

**ADOPTION AGREEMENT #001  
NONSTANDARDIZED 401(K)/PROFIT SHARING PLAN**

**C. CONTRIBUTIONS**

**ADP/ACP Safe Harbor**

1. If **A.10** is "Yes" (Elective Deferrals are permitted), is this a safe-harbor plan exempt from most testing?
  - i.  No
  - ii.  Yes - safe harbor match (See **C.21** through **C.29**)
  - iii.  Yes - minimum 3% nonelective contribution pursuant to Section 4.04(a)
  - iv.  Yes - to another plan
2. If **C.1.i** is not selected, enter effective date of safe harbor provisions: \_\_\_\_\_ (The effective date must comply with applicable IRS guidance.)
3. If **C.1.iv** (to another plan) is selected, name of other plan to which safe harbor contributions are made:  
\_\_\_\_\_
- 4a. If **C.1.iii** (3% nonelective) is selected, safe harbor nonelective contributions will be made on behalf of:
  - i.  All Participants
  - ii.  Participants who are Nonhighly Compensated Employees
  - iii.  Participants who have met the greatest minimum age and service conditions permitted under Code section 410(a)
- 4b. If **C.1.iii** is selected (3% nonelective) and **C.4a.i** (all Participants) is selected, require service for Highly Compensated Employees to receive safe harbor nonelective contribution:  
 Yes  No
- 4c. If **C.1.iii** (3% nonelective) is selected, **C.4a.i** (all Participants) is selected and **C.4b** is "Yes", Hours of Service required in the applicable Plan Year for Highly Compensated Employees to receive safe harbor nonelective contribution:  
\_\_\_\_\_
- 4d. If **C.1.iii** (3% nonelective) is selected and **C.4a.i** (all Participants) is selected, require employment on last day of Plan Year for Highly Compensated Employees to receive safe harbor nonelective contribution:  
 Yes  No

**Elective Deferrals**

**NOTE:** If **A.10** is "Yes" (Elective Deferrals are permitted), an Eligible Employee who has met the requirements of **B.10** through **B.12** shall be eligible to make Elective Deferrals to the Plan as follows (Section 4.01):

- 5a. Minimum Elective Deferral contribution: \_\_\_\_\_% of Compensation (leave blank or enter "0" if none)
- 5b. Maximum Elective Deferral contribution: \_\_\_\_\_% of Compensation (Not more than 100%. If left blank, the maximum will be 100%)
- 6a. When may Participants modify/start/stop elections regarding Elective Deferrals/Voluntary Contributions?
  - i.  Each pay period
  - ii.  Monthly
  - iii.  Quarterly
  - iv.  Semi Annual
  - v.  Annual
  - vi.  Pursuant to Plan Administrator procedures (At least once each calendar year)
- 6b. May Participants stop election to contribute at any time?  
 Yes  No
- 7a. Should Plan provide for negative elections? (Section 4.01(e))
  - i.  No
  - ii.  Yes - Newly-Eligible Employees only
  - iii.  Yes - Newly-Eligible Employees and Continuing Participants
- 7b. If **C.7a.ii** or **iii** is selected, amount of negative election: \_\_\_\_\_% of Compensation.
- 8a. Actual Contribution Percentages and Actual Deferral Percentages of Nonhighly Compensated Employees are determined using:
  - i.  Current year - no exceptions
  - ii.  Current year - with exceptions for certain years (See **C.8b**)
  - iii.  Prior year - no exceptions
  - iv.  Prior year - with exceptions for certain years (See **C.8b**)

**NOTE:** If **A.11** is "Yes" (Voluntary Contributions are permitted) and **C.1.i** is not selected (the Plan is a 401(k) safe harbor plan), then the current year must be used for those Plan Years during which the Plan is subject to the 401(k) safe harbor requirements.
- 8b. If **C.8a.ii** or **C.8a.iv** (with exceptions) is selected, enter years for which exceptions apply: \_\_\_\_\_
- 8c. If prior year testing is selected for the first year the Plan is a 401(k) plan, designate Nonhighly Compensated Employee percentage for first Plan Year:
  - i.  3%
  - ii.  Current year percentages

- 9a. EGTRRA Catch-up Contributions.** Allow Participants to make EGTRRA catch-up contributions (Section 5.01(d) as amended by the EGTRRA Addendum to the Basic Plan Document):  
 Yes  No
- 9b.** If **C.9a** is "Yes", the election shall apply with respect to contributions on or after \_\_\_\_\_. (Enter January 1, 2002 or a later date).

### Voluntary Contributions

**NOTE:** If **A.11** is "Yes" (Voluntary Contributions are permitted), an Eligible Employee who has met the requirements of **B.10** through **B.12** shall be eligible to make Voluntary Contributions to the Plan as follows (Section 4.01):

- 11.** Minimum Voluntary Contribution: \_\_\_\_\_% of Compensation (leave blank or enter "0" if none)
- 12.** Maximum Voluntary Contribution: \_\_\_\_\_% of Compensation (Not more than 100%. If left blank, the maximum will be 100%)
- 13.** Maximum of total combined Elective Deferral/Voluntary Contribution: \_\_\_\_\_% of Compensation (Not more than 100%. If left blank, the maximum will be 100%)
- 14.** The Company will base Matching Contributions on a Participant's Voluntary Contributions:
- i.**  Yes - Any Matching Contributions will be based on the sum of a Participant's Elective Deferrals and Voluntary Contributions
- ii.**  No - Any Matching Contributions will be based solely on a Participant's Elective Deferrals
- 15.** If **A.11.i** or **A.11.iii** is selected, distributions from a Participant's Voluntary Contribution Account will be paid first out of contributions accumulated prior to January 1, 1987:  
 Yes  No

### Matching - Service

**NOTE:** If **A.12** is "Yes" (Matching Contributions are permitted), an Eligible Employee who has met the requirements of **B.20** through **B.22** and who has satisfied the following requirements shall be eligible to receive an allocation of Matching Contributions during the applicable Plan Year.

- 21a.** Require service for a Participant to receive an allocation of Matching Contributions?  
 Yes  No
- 21b.** If **C.21a** is "Yes", Hours of Service required in the applicable Plan Year for a Participant to receive an allocation of Matching Contributions: \_\_\_\_\_ (Not more than 1,000. If left blank, the Plan will use 1,000 Hours of Service.)
- 22.** Require employment by the Company on the last day of Plan Year for a Participant to receive an allocation of Matching Contributions?  
 Yes  No
- NOTE:** If **C.1.ii** is selected (safe harbor match), no conditions should be specified in **C.21a** - **C.22** unless the Plan is using the special rules at Section 5.02(g).
- 23.** Waive service requirement under **C.21** and last day requirement under **C.22** for a Participant who Terminates employment with the Employer during the Plan Year due to:
- a.**  death.
- b.**  Disability.
- c.**  attainment of Normal Retirement Age.
- 24.** Method to fix Matching Contribution Code section 410(b) coverage failures (Section 4.02(d)):
- i.**  Do not automatically fix
- ii.**  Add just enough Participants to meet the coverage requirements
- iii.**  Add all non-excludable Participants

### Matching - Formula

- 25.** Matching Contribution formula. The Company's Matching Contribution shall be allocated to eligible Participants who have met the requirements of **B.20** through **B.22** and **C.21** through **C.24** as follows (Section 4.02):
- i.**  An amount determined by the Board
- ii.**  Single rate
- iii.**  Two rates
- NOTE:** If **C.1.ii** (safe harbor match) is selected, then the Matching Contribution formula may not be an amount determined by the Board.
- 26.** If **C.25** is "Single rate" or "Two rates", the Company will contribute as a Matching Contribution an amount equal to **a.** \_\_\_\_\_% of the Participant's Elective Deferrals (and Voluntary Contributions if **C.14** is "Yes") that are not in excess of **b.** \_\_\_\_\_% of the Participant's Compensation;
- PLUS** (Only if **C.25** is "Two rates")
- c.** \_\_\_\_\_% of the amount of the Participant's Elective Deferrals (and Voluntary Contributions if **C.14** is "Yes") that exceed the amount described in **C.26b** of the Participant's Compensation but that do not exceed **d.** \_\_\_\_\_% of the Participant's Compensation.
- NOTE:** If **C.1.ii** (safe harbor match) is selected then **C.25** and **C.26** must be completed so that **C.26a** is 100%, **C.26b** is 3%, **C.26c** is 50% and **C.26d** is 5%. The Plan Sponsor may also elect a Matching Contribution formula where the aggregate

amount of Matching Contributions at each rate of Elective Deferrals/Voluntary Contributions is at least equal to the aggregate amount of Matching Contributions which would have been made if the Matching Contributions were made under the formula described in the preceding sentence.

If **C.1.iv** (safe harbor contributions made to another plan) is selected and **C.25** is "Single rate", then **C.26b** must be less than or equal to 6%.

If **C.1.iv** (safe harbor contributions made to another plan) is selected and **C.25** is "Two rates", then **C.26d** must be less than or equal to 6%.

- 26e.** If **C.25** is "Single rate" or "Two rates", permit the Board to provide for Matching Contributions to be made in addition to the foregoing:

Yes  No

**NOTE:** If the Plan is intended to be a safe harbor 401(k) plan (**C.1.ii** - **C.1.iv** is selected): (i) Matching Contributions cannot be made on Elective Deferrals and Voluntary Contributions in excess of six percent (6%) of Compensation, (ii) no Highly Compensated Employee can receive a greater rate of Matching Contributions than a Nonhighly Compensated Employee at the same rate of Elective Deferrals and Voluntary Contributions, and (iii) the rate of Matching Contributions cannot increase as a Participant's Elective Deferrals and Voluntary Contributions increase. In addition, if the Plan is intended to be a safe harbor 401(k) plan by making a Matching Contribution (**C.1.ii** is selected), the amount of Matching Contributions subject to the Company's discretion shall not exceed four percent (4%) of Compensation.

#### Matching - Maximum Allocation

- 27a.** Plan limits Matching Contributions to a maximum dollar amount:

Yes  No

**NOTE:** If **C.1.ii** (Yes - safe harbor match) is selected, then **C.27a** will be deemed to be "No"

- 27b.** If **C.27a** is "Yes", maximum dollar amount of Matching Contributions for each Participant in each Plan Year is: \$ \_\_\_\_\_

#### Matching - Allocations

- 28.** Matching Contributions are allocated to Participant Accounts at the following time(s):

i.  End of Plan Year

ii.  Semi-annually

iii.  Quarterly

iv.  Each calendar month

v.  Each pay period

**NOTE:** Allocations must be made as of the end of the Plan Year if **C.21** or **C.22** requires service.

- 29.** The Company will make a true-up Matching Contribution at the end of Plan Year (Section 4.02(b)):

Yes  No

#### Profit Sharing - Service

**NOTE:** If **A.13** is "Yes" (Profit Sharing Contributions are permitted), an Eligible Employee who has met the requirements of **B.30** through **B.32** and who has satisfied the following requirements shall be eligible to receive an allocation of Profit Sharing Contributions during the applicable Plan Year.

- 31a.** Require service for a Participant to receive an allocation of Profit Sharing Contributions?

Yes  No

- 31b.** If **C.31a** is "Yes", Hours of Service required in the applicable Plan Year for a Participant to receive an allocation of Profit Sharing Contributions: \_\_\_\_\_ (Not more than 1,000. If left blank, the Plan will use 1,000 Hours of Service.)

- 32.** Require employment by the Company on last day of Plan Year for a Participant to receive an allocation of Profit Sharing Contributions?

Yes  No

- 33.** Waive service requirement under **C.31** and last day requirement under **C.32** for a Participant who Terminates employment with the Employer during the Plan Year due to:

a.  death.

b.  Disability.

c.  attainment of Normal Retirement Age.

- 34.** Method to fix Profit Sharing Contribution Code section 410(b) coverage failures (Section 4.03(d)):

i.  Do not automatically fix

ii.  Add just enough Participants to meet the coverage requirements

iii.  Add all non-excludable Participants

#### Profit Sharing - Formula

- 35.** Profit Sharing allocation formula. The Company's Profit Sharing Contribution shall be allocated to eligible Participants who have met the requirements of **B.30** through **B.32** and **C.31** through **C.34** as follows (Section 4.03):

i. **Pro rata.** In the ratio that each Participant's Compensation bears to the Compensation of all eligible Participants.

**ii. Integrated.** Pursuant to either Paragraph (1) or (2) below:

(1) For any Plan Year the Plan is not required to provide top heavy minimum allocations pursuant to Article 11, Profit Sharing Contributions shall be allocated as follows:

(A) Profit-Sharing Contributions first be allocated to each Participant's Profit Sharing Account in the ratio that the sum of such Participant's total Compensation plus his Excess Compensation bears to the sum of all eligible Participants' total Compensation plus Excess Compensation, but not to exceed the percentage amount described in **C.36c** of such sum; and

(B) The balance, if any, remaining after the allocation in subparagraph (A) shall then be allocated to each Participant's Profit Sharing Account in the ratio that such Participant's total Compensation bears to all eligible Participants' total Compensation.

(2) For any Plan Year the Plan is required to provide top heavy minimum allocations pursuant to Article 11, Profit Sharing Contributions shall be allocated as follows:

(A) Profit Sharing Contributions shall first be allocated to each Participant's Profit Sharing Contribution Account in the ratio that each Participant's total Compensation bears to all eligible Participants' total Compensation, but not in excess of 3% of each Participant's Compensation.

(B) The balance, if any, remaining after the allocation in subparagraph (A) shall then be allocated to each Participant's Profit Sharing Account in the ratio that each Participant's Excess Compensation bears to the Excess Compensation of all Participants, but not in excess of 3% of each Participant's Excess Compensation.

(C) The balance, if any, remaining after the allocation in subparagraph (B) shall then be allocated to each Participant's Profit Sharing Account in the ratio that the sum of each Participant's total Compensation and Excess Compensation bears to the sum of all eligible Participants' total Compensation and Excess Compensation, but not in excess of the percentage amount described in **C.36c** less 3%.

(D) The balance, if any, remaining after the allocation in subparagraph (C) shall be allocated to each Participant's Profit Sharing Account in the ratio that each Participant's total Compensation bears to all Participants' total Compensation.

**iii. Points.** In the ratio that such Participant's points bears to the points of all eligible Participants. Each Participant shall receive to the extent provided in **C.37a**: (a) the points described in **C.37d** for each year of age he has attained (as of his birthday during such Plan Year), (b) the points described in **C.37c** for each Plan Year, including the current Plan Year, during which he met the requirements of Article 3 applicable to Profit Sharing Contributions, and (c) the points described in **C.37b** for each \$100 of Compensation he has earned for such Plan Year. If after application of the foregoing, the average of the allocation rates for eligible Highly Compensated Employees exceeds the average of the allocation rates for eligible Nonhighly Compensated Employees, each eligible Nonhighly Compensated Employee who has earned any points during the Plan Year shall be awarded the minimum number of points (or fraction of a point) so that the average of the allocation rates for eligible Highly Compensated Employees does not exceed the average of the allocation rates for eligible Nonhighly Compensated Employees.

**iv. Fixed Amount.** In an amount equal to the total Profit Sharing Contribution divided by the number of Participants eligible to share in such contribution.

**v. Davis Bacon.** In an amount necessary to meet the Company's requirements under an applicable prevailing wage statute. The formula for allocating Profit Sharing Contributions shall be specified in an Addendum to the Adoption Agreement.

### Profit Sharing - Integration

**36a.** If **C.35.ii** is selected (integrated contribution formula), integration level for determining Excess Compensation:

**i.**  Taxable wage base (as defined under Section 230 of the Social Security Act) in effect on the first day of such Plan Year.

**ii.**  Fixed percentage of taxable wage base (as defined under Section 230 of the Social Security Act) in effect on the first day of such Plan Year

**iii.**  Fixed dollar amount

**36b.** If **C.35.ii** (integrated contribution formula) is selected, and **C.36a.i** (taxable wage base) is not selected, enter amount (Not to exceed 100% or the amount of the taxable wage base (as defined under Section 230 of the Social Security Act) in effect on the first day of the Plan Year):

\_\_\_\_\_ % of taxable wage base, or \$ \_\_\_\_\_

**36c.** If **C.35.ii** (integrated contribution formula) is selected, enter amount of permitted disparity:

5.7%  5.4%  4.3%

**NOTE:** If **C.36a.i** (taxable wage base) is not selected, the amount of permitted disparity will be determined in accordance with the following table:

Integration Level	Permitted Disparity
More than \$0 but not more than 20% of the TWB	5.7%
More than 20% of the TWB but not greater than 80% of the TWB	4.3%
More than 80% of the TWB but less than 100% of the TWB	5.4%
100% of the TWB	5.7%

TWB = taxable wage base (as defined under Section 230 of the Social Security Act)

### Profit Sharing - Points

- 37a.** If **C.35.iii** is selected (points), points will be computed on basis of:
- i.  Age, Service and Compensation
  - ii.  Age and Service
  - iii.  Age and Compensation
  - iv.  Service and Compensation
  - v.  Age Only
  - vi.  Service Only
- 37b.** If **C.35.iii** is selected and **37a** provides points for Compensation, points awarded for \$100 of Compensation: \_\_\_\_\_
- 37c.** If **C.35.iii** is selected and **37a** provides points for Years of Service, points awarded for each Year of Service: \_\_\_\_\_
- 37d.** If **C.35.iii** is selected and **37a** provides points for age, points awarded for each year of age: \_\_\_\_\_

### Profit Sharing - Disability

- 39a.** Allocate Profit Sharing Contributions to Disabled Participants (Section 4.03(e)):  
 Yes  No
- 39b.** If **C.39a** is "Yes", select the anniversary of Disability when allocations end (Allocations to a Disabled Participant end as of the earliest of: (i) the last day of the Plan Year in which occurs the anniversary of the start of the Participant's Disability specified in this **C.39b**, or (ii) such other time specified in Section 4.03(e).):  
 first  second  third  fourth  fifth  sixth  seventh  eighth  ninth  tenth

### Qualified Nonelective Contributions

- 40.** Qualified Nonelective Contributions will be made on behalf of (Section 4.04(b)):
- i.  All Participants
  - ii.  Participants who are Nonhighly Compensated Employees
  - iii.  Such Participants determined at the discretion of the Company and using any of the allocation methods specified in **C.41**.
- 41.** If **C.40.iii** (at discretion of Employer) is not selected, the Company's Qualified Nonelective Contribution (in addition to any nonelective contribution made pursuant to **C.1**) shall be allocated:
- i.  **Pro rata.** In the ratio that such Participant's Compensation bears to the Compensation of all eligible Participants.
  - ii.  **Fixed Amount.** In an amount equal to the total additional Qualified Nonelective Contribution divided by the number of Participants eligible to share in such contribution.
  - iii.  **Bottom up.** First to the Qualified Nonelective Contribution Account of the Participant eligible to share in such allocations with the lowest Compensation in an amount determined by the Company. Such amount shall be either a fixed dollar amount or a fixed percentage of Compensation. If any Qualified Nonelective Contributions remain after foregoing, the Company shall then allocate Qualified Nonelective Contributions to other Participants eligible to share in such allocations with the next lowest Compensation in the same manner as described in the foregoing until such contributions are fully allocated.
- 42.** If **C.40.iii** (at discretion of Employer) is not selected, are Qualified Nonelective Contributions allocated only to Participants who made Elective Deferrals?  
 Yes  No
- 43a.** If **C.40.iii** (at discretion of Employer) is not selected, require service to receive Qualified Nonelective Contribution?  
 Yes  No
- 43b.** If **C.40.iii** (at discretion of Employer) is not selected and **C.43a** is "Yes", Hours of Service required in the applicable Plan Year to receive Qualified Nonelective Contribution: \_\_\_\_\_
- 44.** If **C.40.iii** (at discretion of Employer) is not selected, require employment by the Company on last day of Plan Year to receive Qualified Nonelective Contribution?  
 Yes  No

### Rollovers

- 50.** Rollover Contributions are permitted (Section 4.05):
- i.  No
  - ii.  Yes - All Eligible Employees may make a Rollover Contribution even if not yet a Participant in the Plan
  - iii.  Yes - Only active Participants may make a Rollover Contribution
- 51a.** If **C.50** is not "No", Rollover Contributions are permitted from:
- i.  All qualified plans and tax favored vehicles allowed under Code section 402 (Section 4.05(b) as amended by the EGTRRA Addendum to the Basic Plan Document)
  - ii.  Only qualified plans under Code section 401(a) and conduit IRAs
- 51b.** If **C.50** is not "No" and **C.51a.i** is selected, enter the effective date: \_\_\_\_\_ (must be after December 31, 2001)

### SIMPLE 401(k)

60. The Plan is intended to be a SIMPLE 401(k) Plan (Section 4.10):  
 Yes  No
61. If C.60 is "Yes", amount of Compensation to be eligible for SIMPLE Plan (Cannot be greater than \$5,000): \_\_\_\_\_

**415 Corrections**

70. Corrections to Code section 415 violations made to another plan (Section 5.04):  
 Yes  No
71. If C.70 is "No", order of correction for section 415 violations:  
i.  Forfeit Employer contributions first, then refund Elective Deferrals and Voluntary Contributions  
ii.  Refund Elective Deferrals and Voluntary Contributions first, then forfeit Employer contributions
72. If C.70 is "No", method of correction of Employer contributions for section 415 violations:  
i.  Reduce Company contributions in accordance with Section 5.04(d)(1)  
ii.  Reallocate to other Participants in accordance with Section 5.04(d)(2)
73. If C.70 is "Yes", name of plan in which 415 corrections will be made: \_\_\_\_\_