You are credited with Vesting Service for employment with the Employer, any Related Company, and a Predecessor Employer. In addition, you are credited with Vesting Service for employment with certain companies that are treated as Predecessor Employers under the Plan. For further information concerning the companies treated as Predecessor Employers, see the definition of "Predecessor Employer" in the **GLOSSARY**. Some prior employment with an employer that is treated as a Predecessor Employer may be excluded from Vesting Service. The Plan document describes any applicable exclusions.

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:

- Vesting Service completed before you reach age 18.

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 Administrator will provide you with a description of the different investment funds available. New investment funds may be added and existing funds changed. The Administrator 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 Administrator of your investment elections in accordance with the rules established by the Administrator. 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.

Change of Investment Elections

You may change how contributions to your Account are invested effective as of the business day the Administrator receives your instructions. To perform this transaction you must contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100), access your Account at the Insurance Company's internet site – www.Prudential.com/online/retirement, or notify the Administrator in accordance with the rules established by the Administrator.

Transfers 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.

A transfer may be made effective as of the business day the Administrator receives your instructions. To make a transfer, you must contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100), access your Account at the Insurance Company's internet site – www.Prudential.com/online/retirement, or notify the Administrator in accordance with the rules established by the Administrator.

Restrictions on Transfers

The Insurance Company expects that, under most circumstances, unrestricted transfers will be available into any competing fixed income fund. Also, these provisions will not affect new contributions to, or transfers from, a competing fixed income fund.

In addition, if the Securities and Exchange Commission (SEC) has suspended or otherwise restricted trading, or another emergency outside of our control exists, the Insurance Company may defer investment transfers for up to 6 months. Interest (or gains or losses, as applicable) will continue to apply during the deferral period. In addition, the Insurance Company reserves the right to monitor participant's investment fund transfer activities to determine whether there are any inappropriate market timing activities. If the Insurance Company determines that a plan participant has engaged in inappropriate market timing, it may restrict his or her ability to make investment transfers in or out of particular funds.

If you intend to transfer amounts from one investment fund to another investment fund, there may be special rules pertaining to transfers to and from such funds. For more information, you should contact the Administrator.

Prudential Retirement's Internet Site

The Prudential Retirement® Online Retirement Center allows Internet access to your Account using your personal computer. The Prudential Retirement® Online Retirement Center is available 24 hours a day, 7 days a week. You can access the Prudential Retirement® Online Retirement Center through the Internet site at www.Prudential.com/online/retirement.

VALUING YOUR ACCOUNT

The Value of your Account is periodically adjusted 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 adjustment 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.

IN-SERVICE WITHDRAWALS

Under certain circumstances, you may make a cash withdrawal from your Account while you are still employed by your Employer.

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 (but made last in the hierarchy).
- ***Pre-Tax 401(k) Contributions*** at age 59 1/2.
- ***Roth 401(k) Contributions*** at age 59 1/2 (but made last in the hierarchy).

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:

- ***Nonelective Contributions***, provided you have reached age 59 1/2.
- ***Matching Contributions***, provided you have reached age 59 1/2.

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

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.***
- ***Roth 401(k) Contributions*** (but made last in the hierarchy).
- ***Post-1988 income on 401(k) Contributions.***
- ***Matching 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

Unless otherwise indicated in the Employer's administrative policy, the financial needs for which you can get a hardship withdrawal are:

- medical expenses of you, your Spouse, your primary Beneficiary, 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, your primary Beneficiary, 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, primary Beneficiary, 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 designed 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. Your primary Beneficiary is a person you have named as having an unconditional right to all or part of your Account upon your death.

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.

The Administrator will approve your hardship withdrawal from your Pre-Tax and Roth 401(k) Contributions:

- 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 must apply for a hardship withdrawal such number of days before the effective date as the Administrator prescribes.

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 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 you incur 5 consecutive Breaks in Service after 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 before the earlier of (1) 5 years from your reemployment date or (2) the date you incur 5 consecutive Breaks in Service beginning after 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).
- if you received distribution of the vested portion of your Account, you repay the full amount of the distribution before the earlier of (1) 5 years from your reemployment date or (2) the date you incur 5 consecutive Breaks in Service beginning after the date distribution was made to you.

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.

Non-vested Nonelective Contributions forfeited during a Plan Year are used to pay Plan expenses or re-allocated among the Accounts of eligible participants as additional Nonelective Contributions. You are an eligible participant if you meet the requirements described in ***Allocation Requirements to Receive Forfeited Amounts*** below. Your Vested Interest in the forfeitures allocated to your Account is determined using the vesting schedule for Nonelective Contributions described in **EMPLOYER CONTRIBUTIONS: YOUR VESTED INTEREST IN EMPLOYER CONTRIBUTIONS**.

Allocation Requirements to Receive Forfeited Amounts

You will receive allocations of forfeited Nonelective Contributions only if are employed by the Employer or a Related Company on the last day of the Plan Year or have completed at least 501 Hours of Service during the Plan Year. The number of Hours of Service required to receive allocations of forfeitures will be pro-rated for any short Plan Year.

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 70 1/2.

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.

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 70 1/2 or retire, whichever is later, unless you request an earlier distribution.

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 70 1/2 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 or Designated Roth Rollover Contributions fewer than 5 years after you first made Roth 401(k) Contributions to the Plan or if you made a Designated Roth Rollover Contribution, the date you first made Roth contributions to the other plan, whichever is earlier, the earnings on your Roth 401(k) Contributions or Designated 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 or Designated 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 or Designated 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.

Unless distribution of your Account is to be made to your Beneficiary in a series of installment payments, federal tax law requires distribution to your Beneficiary to be made in full no later than the end of the fifth calendar year

beginning after your death or, if your Beneficiary is your Spouse, the end of the calendar year in which you would have reached age 70 1/2, if later.

If distribution of your Account is to be made to your Beneficiary in a series of installment payments, federal tax law requires distribution to your Beneficiary to begin:

- if your Beneficiary is your Spouse, no later than the end of the first calendar year beginning after your death or the end of the calendar year in which you would have reached age 70 1/2, whichever is later; or
- if your Beneficiary is someone other than your Spouse, no later than the end of the first calendar year beginning after your death.

Your Spouse may only delay distribution under the federal tax law requirements described above if your Spouse is your sole Beneficiary. Generally, your Spouse is your sole Beneficiary only if (1) your Spouse is entitled to your full Account or a segregated portion of your Account and (2) no other Beneficiary is entitled to any portion of your Spouse's interest unless your Spouse dies before receiving full distribution of that interest.

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 your Normal Retirement Date without your written consent.

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").

The automatic rollover rules only apply to you if the Value of your Vested Interest in your Account is more than \$1,000. If the Value of your Vested Interest is \$1,000 or less, and you do not make an election, payment will be made directly to you.

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 over the period you specify. 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.

- **Ad-Hoc payments:** You may request a distribution of some or all of your Plan Accounts (ad hoc payments) at any time following your termination of employment, subject to any reasonable limits regarding timing and amounts as the Plan Administrator may impose.
- **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.

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 Administrator.

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 Administrator.

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 children, in equal shares, provided that the surviving descendants of any of your deceased children will receive your deceased child's share, or if you have no surviving descendants, your surviving parents in equal shares, or if you have no surviving parents, your estate.

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 witnessed 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. These procedures are set forth in the **PLAN CLAIMS PROCEDURES** Addendum to this booklet.

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. In addition, an Employer may withdraw from the Plan at any time. If an Employer withdraws from the Plan, the Employer will determine whether the withdrawal should be treated as a termination of the Plan with respect to its employees.

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.

IF CIRCUMSTANCES REQUIRE DELAY OF A WITHDRAWAL

All withdrawals may be delayed by the Insurance Company under certain circumstances. A description of these situations may be obtained from your Administrator. Regardless of the circumstances, there will be no delay in payment in cases of death, retirement, termination of employment, or becoming disabled.

TRANSFERS FROM GUARANTEED INCOME FUND MAY BE LIMITED

Under certain circumstances, the amount transferred from the Guaranteed Income Fund to other investment funds may be limited by the Insurance Company. Please see your Administrator for further information on transferring funds from the Guaranteed Income Fund.

PAYMENT OF ADMINISTRATIVE EXPENSES

Generally, the expenses of administering the Plan are paid from Plan assets, unless your Employer elects to make the payment. Administrative expenses paid from Plan assets are directed by the Administrator. Any remaining expenses will be shared among all participants' Accounts.

Although expenses are generally shared among the Accounts, administrative expenses incurred as a direct

result of your activities under the Plan are allocated to, and may be deducted directly from your Account. These expenses may include any or all of the following, if applicable:

- Any expenses incurred in connection with your request for a hardship withdrawal.
- Any expenses incurred in connection with your request for a non-hardship withdrawal.
- Any expenses incurred in determining whether a domestic relations order received for you meets certain requirements.
- Any expenses incurred in connection with distributing your Account.
- Any expenses incurred as a result of you exercising an investment election.
- Any expenses incurred as a result of you utilizing the Plan's investment advice services.
- Any expenses incurred in calculating the benefit amounts payable to you under different forms of payment.
- Any expenses incurred in processing your request for payment in the form of installments.

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 Administrator.

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.

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 Administrator 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 2021, the maximum contribution amount is \$19,500.

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 the Plan are subject to annual limitations under federal law. Your Employer is required to restrict total contributions to 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 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 **PLAN CLAIMS PROCEDURES** Addendum to this booklet.

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 a day 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 **PLAN CLAIMS PROCEDURES** Addendum to this booklet) 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 Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

GLOSSARY

Account	The account established to track the contributions made to the Plan on your behalf and the investment earnings and losses on those contributions.
Administrator	The fiduciary responsible for the administration of the Plan.
Beneficiary	The person (or persons) entitled to receive distribution of your Account if you die before your Account has been fully distributed to you.
Break in Service	A Vesting Service crediting period in which you complete no more than 500 Hours of Service.
Catch-Up 401(k) Contribution	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.
Catch-Up Limit	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 2021 is \$6,500. The IRS may adjust this limit for future years.
Compensation	<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">• 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.• differential pay you receive from the Employer for periods that you are absent because of military service.• 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.• pay you receive after termination of employment for accrued vacation or other leave, provided payment is made before the later of 2 1/2 months following termination or the end of the year in which termination occurs.

- deferred compensation you receive from a non-qualified plan after termination of employment, provided payment is made before the later of 2 1/2 months following termination or the end of the year in which termination occurs **and** you would have received the payment even if your employment had continued.

Your Compensation if you are self-employed means your earnings for personal services you performed for the business covered by the Plan.

Legal rules limit the Compensation that may be included under the Plan each year. For 2021, the maximum amount is \$290,000. (The IRS may adjust this limit for future years.)

Covered Employee

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.

Designated Roth Rollover Contributions

A Rollover Contribution that consists of designated Roth contributions you made to another plan or annuity contract and/or earnings on those contributions.

Disabled

The inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or to be of long continued and indefinite duration. The permanence and degree of such impairment shall be supported by medical evidence. You are Disabled only if:

- the Administrator determines you are disabled based on a written certificate of a physician acceptable to it.

Eligibility Service

The service credited to you that is used for determining whether you are eligible to participate in the Plan.

Employer

A company that participates in the Plan. Employers that have adopted the Plan include the Sponsor and the following: BAYADA Home Health Care, Inc.; B.C.P., Inc.; BAYADA Home Care; Tri-County Home & Hospice Care, LLC, DBA BAYADA at Inspira; BBKSHH LLC; BPS Philadelphia, LLC; Community Care Center of the Northeast; SCHHA, LLC; BayBap, LLC, DBA Baptist Home Health Care by BAYADA, effective as of March 1, 2021; and Health at Home Central, LLC, DBA VCU Health at Home by BAYADA, effective as of October 1, 2021. The companies that participate in the Plan are referred to collectively in this booklet as "the Employer."

Employer Contribution

Any contribution that your Employer makes to your Account.

ERISA

The Employee Retirement Income Security Act of 1974.

401(k)

Contribution

Any contributions you make to the Plan as provided in your salary reduction election.

Highly Compensated Employee

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 2020 (the look back year used to determine who is a Highly Compensated Employee for 2021), this limit is \$130,000. If you are

concerned that you may be a Highly Compensated Employee, you should consult the Administrator.

Hour of Service

Each hour that is used for determining your Vesting Service and your Eligibility Service.

An Hour of Service is each hour for which you are paid or entitled to be paid by the Employer, a Predecessor Employer, or a Related Company and includes your time at work, vacations, holidays, paid sick days, jury duty, military duty, approved leaves of absence, and certain maternity and paternity leaves of absence.

Notwithstanding any other provision of the Plan to the contrary, if your Employer does not maintain records that accurately reflect your actual hours of your service or for ease of administration, hours may be credited using equivalencies prescribed by the Department of Labor that credit a specified number of hours for a day, week, month, etc.

Insurance Company

Prudential Retirement Insurance and Annuity Company.

Investment Fiduciary

The fiduciary responsible for determining the investment options available under the Plan.

Matching Contribution

Any Employer Contribution your Employer makes to your Account because of your 401(k) Contributions to the Plan, as described in detail in **EMPLOYER CONTRIBUTIONS: MATCHING CONTRIBUTIONS**. The Employer may also match Employee deferrals made to the BAYADA Home Health Care 403(b) Plan.

Nonelective Contribution

Any Employer Contribution made to the Plan by your Employer that is not contingent on your contributions, as described in detail in **EMPLOYER CONTRIBUTIONS: NONELECTIVE CONTRIBUTIONS**.

Normal Retirement Date

The date you are entitled to retire with full benefits. Your Normal Retirement Date is the date you reach age 65.

Plan

The BAYADA Home Health Care 401(k) Plan.

Plan Year

The period on which the Plan's records are kept. The Plan Year is the 12-month period beginning each January 1st.

Pre-Tax 401(k) Contribution

Any 401(k) Contribution made to the Plan on a before-tax basis.

Predecessor Employer

Any company that is a predecessor to the Employer, under federal tax rules. In addition, the following companies are treated as Predecessor Employers for the purposes indicated below:

- HomeNurse, Inc.; Diversified Health Services, Inc.; Diversified Health Enterprises, Inc.; Caregivers Network of Minneapolis, Inc.; Home Health Services Division of the Public Health Authority of Cabarrus County, d/b/a Cabarrus Health Alliance, a North Carolina governmental authority; and Liberty HomeCare, Inc., for purposes only of Eligibility Service, but only with respect to service with HomeNurse, Inc.; Diversified Health Services, Inc.; Diversified Health Enterprises, Inc.; Caregivers Network of Minneapolis, Inc.; Home Health Services Division of the Public Health

Authority of Cabarrus County, d/b/a Cabarrus Health Alliance, a North Carolina governmental authority; and Liberty HomeCare, Inc. before April 19, 2010.

- Professional Nurses Services, Inc., for purposes of both Eligibility Service and Vesting Service, but only with respect to service with Professional Nurses Services, Inc. before April 19, 2010.
- Yavapai Community Hospital Association, for purposes only of Eligibility Service, but only with respect to service with Yavapai Community Hospital Association before June 13, 2011.
- Mecklenburg Home Health, Inc.; Home Health Professionals of Forsyth, Inc.; Person Home Health, Inc.; Home Health Professionals of Guilford, Inc.; and Davidson Home Health, Inc., for purposes only of Eligibility Service, but only with respect to service with Mecklenburg Home Health, Inc.; Home Health Professionals of Forsyth, Inc.; Person Home Health, Inc.; Home Health Professionals of Guilford, Inc.; and Davidson Home Health, Inc. before June 11, 2012.
- One (1) Employee from the Montgomery County, Maryland home health agency, for purposes only of Eligibility Service, but only with respect to service with One (1) Employee from the Montgomery County, Maryland home health agency before April 1, 2013.
- One (1) Employee from Trumpet Behavioral Health, LLC, for purposes of both Eligibility Service and Vesting Service, but only with respect to service with One (1) Employee from Trumpet Behavioral Health, LLC before December 23, 2013.
- Watermark Home Care of Arizona, LLC. and Watermark Home Care of Southern Arizona, LLC., for purposes only of Eligibility Service, but only with respect to service with Watermark Home Care of Arizona, LLC. and Watermark Home Care of Southern Arizona, LLC. before March 10, 2014.
- One (1) Employee of Jeanes Hospital, for purposes only of Eligibility Service, but only with respect to service with One (1) Employee of Jeanes Hospital before October 15, 2015.
- Inspira Medical Centers, for purposes only of Eligibility Service, but only with respect to service with Inspira Medical Centers before February 1, 2017.
- Bucks Hospital Home Health, for purposes only of Eligibility Service, but only with respect to service with Bucks Hospital Home Health before May 22, 2017.
- Bayhealth, for purposes only of Eligibility Service, but only with respect to service with Bayhealth before June 26, 2017.
- Partners Healthcare at Home, for purposes only of Eligibility Service, but only with respect to service with Partners Healthcare at Home before December 11, 2017.

- Professional Nursing Service, for purposes only of Eligibility Service, but only with respect to service with Professional Nursing Service before April 23, 2018.
- Specialty Nurse Company, Inc., for purposes only of Eligibility Service, but only with respect to service with Specialty Nurse Company, Inc. before September 10, 2018.
- Integrity Home Care, Inc., for purposes only of Eligibility Service, but only with respect to service with Integrity Home Care, Inc. before October 8, 2018.
- AssistedCare, Inc., for purposes only of Eligibility Service, but only with respect to service with AssistedCare, Inc. before October 15, 2018.
- Baptist Health System, Inc., for purposes of both Eligibility Service and Vesting Service, but only with respect to service with Baptist Health System, Inc. before March 1, 2021.
- SCHHA LLC for purposes of both Eligibility Service and Vesting Service, but only with respect to service with SCHHA LLC before October 1, 2020.
- Community Care Center of Northeast Philadelphia, for purposes of both Eligibility Service and Vesting Service, but only with respect to service with Community Care Center of Northeast Philadelphia before April 1, 2019.
- For any employee transferred from a participating Employer in the Plan to Health at Home Central, LLC, DBA VCU Health at Home by BAYADA, prior service will be credited for all Plan purposes including determining eligibility to participate in the Plan, vesting of Employer-provided contributions to the Plan, and allocation of contributions. Current Participants affected by the establishment of VCU Health at Home by BAYADA will (1) continue current deferral elections; (2) continue current investment elections; and (3) continue current Beneficiary elections. Prior service will not be recognized for any Plan purpose for employees transferring from employers that are not participating Employers in the Plan.

Prudential Retirement's Internet Site

The Internet service where, among other services, participants have access to view a 90-day account history, transfer between investment funds, change contribution percentages, check investment performances and project their investments. You can access Prudential Retirement's Internet site at www.Prudential.com/online/retirement.

Related Company

Any company or business that is considered to be related to an Employer under federal tax law.

Rollover Contribution

Any qualified cash contribution that you elect to rollover to the Plan from another retirement plan or from a rollover IRA.

Roth 401(k) Contribution

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.

Sponsor

The company that maintains the Plan and has the power to amend the Plan. The Sponsor of the Plan is BAYADA Home Health Care, Inc.

Spouse

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.

Trustee

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.

Value

The monetary worth of the contributions and investment earnings and losses on such contributions in your Account.

Vested Interest

The percentage of the Value of your Account that you are entitled to receive upon distribution.

Vesting Service

The service credited to you that is used for determining your Vested Interest in the Value of the following contributions:

- Nonelective Contributions.
- Matching Contributions.

ADDENDUM: PLAN CLAIMS PROCEDURES

The provisions of this Addendum describe 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 either (1) a copy of the specific rule, guideline, protocol, or other criterion relied upon in denying the claim or (2) a further statement that a copy of the specific rule, guideline, protocol, or other criterion relied upon in denying the claim is available upon request, free of charge; 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 either (1) a copy of the specific rule, guideline, protocol, or other criterion relied upon in denying the claim or (2) a further statement that a copy of the specific rule, guideline, protocol, or other criterion relied upon in denying the claim is available upon request, free of charge; 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, (c) filed a timely appeal, and (d) received an adverse benefit determination on appeal.

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.
