

SECURE 2.0 Act of 2022 Adoption Agreement Amendment Kit

For use with Ascensus' Standardized Individual 401(k) Profit Sharing Plan Documents

CONTENTS

- *Adoption Agreement Amendment*
- *Summary of Material Modifications to the Adoption Agreement ("SMM-AA")*

GENERAL INSTRUCTIONS

- Review, complete and sign the *Adoption Agreement Amendment* then file it with your other qualified plan documents.
- Complete the *SMM-AA*. Provide a copy to each participant and beneficiary of a deceased participant.
- Keep the original *SMM-AA* with your *Summary Plan Description* in the plan records. You'll need to provide a copy of both forms to employees when they become eligible to participate in the Plan.

You must complete this kit even if your plan has been or will be operated using the defaults described in the *Basic Plan Document Amendment*.

SECURE 2.0 Act of 2022

Adoption Agreement Amendment

This amendment of the Plan (hereinafter referred to as the "Amendment") is comprised of this SECURE 2.0 Act of 2022 ("SECURE 2.0") Adoption Agreement Amendment (hereinafter referred to as the "Adoption Agreement Amendment") and the corresponding Basic Plan Document Amendment. The Amendment is adopted to reflect certain provisions of SECURE 2.0 and related guidance. This Amendment is intended to provide good faith compliance with SECURE 2.0 and related guidance until the Plan is formally restated to incorporate such guidance. Except as otherwise specified in the Adoption Agreement Amendment, the Amendment provisions are effective as provided in the Basic Plan Document Amendment. This Amendment supersedes the existing provisions of the Plan to the extent that those provisions are inconsistent with the provisions of the Amendment. The Amendment will not cause the Plan to become an individually designed plan.

In the event that the provisions in the Amendment modify or update a good faith amendment provision that is addressed in the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019, the Bipartisan American Miners (BAM) Act of 2019, and the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 Adoption Agreement Amendment (collectively referred to herein after as "SECURE-CARES"), such good faith amendment provision will be identified accordingly.

EMPLOYER INFORMATION

Name of Plan _____

Plan Sequence Number _____ Trust Identification Number (if applicable) _____ Account Number _____

SECTION FIVE: DISTRIBUTIONS AND LOANS

Complete Part A, as applicable

If the Plan has been or will be operated differently than as described in the Basic Plan Document Amendment, complete Part A below. If the Basic Plan Document Amendment reflects how the Plan has been or will be operated for Part A, do not complete this Adoption Agreement Amendment; the provisions of the Basic Plan Document Amendment will apply.

Part A. Qualified Federally Declared Disaster Loans

Complete this Part A to indicate how the Plan is operated for purposes of the enhanced loan provisions pertaining to federally declared disaster loans. This Part A should only be completed if Participants were not permitted to request a loan due to being affected by a federally declared disaster, even though they were otherwise entitled to request a loan from the Plan pursuant to Plan Section 5.16.

- ☒ A Participant who is otherwise entitled to request a loan from the Plan will not be entitled to request a loan using the enhanced loan maximum amounts that are applicable to loans for federally declared disasters in Plan Section 5.16.

This Part A is effective _____. (Specify a date for this provision. The date may not be earlier than January 26, 2021.)

EMPLOYER SIGNATURE

Signature of Employer:

1. I acknowledge that I have relied upon my own advisers regarding the completion of this Adoption Agreement Amendment and the legal and tax implications of amending this Plan;
2. I understand that my failure to properly complete this Adoption Agreement Amendment may result in disqualification of the Plan; and
3. I have received a copy of this Adoption Agreement Amendment and the corresponding Basic Plan Document Amendment which are hereby adopted for the Plan.

Signature of Adopting Employer _____ Date Signed _____

Type Name _____ Title _____

Summary of Material Modifications to the Adoption Agreement

Name of Plan _____

Name of Adopting Employer _____

Plan Sequence Number _____ Plan Year End _____

The purpose of this document is to update your Summary Plan Description (SPD). This document is very important and should be kept with your SPD. The following update to your SPD is limited to changes to certain provisions of the SPD. The following sections of your SPD are amended to include the following. Unless otherwise noted, the effective date of this Summary of Material Modifications (SMM) is the first day of the first Plan Year beginning on or after January 1, 2023. To the extent that any provisions of this SMM conflict with your SPD, the terms of this SMM will apply.

ELIGIBILITY

What age and service requirements do I have to meet before I am eligible to participate in the Plan?

For purposes of determining your eligibility to participate in the Plan for Deferrals on or after the first day of the Plan's 2025 Plan Year, if you do not satisfy the Plan's eligibility service requirements during any eligibility measuring period, you will still satisfy the eligibility service requirements if you complete one year of eligibility service, or, if earlier, you work two consecutive 12-month periods, during each of which you work at least 500 hours. However, no 12-month period that begins before January 1, 2023 will be included for purposes of the two consecutive 12-month period determination and you must attain age 21 by the end of the two consecutive 12-month periods.

CONTRIBUTIONS

Can I contribute to the Plan?

Catch-Up Contributions

If you are eligible to defer additional amounts to the Plan due to being age 50 or older before the end of the calendar year and your compensation is \$145,000 or more from your Employer for the prior year, the additional amounts you elect to defer will be contributed to the Plan on your behalf as Roth Deferrals if Roth Deferrals are permitted. However, if Roth Deferrals are not permitted, you may only elect to defer additional amounts to your Plan if your compensation from your Employer was less than \$145,000 for the prior year.

Increased Catch-Up Contributions

If you are eligible to make Deferrals, you may defer up to an extra \$11,250 (for 2026) if you are age 60, 61, 62, or 63 before the end of the calendar year and once you meet certain 401(k) Plan limits.

What if I don't make an election to contribute into the Plan?

If the Plan allowed for Deferrals beginning on or after December 29, 2022, the Plan will be operated with a mandatory Eligible Automatic Contribution Arrangement (EACA). If you have satisfied the eligibility requirements, but do not make a Deferral election, your Plan Administrator will automatically contribute 3% of your Compensation into the Plan as Pre-tax Deferrals. Your Plan Administrator will automatically increase the amount of your Deferrals annually by 1% of Compensation per paycheck up to a maximum rate of 10%. The automatic increase of your Deferrals will occur on the first day of each Plan Year beginning after the end of your first completed year of participation under this arrangement. You are not required to defer a portion of your Compensation into the Plan and may instruct your Plan Administrator to stop Deferrals or to defer a different amount by following the procedures established by your Plan Administrator.

If I take a distribution from this Plan or another eligible employer plan, can I combine it with my money in this Plan?

Repayment of Domestic Abuse Distributions

If you take a Domestic Abuse Distribution from this Plan or from another retirement arrangement, you will be able to repay such distribution to your Plan or an eligible retirement plan to which such repayment contributions can be made by the end of the 3-year period beginning on the day after you take that distribution. The Plan's rules regarding rollover contributions apply to these repayments. The rollover contribution rules are listed in the SPD previously provided to you.

Repayment of Emergency Personal Expense Distributions

If you take an Emergency Personal Expense Distribution from this Plan or from another retirement arrangement, you will be able to repay such distribution to your Plan or an eligible retirement plan to which such repayment contributions can be made by the end of the 3-year period beginning on the day after you take that distribution. The Plan's rules regarding rollover contributions apply to these repayments. The rollover contribution rules are listed in the SPD previously provided to you.

Repayment of Federally Declared Disaster Distributions

If you take a Federally Declared Disaster Distribution from this Plan or from another retirement arrangement, you will be able to repay such distribution to your Plan or an eligible retirement plan to which such repayment contributions can be made. Such repayment must be made by the end of the 3-year period beginning on the day after you take that distribution. The Plan's rules regarding rollover contributions apply to these repayments. The rollover contribution rules are listed in the SPD previously provided to you. You may also roll over to the Plan any hardship withdrawal made from the Plan which was received no more than 180 days prior to the first day of the incident period for a disaster declared by the Federal Emergency Management Agency and not later than 30 days after the last day of such incident period when such withdrawal was to be used to purchase or construct your principal residence in a qualified disaster area, but you did not do so due to that qualified disaster.

Repayment of Terminal Illness Distributions

If you take a Terminal Illness Distribution from this Plan or from another retirement arrangement, you will be able to repay such distribution to your Plan or an eligible retirement plan to which such repayment contributions can be made by the end of the 3-year period beginning on the day after you take that distribution. The Plan's rules regarding rollover contributions apply to these repayments. The rollover contribution rules are listed in the SPD previously provided to you.

DISTRIBUTIONS AND LOANS

Can I withdraw money from the Plan while I am still employed?

Domestic Abuse Distribution

You may take a Domestic Abuse Distribution of up to the lesser of \$10,000 or 50 percent of your vested account balance for any situation where you suffered physical, psychological, sexual, emotional or economic abuse, including efforts to control, isolate, humiliate, or intimidate you, or to undermine your ability to reason independently, including by means of abuse of your child or another family member living in your household. Your Plan Administrator may rely upon your certification that you have met the conditions for a domestic abuse distribution described above. You must take any such distribution within 1 year of when you are the victim of such domestic abuse. Contact your Plan Administrator for more information or if you have questions.

Emergency Personal Expense Distribution

You may take one Emergency Personal Expense Distribution per calendar year for up to the lesser of \$1,000 or the amount of your account balance over \$1,000 for the purpose of meeting unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses. Your Plan Administrator may rely upon your certification that you have met the conditions for the emergency personal expense distribution described above. If you take an Emergency Personal Expense Distribution from the Plan, you cannot take another such distribution within the following 3 calendar years unless you've fully repaid the prior distribution or contributed an aggregate amount of Deferrals and Nondeductible Employer Contributions that equals at least the amount of such distribution.

Terminal Illness Distribution

If you are otherwise eligible for a distribution under the Plan, you may elect to treat your distribution from the Plan as a Terminal Illness Distribution after you have provided the appropriate documentation to the Plan Administrator. Contact your Plan Administrator for more information or if you have questions.

Qualified Long-Term Care Distribution

You may receive distributions for the purchase of or payment of premiums for certified long-term care insurance. However, such distributions during the taxable year may not exceed, in the aggregate, the least of the following:

- a. The amount paid by or assessed to you during the taxable year for or with respect to certified long-term care insurance for you or your spouse (or other family member of the employee as provided by the Secretary by regulation);
- b. Ten percent of the present value of your nonforfeitable accrued benefit Plan;
- c. \$2,500 (as adjusted for cost-of-living increases).

Will I be permitted to withdraw Deferrals that are automatically contributed to the Plan on my behalf?

Withdrawals Under a mandatory EACA

Yes, you will be permitted to withdraw (without penalty) that portion of your Deferrals that has been automatically contributed to the Plan under the mandatory EACA, if applicable. Your election to withdraw must be made within 90 days following the payroll date that your first Deferral was deducted from your paycheck and automatically contributed to the Plan.

If you choose to withdraw your Deferrals, your withdrawal will also consist of any earnings attributable to those Deferrals. Any Matching Contributions made by your Employer that are related to those Deferrals will be forfeited.

You will be treated as if you have not participated in the mandatory EACA before if no portion of your Deferrals has been automatically contributed to the Plan under the mandatory EACA for an entire Plan Year. This will affect whether you will be permitted to withdraw that portion of your Deferrals that has been automatically contributed to the Plan under the mandatory EACA if you are rehired or your Deferral election expires and you are reenrolled in the mandatory EACA.

Can I take a loan from the Plan because I was affected by a federally declared disaster?

☐ Yes ☒ No

If "Yes" is selected, if you are otherwise permitted to take a loan(s) from your account under the Plan, you may take a Federally Declared Disaster Loan. See your SPD for other applicable loan terms.

This provision is effective _____.

Limits on plan loans

The maximum loan amount that is available to you is increased to \$100,000 (reduced by the highest outstanding loan balance in the previous 12 months) or 100% of your vested balance in the Plan (reduced by the current outstanding loan balance, if any), whichever is less.

One-year suspension of loan payments

If you have an outstanding loan at the time that you would otherwise qualify for a Federally Declared Disaster Loan, any payment on such loan that is due during the period between the first day of the disaster's declared incident period and ending on the date which is 180 days after the last day of such incident period will be delayed for one year and subsequent payments will be adjusted accordingly. In addition, the period of such delay will not be counted toward the maximum 5-year repayment period. All such delayed loan payments will accrue interest.

What if I die before receiving all of my money from the Plan?

For purposes of distributions to your beneficiary after December 31, 2023, your beneficiary will generally have the same options regarding the form of the distribution that are available to you as a Participant. If the Plan is subject to spousal consent requirements, however, and the balance is greater than \$7,000, your beneficiary may be required to take the payments in the form of a life annuity, unless the annuity has been properly waived by you (and your spouse, if applicable) during your lifetime. Your spousal beneficiary may also have the option of rolling the distribution into an IRA.

INVESTMENTS

What investments are permitted under the Plan?

If qualifying longevity annuity contracts (QLAC) are available under the Plan, there are limits on the premium payments you can make to a QLAC each year. Effective for QLACs purchased or received in an exchange on or after December 29, 2022, your premium payments for a QLAC cannot be more than: 1) \$200,000 (for 2026, this amount will increase as the cost-of living increases) over the sum of the premiums paid before that date and premium payments made on your behalf from all other retirement plans and any individual retirement arrangements (IRAs) you may have; or 2) the excess of the sum of the premiums paid before that date and the premium payments made on your behalf from all other retirement plans and any IRAs you may have, whichever is less. If you are using your retirement assets to invest in multiple QLACs and you exceed these limits, you must notify the Plan Administrator within a reasonable timeframe to ensure that the excess is moved to a non-QLAC investment no later than December 31 of the year following the year in which the excess occurred. The Plan Administrator is entitled to rely on the information you provide regarding any QLACs you have invested in outside of this Plan.

Further information on the investment and distribution requirements related to the QLAC can be obtained from the SPD that was previously provided to you, the Plan Administrator, or the financial organization that is providing the QLAC.

DEFINITIONS

Required Beginning Date – When you reach age 73 (age 72 if you attained that age on or before December 31, 2022, and age 70½ if you were born before July 1, 1949), you will generally need to begin taking a portion of your balance out of the Plan each year. This distribution is called a required minimum distribution, or RMD. If you continue to work for your Employer after age 73 (age 72 if you attained that age on or before December 31, 2022, and age 70½ if you were born before July 1, 1949), you may, as permitted by the Plan, delay required distributions until you actually stop working for your Employer unless you own more than 5% of the Employer. If you own more than 5% of the Employer, you will need to begin taking payments at age 73 (age 72 if you attained that age on or before December 31, 2022, and age 70½ if you were born before July 1, 1949) even if you are still employed. The annual required distribution amount is generally based on your account balance divided by a life expectancy factor outlined in retirement plan regulations.