

**DELTA HEALTH SYSTEMS 401(K) PROFIT SHARING PLAN  
SUMMARY PLAN DESCRIPTION**

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## DELTA HEALTH SYSTEMS 401(K) PROFIT SHARING PLAN

### SUMMARY PLAN DESCRIPTION

#### INTRODUCTION TO YOUR PLAN

##### What kind of Plan is this?

Delta Health Systems 401(k) Profit Sharing Plan ("Plan") has been adopted to provide you with the opportunity to save for retirement on a tax-advantaged basis. This Plan is a type of qualified retirement plan commonly referred to as a 401(k) Plan. As a participant under the Plan, you may elect to contribute a portion of your compensation to the Plan.

##### What information does this Summary provide?

This Summary Plan Description ("SPD") contains information regarding when you may become eligible to participate in the Plan, your Plan benefits, your distribution options, and many other features of the Plan. You should take the time to read this SPD to get a better understanding of your rights and obligations under the Plan.

In this SPD, the Employer has addressed the most common questions you may have regarding the Plan. If this SPD does not answer all of your questions, please contact the Plan Administrator or other plan representative. The Plan Administrator is responsible for responding to questions and making determinations related to the administration, interpretation, and application of the Plan. The name of the Plan Administrator can be found at the end of this SPD in the Article entitled "General Information about the Plan."

This SPD describes the Plan's benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language and is designed to comply with applicable legal requirements. If the non-technical language in this SPD and the technical, legal language of the Plan document conflict, the Plan document always governs. If you wish to receive a copy of the legal Plan document, please contact the Plan Administrator.

The Plan and your rights under the Plan are subject to federal laws, such as the Employee Retirement Income Security Act (ERISA) and the Internal Revenue Code, as well as some state laws. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service (IRS) or Department of Labor (DOL). The Employer may also amend or terminate this Plan. If the provisions of the Plan that are described in this SPD change, the Employer will notify you.

### ARTICLE I PARTICIPATION IN THE PLAN

##### How do I participate in the Plan?

Provided you are not an Excluded Employee, you may begin participating under the Plan once you have satisfied the eligibility requirements and reached your Entry Date. The following describes Excluded Employees, if any, the eligibility requirements and Entry Dates that apply. You should contact the Plan Administrator if you have questions about the timing of your Plan participation.

##### All Contributions

**Excluded Employees.** If you are a member of a class of employees identified below, you are an Excluded Employee and you are not entitled to participate in the Plan. The Excluded Employees are:

- union employees whose employment is governed by a collective bargaining agreement under which retirement benefits were the subject of good faith bargaining
- residents of Puerto Rico or any employee performing services in Puerto Rico
- leased employees
- reclassified employees (an employee who was previously not treated as an employee of the Employer but you are reclassified as being an employee)

**Eligibility Conditions.** You will be eligible to participate in the Plan when you have completed three (3) month(s) of service and have attained age 21. However, you will actually participate in the Plan once you reach the Entry Date as described below.

**Entry Date.** For purposes of elective deferrals, your Entry Date will be the first day of the month coinciding with or next following the date you satisfy the eligibility requirements.

**Entry Date.** For purposes of nonelective contributions, your Entry Date will be the first day of the month coinciding with or next following the date on which you satisfy the eligibility requirements.

**Entry Date.** For purposes of safe harbor nonelective contributions, your Entry Date will be the first day of the month coinciding with or next following the date on which you satisfy the eligibility requirements.

#### **Additional Entry Date provisions**

For purposes of safe harbor nonelective contributions, your Entry Date will be the First day of each payroll period. See the Plan Administrator for additional information if you are not sure if this affects you.

#### **How is my service determined for purposes of Plan eligibility?**

**Months of Service.** You will have completed the required number of months if you are employed by the Employer at any time after you have completed that number of months.

#### **What service is counted for purposes of Plan eligibility?**

**Service with the Employer.** In determining whether you satisfy the minimum service requirements to participate under the Plan, all service you perform for the Employer will be counted.

**Service with another Employer.** For eligibility purposes, your Periods of Service with Stemler Insurance, Chat Systems, Inc., Employer Auditing Service, Carson Oaks Management Company, and P5 Health Plan Solutions will be counted. See the Plan Administrator for details if you think you may be affected by this provision.

#### **Additional Service with another Employer provisions**

For Stemler Insurance, Chat Systems, Inc., Employer Auditing Service, Carson Oaks Management Company, and P5 Health Plan Solutions, all service is credited, regardless of when it was rendered.

**Military Service.** If you are a veteran and are reemployed under the Uniformed Services Employment and Reemployment Rights Act of 1994, your qualified military service may be considered service with the Employer. If you may be affected by this law, ask the Plan Administrator for further details.

#### **What happens if I'm a participant, terminate employment and then I'm rehired?**

If you are no longer a participant because of a termination of employment, and you are rehired, then you will be able to participate in the Plan on the date on which you are rehired if you are otherwise eligible to participate in the Plan.

## **ARTICLE II EMPLOYEE CONTRIBUTIONS**

#### **What are elective deferrals and how do I contribute them to the Plan?**

**Elective Deferrals.** As a participant under the Plan, you may elect to reduce your compensation by a specific percentage amount and have that amount contributed to the Plan on a pre-tax basis as an elective deferral. Your taxable income is reduced by the deferral contribution so you pay less in federal income taxes (however, the amount you defer is still counted as compensation for purposes of Social Security taxes). Later, when the Plan distributes the deferrals and earnings, you will pay the taxes on those deferrals and the earnings. Therefore, federal income taxes on the deferral contributions and on the earnings are only postponed. Eventually, you will have to pay taxes on these amounts.

**Deferral procedure.** The amount you elect to defer will be deducted from your pay in accordance with a procedure established by the Plan Administrator. You may elect to defer a portion of your compensation payable on or after your Entry Date. Such election will become effective as soon as administratively feasible after it is received by the Plan Administrator. Your election will remain in effect until you modify or terminate it.

**Deferral modifications.** You may revoke or make modifications to your salary deferral election in accordance with procedures that the Employer provides. See the Plan Administrator for further information.

**Deferral Limit.** As a participant, you may elect to defer up to 70% of your compensation after you enter the Plan for your first Plan Year of participation, then Plan Year compensation for Plan Years that follow.

**Annual dollar limit.** Your total deferrals in any taxable year may not exceed a dollar limit which is set by law. The limit for 2015 is \$18,000. After 2015, the dollar limit may increase for cost-of-living adjustments.

**Catch-up contributions.** If you are at least age 50 or will attain age 50 before the end of a calendar year, then you may elect to defer additional amounts in whole percentage amounts (called "catch-up contributions") to the plan for that year. The additional amounts may be deferred regardless of any other limitations on the amount that you may defer to the plan. The maximum "catch-up contribution" that you

can make in 2015 is \$6,000. After 2015, the maximum may increase for cost-of-living adjustments. Any "catch-up contributions" that you make will be taken into account in determining any Employer matching contribution made to the Plan.

You should be aware that each separately stated annual dollar limit on the amount you may defer (the annual deferral limit and the "catch-up contribution" limit) is a separate aggregate limit that applies to all such similar elective deferral amounts and "catch-up contributions" you may make under this Plan and any other cash or deferred arrangements (including tax-sheltered 403(b) annuity contracts, simplified employee pensions or other 401(k) plans) in which you may be participating. Generally, if an annual dollar limit is exceeded, then the excess must be returned to you in order to avoid adverse tax consequences. For this reason, it is desirable to request in writing that any such excess elective deferral amounts be returned to you.

If you are in more than one plan, you must decide which plan or arrangement you would like to return the excess. If you decide that the excess should be distributed from this Plan, you must communicate this in writing to the Plan Administrator no later than the March 1st following the close of the calendar year in which such excess deferrals were made. However, if the entire dollar limit is exceeded in this Plan or any other plan the Employer maintains, then you will be deemed to have notified the Plan Administrator of the excess. The Plan Administrator will then return the excess deferral and any earnings to you by April 15th.

**Automatic Deferral.** Effective January 2, 2014, the Plan includes an automatic deferral feature. Accordingly, the Employer will automatically withhold a portion of your compensation from your pay each payroll period and contribute that amount to the Plan as a pre-tax 401(k) deferral unless you make a contrary election.

- **Application to existing Participants.** For those Participants in the Plan as of the automatic deferral effective date, the automatic deferral provisions apply to all Participants except those who have a salary reduction agreement in effect (regardless of their deferral amount) on the automatic deferral provisions effective date.

**Automatic deferral provisions.** The following provisions apply as to automatic deferrals:

- You may complete a salary reduction agreement at any time to select an alternative deferral amount or to elect not to defer under the Plan in accordance with the deferral procedures of the Plan.
- The amount to be automatically withheld from your pay each payroll period will be equal to 3% of your compensation, and that amount will increase by 1% each Plan Year until the amount withheld from your paycheck reaches 6% of your compensation unless the Employer amends the Plan or you enter a Salary Reduction Agreement.
- The increase in the amount automatically withheld from your pay will be effective July 1st, beginning with the first July 1st following the date deferrals were first automatically withheld from your pay.

**Rehired participants.** If your employment terminates and you are rehired following the automatic deferral effective date, the amount to be automatically withheld from your pay each payroll period will be reset to the initial automatic deferral amount.

**Automatic Escalation of Salary Reduction Agreement amount.** The Plan includes automatic escalation provisions. Accordingly, if you have completed a Salary Reduction Agreement specifying the amount to be withheld as an elective deferral from your pay each payroll period, the Employer will automatically increase the amount withheld from your pay as indicated below.

- **Application to Participants with an existing Salary Reduction Agreement.** The automatic escalation provisions apply to all Participants who have a Salary Reduction Agreement in effect to defer at least 1% of compensation, unless and until they make a contrary election after the automatic escalation provisions effective date.
- The amount withheld from your pay each payroll period will be increased by 1% each Plan Year until the amount withheld from your paycheck reaches 6% of your compensation, unless you make a contrary election. If the amount of elective deferrals withheld from your paycheck reaches 6% of your compensation as a result of these automatic escalation provisions and you then file a Salary Reduction Agreement to defer less than 6% of your compensation, the automatic escalation provisions will not apply to you unless you specify that you want the automatic escalation provisions to apply to your reduced elective deferral amount.
- The increase in the amount automatically withheld from your pay will be effective July 1st following the date you file a Salary Reduction Agreement, or, if sooner, the effective date of the automatic escalation provisions.

Contact the Plan Administrator if you have any questions concerning the application of the automatic deferral or automatic escalation provisions.

### **What are rollover contributions?**

**Rollover contributions.** At the discretion of the Plan Administrator, if you are an eligible employee, you may be permitted to deposit into the Plan distributions you have received from other plans and certain IRAs. Such a deposit is called a "rollover" and may result in tax savings to you. You may ask the Plan Administrator or Trustee of the other plan or IRA to directly transfer (a "direct rollover") to this Plan all or a portion of any amount that you are entitled to receive as a distribution from such plan. Alternatively, you may elect to deposit any

amount eligible to be rolled over within 60 days of your receipt of the distribution. You should consult qualified counsel to determine if a rollover is in your best interest.

**Rollover account.** Your rollover will be accounted for in a "rollover account." You will always be 100% vested in your "rollover account" (see the Article in this SPD entitled "Vesting"). This means that you will always be entitled to all amounts in your rollover account. Rollover contributions will be affected by any investment gains or losses.

**Withdrawal of rollover contributions.** You may withdraw the amounts in your "rollover account" at any time. You should see the Articles in this SPD entitled "Distributions Prior to Termination of Employment," "Distributions upon Termination of Employment," and "Distributions upon Death" for an explanation of how benefits (including your "rollover account") are paid from the Plan.

### **ARTICLE III EMPLOYER CONTRIBUTIONS**

In addition to any deferrals you elect to make, the Employer will make additional contributions to the Plan. This Article describes Employer contributions that will be made to the Plan and how your share of the contributions is determined.

#### **What is the safe harbor contribution?**

**Safe harbor 401(k) plan.** This Plan is referred to as a "safe harbor 401(k) plan." Before the beginning of each Plan Year, you will be provided with a comprehensive notice of your rights and obligations under the Plan. However, if you become eligible to participate in the Plan after the beginning of the Plan Year, then the notice will be provided to you on or before the date you are eligible. A safe harbor 401(k) plan is a plan design where the Employer commits to making certain contributions described below. This commitment to make contributions enables the Employer to simplify the administration of the Plan by ensuring that nondiscrimination regulations are met, which is why it is called a "safe harbor" plan.

**Safe Harbor Nonelective Contribution.** In order to maintain "safe harbor" status, the Employer will make a contribution equal to 3% of your compensation. This contribution is 100% vested (see the Article in this SPD entitled "Vesting").

#### **What is the Employer nonelective contribution and how is it allocated?**

**Nonelective contribution.** Each year, the Employer may make a discretionary nonelective contribution to the Plan. Your share of any contribution is determined below.

**Allocation conditions.** You will always share in the nonelective contribution regardless of the amount of service you complete during the Plan Year.

**Your share of the contribution.** The nonelective contribution will be "allocated" or divided among participants eligible to share in the contribution for the Plan Year.

Your share of the nonelective contribution is determined by the following fraction:

$$\text{Nonelective Contribution} \quad \times \quad \frac{\text{Your Compensation}}{\text{Total Compensation of All Participants Eligible to Share}}$$

For example: Suppose the nonelective contribution for the Plan Year is \$20,000. Employee A's compensation for the Plan Year is \$25,000. The total compensation of all participants eligible to share, including Employee A, is \$250,000. Employee A's share will be:

$$\$20,000 \quad \times \quad \frac{\$25,000}{\$250,000} \quad \text{or} \quad \$2,000$$

#### **What are forfeitures and how are they allocated?**

**Definition of forfeitures.** In order to reward employees who remain employed with the Employer for a long period of time, the law permits a "vesting schedule" to be applied to certain contributions that the Employer makes to the Plan. This means that you will not be entitled to ("vested" in) all of the contributions until you have been employed with the Employer for a specified period of time (see the Article in this SPD entitled "Vesting"). If a participant terminates employment before being fully vested, then the non-vested portion of the terminated participant's account balance remains in the Plan and is called a forfeiture. Forfeitures may be used by the Plan for several purposes.

**Allocation of forfeitures.** Forfeitures will be allocated as follows:

- All forfeitures may be used to pay plan expenses, or allocated as Discretionary Additional Matching Contributions.

**ARTICLE IV  
COMPENSATION AND ACCOUNT BALANCE**

**What compensation is used to determine my Plan benefits?**

**All Contributions**

**Definition of compensation.** Compensation is defined as your total compensation that is subject to income tax and paid to you by the Employer. The following describes the adjustments to compensation that apply for the contributions noted above.

**Adjustments to compensation.** The following adjustments to compensation will be made:

- elective deferrals to this Plan and to any other plan or arrangement (such as a cafeteria plan) will be included.
- reimbursements or other expense allowances, fringe benefits, moving expenses, deferred compensation, and welfare benefits will be excluded.
- compensation paid while not a Participant in the component of the Plan for which compensation is being used will be excluded.
- compensation paid by any other participating employer will be excluded.
- compensation paid after you terminate is generally excluded for Plan purposes. However, the following amounts will be included in compensation even though they are paid after you terminate employment, provided these amounts would otherwise have been considered compensation as described above and provided they are paid within 2 1/2 months after you terminate employment, or if later, the last day of the Plan Year in which you terminate employment:
  - compensation paid for services performed during your regular working hours, or for services outside your regular working hours (such as overtime or shift differential), or other similar payments that would have been made to you had you continued employment.
  - compensation paid for unused accrued bona fide sick, vacation or other leave, if such amounts would have been included in compensation if paid prior to your termination of employment and you would have been able to use the leave if employment had continued.
  - nonqualified unfunded deferred compensation if the payment is includible in gross income and would have been paid to you had you continued employment.

**Is there a limit on the amount of compensation which can be considered?**

The Plan, by law, cannot recognize annual compensation in excess of a certain dollar limit. The limit for the Plan Year beginning in 2015 is \$265,000. After 2015, the dollar limit may increase for cost-of-living adjustments.

**Is there a limit on how much can be contributed to my account each year?**

Generally, the law imposes a maximum limit on the amount of contributions including elective deferrals (excluding catch-up contributions) that may be made to your account and any other amounts allocated to any of your accounts during the Plan Year, excluding earnings. Beginning in 2015, this total cannot exceed the lesser of \$53,000 or 100% of your annual compensation (as limited under the previous question). After 2015, the dollar limit may increase for cost-of-living adjustments.

**How is the money in the Plan invested?**

The Trustee of the Plan has been designated to hold the assets of the Plan for the benefit of Plan participants and their beneficiaries in accordance with the terms of this Plan. The trust fund established by the Plan's Trustee will be the funding medium used for the accumulation of assets from which Plan benefits will be distributed.

**Participant direction of investments.** You will be able to direct the investment of your entire interest in the Plan. The Plan Administrator will provide you with information on the investment choices available to you, the procedures for making investment elections, the frequency with which you can change your investment choices and other important information. You need to follow the procedures for making investment elections and you should carefully review the information provided to you before you give investment directions. If you do not direct the investment of your applicable Plan accounts, then your accounts will be invested in accordance with the default investment alternatives established under the Plan. These default investments will be made in accordance with specific rules under which the fiduciaries of the Plan, including the Employer, the Trustee and the Plan Administrator, will be relieved of any legal liability for any losses resulting from the default investments. The Plan Administrator has or will provide you with a separate notice which details these default investments and your right to switch out of the default investment if you so desire.



The Plan is intended to comply with Section 404(c) of ERISA (the Employee Retirement Income Security Act). If the Plan complies with this Section, then the fiduciaries of the Plan, including the Employer, the Trustee and the Plan Administrator, will be relieved of any legal liability for any losses which are the direct and necessary result of the investment directions that you give. Procedures must be followed in giving investment directions. If you fail to do so, then your investment directions need not be followed. If you do not direct the investment of your applicable Plan accounts, your accounts will be invested in accordance with the default investment alternatives established under the Plan.

**Earnings or losses.** When you direct investments, your accounts are segregated for purposes of determining the earnings or losses on these investments. Your Participant-directed Account does not share in the investment performance of other participants who have directed their own investments. You should remember that the amount of your benefits under the Plan will depend in part upon your choice of investments. Gains as well as losses can occur and the Employer, the Plan Administrator, and the Trustee will not provide investment advice or guarantee the performance of any investment you choose.

### **How may I provide investment direction?**

You may provide investment direction in your account through Service Center, Voice Response, Internet Service or other electronic means subsequently adopted by the Plan Administrator using usernames and passwords which you will be responsible for maintaining in accordance with the following guidelines. ***If you do not follow the below guidelines, the Plan Sponsor and/or Prudential Retirement will not be responsible for any direct or indirect losses or damages arising from the unauthorized use of a Password occurring before you notify the Plan Administrator or Prudential Retirement that a Password is compromised. Anywhere the words "You" and "Your" are used refer to the Participant.***

1. In order to protect your passwords, you must change your password periodically, at least every six months.
2. If you require that someone other than yourself have access to your account, please provide legal documentation to Prudential Retirement, such as a notarized Power of Attorney, indicating the specific access to be granted to the specific individual. ***Do not*** provide such person with your password. If you share account access information with anyone, the Plan and Plan Administrator will consider any activities performed by such person(s) to be authorized by you. If you grant authority over your account to anyone else (i.e. an investment advisor, attorney-in-fact), the Plan and Plan Administrator will consider activities performed by such person(s) to be authorized by you.
3. All passwords are to be treated as sensitive, confidential information, therefore,
  - a. DO NOT use the same password for your retirement account as for any other personal or business accesses;
  - b. DO NOT reveal a password over the phone to anyone;
  - c. DO NOT reveal a password in an e-mail message or on questionnaires or security forms;
  - d. DO NOT reveal or share a password with anyone, not even a boss, co-worker, family member (including your spouse), administrative assistant or secretary;
  - e. DO NOT talk about passwords in front of others or enter your password in the presence of others;
  - f. DO NOT hint at the format of a password;
  - g. DO NOT use passwords that are apparent or easily determined;
  - h. DO NOT use common acronyms, words, places, numbers or names;
  - i. DO NOT use your log in name, date of birth, social security number, phone number or address;
  - j. DO NOT use the "Remember Password" feature;
  - k. DO NOT write passwords down or put them anywhere that is accessible to anyone;
  - l. DO NOT store passwords anywhere (such as a computer document or system);
4. If someone demands a password, refer him/her to this document, or refer him/her to the Plan Administrator.
5. If a Participant suspects that their account or password has been compromised, they must report the incident to Prudential Retirement and their Plan Administrator and immediately change all passwords.

Periodically, you will receive a benefit statement that provides information on your account balance and your investment returns. It is your responsibility to notify the Plan Administrator of any errors you see on any statements within 30 days after the statement is provided or made available to you.

### **Will Plan expenses be deducted from my account balance?**

The Plan will pay some or all Plan related expenses except for a limited category of expenses, known as "settlor expenses," which the law requires the employer to pay. Generally, settlor expenses relate to the design, establishment or termination of the Plan. See the Plan Administrator for more details. The expenses charged to the Plan may be charged pro rata to each Participant in relation to the size of each Participant's account balance or may be charged equally to each Participant. In addition, some types of expenses may be charged only to some Participants based upon their use of a Plan feature or receipt of a plan distribution. Finally, the Plan may charge expenses in a different manner as to Participants who have terminated employment with the Employer versus those Participants who remain employed with the Employer.

The above is only a general statement about the possible treatment of Plan expenses. See the Appendix for Plan Expense Allocations for details.

## ARTICLE V VESTING

### What is my vested interest in my account?

In order to reward employees who remain employed with the Employer for a long period of time, the law permits a "vesting schedule" to be applied to certain contributions that the Employer makes to the Plan. This means that you will not be entitled to ("vested in") all of the contributions until you have been employed with the Employer for a specified period of time.

**100% vested contributions.** You are always 100% vested (which means that you are entitled to all of the amounts) in your accounts attributable to the following contributions:

- elective deferrals including catch-up contributions
- rollover contributions
- safe harbor contributions

**Vesting schedules.** Your "vested percentage" for certain Employer contributions is based on vesting Years of Service. This means at the time you stop working, your account balance attributable to contributions subject to a vesting schedule is multiplied by your vested percentage. The result, when added to the amounts that are always 100% vested as shown above, is your vested interest in the Plan, which is what you will actually receive from the Plan.

### Nonelective Contributions

Your "vested percentage" in your account attributable to nonelective contributions is determined under the following schedule. You will always, however, be 100% vested in your nonelective contributions if you are employed on or after your Early or Normal Retirement Age or if you terminate employment on account of your death, or if you terminate employment as a result of becoming disabled.

Vesting Schedule Nonelective Contributions	
Years of Service	Percentage
Less than 1	0%
1	20%
2	40%
3	60%
4	80%
5	100%

### How is my service determined for vesting purposes?

**Year of Service.** To earn a Year of Service, you must be credited with at least 1,000 Hours of Service during a Plan Year. The Plan contains specific rules for crediting Hours of Service for vesting purposes. The Plan Administrator will track your service and will credit you with a Year of Service for each Plan Year in which you are credited with the required Hours of Service, in accordance with the terms of the Plan. If you have any questions regarding your vesting service, you should contact the Plan Administrator.

**Hour of Service.** You will be credited with your actual Hours of Service for:

- (a) each hour for which you are directly or indirectly compensated by the Employer for the performance of duties during the Plan Year;
- (b) each hour for which you are directly or indirectly compensated by the Employer for reasons other than the performance of duties (such as vacation, holidays, sickness, disability, lay-off, military duty, jury duty or leave of absence during the Plan Year) but credit will not exceed 501 hours of service for any single continuous period during which you perform no duties; and
- (c) each hour for back pay awarded or agreed to by the Employer.

You will not be credited for the same Hours of Service both under (a) or (b), as the case may be, and under (c).

### **What service is counted for vesting purposes?**

**Service with the Employer.** In calculating your vested percentage, all service you perform for the Employer will generally be counted.

**Service with another Employer.** For vesting purposes, your Years of Service with Stemler Insurance, Chat Systems, Inc., Employer Auditing Service, Carson Oaks Management Company, and P5 Health Plan Solutions will be counted. See your Plan Administrator for details if you think you may be affected by this provision.

### **Additional service with another Employer provisions**

For Stemler Insurance, Chat Systems, Inc., Employer Auditing Service, Carson Oaks Management Company, and P5 Health Plan Solutions, all service is credited, regardless of when it was rendered.

**Military Service.** If you are a veteran and are reemployed under the Uniformed Services Employment and Reemployment Rights Act of 1994, your qualified military service may be considered service with the Employer. If you may be affected by this law, ask the Plan Administrator for further details.

### **What happens to my non-vested account balance if I'm rehired?**

If you have no vested interest in the Plan when you leave, your account balance will be forfeited. However, if you are rehired before incurring five consecutive Breaks in Service, your account balance as of the date of your termination of employment will be restored, unadjusted for any gains or losses.

If you are partially vested in your account balance when you leave, the non-vested portion of your account balance will be forfeited on the earlier of the date:

- (a) of the distribution of your vested account balance, or
- (b) when you incur five consecutive Breaks in Service.

If you received a distribution of your vested account balance and are rehired, you may have the right to repay this distribution. If you repay the entire amount of the distribution, the Employer will restore your account balance with your forfeited amount. You must repay this distribution within five years from your date of rehire, or, if earlier, before you incur five consecutive Breaks in Service. If you were 100% vested when you left, you do not have the opportunity to repay your distribution.

### **What happens if the Plan becomes a "top-heavy plan"?**

**Top-heavy plan.** A retirement plan that primarily benefits "key employees" is called a "top-heavy plan." Key employees are certain owners or officers of the Employer. A plan is generally a "top-heavy plan" when more than 60% of the plan assets are attributable to key employees. Each year, the Plan Administrator is responsible for determining whether the Plan is a "top-heavy plan."

**Top-heavy rules.** If the Plan becomes top-heavy in any Plan Year, then non-key employees may be entitled to certain "top-heavy minimum benefits," and other special rules will apply. These top-heavy rules include the following:

- The Employer may be required to make a contribution on your behalf in order to provide you with at least "top-heavy minimum benefits."
- If you are a participant in more than one Plan, you may not be entitled to "top-heavy minimum benefits" under both Plans.

## **ARTICLE VI DISTRIBUTIONS PRIOR TO TERMINATION OF EMPLOYMENT**

### **Can I withdraw money from my account while working?**

**In-service distributions.** You may be entitled to receive an in-service distribution. However, this distribution is not in addition to your other benefits and will therefore reduce the value of the benefits you will receive at retirement. This distribution is made at your election subject to possible administrative limitations on the frequency and actual timing of such distributions. You may withdraw amounts from accounts for rollover contributions at any time.

**Conditions and Limitations.** Generally you may receive a distribution from certain accounts prior to termination of employment provided you satisfy any of the following conditions:

- you have attained age 59 1/2. Satisfying this condition allows you to receive distributions from all contribution accounts.
- you have incurred a financial hardship as described below.

The following additional limitations apply to in-service distributions from certain accounts:

- The minimum amount you can receive as an in-service distribution is \$500 in the event of a hardship.
- In-service distributions can only be made from accounts which are 100% vested.

**Can I withdraw money from my account in the event of financial hardship?**

**Hardship distributions.** You may withdraw money on account of financial hardship if you satisfy certain conditions. This hardship distribution is not in addition to your other benefits and will therefore reduce the value of the benefits you will receive upon termination of employment or other event entitling you to distribution of your account balance. You may not receive a hardship distribution from your safe harbor, qualified nonelective or qualified matching contribution accounts, if any.

**Qualifying expenses.** A hardship distribution may be made to satisfy certain immediate and heavy financial needs that you have. A hardship distribution may only be made for payment of the following:

- Expenses for medical care (described in Section 213(d) of the Internal Revenue Code) for you, your spouse or your dependents.
- Costs directly related to the purchase of your principal residence (excluding mortgage payments).
- Tuition, related educational fees, and room and board expenses for the next twelve (12) months of post-secondary education for you, your spouse, your children or your dependents.
- Amounts necessary to prevent your eviction from your principal residence or foreclosure on the mortgage of your principal residence.
- Payments for burial or funeral expenses for your deceased parent, spouse, children or dependents.
- Expenses for the repair of damage to your principal residence (that would qualify for the casualty loss deduction under Internal Revenue Code Section 165).

**Conditions.** If you have any of the above expenses, a hardship distribution can only be made if you certify and agree that all of the following conditions are satisfied:

- (a) The distribution is not in excess of the amount of your immediate and heavy financial need. The amount of your immediate and heavy financial need may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution;
- (b) You have obtained all distributions, other than hardship distributions, and all nontaxable loans currently available under all plans that the Employer maintains; and
- (c) That you will not make any elective deferrals for at least six (6) months after your receipt of the hardship distribution.

**Account restrictions.** You may request a hardship distribution only from the following accounts provided the account is 100% vested:

- elective deferral contributions

**Elective Deferral account restrictions.** In addition, there are restrictions placed on hardship distributions which are made from your elective deferral accounts. Generally, the earnings on your elective deferrals may not be distributed to you on account of a hardship as the amount of any hardship distribution from your deferral account is limited to the amount of your prior deferrals, less any deferrals previously distributed. Ask the Plan Administrator if you need further details.

**ARTICLE VII  
DISTRIBUTIONS UPON TERMINATION OF EMPLOYMENT**

**When can I get money out of the Plan?**

You may receive a distribution of the vested portion of some or all of your accounts in the Plan when you terminate employment with the Employer. The rules regarding the payment of death benefits to your beneficiary are described in the Article in this SPD entitled "Distributions upon Death."

As to the possibility of receiving a distribution while you are still employed with the Employer, see the Article in this SPD entitled "Distributions Prior to Termination of Employment."

**Military Service.** If you are a veteran and are reemployed under the Uniformed Services Employment and Reemployment Rights Act of 1994, your qualified military service may be considered service with the Employer. There may also be benefits for employees who die or become disabled while on active duty. Employees who receive wage continuation payments while in the military may benefit from various changes in the law. If you think you may be affected by these rules, ask the Plan Administrator for further details.

#### **Termination and distribution before Normal Retirement Age (or age 62 if later)**

If your vested account balance exceeds \$5,000, your consent and the consent of your spouse, if married is required to distribute your account before you reach Normal Retirement Age (or age 62 if later). You may elect to have your vested account balance distributed to you as soon as administratively feasible following your termination of employment. (See the question entitled "In what method and form will my benefits be paid to me?" below for an explanation of the method of payment.)

If you terminate employment with a vested account balance exceeding \$5,000, you may elect to postpone your distribution until your "required beginning date" described below.

If your vested account balance does not exceed \$5,000, a distribution of your vested account balance will be made to you, regardless of whether you consent to receive it, as soon as administratively feasible following your termination of employment. (See the question entitled "In what method and form will my benefits be paid to me?" below for an explanation of the method of payment.)

Amounts in your rollover account will not be considered as part of your benefit in determining whether the \$5,000 threshold for timing of payments described above has been exceeded as well as for determining if the value of your vested account balance exceeds the \$5,000 threshold used to determine whether you and your spouse, if married must consent to a distribution.

**Automatic Rollover of Certain Account Balances.** If your vested account balance does not exceed \$5,000, the Plan will distribute your account without your consent. If the amount of the distribution exceeds \$1,000 (including any rollover contribution) and you do not elect to either receive or roll over the distribution, your distribution will be directly rolled over to an IRA. See "Automatic IRA Rollover of Certain Account Balances" in the Article in this SPD entitled "Tax Treatment of Distributions."

#### **Distribution on or after Normal Retirement Age (or age 62 if later)**

If you terminate employment with the Employer and will receive distribution on or after the later of age 62 or Normal Retirement Age, the Plan will distribute your account without your consent. The distribution will occur as soon as administratively feasible at the same time described above for other pre-62/Normal Retirement Age distributions not requiring your consent, but in any event distribution will be made no later than 60 days after the end of the Plan Year in which you terminate employment. Notwithstanding the foregoing, if your vested account balance exceeds \$5,000 (including rollover contributions), you may elect to postpone your distribution until your "required beginning date" described below. If your vested account balance exceeds \$5,000 (including rollover contributions) and you do not consent to a distribution or make an election to postpone your distribution before the later of age 62 or your Normal Retirement Age, the Plan Administrator will postpone your distribution until your "required beginning date" as if you had elected that option.

#### **What is Normal Retirement Age and what is the significance of reaching Normal Retirement Age?**

You will attain your Normal Retirement Age when you reach age 65.

You will become 100% vested in all of your accounts under the Plan (assuming you are not already fully vested) if you are employed on or after your Normal Retirement Age.

#### **What is Early Retirement Age and what is the significance of reaching Early Retirement Age?**

**Early Retirement Age.** Your Early Retirement Age is the later of the date you have attained age 55 or the date you have completed five (5) Years of Service with the Employer. Your Years of Service will be determined using Years of Service for vesting.

You will become 100% vested (assuming you are not already fully vested) if you are employed on or after your Early Retirement Age.

#### **What happens if I terminate employment due to disability?**

**Definition of disability.** Under the Plan, disability is defined as the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months. The permanence and degree of such impairment must be supported by medical evidence. The Plan Administrator may require that your disability be determined by a licensed physician.

**Payment of benefits.** If you terminate employment because you become disabled, you will become 100% vested in all of your accounts under the Plan and the Plan will distribute your account balance in the same manner as for any other non-death related termination.

### **In what method and form will my benefits be paid to me?**

#### **Termination and distribution before Normal Retirement Age (or age 62 if later)**

If you terminate employment and will receive a distribution before the later of age 62 or Normal Retirement Age and your vested account balance does not exceed \$5,000, then your vested account balance may only be distributed to you in a single lump-sum payment in cash.

If you terminate employment and will receive a distribution before the later of age 62 and Normal Retirement Age and your vested account balance exceeds \$5,000, you may, with the consent of your spouse, if married, elect to receive a distribution of your vested account balance in:

- a single lump-sum payment in cash
- Ad-Hoc distributions. You may request a distribution of some or all of your Plan accounts, at any time following your termination of employment, subject to any reasonable limits regarding timing and amounts as the Plan Administrator may impose.

In determining whether your vested account balance exceeds the \$5,000 dollar threshold, "rollovers" (and any earnings allocable to "rollover" contributions) will not be taken into account.

#### **Distribution on or after Normal Retirement Age (or age 62 if later)**

If you terminate employment and will receive distribution on or following the attainment of the later of age 62 or Normal Retirement Age, and your vested account balance (including rollovers) does not exceed \$5,000, you will receive distribution in the form of a single lump-sum payment in cash. If your balance exceeds \$5,000, you may elect to receive distribution as described above relating to termination before the later of age 62 and Normal Retirement Age, or you may elect to take installments but only with respect to lifetime minimum required distributions, over a period of not more than your assumed life expectancy (or your and your beneficiary's assumed life expectancies). (See "Required beginning date" below for an explanation of the commencement of minimum required distributions.) In determining whether your vested account balance exceeds the \$5,000 dollar threshold, "rollovers" (and any earnings allocable to "rollover" contributions) will be taken into account.

#### **Required beginning date**

As described above, you may delay the distribution of your vested account balance. However, if you elect to delay the distribution of your vested account balance, there are rules that require that certain minimum distributions be made from the Plan. If you are a 5% owner, distributions are required to begin not later than the April 1st following the end of the year in which you reach age 70 1/2. If you are not a 5% owner, distributions are required to begin not later than the April 1st following the later of the end of the year in which you reach age 70 1/2 or terminate employment. You should see the Plan Administrator if you think you may be affected by these rules.

## **ARTICLE VIII DISTRIBUTIONS UPON DEATH**

### **What happens if I die while working for the Employer?**

If you die while still employed by the Employer, then 100% of your account balance will be used to provide your beneficiary with a death benefit.

### **Who is the beneficiary of my death benefit?**

You may designate a beneficiary of your Plan account on a form provided to you for this purpose by the Plan Administrator. If you do not designate a beneficiary, your account will be distributed as described below under "No beneficiary designation." If you are married, your spouse has certain rights to the death benefit. You should immediately report any change in your marital status to the Plan Administrator.

**Married Participant.** If you are married at the time of your death, your spouse will be the beneficiary of the entire death benefit unless you designate in writing a different beneficiary. **IF YOU WISH TO DESIGNATE A BENEFICIARY OTHER THAN YOUR SPOUSE, YOUR SPOUSE MUST IRREVOCABLY CONSENT TO WAIVE ANY RIGHT TO THE DEATH BENEFIT. YOUR SPOUSE'S CONSENT MUST BE IN WRITING, BE WITNESSED BY A NOTARY OR A PLAN REPRESENTATIVE AND ACKNOWLEDGE THE SPECIFIC NON-SPOUSE BENEFICIARY.**

### **Changes to designation.**

If, with spousal consent as required, you have designated someone other than your spouse as beneficiary and now wish to change your designation, see the Plan Administrator for details. In addition, you may elect a beneficiary other than your spouse without your spouse's consent if your spouse cannot be located.

**Divorce.** A divorce decree automatically revokes your designation of your spouse or former spouse as your beneficiary under the Plan unless a Qualified Domestic Relations Order provides otherwise. You should complete a form to make a new beneficiary designation if a divorce decree is issued. See the Plan Administrator for details if you think you may be affected by this provision.

**Unmarried Participant.** If you are not married, you may designate a beneficiary of your choosing.

**No beneficiary designation.** At the time of your death, if you have not designated a beneficiary or your beneficiary is not alive, the death benefit will be paid in the following order of priority to:

- (a) your surviving spouse
- (b) your children, including adopted children in equal shares (and if a child is not living, that child's share will be distributed to that child's living descendants)
- (c) your surviving parents, in equal shares
- (d) your estate

**How will the death benefit be paid to my beneficiary?**

**Method/form of distribution.** The form of payment of the death benefit will be in cash. If the death benefit payable to a beneficiary does not exceed \$5,000, then the benefit may only be paid as a lump sum. If the death benefit exceeds \$5,000, your beneficiary may elect to have the death benefit paid in:

- a single lump-sum payment in cash
- annual installments at least equal to the required minimum distribution amount
- Ad-Hoc distributions. Your beneficiary may request a distribution of some or all of the death benefit, at any time following your death, subject to any reasonable limits the Plan Administrator may impose. Each such distribution must be at least equal to the required minimum distribution amount.

**Timing of distribution.** Payment of the death benefit must begin by the end of the calendar year which follows the year of your death if your designated beneficiary is a person, unless you die before your required beginning date and your designated beneficiary elects to have the entire death benefit paid by the end of the fifth year following the year of your death as indicated below. If your designated beneficiary is not a person, then your entire death benefit must generally be paid within five years after your death. If your spouse is the sole beneficiary, your spouse may delay the start of payments until the year in which you would have attained age 70 1/2.

**When must the last payment be made to my beneficiary (required minimum distributions)?**

The law generally restricts the ability of a retirement plan to be used as a method of deferring taxation for an unlimited period beyond the participant's life. Thus, there are rules that are designed to ensure that death benefits are distributable to beneficiaries within certain time periods. The application of these rules depends upon whether you die before or after your "required beginning date" as described above under "Required beginning date."

**Death before required beginning date.**

Regardless of the method of distribution a beneficiary might otherwise be able to elect, if your designated beneficiary is a person (other than your estate or certain trusts), then minimum distributions of your death benefit must begin by the end of the calendar year which follows the year of your death and must be paid over a period not extending beyond your beneficiary's life expectancy. If your spouse is the sole beneficiary, your spouse may delay the start of payments until the year in which you would have attained age 70 1/2. However, instead of a life expectancy based distribution, your designated beneficiary may elect to have the entire death benefit paid by the end of the fifth year following the year of your death. Generally, if your beneficiary is not a person, then your entire death benefit must be paid within five years after your death.

**Death after required beginning date.**

If you die on or after your required beginning date, regardless of the method of distribution a beneficiary might otherwise be able to elect, payment must be made over a period which does not exceed the greater of the beneficiary's life expectancy or your remaining life expectancy (determined in accordance with applicable life expectancy tables and without regard to your actual death). If your beneficiary is not a person, your entire death benefit must be paid over a period not exceeding your remaining life expectancy (determined in accordance with applicable life expectancy tables and without regard to your actual death).

**What happens if I terminate employment, commence payments and then die before receiving all of my benefits?**

Your beneficiary will be entitled to your remaining vested interest in the Plan at the time of your death. See the Plan Administrator for more information regarding the timing and method of payments that apply to your beneficiary. The provision in the Plan providing for full vesting of your benefit upon death does not apply if you die after terminating employment.

**ARTICLE IX  
TAX TREATMENT OF DISTRIBUTIONS**

**What are my tax consequences when I receive a distribution from the Plan?**

Generally, you must include any Plan distribution in your taxable income in the year in which you receive the distribution. The tax treatment may also depend on your age when you receive the distribution. Certain distributions made to you when you are under age 59 1/2 could be subject to an additional 10% tax.

**Can I elect a rollover to reduce or defer tax on my distribution?**

**Rollover or Direct Transfer.** You may reduce, or defer entirely, the tax due on your distribution through use of one of the following methods:

(a) **60-day rollover.** You may roll over all or a portion of the distribution to an Individual Retirement Account or Annuity (IRA) or another employer retirement plan willing to accept the rollover. This will result in no tax being due until you begin withdrawing funds from the IRA or other qualified employer plan. The rollover of the distribution, however, **MUST** be made within strict time frames (normally, within 60 days after you receive your distribution). Under certain circumstances, all or a portion of a distribution (such as a hardship distribution) may not qualify for this rollover treatment. In addition, most distributions will be subject to mandatory federal income tax withholding at a rate of 20%. This will reduce the amount you actually receive. For this reason, if you wish to roll over all or a portion of your distribution amount, then the direct rollover option described in paragraph (b) below would be the better choice.

(b) **Direct rollover.** For most distributions, you may request that a direct transfer (sometimes referred to as a direct rollover) of all or a portion of a distribution be made to either an Individual Retirement Account or Annuity (IRA) or another employer retirement plan willing to accept the transfer. A direct transfer will result in no tax being due until you withdraw funds from the IRA or other employer plan. Like the rollover, under certain circumstances all or a portion of the amount to be distributed may not qualify for this direct transfer. If you elect to actually receive the distribution rather than request a direct transfer, then in most cases 20% of the distribution amount will be withheld for federal income tax purposes.

**Automatic IRA Rollover of Certain Account Balances**

If a mandatory distribution is being made to you before the later of age 62 or Normal Retirement Age and your vested account balance does not exceed \$5,000 (disregarding any rollover contribution), the Plan will distribute your vested portion in a single lump-sum payment in cash. However, you may elect whether to receive the distribution or to roll over the distribution to another retirement plan such as an individual retirement account ("IRA"). At the time of your termination of employment, the Plan Administrator will provide you with further information regarding your distribution rights. If the amount of the distribution exceeds \$1,000 (including any rollover contribution) and you do not elect either to receive or to roll over the distribution, the Plan automatically will roll over the distribution to an IRA. The IRA provider will invest the rollover funds in a type of investment designed to preserve principal and to provide a reasonable rate of return and liquidity (e.g., an interest-bearing account, a certificate of deposit or a money market fund). The IRA provider will charge your account for any expenses associated with the establishment and maintenance of the IRA and with the IRA investments. In addition, your beneficiary designation under the Plan, if any, will not apply to the rollover IRA. The IRA's terms will control in establishing a designated beneficiary under the IRA. You may transfer the IRA funds to any other IRA you choose. You may contact the Plan Administrator at the address and telephone number indicated in this SPD for further information regarding the Plan's automatic rollover provisions, the IRA provider and the fees and charges associated with the IRA.

**Tax Notice.** WHENEVER YOU RECEIVE A DISTRIBUTION THAT IS AN ELIGIBLE ROLLOVER DISTRIBUTION, THE PLAN ADMINISTRATOR WILL DELIVER TO YOU A MORE DETAILED EXPLANATION OF THESE OPTIONS. HOWEVER, THE RULES WHICH DETERMINE WHETHER YOU QUALIFY FOR FAVORABLE TAX TREATMENT ARE VERY COMPLEX. YOU SHOULD CONSULT WITH QUALIFIED TAX COUNSEL BEFORE MAKING A CHOICE.

**ARTICLE X  
LOANS**

**Is it possible to borrow money from the Plan?**

Yes. Loans are permitted in accordance with the Participant Loan Policy attached to this SPD.



**ARTICLE XI  
PROTECTED BENEFITS AND CLAIMS PROCEDURES**

**Are my benefits protected?**

As a general rule, your interest in your account, including your "vested interest," may not be alienated. This means that your interest may not be sold, used as collateral for a loan (other than for a Plan loan), given away or otherwise transferred (except at death to your beneficiary). In addition, your creditors (other than the IRS) may not attach, garnish or otherwise interfere with your benefits under the Plan.

**Are there any exceptions to the general rule?**

There are three exceptions to this general rule. The Plan Administrator must honor a qualified domestic relations order (QDRO). A QDRO is defined as a decree or order issued by a court that obligates you to pay child support or alimony, or otherwise allocates a portion of your assets in the Plan to your spouse, former spouse, children or other dependents. If a QDRO is received by the Plan Administrator, all or a portion of your benefits may be used to satisfy that obligation. The Plan Administrator will determine the validity of any domestic relations order received. You and your beneficiaries can obtain from the Plan Administrator, without charge, a copy of the procedure used by the Plan Administrator to determine whether a qualified domestic relations order is valid.

The second exception applies if you are involved with the Plan's operation. If you are found liable for any action that adversely affects the Plan, the Plan Administrator can offset your benefits by the amount that you are ordered or required by a court to pay the Plan. All or a portion of your benefits may be used to satisfy any such obligation to the Plan.

The last exception applies to Federal tax levies and judgments. The Federal government is able to use your interest in the Plan to enforce a Federal tax levy and to collect a judgment resulting from an unpaid tax assessment.

**Can the Employer amend the Plan?**

The Employer has the right to amend the Plan at any time. In no event, however, will any amendment authorize or permit any part of the Plan assets to be used for purposes other than the exclusive benefit of participants or their beneficiaries. Additionally, no amendment will cause any reduction in the amount credited to your account.

**What happens if the Plan is discontinued or terminated?**

Although the Employer intends to maintain the Plan indefinitely, the Employer reserves the right to terminate the Plan at any time. Upon termination, no further contributions will be made to the Plan and all amounts credited to your accounts will become 100% vested. The Employer will direct the distribution of your accounts in a manner permitted by the Plan as soon as practicable. You will be notified if the Plan is terminated.

**How do I submit a claim for Plan benefits?**

Benefits will generally be paid to you and your beneficiaries without the necessity for formal claims. Contact the Plan Administrator if you are entitled to benefits or if you think an error has been made in determining your benefits. Any such request should be in writing.

If the Plan Administrator determines the claim is valid, then you will receive a statement describing the amount of benefit, the method or methods of payment, the timing of distributions and other information relevant to the payment of the benefit.

**What is the Plan's procedure for making a claim that an error was made in processing my Plan account?**

If you or your beneficiary or other individual seeking any remedy under any provision of ERISA or other applicable law in connection with any error regarding your Plan account (including a failure or error in implementing investment directions), the claim shall be subject to the claims review procedure described in this Article. You must file any such claim with the Plan Administrator on or before the earlier of (a) 60 days from the mailing of a trade confirmation, account statement, or any other document, from which the error can be discovered, or (b) one year from the transaction related to the error.

**What if my benefits are denied?**

Your request for Plan benefits will be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Plan Administrator will provide you with a written or electronic notification of the Plan's adverse determination. This written or electronic notification must be provided to you within a reasonable period of time, but not later than 90 days after the receipt of your claim by the Plan Administrator, unless the Plan Administrator determines that special circumstances require an extension of time for processing your claim. If the Plan Administrator determines that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the termination of the initial 90-day period. In no event will such extension exceed a period of 90 days from the end of such initial period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the benefit determination.

In the case of a claim for disability benefits, if disability is determined by a physician (rather than relying upon a determination of disability for Social Security purposes), then instead of the above, the Plan Administrator will provide you with written or electronic notification of the Plan's adverse benefit determination within a reasonable period of time, but not later than 45 days after receipt of the claim by the Plan. This period may be extended by the Plan for up to 30 days, provided that the Plan Administrator both determines that such an extension is necessary due to matters beyond the control of the Plan and notifies you, prior to the expiration of the initial 45-day period, of the circumstances requiring the extension of time and the date by which the Plan expects to render a decision. If, prior to the end of the first 30-day extension period, the Plan Administrator determines that, due to matters beyond the control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional 30 days, provided that the Plan Administrator notifies you, prior to the expiration of the first 30-day extension period, of the circumstances requiring the extension and the date as of which the plan expects to render a decision. In the case of any such extension, the notice of extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and you will be afforded at least 45 days within which to provide the specified information.

The Plan Administrator's written or electronic notification of any adverse benefit determination must contain the following information:

- (a) The specific reason or reasons for the adverse determination.
- (b) Reference to the specific Plan provisions on which the determination is based.
- (c) A description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is necessary.
- (d) Appropriate information as to the steps to be taken if you or your beneficiary wants to submit your claim for review.
- (e) In the case of disability benefits where disability is determined by a physician:
  - (i) If an internal rule, guideline, protocol, or other similar criterion (collectively "rule") was relied upon in making the adverse determination, either the specific rule or a statement that such rule was relied upon in making the adverse determination and that a copy of that rule will be provided to you free of charge upon request.
  - (ii) If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that such explanation will be provided to you free of charge upon request.

If your claim has been denied, and you want to submit your claim for review, you must follow the claims review procedure in the next question.

#### **What is the claims review procedure?**

Upon the denial of your claim for benefits, you may file your claim for review, in writing, with the Plan Administrator.

- (a) YOU MUST FILE THE CLAIM FOR REVIEW NO LATER THAN 60 DAYS AFTER YOU HAVE RECEIVED WRITTEN NOTIFICATION OF THE DENIAL OF YOUR CLAIM FOR BENEFITS.  
  
HOWEVER, IF YOUR CLAIM IS FOR DISABILITY BENEFITS AND DISABILITY IS DETERMINED BY A PHYSICIAN, THEN INSTEAD OF THE ABOVE, YOU MUST FILE THE CLAIM FOR REVIEW NO LATER THAN 180 DAYS FOLLOWING RECEIPT OF NOTIFICATION OF AN ADVERSE BENEFIT DETERMINATION.
- (b) You may submit written comments, documents, records, and other information relating to your claim for benefits.
- (c) You may review all pertinent documents relating to the denial of your claim and submit any issues and comments, in writing, to the Plan Administrator.
- (d) You will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.
- (e) Your claim for review must be given a full and fair review. This review will take into account all comments, documents, records, and other information submitted by you relating to your claim, without regard to whether such information was submitted or considered in the initial benefit determination.

In addition to the claims review procedure above, if your claim is for disability benefits and disability is determined by a physician, then:

- (a) Your claim will be reviewed without deference to the initial adverse benefit determination and the review will be conducted by an appropriate named fiduciary of the Plan who is neither the individual who made the adverse benefit determination that is the subject of the appeal, nor the subordinate of such individual.
- (b) In deciding an appeal of any adverse benefit determination that is based in whole or part on medical judgment, the appropriate named fiduciary will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment.
- (c) Any medical or vocational experts whose advice was obtained on behalf of the Plan in connection with your adverse benefit determination will be identified, without regard to whether the advice was relied upon in making the benefit determination.
- (d) The health care professional engaged for purposes of a consultation under (b) above will be an individual who is neither an individual who was consulted in connection with the adverse benefit determination that is the subject of the appeal, nor the subordinate of any such individual.

The Plan Administrator will provide you with written or electronic notification of the Plan's benefit determination on review. The Plan Administrator must provide you with notification of this denial within 60 days after the Plan Administrator's receipt of your written claim for review, unless the Plan Administrator determines that special circumstances require an extension of time for processing your claim. If the Plan Administrator determines that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the termination of the initial 60-day period. In no event will such extension exceed a period of 60 days from the end of the initial period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the determination on review. However, if the claim relates to disability benefits and disability is determined by a physician, then 45 days will apply instead of 60 days in the preceding sentences. In the case of an adverse benefit determination, the notification will set forth:

- (a) The specific reason or reasons for the adverse determination.
- (b) Reference to the specific Plan provisions on which the benefit determination is based.
- (c) A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.
- (d) In the case of disability benefits where disability is determined by a physician:
  - (i) If an internal rule, guideline, protocol, or other similar criterion (collectively "rule") was relied upon in making the adverse determination, either the specific rule or a statement that such rule was relied upon in making the adverse determination and that a copy of that rule will be provided to you free of charge upon request.
  - (ii) If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that such explanation will be provided to you free of charge upon request.

If you have a claim for benefits which is denied, then you may file suit in a state or Federal court. However, in order to do so, you must file the suit no later than 180 days after the date of the Plan Administrator's final determination denying your claim.

### **What are my rights as a Plan participant?**

As a participant in the Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants are entitled to:

- (a) Examine, without charge, at the Plan Administrator's office and at other specified locations, all documents governing the Plan, including collective bargaining agreements and insurance contracts, if any, 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.
- (b) Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including collective bargaining agreements and insurance contracts, if any, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.
- (c) Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

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

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110.00 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. You and your beneficiaries can obtain, without charge, a copy of the Plan's QDRO procedures from the Plan Administrator.

If it should happen that the Plan's fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, it finds your claim is frivolous.

#### **What can I do if I have questions or my rights are violated?**

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in the 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.

### **ARTICLE XII GENERAL INFORMATION ABOUT THE PLAN**

There is certain general information which you may need to know about the Plan. This information has been summarized for you in this Article.

#### **Plan Name**

The full name of the Plan is Delta Health Systems 401(k) Profit Sharing Plan.

#### **Plan Number**

The Employer has assigned Plan Number 001 to your Plan.

#### **Plan Effective Dates**

This Plan was originally effective on October 1, 1987. The amended and restated provisions of the Plan become effective on January 1, 2016.

This Summary Plan Description is effective January 1, 2016.

#### **Other Plan Information**

Valuations of the Plan assets are made annually on the last day of the Plan Year. In addition, valuations of all contributions are made every business day. The Plan Administrator also may require more frequent valuations.

The Plan's records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year ends on December 31st.

The Plan and Trust will be governed by the laws of the state of the Employer's principal place of business to the extent not governed by federal law.

Benefits provided by the Plan are NOT insured by the Pension Benefit Guaranty Corporation (PBGC) under Title IV of the Employee Retirement Income Security Act of 1974 because the insurance provisions under ERISA are not applicable to this type of Plan.

Service of legal process may be made upon the Employer. Service of legal process may also be made upon the Trustee or Plan Administrator.

**Employer Information**

The Employer's name, address, business telephone number and identification number are:

Wm. Michael Stemler, Inc. dba Delta Health Systems  
3244 Brookside Road, 2nd Floor  
Stockton, California 95219  
(209) 939-3459  
94-2353289

**Plan Administrator Information**

The Plan Administrator is responsible for the day-to-day administration and operation of the Plan. For example, the Plan Administrator maintains the Plan records, including your account information, provides you with the forms you need to complete for Plan participation, and directs the payment of your account at the appropriate time. The Plan Administrator will also allow you to review the formal Plan document and certain other materials related to the Plan. If you have any questions about the Plan or your participation, you should contact the Plan Administrator. The Plan Administrator may designate other parties to perform some duties of the Plan Administrator.

The Plan Administrator has the complete power, in its sole discretion, to determine all questions arising in connection with the administration, interpretation, and application of the Plan (and any related documents and underlying policies). Any such determination by the Plan Administrator is conclusive and binding upon all persons.

The name, address and business telephone number of the Plan's Administrator are:

Wm. Michael Stemler, Inc. dba Delta Health Systems  
3244 Brookside Road, 2nd Floor  
Stockton, California 95219  
(209) 939-3459

**Plan Trustee Information and Plan Funding Medium**

All money that is contributed to the Plan is held in a trust fund. The Trustee is responsible for the safekeeping of the trust fund and must hold and invest Plan assets (unless the investment of assets is subject to Participant or other direction) in a prudent manner and in the best interest of you and your beneficiaries. The trust fund established by the Plan's Trustee(s) will be the funding medium used for the accumulation of assets from which benefits will be distributed. While all the Plan assets are held in a trust fund, the Plan Administrator separately accounts for each Participant's interest in the Plan. If there is more than one Trustee, they will collectively be referred to as Trustee throughout this Summary Plan Description.

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

**APPENDIX**  
**PLAN EXPENSE ALLOCATIONS**

The Employer may pay some Plan administration expenses with its own assets rather than using Plan assets. To the extent the Employer does not pay Plan expenses with its own assets, the Plan generally will pay the expenses of Plan administration and will assess the expenses paid against the accounts of all participants in the Plan. The Employer may, from time to time, change the manner in which expenses are allocated.

The Plan will charge to the participants any plan related expenses not described below that the plan pays, in one or more of the following methods, as the Plan Administrator deems appropriate to the expense:

Pro rata based on account balance. For example, if the Plan pays \$1,000 in expenses and your account balance constitutes 5% of all the account balances of all the participants in the Plan, then your account would be charged \$50 ( $\$1,000 \times 5\%$ ) of that expense.

Per capita (equally) to all participants. For example, if the Plan Administrator charges the Plan \$25 per year per Participant for the costs of administering the Plan, then your account would be charged \$25 of that expense regardless of the actual value of your account.

**APPENDIX  
PARTICIPANT LOAN POLICY**

Delta Health Systems 401(k) Profit Sharing Plan permits loans to be made to Participants, but not to Participants whose employment has terminated or who are Beneficiaries or an alternate payee under a Qualified Domestic Relations Order (QDRO), pursuant to a written loan policy. All references to Participants in this loan policy include Participants with respect to the Plan who are not Beneficiaries or an alternate payee under a Qualified Domestic Relations Order (QDRO), provided that the borrower must qualify as a "party in interest" as defined by ERISA Section 3(14), but not Participants whose employment has terminated. All current employees of the Employer and certain former Employees qualify as parties in interest.

The Plan Administrator is authorized to administer the Participant loan policy. A Participant must apply to the Plan Administrator for a loan in the manner set forth by the Plan Administrator.

**1. LOAN APPLICATION/BORROWER QUALIFICATION.** Any Participant may apply for a loan from the Plan.

All loan applications will be considered by the Plan Administrator within a reasonable time after the Participant makes formal application, in accordance with elections made by the Plan Sponsor in the Administrative Services Agreement between the Plan Sponsor and the service provider ("Prudential") as follows:

If the Loan Initiation Outsourcing Service has been selected, a Participant may apply for a loan by submitting a loan application ("Application"), in a form prescribed by Prudential and consistent with the terms of this Loan Policy as authorized by the Plan Administrator, to Prudential by authorized electronic means. The date and time of receipt will be appropriately recorded.

If the Participant Transaction Center (PTC) Loan Service has been selected, a Participant may apply for a loan by submitting a loan application ("Application"), in a form prescribed by Prudential and consistent with the terms of this Loan Policy as authorized by the Plan Administrator, to Prudential by authorized electronic means. The request will be reviewed and approved and/or denied by an authorized representative of the Employer by electronic means. The date and time of receipt will be appropriately recorded.

If the Non-Automated Loan Service has been selected, a Participant may apply for a loan by submitting a duly completed loan application ("Application") to the Plan Administrator or authorized plan representative that has been signed by the Participant, within the 90-day period prior to the making of the loan. If spousal consent is required, the application must be signed by the spouse and witnessed by a notary public or an authorized plan representative. An authorized plan representative must approve the loan.

The Plan Administrator will not investigate the Participant's creditworthiness before making the loan as the loan will be treated as a directed investment of the borrower's Account.

An Employee may not make and the Plan will not accept a Direct Rollover of a loan note from the qualified plan of a Participant's former employer.

Please refer to the Administrative Services Agreement for applicable loan initiation and maintenance fees. The Plan Administrator, as to new loans, may increase these fees by notice to or agreement with the record keeper or other party administering loans and repayments.

**2. LOAN LIMITATIONS.** The Plan Administrator will not approve any loan to a Participant in an amount which exceeds 50% of his or her nonforfeitable account balance. The maximum aggregate dollar amount of loans outstanding to any Participant may not exceed \$50,000, reduced by the excess of the Participant's highest outstanding Participant loan balance during the 12-month period ending on the date of the loan over the Participant's current outstanding Participant loan balance on the date of the loan. With regard to any loan made pursuant to this loan policy, the following rule(s) and limitation(s) will apply, in addition to such other requirements set forth in the Plan:

- No loan in an amount less than \$1,000 will be granted to any Participant.
- A Participant can only have two (2) outstanding loans from the Plan - one (1) general purpose and one (1) principal residence loan.
- No loan may be made to a Participant sooner than 7 days after the outstanding loan balance of the prior loan has been repaid.
- Loan refinancing is not permitted.
- Loans will be permitted for any general purpose.
- Loans will be permitted for the purchase of a primary residence.

- Loans will be made from the following accounts in the following order:

Such accounts as the Plan Administrator determines.

3. EVIDENCE AND TERMS OF LOAN. The Plan Administrator will document every loan in the form of a promissory note signed by the Participant for the face amount of the loan, together with a commercially reasonable rate of interest.

The interest rate will be set by reference to the "bank prime rate." In accordance with the Plan Sponsor's direction in the Plan Criteria Guidelines submitted to Prudential, Prudential will make any necessary rate changes based upon the "bank prime rate" plus 1% reported by the U.S. Federal Reserve on the last business day of a calendar quarter effective for loans made on and after the first business day of the subsequent quarter. The source for the rate will be [www.federalreserve.gov](http://www.federalreserve.gov) or other websites that may provide the same information.

- i. The interest rate on Participant loans will be declared quarterly; however, the Plan reserves the right to change the basis for determining the interest rate prospectively with thirty (30) days notice.
- ii. These rights will only apply to a loan issued after the change(s) takes effect.

The loan must provide at least quarterly payments under a level amortization schedule. If the Participant is currently employed by the Employer, the Plan Administrator will require the Participant receiving a loan from the Plan to enter into a payroll deduction agreement to repay the loan. Should loan repayments not be possible from payroll, payments will be due directly from the Participant by check or similar payment method.

The Plan Administrator will fix the term for repayment of any loan, however, in no instance may the term of repayment be greater than five years, unless the loan qualifies as a home loan. A "home loan" is a loan used to acquire a dwelling unit which, within a reasonable time, the Participant will use as a principal residence. The maximum term for a home loan will be 15 years.

All loans will be considered a directed investment from the account(s) of the Participant maintained under the Plan. As such, all payments of principal and interest made by the Participant will be credited only to the account(s) of such Participant.

The Plan will charge that portion of the Participant's account balances with expenses directly related to the loan set-up, annual maintenance, administrative charges, and collection of the note. See the Administrative Services Agreement for more details.

A loan, if not otherwise due and payable, is due and payable on the date of the Participant's termination of employment with the Employer unless the Participant is a "party in interest" as described above.

A Participant may not request a Direct Rollover of a loan note to another qualified plan.

After termination of employment, a Participant may continue repayments via coupon/direct billing. Whether the Participant chooses to continue to repay the loan or chooses not to repay the loan, the remaining loan balance will be offset against the participant's account upon the earlier of (1) a total distribution of the account to the Participant, or (2) expiration of the grace period.

A loan, if not otherwise due and payable, is due and payable on termination of the Plan, notwithstanding any contrary provision in the promissory note. Nothing in this loan policy restricts the Employer's right to terminate the Plan at any time.

Participants should note the law treats the amount of any loan (other than a "home loan") not repaid five years after the date of the loan as a taxable distribution on the last day of the five year period or, if sooner, at the time the loan is in default. If a Participant extends a non-home loan having a five year or less repayment term beyond five years, the balance of the loan at the time of the extension is a taxable distribution to the Participant.

Loans may be paid in full at any time without penalty. Participants may contact the record keeper in order to obtain a payoff quote that is valid for 14 business days.

Partial prepayments of principal only will not change the amount or timing of subsequent payments due prior to pay-off of the loan, but will simply reduce the total number of payments to be made. In order to be processed as a prepayment of principal only, the Participant or Plan Administrator must notify Prudential that the payment needs to be processed as a principal only payment, and the amount should be sent as a separate payment, not with payments made in accordance with the amortization schedule. Unless otherwise directed by the Participant or an authorized representative of the Employer as of the trade date of receipt, payments made as required by the loan amortization schedule will be allocated to principal and interest in accordance with the amortization schedule.

4. SECURITY FOR LOAN. The Plan will require that adequate security be provided by the Participant before a loan is granted. For this purpose, the Plan will consider a Participant's interest under the Plan (account balance) to be adequate security. However, in no event will more than 50% of a Participant's vested interest in the Plan (determined immediately after origination of the loan) be used as security for the loan. Generally, it will be the policy of the Plan not to make loans which require security other than the Participant's



vested interest in the Plan. However, if additional security is necessary to adequately secure the loan, then the Plan Administrator will require that such security be provided before the loan will be granted.

5. **SPOUSAL CONSENT.** This plan is not subject to the Qualified Joint and Survivor Annuity requirements. The Participant is not required to obtain his/her spouse's consent to use the account balance as security for the loan regardless of the value of the Participant's account balance.

6. **FORM OF PLEDGE.** The pledge and assignment of a Participant's account balances will be in the form prescribed by the Plan Administrator.

7. **MILITARY SERVICE.** If a Participant separates from service (or takes a leave of absence) from the Employer because of service in the military and does not receive a distribution of his or her account balances, the Plan will suspend loan repayments until the Participant's completion of military service. The Employer will provide the Participant with a written explanation of the effect of the Participant's military service upon his or her Plan loan. While the Participant is on active duty in the United States military, the interest rate on the loan will not exceed six percent (6%), compounded annually.

8. **LEAVE OF ABSENCE/SUSPENSION OF PAYMENT.** The Plan Administrator will suspend loan repayments for a period not exceeding one year which occurs during an approved leave of absence, either without pay from the Employer or at a rate of pay (after applicable employment tax withholdings) that is less than the amount of the installment payments required under the terms of the loan. The Plan Administrator will provide the Participant with a written explanation of the effect of the leave of absence upon his or her Plan loan.

9. **PAYMENTS AFTER LEAVE OF ABSENCE.** When payments resume following a payment suspension in connection with a leave of absence authorized in 7 or 8 above, the Plan Administrator will select one of the following methods to repay the loan, plus accumulated interest:

- The Participant will increase the amount of the required installments to an amount sufficient to amortize the remaining balance of the loan, plus accrued interest, over the remaining term of the loan.
- The Participant may extend the maturity of the loan and re-amortize the payments over the remaining term of the loan. In no event will the amount of the adjusted installment payment be less than the amount of the installment payment provided under the promissory note. In the case of a non-military leave of absence, the revised term of the loan will not exceed the maximum term permitted under item 3 above. In the case of a military leave of absence, the revised term of the loan will not exceed the maximum term permitted under item 3 above, augmented by the time the Participant was actually in United States military service.

10. **DEFAULT.** The Plan Administrator will treat a loan as in default if:

- any scheduled payment remains unpaid beyond 90 days after each due date (but the grace period may extend the default date to the end of the calendar quarter following the calendar quarter in which the Participant missed the scheduled payment).

The Participant may pay any missed loan payments before any applicable grace period expires for the specific loan payment not paid on time, or repay the loan in full, or, if distribution is available under the Plan, request distribution of the note. If none of these options are exercised, the Plan Administrator will offset the loan to the vested account balances by the outstanding balance of the loan to the extent permitted by law. The Plan Administrator will treat the note as repaid to the extent of any permissible offset. Pending final disposition of the note, the Participant remains obligated for any unpaid principal and accrued interest.

If the Participant is currently in default on a loan from this Plan, the Participant may have an additional loan from the Plan; however, the primary method of repayment for such additional loan must be through payroll deduction.