# Getting Started in the Henley Companies 401(k) Savings Plan

Dear Employee,

Enrolling in the Henley Companies 401(k) Savings Plan is the first step toward reaching your retirement goals. And it's easy to get started.

## REVIEW YOUR QUICK START GUIDE

The quick start guide also offers instructions on how to enroll through your account management website.

Go to newportgroup.com to set up your account and access it on an ongoing basis. Once you've enrolled, the site lets you manage your account, perform transactions, and access educational materials.

## HOW TO LOG ON TO YOUR ACCOUNT FOR THE FIRST TIME

Go to newportgroup.com. Select *Login* and then *Participant Access*.

Enter your Social Security number as your **User ID**, followed by the numeric month-month, day-day, year-year-year-year format of your date of birth as your **Password**. For example, if your date of birth was April 1, 1966, you would enter 04011966.

Simply follow the step-by-step instructions for enrolling in the plan.

If you have any questions, contact your Human Resources Department or the Participant Service Center at **844-749-9981**.

# Quick Start Guide

## HENLEY COMPANIES 401(K) SAVINGS PLAN

**Take a few minutes today, to save for tomorrow.**

We are pleased to offer you this valuable retirement plan as part of your benefit package.

**KNOW:** You will be automatically enrolled in the plan.

**DO:** Nothing, unless you want to make changes.

# YOUR PLAN HIGHLIGHTS

Good news!
Know how automatic enrollment works.

## Your contribution rate

You will be automatically enrolled in your retirement plan at a 2% pre-tax contribution rate unless you make changes or opt-out.

*Even if you miss the deadline, you can always opt out of saving in your plan at any time.*

## Your default investment

Your pre-tax contributions will be invested in one of the American Funds Target Date Retirement funds based on your birth year.

*You may transfer any portion or all of your balance out of the default investment at any time. You may build your own personal investment strategy from a range of options in your plan.*

## A closer look at your investments

The asset class, risk category and historical performance are all considerations when making your investment decisions.

| Target Date Funds | |
|---|---|
| **If you were born between** | **Consider this American Funds target date fund** |
| 1953 and before | 2020 Target Date Retirement |
| 1958 – 1962 | 2025 Target Date Retirement |
| 1963 – 1967 | 2030 Target Date Retirement |
| 1968 – 1972 | 2035 Target Date Retirement |
| 1973 – 1977 | 2040 Target Date Retirement |
| 1978 – 1982 | 2045 Target Date Retirement |
| 1983 – 1987 | 2050 Target Date Retirement |
| 1988 – 1992 | 2055 Target Date Retirement |
| 1993 and after | 2060 Target Date Retirement |

**Other investment options…**

If you do not choose to be automatically enrolled in your retirement plan, you have the option of building and managing your own retirement portfolio strategy from the other investment options within the plan.

Review the full investment menu online at newportgroup.com.

*For more about your investments, including fund objectives, fees and performance information, log on to newportgroup.com.*

You're in charge of your account, and can save and invest how you want.

Understand your options before you make any decisions.

# YOUR PLAN HIGHLIGHTS

Your employer's plan has a lot to offer. Take a look below to see what's available and how it can help meet your retirement goals.

## Saving

- Automatic payroll deductions allow you to save with every paycheck.
- Pre-tax contributions reduce your taxable income and Roth 401(k) contributions are made after income tax but are tax-free when withdrawn.*
- You can save up to $19,500 in 2021, plus an extra $6,500 if you're age 50 or older.
- You can make contributions into the plan as of the first day of the next month following your date of hire and attainment of age 21.

**Earnings are tax-free after a required five-year holding period when withdrawn after age 59½.*

## Investing

- You have access to a wide range of investments featuring target date funds that automatically adjust over time as you get closer to retirement.
- Detailed investment information including fund performance and returns can be viewed on the fund fact sheets which are found online at newportgroup.com.

## Free Money

- Your employer has elected to make a safe harbor matching contribution equal to 100% of your deferral contributions up to 5%. That's free money.

## Emergency Access

- Loans and in-service withdrawals are available based on certain conditions as outlined in your employer's plan.
- Hardship withdrawals are available in the event of heavy financial need, based on specific conditions as outlined in your employer's plan.

The Summary Plan Description (SPD) provides more detailed information about your plan.

Go to newportgroup.com for more information.

# Take a few minutes today, to save for tomorrow.

## Make Changes or Learn More

### Your initial login information:

- *User ID:* Your SSN (No dashes) and
- *Password:* Your 8-digit birthdate (MMDDYYYY)

You will be prompted to change your login information during your initial session.

### Online at newportgroup.com

- Make modifications to contribution amount or investments
- Choose your beneficiary
- Rollover balances from previous employer plans

### By phone at 844-749-9981

- Speak with a participant service center representative weekdays 8 a.m. – 8 p.m. ET
- Automated phone system available 24/7

*Newport Group, Inc. and its affiliates provide recordkeeping, plan administration, trust and custody, consulting, fiduciary consulting, insurance and brokerage services.*

*For educational purposes only, not intended to be investment advice. Please consult with your financial advisor before making any investment decisions. Diversification and dollar cost averaging do not guarantee a profit or protect against loss in a declining financial market. Investment in securities involves risks, including possible loss of principal. 20200819-1300298-3978893*

# Retirement Education Guide



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# RETIREMENT BASICS

It's never too soon to begin preparing for retirement. One easy way to get started is to participate in your company's retirement plan.*

**The sooner you begin participating, the more you can save. This guide will help you better understand how a retirement plan works, the benefits it can provide, and the basics of investing. Let's get started.**

First, let's begin with the basics. What are your goals for retirement? How much money will you need to accomplish those goals? And what are your sources of retirement income?

**Refer to your Quick Start Guide or Summary Plan Description for specific details on your employer's plan.*

## HOW MUCH MONEY WILL YOU NEED WHEN YOU RETIRE?

With people living longer than ever, you need to plan for a retirement lasting 20 to 30 years—or longer. However, because the exact cost of living is difficult to calculate so far out in the future, investment advisors suggest that you accumulate enough money to generate an annual income equal to 70% to 80% of your pre-retirement earnings. Obviously, much will depend on your individual goals and situation, but this rule-of-thumb is a good starting point to begin planning for retirement.

## YOUR LIKELY SOURCES OF RETIREMENT INCOME

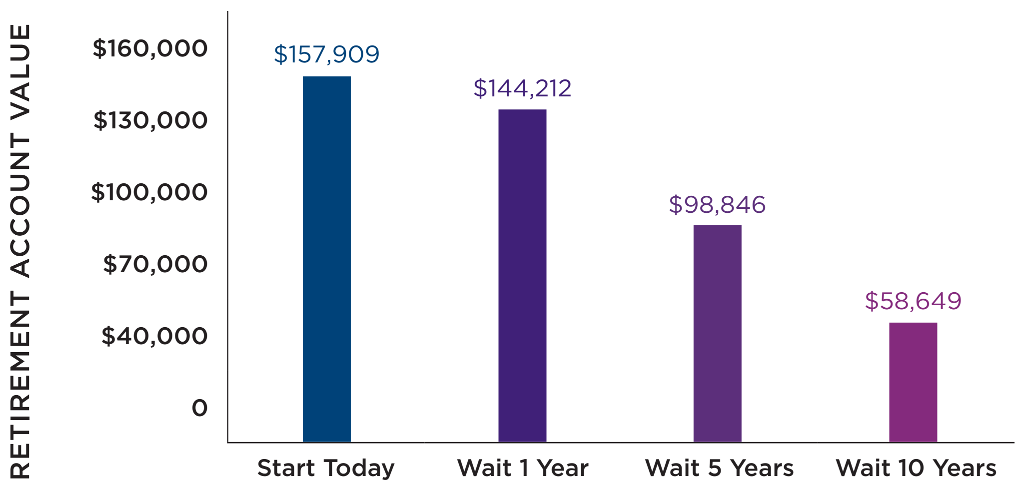
According to a recent study by the Social Security Administration, your primary source of retirement income will likely be personal savings, including employer-sponsored retirement plans, bank accounts, and other investments. That is why it is so important to create a savings and investment strategy. Remember, you will be relying on it to generate the majority of the income you will need to reach your retirement goals.

## THE POWER OF COMPOUNDING

One benefit of long-term investing is compounding. Compounding occurs as you continually reinvest your returns: the interest earned is added to the **principal**; the principal increases, and earns more interest; and so on. The longer you invest, the more impressive the effects of compounding can become.

## NOW IS THE TIME TO PUT YOUR MONEY TO WORK

The longer your money can work for you, the greater the potential results. If you start saving in your retirement plan today, you could have more money in the future.




**Assumptions**
- $25,000 annual income
- 8% pre-tax contribution
- 8% annual earnings growth
- 25 years until retirement

*This hypothetical example is for illustrative purposes only and is not intended to represent the past or future performance of any specific investment vehicle. Your contributions are not guaranteed and their market value may go up or down.*

*More information on words in bold blue can be found in the glossary.*

# MAXIMIZING YOUR BENEFIT

In addition to saving for retirement,
**your company's plan offers a number of other potential benefits.**

## AUTOMATIC SAVINGS

When you enroll in the plan, the amount you choose to contribute is automatically deducted from your pay and deposited into your plan. Set it, forget it, and start saving for retirement.

## EMPLOYER CONTRIBUTIONS

Your employer may also make **contributions** to the plan. This would allow your retirement savings to grow even faster.*

## INVESTMENT CHOICES

Your plan offers a broad range of investment choices and lets you choose how to invest the money in your account, based on your personal needs and goals.*

## TAX SAVINGS

Your plan may allow you to make both "pre-tax" contributions and after-tax (Roth) contributions.

Here's the idea behind "pre-tax" contributions: You don't pay current taxes on the money you put in your plan. However, you do pay taxes when the money comes out during retirement. At that point, think of it like a paycheck. When you withdraw money, taxes are taken out before you're "paid."

Some retirement plans also allow you to make after-tax (Roth) contributions. This means the money you put in your plan comes from your paycheck after taxes are collected. While you will not experience an immediate tax savings, the benefit of after-tax contributions is that you don't pay taxes on money when taken out at retirement—not even on investment gains your money earned while in the plan.*

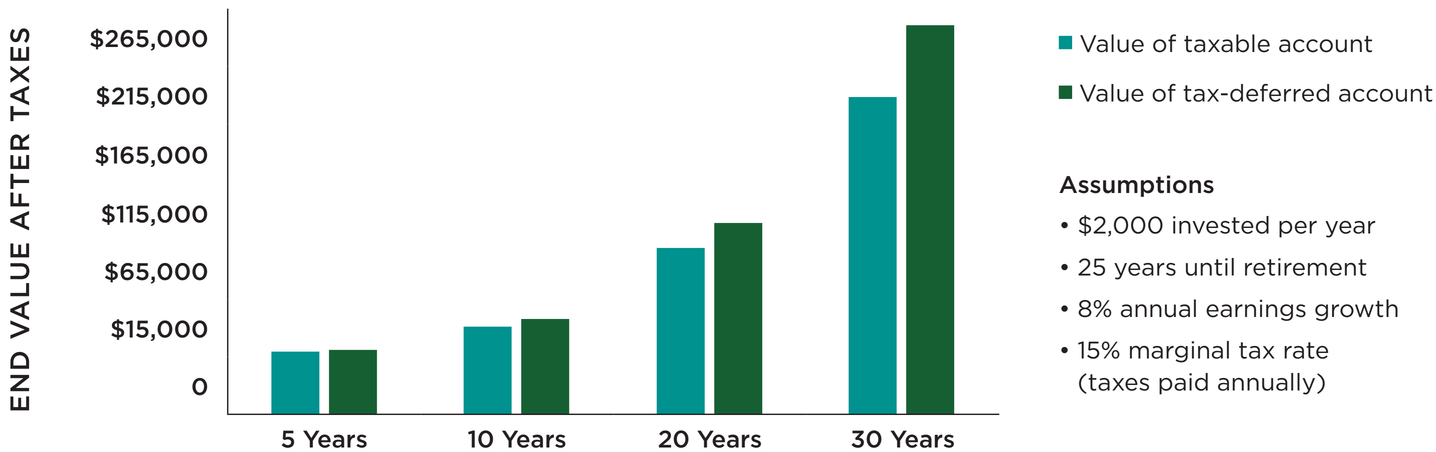
**Refer to your Quick Start Guide or Summary Plan Description for specific details on your employer's plan.*

## TAX-DEFERRED GROWTH

Tax-deferred growth means your investments can grow more quickly because all the money in your account compounded tax-free over long periods of time. Unlike personal savings accounts, earnings on your pre-tax contributions are not subject to taxes until withdrawn. After-tax (Roth) contributions are not taxed even at withdrawal.

As illustrated in the chart below, tax-deferred contributions allow your investments to grow more rapidly because all the money in your account compounds tax-free over long periods of time. Earnings on your pre-tax contributions are not subject to taxes until they are withdrawn.

## BENEFITS OF DEFERRING TAXES




**Assumptions**

- $2,000 invested per year
- 25 years until retirement
- 8% annual earnings growth
- 15% marginal tax rate (taxes paid annually)

*This hypothetical example is for illustrative purposes only and is not intended to represent the past or future performance of any specific investment vehicle. The principal values of your contributions are not guaranteed and their market value may go up or down. Taxes are due upon withdrawal. You may be subject to a tax penalty if you take a withdrawal from the Plan prior to reaching age 59½.*

## TAKE IT WITH YOU

You may be able to transfer money from another retirement plan into your new account. Additionally, if you leave your company before retirement, you may be able to transfer your account to another employee sponsored plan or IRA.

# UNDERSTANDING INVESTMENTS

You don't have to be an expert to invest successfully for retirement.

**The concepts and strategies in this section will provide you with basic information that can help you get moving in the right direction.**

## AN OVERVIEW OF ASSET CLASSES

**Cash, bonds,** and **stocks** are the primary types of securities, or "asset classes," that investors use to build a portfolio. Each asset class has different characteristics with different risks and different potential returns.

Your company retirement plan provides a selection of investment options that gives you an easier, more convenient way to invest in the major asset classes, compared to purchasing and monitoring individual securities on your own.

## MUTUAL FUNDS

Most retirement plans provide a variety of mutual funds for participants to invest their retirement savings. A mutual fund is a collection of investments, such as **stocks, bonds,** and **cash** which is managed by a professional money manager. The types of investments held by the mutual fund can vary based on the fund's objective and risk tolerance.

Certain mutual funds may focus on aggressive growth by investing in developing companies and countries which carries the potential for higher returns, but also higher risk and volatility. Other mutual funds may focus on preservation of capital with lower risk, but also have lower potential growth.

## YOUR INVESTMENT CHOICES

You decide how you want your plan contributions to be invested. Review and select the amounts that you would like to invest in the various funds offered. However for some, reviewing, monitoring, and selecting the appropriate investments may seem complicated. For participants who prefer to make a single selection, some plans offer model portfolios or target date funds.* Selecting one of these diversified options takes some of the confusion away, and let the professionals handle the rest.

## MODEL PORTFOLIOS

Model Portfolios are pre-mixed, allocation portfolios actively managed by professionals to provide simplification, time savings and instant diversification. Many model portfolios are created based on a level of risk—from conservative to aggressive. Certain factors should be considered when making a selection, such as risk tolerance, age and income. Other model portfolios may be created based on a specific time period until retirement.

## TARGET DATE RETIREMENT FUNDS

Another set of options that may be available in your plan are Target Date Retirement Funds. These funds are long-term investments, typically designed, based on a future retirement date. Target Date Retirement Funds hold a mix of stocks,bonds and other investments. Over time, as the retirement date approaches, the fund automatically adjusts to become more conservative.

## RISKS AND REWARDS OF THE MAJOR ASSET

| Investment | Potential Rewards | Primary Risks |
|---|---|---|
| **Cash** | Stable value and current income earnings | Inflation risk |
| **Bonds** | Higher yields than cash | Inflation, interest rate risk, and price volatility |
| **Stocks** | Capital growth and dividend payments | Price volatility and principal risk |

*Of the three primary asset classes—cash, bonds, and stocks—cash investments pose the least risk of loss, followed by bonds (moderate-risk level) and stocks (high-risk level). But in general, cash investments also offer the least opportunity for financial gain, followed by bonds. Stocks have the potential for the greatest capital growth over time.*

## UNDERSTANDING RISK

The financial markets offer the potential for significant rewards for long-term investors, but they pose a variety of risks as well. The possibility of losing money is the most fundamental risk that all investors face. There are numerous other risk factors that can cause different types of investments to decline or experience increased volatility. Fortunately, most risks are manageable for long-term investors. An important step in formulating your investment strategy is learning to recognize and understand the different types of risk.

**Refer to your Quick Start Guide or Summary Plan Description for specific details on your employer's plan.*

## MARKET RISK

General market fluctuations can affect securities trading in that market. Stocks tend to fluctuate more than other asset classes such as bonds and may pose more risk over short periods of time.

## INDUSTRY/COMPANY RISK

Security values can decline due to negative developments within an industry or company.

## INTEREST RATE RISK

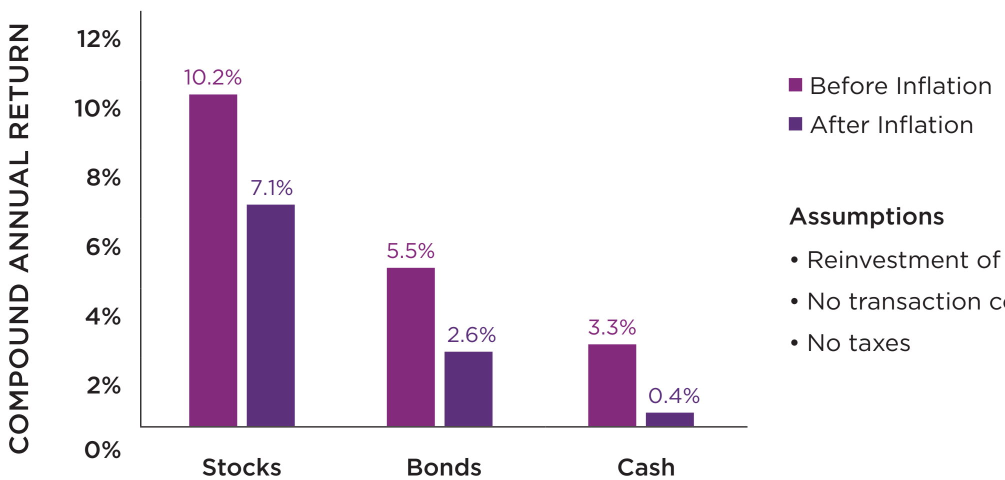
Bonds tend to rise in value when interest rates fall, and go down in value when interest rates rise. Typically, there is greater price volatility associated with bonds with a longer maturity.

## INFLATION RISK

This is also known as purchasing power risk. Inflation is a rise in the general level of prices for goods and services. If investments do not keep up with inflation, an investor's money will purchase less in the future than it did in the past.

## RETURNS BEFORE AND AFTER INFLATION 1926–2019

Inflation is among the greatest risks a long-term investor faces. Far too many long-term investors, in seeking to avoid losses, expose themselves to the danger that their retirement assets won't keep up with the cost of living. Investments that may seem secure, given their relatively low volatility, may not grow enough to significantly outpace inflation.




**Assumptions**

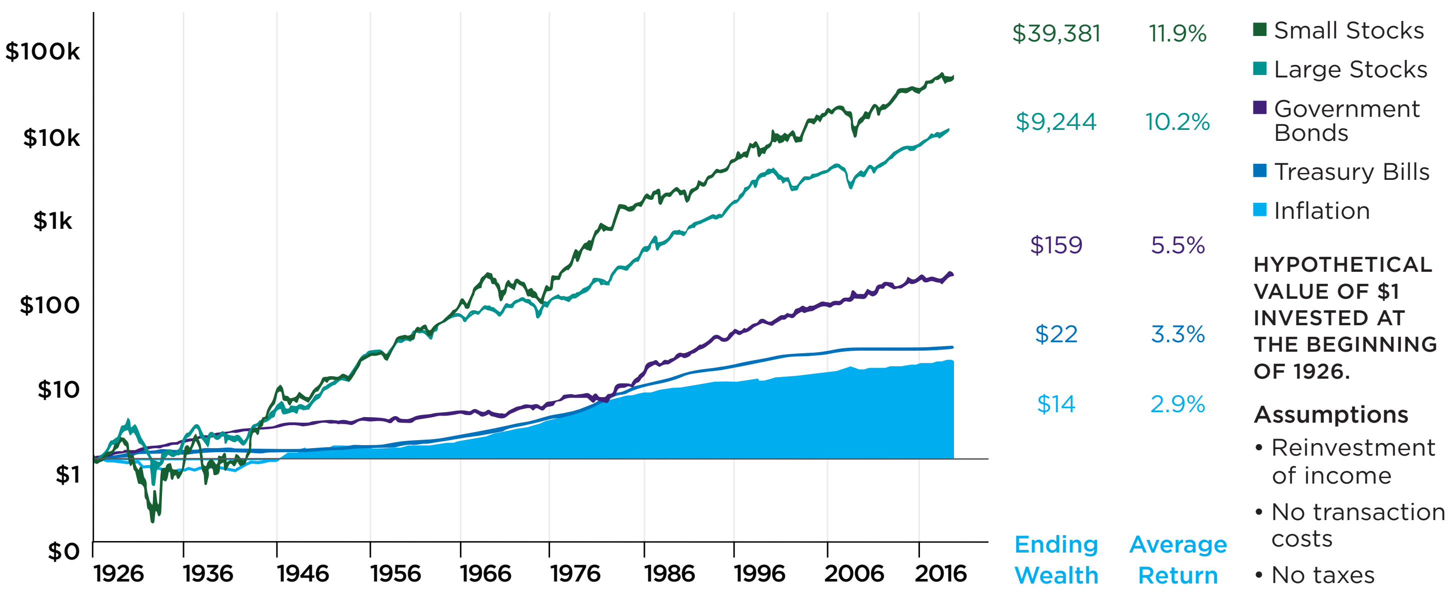
- Reinvestment of income
- No transaction costs
- No taxes

*Stocks are represented by the Standard & Poor's 500®, which is an unmanaged group of securities and considered to be representative of the stock market in general; Bonds are represented by the 20-year U.S. Government Bond; Cash is represented by the U.S. 30-day Treasury Bill; Inflation is represented by Consumer Price Index. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. Indexes are unmanaged and do not include fees and expenses an investor would normally incur. Past performance is no guarantee of future results.*

## THE RISK/REWARD RELATIONSHIP

Controlling investment risk—and putting it to work for you—also requires that you understand the trade-off between risk and reward. Generally, when seeking greater rewards—that is, a higher investment return—you must be willing to accept greater risk. Specifically, we expect the stock market to provide a higher rate of return than bonds or cash, but we also know that it will expose us to greater volatility. In order to reduce risk, you must be willing to accept potentially lower returns. Most investors can find a portfolio with suitable risk and return characteristics by creating a balanced mix of cash, bonds, and stocks.

## HOW $1 INVESTED IN 1926 HAS GROWN: 1926–2019




*Small Company Stocks are represented by the fifth capitalization quintile of stocks on the NYSE for 1926–1981 and the performance of the Dimensional Fund Advisors, Inc. (DFA) U.S. Micro Cap Portfolio thereafter; Large Company Stocks are represented by the Standard & Poor's 500®, which is an unmanaged group of securities and considered to be representative of the stock market in general; Government Bonds are represented by the 20-year U.S. Government Bond; Treasury Bills are represented by the 30-day U.S. Treasury Bill; Inflation is represented by the Consumer Price Index. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. Indexes are unmanaged and do not include fees and expenses an investor would normally incur. Past performance is no guarantee of future results. Source: Morningstar, Inc.*

# WHAT KIND OF INVESTOR ARE YOU?

How much time do you have until retirement?
How comfortable are you with investment risk?

**Answering these questions can help you determine the best course of action that meets your retirement needs.**

## FIND THE RIGHT STRATEGY FOR YOU

The key to successful investing is finding a strategy that allows you to meet your needs—without undue worries.

## ASSET ALLOCATION

Asset allocation is a technique to combine cash, bonds, and stocks in different percentages. The result is a choice of portfolios with a range of risk and return characteristics.

## DIVERSIFICATION

A time-tested way of managing investment risk is through diversification. By spreading your retirement savings across a variety of investments with different risk/reward patterns, you also spread out their potential risks. The theory behind diversification is that better performance from some investments may help offset weaker performance from others.

The historical performance of cash, bonds, and stocks validates this premise. The three primary asset classes do indeed often rise and fall in value independently of one another.

**Some investments such as model portfolios and target date funds* provide instant diversification.****

## INVESTOR PROFILE

**A STRATEGY FOR EVERY LEVEL OF RISK TOLERANCE**

No matter how much—or how little—risk you're comfortable with, you can invest your assets in a way that works for you. Need help determining your risk profile, refer to your Quick Start Guide or log on to newportgroup.com.

| Risk Level | Investment Strategy |
| --- | --- |
| More Conservative | More Cash, Bonds Fewer Stocks |
| ↕ | ↕ |
| More Aggressive | Less in Cash, Bonds More Stocks |

**Refer to your Quick Start Guide or Summary Plan Description for specific details on your employer's plan.*
***Diversification does not ensure a profit or protect against a loss.*

# NEXT STEPS

## ENROLL IN YOUR PLAN

The sooner you begin participating in your company's retirement plan, the more you can save.

**It's easy to enroll. The Quick Start Guide, that accompanies this booklet, can walk you through the process.***

**If a Quick Start Guide does not accompany this booklet, please request one from your employer.*

## 1 DETERMINE YOUR INVESTMENT TIME HORIZON

Your time horizon is the expected length of time you will be investing in order to meet your goal.

In general, the longer your investment time horizon, the more aggressive you can be with your investments. That is because you have more opportunity to recover from the short-term losses expected by those who are investing for growth.

But when retirement nears, and you begin to count on your savings for living expenses, you may not have as much time to recover from a loss. Advisors recommend that you be more conservative in your asset allocation strategy as you near retirement.

## 2 FIND YOUR RISK TOLERANCE

Risk tolerance is a key to determining the type and mix of assets that are appropriate for you to hold in your portfolio. Investment experience is one of the biggest factors in determining a person's risk tolerance. It is often easier to keep short-term gains or losses in perspective when you have been through a market cycle or two. Individual temperament also plays a role. Some people are natural risk takers; others are not.

## 3 BUILD YOUR ASSET ALLOCATION STRATEGY

Once you have determined what type of investor you are, you can identify a potential strategy. You may also want to consult with an investment advisor in order to develop a more customized and detailed asset allocation strategy. Once you have decided on your asset allocation strategy. You just need to review the specific details of your plan and select the funds that you'll use to help you achieve your goals.

**If a Quick Start Guide does not accompany this booklet, please request one from your employer.*

*Examples showing the benefits of participating in the Plan are not intended as a representation about the amount of the benefit an individual participant will receive from the Plan.*

## GENERAL RETIREMENT TERMS

**Compounding:** The increasing value of an asset due to the interest earned on both a principal and accumulated interest. The asset's earnings are reinvested to generate additional earnings over time. This growth happens because the investment will generate earnings from both its initial principal and the accumulated earnings from prior periods.

**Contribution:** The amount an employee or employer pays into a retirement plan. Employees contribute an amount of their salary into the plan. Employers may offer matching contributions into the plan or other forms of contributions.

**Deferral:** See "Contribution"

**Principal:** The original amount put into an investment, separate from any earnings or interest accumulated.

**Return:** The money made or lost while investing. A return is normally shown as a percentage. A positive return is a profit and a negative return is a loss.

**Risk:** The chance that an investment's actual return will differ from the expected return. Assuming a risk includes the possibility that there will be a loss from the original investment.

**Rollover:** Transfer of account holdings of one retirement plan to another to avoid paying taxes on a distribution. Rollovers can be done from one company-sponsored retirement to another or to an IRA.

## INVESTMENT RELATED TERMS

**Asset Class:** A group of securities that show similar characteristics, behave similarly in the marketplace, and are subject to the same laws and regulations. The three main asset classes are equities (stocks), fixed-income (bonds) and cash equivalents (money market instruments).

**Bonds:** Debt obligations. Companies or municipalities issue bonds and the money they receive in return is a loan. The loan must then be repaid by the company or municipality. The buyers/investors in bonds are basically lenders.

- **Intermediate-Term Bond:** Primarily invest in fixed-income securities with maturities of five to ten years.
- **Long-Term Bond Funds:** Primarily invest in fixed-income securities with maturities of ten years or longer. The prices of longer-maturity bonds generally fluctuate more in response to changing interest rates than the prices of bonds with shorter-term maturities.
- **Short-Term Bond Funds:** Primarily invest in fixed-income securities with maturities of one to five years.

**Cash (Cash equivalents):** Investments that can relatively quickly be liquidated into cash. Commercial paper, bank savings account, short-term Certificates of Deposit (CDs), money market funds and U.S. Treasury bills.

**Fixed Income:** A type of investment in which a pre-determined amount of income is paid by an issuer and earned by an investor. In exchange for interest, fixed-income investors lend their money to companies. Because they are considered creditors, investors often have a higher claim than shareholders in case of bankruptcy or default, making the investment less risky than equity.

**Global Funds:** These have the ultimate flexibility to invest in the equity securities of companies located both in the United States and abroad. In a global fund, exposure to U.S. securities generally ranges from 25% to 50% of total assets.

**International Funds:** These invest primarily in the equity securities of foreign corporations located outside the United States. Funds that invest in foreign securities are subject to political risk and fluctuations in foreign exchange rates.

**Market Capitalization ("Cap"):** In addition to "growth" and "value," investors often divide the market into three tiers based on market capitalization ('market cap'). Stock funds in these tiers are designated as large-, mid- or small-cap funds. Company size often corresponds with stability and growth. Large companies are considered more stable, with predictable or moderate growth prospects. Smaller companies are considered riskier, but with potentially higher growth expectations.

**Stocks:** Securities that represent a portion of ownership in the company that issued the stock. Also called equities.

- **Growth Stocks:** Stocks of companies that have historically been able to grow their businesses faster than the average company and are expected to continue that growth.
- **Value Stocks:** Stocks of companies that have had historically slower growth of earnings or sales, and appear to be underpriced relative to their real worth or future prospects.

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# Roth 401(k)

## Another Way to Put Your Money to Work

**Your retirement plan gives you another way to put your money to work. It allows you to make after-tax, or Roth, contributions to your account.**

### AN ALTERNATIVE WAY TO SAVE

Traditional contributions to a 401(k) plan are made on a pre-tax basis. You don't pay current taxes on the money you put in your plan. However, you do pay taxes when the money comes out during retirement. At that point, think of it like a paycheck. When you withdraw money, taxes are taken out before you're "paid."

Here's the idea behind Roth contributions: The money you put in your plan comes from your paycheck after taxes are collected. While you will not experience an immediate tax savings, the benefit of after-tax contributions is that you don't pay taxes on money when taken out at retirement—not even on investment gains your money earned while in the plan.

### A CONVENIENT APPROACH

Making Roth contributions is easy and convenient. The Roth option uses the same menu of investments and account management features available to your pre-tax deferrals. You have the option to allocate your Roth 401(k) contributions differently than your pre-tax contributions, while using the same investment menu.

### A CHOICE

The choice is yours to determine which option is best for you—traditional pre-tax, Roth after-tax or a combination of both.

## A LEVEL OF FLEXIBILITY

You may have heard about Roth IRAs. These are popular savings vehicles. The Roth feature in your retirement plan provides many of the same benefits as a Roth IRA. Both accept contributions made with after-tax dollars, and both allow withdrawals of earnings tax-free if distributed in a "qualified distribution" beginning at age 59½. There are also some significant differences.

The table below outlines some of the most important differences between a traditional 401(k) plan, Roth 401(k), and Roth IRA. Consider which option, or combination of options is appropriate for you.

| | Traditional 401(k) | Roth 401(k) | Roth IRA |
|---|---|---|---|
| **Contributions** | Funded with pre-tax dollars | Funded with after-tax dollars | |
| **Investment Earnings** | Tax-deferred earnings | Tax-free earnings, if received as part of a qualified distribution | |
| **Matching Contributions** | *Yes | *Yes; however, employer matching must be treated as a pre-tax contribution. | No |
| **2021 Contribution Limits** | $19,500 ($26,000 if age 50 or older) | $19,500 ($26,000 if age 50 or older); if a combination of Roth and traditional 401(k) contributions are made, the total amount contributed cannot exceed the contribution limit | Contribution limited to $6,000 ($7,000 if age 50 or older), if a combination of Roth and traditional IRA contributions are made, the total amount contributed cannot exceed the contribution limit. |
| **Income Restrictions** | No | | Yes, income restrictions apply. Phase outs apply for adjusted gross income (AGI) between $198,000 and $208,000 for married couples filing jointly, and between $125,000 to $140,000 for singles and heads of household. |
| **Taxes Paid on Contributions** | When the money is withdrawn | When contributions are made; qualified withdrawals are tax-free | |
| **Access To Money** | Upon leaving job, disability, death, or (if plan provides) reaching age 59½ or experiencing a hardship | Subject to the same rules as a traditional 401(k) | Subject to Roth IRA tax rules |
| **Tax-Free Distribution of Earnings** | No | Yes. There are two conditions:<br>1. Distribution must be "qualified": after age 59½ or upon disability or death<br>2. Distribution must not be made sooner than the start of the 5th tax year that follows the first year a Roth contribution was made | Yes. There are two conditions:<br>1. Distribution must be "qualified": after age 59½; upon disability or death; or person is a qualified first-time home-buyer<br>2. Distribution must not be made sooner than the start of the 5th tax year that follows the first year a Roth contribution was made |
| **Minimum Required Distribution** | Yes, upon later of termination or attainment of age 72 (age 70.5 if attain age 70.5 before 2020) | Age 72 (age 70.5 if attain age 70.5 before 2020). Note: the Roth 401(k) can be rolled into a Roth IRA, where minimum distributions aren't required until death | Minimum distribution requirements apply to distributions made after Roth IRA owner's death |
| **Rollovers** | Can be rolled over into another employer plan, a traditional IRA or a Roth IRA (taxation would apply for this last option) | Can be rolled over into another Roth 401(k) or a Roth IRA | Can roll over into another Roth IRA |

**If included as an option in the plan*

**Additional resources on Roth are available in the Financial Wellness Center on newportgroup.com.**

## Here are some of the reasons why making Roth contributions might be right for you.

**Diversification against future tax risks** by making both pre-tax and Roth contributions.

**Anticipated rise in future tax rates**—some may prefer paying taxes now rather than possibly paying higher taxes on retirement savings in the future.

**Long time horizon and income ahead** for younger individuals who expect their income to increase over their career, may find contributing to the Roth feature advantageous, while still in a lower tax bracket. Also, those who are far from retirement might anticipate that their tax-free earnings over time will more than compensate for the taxes paid at the time of the contributions.

**Lower taxes on Social Security benefits** since qualified withdrawals are excluded from taxable income when calculating Social Security benefits. This may be of interest to participants who are at least five years away from retirement.

**Estate planning** for those employees who plan to leave their retirement benefits to their spouse or heirs. Making Roth 401(k) contributions may be advantageous from a tax standpoint. Discuss your situation with a financial professional.

**An alternative for high income earners**—participants whose income exceeds the Roth IRA adjusted gross income limits may find the opportunity to make Roth contributions to their 401(k) plan attractive.

**Roll over to a Roth IRA** and thereby avoid the requirement to take withdrawals at age 72/70.5, as applicable—may appeal to business owners and other individuals with substantial savings.

## FACTORS FOR CONSIDERATION

While making your decision between contributing pre-tax, Roth, or both—keep several factors in mind:

- Current age
- Expected retirement age
- Income
- Annual 401(k) contributions
- Current tax bracket
- Expected financial needs in retirement

It is also important to fully weigh the cost of losing the current tax benefit that comes with pre-tax elective contributions against the benefit of tax-free distributions in the future.

## MAKING THE DECISION

While everyone's circumstances are different, there are several key points to keep in mind as you decide:

- If you expect to be in a lower tax bracket at retirement than your current one, pre-tax contributions to the retirement plan may result in a larger after-tax accumulation upon retirement.
- If you expect that your retirement tax bracket will be higher than it is currently, Roth contributions may result in a higher after-tax accumulation.
- You are able to make Roth after-tax contributions, even if you are not able to contribute to a Roth IRA (due to tax law income limits).
- If you decide to change your current contribution amount from pre-tax to after-tax (Roth), your take-home pay may be lower due to the tax withholding on those contributions.

## DISTRIBUTIONS

### QUALIFIED DISTRIBUTIONS

Earnings from Roth contributions are tax-free upon distribution, provided the two main requirements of a qualified distribution are met:

1. Distribution occurs after the age of 59 1/2, or upon disability or death.
2. Distribution must not be made sooner than the start of the 5th tax year that follows the first year a Roth contribution was made.

### NON-QUALIFIED DISTRIBUTIONS

Any distribution that does not meet the rules above is considered non-qualified; the earnings portion of these distributions will be taxable and may be subject to the early distribution penalty. The following rules apply to non-qualified distributions:

- Your plan's distribution rules apply to all distributions. Unless the plan allows in-service withdrawals, you cannot take this type of a distribution from your account (Roth or otherwise).
- A non-qualified distribution, such as a hardship withdrawal must include a pro-rata portion of earnings for tax purposes.
- Any loans from your Roth account that default may result in a non-qualified distribution.
- Roth contributions and earnings, if any, can only be rolled over into another retirement plan that permits Roth contributions or into a Roth IRA.
- The required minimum distribution age of 72/70.5 (as applicable), applies to both pre-tax and Roth after-tax contributions and earnings, if any. The Roth account can be rolled over to a Roth IRA where the minimum distribution rules do not apply to distributions made prior to death.

## OTHER POINTS TO CONSIDER

### COMPANY MATCH

If your company elects to match your Roth contributions, the funds will be allocated to your account on a pre-tax basis. You will owe taxes on these matching contributions and earnings upon retirement.

### TURN YOUR TRADITIONAL PRE-TAX CONTRIBUTIONS INTO ROTH AFTER-TAX

Your traditional pre-tax contributions and earnings, if any, can be converted to Roth after-tax (if allowed by your plan), through an In-Plan Roth Rollover. You'll pay taxes on the amount you convert (during the year of the conversion), but future earnings from the Roth account will be tax free.

Keep in mind that once the decision to pay taxes and convert to a Roth account has been made, it is irrevocable. Roth contributions cannot be converted to pre-tax contributions at a later date.

## MAKING THE CHANGE

If you decide to allocate part or all of your deferrals to the Roth feature, you will need to change your deferral election. If you are not currently participating in your company's 401(k) plan, you will need to enroll—at which point you may make your deferral elections.

To make changes to your deferral elections, login to your account at newportgroup.com and select *Deferrals* under the *Plans* tab.*

**Online deferral change is not available for all plans.*

### VIEW YOUR ROTH 401(K) CONTRIBUTIONS

View a breakdown of your account balance, by source and view your quarterly account statements online at newportgroup.com.

## FOR MORE INFORMATION

If you have questions about Roth contributions, please call our Participant Service Center at 844-749-9981 weekdays between 8 a.m. and 8 p.m. ET.

# Frequently Asked Questions About the Roth 401(k) Feature

NEWPORT retirement services

## How does a Roth 401(k) plan differ from a traditional 401(k) plan?

The primary difference relates to the taxation of the money entering and leaving the plan. Traditional 401(k) plans allow pre-tax contributions and tax-deferred investment growth, but future distributions (withdrawals) are taxable. On the other hand, Roth 401(k) plans permit after-tax contributions, tax-free investment growth, and the qualified distribution of earnings tax-free.

## What is a qualified distribution?

Qualified Roth 401(k) distributions can only occur after the five-year period (five years after the year you first make Roth contributions) has been satisfied, provided the participant is at least age 59½. Withdrawals are also allowed for certain extenuating circumstances, as defined by the IRS, such as death or permanent disability. However, the five-year requirement must still be satisfied.

Any other distributions are considered non-qualified and may incur tax penalties for early withdrawal.

## Is it better to contribute to a traditional 401(k) or a Roth 401(k)?

That depends on your personal situation and priorities. For example, a Roth 401(k) may be a more appropriate choice for individuals who expect to be in a higher income tax bracket during retirement, because their qualified distributions will be tax-free. If your annual income level precludes you from contributing to a Roth IRA, you may find the Roth 401(k) option attractive, as there are no limitations for contributing to a Roth 401(k).

A traditional 401(k), on the other hand, may be more appropriate for individuals who want a tax break now or who expect to be in a lower income tax bracket during retirement. A financial advisor can help you determine which account may be right for your needs.

## Can I make both traditional 401(k) and Roth 401(k) contributions in the same year?

Yes. If allowed by your plan document, you can make contributions to both a designated Roth 401(k) and a traditional 401(k) in the same year in any proportion you choose.

## Can I turn my traditional 401(k) into a Roth 401(k)?

Yes, you can convert your traditional 401(k) to a Roth 401(k), if allowed by your plan. Through an In-Plan Roth Rollover, you may distribute all or a portion of your 401(k) funds into a Roth 401(k). You'll pay taxes on the amount you convert (during the year of the conversion), but future earnings from the Roth 401(k) will be tax free when distributed as part of a qualified withdrawal.

## Are there any limits as to how much I may contribute to a Roth 401(k) account?

Yes. In 2021, the total annual contribution limit for workers will be $19,500, regardless of the number or type(s) of plans used. This means that if you choose to participate in both a traditional 401(k) plan and a Roth 401(k) plan, the total combined amount you are allowed to contribute to both cannot exceed $19,500. Individuals who are age 50 and older can make additional "catch-up" contributions of up to $6,500, in total, to traditional and Roth 401(k) plans in 2021.

## Who is eligible to make a Roth 401(k) contribution?

If you are eligible to make a traditional 401(k) contribution in your current plan, then you will be eligible to contribute to the Roth 401(k) feature. Unlike a Roth IRA, there are no income restrictions on Roth 401(k) eligibility.

### Can an employer make matching contributions on my Roth 401(k) contributions? Can the matching contributions be allocated to my Roth 401(k) account?

If your employer elects to match your Roth 401(k) contributions, the funds must be allocated on a pre-tax basis. This will work in the same manner as matching contributions on your pre-tax 401(k) contributions.

### May Roth 401(k) contributions be withdrawn for reasons of financial hardship?

Yes, if your plan permits hardship withdrawals from a Roth 401(k) account. However, such withdrawals are not considered qualified distributions. As a result, a financial hardship withdrawal may result in taxation of the investment earnings.

### May I take a loan from my Roth 401(k) contributions?

Yes, if your plan permits loans from a Roth 401(k) account. If you fail to make payments when they are due, the loan will be considered in default. A defaulted loan may result in a distribution, which may be considered non-qualified if distributed prior to age 59½, or prior to the five-year period. This may result in taxation of the investment earnings. Please consult your plan's Summary Plan Description for additional information on defaulted loans.

### Does the 10% early withdrawal tax on distributions prior to age 59½ apply to Roth 401(k)?

In a non-qualified distribution, the taxable portion (earnings) is subject to the early distribution tax—just like a traditional 401(k).

### Can money from a designated Roth 401(k) account be rolled over to a designated Roth 401(k) account of another employer or into a Roth IRA?

Yes. You will be allowed to roll over money from one Roth 401(k) plan to another Roth 401(k) plan or to a Roth IRA if the receiving plan permits.

### What is the difference between a Roth 401(k) and a Roth IRA?

Any participant can make a Roth 401(k) contribution regardless of his or her annual income. In a Roth IRA, an individual can only contribute if his or her annual income does not exceed a threshold amount. The contribution limit for a Roth IRA in 2021 is $6,000, and $7,000 for individuals age 50 or older. The limit for a Roth 401(k) in 2021 is $19,500, and $26,000 for individuals age 50 or older.

### If I make Roth 401(k) contributions, may I also contribute to a traditional IRA or Roth IRA?

Yes. Your Roth 401(k) contributions do not affect your ability to make contributions to a Roth IRA. Also, your Roth IRA contributions do not affect your ability to make Roth 401(k) contributions. There are income limitations, however, that restrict who can contribute to a Roth IRA.

### If I contribute to both a Roth 401(k) account and a traditional 401(k) account within the same plan, how will I be able to keep track of the different accounts?

Employers who choose to offer the Roth 401(k) feature as an additional component of a traditional 401(k) plan will be required to account separately for participants' Roth 401(k) contributions and investments. An additional contribution source will be added that is accounted for separately, but will be included in your total account balance. All earnings, distributions and contributions will be tracked separately for each contribution source.

1350 TREAT BOULEVARD, SUITE 300, WALNUT CREEK, CA 94597

VISIT **NEWPORTGROUP.COM**

NEWPORT
retirement services

# Anytime Access

## WEBSITE ACCESS

Access your account anytime:

1. Go to newportgroup.com
2. Select *Login*
3. Select *Participant Access*
4. Enter your *User ID* and *Password*

**First-time users:**

User ID: Your full Social Security Number (SSN), no dashes.

Password: Your date of birth (MMDDYYYY). Once logged in, you will be required to update your *User ID* and *Password*.

## INTERACTIVE VOICE RESPONSE

Access your account anytime by:

1. Dial: **844-749-9981**
2. Stay on the line for English or press 5 for Spanish
3. Press 1 to use the Automated System to access account information
4. Press 1 to login
5. Say or enter your **Social Security Number (SSN)**
6. Say or enter your **PIN**

**First-time users:**

PIN: Your default PIN is your date of birth (MMDDYYYY).

Once logged in, you will be required to change your PIN.

**Note:** Website and telephone transfer requests made by 4 p.m. ET will be processed on that business day. Requests received after 4 p.m. ET will be processed on the next business day.

## TOP WEB FEATURES

- Rebalance your portfolio
- Transfer money between investment options
- Change your future contribution allocation
- Update your personal information
- Link to investment information
- View and download transaction history
- Balances viewable by funds or contribution source
- View a summarized description of your plan's details
- Monitor your retirement goals
- Data download to Quicken™
- Request eStatements

## TOP WEB TIPS

- Forgot your Password? To reset your login, visit the website and select *Forgot Password*? Enter your SSN and answer the security question.
- Use your mouse to click buttons instead of the Enter key.
- Use the website navigation instead of your browser's Back and Forward buttons.
- For your security always use the Logout link to end your visit to the website.



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**Henley Companies 401(k) Savings Plan**
**Participant Investment and Fee Disclosure Notice**
**(Production Date: 01/05/2021)**

## Participant Investment and Fee Disclosure Notice - Overview

This Notice contains important information regarding your retirement plan, including:

- your right to choose how assets held in your plan account will be invested
- the investment options available under the plan and any fees and expenses associated with those options
- any administrative expenses you might incur by participating in the plan or taking advantage of plan features

Please read the information in this Notice carefully so that you can make informed decisions regarding your plan account.

If you have questions concerning the information contained in this Notice, see the section at the end of the Notice titled "How to Obtain More Information."

## General Plan Investment Information

**Your Right to Direct Your Investments.** Subject to any restrictions or limitations described later in this section, you are responsible for selecting and monitoring the investments in your account. You may direct the investment of your account under the plan by choosing among the investment options listed in the section of this Notice titled "Investment Performance, Expenses and Fees." If you do not direct the investment of your account, then your account will be invested in the plan's designated default investment as determined by the Plan Administrator or its delegate.

**How to Direct Your Investment.** You may select or make changes to your investments as follows:

- **By Internet:** You may access your account at any time by logging in to the Participant Website at https://www.newportgroup.com/login/participant. Once you are logged in, choose Explore My Options from the Shortcuts menu, then make your desired choices on the screens that follow. If you need assistance logging into your account or navigating the website, you may call the Participant Service Center at the number provided in the section titled "How to Obtain More Information" at the end of this Notice.

- **By Phone:** You may select or make changes to your investments by calling the toll-free automated telephone response system at the number provided for the Participant Service Center in the section of this Notice titled "How to Obtain More Information."

Investment elections or changes you make by phone or (if applicable) on the Participant Website will generally be processed the same business day or, if made when the New York Stock Exchange is closed, the next business day. You should confirm that your investment directions have been implemented by logging in to the Participant Website on the date your investment elections are scheduled to be processed, as described above. If you see a discrepancy, contact the Participant Service Center immediately at the number provided in the section of this Notice titled "How to Obtain More Information."

**Restrictions or Limitations on Your Right to Direct Your Investments.**

Certain investment options may impose restrictions on transferring into or out of the fund. For more information, refer to the table(s) in the section of this Notice titled "Investment Performance, Expenses and Fees."

**Voting Rights.** In the event voting proxies, tender offers, or other similar-type rights must be executed with respect to any of the plan's designated investment options, the plan sponsor or other named plan fiduciary may exercise those rights (where applicable), or you may receive written notification regarding the actions that must be taken on your part in connection with exercising those rights.

## Investment Performance, Expenses and Fees

This section provides information about the investment options available under the plan, including information regarding the fees and expenses that apply to each investment option. Please visit http://www.investmentterms.com for a glossary of investment terms to help you understand the terms and language used in this Notice.

### Variable Return Investments

The table below shows the variable return investments available under the plan, how they have performed over time, and how they have performed relative to an appropriate benchmark. It is important to understand the investment returns for each investment option will vary from year to year. Also, the performance information provided below is historical. **Past performance does not guarantee how an investment option will perform in the future.** The value of these investments will fluctuate over time, and your investment in these options could lose money.

Benchmarks represent a historical measurement of performance for a specific segment of the financial markets over a specific period of time. Benchmarks are market indices and not managed investment portfolios. Benchmarks are presented for comparison purposes

## Investment Performance, Expenses and Fees

only and do not represent plan investment options.

| **Investment Name** / ***Benchmark*** | **Avg. Annual Total Return as of 11/30/2020*** | | | | | **Gross Annual Operating Expenses*** | |
|---|---|---|---|---|---|---|---|
| | **1 Yr.** | **3 Yr.** | **5 Yr.** | **10 Yr.** | **Since Inception** | **As a %** | **Per $1000** |
| **Stable Value** | | | | | | | |
| RTC METLIFE STABLE VALUE 25157 (MT251570) | 2.40% | 2.70% | 2.58% | 2.78% | 4.29% | 0.590% | $5.90 |
| *Morningstar Cash TR USD* | *0.62%* | *1.53%* | *1.13%* | *0.58%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** Funds transferred out of this investment must be transferred to a non-competing investment option for 90 days before those funds may be invested in any other fixed income fund available under the plan. In general, a "non-competing fund" is a stock fund, most balanced funds or a long-duration bond fund. | | | | | | | |
| **Intermediate Core Bond** | | | | | | | |
| FIDELITY U.S. BOND INDEX (FXNAX) | 7.43% | 5.48% | 4.30% | 3.69% | 3.76% | 0.025% | $0.25 |
| *Morningstar US Core Bd TR Hdg USD* | *7.31%* | *5.47%* | *4.30%* | *3.65%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** No more than 1 round trip(s) permitted every 45 days. A "round trip" is the purchase of shares in the investment following redemption of shares from the investment. This restriction is waived for trades of less than $1000. Any shareholder redeeming shares in the fund having a value of $1000 or more will be precluded from investing in the fund for 45 calendar days after the redemption transaction. | | | | | | | |
| **Intermediate Core-Plus Bond** | | | | | | | |
| LOOMIS SAYLES INVESTMENT GRADE BOND - N (LGBNX) | 10.77% | 6.48% | 6.12% | 5.07% | 4.14% | 0.470% | $4.70 |
| *BBgBarc US Universal TR USD* | *7.36%* | *5.49%* | *4.69%* | *4.03%* | N/A | | |
| **Multisector Bond** | | | | | | | |
| THORNBURG STRETEGIC INCOME R6 (TSRSX) | 8.06% | 5.40% | 5.97% | 5.71% | 5.66% | 0.980% | $9.80 |
| *Morningstar US Core Bd TR Hdg USD* | *7.31%* | *5.47%* | *4.30%* | *3.65%* | N/A | | |
| **World Bond** | | | | | | | |
| PGIM GLOBAL TOTAL RETURN - R6 (PGTQX) | 8.83% | 6.34% | 6.80% | 5.40% | 4.73% | 0.560% | $5.60 |
| *Morningstar Gbl xUS Trsy Bd GR LCL* | *1.83%* | *2.66%* | *2.48%* | *3.51%* | N/A | | |
| **High Yield Bond** | | | | | | | |
| BLACKROCK HIGH YIELD BOND PORTFOLIO- K (BRHYX) | 5.96% | 5.47% | 7.00% | 6.87% | 7.33% | 0.510% | $5.10 |
| *ICE BofA US High Yield TR USD* | *6.36%* | *5.32%* | *7.46%* | *6.61%* | N/A | | |
| **Target-Date 2020** | | | | | | | |
| AMERICAN FUNDS 2020 TARGET RETIRE - R-6 (RRCTX) | 10.56% | 7.17% | 7.83% | 8.35% | 9.67% | 0.310% | $3.10 |
| *Morningstar Lifetime Mod 2020 TR USD* | *12.20%* | *8.04%* | *8.36%* | *7.87%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** Any shareholder redeeming shares in the fund having a value of $5000 or more will be precluded from investing in the fund for 30 calendar days after the redemption transaction. | | | | | | | |
| **Target-Date 2025** | | | | | | | |
| AMERICAN FUNDS 2025 TARGET RETIRE - R-6 (RFDTX) | 13.12% | 8.35% | 9.00% | 9.52% | 10.88% | 0.330% | $3.30 |
| *Morningstar Lifetime Mod 2025 TR USD* | *12.47%* | *8.30%* | *8.94%* | *8.52%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** Any shareholder redeeming shares in the fund having a value of $5000 or more will be precluded | | | | | | | |

## Investment Performance, Expenses and Fees

| **Investment Name** / ***Benchmark*** | **Avg. Annual Total Return as of 11/30/2020*** | | | | | **Gross Annual Operating Expenses*** | |
|---|---|---|---|---|---|---|---|
| | **1 Yr.** | **3 Yr.** | **5 Yr.** | **10 Yr.** | **Since Inception** | **As a %** | **Per $1000** |
| **Target-Date 2025 (continue)** | | | | | | | |
| from investing in the fund for 30 calendar days after the redemption transaction. | | | | | | | |
| **Allocation--50% to 70% Equity** | | | | | | | |
| JANUS HENDERSON BALANCED N (JABNX) | 13.74% | 11.70% | 11.15% | 10.24% | 11.05% | 0.580% | $5.80 |
| *Morningstar Mod Tgt Risk TR USD* | *11.77%* | *7.85%* | *8.79%* | *7.88%* | N/A | | |
| **Target-Date 2030** | | | | | | | |
| AMERICAN FUNDS 2030 TARGET RETIRE - R-6 (RFETX) | 14.31% | 9.07% | 10.02% | 10.32% | 11.70% | 0.350% | $3.50 |
| *Morningstar Lifetime Mod 2030 TR USD* | *12.41%* | *8.40%* | *9.50%* | *9.11%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** Any shareholder redeeming shares in the fund having a value of $5000 or more will be precluded from investing in the fund for 30 calendar days after the redemption transaction. | | | | | | | |
| **Target-Date 2035** | | | | | | | |
| AMERICAN FUNDS 2035 TARGET RETIRE - R-6 (RFFTX) | 16.22% | 10.15% | 11.18% | 10.95% | 12.26% | 0.370% | $3.70 |
| *Morningstar Lifetime Mod 2035 TR USD* | *12.01%* | *8.31%* | *9.90%* | *9.48%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** Any shareholder redeeming shares in the fund having a value of $5000 or more will be precluded from investing in the fund for 30 calendar days after the redemption transaction. | | | | | | | |
| **Target-Date 2040** | | | | | | | |
| AMERICAN FUNDS 2040 TARGET RETIRE - R-6 (RFGTX) | 17.20% | 10.62% | 11.64% | 11.24% | 11.79% | 0.380% | $3.80 |
| *Morningstar Lifetime Mod 2040 TR USD* | *11.62%* | *8.15%* | *10.11%* | *9.62%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** Any shareholder redeeming shares in the fund having a value of $5000 or more will be precluded from investing in the fund for 30 calendar days after the redemption transaction. | | | | | | | |
| **Target-Date 2045** | | | | | | | |
| AMERICAN FUNDS 2045 TARGET RETIRE - R-6 (RFHTX) | 17.52% | 10.77% | 11.84% | 11.35% | 12.62% | 0.380% | $3.80 |
| *Morningstar Lifetime Mod 2045 TR USD* | *11.39%* | *7.99%* | *10.16%* | *9.58%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** Any shareholder redeeming shares in the fund having a value of $5000 or more will be precluded from investing in the fund for 30 calendar days after the redemption transaction. | | | | | | | |
| **Target-Date 2050** | | | | | | | |
| AMERICAN FUNDS 2050 TARGET RETIRE - R-6 (RFITX) | 17.77% | 10.91% | 11.97% | 11.41% | 12.68% | 0.390% | $3.90 |
| *Morningstar Lifetime Mod 2050 TR USD* | *11.31%* | *7.88%* | *10.14%* | *9.49%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** Any shareholder redeeming shares in the fund having a value of $5000 or more will be precluded from investing in the fund for 30 calendar days after the redemption transaction. | | | | | | | |
| **Target-Date 2055** | | | | | | | |
| AMERICAN FUNDS 2055 TARGET RETIRE - R-6 (RFKTX) | 17.74% | 10.91% | 11.96% | 11.40% | 11.42% | 0.400% | $4.00 |
| *Morningstar Lifetime Mod 2055 TR USD* | *11.28%* | *7.80%* | *10.11%* | *9.38%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** Any shareholder redeeming shares in the fund having a value of $5000 or more will be precluded from investing in the fund for 30 calendar days after the redemption transaction. | | | | | | | |

**Henley Companies 401(k) Savings Plan**
**Participant Investment and Fee Disclosure Notice**
**(Production Date: 01/05/2021)**

## Investment Performance, Expenses and Fees

| **Investment Name** / ***Benchmark*** | **Avg. Annual Total Return as of 11/30/2020*** | | | | | **Gross Annual Operating Expenses*** | |
|---|---|---|---|---|---|---|---|
| | **1 Yr.** | **3 Yr.** | **5 Yr.** | **10 Yr.** | **Since Inception** | **As a %** | **Per $1000** |
| **Target-Date 2060+** | | | | | | | |
| AMERICAN FUNDS 2060 TARGET DATE - R6 (RFUTX) | 17.70% | 10.87% | 11.94% | N/A | 10.46% | 0.410% | $4.10 |
| *Morningstar Lifetime Mod 2060 TR USD* | *11.25%* | *7.71%* | *10.06%* | *9.24%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** Any shareholder redeeming shares in the fund having a value of $5000 or more will be precluded from investing in the fund for 30 calendar days after the redemption transaction. | | | | | | | |
| **Large Value** | | | | | | | |
| JPMORGAN EQUITY INCOME - R6 (OIEJX) | 4.04% | 7.56% | 10.24% | 12.31% | 11.92% | 0.480% | $4.80 |
| *Morningstar US Large Val TR USD* | *-1.77%* | *4.96%* | *8.96%* | *10.37%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** No more than 1 round trip(s) permitted every 60 days. A "round trip" is the purchase of shares in the investment following redemption of shares from the investment. | | | | | | | |
| **Large Blend** | | | | | | | |
| FIDELITY 500 INDEX (FXAIX) | 17.44% | 13.16% | 13.98% | 14.18% | 13.19% | 0.015% | $0.15 |
| *Morningstar US Large Cap TR USD* | *20.73%* | *14.62%* | *14.90%* | *14.68%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** No more than 1 round trip(s) permitted every 45 days. A "round trip" is the purchase of shares in the investment following redemption of shares from the investment. This restriction is waived for trades of less than $1000. Any shareholder redeeming shares in the fund having a value of $1000 or more will be precluded from investing in the fund for 45 calendar days after the redemption transaction. | | | | | | | |
| **Large Growth** | | | | | | | |
| AB LARGE CAP GROWTH - Z (APGZX) | 32.82% | 21.00% | 19.07% | 17.87% | 18.32% | 0.540% | $5.40 |
| *Morningstar US Large Growth TR USD* | *39.97%* | *23.46%* | *19.40%* | *17.83%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** No more than 2 round trip(s) permitted every 60 days. A "round trip" is the purchase of shares in the investment following redemption of shares from the investment. | | | | | | | |
| **Mid-Cap Value** | | | | | | | |
| JOHN HANCOCK DISCIPL VALUE MID CAP - R6 (JVMRX) | 4.43% | 4.43% | 7.97% | 12.07% | 12.83% | 0.760% | $7.60 |
| *Morningstar US Mid Val TR USD* | *-4.10%* | *1.93%* | *7.53%* | *10.81%* | N/A | | |
| **Mid-Cap Blend** | | | | | | | |
| FIDELITY MID CAP INDEX (FSMDX) | 14.40% | 10.24% | 11.74% | N/A | 13.66% | 0.025% | $0.25 |
| *Morningstar US Mid Cap TR USD* | *15.88%* | *11.30%* | *12.63%* | *13.28%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** No more than 1 round trip(s) permitted every 45 days. A "round trip" is the purchase of shares in the investment following redemption of shares from the investment. This restriction is waived for trades of less than $1000. Any shareholder redeeming shares in the fund having a value of $1000 or more will be precluded from investing in the fund for 45 calendar days after the redemption transaction. | | | | | | | |
| **Small Blend** | | | | | | | |
| FIDELITY SMALL CAP INDEX (FSSNX) | 13.70% | 7.21% | 10.43% | N/A | 12.71% | 0.025% | $0.25 |
| *Morningstar US Small Cap TR USD* | *10.20%* | *6.29%* | *9.47%* | *10.97%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** No more than 1 round trip(s) permitted every 45 days. A "round trip" is the purchase of shares in the investment following redemption of shares from the investment. This restriction is waived for trades of less than $1000. Any shareholder redeeming shares in the fund having a value of $1000 or more will be precluded from investing in the fund for 45 calendar days after the redemption transaction. | | | | | | | |

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## Investment Performance, Expenses and Fees

| **Investment Name**<br>***Benchmark*** | **Avg. Annual Total Return as of 11/30/2020*** | | | | | **Gross Annual Operating Expenses*** | |
|---|---|---|---|---|---|---|---|
| | **1 Yr.** | **3 Yr.** | **5 Yr.** | **10 Yr.** | **Since Inception** | **As a %** | **Per $1000** |
| **Small Blend (continue)** | | | | | | | |
| GOLDMAN SACHS SMALL CAP VALUE R6 (GSSUX) | -2.91% | 0.04% | 5.83% | 9.38% | 5.21% | 0.960% | $9.60 |
| *Morningstar US Small Cap TR USD* | *10.20%* | *6.29%* | *9.47%* | *10.97%* | N/A | | |
| **World Large Stock** | | | | | | | |
| INVESCO GLOBAL FUND (OGLIX) | 25.62% | 12.39% | 13.76% | 12.04% | 13.33% | 0.670% | $6.70 |
| *Morningstar Gbl Mkts Large Cap NR USD* | *15.34%* | *9.30%* | *11.02%* | *9.51%* | N/A | | |
| **Foreign Large Growth** | | | | | | | |
| AMERICAN FUNDS EURO PACIFIC GROWTH CI R6 (RERGX) | 22.38% | 8.75% | 10.48% | 8.14% | 10.16% | 0.460% | $4.60 |
| *Morningstar Gbl Mkts xUS GR USD* | *10.30%* | *4.49%* | *8.40%* | *6.21%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** Any shareholder redeeming shares in the fund having a value of $5000 or more will be precluded from investing in the fund for 30 calendar days after the redemption transaction. | | | | | | | |
| MFS INTERNATIONAL INTRINSIC VALUE - R6 (MINJX) | 18.79% | 10.35% | 11.81% | 11.58% | 7.94% | 0.630% | $6.30 |
| *Morningstar Gbl Mkts xUS GR USD* | *10.30%* | *4.49%* | *8.40%* | *6.21%* | N/A | | |

*The data provided is the most current data available as of the date this Notice was produced.

To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading your assets among different types of investments can help you achieve a favorable rate of return, while minimizing your overall risk of losing money. For information regarding individual investing and diversification, please go to the Department of Labor's website at https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/pension-protection-act/investing-and-diversification.

The cumulative effect of plan fees and expenses can substantially reduce the growth of your retirement savings. Visit the U.S. Department of Labor's website for an example showing the long-term effect of fees and expenses at https://www.dol.gov/sites/default/files/ebsa/about-ebsa/our-activities/resource-center/publications/a-look-at-401k-plan-fees.pdf. Fees and expenses are only one of many factors to consider when you decide to invest in a plan investment option. You may also want to consider whether investing in a particular option, along with your other investments, will help you achieve your retirement goals.

**Reliance on Third-Party Database for Investment Information:** Where applicable, the investment-related information reported in this section was prepared using information provided to Newport Group by one or more third parties. Although Newport Group believes this information to be accurate and complete, Newport Group makes no representation as to the accuracy or completeness of the information. For detailed information regarding each designated investment alternative, please refer to the prospectus, summary prospectus, or other similar-type document prepared by the issuer of each investment. (See "How to Obtain More Investment Information" below for direction on how to obtain these documents.)

### How to Obtain More Investment Information

You can obtain additional information for the designated investment options by accessing the Participant Website (the web address may be found in the section of this Notice titled "How to Obtain More Information"). Such additional information includes, as applicable:

- more recent investment performance
- the name of the issuer of the investment option
- the objectives, goals, principal strategies and risks of the investment option
- the turnover ratio of the fund's portfolio
- the most recent available share price of the investment option
- copies of prospectuses or similar documents
- a list of assets comprising the portfolio of each investment option

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## Investment Performance, Expenses and Fees

You may request, free of charge, paper copies of any of these items from the contacts listed in the section of this Notice titled "How to Obtain More Information."

## Plan and Individual Expenses that May Be Charged to Your Account

The plan hires outside professionals to provide administrative services that are needed for the plan to operate. The types of services that may be provided and the fees charged for those services are described in this section. Fees for services that benefit the plan as a whole (e.g., general plan administrative services and trustee/custodial services) will be shared by participants in the plan, only to the extent those fees are not paid by your employer, from plan forfeitures or from revenue sharing payments.

Revenue sharing payments are amounts paid by certain mutual funds and are part of the fund's Gross Annual Operating Expenses listed in the section of this Notice titled "Investment Performance, Expenses and Fees." To the extent any of the expenses described below are paid, in whole or in part, from revenue sharing payments received by the plan, those expenses will not be charged to your account.

If any of the expenses described in this section are deducted from your account, such expense will be shown on your quarterly statement.

### PLAN EXPENSES

Plan expenses are fees for services that are provided on a regular basis, such as recordkeeping and general plan administration. These services include such items as maintenance of individual information and investment records, daily accounting, processing investment and election changes, processing and allocating contributions, preparation of reports and individual statements, participant internet and telephone services, trust and custody services, and investment management services.

Only those expenses not paid by your employer, from plan forfeitures, or from revenue sharing payments will be charged to your account. If plan expenses are charged to your account, they will be assessed on either a *per capita* or *pro rata* basis. The expense payment method is identified below. For any expenses that are "Paid by Employer," the Employer may elect to have such expenses paid by the plan and in such event, the expense would be allocated on a pro rata basis (to the extent it is not paid by other sources). *Per capita* means an equal dollar amount will be charged to each participant's account. For example, if total expenses are $10,000 and there are 100 participants, each participant's account would be charged $100. *Pro rata* means a proportionate share of the fee will be charged to each participant's account based on the proportion that such participant's account balance bears to the account balances of all participants. For example, if the total value of all participant accounts (including your account) was $1,000,000 and your account balance was $10,000, an amount equal to 1% of the expenses would be deducted from your plan account.

**Recordkeeping and Administration Fees:** The annual fees for these services are estimated to be:

| Description | Amount | Paid per capita/pro rata (if applicable): |
|---|---|---|
| Per Participant Fee | $50.56 per participant | Per Capita |
| Plan Minimum Fee (as applicable) | $7500.00 | Pro Rata |
| Recordkeeping Fee | 0.0451 % of plan assets | Pro Rata |

In addition to the regular administrative expenses described above, the plan may incur other administrative expenses for services that are not performed on a regular basis such as consulting, audit assistance, custom reports or notices and other special or extraordinary services. These expenses are applied to your account in the same manner as the regular administrative expenses.

**Trust and Custody Fees:** The annual fees for these services are estimated to be:

| Description | Amount | Paid per capita/pro rata (if applicable): |
|---|---|---|
| Trust/Custody Fee | 0.0300 % of plan assets | Pro Rata |
| Trustee Fee | $750.00 | Pro Rata |

**Investment Advisory Fees:** The plan has entered into an agreement with your plan's investment advisor to provide advisory services for the plan. The annual advisory service fees are estimated to be:

| Description | Amount | Paid per capita/pro rata (if applicable): |
|---|---|---|
| Investment Management Annual Base Fee | $30000.00 | Pro Rata |

### INDIVIDUAL EXPENSES

Individual expenses are fees that are applied for services or actions that are specific to your account. Individual expenses are charged to your account only if applicable:

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## Plan and Individual Expenses that May Be Charged to Your Account

| Description | Amount |
| --- | --- |
| Distribution Fee, non-periodic | $50.00 Each |
| Force Out Administration Fee | $20.00 per participant mailing |
| Loan Origination Fee | $100.00 Each |
| Stop Pay / Re-Issue Fee | $30.00 Each |

## How to Obtain More Information

To obtain additional information about your plan or if you have questions about the information contained in this Notice, you may contact:

| | |
| --- | --- |
| **Fee Disclosure Contact(s)** | Anie Chinarian<br>17802 Sky Park Circle<br>Suite 104<br>Irvine CA 92614<br>(949) 344-2266<br>AChinarian@vioc.net |
| **Participant Service Center** | 1-844-749-9981<br>Representatives are available Monday through Friday from 8:00 a.m. to 8:00 p.m. Eastern Time<br>Automated services are also available during non-business hours |
| **Participant Website** | https://www.newportgroup.com/login/participant |

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**Henley Companies 401(k) Savings Plan**
**Qualified Default Investment Alternative Notice**
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## Notice Overview

Henley Companies 401(k) Savings Plan (the "Plan") allows participants, beneficiaries of deceased participants, and alternate payees the right to choose how to invest the money in their Plan accounts. Assets can be invested in any of several investment options that are available under the Plan. You may elect to change your investment allocations daily, subject to Plan rules.

Information regarding the investment options available to you, as well as information on how to provide investment instructions to the Plan is provided as part of the Plan's enrollment process.

If you do not make an investment election for some or all of the assets in your account, those assets will be invested in a portfolio selected by a Plan fiduciary (a Qualified Default Investment Alternative or "QDIA"). This notice describes the QDIA and when assets will be invested in the QDIA on your behalf.

### Circumstances in which Default Investments May Occur

A default investment will be made, for example:

- If you elect to defer to the Plan or you are automatically enrolled in the Plan but do not specify how your deferrals or other assets should be invested;
- If you make a rollover contribution to the Plan but have not specified how contributions to the Plan should be invested;
- If a fund in which you have invested is eliminated and you do not direct that the assets be transferred to another available fund; or
- If a fund in which you have invested is frozen to future contributions, and you do not specify a new fund to receive future contributions.

In this notice, any assets that have been invested in the QDIA by default are referred to as Default Investments.

## QDIA Information

### Targeted Retirement Investments

The QDIA is designed to provide long-term appreciation and capital preservation by investing in a fund that has an appropriate mix of equity and fixed-income securities based on your target retirement date. The mix of underlying investments in the fund will change over time as your age increases in order to decrease your risk of loss. The specific fund to which your Default Investments will be allocated is shown in Table I based on the date range in which you are projected to reach your expected retirement age as established by an investment fiduciary for the Plan. Table I also provides a description of the investment objective and strategy for each fund. Please see Table II for additional information regarding each fund, including the risk and return characteristics, and fees and expenses relating to each fund.

**Table I**

| Name of Investment | Target Retirement Date Range | Investment Objective & Strategy<br>From investment's prospectus |
|---|---|---|
| AMERICAN FUNDS 2020 TARGET RETIRE - R-6 (RRCTX) | **1900 - 2020** | The investment seeks growth, income and conservation of capital. The fund normally invests a greater portion of its assets in fixed income, equity-income and balanced funds as it continues past its target date. The advisor attempts to achieve its investment objectives by investing in a mix of American Funds in different combinations and weightings. The underlying American Funds represent a variety of fund categories, including growth funds, growth-and-income funds, equity-income funds, balanced funds and fixed income funds. The fund categories represent differing investment objectives. |
| AMERICAN FUNDS 2025 TARGET RETIRE - R-6 (RFDTX) | **2021 - 2025** | The investment seeks growth, income and conservation of capital. The fund normally invests a greater portion of its assets in fixed income, equity-income and balanced funds as it approaches and passes its target date. The advisor attempts to achieve its investment objectives by investing in a mix of American Funds in different combinations and weightings. The underlying American Funds represent a variety of fund categories, including growth funds, growth-and-income funds, equity-income funds, balanced funds and fixed income funds. The fund categories represent differing investment objectives. |

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## QDIA Information

| Name of Investment | Target Retirement Date Range | Investment Objective & Strategy<br>From investment's prospectus |
|---|---|---|
| AMERICAN FUNDS 2030 TARGET RETIRE - R-6 (RFETX) | **2026 - 2030** | The investment seeks growth, income and conservation of capital. The fund normally invests a greater portion of its assets in fixed income, equity-income and balanced funds as it approaches and passes its target date. The advisor attempts to achieve its investment objectives by investing in a mix of American Funds in different combinations and weightings. The underlying American Funds represent a variety of fund categories, including growth funds, growth-and-income funds, equity-income funds, balanced funds and fixed income funds. The fund categories represent differing investment objectives. |
| AMERICAN FUNDS 2035 TARGET RETIRE - R-6 (RFFTX) | **2031 - 2035** | The investment seeks growth, income and conservation of capital. The fund normally invests a greater portion of its assets in fixed income, equity-income and balanced funds as it approaches and passes its target date. The advisor attempts to achieve its investment objectives by investing in a mix of American Funds in different combinations and weightings. The underlying American Funds represent a variety of fund categories, including growth funds, growth-and-income funds, equity-income funds, balanced funds and fixed income funds. The fund categories represent differing investment objectives. |
| AMERICAN FUNDS 2040 TARGET RETIRE - R-6 (RFGTX) | **2036 - 2040** | The investment seeks growth, income and conservation of capital. The fund normally invests a greater portion of its assets in fixed income, equity-income and balanced funds as it approaches and passes its target date. The advisor attempts to achieve its investment objectives by investing in a mix of American Funds in different combinations and weightings. The underlying American Funds represent a variety of fund categories, including growth funds, growth-and-income funds, equity-income funds, balanced funds and fixed income funds. The fund categories represent differing investment objectives. |
| AMERICAN FUNDS 2045 TARGET RETIRE - R-6 (RFHTX) | **2041 - 2045** | The investment seeks growth, income and conservation of capital. The fund normally invests a greater portion of its assets in fixed income, equity-income and balanced funds as it approaches and passes its target date. The advisor attempts to achieve its investment objectives by investing in a mix of American Funds in different combinations and weightings. The underlying American Funds represent a variety of fund categories, including growth funds, growth-and-income funds, equity-income funds, balanced funds and fixed income funds. The fund categories represent differing investment objectives. |
| AMERICAN FUNDS 2050 TARGET RETIRE - R-6 (RFITX) | **2046 - 2050** | The investment seeks growth, income and conservation of capital. The fund normally invests a greater portion of its assets in fixed income, equity-income and balanced funds as it approaches and passes its target date. The advisor attempts to achieve its investment objectives by investing in a mix of American Funds in different combinations and weightings. The underlying American Funds represent a variety of fund categories, including growth funds, growth-and-income funds, equity-income funds, balanced funds and fixed income funds. The fund categories represent differing investment objectives. |
| AMERICAN FUNDS 2055 TARGET RETIRE - R-6 (RFKTX) | **2051 - 2055** | The investment seeks growth, income and conservation of capital. The fund normally invests a greater portion of its assets in fixed income, equity-income and balanced funds as it approaches and passes its target date. The advisor attempts to achieve its investment objectives by investing in a mix of American Funds in different combinations and weightings. The underlying American Funds represent a variety of fund categories, including growth funds, growth-and-income funds, equity-income funds, balanced funds and fixed income funds. The fund categories represent differing investment objectives. |
| AMERICAN FUNDS 2060 TARGET DATE - R6 (RFUTX) | **2056 - 2099** | The investment seeks growth, income and conservation of capital. The fund normally invests a greater portion of its assets in fixed income, equity income and balanced funds as it approaches and passes its target date. The advisor attempts to achieve its investment objectives by investing in a mix of American Funds in different combinations and weightings. The underlying American Funds represent a variety of fund categories, including growth funds, growth-and-income funds, equity-income funds, balanced funds and fixed income funds. The fund categories represent differing investment objectives. |

**Table II: Additional Information Regarding QDIA Funds**

The below table provides information on the return characteristics as well as the fees and expenses associated with each QDIA fund.

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## QDIA Information

To access more detailed Fund Fact Sheets for the below investments login to your account at https://www.newportgroup.com/login/participant. You may, at any time, elect to transfer your Default Investments from the QDIA to any of the other investment options available under the Plan.

**Risk Characteristics**

Target date funds are managed to gradually reduce, but not eliminate, market risk exposure over time by allocating a greater percentage to fixed income, or bond investments and reducing allocation to equity, or stock investments. The table below provides an asset allocation which identifies an approximate percentage of assets invested in equity and bonds/cash. Equity investments are inherently subject to greater market risk while bonds and cash are designed to preserve principal. Equity investments have historically exhibited higher risk and greater long-term returns than bonds. Bonds have historically been less volatile and therefore have a lower risk of principal investment loss than equity investments. The funds are diversified portfolios, which is a strategy to reduce risk by investing in different asset classes. This can help to reduce, but does not eliminate market risk. Investors in the funds should be able to tolerate the risks that come from the volatility of the stock/equity and bond markets. While diversification can't ensure a profit or protect against loss, it can be a good way to manage investment risk. However, please note that the principal value of the funds is not guaranteed at any time, including at or after the target retirement date, and accounts are not FDIC insured.

There is no guarantee that any particular asset allocation or mix of funds will meet your investment objectives. All investments involve risks, and fluctuations in the financial markets and other factors may cause declines in the value of your account. You should carefully consider all of your options when making investment decisions and you may wish to consult an investment professional.

| **Investment Name (Symbol)**<br>***Benchmark*** | **Avg. Annual Total Return as of 09/30/2020*** | | | | | **Asset Allocation**[1] | **Gross Annual Operating Expenses**[2] |
|---|---|---|---|---|---|---|---|
| | **1 Yr.** | **3 Yr.** | **5 Yr.** | **10 Yr.** | **Since Inception** | | |
| **Target-Date 2020** | | | | | | | |
| AMERICAN FUNDS 2020 TARGET RETIRE - R-6 (RRCTX) | 8.56% | 6.30% | 7.78% | 7.99% | 9.39% | 44.88% Equity<br>55.12% Bond | 0.310% |
| *Benchmark: Morningstar Lifetime Mod 2020 TR USD* | *8.59%* | *6.87%* | *7.81%* | *7.47%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** Any shareholder redeeming shares in the fund having a value of $5000 or more will be precluded from investing in the fund for 30 calendar days after the redemption transaction. | | | | | | | |
| **Target-Date 2025** | | | | | | | |
| AMERICAN FUNDS 2025 TARGET RETIRE - R-6 (RFDTX) | 11.04% | 7.34% | 8.91% | 9.13% | 10.54% | 53.85% Equity<br>46.15% Bond | 0.330% |
| *Benchmark: Morningstar Lifetime Mod 2025 TR USD* | *8.40%* | *6.98%* | *8.37%* | *8.08%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** Any shareholder redeeming shares in the fund having a value of $5000 or more will be precluded from investing in the fund for 30 calendar days after the redemption transaction. | | | | | | | |
| **Target-Date 2030** | | | | | | | |
| AMERICAN FUNDS 2030 TARGET RETIRE - R-6 (RFETX) | 11.76% | 7.93% | 9.96% | 9.84% | 11.27% | 65.04% Equity<br>34.96% Bond | 0.350% |
| *Benchmark: Morningstar Lifetime Mod 2030 TR USD* | *7.79%* | *6.89%* | *8.88%* | *8.60%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** Any shareholder redeeming shares in the fund having a value of $5000 or more will be precluded from investing in the fund for 30 calendar days after the redemption transaction. | | | | | | | |
| **Target-Date 2035** | | | | | | | |
| AMERICAN FUNDS 2035 TARGET RETIRE - R-6 (RFFTX) | 13.46% | 8.75% | 10.99% | 10.34% | 11.73% | 76.41% Equity<br>23.59% Bond | 0.370% |
| *Benchmark: Morningstar Lifetime Mod 2035 TR USD* | *6.79%* | *6.55%* | *9.20%* | *8.87%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** Any shareholder redeeming shares in the fund having a value of $5000 or more will be precluded from investing in the fund for 30 calendar days after the redemption transaction. | | | | | | | |

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## QDIA Information

| Investment Name (Symbol) / *Benchmark* | Avg. Annual Total Return as of 09/30/2020* | | | | | Asset Allocation[1] | Gross Annual Operating Expenses[2] |
|---|---|---|---|---|---|---|---|
| | 1 Yr. | 3 Yr. | 5 Yr. | 10 Yr. | Since Inception | | |
| **Target-Date 2040** | | | | | | | |
| AMERICAN FUNDS 2040 TARGET RETIRE - R-6 (RFGTX) | 14.07% | 9.05% | 11.34% | 10.56% | 11.19% | 83.20% Equity 16.80% Bond | 0.380% |
| *Benchmark: Morningstar Lifetime Mod 2040 TR USD* | *5.87%* | *6.14%* | *9.29%* | *8.90%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** Any shareholder redeeming shares in the fund having a value of $5000 or more will be precluded from investing in the fund for 30 calendar days after the redemption transaction. | | | | | | | |
| **Target-Date 2045** | | | | | | | |
| AMERICAN FUNDS 2045 TARGET RETIRE - R-6 (RFHTX) | 14.30% | 9.18% | 11.52% | 10.65% | 12.01% | 84.69% Equity 15.31% Bond | 0.380% |
| *Benchmark: Morningstar Lifetime Mod 2045 TR USD* | *5.28%* | *5.83%* | *9.24%* | *8.80%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** Any shareholder redeeming shares in the fund having a value of $5000 or more will be precluded from investing in the fund for 30 calendar days after the redemption transaction. | | | | | | | |
| **Target-Date 2050** | | | | | | | |
| AMERICAN FUNDS 2050 TARGET RETIRE - R-6 (RFITX) | 14.63% | 9.34% | 11.65% | 10.71% | 12.07% | 85.79% Equity 14.21% Bond | 0.390% |
| *Benchmark: Morningstar Lifetime Mod 2050 TR USD* | *5.01%* | *5.63%* | *9.16%* | *8.67%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** Any shareholder redeeming shares in the fund having a value of $5000 or more will be precluded from investing in the fund for 30 calendar days after the redemption transaction. | | | | | | | |
| **Target-Date 2055** | | | | | | | |
| AMERICAN FUNDS 2055 TARGET RETIRE - R-6 (RFKTX) | 14.56% | 9.30% | 11.63% | 10.69% | 10.76% | 85.82% Equity 14.18% Bond | 0.400% |
| *Benchmark: Morningstar Lifetime Mod 2055 TR USD* | *4.88%* | *5.51%* | *9.10%* | *8.54%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** Any shareholder redeeming shares in the fund having a value of $5000 or more will be precluded from investing in the fund for 30 calendar days after the redemption transaction. | | | | | | | |
| **Target-Date 2060+** | | | | | | | |
| AMERICAN FUNDS 2060 TARGET DATE - R6 (RFUTX) | 14.49% | 9.28% | 11.59% | N/A | 9.16% | 85.79% Equity 14.21% Bond | 0.410% |
| *Benchmark: Morningstar Lifetime Mod 2060 TR USD* | *4.78%* | *5.39%* | *9.03%* | *8.40%* | N/A | | |
| **Shareholder-Type Fees/Restrictions:** Any shareholder redeeming shares in the fund having a value of $5000 or more will be precluded from investing in the fund for 30 calendar days after the redemption transaction. | | | | | | | |

*The data provided is the most current data available as of the date this Notice was produced.

[1]As reported by Morningstar©, Equity and Bond/Cash percentages may or may not include foreign investments. Equity positions include any holdings in US Stock, Non US Stock, Preferred, and Other classifications. Bond/Cash positions include any holdings in US Bond, Non US Bond, Convertible, and Cash classifications.
[2]Gross Annual Operating Expenses is the percentage of fund assets paid for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's Net Asset Value (NAV), expressed as a percentage of its assets. These are costs the investor pays through a reduction in the investment's rate of return.

Shareholder-type fees include, if applicable, short term redemption fees or other fees charged against an investment fund that are not included in the Gross Annual Operating Expenses such as commissions, sales loads, deferred sales charges, surrender charges, exchange fees, account fees and purchase fees.

### Transfers from the QDIA to Other Investment Options

Please note that you may, at any time, elect to transfer your Default Investments from the QDIA to any of the other investment options

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## QDIA Information

available under the Plan. There are no fees, expenses or other restrictions associated with transfers out of the QDIA, if the transfer occurs in the first 90 days following the date assets were first invested in the QDIA. After the first 90 days, fees may apply as described in this notice.

**How to Direct Your Investment.** You may select or make changes to your investments as follows:

- **By Internet:** You may access your account at any time by logging in to the Participant Website at https://www.newportgroup.com/login/participant. Once you are logged in, choose Explore My Options from the Shortcuts menu, then make your desired choices on the screens that follow. If you need assistance logging into your account or navigating the website, you may call the Participant Service Center at the number provided in the section titled "How to Obtain More Information" at the end of this Notice.

- **By Phone:** You may select or make changes to your investments by calling the toll-free automated telephone response system at the number provided for the Participant Service Center in the section of this Notice titled "How to Obtain More Information."

Investment elections or changes you make by phone or (if applicable) on the Participant Website will generally be processed the same business day or, if made when the New York Stock Exchange is closed, the next business day. You should confirm that your investment directions have been implemented by logging in to the Participant Website on the date your investment elections are scheduled to be processed, as described above. If you see a discrepancy, contact the Participant Service Center immediately at the number provided in the section of this Notice titled "How to Obtain More Information."

## How to Obtain More Information

To obtain additional information (as applicable) regarding the QDIA and other investment alternatives available under the Plan, including copies of prospectuses, financial statements and reports and other materials you may contact:

| | |
|---|---|
| **Notice Contact(s)** | Anie Chinarian<br>17802 Sky Park Circle<br>Suite 104<br>Irvine CA 92614<br>(949) 344-2266<br>AChinarian@vioc.net |
| **Participant Service Center** | 1-844-749-9981<br>Representatives are available Monday through Friday from 8:00 a.m. to 8:00 p.m. Eastern Time<br>Automated services are also available during non-business hours |
| **Participant Website** | https://www.newportgroup.com/login/participant |

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**HENLEY COMPANIES 401(K) SAVINGS PLAN**

**SAFE HARBOR NOTIFICATION TO ELIGIBLE EMPLOYEES**
**(includes Automatic Contribution Arrangement)**

This is an annual notice and only applies to the Plan Year beginning on January 1, 2021.

This notice covers the following points:

- How much you can contribute to the Plan;
- Whether the Plan's Automatic Deferral feature applies to you;
- What amounts will be automatically taken from your pay and contributed to the Plan;
- What other amounts the Employer will contribute to the Plan for you; and
- When your Plan account will be vested (that is, not lost when you leave your job), and when you can receive a distribution of your Plan account.

You can find out more information about the Plan in the Plan's Summary Plan Description (SPD). You can obtain a copy of the SPD from the Administrator.

**I. Employee deferral contributions**

You are allowed to defer a portion of your compensation to the Plan. These amounts are referred to as deferrals and are held in an account for you. When you are permitted to take a distribution from the Plan, you will be entitled to all of your deferrals, as adjusted for any gains or losses. The type of compensation that may be deferred under the Plan is explained in the Section of the Summary Plan Description entitled "What compensation is used to determine my Plan benefits?" (this is in the Article entitled "COMPENSATION AND ACCOUNT BALANCE").

You may elect to defer a percentage of your compensation each year instead of receiving that amount in cash. Such election will also apply to irregular pay (e.g., bonuses). Your total deferrals in any taxable year may not exceed a dollar limit which is set by law. The dollar limit may increase each year for cost-of-living adjustments. The Administrator will notify you of the maximum percentage you may defer.

If you are at least age 50 or will attain age 50 during a calendar year, then you may elect to defer additional amounts (called "catch-up contributions") to the Plan. These are additional amounts that you may defer, up to an annual limit imposed by law, regardless of any other limits imposed by the Plan.

You may make either Regular 401(k) deferrals (pre-tax) or Roth 401(k) deferrals (after-tax). If you make Regular 401(k) deferrals, your deferrals are not subject to income tax until distributed from the Plan. If you make Roth 401(k) deferrals, your deferrals are subject to income tax at the time of deferral. The Roth 401(k) deferrals, however, are not taxed when you receive a distribution from the Plan. In addition, if the distribution of Roth 401(k) deferrals is considered "qualified," then the earnings on the deferrals will not be subject to income tax when distributed from the Plan. Distributions from your Roth accounts will be considered "qualified" only if the distribution is on account of attainment of age 59 1/2, death or disability, and the distribution must not occur prior to the end of the 5-year participation period that begins with the first taxable year for which you made a Roth 401(k) deferral to the Plan, or if earlier, the first taxable year for which you made a Roth 401(k) deferral to another Roth 401(k) plan or Roth 403(b) plan that you rolled over to this Plan. Both types of deferrals are subject to Social Security taxes at the time of deferral. Your Employer will deduct the Social Security taxes, and in the case of Roth 401(k) deferrals will deduct income taxes, from your remaining compensation.

**Automatic Deferrals.** The Plan includes an automatic enrollment feature known as an automatic contribution arrangement ("ACA"). Under the ACA provisions of the Plan, **if you do not complete and return a salary deferral agreement**, then the Employer will automatically withhold a portion of your eligible compensation from your pay each payroll period and contribute that amount to the Plan as a Regular 401(k) deferral (the automatic amount is described below). If you wish to defer the Automatic Deferral amount, then you do not need to complete a salary deferral agreement. However, if you do not wish to defer any of your compensation, or you wish to defer an amount of compensation different from the Automatic Deferral amount, then you may make an election to do so. This election is made by submitting a salary deferral agreement to the Administrator, in accordance with the deferral procedures of the Plan, within a reasonable time after receipt of this notice, and before the occurrence of the first Automatic Deferral to which this notice applies. Your election will be effective as soon as the Administrator reasonably can implement your election after receipt. Your election will generally remain in effect unless and until you change it.

**Application of Automatic Deferral provisions.** The Plan includes an automatic salary deferral feature. Your 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. The Automatic Deferral provisions apply to all Participants who become a Participant in the Plan after the effective date of the Automatic Deferral provisions.

**Automatic Deferral provisions.** The following provisions apply to these Automatic Deferrals:

- As specified above, you may complete a salary deferral agreement to elect 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 2% of your compensation.

  **Special effective date for Automatic Deferral:** Effective January 1, 2010, the plan included an EACA provision which was removed effective January 1, 2016 in favor of a traditional ACA. Effective January 1, 2018: The Automatic Contribution Arrangement eligibility will be 1 Year of Service with entry on the first day of the month coinciding with or next following date requirements are met.

**II. Employer safe harbor contribution election**

To help you make an informed decision on the level of your own salary deferral contributions, if any, your Employer must inform you about the contributions it will make to the Plan. Your Employer has elected to make the contribution described below.

**Safe harbor matching contribution.** In order to maintain "safe harbor" status, your Employer will make a safe harbor matching contribution equal to 100% of your salary deferrals that do not exceed 5% of your compensation. This safe harbor matching contribution is 100% vested.

For purposes of calculating the safe harbor matching contribution, your compensation and deferrals will be determined on an annual basis. For example, if you defer 6% of compensation for six months and then change your deferral to 0% for the remaining six months of the year, then you will have deferred 3% for the purposes of determining your matching contribution.

**Eligible Participants.** In general, Participants who are eligible to make salary deferrals to the Plan are entitled to the safe harbor contribution. However, the following Participants are not eligible for the contribution:

- employees who have not attained age 21 and completed a Year of Service. Once you have attained age 21 and completed a Year of Service, you will be eligible to receive the safe harbor contribution as of the first day of the month coinciding with or next following date requirements met. You will be credited with a Year of Service at the end of the twelve month period beginning on your date of hire if you have been credited with at least 1,000 Hours of Service during such period. If you have not been credited with 1,000 Hours of Service by the end of such period, you will have completed a Year of Service at the end of any following Plan Year during which you were credited with 1,000 Hours of Service.

**III. Other Employer contributions**

In addition to the above, other contributions may be made to the Plan. You should review the Article of the SPD entitled "EMPLOYER CONTRIBUTIONS" for details regarding these other contributions.

**IV. Suspension or reduction of safe harbor matching contribution.**

The Employer retains the right to reduce or suspend the safe harbor matching contribution under the Plan. If the Employer chooses to do so, you will receive a supplemental notice explaining the reduction or suspension of the safe harbor matching contribution at least 30 days before the change is effective. The Employer will contribute any safe harbor matching contribution you have earned up to that point. At this time, the Employer has no such intention to suspend or reduce the safe harbor matching contribution.

**V. Vesting**

The following is a general explanation of the vesting provisions of the Plan. More details can be found in the Article of the SPD entitled "VESTING."

**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:

- salary deferrals including Roth 401(k) deferrals and "catch-up contributions"

- safe harbor contributions

- Employer matching contributions

- "rollover" 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.

**Employer Profit Sharing Contributions**

Your "vested percentage" in your account attributable to profit sharing contributions is determined under the following schedule. You will always, however, be 100% vested if you are employed on or after your Normal Retirement Age or if you die or become disabled.

Vesting Schedule
Profit Sharing Contributions

| Years of Service | Percentage |
|---|---|
| Less than 3 | 0% |
| 3 | 100% |

### VI. Distribution provisions

The Plan and law impose restrictions on when you may receive a distribution from the Plan. Below is general information on when distributions may be made under the Plan. See the SPD for more details, including details on how benefits are paid. Also, at the time you are entitled to receive a distribution, the Administrator will provide you with a notice explaining the rules regarding the taxation of the distribution.

You may elect to have your vested account balance distributed to you as soon as administratively feasible following your termination of employment. However, if the value of your vested account balance does not exceed $5,000, then a distribution will be made to you regardless of whether you consent to receive it.

You may also withdraw money from the Plan from certain accounts if you have reached age 59 1/2 or if you have an immediate or heavy financial need. However, there are various rules and requirements that you must meet before any withdrawal is permitted. See the Article in the SPD entitled "DISTRIBUTIONS PRIOR TO TERMINATION" for more details.

You may withdraw money at any time from your "rollover account".

If you were/are: (i) a reservist or National Guardsman; (ii) called to active duty after September 11, 2001; and (iii) called to duty for at least 180 days or for an indefinite period, you may take a distribution of your elective deferrals under the Plan while you are on active duty, regardless of your age. The 10% premature distribution penalty tax, normally applicable to Plan distributions made before you reach age 59 1/2, will not apply to the distribution. You also may repay the distribution to an IRA, without limiting amounts you otherwise could contribute to the IRA, provided you make the repayment within 2 years following your completion of active duty.

### VII. Administrative procedures

The amount you elect to defer will be deducted from your pay in accordance with a procedure established by the Administrator. You may elect to defer your salary as of your Entry Date or on any prospective pay date. Such election will become effective as soon as administratively feasible. Your election will generally remain in effect unless and until you change it.

You are permitted to revoke your salary deferral election any time during the Plan Year. You may make any other modification as of each payroll period or in accordance with any other procedure that your Employer provides. Any modification will become effective as soon as administratively feasible after received by the Administrator.

In addition to any other election periods provided above, you may make or modify a salary deferral election during the 30-day period immediately preceding the Plan Year for which this notice is being provided. For the Plan Year you become eligible to make deferrals, you may complete a salary deferral agreement during a 30-day period that includes the date you become eligible.

If you decide to stop any automatic election that is in effect, or to subsequently start or change your salary deferral, you must complete the salary deferral agreement and return it to the Administrator.

### VIII. Investments

**Right to direct investment/default investment.** You have the right to direct the investment of all of your accounts in any of the investment choices explained in the investment information materials provided to you.

We encourage you to make an investment election to ensure that amounts in the Plan are invested in accordance with your long-term investment and retirement plans. However, if you do not make an investment election, then the amounts that you could have elected to invest will be invested in a default investment that the Plan officials have selected. You will be provided with a separate notice which details these default investments and your right to switch out of the default investment if you so desire.

### IX. Employer's right to terminate Plan

Pursuant to the terms of the Plan, your Employer has the right, at any time, to terminate the Plan. Termination of the Plan will result in the discontinuance of all contributions to the Plan (including the safe harbor 401(k) contribution) with respect to any compensation you receive after the effective date of the termination. Termination of the Plan will not affect your right to receive any contributions you have accrued as of the effective date of the termination.

## X. Additional information

**This notice is not a substitute for the Summary Plan Description.** The provisions of the Plan are very complex and you should always look at the Summary Plan Description if you have any questions about the Plan. If, after reading the Summary Plan Description, you still have questions, contact the Administrator.

You may contact the Administrator at:

Contact: Henley Enterprises, Inc.

Address: 54 Jaconnet Street, Suite 100

Newton Highlands, Massachusetts 02461

Telephone: 617-243-0404

**Where to go for further investment information.** You can obtain further investment information about the Plan's investment alternatives by contacting the Administrator as listed above.

**HENLEY COMPANIES 401(K) SAVINGS PLAN**

**SUMMARY PLAN DESCRIPTION**

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## HENLEY COMPANIES 401(K) SAVINGS PLAN

## SUMMARY PLAN DESCRIPTION

## INTRODUCTION TO YOUR PLAN

**What kind of Plan is this?**

Henley Companies 401(k) Savings 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.

**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 Summary, your 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 Administrator or other Plan representative. The Administrator is responsible for responding to questions and making determinations related to the administration, interpretation, and application of the Plan. The name and address of the 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 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). Your Employer may also amend or terminate this Plan. Your Employer will notify you if the provisions of the Plan that are described in this SPD change.

**NOTE:** This Plan has been adopted by other Employers. However, each Employer may have Plan provisions that differ from those explained in this SPD. The Administrator will inform you if there are any differences.

**Types of contributions.** The following types of contributions may be made under this Plan:

- Employee salary deferrals including Roth 401(k) deferrals
- Employer safe harbor contributions
- Employer profit sharing contributions
- Employee "rollover" contributions

## ARTICLE I
## PARTICIPATION IN THE PLAN

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

Provided you are not an Excluded Employee, you may become a "Participant" in the Plan once you have satisfied the eligibility requirements and reached your "Entry Date." The following describes the eligibility requirements and Entry Dates that apply. You should contact the 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, unless the collective bargaining agreement requires the employee to be included within the Plan
- certain nonresident aliens who have no earned income from sources within the United States
- leased employees

**Entry Date.** Your Entry Date will be the first day of the month coinciding with or next following the date you satisfy the eligibility requirements.

**Salary Deferrals**

**Eligibility conditions.** You will be eligible to participate for purposes of salary deferrals when you have satisfied the following eligibility condition(s). However, you will actually become a Participant in the Plan once you reach the Entry Date as described above under "All Contributions".

- attainment of age 21.

- There is no service requirement to begin employee deferrals into the Plan. However for the Automatic Contribution Arrangement (ACA) under 26.A.b.1 the employee is subject to the 1 Year of Service requirement in 14.i. above

**Employer Profit Sharing Contributions**

**Eligibility conditions.** You will be eligible to participate for purposes of profit sharing contributions when you have satisfied the following eligibility condition(s). However, you will actually become a Participant in the Plan once you reach the Entry Date as described above under "All Contributions".

- attainment of age 21.

- completion of one (1) Year of Service.

**Safe Harbor Contributions**

Participants who are eligible to make salary deferrals to the Plan are generally eligible for the safe harbor contribution described in the Article entitled "Employer Contributions" in this SPD. However, see this Article for certain exceptions.

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

**Year of Service.** You will be credited with a Year of Service at the end of the twelve month period beginning on your date of hire if you have been credited with at least 1,000 Hours of Service during such period. If you have not been credited with 1,000 Hours of Service by the end of such period, you will have completed a Year of Service at the end of any following Plan Year during which you were credited with 1,000 Hours of Service.

**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); 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 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 generally be counted. However, there are some exceptions to this general rule.

**Break in Service rules.** If you terminate employment and are rehired, you may lose credit for prior service under the Plan's Break in Service rules.

For eligibility purposes, you will have a 1-Year Break in Service if you complete less than 501 Hours of Service during the computation period used to determine whether you have a Year of Service. However, if you are absent from work for certain leaves of absence such as a maternity or paternity leave, you may be credited with enough Hours of Service to prevent a Break in Service.

**Five-year eligibility Break in Service rule.** The five-year Break in Service rule applies only to employees who had no vested interest in the Plan when employment had terminated. If you were not vested in any amounts when you terminated employment and you have five 1-Year Breaks in Service (as defined above), all the service you earned before the 5-year period no longer counts for eligibility purposes. Thus, if you were to return to employment after incurring five 1-Year Breaks in Service, you would have to resatisfy any minimum service requirements under the Plan.

**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 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 you terminated employment, and you are rehired, then you will be able to participate in the Plan on your date of rehire provided your prior service had not been disregarded under the Break in Service rules and you are otherwise eligible to participate in the Plan.

## ARTICLE II
## EMPLOYEE CONTRIBUTIONS

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

**Salary deferrals.** As a Participant under the Plan, you may elect to reduce your compensation by a specific percentage or dollar amount and have that amount contributed to the Plan as a salary deferral. There are two types of salary deferrals: Pre-Tax 401(k) deferrals and Roth 401(k) deferrals. For purposes of this SPD, "salary deferrals" generally means both Pre-Tax 401(k) deferrals and Roth 401(k) deferrals. Regardless of the type of deferral you make, the amount you defer is counted as compensation for purposes of Social Security taxes.

**Pre-Tax 401(k) deferrals.** If you elect to make Pre-Tax 401(k) deferrals, then your taxable income is reduced by the deferral contributions so you pay less in federal income taxes. Later, when the Plan distributes the deferrals and earnings, you will pay the taxes on those deferrals and the earnings. Therefore, with a Pre-Tax 401(k) deferral, federal income taxes on the deferral contributions and on the earnings are only postponed. Eventually, you will have to pay taxes on these amounts.

**Roth 401(k) deferrals.** If you elect to make Roth 401(k) deferrals, the deferrals are subject to federal income taxes in the year of deferral. However, the deferrals and, in most cases, the earnings on the deferrals are not subject to federal income taxes when distributed to you. In order for the earnings to be tax free, you must meet certain conditions. See "What are my tax consequences when I receive a distribution from the Plan?" below.

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

**Deferral modifications.** You are permitted to revoke your salary deferral election at any time during the Plan Year. You may make any other modification as of each payroll period or in accordance with any other procedure that your Employer provides. Any modification will become effective as soon as administratively feasible after it is received by the Administrator.

**Deferral Limit.** As a Participant, you may elect to defer a percentage of your compensation each year instead of receiving that amount in cash. Such election will also apply to irregular pay (e.g., bonuses). Your total deferrals in any taxable year may not exceed a dollar limit which is set by law. The limit for 2020 is $19,500. After 2020, the dollar limit may increase for cost-of-living adjustments. See the paragraph below on Annual dollar limit. The Administrator will notify you of the maximum percentage you may defer.

**Catch-up contributions.** Effective January 1, 2002, 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 (called "catch-up contributions") to the Plan as of the January 1st of 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 2020 is $6,500. After 2020, the maximum may increase for cost-of-living adjustments.

**Automatic Deferral.** The Plan includes an automatic salary deferral feature. Your 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.

**Automatic Deferral provisions.** The following provisions apply to these Automatic Deferrals:

- You may complete a salary deferral agreement to elect an alternative deferral amount or to elect not to defer under the Plan in accordance with the deferral procedures of the Plan. Your election will generally remain in effect until you modify or terminate it.

- The amount to be automatically withheld from your pay each payroll period will be equal to 2% of your compensation.

**Special effective date for Automatic Deferral:** Effective January 1, 2010, the plan included an EACA provision which was removed effective January 1, 2016 in favor of a traditional ACA. Effective January 1, 2018: The Automatic Contribution Arrangement eligibility will be 1 Year of Service with entry on the first day of the month coinciding with or next following date requirements are met.

Contact the Administrator if you have any questions concerning the application of this Automatic Deferral provision.

**Annual dollar limit.** You should also 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 salary 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 salary deferral amounts and "catch-up contributions" 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 Administrator not 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 your Employer maintains, then you will be deemed to have notified the Administrator of the excess. The Administrator will then return the excess deferrals and any earnings to you by April 15th.

**Allocation of deferrals.** The Administrator will allocate the amount you elect to defer to an account maintained on your behalf. You will always be 100% vested in this account (see the Article in this SPD entitled "Vesting"). This means that you will always be entitled to all amounts that you defer. This money will, however, be affected by any investment gains or losses. If there is an investment gain, then the balance in your account will increase. If there is an investment loss, then the balance in your account will decrease.

**Distribution of deferrals.** The rules regarding distributions of amounts attributable to your salary deferrals are explained later in this SPD.

**What are "rollover" contributions?**

**Rollover contributions.** At the discretion of the Administrator, if you are a Participant who is currently employed or an Eligible Employee, you may be permitted to deposit into the Plan distributions you have received from other retirement plans and certain IRAs. Such a deposit is called a "rollover" contribution and may result in tax savings to you. You may ask the 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. You should consult qualified counsel to determine if a rollover is in your best interest.

**Rollover account.** Your "rollover" contribution 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.

**What are In-Plan Roth Rollover Contributions?**

**In-Plan Roth Rollover Contributions.** Effective January 1, 2016, if you are eligible for a distribution from an account and you are currently an employee, you may elect to roll over the distribution to a designated Roth contribution account in the Plan (referred to as an In-Plan Roth Rollover Contribution). You may only roll over the distribution directly. However, loans may not be rolled over as an In-Plan Roth Rollover Contribution.

**Taxation and irrevocable election.** You do not pay taxes on the contributions or earnings of your pre-tax accounts (including accounts attributable to Employer contributions) until you receive an actual distribution. In other words, the taxes on the contributions and earnings in your pre-tax accounts are deferred until a distribution is made. Roth accounts, however, are the opposite. With a Roth account you pay current taxes on the amounts contributed. When a distribution is made to you from the Roth account, you do not pay taxes on the amounts you had contributed. In addition, if you have a "qualified distribution" (explained below), you do not pay taxes on the earnings that are attributable to the contributions.

If you elect an In-Plan Roth Rollover Contribution, then the contribution will be included in your income for the year. Once you make an election, it cannot be changed. It's important that you understand the tax effects of making the election and ensure you have adequate resources outside of the Plan to pay the additional taxes. The In-Plan Roth Rollover Contribution does not affect the timing of when a distribution may be made to you under the Plan; the contribution only changes the tax character of your account. You should consult with your tax advisor prior to making such a rollover.

**Qualified distribution.** As explained above, a distribution of the earnings on your Roth account will not be subject to tax if the distribution is a "qualified distribution." A "qualified distribution" is one that is made after you have attained age 59 1/2 or is made on account of your death or disability. In addition, in order to be a "qualified distribution," the distribution cannot be made prior to the expiration of a 5-year participation period. The 5-year participation period is the 5-year period beginning on the calendar year in which you first make the Roth rollover and ending on the last day of the calendar year that is 5-years later. See "What are my tax consequences when I receive a distribution from the Plan?" later in this SPD.

The law restricts any in-service distributions from certain accounts which are maintained for you under the Plan before you reach age 59 1/2. These accounts are the ones set up to receive your salary deferral contributions and other Employer contributions which are used to satisfy special rules for 401(k) plans (such as safe harbor contributions). Ask the Administrator if you need more details.

**What are In-Plan Roth Transfers?**

**In-Plan Roth Transfers.** Effective January 1, 2016, as a Participant under the Plan, you may make an In-Plan Roth Transfer (provided you are an employee at the time of the transfer). An In-Plan Roth Transfer allows you to elect to change the tax treatment of all or some of your pre-tax accounts provided the account is 100% vested, as explained below.

**Taxation and irrevocable election.** You do not pay taxes on the contributions or earnings of your pre-tax accounts (including accounts attributable to Employer contributions) until you receive an actual distribution. In other words, the taxes on the contributions and earnings in your pre-tax accounts are deferred until a distribution is made. Roth accounts, however, are the opposite. With a Roth account you pay current taxes on the amounts contributed. When a distribution is made to you from the Roth account, you do not pay taxes on the amounts you had contributed. In addition, if you have a "qualified distribution" (explained below), you do not pay taxes on the earnings that are attributable to the contributions.

The In-Plan Roth Transfer allows you to transfer amounts from your vested pre-tax accounts to an In-Plan Roth Transfer Account. If you elect to make such a transfer, then the amount transferred will be included in your income for the year. Once you make an election, it cannot be changed. It's important that you understand the tax effects of making the election and ensure you have adequate resources outside of the Plan to pay the additional taxes. The In-Plan Roth Transfer does not affect the timing of when a distribution may be made to you under the Plan; the In-Plan Roth Transfer only changes the tax character of your account. You should consult with your tax advisor prior to making a transfer election.

**Qualified distribution.** As explained above, a distribution of the earnings on your Roth account will not be subject to tax if the distribution is a "qualified distribution." A "qualified distribution" is one that is made after you have attained age 59 1/2 or is made on account of your death or disability. In addition, in order to be a "qualified distribution," the distribution cannot be made prior to the expiration of a 5-year participation period. The 5-year participation period is the 5-year period beginning on the calendar year in which you make the In-Plan Roth Transfer and ending on the last day of the calendar year that is 5-years later. See "What are my tax consequences when I receive a distribution from the Plan?" later in this SPD.

**Limitations.** The following limitations apply to the In-Plan Roth Transfer:

- A transfer can only be made from accounts which are 100% vested.
- Transfers may be made subject to the following: Participant loans and any investments that are not daily valued and readily tradable are not available for In-Plan Roth Transfers.

## ARTICLE III
## EMPLOYER CONTRIBUTIONS

In addition to any deferrals you elect to make, your 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 contribution 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. If your Employer elects to satisfy the "safe harbor" rules, then 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 your Employer commits to making certain contributions described below. This commitment to make contributions enables your 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 matching contribution.** In order to maintain "safe harbor" status, your Employer will make a safe harbor matching contribution equal to 100% of your salary deferrals that do not exceed 5% of your compensation. This safe harbor matching contribution is 100% vested (see the Article in this SPD entitled "Vesting").

For purposes of calculating the safe harbor matching contribution, your compensation and deferrals will be determined on an annual basis. For example, if you defer 6% of compensation for six months and then change your deferral to 0% for the remaining six months of the year, then you will have deferred 3% for the purposes of determining your matching contribution.

**Eligible Participants.** In general, Participants who are eligible to make salary deferrals to the Plan are entitled to the safe harbor contribution. However, the following Participants are not eligible for the safe harbor contribution:

- employees who have not attained age 21 and completed a Year of Service. Once you have attained age 21 and completed a Year of Service, you will be eligible to receive the safe harbor contribution as of the first day of the month coinciding with or next following date requirements met. You will be credited with a Year of Service at the end of the twelve month period beginning on your date of hire if you have been credited with at least 1,000 Hours of Service during such period. If you have not been credited with 1,000 Hours of Service by the end of such period, you will have completed a Year of Service at the end of any following Plan Year during which you were credited with 1,000 Hours of Service.

**What is the Employer profit sharing contribution and how is it allocated?**

**Profit sharing contribution.** Each year, your Employer may make a discretionary profit sharing contribution to the Plan. Your share of any contribution is determined below.

**Allocation conditions.** In order to share in the profit sharing contribution for a Plan Year, you must satisfy the following conditions:

- If you are employed on the last day of the Plan Year, you will share if you completed at least 1000 Hours of Service during the Plan Year.

- If you terminate employment (not employed on the last day of the Plan Year), you will not share regardless of the amount of service you completed during the Plan Year.

- You will share in the profit sharing contribution for the year regardless of the amount of service you completed during the Plan Year in the year of your death, disability or termination of employment after Normal Retirement Age. This waiver of allocation conditions will only apply once during your employment history with the Employer (e.g., if you retire, are rehired and then retire again, the waiver only applies to your initial retirement).

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

Your share of the profit sharing contribution is determined by the following fraction:

$$\text{Profit Sharing Contribution} \quad X \quad \frac{\text{Your Compensation}}{\text{Total Compensation of All Participants Eligible to Share}}$$

For example: Suppose the profit sharing 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:

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

**How is my service determined for allocation purposes?**

**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); 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 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 your Employer makes to the Plan. This means that you will not be "vested" in (entitled to) all of the contributions until you have been employed with the Employer for a specified period of time (see the Article 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.

**Allocation of forfeitures.** The Employer may use forfeitures to pay Plan expenses or to reduce amounts otherwise required to be contributed to the Plan.

## ARTICLE IV
## COMPENSATION AND ACCOUNT BALANCE

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

**Definition of compensation.** For the purposes of the Plan, compensation has a special meaning. Compensation is generally defined as your total compensation that is subject to income tax and paid to you by your Employer during the Plan Year. In addition, salary reductions to this Plan and to any other plan or arrangement (such as a cafeteria plan) will be included in Compensation. If you are a self-employed individual, your compensation will be equal to your earned income. The following describes the adjustments to compensation that may apply for the different types of contributions provided under the Plan.

**All Contributions**

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

- reimbursements or other expense allowances, fringe benefits, moving expenses, deferred compensation, and welfare benefits will be excluded.

- compensation paid after you terminate employment 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 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

**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 2020 is $285,000. After 2020, 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 (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 2020, this total cannot exceed the lesser of $57,000 or 100% of your annual compensation. After 2020, 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 directed investments.** You will be able to direct the investment of your entire interest in the Plan. The 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 Administrator, will be relieved of any legal liability for any losses resulting from the default investments. The 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 Section 404(c), then the fiduciaries of the Plan, including your Employer, the Trustee and the 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.

**Earnings or losses.** When you direct investments, your accounts are segregated for purposes of determining the earnings or losses on these investments. Your 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 your Employer, the Administrator, and the Trustee will not provide investment advice or guarantee the performance of any investment you choose.

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 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?**

**Expenses allocated to all accounts.** The Plan permits the payment of Plan expenses to be made from the Plan's assets. If expenses are paid using the Plan's assets, then the expenses will generally be allocated among the accounts of all Participants in the Plan. These expenses will be allocated either proportionately based on the value of the account balances or as an equal dollar amount based on the number of Participants in the Plan. The method of allocating the expenses depends on the nature of the expense itself. For example, certain administrative (or recordkeeping) expenses would typically be allocated proportionately to each Participant. If the Plan pays $1,000 in expenses and there are 100 Participants, your account balance would be charged $10 ($1,000/100) of the expense.

**Terminated employee.** After you terminate employment, your Employer reserves the right to charge your account for your pro rata share of the Plan's administration expenses, regardless of whether your Employer pays some of these expenses on behalf of current employees.

**Expenses allocated to individual accounts.** There are certain other expenses that may be paid just from your account. These are expenses that are specifically incurred by, or attributable to, you. For example, if you are married and get divorced, the Plan may incur additional expenses if a court mandates that a portion of your account be paid to your ex-spouse. These additional expenses may be paid directly from your account (and not the accounts of other Participants) because they are directly attributable to you under the Plan. The Administrator will inform you when there will be a charge (or charges) directly to your account.

Your Employer may, from time to time, change the manner in which expenses are allocated.

## 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 your Employer makes to the Plan. This means that you will not be entitled ("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:

- salary deferrals including Roth 401(k) deferrals and "catch-up contributions"
- safe harbor contributions
- Employer matching contributions
- "rollover" 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.

**Employer Profit Sharing Contributions**

Your "vested percentage" in your account attributable to profit sharing contributions is determined under the following schedule. You will always, however, be 100% vested in your profit sharing contributions if you are employed on or after your Normal Retirement Age or if you die or become disabled.

Vesting Schedule
Profit Sharing Contributions

| Years of Service | Percentage |
|---|---|
| Less than 3 | 0% |
| 3 | 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 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 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); 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. However, there are some exceptions to this general rule.

**Break in Service rules.** If you terminate employment and are rehired, you may lose credit for prior service under the Plan's Break in Service rules.

For vesting purposes, you will have a 1-Year Break in Service if you complete less than 501 Hours of Service during the computation period used to determine whether you have a Year of Service. However, if you are absent from work for certain leaves of absence such as a maternity or paternity leave, you may be credited with enough Hours of Service to prevent a Break in Service.

**Five-year Break in Service rule.** The five-year Break in Service rule applies only to employees who had no vested interest in the Plan when employment had terminated. If you were not vested in any amounts when you terminated employment and you have five 1-Year Breaks in Service (as defined above), all the service you earned before the 5-year period no longer counts for vesting purposes. Thus, if you return to employment after incurring five 1-Year Breaks in Service, you will be treated as a new employee (with no service) for purposes of determining your vested percentage under the Plan.

**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 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 1-Year Breaks in Service, your account balance as of your termination date 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 1-Year 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, your Employer will restore your account balance with your forfeited amount. You must repay this distribution within five years from your date of reemployment, or, if earlier, before you incur five 1-Year 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 your 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 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:

- Your 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 AND HARDSHIP DISTRIBUTIONS

**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 and will be made in accordance with the forms of distributions available under the Plan.

**Conditions and limitations.** Generally you may receive a distribution from the Plan from certain accounts prior to your termination of employment provided you satisfy the condition described below:

- you have attained age 59 1/2

**Account restrictions.** You may request an in-service distribution only from the vested portion of the following accounts:

- pre-tax deferral accounts
- Roth 401(k) deferral accounts
- account(s) attributable to Employer matching contributions, including any safe harbor matching contributions
- accounts attributable to Employer profit sharing contributions
- qualified nonelective contribution accounts
- "rollover accounts" (distributions may be made at any time)

Also, the law restricts any in-service distributions from certain accounts which are maintained for you under the Plan before you reach age 59 1/2. These accounts are the ones set up to receive your salary deferral contributions and other Employer contributions which are used to satisfy special rules for 401(k) plans (such as safe harbor contributions). Ask the Administrator if you need more details.

**Qualified reservist distributions.** Effective as of September 12, 2001, if you were/are: (i) a reservist or national guardsman; (ii) called to active duty after September 11, 2001; and (iii) called to duty for at least 180 days or for an indefinite period, you may take a distribution of your elective deferrals under the Plan while you are on active duty, regardless of your age. The 10% premature distribution penalty tax, normally applicable to Plan distributions made before you reach age 59 1/2, will not apply to the distribution. You also may repay the distribution to an IRA, without limiting amounts you otherwise could contribute to the IRA, provided you make the repayment within 2 years following your completion of active duty.

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

**Hardship distributions.** You may withdraw money for 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 at retirement.

**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) previously incurred by you, your spouse, your dependents or your beneficiaries or necessary for you, your spouse, your dependents or your beneficiaries to obtain medical care.
- 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 yourself, your spouse, your dependents or your beneficiaries.
- 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, other dependents or beneficiaries.
- expenses for the repair of damage to your principal residence that would qualify for the casualty deduction under the Internal Revenue Code without regard to the limit on casualty losses that are deductible for income tax purposes under IRC 165(h).
- expenses for disasters arising from federally declared disasters, such as your expenses and losses (including loss of income) attributable to that disaster, provided your principal residence or place of employment was in an area FEMA designates as qualifying for individual assistance.

The ability to obtain a hardship distribution for certain expenses of your beneficiary is effective August 17, 2006. A beneficiary is someone you designate under the Plan to receive your death benefit who is not otherwise your spouse or dependent.

**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, currently available under all retirement plans that the Employer maintains.

(c) You certify (via a form for that purpose) that you have insufficient cash or other liquid assets reasonably available to satisfy the need.

**Limitations.** The following limitations apply to hardship distributions:

- You must be employed with the Employer at the time of the hardship distribution.

**Account restrictions.** You may request a hardship distribution only from the vested portion of the following accounts:

- pre-tax deferral accounts plus earnings

- Roth 401(k) deferral accounts plus earnings

In addition, there are restrictions placed on hardship distributions which are made from certain accounts. The Employer contributions which are used to satisfy special rules that apply to 401(k) plans (such as safe harbor contributions), may not be distributed to you on account of a hardship. Ask the Administrator if you need further details.

## ARTICLE VII
## BENEFITS AND 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 for the following reasons:

- termination of employment for reasons other than death, disability or retirement

- normal retirement

- disability

- death

This Plan is designed to provide you with retirement benefits. However, distributions are permitted if you die or become disabled. In addition, certain payments are permitted when you terminate employment for any other reason. The rules under which you can receive a distribution are described in this Article. The rules regarding the payment of death benefits to your beneficiary are described in "Benefits and Distributions Upon Death."

You may also receive distributions while you are still employed with the Employer. (See the Article entitled "Distributions Prior to Termination and Hardship Distributions" for a further explanation.)

**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 Administrator for further details.

**What happens if I terminate employment before death, disability or retirement?**

If your employment terminates for reasons other than death, disability or normal retirement, you will be entitled to receive only the "vested percentage" of your account balance.

You may elect to have your vested account balance distributed to you as soon as administratively feasible following your termination of employment. However, if the value of your vested account balance does not exceed $5,000, then a distribution will be made to you regardless of whether you consent to receive it. (See the question entitled "How will my benefits be paid to me?" for additional information.)

**Treatment of "rollover" contributions for consent to distribution.** In determining if the value of your vested account balance exceeds the $5,000 threshold described above used to determine whether you must consent to a distribution, your "rollover account" will be considered as part of your benefit.

**What happens if I terminate employment at Normal Retirement Date?**

**Normal Retirement Date.** You will attain your Normal Retirement Age when you reach age 65. Your Normal Retirement Date is the date on which you attain your Normal Retirement Age.

**Payment of benefits.** You will become 100% vested in all of your accounts under the Plan once you attain your Normal Retirement Age. However, the actual payment of benefits generally will not begin until you have terminated employment and reached your Normal Retirement Date. In such event, a distribution will be made, at your election, as soon as administratively feasible. If you remain employed past your Normal Retirement Date, you may generally defer the receipt of benefits until you actually terminate employment. In such event, benefit payments will begin as soon as feasible at your request, but generally not later than age 70 1/2. (See the question entitled "How will my benefits be paid to me?" for an explanation of how these benefits will be paid.)

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

**Definition of disability.** Under the Plan, disability is defined as a physical or mental condition other than death which renders a Participant incapable of performing any employment. The Employer, or named Fiduciary will have the right to require any Participant, whose injury or sickness is the basis of a claim, when and as often as may reasonably be required, to provide evidence of his entitlement to disability benefits under the Federal Social Security Act or has been determined to be disabled under any long term disability program sponsored by the Employer.

**Payment of benefits.** If you become disabled while an employee, you will become 100% vested in all of your accounts under the Plan. Payment of your disability benefits will be made to you as if you had retired. However, if the value of your account balance does not exceed $5,000, then a distribution of your account balance will be made to you, regardless of whether you consent to receive it. (See the question entitled "How will my benefits be paid to me?" for an explanation of how these benefits will be paid.)

**How will my benefits be paid to me?**

**Lump-sum distributions.** All distributions from the Plan will be made in a single lump-sum payment. If your vested account balance exceeds $5,000, you must consent to the distribution before it may be made.

**Delaying distributions.** You may delay the distribution of your vested account balance unless a distribution is required to be made, as explained earlier, because your vested account balance does not exceed $5,000. 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 retire. You should contact the Administrator if you think you may be affected by these rules.

**Medium of payment.** Benefits under the Plan will generally be paid to you in cash only.

## ARTICLE VIII
## BENEFITS AND DISTRIBUTIONS UPON DEATH

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

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

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

**Married Participant.** If you are married at the time of your death, your spouse will be the beneficiary of the entire death benefit unless an election is made to change the beneficiary. IF YOU WISH TO DESIGNATE A BENEFICIARY OTHER THAN YOUR SPOUSE, YOUR SPOUSE (IF YOU ARE MARRIED) 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 NONSPOUSE BENEFICIARY.

If you are married and you change your designation, then your spouse must again consent to the change. In addition, you may elect a beneficiary other than your spouse without your spouse's consent if your spouse cannot be located.

**Unmarried Participant.** If you are not married, you may designate a beneficiary on a form to be supplied to you by the Administrator.

**Divorce.** If you have designated your spouse as your beneficiary for all or a part of your death benefit, then upon your divorce, the designation is no longer valid. This means that if you do not select a new beneficiary after your divorce, then you are treated as not having a beneficiary for that portion of the death benefit (unless you have remarried).

**No beneficiary designation.** At the time of your death, if you have not designated a beneficiary or the individual named as your beneficiary is not alive, then the death benefit will be paid in the following order of priority to: surviving spouse, if applicable, then children, including legally adopted children, parents, brothers and sisters, nephews and nieces and then the estate of the Participant.

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

**Lump-sum distributions.** The death benefit will be paid to your beneficiary in a single lump-sum payment.

**When must the last payment be made to my beneficiary?**

The law generally restricts the ability of a retirement plan to be used as a method of retaining money for purposes of your death estate. Thus, there are rules that are designed to ensure that death benefits are distributable to beneficiaries within certain time periods.

Under the Plan, your entire death benefit must be paid to your beneficiaries within 2 years after your death.

Since your spouse has certain rights to the death benefit, you should immediately report any change in your marital status to the Administrator.

**What happens if I'm a Participant, terminate employment and die before receiving all my benefits?**

If you terminate employment with the Employer and subsequently die, your beneficiary will be entitled to your remaining interest in the Plan at the time of your death. 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.

You will not be taxed on distributions of your Roth 401(k) deferrals. In addition, a distribution of the earnings on the Roth 401(k) deferrals will not be subject to tax if the distribution is a "qualified distribution." A "qualified distribution" is one that is made after you have attained age 59 1/2 or is made on account of your death or disability. In addition, in order to be a "qualified distribution," the distribution cannot be made prior to the expiration of a 5-year participation period. The 5-year participation period is the 5-year period beginning on the calendar year in which you first make a Roth 401(k) deferral to our Plan (or to another 401(k) plan or 403(b) plan if such amount was rolled over into our Plan) and ending on the last day of the calendar year that is 5 years later.

**Qualified reservist distributions.** Effective as of September 12, 2001, if you were/are: (i) a reservist or National Guardsman; (ii) called to active duty after September 11, 2001; and (iii) called to duty for at least 180 days or for an indefinite period, you may take a distribution of your elective deferrals under the Plan while you are on active duty, regardless of your age. The 10% premature distribution penalty tax, normally applicable to Plan distributions made before you reach age 59 1/2, will not apply to the distribution. You also may repay the distribution to an IRA, without limiting amounts you otherwise could contribute to the IRA, provided you make the repayment within 2 years following your completion of active duty.

**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:

> **60-day rollover.** The rollover of 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 transfer option described below would be the better choice.
>
> **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 (See the question entitled "What are the In-Plan Roth Rollover Contributions?" for special rules on In-Plan Roth Rollovers). 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.** If a mandatory distribution is being made to you because your vested interest in the Plan exceeds $1,000 but does not exceed $5,000, then the Plan will rollover your distribution to an IRA if you do not make an affirmative election to either receive or roll over the distribution. The IRA provider selected by the Plan will invest the rollover funds in a type of investment designed to preserve principal and 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. You may transfer the IRA funds to any other IRA you choose. You will be provided with details regarding the IRA at the time you are entitled to a distribution. However, you may contact the 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 expenses associated with the IRA.

**Tax notice.** WHENEVER YOU RECEIVE A DISTRIBUTION THAT IS AN ELIGIBLE ROLLOVER DISTRIBUTION, THE 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, you may request a Participant loan using an application form provided by the Administrator. Your ability to obtain a Participant loan depends on several factors. The Administrator will determine whether you satisfy these factors.

**What are the loan rules and requirements?**

There are various rules and requirements that apply to any loan, which are outlined in this question. In addition, your Employer has established a written loan program which explains these requirements in more detail. You can request a copy of the loan program from the Administrator. Generally, the rules for loans include the following:

- Loans are available to Participants on a reasonably equivalent basis. Each loan requires an application which specifies the amount of the loan desired, the requested duration for the loan and the source of security for the loan. All loan applications will be considered by the Administrator within a reasonable time after the Participant applies for the loan. The Administrator may request that you provide additional information to make a determination.

- All loans must be adequately secured. You must sign a promissory note along with a loan pledge. Generally, you must use your vested interest in the Plan as security for the loan, provided the outstanding balance of all your loans does not exceed 50% of your vested interest in the Plan. In certain cases, the Administrator may require you to provide additional collateral to receive a loan.

- You will be charged an interest rate equal to 1% above the prime rate. The interest rate will be fixed for the duration of the loan.

- If approved, your loan will provide for level amortization with payments to be made not less frequently than quarterly. Generally, the term of your loan may not exceed five (5) years. However, if the loan is for the purchase of your principal residence, the Administrator may permit a longer repayment term. Generally, the Administrator will require that you repay your loan by agreeing to payroll deduction. If you have an unpaid leave of absence or go on military leave while you have an outstanding loan, please contact the Administrator to find out your repayment options.

- All loans will be considered a directed investment of your account under the Plan. All payments of principal and interest by you on a loan will be credited to your account.

- The amount the Plan may loan to you is limited by rules under the Internal Revenue Code. Any new loans, when added to the outstanding balance of all other loans from the Plan, will be limited to the lesser of:

  (a) $50,000 reduced by the excess, if any, of your highest outstanding balance of loans from the Plan during the one-year period ending on the day before the date of the new loan over your current outstanding balance of loans as of the date of the new loan; or

  (b) 1/2 of your vested interest in the Plan attributable only to those accounts from which loans may be taken, as described below.

- No loan in an amount less than $1,000 will be made.

- The maximum number of Plan loans that you may have outstanding at any one time is 1.

- If you fail to make payments when they are due under the terms of the loan, you will be considered to be "in default." The Administrator will consider your loan to be in default if any scheduled loan repayment is not made by the end of the calendar quarter following the calendar quarter in which the missed payment was due. The Plan would then have authority to take all reasonable actions to collect the balance owed on the loan. This could include filing a lawsuit or foreclosing on the security for the loan. Under certain circumstances, a loan that is in default may be considered a distribution from the Plan and could be considered taxable income to you. In any event, your failure to repay a loan will reduce the benefit you would otherwise be entitled to from the Plan.

- If you terminate employment, your loan generally becomes due and payable in full immediately. You may repay the entire outstanding balance of the loan (including any accrued interest). If you do not repay the entire outstanding loan balance, your vested account balance will be reduced by the remaining outstanding balance of the loan. Contact the Administrator for additional details.

- Loans will only be permitted from the following accounts:

    - pre-tax deferral accounts

    - Roth 401(k) deferral accounts

    - account(s) attributable to Employer matching contributions, including any safe harbor matching contributions

    - accounts attributable to Employer profit sharing contributions

    - qualified nonelective contribution accounts

    - "rollover accounts"

The Administrator may periodically revise the Plan's loan program. If you have any questions on Participant loans or the current loan program, please contact the Administrator.

## 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. 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 Administrator must honor a "qualified domestic relations order." A "qualified domestic relations order" 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 "qualified domestic relations order" is received by the Administrator, all or a portion of your benefits may be used to satisfy that obligation. The Administrator will determine the validity of any domestic relations order received. You and your beneficiaries can obtain from the Administrator, without charge, a copy of the procedure used by the 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 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 Plan be amended?**

Your 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 your Employer intends to maintain the Plan indefinitely, your 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. Your Employer will direct the distribution of your accounts in a manner permitted by the Plan as soon as practicable. (See the question entitled "How will my benefits be paid to me?" for a further explanation.) You will be notified if the Plan is terminated.

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

You may file a claim for benefits by submitting a written request for benefits to the Plan Administrator. You should contact the Plan Administrator to see if there is an applicable distribution form that must be used. If no specific form is required or available, then your written request for a distribution will be considered a claim for benefits. In the case of a claim for disability benefits, if disability is determined by the Plan Administrator (rather than by a third party such as the Social Security Administration), then you must also include with your claim sufficient evidence to enable the Plan Administrator to make a determination on whether you are disabled.

Decisions on the claim will be made within a reasonable period of time appropriate to the circumstances. "Days" means calendar days. 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.

For purposes of the claims procedures described below, "you" refers to you, your authorized representative, or anyone else entitled to benefits under the Plan (such as a beneficiary). A document, record, or other information will be considered relevant to a claim if it:

- was relied upon in making the benefit determination;
- was submitted, considered, or generated in the course of making the benefit determination, without regard to whether it was relied upon in making the benefit determination;
- demonstrated compliance with the administrative processes and safeguards designed to ensure and to verify that benefit determinations are made in accordance with Plan documents and Plan provisions have been applied consistently with respect to all claimants; or
- constituted a statement of policy or guidance with respect to the Plan concerning the denied treatment option or benefit.

The Plan may offer additional voluntary appeal and/or mandatory arbitration procedures other than those described below. If applicable, the Plan will not assert that you failed to exhaust administrative remedies for failure to use the voluntary procedures, any statute of limitations or other defense based on timeliness is tolled during the time a voluntary appeal is pending; and the voluntary process is available only after exhaustion of the appeals process described in this section. If mandatory arbitration is offered by the Plan, the arbitration must be conducted instead of the appeal process described in this section, and you are not precluded from challenging the decision under ERISA §501(a) or other applicable law.

**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 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 (except as provided below for disability claims) after the receipt of your claim by the Administrator, unless the Administrator determines that special circumstances require an extension of time for processing your claim. If the 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 the Plan Administrator (rather than a third party such as the Social Security Administration), then instead of the above, the initial claim must be resolved within 45 days of receipt by the Plan. A Plan may, however, extend this decision-making period for an additional 30 days for reasons beyond the control of the Plan. The Plan will notify you of the extension prior to the end of the 45-day period. If, after extending the time period for a first period of 30 days, the Plan Administrator determines that it will still be unable, for reasons beyond the control of the Plan, to make a decision within the extension period, the Plan may extend decision making for a second 30-day period. Appropriate notice will be provided to you before the end of the first 45 days and again before the end of each succeeding 30-day period. This notice will explain the circumstances requiring the extension and the date the Plan Administrator expects to render a decision. It will explain the standards on which entitlement to the benefits is based, the unresolved issues that prevent a decision, the additional issues that prevent a decision, and the additional information needed to resolve the issues. You will have 45 days from the date of receipt of the Plan Administrator's notice to provide the information required.

If the Plan Administrator determines that all or part of the claim should be denied (an "adverse benefit determination"), it will provide a notice of its decision in written or electronic form explaining your appeal rights. An "adverse benefit determination" also includes a rescission, which is a retroactive cancellation or termination of entitlement to disability benefits. The notice will be provided in a culturally and linguistically appropriate manner and will state:

(a) The specific reason or reasons for the adverse determination.

(b) Reference to the specific Plan provisions on which the determination was 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) A description of the Plan's review procedures and the time limits applicable to such procedures. This will include a statement of your right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on review.

(e) In the case of a claim for disability benefits if disability is determined by the Plan Administrator (rather than a third party such as the Social Security Administration), then the following additional information will be provided:

(i) A discussion of the decision, including an explanation of the basis for disagreeing with or not following:

- The views you presented to the Plan of health care professionals treating the claimant and vocational professionals who evaluated you;
- The views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with an adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; or
- A disability determination made by the Social Security Administration and presented by you to the Plan.

(ii) Either the internal rules, guidelines, protocols, or other similar criteria relied upon to make a determination, or a statement that such rules, guidelines, protocols, or other criteria do not exist.

(iii) If the adverse benefit determination is based on a medical necessity or experimental treatment and/or investigational treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances. If this is not practical, a statement will be included that such explanation will be provided to you free of charge, upon request.

(iv) 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 the claim.

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 Administrator.

(a) YOU MUST FILE THE CLAIM FOR REVIEW NOT LATER THAN 60 DAYS (EXCEPT AS PROVIDED BELOW FOR DISABILITY CLAIMS) AFTER YOU HAVE RECEIVED WRITTEN NOTIFICATION OF THE DENIAL OF YOUR CLAIM FOR BENEFITS.

IF YOUR CLAIM IS FOR DISABILITY BENEFITS AND DISABILITY IS DETERMINED BY THE PLAN ADMINISTRATOR (RATHER THAN A THIRD PARTY SUCH AS THE SOCIAL SECURITY ADMINISTRATION), THEN INSTEAD OF THE ABOVE, YOU MUST FILE THE CLAIM FOR REVIEW NOT LATER THAN 180 DAYS FOLLOWING RECEIPT OF NOTIFICATION OF AN ADVERSE BENEFIT DETERMINATION. IN THE CASE OF AN ADVERSE BENEFIT DETERMINATION REGARDING A RESCISSION OF COVERAGE, YOU MUST REQUEST A REVIEW WITHIN 90 DAYS OF THE NOTICE.

(b) You may submit written comments, documents, records, and other information relating to your claim for benefits.

(c) 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.

(d) 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 the Plan Administrator (rather than a third party such as the Social Security Administration), 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) If the initial adverse benefit determination was based on a medical judgment, including determinations with regard to whether a particular treatment, drug, or other item is experimental, investigational, or not medically necessary or appropriate, the fiduciary will consult with a health care professional who was neither involved in or subordinate to the person who made the original benefit determination. This health care professional will have appropriate training and experience in the field of medicine involved in the medical judgment. Additionally, medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the initial determination will be identified.

(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) If the Plan considers, relies upon or creates any new or additional evidence during the review of the adverse benefit determination, the Plan will provide such new or additional evidence to you, free of charge, as soon as possible and sufficiently in advance of the time within which a determination on review is required to allow you time to respond.

(e) Before the Plan issues an adverse benefit determination on review that is based on a new or additional rationale, the Plan Administrator must provide you with a copy of the rationale at no cost to you. The rationale must be provided as soon as possible and sufficiently in advance of the time within which a final determination on appeal is required to allow you time to respond.

The Administrator will provide you with written or electronic notification of the Plan's benefit determination on review. The Administrator must provide you with notification of this denial within 60 days (45 days with respect to claims relating to the determination of disability benefits) after the Administrator's receipt of your written claim for review, unless the Administrator determines that special circumstances require an extension of time for processing your claim. In such a case, you will be notified, before the end of the initial review period, of the special circumstances requiring the extension and the date a decision is expected. If an extension is provided, the Plan Administrator must notify you of the determination on review no later than 120 days (or 90 days with respect to claims relating to the determination of disability benefits).

The Plan Administrator will provide written or electronic notification to you in a culturally and linguistically appropriate manner. If the initial adverse benefit determination is upheld on review, the notice will include:

(a) The specific reason or reasons for the adverse determination.

(b) Reference to the specific Plan provisions on which the benefit determination was 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 a claim for disability benefits, if disability is determined by the Plan Administrator (rather than a third party such as the Social Security Administration):

(i) Either the specific internal rules, guidelines, protocols, or other similar criteria relied upon to make the determination, or a statement that such rules, guidelines, protocols, or criteria do not exist.

(ii) If the adverse benefit determination is based on a medical necessity or experimental treatment and/or investigational treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances. If this is not practical, a statement will be included that such explanation will be provided to you free of charge, upon request.

(iii) A statement of your right to bring a civil action under section 502(a) of ERISA and, if the Plan imposes a contractual limitations period that applies to your right to bring such an action, a statement to that effect which includes the calendar date on which such limitation expires on the claim.

If the Plan offers voluntary appeal procedures, a description of those procedures and your right to obtain sufficient information about those procedures upon request to enable you to make an informed decision about whether to submit to such voluntary appeal. These procedures will include a description of your right to representation, the process for selecting the decision maker and the circumstances, if any, that may affect the impartiality of the decision maker. No fees or costs will be imposed on you as part of the voluntary appeal. A decision whether to use the voluntary appeal process will have no effect on your rights to any other Plan benefits.

(iv) A discussion of the decision, including an explanation of the basis for disagreeing with or not following:

- the views presented by the claimant to the Plan of health care professionals treating you and vocational professionals who evaluated you;
- the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with an adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; or
- a disability determination made by the Social Security Administration and presented by you to the Plan.

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 not later than 180 days after the Administrator makes a final determination to deny 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 Administrator's office and at other specified locations, all documents governing the Plan 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 Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The Administrator may make a reasonable charge for the copies.

(c) Receive a summary of the Plan's annual financial report. The Administrator is required by law to furnish each Participant with a copy of this summary 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 your 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 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 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 "qualified domestic relations order" (QDRO) procedures from the 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. The court may order you to pay these costs and fees if you lose or if, 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 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 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 Henley Companies 401(k) Savings Plan.

**Plan Number**

Your Employer has assigned Plan Number 001 to your Plan.

**Plan Effective Dates**

**Effective Date.** This Plan was originally effective on January 1, 1996.

**Other Plan Information**

**Valuation date.** Valuations of the Plan assets are generally made every business day. Certain distributions are based on the Anniversary Date of the Plan. This date is the last day of the Plan Year.

**Plan Year.** The Plan's records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year begins on January 1st and ends on December 31st.

The Plan and Trust will be governed by the laws of Massachusetts 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 your Employer. Service of legal process may also be made upon the Trustee or Administrator.

**Employer Information**

Your Employer's name, contact information and identification number are:

Henley Enterprises, Inc.
54 Jaconnet Street, Suite 100
Newton Highlands, Massachusetts 02461
04-3036456
Telephone: 617-243-0404

The Plan allows other employers to adopt its provisions. Other Employers who have adopted the provisions of the Plan are:

Mid Atlantic Lubes, LLC
address same as primary employer
52-2223952

Sunshine Lubes, LLC
address same as primary employer
57-1240937

Henley Pacific LA, LLC
address same as primary employer
45-2537574

Devon Industries, Inc.
824 North Purdue Avenue
Oklahoma City, Oklahoma 73127
73-1319167

Henley Gulf Coast, LLC
address same as primary employer
82-5091362

1 Source Lifts & Equipment
3920 NW 39th Street Suite B
Oklahoma City, Oklahoma 73112
617-340-8906
38-4104505

Henley Pacific LLC
address same as primary employer
45-2537188

**Administrator Information**

The Administrator is responsible for the day-to-day administration and operation of the Plan. For example, the 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 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 Administrator. The Administrator may designate other parties to perform some duties of the Administrator.

The 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 Administrator is conclusive and binding upon all persons.

Your Administrator's name and contact information are:

Henley Enterprises, Inc.
54 Jaconnet Street, Suite 100
Newton Highlands, Massachusetts 02461
Telephone: 617-243-0404

**Plan Trustee Information and Plan Funding Medium**

All money that is contributed to the Plan is held in a Trust Fund. The Trustees are responsible for the safekeeping of the Trust Fund. The Trust Fund is 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 Administrator separately accounts for each Participant's interest in the Plan.

The Plan's Trustees are:

Anie Chinarian, Vice President, Human Resources
Donald R. Smith, Chief Executive Officer
Todd F. Nelson, President, Chief Operating Officer
Michael J. McLaughlin, Executive Vice President, Chief Administrative Officer, General Counsel

The contact information for the Plan's Trustees is:

54 Jaconnet Street, Suite 100
Newton Highlands, Massachusetts 02461
Telephone: 617-243-0404

The Trustees are collectively referred to as Trustee throughout this Summary Plan Description.

**APPENDIX**
**ROLLOVERS FROM OTHER PLANS**

The Plan will accept Participant "rollover" contributions and/or "direct rollovers" of distributions from the types of plans specified below: (check all that apply)

**Direct Rollovers.** The Plan will accept a "direct rollover" of an eligible rollover distribution from:

[X] a qualified plan described in Section 401(a) of the Internal Revenue Code (including a 401(k) plan, profit sharing plan, defined benefit plan, stock bonus plan and money purchase plan), **excluding** after-tax voluntary contributions.

[ ] a qualified plan described in Section 401(a) of the Internal Revenue Code (including a 401(k) plan, profit sharing plan, defined benefit plan, stock bonus plan and money purchase plan), **including** after-tax voluntary contributions.

[X] a qualified plan described in Section 403(a) of the Internal Revenue Code (an annuity plan), **excluding** after-tax voluntary contributions.

[ ] a qualified plan described in Section 403(a) of the Internal Revenue Code (an annuity plan), **including** after-tax voluntary contributions.

[X] an annuity contract described in Section 403(b) of the Internal Revenue Code (a tax-sheltered annuity), **excluding** after-tax voluntary contributions.

[X] an annuity contract described in Section 403(b) of the Internal Revenue Code (a tax-sheltered annuity), **including** after-tax voluntary contributions.

[X] a plan described in Section 457(b) of the Internal Revenue Code (eligible deferred compensation plan).

[X] a Roth 401(k) deferral account under a qualified plan described in Section 401(a) of the Internal Revenue Code (a 401(k) plan).

[X] a Roth 401(k) deferral account under an annuity contract described in Section 403(b) of the Internal Revenue Code (a tax-sheltered annuity).

[ ] a Participant loan from another plan.

**Participant Rollover Contributions from Other Plans.** The Plan will accept a Participant "rollover" contribution of an eligible rollover distribution from:

[ ] a qualified plan described in Section 401(a) of the Internal Revenue Code (including a 401(k) plan, profit sharing plan, defined benefit plan, stock bonus plan and money purchase plan).

[ ] a qualified plan described in Section 403(a) of the Internal Revenue Code (an annuity plan).

[ ] an annuity contract described in Section 403(b) of the Internal Revenue Code (a tax-sheltered annuity).

[ ] a governmental plan described in Section 457(b) of the Internal Revenue Code (eligible deferred compensation plan).

**Participant Rollover Contributions from IRAs:**

[X] The Plan will accept a Participant "rollover" contribution of the portion of a distribution from a traditional IRA that is eligible to be rolled over and would otherwise be includible in gross income. Rollovers from Roth IRAs or a Coverdell Education Savings Account (formerly known as an Education IRA) are not permitted because they are not traditional IRAs. A rollover from a SIMPLE IRA is allowed if the amounts are rolled over after the Participant has been in the SIMPLE IRA for at least two years.