

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

The undersigned adopting employer hereby adopts this Plan and its related Trust. The Plan and Trust are intended to qualify as a tax-exempt profit-sharing plan and trust under Code sections 401(a) and 501(a), respectively, and the cash-or-deferred arrangement forming part of the Plan is intended to qualify under Code section 401(k). The Plan shall consist of this Adoption Agreement, its related Basic Plan Document and any related Addendum to the Adoption Agreement. Unless otherwise indicated, all Section references are to Sections in the Basic Plan Document.

COMPANY INFORMATION

1. Name of adopting employer (Plan Sponsor): _____
2. Address _____
3. City: _____ 4. State: _____ 5. Zip: _____
6. Phone number: _____ 7. Fax number: _____
8. Plan Sponsor EIN: _____
9. Plan Sponsor fiscal year end: _____
- 10a. Plan Sponsor entity type:
 - i. ☐ C Corporation
 - ii. ☐ S Corporation
 - iii. ☐ Partnership
 - iv. ☐ Limited Liability Company
 - v. ☐ Limited Liability Partnership
 - vi. ☐ Sole Proprietorship
 - vii. ☐ Union
- 10b. If 10a.vi (Union) is selected, enter name of the representative of the parties who established or maintain the Plan: _____
11. State of organization of Plan Sponsor: _____
- 12a. The Plan Sponsor is a member of an affiliated service group:
☐ Yes ☐ No
- 12b. If 12a is "Yes", list all members of the group (other than the Plan Sponsor): _____
- 13a. The Plan Sponsor is a member of a controlled group:
☐ Yes ☐ No
- 13b. If 13a is "Yes", list all members of the group (other than the Plan Sponsor): _____

PLAN INFORMATION

A. GENERAL INFORMATION

1. **Plan Number:** _____
2. **Plan name:**
 - a. _____
 - b. _____
3. **Effective Date:**
- 3a. Original effective date of Plan: _____
- 3b. Is this a restatement of a previously-adopted plan?
☐ Yes ☐ No
- 3c. If A.3b is "Yes", effective date of Plan restatement: _____
NOTE: If A.3b is "No", the Effective Date shall be the date specified in A.3a, otherwise the date specified in A.3c; provided, however, that when a provision of the Plan states another effective date, such stated specific effective date shall apply as to that provision.
4. **Plan Year** means each 12-consecutive month period ending on _____ (e.g. December 31). If the Plan Year changes, any special provisions regarding a short Plan Year should be placed in the Addendum to the Adoption Agreement.
5. **Limitation Year** means:
 - i. ☐ Plan Year
 - ii. ☐ calendar year
 - iii. ☐ tax year of the Plan Sponsor

Plan Features

- NOTE:** If the Plan is a profit sharing plan only, check A.10 through A.12 "No" and A.13 "Yes".
10. **Elective Deferrals.** Elective Deferrals are permitted (Section 4.01) (If "No", questions regarding Elective Deferrals, Voluntary Contributions, Matching Contributions and 401(k) safe harbor contributions are disregarded and no Voluntary Contributions, Matching Contributions or 401(k) safe harbor contributions shall be permitted - A.11 and A.12 shall be deemed to be "No".):
☐ Yes ☐ No

11. **Voluntary Contributions.** Voluntary (after-tax) Contributions are permitted (Section 4.01) (If "No", questions regarding Voluntary Contributions are disregarded.):
- i. ☐ Yes
 - ii. ☐ No
 - iii. ☐ Formerly Allowed
12. **Matching Contributions.** Matching Contributions are permitted (Section 4.02) (If "No", questions regarding Matching Contributions are disregarded.):
- ☐ Yes ☐ No
13. **Profit Sharing Contributions.** Profit Sharing Contributions are permitted. (Section 4.03) (If "No", questions regarding Profit Sharing Contributions are disregarded.):
- ☐ Yes ☐ No

Compensation

20. Definition of Compensation:
- i. ☐ **W-2.** Wages within the meaning of Code section 3401(a) and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code sections 6041(d), 6051(a)(3), and 6052.
 - ii. ☐ **Withholding.** Wages within the meaning of Code section 3401(a) for the purposes of income tax withholding at the source.
 - iii. ☐ **415 Safe Harbor.** Only those items specified in Treas. Reg. section 1.415-2(d)(2)(i) and excluding all of those items listed in Treas. Reg. section 1.415-2(d)(3).
21. Include deferrals in definition of Compensation?
- ☐ Yes ☐ No.
- Unless "No" is checked, Compensation shall also include any amount which is contributed by the Company pursuant to a salary reduction agreement and which is not includable in the gross income of the Employee under Code sections 125, 402(e)(3), 402(h) or 403(b).
- NOTE:** See A.27 for effective date of inclusion of elective amounts that are not includable in the gross income of the Participant under Code section 132(f).

Compensation Exclusions

22. Exclude pay earned before participation in Plan from definition of Compensation and, for purposes of determining Actual Contribution Percentages and Actual Deferral Percentages, the definition of Testing Compensation:
- ☐ Yes ☐ No
- Unless "No" is checked, Compensation shall include only that compensation which is actually paid to the Participant by the Company during that part of the Plan Year the Participant is eligible to participate in the Plan. Otherwise, Compensation shall include that compensation which is actually paid to the Participant by the Company during the Plan Year.
23. Exclude certain fringe benefits from definition of Compensation:
- ☐ Yes ☐ No
- If "Yes" is checked, Compensation shall exclude all of the following items (even if includable in gross income): reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation, and welfare benefits.
- 24a. Exclude other pay from definition of Compensation for the following Participants:
- i. ☐ None
 - ii. ☐ Highly Compensated Employees only
 - iii. ☐ All Participants
- A.24a.iii** (All Participants) may not be selected if the Plan uses an integrated formula or if the Plan is a Safe Harbor 401(k) Plan.
- 24b. If **A.24a.ii** or **iii** is selected, describe other pay excluded from definition of Compensation:
-
25. Exclude all extraordinary pay from Compensation from which Elective Deferrals are made:
- ☐ Yes ☐ No
- If "Yes" is checked, solely for purposes of determining compensation from which Elective Deferrals/Voluntary Contributions may be made, Compensation shall exclude bonuses, moving expenses, disability pay and any other extraordinary remuneration.

Testing Compensation

26. Definition of Testing Compensation:
- i. ☐ **W-2.** Wages within the meaning of Code section 3401(a) and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code sections 6041(d), 6051(a)(3), and 6052.
 - ii. ☐ **Withholding.** Wages within the meaning of Code section 3401(a) for the purposes of income tax withholding at the source.

27. For Plan Years beginning on or after _____, elective amounts that are not includable in the gross income of the Participant under Code section 132(f) shall be taken into account to the extent that other deferrals are taken into account in determining compensation for any purpose in the Plan.
28. When determining Actual Contribution Percentages and Actual Deferral Percentages include elective amounts that are not includable in the gross income of the Participant:
☐ Yes ☐ No
 Unless "No" is checked, when determining Actual Contribution Percentages and Actual Deferral Percentages, Testing Compensation shall also include any amount which is contributed by the Company pursuant to a salary reduction agreement and which is not includable in the gross income of the Employee under Code sections 125, 402(e)(3), 402(h) or 403(b).

Highly Compensated Employee

29. Use top-paid group election in determining Highly Compensated Employees:
☐ Yes ☐ No
30. Use calendar year beginning with or within the preceding Plan Year in determining Highly Compensated Employees for any year other than that described in **A.31**:
☐ Yes ☐ No
31. Use calendar year election for 1997 Plan Year:
☐ Yes ☐ No
 If "Yes" is checked, for the Plan Year beginning between January 1, 1997 and December 31, 1997 the determination of a Highly Compensated Employee shall be made with regard to Testing Compensation paid for the calendar year ending within such Plan Year.

Other Definitions

32. Definition of Disability:
- i. ☐ The Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The permanence and degree of such impairment shall be supported by medical evidence.
 - ii. ☐ The determination by the Social Security Administration that the Participant is eligible to receive disability benefits under the Social Security Act.
 - iii. ☐ The Participant suffers from a physical or mental impairment that results in his inability to engage in any occupation comparable to that in which the Participant was engaged at the time of his disability. The permanence and degree of such impairment shall be supported by medical evidence.
 - iv. ☐ The Participant is eligible to receive benefits under a Company-sponsored disability plan.
 - v. ☐ The Participant is mentally or physically disabled under uniform rules consistently applied to all Participants in like circumstances.
33. Name of state or commonwealth for choice of law (Section 14.06): _____

B. ELIGIBILITY

Exclusions

- The term "Eligible Employee" shall not include (Check items **B.1** - **B.4a** as appropriate):
1. ☐ **Union.** Any Employee who is included in a unit of Employees covered by a collective bargaining agreement, if retirement benefits were the subject of good faith bargaining, and if the collective bargaining agreement does not provide for participation in this Plan.
2. ☐ Any **Leased Employee** (as defined in Article 2).
3. ☐ **Non-Resident Alien.** Any Employee who is a non-resident alien who received no earned income (within the meaning of Code section 911(d)(2)) which constitutes income from services performed within the United States (within the meaning of Code section 861(a)(3)).
- 4a. ☐ **Other.** Other Employees described in **B.4b** (any exclusion must satisfy Code section 401(a)).
- 4b. If **B.4a** is selected, describe other excluded Employees from definition of Eligible Employee:

5. **Opt-Out.** An Employee may irrevocably elect not to participate in the Plan:
☐ Yes ☐ No

Other Employer Service

- 6a. Count service with other non-affiliated employers for eligibility purposes:
☐ Yes ☐ No
- 6b. If **B.6a** is "Yes", list other non-affiliated employers: _____

Break in Service

7. **Rule of parity.** If an Employee does not have any nonforfeitable right to the Account balance derived from Employer contributions, exclude eligibility service before a period of five (5) consecutive One-Year Breaks in Service/Periods of Severance.
☐ Yes ☐ No
8. **One-year holdout.** (Applies for purposes of eligibility to receive Profit Sharing Contributions only). If an Employee has a One-Year Break in Service/Period of Severance, exclude eligibility service before such period until the Employee has completed a Year of Eligibility Service after returning to employment with the Employer.
☐ Yes ☐ No

Immediate Participation

9. If the Plan is a new plan, allow immediate participation to all Eligible Employees on the original effective date of the Plan specified in **A.3a**:
☐ Yes ☐ No

Elective Deferrals/Voluntary Contributions

An Eligible Employee shall be eligible to make Elective Deferrals/Voluntary Contributions (if permitted pursuant to **A.10/A.11**) at the time specified in **B.12** upon meeting the requirements of **B.10** and **B.11** (Section 3.01):

10. Minimum age requirement for Elective Deferrals/Voluntary Contributions: _____ (21 maximum - leave blank or enter "0" if none)
11. Minimum service requirement for Elective Deferrals/Voluntary Contributions:
- a. ☐ Completion of One Year of Eligibility Service
 - b. ☐ Completion of _____ Month(s) of Eligibility Service (Not to exceed 12 - See **B.43**)
 - c. ☐ Completion of the number of Hours of Service specified in **B.43** in a _____ month period (Not to exceed 12. The rules regarding computation of service found under the definition of Month of Eligibility Service apply for purposes of determining service under **B.11c**.)
 - d. ☐ None
- NOTE:** If eligibility is computed using months under **B.11b** or **B.11c**, the same method must be used for eligibility for Matching Contributions and Profit Sharing Contributions. For example, if you check **B.11b**, you cannot check **B.21c** or **B.31c**. See **B.43**.
- 12a. Frequency of entry dates for Elective Deferrals/Voluntary Contributions:
- i. ☐ An Eligible Employee shall become a Participant eligible to make Elective Deferrals/Voluntary Contributions immediately upon meeting the requirements of **B.10** and **B.11**.
 - ii. ☐ first day of each calendar month
 - iii. ☐ first day of each plan quarter
 - iv. ☐ first day of the first month and seventh month of the Plan Year
- 12b. If **B.12a.i.** (immediate entry) is not selected, an Eligible Employee shall become a Participant eligible to make Elective Deferrals/Voluntary Contributions on the entry date selected in **B.12a** that is:
- i. ☐ coincident with or next following
 - ii. ☐ next following
- the date the requirements of **B.10** and **B.11** are met.

Matching Contributions

An Eligible Employee shall be eligible to receive an allocation of Matching Contributions (if permitted pursuant to **A.12**) at the time specified in **B.22** upon meeting the requirements of **B.20** and **B.21** (Section 3.02):

20. Minimum age requirement for Matching Contributions: _____ (21 maximum - leave blank or enter "0" if none)
21. Minimum service requirement for Matching Contributions (Cannot exceed 1 year, unless the Plan provides a nonforfeitable right to 100% of the Participant's Matching Contribution Account balance after not more than 2 years of service, in which case up to 2 years is permitted.):
- a. ☐ Completion of _____ Year(s) of Eligibility Service (Not to exceed 2)
 - b. ☐ Completion of _____ Month(s) of Eligibility Service (Not to exceed 12 - See **B.43**)
 - c. ☐ Completion of the number of Hours of Service specified in **B.43** in a _____ month period (Not to exceed 12. The rules regarding computation of service found under the definition of Month of Eligibility Service apply for purposes of determining service under **B.21c**.)
 - d. ☐ None
- NOTE:** If eligibility is computed using months under **B.21b** or **B.21c**, the same method must be used for eligibility for Elective Deferrals/Voluntary Contributions and Profit Sharing Contributions. For example, if you check **B.21b**, you cannot check **B.11c** or **B.31c**. See **B.43**.
- 22a. Frequency of entry dates for Matching Contributions:
- i. ☐ An Eligible Employee shall become a Participant eligible to receive an allocation of Matching Contributions immediately upon meeting the requirements of **B.20** and **B.21**.

- ii. ☐ first day of each calendar month
- iii. ☐ first day of each plan quarter
- iv. ☐ first day of the first month and seventh month of the Plan Year
- v. ☐ first day of the Plan Year

22b. If **B.22a.i.** (immediate entry) is not selected, an Eligible Employee shall become a Participant eligible to receive an allocation of Matching Contributions on the entry date selected in **B.22a** that is:

- i. ☐ coincident with or next following
- ii. ☐ next following
- iii. ☐ coincident with or immediately preceding
- iv. ☐ immediately preceding
- v. ☐ nearest to

the date the requirements of **B.20** and **B.21** are met.

NOTE: The combination of **B.21** and **B.22** must meet the requirements of Code section 410(a). For instance, **B.22a.v** may not be selected with **B.22b.i** if two Years of Service is required under **B.21**.

Profit Sharing Contributions

An Eligible Employee shall be eligible to receive an allocation of Profit Sharing Contributions (if permitted pursuant to **A.13**) at the time specified in **B.32** upon meeting the requirements of **B.30** and **B.31** (Section 3.03(a)):

- 30.** Minimum age requirement for Profit Sharing Contributions: _____ (21 maximum - leave blank or enter "0" if none)
- 31.** Minimum service requirement for Profit Sharing Contributions (Cannot exceed 1 year, unless the Plan provides a nonforfeitable right to 100% of the Participant's Profit Sharing Account balance after not more than 2 years of service, in which case up to 2 years is permitted.):
 - a. ☐ Completion of _____ Year(s) of Eligibility Service (Not to exceed 2)
 - b. ☐ Completion of _____ Month(s) of Eligibility Service (Not to exceed 12 - See **B.43**)
 - c. ☐ Completion of the number of Hours of Service specified in **B.43** in a _____ month period (Not to exceed 12. The rules regarding computation of service found under the definition of Month of Eligibility Service apply for purposes of determining service under **B.31c**.)
 - d. ☐ None

NOTE: If eligibility is computed using months under **B.31b** or **B.31c**, the same method must be used for eligibility for Elective Deferrals/Voluntary Contributions and Matching Contributions. For example, if you check **B.31b**, you cannot check **B.11c** or **B.21c**. See **B.43**.

32a. Frequency of entry dates for Profit Sharing Contributions:

- i. ☐ An Eligible Employee shall become a Participant eligible to receive an allocation of Profit Sharing Contributions immediately upon meeting the requirements of **B.30** and **B.31**.
- ii. ☐ first day of each calendar month
- iii. ☐ first day of each plan quarter
- iv. ☐ first day of the first month and seventh month of the Plan Year
- v. ☐ first day of the Plan Year

32b. If **B.32a.i.** (immediate entry) is not selected, an Eligible Employee shall become a Participant eligible to receive an allocation of Profit Sharing Contributions on the entry date selected in **B.32a** that is:

- i. ☐ coincident with or next following
- ii. ☐ next following
- iii. ☐ coincident with or immediately preceding
- iv. ☐ immediately preceding
- v. ☐ nearest to

the date the requirements of **B.30** and **B.31** are met.

NOTE: The combination of **B.31** and **B.32** must meet the requirements of Code section 410(a). For instance, **B.32a.v** may not be selected with **B.32b.i** if two Years of Service is required under **B.31**.

Eligibility Service Computation Rules

- 40.** Eligibility service computation method (Unless **B.40.ii** (Elapsed Time) is selected, the Plan will use the Hours of Service method for determining eligibility service. If **B.40.ii** (Elapsed Time) is selected, questions **B.41** through **B.44** are disregarded.):
 - i. ☐ Hours of Service
 - ii. ☐ Elapsed Time
- 41.** Eligibility Computation Period switch to Plan Year:
 - ☐ Yes ☐ No
- 42.** Enter the number of Hours of Service necessary for Year of Eligibility Service: _____ (Not more than 1,000. If left blank, the Plan will use 1,000 Hours of Service.)
- 43.** If eligibility is computed using months, enter the number of Hours of Service necessary for a Month of Eligibility Service under **B.11b**, **B.21b** and/or **B.31b**, or enter the number of Hours of Service that must be completed in the period described under **B.11c**, **B.21c** and/or **B.31c**: _____ (Not more than 83 if computed per month under **B.11b**, **B.21b** and **B.31b**; or not more than 83 times the number of months selected in **B.11c**, **B.21c** and **B.31c**.)

NOTE: If eligibility is computed using months, the service requirement under **B.11b, B.11c, B.21b, B.21c, B.31b** or **B.31c**, as applicable, shall be deemed met no later than the end of an Eligibility Computation Period during which the Eligible Employee completes 1,000 Hours of Service; provided, that the individual is an Eligible Employee on the applicable entry date.

44. Select hours equivalency for eligibility purposes:

i. ☐ None

An Employee shall be credited with the following service with the Employer:

ii. ☐ 10 Hours of Service for each day or partial day

iii. ☐ 45 Hours of Service for each week or partial week

iv. ☐ 95 Hours of Service for each semi-monthly payroll period or partial semi-monthly payroll period

v. ☐ 190 Hours of Service for each month or partial month

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, (iii) the rate of Matching Contributions cannot increase as a Participant's Elective Deferrals and Voluntary Contributions increase, and (iv) 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: _____

D. VESTING

Vesting Service Computation Rules:

- 1. Vesting service computation method (Unless D.1.ii (Elapsed Time) is selected, the Plan will use the Hours of Service method for determining vesting service. If D.1.ii (Elapsed Time) is selected, questions D.2 through D.4 are disregarded.):
 - i. ☐ Hours of Service
 - ii. ☐ Elapsed Time
- 2. Number of Hours of Service necessary for a Year of Vesting Service: _____ (Not more than 1,000. If left blank, the Plan will use 1,000 Hours of Service.)
- 3. Select equivalency for vesting purposes:
 - i. ☐ None.
 - An Employee shall be credited with the following service with the Employer:
 - ii. ☐ 10 Hours of Service for each day or partial day
 - iii. ☐ 45 Hours of Service for each week or partial week
 - iv. ☐ 95 Hours of Service for each semi-monthly payroll period or partial semi-monthly payroll period
 - v. ☐ 190 Hours of Service for each month or partial month
- 4. Vesting Computation Period:
 - i. ☐ Calendar year
 - ii. ☐ Plan Year
 - iii. ☐ The twelve-consecutive month period commencing on the date the Employee first performs an Hour of Service; each subsequent twelve-consecutive month period shall commence on the anniversary of such date.

Other Employer Service

- 5a. Count service with other non-affiliated employers for vesting purposes
☐ Yes ☐ No
- 5b. If D.5a is "Yes", list other non-affiliated employers: _____

Vesting Exceptions

- 6. Provide for full vesting for a Participant who Terminates employment with the Employer due to death while an Employee (Section 6.02):
☐ Yes ☐ No
- 7. Provide for full vesting for a Participant who Terminates employment with the Employer due to Disability while an Employee (Section 6.02):
☐ Yes ☐ No

Vesting Exclusions

- 8a. Exclude Years of Vesting Service earned before age 18:
☐ Yes ☐ No
- 8b. Exclude Years of Vesting Service earned before the Employer maintained this Plan or a predecessor plan:
☐ Yes ☐ No
- 8c. **One-year holdout.** If an Employee has a One-Year Break in Service/Period of Severance, exclude Years of Vesting Service earned before such period until the Employee has completed a Year of Vesting Service after returning to employment with the Employer.
☐ Yes ☐ No
- 8d. **Rule of parity.** If an Employee does not have any nonforfeitable right to the Account balance derived from Employer contributions, exclude Years of Vesting Service earned before a period of five (5) consecutive One-Year Breaks in Service/Periods of Severance.
☐ Yes ☐ No

Matching

10. Matching Contribution Account Vesting Schedule:
☐ 100% ☐ 3-7 Year Graded ☐ 2-6 Year Graded ☐ 1-5 Year Graded ☐ 1-4 Year Graded ☐ 5 Year Cliff ☐ 3 Year Cliff ☐ 2 Year Cliff ☐ Other
- 11a. Other Match Schedule - less than 1 year:
- 11b. Other Match Schedule - 1 year but less than 2 years:
- 11c. Other Match Schedule - 2 years but less than 3 years:
- 11d. Other Match Schedule - 3 years but less than 4 years (Min 20%):
- 11e. Other Match Schedule - 4 years but less than 5 years (Min 40%):
- 11f. Other Match Schedule - 5 years but less than 6 years (Min 60%):
- 11g. Other Match Schedule - 6 years but less than 7 years (Min 80%):
- 11h. Other Match Schedule - 7 or more years: 100%.
- NOTE:** If C.1.ii (Yes - safe harbor match) is selected, then the Plan will provide for 100% vesting for safe harbor Matching Contributions.

EGTRRA Matching

12. EGTRRA Matching Contribution Account Vesting Schedule:
☐ 100% ☐ 2-6 Year Graded ☐ 1-5 Year Graded ☐ 1-4 Year Graded ☐ 3 Year Cliff ☐ 2 Year Cliff ☐ Other
- 13a. Other Match Schedule - less than 1 year:
- 13b. Other Match Schedule - 1 year but less than 2 years:
- 13c. Other Match Schedule - 2 years but less than 3 years (Min 20%):
- 13d. Other Match Schedule - 3 years but less than 4 years (Min 40%):
- 13e. Other Match Schedule - 4 years but less than 5 years (Min 60%):
- 13f. Other Match Schedule - 5 years but less than 6 years (Min 80%):
- 13g. Other Match Schedule - 6 or more years: 100%.

Profit Sharing

20. Profit Sharing Contribution Account Vesting Schedule:
☐ 100% ☐ 3-7 Year Graded ☐ 2-6 Year Graded ☐ 1-5 Year Graded ☐ 1-4 Year Graded ☐ 5 Year Cliff ☐ 3 Year Cliff ☐ 2 Year Cliff ☐ Other
- 21a. Other Profit Sharing Schedule - less than 1 year:
- 21b. Other Profit Sharing Schedule - 1 year but less than 2 years:
- 21c. Other Profit Sharing Schedule - 2 years but less than 3 years:
- 21d. Other Profit Sharing Schedule - 3 years but less than 4 years (Min 20%):
- 21e. Other Profit Sharing Schedule - 4 years but less than 5 years (Min 40%):
- 21f. Other Profit Sharing Schedule - 5 years but less than 6 years (Min 60%):
- 21g. Other Profit Sharing Schedule - 6 years but less than 7 years (Min 80%):
- 21h. Other Profit Sharing Schedule - 7 or more years: 100%.

E. DISTRIBUTIONS

Normal Retirement

- 1a. Normal Retirement Age means:
- i. ☐ Attainment of the age specified in E.1b.
- ii. ☐ Later of attainment of the age specified in E.1b and the anniversary of Plan participation specified in E.1c.
- 1b. Age component of Normal Retirement Age (not to exceed 65): _____

- 1c. If **E.1a.ii** is selected, anniversary of participation for Normal Retirement Age:
[] fifth [] fourth [] third [] second [] first
2. Allow in-service distributions after attainment of Normal Retirement Age (Section 7.01(b)):
[] Yes [] No
- NOTE:** The Plan may not permit in-service distributions after attainment of Normal Retirement Age if **E.1b** is less than age 59-1/2.

Time and Form of Payment after Termination for Reasons other than Death

- 3a. Distributions after Termination of Employment for reasons other than death shall commence (Section 7.02):
- [] **Immediate.** As soon as administratively feasible with a final payment made consisting of any allocations occurring after such Termination of Employment.
 - [] **End of Plan Year.** As soon as administratively feasible after all contributions have been allocated relating to the Plan Year in which the Participant's Account balance becomes distributable.
 - [] **Normal Retirement Age.** When the Participant attains Normal Retirement Age.
 - [] **Other.**
- 3b. If **E.3a.iv** (Other) is selected enter time when distributions after Termination of Employment commence: _____
- 4a. Medium of distribution from the Plan:
- [] Cash only
 - [] Cash or in-kind
 - [] Cash or in-kind rollover to an Individual Retirement Account sponsored by the vendor described in **E.4b.**
- 4b. If **E.4a.iii** (specified vendor) is selected, enter name of specified vendor: _____
5. Distributions from the Plan after Termination for reasons other than death may be made in the following forms:
- [] Lump sum only
 - [] Lump sum payment or substantially equal annual, or more frequent installments over a period not to exceed the joint life expectancy of the Participant and his Beneficiary
 - [] Under a continuous right of withdrawal pursuant to which a Participant may withdraw such amounts at such times as he shall elect.
6. Permit distributions in the form of an annuity:
[] Yes [] No
- If **E.6** is "Yes", a Participant may elect to have the Plan Administrator apply his entire Account toward the purchase of an annuity contract, which shall be distributed to the Participant. The terms of such annuity contract shall comply with the provisions of this Plan and any annuity contract shall be nontransferable.

Payment on Participant Death

7. Distributions on account of the death of the Participant shall be made in accordance with one of the following:
- [] Pay entire Account balance by end of fifth year for all Beneficiaries in accordance with Sections 7.02(b)(1)(A) and 7.02(b)(2)(A) only.
 - [] Pay entire Account balance no later than the 60th day following the end of Plan Year in which the Participant dies.
 - [] Allow extended payments for all beneficiaries in accordance with Sections 7.02(b)(1)(A), (B) and (C) and 7.02(b)(2)(A) and (B).
 - [] Pay entire Account balance by end of fifth year for Beneficiaries in accordance with Sections 7.02(b)(1)(A) and 7.02(b)(2)(A) and allow extended payments in accordance with Sections 7.02(b)(1)(B) and (C) and 7.02(b)(2)(B) only if the Participant's spouse is the Participant's sole primary Beneficiary.

Cash Out

8. Involuntary cash-out amount for purposes of Sections 7.03 and 7.10: \$ _____ (\$5,000 unless otherwise specified. If zero, the Plan will not automatically cash out participants).
9. Involuntary cash-out of a terminated Participant's Account balance when it exceeds the cash-out amount specified in **E.8** is deferred under Section 7.03(b) until:
- [] Later of age 62 or Normal Retirement Age - payment made in a lump sum only.
 - [] Required Beginning Date - Participant may elect payment in a lump sum or installments.
 - [] Required Beginning Date - payment made in a lump sum only.
- 10a. Exclude amounts attributable to Rollover Contributions in determining the value of the Participant's nonforfeitable account balance for purposes of the Plan's involuntary cash-out rules (Sections 7.03(e) and 7.10(a) as amended by the EGTRRA Addendum to the Basic Plan Document):
[] Yes [] No
- 10b. If **E.10a** is "Yes", the election shall apply with respect to distributions made on or after _____ (Enter a date no earlier than January 1, 2002.).
- 11a. It is necessary to provide an effective date for the cash out amount specified in **E.8**:
[] Yes [] No
- 11b. If **E.11a** is "Yes", enter the effective date of the change in the cash-out amount: _____

Spousal Death Benefits

20. The Plan has received a transfer of assets from a plan subject to the survivor annuity rules of Code sections 411(a)(11) and 417:
☐ Yes ☐ No
21. If **E.20** is "Yes" or **E.6** (distributions allowed in the form of an annuity) is "Yes", upon the death of a married Participant, the spouse of the married Participant shall be the beneficiary of the following portion of such Participant's Account unless the spouse waives such right in accordance with Section 7.10: (Section 7.04(a))
- i. ☐ 100% of Account
 - ii. ☐ 50% of Account

Required Beginning Date

30. Required Beginning Date for a Participant other than a More Than 5% Owner:
- i. ☐ **Retirement.** April 1 of the calendar year following the later of the calendar year in which the Participant: (x) attains age 70-1/2, or (y) retires
 - ii. ☐ **Age 70-1/2.** April 1 of the calendar year following the calendar year in which the Participant attains age 70-1/2
 - iii. ☐ **Election.** Participant may elect to commence distributions pursuant to either **E.30.i** or **E.30.ii**.
- NOTE:** If **E.30.ii** is selected, **E.31** though **E.34** will be disregarded.

Required Beginning Date Transition Rules

31. The Plan was amended before the Effective Date to revise definition of Required Beginning Date or the Plan is a new plan:
☐ Yes ☐ No
NOTE: If **E.31** is "Yes", the effective date of the definition in **E.30** is the Effective Date of the Plan specified in **A.3** and questions **E.32** though **E.34** will be disregarded.
32. If **E.31** is "No" and **E.30.ii** (Age 70-1/2) is not selected, enter effective date of new definition: _____
33. If **E.31** is "No" and **E.30.i** (Retirement) is selected, enter Required Beginning Date transition rule:
- i. ☐ Eliminate the rule in effect before the date specified in **E.32** prospectively - allow Participant to elect **E.30.i** or **E.30.ii** until the effective date in **E.32**
 - ii. ☐ Eliminate the rule in effect before the date specified in **E.32** prospectively - do not allow Participant election
34. If **E.31** is "No" and **E.30.ii** (Age 70-1/2) is not selected, permit Participants other than a More Than 5% Owner receiving required distributions under old rule to stop distributions until the distributions must recommence under the new definition of Required Beginning Date:
- i. ☐ No
 - ii. ☐ Yes - The recommencement of distributions will **not** constitute a new Annuity Starting Date
 - iii. ☐ Yes - The recommencement of distributions **will** constitute a new Annuity Starting Date

New 401(a)(9) Regulations

- 35a. The Plan adopts the **new proposed** IRS 401(a)(9) regulations (Section 7.05(c)):
- i. ☐ No
 - ii. ☐ Yes - using the IRS Announcement 2001-18 Model Amendment
 - iii. ☐ Yes - using the IRS Announcement 2001-82 Model Amendment
- 35b. Effective date of adoption of new proposed 401(a)(9) regulations specified in **E.35a**: _____
- 36a. Effective date of adoption of **final** 401(a)(9) regulations (Section 7.11 as added by the Minimum Distribution Addendum to the Basic Plan Document):
- i. ☐ **2002.** During the 2002 calendar year
 - ii. ☐ **2003.** Beginning with the 2003 calendar year
- 36b. If **E.36a.i** is selected, enter effective date of adoption of final 401(a)(9) regulations in 2002: _____

F. IN SERVICE WITHDRAWALS & LOANS

General

1. In-service withdrawals under **F** are allowed from Accounts that are only partially vested:
- i. ☐ No - an Account must be fully vested for a Participant to receive an in-service withdrawal
 - ii. ☐ Yes

Hardship

10. Hardship withdrawals are allowed from the portion of a Participant's Accounts described in **F.1** as follows (Section 8.01) (If "None", questions regarding Hardship withdrawals are disregarded. Skip to **F.20**):
- i. ☐ **All Accounts.** A Participant may receive a distribution on account of hardship, except from: (x) his Qualified Nonelective Contribution Account, (y) his Matching Contribution Account to the extent such account has been used to satisfy the safe harbor requirements of Code sections 401(k)(12) and/or 401(m)(11), and (z) earnings on his Elective

Deferral Account credited after the later of December 31, 1988, and the end of the last Plan Year ending before July 1, 1989.

ii. ☐ **Selected Accounts**

iii. ☐ **None**

11. The criteria used in determining whether a Participant is entitled to receive a Hardship withdrawal:

i. ☐ Safe Harbor criteria set forth in Section 8.01(b)

ii. ☐ Non Safe Harbor criteria set forth in Section 8.01(c)

12. If **F.10.ii** (Selected Accounts) is selected, hardship withdrawals may be made from the following Accounts:

a. ☐ Elective Deferral Account (excluding earnings on his Elective Deferral Account credited after the later of December 31, 1988, and the end of the last Plan Year ending before July 1, 1989).

b. ☐ Matching Contribution Account (except that portion that has been used to satisfy the safe harbor requirements of Code sections 401(k)(12) and/or 401(m)(11)).

c. ☐ Profit Sharing Contribution Account.

d. ☐ Voluntary Contribution Account.

e. ☐ Rollover Contribution Account.

f. ☐ Transfer Account.

Specified Age

20. In-service withdrawals are allowed on attainment of the age specified in **F.21** from the portion of a Participant's Accounts described in **F.1.** (Section 8.02) (If "None", questions regarding specified age withdrawals are disregarded. Skip to **F.30**):

i. ☐ **All Accounts.**

ii. ☐ **Selected Accounts.**

iii. ☐ **None.**

21. In-service withdrawal permitted after age _____ (must be on or after 59-1/2 if Elective Deferrals or Qualified Nonelective Contributions are eligible Accounts).

22. If **F.20.ii** (Selected Accounts) is selected, specified age withdrawals may be made from the following Accounts:

a. ☐ Elective Deferral Account.

b. ☐ Matching Account.

c. ☐ Profit Sharing Contribution Account.

d. ☐ Qualified Nonelective Contribution Account.

e. ☐ Voluntary Contribution Account.

f. ☐ Rollover Contribution Account.

g. ☐ Transfer Account.

Other Withdrawals

30. **After a Period Certain** (Section 8.03(a)). In-service withdrawals are allowed from a Participant's Matching and Profit Sharing Contribution Accounts after 5 yrs. participation or on funds held 2 yrs. from the portion of a Participant's Accounts described in **F.1.** (Withdrawals are only permitted from the Matching Contribution Account to the extent such account has not been used to satisfy the requirements of Code sections 401(k)(12) and/or 401(m)(11)):

☐ Yes ☐ No

31. **At Any Time** (Section 8.03(b)). In-service withdrawals are allowed from a Participant's Voluntary Contribution Account and Rollover Contribution Account at any time:

☐ Yes ☐ No

Loans

40. Loans are permitted (Section 8.06) (If "No", questions regarding loans are disregarded. Skip to **G**):

☐ Yes ☐ No

41. Require showing of financial hardship or unusual or special situation to receive loan:

☐ Yes ☐ No

42. Permit loans in excess of 1/2 of account balance up to \$10,000 with adequate security:

☐ Yes ☐ No

43. Allow extended loan amortization for purchase of principal residence:

☐ Yes ☐ No

44. Minimum loan amount: \$_____ (Not greater than \$1,000. Leave blank or enter "0" if none.)

45. Maximum number of loans outstanding: _____ (If blank, the maximum number of loans is one.)

46. If **G.3.iv** is selected (Plan does not permit participant self-direction), are loans treated as a segregated investment:

☐ Yes ☐ No

47. A Participant must obtain the consent of his or her spouse, if any, to use the Account balance as security for a loan:

☐ Yes ☐ No

NOTE: "Yes" is automatically selected if **E.20** is "Yes" (Plan has received a transfer of assets from a plan subject to the survivor annuity rules of Code sections 411(a)(11) and 417) or **E.6** (distributions allowed in the form of an annuity) is "Yes"

G. PLAN OPERATIONS

Permitted Investments

1. Plan may invest in "qualifying employer securities" and "qualifying employer real property" (Section 9.04):
☐ Yes ☐ No
2. Plan may invest in life insurance (Section 9.07):
☐ Yes ☐ No

Participant Self Direction

3. Specify the extent to which the Plan permits Participant self direction and indicate the Plan's intent to comply with ERISA section 404(c) (Section 9.02) (If "None", questions regarding Participant self direction are disregarded. Skip to **G.7a**):
 - i. ☐ All Accounts with 404(c)
 - ii. ☐ All Accounts w/o 404(c)
 - iii. ☐ Some Accounts
 - iv. ☐ None
4. If **G.3.iv** (None) is not selected, Participants may also establish individual brokerage accounts:
☐ Yes ☐ No
5. Participants may exercise voting rights with respect to the following investments (Section 9.06) (If **G.1** is "Yes" and **G.3.i** (All Accounts with 404(c)) is selected then voting rights may not be "None"):
 - i. ☐ None
 - ii. ☐ Company stock only
 - iii. ☐ All investments
6. If **G.3.iii** (Some Accounts) is selected, a Participant may self direct the following accounts:
 - a. ☐ Elective Deferral Account.
 - b. ☐ Matching Contribution Account.
 - c. ☐ Voluntary Contribution Account.
 - d. ☐ Profit Sharing Contribution Account.
 - e. ☐ Qualified Nonelective Contribution Account.
 - f. ☐ Rollover Contribution Account.
 - g. ☐ Transfer Account.

Valuation Date

- 7a. Enter Valuation Date (if **G.3.i** (All Accounts with 404(c)) is selected, then Valuation Date must be at least quarterly)
 - i. ☐ Last day of Plan Year
 - ii. ☐ Last day of each Plan quarter
 - iii. ☐ Last day of each month
 - iv. ☐ Each business day
 - v. ☐ Other
- 7b. If **G.7a.v** is selected, enter Valuation Date: _____ (Must be at least annually).

Plan Administration

- 10a. Designation of Plan Administrator (Section 12.01):
 - i. ☐ Plan Sponsor
 - ii. ☐ Committee appointed by Plan Sponsor
 - iii. ☐ Other
- 10b. If **G.10a.iii** is selected, Name of Plan Administrator: _____
11. Establishment of procedures for the Plan Administrator and the Investment Fiduciary (Sections 12.01(c) and 12.02(c)):
 - i. ☐ Plan Administrator and Investment Fiduciary adopt own procedures.
 - ii. ☐ Board sets procedures for Plan Administrator and Investment Fiduciary.
- 12a. Type of indemnification for the Plan Administrator and Investment Fiduciary:
 - i. ☐ None - the Company will not indemnify the Plan Administrator or the Investment Fiduciary.
 - ii. ☐ Standard according to Section 12.06
 - iii. ☐ Custom
- 12b. If **G.12a.iii** (Custom) is selected, indemnification for the Plan Administrator and Investment Fiduciary is provided pursuant to an Addendum to the Adoption Agreement.

Trust

20. Trust Agreement is contained in a document separate from the Basic Plan Document.
 - i. ☐ No
 - ii. ☐ Yes - Sections 10.02 through 10.08 of the Basic Plan Document shall not apply

21. Trustee Type
 - i. ☐ Corporate
 - ii. ☐ Individual
22. If **G.21.i** (Corporate) is selected, enter Trustee address: _____
23. Name of Trustee: _____
- 24a. Type of Trustee Indemnification:
 - i. ☐ Standard according to Section 10.07(b)
 - ii. ☐ Custom
- 24b. If **G.24a.ii** (Custom) is selected, indemnification for the Trustee is provided pursuant to an addendum to the Adoption Agreement.

H. TOP HEAVY

Top Heavy Plans

1. Plan to which Top-Heavy allocations are made:
 - i. ☐ This Plan
 - ii. ☐ Pursuant to the terms of another plan
2. If **H.1.ii** (another plan) is selected, name of other Plan to which Top-Heavy allocations are made: _____
3. If **H.1.i** (This Plan) is selected, type of other plan maintained by the Company that covers employees eligible to participate in this Plan:
 - i. ☐ N/A - No other plan
 - ii. ☐ Defined Contribution
 - iii. ☐ Defined Benefit

Top Heavy Allocations

4. If **H.1.i** (This Plan) is selected, Participants who share in Top-Heavy minimum allocations:
 - i. ☐ **Non-Key only.** Any Participant who is employed by the Employer on the last day of the Plan Year and is not a Key Employee.
 - ii. ☐ **All Participants.** Any Participant who is employed by the Employer on the last day of the Plan Year.

Top Heavy Vesting

5. Top-Heavy vesting schedule:

☐ 100% ☐ 2-6 Year Graded ☐ 3 Year Cliff ☐ Other
- 6a. Other Top-Heavy Schedule - less than 1 year:
- 6b. Other Top-Heavy Schedule - 1 year but less than 2 years:
- 6c. Other Top-Heavy Schedule - 2 years but less than 3 years (Min 20%):
- 6d. Other Top-Heavy Schedule - 3 years but less than 4 years (Min 40%):
- 6e. Other Top-Heavy Schedule - 4 years but less than 5 years (Min 60%):
- 6f. Other Top-Heavy Schedule - 5 years but less than 6 years (Min 80%):
- 6g. Other Top-Heavy Schedule - 6 or more years: 100%.

Present Value Assumptions

- 7a. Enter the interest rate to be used for determining Present Value to compute the top-heavy ratio: _____%
 - 7b. Enter the mortality table to be used for determining Present Value to compute the top-heavy ratio: _____
- NOTE: H.7** should only be completed if the Employer also sponsors a defined benefit plan.

NOTE: The Plan Sponsor should add an Addendum to the Adoption Agreement to add any language that is necessary to satisfy Code sections 415 and 416.

I. MISCELLANEOUS

Failure to properly fill out the Adoption Agreement may result in disqualification of the Plan. This Adoption Agreement #001 may be used only in conjunction with basic plan document #01.

The Prototype Plan Sponsor, Fort William LLC, will inform the adopting employer of any amendments made to the Prototype Plan or of the discontinuance or abandonment of the Prototype Plan. The Prototype Plan Sponsor may be contacted at 306 N. Milwaukee St., Suite 300, Milwaukee, WI, 53202 (414) 226-2442.

The adopting employer may rely on an opinion letter issued by the Internal Revenue Service as evidence that the plan is qualified under Code section 401 only to the extent provided in Announcement 2001-77, 2001-30 I.R.B. The employer may not rely on the opinion letter in certain other circumstances or with respect to certain qualification requirements, which are specified in the opinion letter issued with

respect to the Plan and in Announcement 2001-77. In order to have reliance in such circumstances or with respect to such qualification requirements, application for a determination letter must be made to Employee Plans Determinations of the Internal Revenue Service.

J. EXECUTION PAGE

The undersigned agree to be bound by the terms of this Adoption Agreement and Basic Plan Document and acknowledge receipt of same. The parties have caused this Plan to be executed this ____ day of _____, 200 ____.

PLAN SPONSOR (COMPANY):

TRUSTEE:

EFFECTIVE DATE ADDENDUM

Use this Addendum to provide any effective dates for Plan provisions other than the Effective Date specified in A.3.