

**Summary of Material Modifications  
to the  
Absopure Water Company, et al. 401(k) Profit Sharing Plan**

*This Summary of Material Modifications updates the Summary Plan Description for the Plan (employee booklet) that was previously distributed to you to reflect changes in the Plan provisions. This summary should be kept with your current booklet until an updated booklet is distributed to you.*

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*The following subsections of your employee booklet have been updated to describe changes in the Plan that are effective **January 1, 2017**. These updated subsections replace the current subsections in your employee booklet:*

**YOUR CONTRIBUTIONS**

\* \* \*

**YOUR CONTRIBUTIONS**

\* \* \*

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

You may contribute from 1% to 70% 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 70% of your Compensation. Your total Catch-Up 401(k) Contributions cannot exceed the Catch-Up Limit in effect for the year.

You may contribute 401(k) Contributions as only a whole percentage of Compensation.

\* \* \*

***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 70% 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 2017, the Catch-Up Limit is \$6,000. The IRS may adjust this limit each year.

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**January 1, 2016**  
**SUMMARY PLAN DESCRIPTION**  
**FOR**  
**ABSOPURE WATER COMPANY, ET AL.**  
**401(k) PROFIT SHARING PLAN**

**Employer Identification Number: 38-2418014**  
**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, 2016. It updates and replaces any prior descriptions of the Plan. Some Plan provisions may be different for employees whose employment terminated before January 1, 2016.

### **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.

### **ADMINISTRATOR**

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

Plastipak Packaging, Inc.  
Attn: Benefits Manager  
41605 Ann Arbor Road  
Plymouth, MI 48170  
(734) 455-3600

Any questions concerning the day-to-day operations of the Plan should be directed to the Administrator.

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## INTRODUCTION TO YOUR PLAN

The Absopure Water Company, et al. 401(k) Profit Sharing 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. 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 Regular Matching Contribution. For information on the amount of your Employer's Regular Matching Contribution and the terms and conditions for receiving Regular Matching Contributions, see **EMPLOYER CONTRIBUTIONS: MATCHING CONTRIBUTIONS**.
- Your Employer may also make Standard Nonelective Contributions to the Plan for you. For information on the amount of your Employer's Standard Nonelective Contribution and the terms and conditions for receiving Standard Nonelective Contributions, see **EMPLOYER CONTRIBUTIONS: NONELECTIVE CONTRIBUTIONS**.
- If you are not a Highly Compensated Employee, your Employer may make special contributions to the Plan for you that can be used to help it satisfy nondiscrimination rules applicable to 401(k) plans. These contributions are called Qualified Nonelective Contributions. For information on the terms and conditions for receiving Qualified Nonelective Contributions, see **EMPLOYER CONTRIBUTIONS: NONELECTIVE CONTRIBUTIONS**.
- Dollars you save as 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 after-tax employee contributions that are rolled over to the Plan 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 after-tax employee contributions that are rolled over to the Plan, until 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 the following contributions is always 100%:

- 401(k) Contributions
- Rollover Contributions
- Qualified Nonelective Contributions

- Qualified Matching Contributions

Your Vested Interest in the balance of your Account resulting from Standard Nonelective Contributions and Regular Matching Contributions is determined under a vesting schedule, which requires 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 with an added component 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) are made on a pre-tax basis. This means you do not pay any taxes on them, or on any earnings that may accumulate on them under the plan, until they are 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**.

#### **ERISA PLAN ADMINISTRATOR**

Plastipak Packaging, Inc.  
Attn: Benefits Manager  
41605 Ann Arbor Road  
Plymouth, MI 48170  
(734) 455-3600



**SPONSOR**

Absopure Water Company, et al  
41605 Ann Arbor Road  
Plymouth, MI 48170

**SPONSOR'S EMPLOYER IDENTIFICATION NUMBER**

38-2418014

**PLAN NUMBER**

001

**OTHER ADOPTING EMPLOYERS**

Absopure Company; Absopure Water Company, LLC; Clean Tech, Inc.; Hydration Source, LLC; Plastipak Packaging, Inc.; Tabb Packaging Solutions, LLC; Waters of America; Whiteline Express, Ltd.; and William P. Young Company

**FUNDING MEDIUM**

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

**TRUSTEE**

Prudential Bank & Trust, FSB  
280 Trumbull Street, 07E  
Hartford, CT 06103  
(877) 778-2100

You have a separate Trustee for life insurance policies. Those Trustees are:

Michael J. Plotzke & William C. Young  
41605 Ann Arbor Road  
Plymouth MI 48170

**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 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, 2016, you will continue to be eligible after January 1, 2016, 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, 2016, you will become eligible as of the first day of the month coinciding with or immediately following the date you satisfy the applicable 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, Matching Contributions, and Qualified Nonelective Contributions. For eligibility to make 401(k) Contributions and to receive Matching Contributions and Qualified Nonelective Contributions, you must:
  - be a Covered Employee, as described in Covered Employees below.
  - complete 3 months of Eligibility Service.
  - reach age 21.

- Rollover Contributions. For eligibility to make Rollover Contributions, you must be a Covered Employee, as described in **COVERED EMPLOYEES** below.
- Standard Nonelective Contributions. For eligibility to receive Standard Nonelective Contributions you must:
  - be a Covered Employee, as described in **COVERED EMPLOYEES** below.
  - complete 6 months of Eligibility Service.
  - reach age 21.

#### **COVERED EMPLOYEES**

You are a Covered Employee if:

- you are a common law employee of the Employer.

#### **AND**

- you have **not** executed a contract, letter of agreement, or other document acknowledging your status as an independent contractor and are **not** otherwise treated by the Employer as an independent contractor with respect to whom the Employer does not withhold income taxes and file Form W-2 (or any replacement Form) with the Internal Revenue Service. If the Employer treats you as an independent contractor and you are later adjudicated to be a common law employee of the Employer, you will not be considered a Covered Employee unless and until the Employer extends Plan coverage to you.
- you are **not** a leased employee.
- you are **not** a union employee, unless you are covered by a collective bargaining agreement that provides for your coverage under the Plan.
- you are **not** a co-op, intern, or seasonal worker.

#### **TRANSFERS OF EMPLOYMENT**

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

#### **REEMPLOYMENT**

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

#### **ELIGIBILITY SERVICE**

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

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

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

### **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 do not pay federal income taxes (or, in many states, state income taxes) on Compensation you contribute

to the Plan as 401(k) Contributions for the year in which you make the contribution. Those amounts are not taxed until they are distributed from the Plan.

### ***Automatic Contribution Arrangement – Automatic Enrollment***

Unless you elect otherwise, beginning on the date you are first eligible to make 401(k) Contributions, your Employer will automatically withhold 3% of your Compensation each payroll period as 401(k) Contributions.

You may elect instead to contribute a different percentage of your Compensation as 401(k) Contributions or not to contribute at all. To make 401(k) Contributions in a different amount than under the automatic contribution arrangement (or not at all), you must contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100) or access your Account at the Insurance Company's internet site – [www.Prudential.com/online/retirement](http://www.Prudential.com/online/retirement) within the prescribed election period. To avoid having any 401(k) Contributions made under the automatic arrangement, your election must be made before the end of the declination period specified by the Administrator.

If you do not make an affirmative election otherwise, your Employer will continue to withhold 3% of your Compensation each payroll period as 401(k) Contributions until you suspend or change the amount of your contributions, as described in ***Change in Amount of 401(k) Contributions*** below.

***Please note:*** Affirmative elections out of the automatic contribution arrangement expire under certain circumstances. For example, if you terminate employment and are rehired, your affirmative election will expire and 401(k) Contributions will be made for you under the automatic contribution arrangement, unless you make another election.

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

You may contribute from 1% to 70% of your Compensation (in whole percentages) as 401(k) Contributions.

Notwithstanding the foregoing, if you are a Highly Compensated Employee, you may not contribute more than 6% of your Compensation (in whole percentages) 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 70% of your Compensation (or, if you are a Highly Compensated Employee, in excess of 6% of your Compensation). Your total Catch-Up 401(k) Contributions cannot exceed the Catch-Up Limit in effect for the year.

You may contribute 401(k) Contributions as only a whole percentage of Compensation.

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

401(k) Contributions will be made from your Compensation as provided in your election beginning with the first payment of Compensation made to you on or after the date your election is effective.

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

You may change the amount your Employer withholds from your future Compensation. To change the amount of your 401(k) Contributions, you must contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100) or access your Account at the Insurance Company's internet site – [www.Prudential.com/online/retirement](http://www.Prudential.com/online/retirement). Your new election will take effect as soon as reasonably practicable after you notify the Administrator.

### ***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) or access your Account at the Insurance Company's internet site – [www.Prudential.com/online/retirement](http://www.Prudential.com/online/retirement). 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 by contacting a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100) or accessing your Account at the Insurance Company's internet site – [www.Prudential.com/online/retirement](http://www.Prudential.com/online/retirement). Your new election will take effect as soon as reasonably practicable after you notify the Administrator.

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

Federal law limits the amount of 401(k) Contributions that you can make to the Plan each calendar year. For 2016, the maximum amount is \$18,000. The IRS may adjust this limit for future years. Any adjustment will be in increments of \$500. If the Administrator determines 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 as described above in **Annual Federal Limit on Amount of 401(k) Contributions**. 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 70% of Compensation limit (or, if you are a Highly Compensated Employee 6% 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 2016, the Catch-Up Limit is \$6,000. The IRS may adjust this limit each year.

## **ROLLOVER CONTRIBUTIONS**

If you are a Covered Employee without regard to whether you have satisfied the eligibility requirements to make 401(k) Contributions to the Plan, you may elect to roll over qualified distributions into the Plan.

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

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

The Plan permits "direct rollovers" from the following:

- other 401(k) and profit-sharing plans (*i.e.*, "qualified plans" that meet the requirements of Section 401(a) or annuities that meet federal tax law qualification requirements). Your "direct rollover" may include after-tax employee contributions.

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 Roth contributions.

If you have an outstanding loan under another plan or annuity, you may roll over the loan note as part of your Rollover Contribution.

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

The Plan permits "indirect rollovers" from the following:

- other 401(k) and profit-sharing plans (*i.e.*, "qualified plans" that meet the requirements of Section 401(a) or annuities that meet federal tax law qualification requirements).

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 Roth contributions or after-tax employee contributions.

### **Savings Not Eligible for Rollover**

You may not rollover, either directly or indirectly, the following:

- Roth contributions.
- distributions from an IRA.

### ***Rollover Procedures***

The Administrator may require you to provide information to show that the savings you want to roll over 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 After-Tax Rollover Contributions***

If you make After-Tax 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 401(k) and Rollover Contributions to the Plan is always 100%.

### **EMPLOYER CONTRIBUTIONS**

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

### **MATCHING CONTRIBUTIONS**

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

Once you have met the requirements to participate in the Plan with respect to Regular Matching Contributions, you may receive Regular Matching Contributions each pay period if you are a Covered Employee at any time during that pay period.

If you are eligible, each pay period your Employer, in its discretion, may make a Regular Matching Contribution to your Account equal to a percentage, determined by your Employer, of your 401(k) Contributions to the Plan.

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

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

Your Employer may characterize all or a portion of the Regular Matching Contribution it makes to your Account as a Qualified Matching Contribution. Qualified Matching Contributions are treated as if they were 401(k) Contributions to satisfy federal nondiscrimination rules. (These rules require contributions for Highly Compensated Employees not to exceed contributions for other employees by more than a specified amount.) Therefore, like 401(k) Contributions, your Vested Interest in the Value of the Qualified Matching Contributions in your Account is always 100%. Qualified Matching Contributions are also subject to withdrawal restrictions.

### **NONELECTIVE CONTRIBUTIONS**

#### ***Standard Nonelective Contributions (Profit Sharing)***

Once you have met the requirements to participate in the Plan with respect to Standard Nonelective Contributions, you may receive Standard Nonelective Contributions for a Plan Year only if you both (i) complete at least 1,000 Hours of Service during the Plan Year and (ii) are employed as a Covered Employee on the last day of the Plan Year. The number of Hours of Service required to receive Standard Nonelective Contributions will be pro-rated for any short Plan Year.

The annual service allocation 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 Standard Nonelective Contribution to the Plan in an amount determined by your Employer. Your share of the Standard Nonelective Contribution will be determined based on the ratio of the number of points credited to you at the end of the Plan Year to the total number of points credited to all eligible employees. You are credited with points as follows:

- One point for each full year of Vesting Service you have completed at the end of the Plan Year.

**Qualified Nonelective Contributions**

Your Employer may re-characterize all or a portion of the Standard Nonelective Contribution it makes to your Account as a Qualified Nonelective Contribution. Qualified Nonelective Contributions may be used to satisfy federal nondiscrimination rules. Your Vested Interest in the Value of the Qualified Nonelective Contributions in your Account is always 100%.

Once you have met the requirements to participate in the Plan with respect to Qualified Nonelective Contributions, you may receive separate Qualified Nonelective Contributions for a Plan Year if you are a Covered Employee at any time during that Plan Year.

If you are eligible, each Plan Year your Employer, in its discretion, may make a separate Qualified Nonelective Contribution to your Account equal to a percentage of your "test compensation" (compensation used in applying federal nondiscrimination tests).

Your Employer will **not** make a separate Qualified Nonelective Contribution to your Account for a Plan Year, if you are a Highly Compensated Employee for that Plan Year.

**VESTED INTEREST IN EMPLOYER CONTRIBUTIONS**

**Vesting Schedule**

Your Vested Interest in the following Employer Contributions is always 100%:

- Qualified Nonelective Contributions.
- Qualified Matching Contributions.

Your Vested Interest in the Standard Nonelective and Regular Matching Contributions in your Account is determined by the following schedule:

<b>Years of Vesting Service</b>	<b>Vested Interest</b>
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%

**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***

For purposes of determining your Vested Interest in your Regular Matching Contributions, you are credited with a year of Vesting Service for each Plan Year in which you complete at least 1,000 Hours of Service.

For purposes of determining your Vested Interest in your Nonelective Contributions, you are credited with Vesting Service as follows:

- If you are an employee for whom hourly records are kept, you are credited with a year of Vesting Service for each Plan Year in which you complete at least 1,000 Hours of Service.
  - No more than 501 Hours of Service will be used to determine your service for any period for which you are not actually working (vacations, holidays, paid sick days, jury duty, military duty, approved leaves of absence, and certain maternity and paternity leaves of absence), unless you are absent because of military duty and you return to employment while your reemployment rights are protected under federal law or you are absent for certain other reasons, as specified in the Plan document.
  - Any period in which you are deemed to have completed less than 500 Hours of Service will be considered a Break in Service.
- If you are an employee for whom hourly records are not kept, you are credited with Vesting Service from your hire (or rehire) date until your Severance Date. If your employment terminates but you are rehired before you have been absent from work for 12 months, you are credited with Vesting Service for the period that you were absent from work.

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

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

### ***Excluded Vesting Service***

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

- 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 Sponsor, Employer, 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 date or dates prescribed by the Administrator. To perform this transaction, you must contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100) or access your Account at the Insurance Company's internet site – [www.Prudential.com/online/retirement](http://www.Prudential.com/online/retirement).

### ***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 date or dates prescribed by the Administrator. To make a transfer, you must contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100) or access your Account at the Insurance Company's internet site – [www.Prudential.com/online/retirement](http://www.Prudential.com/online/retirement).

### ***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.

### ***The Interactive Voice Response Service***

The 24-hour voice response system allows you to access information about your Account using a touch-tone telephone. To access your Account, call 877.PRU.2100 (877.778.2100). The toll-free system enables you to perform certain transactions, investment transactions, and investment changes in accordance with the terms of your Plan. You should contact the Administrator for materials that describe the features and options that are available.

The Interactive Voice Response Service is normally available 24 hours a day, 7 days a week, except during a brief period of approximately 20 minutes each morning between the hours of 3:30 a.m. and 7:00 a.m., eastern time.

### ***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](http://www.Prudential.com/online/retirement).

## **INVESTMENT IN LIFE INSURANCE CONTRACTS**

Prior to January 1, 2014, you were able to direct that a portion of your Account be used to purchase life insurance on your life. If you elected this option, premiums paid on life insurance contracts will continue to be



charged against your Account. As of January 1, 2014, no additional associates will be able to elect life insurance as an investment option. Note that the preceding sentence shall not have any effect on any current policy holder.

#### ***Limitations on Amount of Premiums Paid***

If only ordinary life insurance contracts are held in your Account, the premiums paid for the contracts must be less than 50% of your 401(k) Contributions to the Plan plus 50% of the Employer Contributions, excluding Qualified Nonelective Contributions and Qualified Matching Contributions, held in your Account. If only term life insurance contracts are held in your Account, the premiums paid for the contracts must be less than 25% of your 401(k) Contributions to the Plan plus 25% of the Employer Contributions, excluding Qualified Nonelective Contributions and Qualified Matching Contributions, held in your Account. If both ordinary and term life insurance contracts are held in your Account, one-half of the premiums paid for the contracts must be less than 25% of your 401(k) Contributions to the Plan plus 25% of the Employer Contributions, excluding Qualified Nonelective Contributions and Qualified Matching Contributions, held in your Account.

#### ***Dividends***

Dividends and other credits, if any, payable under your life insurance contract will be allocated to your 401(k) Contributions sub-account.

#### ***Discontinuance of Investment in Life Insurance under the Plan***

You may elect at any time to have the purchase of insurance on your life discontinued by filing written notice with the Administrator at least as many days before the date the action is to take effect as the Administrator prescribes. The Administrator will notify the Trustee to surrender the life insurance contracts held in your Account on the date specified in your notice.

In the election described in the preceding paragraph, you must specify the means of disposing of the life insurance contracts held in your Account. Your options are the following:

- You may have the cash surrender value, if any, of the contracts credited to your Account (in which case, your Vested Interest in that amount will be determined based on your Vested Interest in the contributions held in your Account); or
- You may have the premiums for the life insurance contracts paid out of the cash surrender value of the contracts until there is no more cash surrender value, at which time the contracts terminate.

#### ***Termination of Employment***

If your employment terminates with your Employer, any life insurance contracts held in your Account will be distributed to you by the 60th day after the end of the Plan Year in which your employment terminated.

You may elect instead to have the cash surrender value of the contracts credited to your Account for distribution under the terms of the Plan. You must file your written election to surrender your life insurance contracts with the Administrator within as many days of the date your employment terminates as the Administrator prescribes.

#### ***Death Before Termination of Employment***

If you die while employed by your Employer, the proceeds of any life insurance contract held in your Account will be paid into your Account and distributed to your Beneficiary in accordance with the terms of the Plan.

### **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.

### LOANS FROM YOUR ACCOUNT

You may apply for a loan from your Account if you are a "party in interest" (generally, any employee of an Employer or a Related Company or certain individuals who have an ownership interest in an Employer or a Related Company). If you have made a Rollover Contribution to the Plan, but have not yet met the eligibility requirements to participate in the Plan, you may not receive a Plan loan until you have met the eligibility requirements to participate. You may not receive a Plan loan if you are on any type of leave of absence when initiating the loan. No loans shall be made from your Standard Nonelective Contributions. The rules governing Plan loans are stated in the Participant Loan Policy, which the Administrator can provide upon request.

Any Plan loan made to you will be treated as a separate investment of the assets held in your Account.

### FEDERAL TAX RULES GOVERNING PLAN LOANS

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

- **Interest rate:** must be the prime rate charged for a loan made under similar circumstances by persons in the business of lending money, plus 1 percentage point, updated monthly. (If you are absent because of military leave, federal law limits the interest rate that can apply to your loan.)
- **Loan amount:** cannot exceed specified limits when added to the outstanding balance of all other loans made to you from the Plan or any other plan maintained by your Employer or a Related Company.
- **Loan term:** cannot exceed 5 years, unless it is used to purchase your principal residence. The term of a Plan loan that is used to purchase your principal place of residence may not exceed 30 years.
- **Repayment schedule:** must be substantially equal installments made not less frequently than quarterly. Some exceptions are made for unpaid leaves. If you are on military leave, you may submit your repayments by personal check. Upon returning to work from military leave, you may make a lump sum payment that totals the amounts of missed payments in an amount not less than the amount required under the original repayment schedule, or, for loans made prior to January 1, 2004, you may re-amortize the loan to ensure full loan payment by the end of the original term. For loans made on or after January 1, 2004, you may re-amortize the loan to ensure full loan payment by the end of maximum period permitted by the Plan.

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

### COLLATERAL FOR LOAN

If you receive a Plan loan, a portion of your Vested Interest in your Account will be used as collateral for the loan. You may not receive a loan in excess of 50% of your Vested Interest. If a Plan loan is still outstanding at the time distribution of your Account is to be made, the amount distributed will be reduced by the portion of your Account being held as collateral for the loan, but only to the extent necessary to repay the loan.

### DEFAULT ON LOAN

You will not receive a Plan loan unless you agree that your Account may be charged for unpaid principal and interest if you default on the loan. A Plan loan will be declared to be in default if either (1) you fail to make a required payment within 90 days of the date the payment was due (though the Administrator may extend the grace period until the end of the calendar quarter following the quarter in which the payment was due) or (2) there is an outstanding principal balance after the last scheduled repayment date.

### SPECIAL LOAN RULES

- **Repayment:** repayment will be made by payroll withholding.
- **Minimum loan amount:** \$1,000. Furthermore, in order to request a loan you must have at least \$2,000 of 401(k) Contributions in your Account.

- **Limit on outstanding loans:** only 2 outstanding Plan loans are permitted at any time.
- **Prepayment of outstanding balance:** permitted in full or in part without penalty.
- **Wait period to apply for new loan:** you may not apply for a new loan until 7 days after paying off a prior loan.
- **Due on termination:** outstanding balance immediately due and payable on termination of employment.
- **Spousal Consent:** required if you are married and you have previously elected an annuity form of payment.
- **Principal residence loans:** may not exceed 30 years.

### **IN-SERVICE WITHDRAWALS**

Under certain circumstances, you may make a cash withdrawal or, if you previously elected a life annuity form of payment, a withdrawal in the form of a single life annuity or a qualified joint and survivor annuity (as described in **FORM OF PAYMENT: FORM OF PAYMENT TO YOU**) from your Account while you are still employed by your Employer.

#### **WITHDRAWALS OF YOUR CONTRIBUTIONS**

If you meet the applicable requirements indicated below, 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 age 59 1/2.
- **401(k) Contributions** at age 59 1/2.

Your withdrawal will be effective as soon as administratively practicable after your election is received. If you are married and you previously elected a life annuity form of payment, your Spouse must consent to the withdrawal, unless it is made in the form of a qualified joint and survivor annuity (as described in **FORM OF PAYMENT: FORM OF PAYMENT TO YOU**).

#### **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:

- **Standard Nonelective Contributions**, provided you have reached age 59 1/2.
- **Regular 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. If you are married and you previously elected a life annuity form of payment, your Spouse must consent to the withdrawal, unless it is made in the form of a qualified joint and survivor annuity (as described in **FORM OF PAYMENT: FORM OF PAYMENT TO YOU**).

#### **WITHDRAWALS WHILE ABSENT ON MILITARY DUTY**

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

##### ***Standard Military Withdrawals***

If you are absent from employment because of service with the uniformed services (as described in United States Code, Title 38, Chapter 43), you may withdraw all or part of the Value of your Vested Interest in your Account. However, you generally cannot withdraw your 401(k) Contributions, Qualified Nonelective Contributions, and Qualified Matching Contributions until you have attained age 59 1/2.

Your withdrawal will be effective as soon as administratively practicable after your election is received. If you are married and you previously elected a life annuity form of payment, your Spouse must consent to the withdrawal, unless it is made in the form of a qualified joint and survivor annuity (as described in **FORM OF PAYMENT: FORM OF PAYMENT TO YOU**).

## **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:

- **401(k) Contributions (excluding investment earnings).**

You may only make a hardship withdrawal if the Administrator determines 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. If you are married and you previously elected a life annuity form of payment, your Spouse must consent to the withdrawal, unless it is made in the form of a qualified joint and survivor annuity (as described in **FORM OF PAYMENT: FORM OF PAYMENT TO YOU**).

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

The financial needs for which you can get a hardship withdrawal are:

- medical expenses of you, your Spouse, or your dependents for the diagnosis, cure, mitigation, treatment, or prevention of disease.
- purchase of your principal residence (excluding mortgage payments).
- tuition payments, related educational fees, and room and board expenses for post-secondary education for you, your Spouse, or your dependents.
- prevention of your eviction from your principal residence or foreclosure on the mortgage of your principal residence.
- funeral or burial expenses for your deceased parent, Spouse, child, or dependent.
- expenses for the repair of damages to your principal residence that would qualify for a casualty loss deduction (determined without regard to whether the loss exceeds 10% of your adjusted gross income).

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

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

The Administrator will approve your hardship withdrawal if all of the following requirements are met:

- the withdrawal amount does not exceed the amount you need to meet your financial need.
- you have obtained all other distributions and all non-taxable loans available to you from any plan maintained by your Employer or any Related Company.
- you suspend your 401(k) Contributions to the Plan (and any other plan maintained by the Employer or any Related Company) for at least 6 months after receipt of the withdrawal.

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

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

## **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 you first incur a Break in Service following your termination of employment.
- 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 you first incur a Break in Service following 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 rehired before 5 consecutive years have elapsed 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 5 years have elapsed 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 attributable to Employer Contributions before the earlier of (1) 5 years from your reemployment date or (2) the date 5 years have elapsed beginning after the date distribution was made to you.

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

Amounts that are forfeited during a Plan Year are used to pay for Employer Contributions to the Plan or to pay Plan expenses, as directed by the Administrator. If the amount of forfeited contributions exceeds the Employer's contribution obligations for the Plan Year, the excess amount will be used to pay Plan expenses and meet the Employer's contribution obligations for the following 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.

If you keep your Account in the Plan after your employment terminates, you must pay for all fees and expenses to maintain your Vested Interest in the Plan. These expenses will be withdrawn directly from your Account.

### ***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.

### **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 by purchase of an annuity contract from an insurance company or 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 by purchase of an annuity contract from an insurance company or 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. If you are married and you previously elected an annuity form of payment, your Spouse must also consent to the distribution if distribution is not to be made in the form of a qualified joint and survivor annuity.

The Value of your Rollover Contributions will not be included in determining whether the Value of your Account is more than \$5,000.

### **AUTOMATIC ROLLOVERS**

If the Value of your Vested Interest in your Account is \$5,000 or less, the Administrator will notify you of the cash out rules and give you the opportunity to elect whether to (1) receive payment yourself or (2) have the payment rolled over directly to the IRA or other eligible plan that you select. If you do not make an election within the

period prescribed by the Administrator, tax rules require that your Vested Interest in your Account be rolled over directly to an IRA maintained by a provider selected by your Employer (an "automatic rollover IRA").

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.

Even if the Value of your Rollover Contributions is **not** included in determining whether your Account will be cashed out as described in **CASH OUTS OF ACCOUNTS AND CONSENT TO DISTRIBUTION** above, if your Account is cashed out, the Value of your Rollover Contributions **will** be included in the amount distributed to you and **will** be included in determining whether the Value of your Account exceeds \$1,000, so that it is subject to the automatic rollover rules.

## 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. Subject to the requirements of federal law, you may modify the rate and amount of your installment payments at any time.
- **Annuity contract:** Distribution of your Account will be made to you through the purchase of an annuity contract from an insurance company. You may elect any form of annuity available from an insurance company. Under federal law, the maximum period over which an annuity may be paid cannot exceed your life or the joint lives of you and your Beneficiary.
  - **Normal form of annuity:** If you elect an annuity form of payment, distribution will be made to you in the normal annuity form, unless you elect a different form of annuity. If you have a Spouse, your Spouse must consent to your election of a form of annuity other than the normal annuity form.
    - The normal form if you do **not** have a Spouse is a **single life annuity** (payments are made to you for life and end at your death).
    - The normal form if you **do** have a Spouse is a **50% qualified joint and survivor annuity** (payments are made for your life and, if your Spouse to whom you were married when payments started survives you, payments equal to 50% of what you were receiving continue to your Spouse for life).
- **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. You may not elect a direct rollover if the total value of any distribution is less than \$200 or with respect to a portion of a distribution eligible for rollover if the value of such portion is less than \$500. 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. However, your Beneficiary may not elect a joint and survivor annuity. If you previously elected an annuity form of payment and your Spouse is your Beneficiary, payment will be made to your Spouse in the form of a qualified preretirement survivor annuity, as described below, unless your Spouse elects otherwise.

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 roll over the distribution to an IRA (including a Roth IRA) or to any other eligible plan. Your non-Spouse Beneficiary may only directly roll over the distribution to an IRA (including a Roth IRA) that is treated as an inherited IRA for required distribution purposes.

- **Qualified preretirement survivor annuity:** If you have a Spouse, have previously elected an annuity form of payment, and you die before any distribution of your Account is made, distribution of your Account will be made to your Spouse through the purchase of a qualified preretirement survivor annuity from an insurance company. A "qualified preretirement survivor annuity" is an annuity payable for the life of your Spouse.

Your Spouse may elect instead to have distribution made in one of the other forms of payment available to Beneficiaries under the Plan.

You may designate a person other than your Spouse to receive distribution of your Account. If your designation is made before the first day of the Plan Year in which you either reach age 35 or your employment terminates, whichever is earlier, your designation will become ineffective on the first day of the Plan Year in which you reach age 35 and you will have to make a new designation or your Account will once more be payable to your Spouse as a qualified preretirement survivor annuity. Your Spouse must consent in writing to your designation.

#### **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 are Married***

If you have a Spouse, your Beneficiary under the Plan is your Spouse. Unless you have elected the optional annuity form of payment and are therefore subject to the qualified preretirement survivor annuity requirements described in **FORM OF PAYMENT: FORM OF PAYMENT TO YOUR BENEFICIARY** above, you may designate a non-Spouse Beneficiary with your Spouse's written consent. Once you elect the optional annuity form of payment, your designation of a non-Spouse Beneficiary is subject to the rules for waiving the qualified preretirement survivor annuity described in **FORM OF PAYMENT: FORM OF PAYMENT TO YOUR BENEFICIARY** above. To designate a non-Spouse Beneficiary or change a prior designation, you must contact the Administrator.

##### ***Effect of Election of Optional Annuity Form of Payment on Prior Beneficiary Designation***

If you have a Spouse and have designated a non-Spouse Beneficiary with your Spouse's written consent, and you then elect the optional annuity form of payment, your prior Beneficiary designation will be ineffective. To retain your non-Spouse Beneficiary, you will need to re-designate that person as your Beneficiary with your Spouse's consent.



### ***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. To retain your non-Spouse Beneficiary, you will need to re-designate that person as your Beneficiary with your Spouse's consent.

### ***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 after the date of the final decree or order, 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 surviving children in equal shares, or if you have no surviving children, your estate.

## **SPOUSAL CONSENT**

If you make an election that requires your Spouse's written consent, your Spouse's consent must be witnessed by a Plan representative or a notary public. If you are electing a form of payment or designating a Beneficiary, your Spouse's consent must specifically acknowledge the form of payment and/or Beneficiary that you have selected. Instead of specifically acknowledging your form of payment and/or designated Beneficiary, your Spouse's consent may be a general consent that permits you to change your selection without further spousal consent.

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**

The procedures in this section of the booklet apply if you file (or your Beneficiary files) a claim for benefits with the Administrator.

### **INITIAL RESPONSE TO CLAIM**

Unless additional time is required, the Administrator (or other fiduciary responsible for reviewing claims) will notify you in writing regarding your claim within 90 days of the date your claim was received. If special circumstances require an extension of the 90-day review period, you will be notified. In no event will the initial period for reviewing your claim exceed 180 days.

### **CLAIM DENIAL**

If your claim is denied, the Administrator's notice will include all of the following:

- the specific reason(s) for the denial;
- identification of the Plan provisions that support the denial;
- any additional information needed to complete your application and an explanation of why it is needed; and
- information on how to have your claim reviewed.

### **REVIEW OF ADMINISTRATOR'S DECISION**

If you disagree with a decision made by the Administrator regarding a claim under the Plan, you have the right to ask the Administrator for a review of its decision. You should contact the Administrator at its business address or at its business phone number within 60 days of the date on which you receive notice of denial of the claim. A request for review must contain all of the following information:

- the date you received notice of denial of your claim and the date your request for review is filed;
- the specific part of the claim you want reviewed;
- a statement describing why you think the decision should be reversed; and
- any written material that you think is pertinent to your claim and that you want the Administrator to examine.

Unless additional time is required, the Administrator (or other fiduciary responsible for reviewing claims) will review the denial of your claim and notify you in writing of its final decision, within 60 days of the filing of your request. If additional review time is needed, you will be notified. In no event will the review period exceed 120 days.

If your claim is denied on review, the notice will include all of the following:

- the specific reason(s) for the denial;
- identification of the Plan provisions that support the denial;
- a statement that you are entitled to receive reasonable access to and copies of all documents, records, and other information relevant to your claim for benefits;
- information on any voluntary appeal procedures; and
- a statement of your right to bring a civil action under ERISA.

#### **SPECIAL RULES APPLICABLE TO DISABILITY CLAIMS**

If you are claiming a benefit under the Plan that is contingent on a determination that you are Disabled, you will receive a written response within 45 days, rather than 90 days. If special circumstances require an extension, the Administrator (or other fiduciary responsible for reviewing claims) will notify you within the 45-day processing period that additional time is needed. The notice will specify the circumstances requiring the extension and the date a decision can be expected. The extension notice will also:

- explain the standards for approving a disability claim;
- state the unresolved issue(s) that prevent the Administrator from reaching a decision; and
- describe any additional information needed to resolve the issue(s).

If the Administrator requests you to provide additional information so it can process your claim, you will have at least 45 days in which to provide the information. Otherwise, the initial extension cannot exceed 30 days.

If circumstances require further extension, the Administrator will again notify you, this time before the end of the initial 30-day extension. The notice will state the date a decision can be expected. In no event will a decision be postponed beyond an additional 30 days after the end of the first 30-day extension.

If your disability claim is denied, the Administrator's notice will include the following in addition to the information in **CLAIM DENIAL** above:

- if the claim denial is based on an internal rule, guideline, protocol, or other similar provision, that a copy of the provision is available upon request, free of charge; and
- if the claim denial is based on an exclusion or limit (such as a medical necessity requirement or an experimental treatment exclusion) that an explanation of the scientific or clinical judgment applying the exclusion or limit is available upon request, free of charge.

You may request a review of the Administrator's decision regarding your disability claim within 180 days, rather than 60 days. The review must be conducted by a Plan fiduciary different from the fiduciary who originally denied your claim. This fiduciary also cannot be subordinate to the fiduciary who originally denied your claim.

If the original denial of your claim was based on a medical judgment, the reviewing fiduciary must consult with an appropriate health care professional who was not consulted on the original claim and who is not subordinate to someone who was.

The review must identify the medical or vocational experts consulted on the original claim. You may request, in writing, a list of those medical or vocational experts.

You will receive notice of the reviewing fiduciary's final decision regarding your disability claim within 45 days, rather than 60 days, of your request. If your disability claim is denied, the notice will include the following in addition to the information in **CLAIM DENIAL** above:

- if the claim denial is based on an internal rule, guideline, protocol, or other similar provision, that a copy of the provision is available upon request, free of charge;
- if the claim denial is based on an exclusion or limit (such as a medical necessity requirement or an experimental treatment exclusion) that an explanation of the scientific or clinical judgment applying the exclusion or limit is available upon request, free of charge; and
- the following statement: "You and your Plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency."

### **BRINGING A CIVIL ACTION UNDER ERISA**

You cannot bring a civil claim under ERISA unless you have first exhausted your remedies under the Plan. This means that before filing you must have (1) submitted a timely claim for benefits under the Plan, (2) received notice that your claim was denied, (c) filed a written request for review of your claim, as described in **REVIEW OF ADMINISTRATOR'S DECISION** above, and (d) received an adverse benefit determination on review.

## **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. If administrative expenses are paid from Plan assets, they will first be reduced by any forfeitures the Administrator has directed to be used for payment of expenses. 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 processing your loan request.
- 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 2016, the maximum contribution amount is \$18,000.

If you are a Highly Compensated Employee, federal law limits the amount of 401(k) Contributions that you can make to the Plan and the amount of Matching Contributions that your Employer can make to your Account in relation to the contributions made to the Plan for other 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 the Internal Revenue Code. Amounts that would exceed those limits will be distributed or forfeited as provided under the Plan.

If you will be age 50 or older by the end of the year, you may make Catch Up 401(k) Contributions that exceed the limits otherwise applicable to contributions for Highly Compensated Employees or that exceed the annual limit described above. The amount of such Catch Up 401(k) Contributions cannot exceed the Catch Up Limit for the year reduced by any other Catch Up 401(k) Contributions you have made for the year (i.e., any 401(k) Contributions you have made for the year that exceed another applicable limit).

## MORE THINGS YOU SHOULD KNOW

The Plan is qualified under the Internal Revenue Code as a 401(k) profit-sharing plan. 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, copies of all documents governing the Plan, including insurance contracts, 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, 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 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 **ERISA CLAIMS PROCEDURES** above.

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 **ERISA CLAIMS PROCEDURES** above) 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

<b>401(k) Contribution</b>	Any contributions you make to the Plan as provided in your salary reduction election or under the automatic contribution provisions described in this booklet
<b>Account</b>	The account established to track the contributions made to the Plan on your behalf and the investment earnings and losses on those contributions.
<b>Administrator</b>	The person or entity responsible for the day-to-day operations of the Plan. Any questions concerning the day-to-day operations of the Plan should be directed to the Administrator.
<b>After-Tax Rollover Contributions</b>	A Rollover Contribution that consists of contributions you made to another plan or annuity contract as after-tax employee contributions (as distinct from elective 401(k) or 403(b) contributions) and earnings on those contributions.
<b>Beneficiary</b>	The person (or persons) entitled to receive distribution of your Account if you die before your Account has been fully distributed to you.
<b>Break in Service</b>	A Vesting Service crediting period in which you complete no more than 500 Hours of Service.
<b>Catch-Up 401(k) Contribution</b>	Any 401(k) Contribution that you make to the Plan for any year (beginning with the year you reach age 50) that exceeds an applicable limit by no more than the Catch-Up Limit in effect for the year.
<b>Catch-Up Limit</b>	The maximum amount by which your Catch-Up 401(k) Contributions for a particular year may exceed the limitations applicable to 401(k) Contributions for the year. The Catch-Up Limit for 2016 is \$6,000. The IRS may adjust this limit for future years.
<b>Compensation</b>	<p>The compensation from your Employer that is taken into account in determining the amount of contributions that you or your Employer can make to your Account.</p> <p>Your Compensation for any period means the wages paid to you for employment covered under the Plan that would be reported as income on Form W-2.</p> <p>Compensation includes the following:</p> <ul style="list-style-type: none"><li>• 401(k) Contributions you make to the Plan, transportation fringe benefits you receive from your Employer that are excluded from your taxable gross income, amounts that you contribute on a pre-tax basis to a cafeteria plan (or that the Employer contributes on your behalf unless you elect to receive cash instead), and amounts you contribute as salary reduction contributions to a 403(b) account, or other plan.</li><li>• differential pay you receive from the Employer for periods that you are absent because of military service.</li><li>• pay you receive after your termination of employment for your services before termination, including your regular pay and, if otherwise included in Compensation, overtime, differential pay, commissions, bonuses or other similar compensation, provided payment is made before the later of 2 1/2 months following termination or the end of the year in which termination occurs.</li></ul>

- 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.

Notwithstanding the foregoing, for purposes of determining your 401(k) Contributions, Compensation does not include the following:

- gifts and prizes;
- relocation benefits; and
- if you are an expatriate, per diem allowances, housing benefits, education benefits, tax payments, tax equalization payments, and miscellaneous expatriate benefits (e.g., taxable expenses for pets, visa expenses, bank fees, tax return preparation, meals and other similar expenses).

Legal rules limit the Compensation that may be included under the Plan each year. For 2016, the maximum amount is \$265,000. (The IRS may adjust this limit for future years.)

***Covered Employee***

You are employed by the Employer in a job classification as described under the **ELIGIBILITY TO PARTICIPATE** section, and at a location that is covered by the Plan. Only employees who are Covered Employees may make and receive contributions under the Plan.

***Disabled***

You have a mental or physical condition that is likely to result in death or is expected to be of long-continued or indefinite duration and that prevents you from continuing in employment with your Employer. The Administrator determines if 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: Absopure Company; Absopure Water Company, LLC; Clean Tech, Inc.; Hydration Source, LLC; Plastipak Packaging, Inc.; Tabb Packaging Solutions, LLC; Waters of America; Whiteline Express, Ltd.; and William P. Young Company. 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.

***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 under the IRS rules 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 2015 (the look back year used to determine who is a Highly Compensated Employee for 2016), this limit is \$120,000. 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.

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. However, no more than 501 Hours of Service will be used to determine your service for any period for which you are not actually working, unless you are absent because of military duty and you return to employment while your reemployment rights are protected under federal law or you are absent for certain other reasons, as specified in the Plan document.

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 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**.

Matching Contributions include:

- **Regular Matching Contributions:** any Matching Contribution other than a Qualified Matching Contribution.
- **Qualified Matching Contributions:** a Matching Contribution that can be used to correct failing nondiscrimination testing.

***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**.

Nonelective Contributions include:

- **Standard Nonelective Contributions:** any Nonelective Contribution other than a Qualified Nonelective Contribution.
- **Qualified Nonelective Contributions:** an Employer Contribution that can be used to correct failing nondiscrimination testing.

***Normal Retirement Date***

The date you are entitled to retire with full benefits. Your Normal Retirement Date is the date you reach age 65 or the fifth anniversary of the date you commenced employment with your Employer or a Related Company, whichever come last.

***Plan***

The Absopure Water Company, et al. 401(k) Profit Sharing 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.

***Predecessor Employer***

Any company that is a predecessor to the Employer under federal tax rules, provided the Employer maintains a Plan of that company. In addition, a purchase agreement may provide that an acquired company is treated as a

Predecessor Employer for purposes of crediting Eligibility and/or Vesting Service under 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](http://www.Prudential.com/online/retirement).

**Qualified Matching Contributions**

Any Matching Contribution that can be used to satisfy federal limitations on 401(k) Contributions of Highly Compensated Employees.

**Qualified Nonelective Contributions**

Any Employer Contribution that can be used to satisfy federal limitations on 401(k) and Matching Contributions of Highly Compensated Employees, as described in detail in **EMPLOYER CONTRIBUTIONS: NONELECTIVE CONTRIBUTIONS**.

**Regular Matching Contributions**

Any Matching Contribution other than:

- a Qualified Matching Contribution.

**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 roll over to the Plan from another qualified retirement plan.

**Severance Date**

The date your employment terminates or you are absent from work (without terminating employment) for 1 year. If you are absent from work for no more than 2 years because of approved leave or a "maternity/paternity leave", and you return promptly to work at the end of your leave, your Severance Date will not occur even though you have been absent from work for more than 1 year. A "maternity/paternity leave" is a leave because of pregnancy, birth of your child, placement of a child with you in connection with your adoption of the child, or the caring for your child immediately following the child's birth or adoption.

**Sponsor**

The entity that maintains the Plan and has the power to amend the Plan. The Sponsor of the Plan is Absopure Water Company, et al.

**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.

**Standard Nonelective Contribution**

Any Nonelective Contribution other than:

- a Qualified Nonelective Contribution.

<b><i>Trustee</i></b>	The entity that holds the Plan assets for the benefit of covered employees. The entity may be a trust company, a bank, an insurance company, or a group of individuals chosen by the Sponsor.
<b><i>Value</i></b>	The monetary worth of the contributions and investment earnings and losses on such contributions in your Account.
<b><i>Vested Interest</i></b>	The percentage of the Value of your Account that you are entitled to receive upon distribution.
<b><i>Vesting Service</i></b>	The service credited to you that is used for determining your Vested Interest in the Value of your Standard Nonelective Contributions and Regular Matching Contributions.