

**SUMMARY PLAN DESCRIPTION
FOR**

City of Napa Money Purchase Plan

December 4, 2024

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City of Napa Money Purchase Plan SUMMARY PLAN DESCRIPTION

ARTICLE 1 INTRODUCTION

City of Napa has adopted the City of Napa Money Purchase Plan (the “Plan”) to help its employees save for retirement. If you are an employee of City of Napa, you may be entitled to participate in the Plan, provided you satisfy the conditions for participation as described in this Summary Plan Description.

This Summary Plan Description (“SPD”) is designed to help you understand the retirement benefits provided under the Plan and your rights and obligations with respect to the Plan. This Summary Plan Description contains a summary of the major features of the Plan, including the conditions you must satisfy to participate under the Plan, the amount of benefits you are entitled to as a Plan participant, when you may receive distributions from the Plan, and other valuable information you should know to understand your Plan benefits. We encourage you to read this SPD and contact the Plan Administrator if you have any questions regarding your rights and obligations under the Plan. (See Article 2 below for the name and address of the Plan Administrator.)

This SPD does not replace the formal Plan document, which contains all of the legal and technical requirements applicable to the Plan. However, this SPD does attempt to explain the Plan language in a non-technical manner that will help you understand your retirement benefits. If the non-technical language under this SPD and the technical, legal language under the Plan document conflict, the Plan document always governs. If you have any questions regarding the provisions contained in this SPD or if you wish to receive a copy of the legal Plan document, please contact the Plan Administrator.

The Plan document may be amended or modified due to changes in law, to comply with pronouncements by the Internal Revenue Service (IRS) or due to other circumstances. If the Plan is amended or modified in a way that changes the provisions under this SPD, you will be notified of such changes.

This SPD does not create any contractual rights to employment nor does it guarantee the right to receive benefits under the Plan. Benefits are payable under the Plan only to individuals who have satisfied all of the conditions under the Plan document for receiving benefits.

ARTICLE 2 GENERAL PLAN INFORMATION AND KEY DEFINITIONS

This Article 2 contains information regarding the day-to-day administration of the Plan as well as the definition of key terms used throughout this Summary Plan Description.

Plan Name: City of Napa Money Purchase Plan

Plan Number: 002

Employer:

Name: City of Napa

Address: 955 School Street

City, State, Zip Code: Napa, CA 94559-0660

Telephone number: (707) 257-9428

Employer Identification Number (EIN): 94-6000380

Plan Administrator:

The Plan Administrator is responsible for the day-to-day administration and operation of the Plan. For example, the Plan Administrator maintains the Plan records, provides you with forms necessary to request a distribution from the Plan, and directs the payment of your vested benefits when required under the Plan. The Plan Administrator may designate another person or persons to perform the duties of the Plan Administrator. The Plan Administrator or its delegate, as the case may be, has full discretionary authority to interpret the Plan, including the authority to resolve ambiguities in the Plan document and to interpret the Plan's terms, including who is eligible to participate under the Plan and the benefit rights of participants and beneficiaries. All interpretations, constructions and determinations of the Plan Administrator or its delegate shall be final and binding on all persons, unless found by a court of competent jurisdiction to be arbitrary and capricious. The Plan Administrator also will allow you to review the formal Plan document and other materials related to the Plan.

The Employer listed above is acting as Plan Administrator. The Plan Administrator may designate other persons to carry on the day-to-day operations of the Plan. If you have any questions about the Plan or your benefits under the Plan, you should contact the Plan Administrator or other Plan representative.

Trustee:

All amounts contributed to the Plan are held by the Plan Trustee in a qualified Trust. The Trustee is responsible for the safekeeping of the trust funds and must fulfill all Trustee duties in a prudent manner and in the best interest of you and your beneficiaries. The Employer has designated a separate Trustee to hold the assets under the Plan. The trust established on behalf of the Plan will be the funding medium used for the accumulation of assets from which Plan benefits will be distributed.

The following is the name and address of the Plan Trustee(s):

- **Name:** Nationwide Trust Company, FSB
Address: 3 Nationwide Plaza
Columbus, OH 43215

Service of Legal Process:

Service of legal process may be made upon the Employer. In addition, service of legal process may be made upon the Plan Trustee or Plan Administrator.

Effective Date of Plan:

This Plan is a new Plan effective December 4, 2024. Thus, unless designated otherwise, the provisions of the Plan (as described in this SPD) are effective as of December 4, 2024.

Plan Year:

Many of the provisions of the Plan are applied on the basis of the Plan Year. For this purpose, the Plan Year is the calendar year running from January 1 – December 31.

Plan Compensation:

In applying the contribution formulas under the Plan (as described in Section 5 below), your contributions may be determined based on Plan Compensation earned during the Plan Year. However, in determining Plan Compensation, no amount will be taken into account to the extent such compensation exceeds the compensation dollar limit set forth under IRS rules. For 2024, the compensation dollar limit is \$345,000 (\$350,000 in 2025). Thus, for Plan Years beginning in 2024, no contribution may be made under the Plan with respect to Plan Compensation above \$345,000 (\$350,000 in 2025). For subsequent plan years, the compensation dollar limit may be adjusted for cost-of-living increases.

For purposes of determining Plan Compensation, your total taxable wages or salary is taken into account including any pre-tax salary reduction contributions you may make under any other plans we may maintain, which may include any pre-tax contributions you make under a medical reimbursement plan or "cafeteria" plan. Plan Compensation also generally includes compensation for services that is paid after termination of employment, as long as such amounts are paid by the end of the year or within 2½ months following termination of employment, if later. However, for purposes of determining contributions under the Plan, Plan Compensation does not include the following types of compensation:

- Bonuses
- Overtime payments
- Continuation payments to disabled Participants paid after severance of employment

Generally, all includible compensation you earn will be taken into account for purposes of determining Plan Compensation, including any compensation you earn while you are not a participant in the Plan.

Normal Retirement Age:

You will reach Normal Retirement Age under the Plan once you satisfy the following requirements: Age 50 for the City Manager and age 55 for Management Employees (AMPR) and Exempt Management (AMPX), Executive Staff including those appointed by City Council: City Attorney, City Clerk; Department Heads that are hired by the City Manager: Assistant City Manager, Police Chief, Finance Director, Human Resources Director, Public Works Director, Park and Recreation Director, Community Development Director and members of NCEA-SEIU Local 1021.

Disabled:

You generally will be considered Disabled for purposes of certain Plan rules, such as those that may apply to Plan distributions, vesting and allocations, under the following hierarchy:

- You are determined to be Disabled by the Social Security Administration under Section 223(d) of the Social Security Act for purposes of determining eligibility for Social Security benefits.
- You are unable to engage in any substantial gainful activity by reason of a 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 Plan Administrator may establish reasonable procedures for determining whether you are disabled for purposes of applying the provisions of the Plan.

ARTICLE 3 DESCRIPTION OF PLAN

Type of Plan. This Plan is a special type of retirement plan commonly referred to as a money purchase plan. A money purchase plan allows you to receive Employer Contributions, which we make on your behalf to the Plan, without having to include such amounts in income. If you have satisfied all of the eligibility conditions described in Article 4 for receiving an Employer Contribution, we will deposit such contribution directly into the Plan on your behalf. Because this money is not reported as income, you do not have to pay any income tax while the money is held in the Plan, and any earnings on such contributions are not taxed while they stay in the Plan. (See Article 5 below for a description of the Employer Contributions authorized under the Plan.)

This money purchase plan is a defined contribution plan, which is intended to qualify under Section 401(a) of the Internal Revenue Code. As a defined contribution plan, it is not covered under Title IV of ERISA and, therefore, benefits are not insured by the Pension Benefit Guaranty Corporation.

In addition to any contributions we may make to the Plan, you also may be eligible to make After-Tax Contributions to the Plan. If you elect to make After-Tax Contributions, you make a contribution to the Plan out of your own compensation, after paying taxes on such amounts. When you take a distribution of your After-Tax Contributions, you will not be taxed on the amounts you actually contributed to the Plan as After-Tax Contributions (since you were already taxed on those amounts). Any earnings on your After-Tax Contributions will not be subject to income taxation as long as those amounts stay in the Plan. Upon distribution, you will be taxed on the earnings associated with your After-Tax Contributions. (See Article 9 below for a discussion of the distribution rules under the Plan.)

ARTICLE 4 ELIGIBILITY REQUIREMENTS

This Article sets forth the requirements you must satisfy to participate under the Plan. To qualify as a participant under the Plan, you must:

- be an Eligible Employee
- satisfy the Plan's minimum age and service conditions and
- satisfy any allocation conditions required under the Plan.

Eligible Employee

To participate under the Plan, you must be an Eligible Employee. For this purpose, you are considered an Eligible Employee if you are an employee of City of Napa, provided you are not otherwise excluded from the Plan.

Excluded Employees. For purposes of determining whether you are an Eligible Employee, the Plan excludes from participation certain designated employees. If you fall under any of the excluded employee categories, you will not be eligible to participate under the Plan (until such time as you no longer fall into an excluded employee category). [See below for a discussion of your rights upon changing to or from an excluded employee classification.]

The following categories of employees are not eligible to participate in the Plan:

- Any Employee not classified as the City Manager, Management Employees (AMPR) and Exempt Management (AMPX), Executive Staff, Assistant City Manager, City Attorney, City Clerk. In addition, any Employee that is not a member of the Napa City Employees' Association (NCEA) Service Employees International Union (SEIU) Local 1021 will be excluded

Minimum Age and Service Requirements

In order to participate in the Plan, you must satisfy certain age and service conditions under the Plan.

- **Minimum age requirement.** There is no minimum age requirement for participation in the Plan.
- **Minimum service requirement.** There is no minimum service requirement to participate under the Plan. Thus, you will be eligible to participate in the Plan (provided you are an Eligible Employee) as of the first Entry Date following your date of employment.

Entry Date. Once you have satisfied the eligibility conditions described above, you will be eligible to participate under the Plan on your Entry Date. For this purpose, your Entry Date is your date of employment. Thus, you will be eligible to participate immediately upon your date of hire, provided you are an Eligible Employee.

Crediting eligibility service. In determining whether you satisfy any minimum age or service conditions under the Plan, all service you perform during the year is counted. In addition, if you go on a maternity or paternity leave of absence (including a leave of absence under the Family Medical Leave Act) or a military leave of absence, you may receive credit for service during your period of absence for certain purposes

under the Plan. You should contact the Plan Administrator to determine the effect of a maternity/paternity or military leave of absence on your eligibility to participate under the Plan.

Eligibility upon rehire or change in employment status. If you terminate employment after satisfying the minimum age and service requirements under the Plan and you are subsequently rehired as an Eligible Employee, you will enter the Plan on the later of your rehire date or your Entry Date. If you terminate employment prior to satisfying the minimum age and service requirements, and you are subsequently rehired, you will have to meet the eligibility requirements as if you are a new Employee in order to participate under the Plan.

If you are not an Eligible Employee on your Entry Date, but you subsequently change status to an eligible class of Employee, you will be eligible to enter the Plan immediately (provided you have already satisfied the minimum age and service requirements). If you are an Eligible Employee and subsequently become ineligible to participate in the Plan, all contributions under the Plan will cease as of the date you become ineligible to participate. However, all service earned while you are employed, including service earned while you are ineligible, will be counted when calculating your vested percentage in your account balance.

Allocation Conditions

If you are an Eligible Employee and have satisfied the minimum age and service requirements described above, you are entitled to share in the contributions described in Article 5, provided you satisfy the allocation conditions described below.

After-Tax Contributions. You do not need to satisfy any additional allocation conditions to make After-Tax Contributions under the Plan. If you satisfy the eligibility conditions described above, you will be eligible to make After-Tax Contributions, regardless of how many hours you work during the year or whether you terminate employment during the year. However, you may not continue to make After-Tax Contributions after you terminate employment.

Employer Contributions. You will be entitled to share in any Employer Contributions we make to the Plan if you satisfy the eligibility conditions described above. You do not need to satisfy any additional allocation conditions to receive an Employer Contribution. You will receive your share of the Employer Contributions regardless of how many hours you work during the year or whether you terminate during the year.

Employer Pick-Up Contributions. You do not need to satisfy any additional allocation conditions to make Employer Pick-Up Contributions under the Plan. Thus, if you satisfy the eligibility conditions described above, you will be eligible to make Employer Pick-Up Contributions regardless of how many hours you work during the year or whether you terminate employment during the year. However, you may not continue to make Employer Pick-Up Contributions after you terminate employment.

ARTICLE 5 PLAN CONTRIBUTIONS

The Plan provides for the contributions listed below. Article 4 discusses the requirements you must satisfy to receive the contributions described in this Article 5. Article 7 describes the vesting rules applicable to your plan benefits. Special rules also may apply if you leave employment to enter qualified military service. See your Plan Administrator if you have questions regarding the rules that apply if you are on military leave.

After-Tax Contributions

Voluntary After-Tax Contributions. If you have satisfied the conditions for participating under the Plan (as described in Article 4) you are eligible to make After-Tax Contributions to the Plan. To begin making After-Tax Contributions, you must elect to make contributions to the Plan on an after-tax basis. The After-Tax Contributions you make to the Plan are subject to current taxation but any earnings on such amounts are not taxed until you withdraw those amounts from the Plan. Your After-Tax Contributions will be invested in accordance with the Plan's investment policies. You may receive the forms necessary to make After-Tax Contributions from your Plan Administrator.

Change of election. You can increase or decrease the amount of your After-Tax Contributions as of a designated election date. For this purpose, the designated election date(s) for changing or modifying your After-Tax Contribution election will be set forth under the election form or other written procedures describing the time period for changing After-Tax Contribution elections. If the available election date(s) change, you will be notified in writing of any such change. You always will be able to change or modify your After-Tax Contribution election at least once per year. Generally, you may revoke an existing election and stop making After-Tax Contributions at any time. Any change you make to an After-Tax Contribution election will become effective as of the next designated election date, and will remain in effect until modified or canceled during a subsequent election period.

Special rules. The following special rules apply with respect to After-Tax Contributions: Only Employees classified as City Manager, Management Employees (AMPR) and Exempt Management (AMPX) may elect to make Voluntary After-Tax contributions

"Pick-Up" Contributions

If you have satisfied the conditions for participating under the Plan (as described in Article 4) you are eligible to make "Pick-Up" contributions to the Plan. A Pick-Up contribution is a contribution you make to the Plan which is "picked-up" by us and treated as an Employer contribution. As a Pick-Up contribution, you make a contribution to the Plan and we pick up the tax liability with respect to that contribution. Thus, if you make a Pick-Up contribution to the Plan, you will not have to pay income taxes on such amounts or on any earnings until you withdraw those amounts from the Plan. If you make a Pick-Up contribution to the Plan, we will deduct the amount of the contribution from your paycheck and contribute such amount directly to the Plan. Any Pick-Up contributions you make to the Plan will be invested in accordance with the Plan's investment policies. You will be 100% vested in all amounts contributed to your Pick-Up contribution account.

If you are eligible to make a Pick-Up contribution to the Plan, we will automatically withhold \$3,600 from each paycheck and contribute that amounts into the Plan. You may not opt out of the Pick-Up contribution or receive the contributed amounts directly instead of having them paid into the Plan. You may contact the Plan Administrator if you have questions regarding the application of the Pick-Up contribution provisions under the Plan.

In addition, the following special rules apply for purposes of Pick-Up contributions under the Plan: Employees classified as Executive Staff including those appointed by City Council: City Attorney, City Clerk; Department Heads that are hired by the City Manager: Assistant City Manager, Police Chief, Finance Director, Human Resources Director, Public Works Director, Park and Recreation Director, Community Development Director will have 60 days from hire date to opt in or opt out of the annual \$3,600 Employer Pick-Up contributions

Employer Contributions

We are authorized under the Plan to make Employer Contributions on behalf of our employees. In order to receive an Employer Contribution, you must satisfy all of the eligibility requirements described in Article 4 for Employer Contributions. If you do not satisfy all of the conditions for receiving an Employer Contribution, you will not share in an allocation of such Employer Contributions for the period for which you do not satisfy the eligibility requirements.

Employer Contribution Formula. Employer Contributions will be contributed to your Employer Contribution account under the Plan at such time as we deem appropriate. Generally, Employer Contributions may be contributed during the Plan Year or after the Plan Year ends. Any Employer Contributions we make will be made in accordance with the following Employer Contribution formula.

- **Employer Contribution formula.** We will make an Employer Contribution to eligible participants identified in the employee groups described in (1) below. The amount we will contribute will be based on the contribution formula set forth in (2) below.

(1) **Designated Employee groups.**

- **Group 1:** City Manager
- **Group 2:** Management Employees (AMPR) and Exempt Management (AMPX)
- **Group 3:** Executive Staff
- **Group 4:** Assistant City Manager
- **Group 5:** City Attorney
- **Group 6:** City Clerk
- **Group 7:** Members of NCEA-SEIU Local 1021

(2) **Employer Contribution formulas.** The following Employer Contributions will be provided to the Employee groups listed in (1) above.

- **Group 1:** An Employer Contribution equal to \$19,464.
- **Group 2:** An Employer Contribution equal to \$1,200.
- **Group 3:** An Employer Contribution equal to \$3,864.
- **Group 4:** An Employer Contribution equal to \$15,864.
- **Group 5:** An Employer Contribution equal to \$15,864.
- **Group 6:** An Employer Contribution equal to \$15,864.
- **Group 7:** An Employer Contribution equal to \$88.33 per month.

Any Employer Contribution we make on your behalf under the Plan will be placed directly into an account on your behalf, provided you satisfy the eligibility conditions described in Article 5 below. We retain the right to amend the Plan to reduce or eliminate this contribution. If we amend the Plan to reduce or eliminate this fixed contribution, you will be notified of such change. (See Article 11 below for more information regarding Plan amendments.)

Rollover Contributions

If you have an account balance in another qualified retirement plan or an IRA, you may move those amounts into this Plan, without incurring any tax liability, by means of a “rollover” contribution. You are always 100% vested in any amounts you contribute to the Plan as a rollover from another qualified plan or IRA. This means that you will always be entitled to all amounts in your rollover account. Rollover contributions will be affected by any investment gains or losses under the Plan.

You may accomplish a rollover in one of two ways. You may ask your prior plan administrator or trustee to directly rollover to this Plan all or a portion of any amount which you are entitled to receive as a distribution from your prior plan. Alternatively, if you receive a distribution from your prior plan, you may elect to deposit into this plan any amount eligible for rollover within 60 days of your receipt of the distribution. Any rollover to the Plan will be credited to your Rollover Contribution Account. See Article 9 below for a description of the distribution provisions applicable to rollover contributions.

Generally, the Plan will accept a rollover contribution from another qualified retirement plan or IRA. The Plan Administrator may adopt separate procedures limiting the type of rollover contributions it will accept. For example, the Plan Administrator may impose restrictions on the acceptance of After-Tax Contributions or Salary Deferrals (including Roth Deferrals) or may restrict rollovers from particular types of plans. In addition, the Plan Administrator may, in its discretion, accept rollover contributions from Employees who are not currently participants in the Plan. You also must be a current Employee to make a Rollover Contribution to

the Plan. Any procedures affecting the ability to make Rollover Contributions to the Plan will not be applied in a discriminatory manner.

If you have questions about whether you can rollover a prior plan distribution, please contact the Plan Administrator or other designated Plan representative.

ARTICLE 6 LIMIT ON CONTRIBUTIONS

The IRS imposes limits on the amount of contributions you may receive under this Plan, as described below.

IRS limit on total contributions under the Plan. The IRS imposes a maximum limit on the total amount of contributions you may receive under this Plan. This limit applies to all contributions we make on your behalf, all contributions you contribute to the Plan, and any forfeitures allocated to any of your accounts during the year. Under this limit, the total of all contributions under the Plan cannot exceed a specific dollar amount or 100% of your annual compensation, whichever is less. For 2024, the dollar limit is \$69,000 (\$70,000 in 2025). For years after 2025, this amount may be increased for inflation. For purposes of applying the 100% of compensation limit, your annual compensation includes all taxable compensation, increased for any pre-tax contributions you may make to any other plan we may maintain, such as a cafeteria health plan.

Example: Suppose in 2025 you earn compensation of \$60,500. The maximum amount of contributions you may receive under the Plan for 2025 is \$60,500 (the lesser of \$70,000 or 100% of \$60,500).

ARTICLE 7 DETERMINATION OF VESTED BENEFIT

Vested account balance. When you take a distribution of your benefits under the Plan, you are only entitled to withdraw your *vested* account balance. For this purpose, your *vested* account balance is the amount held under the Plan on your behalf for which you have earned an ownership interest. For this purpose, you are always 100% vested in your Employer Contributions. Thus, you have complete ownership rights to your Employer Contributions immediately after such amounts are contributed to the Plan on your behalf.

- **After-Tax Contributions.** You are always 100% vested in your After-Tax Contributions. In other words, you have complete ownership rights to your After-Tax Contributions under the Plan. Thus, you will never lose your After-Tax Contributions once they are contributed to the Plan. It is possible that your After-Tax Contribution account will decrease as a result of investment losses. If your After-Tax Contribution account decreases because of investment losses, you will only be entitled to the amount in your After-Tax Contribution account at the time of distribution.
- **Employer Contributions.** You are always 100% vested in your Employer Contributions. Thus, you have complete ownership rights to your Employer Contributions immediately after such amounts are contributed to the Plan on your behalf.
- **Employer Pick-Up Contributions.** You are always 100% vested in your Employer Pick-Up Contributions. In other words, you have complete ownership rights to your Employer Pick-Up Contributions under the Plan. Thus, you will never lose your Employer Pick-Up Contributions once they are contributed to the Plan. It is possible that your Employer Pick-Up Contributions account will decrease as a result of investment losses. If your Employer Pick-Up Contribution account decreases because of investment losses, you will only be entitled to the amount in your Employer Pick-Up Contribution account at the time of distribution.
- **Rollover Contributions.** If you rollover amounts from an IRA or another qualified plan to this Plan, you will be 100% vested in such amounts. Thus, you will never lose your rollover contributions once they are rolled over to this Plan. If your rollover contribution account decreases because of investment losses, you will only be entitled to the amount in your rollover contribution account at the time of distribution.

Protection of vested benefit. Once you are vested in your benefits under the Plan, you have an ownership right to those amounts. While you may not be able to immediately withdraw your vested benefits from the Plan due to the distribution restrictions described under Article 9 below, you generally will never lose your right to those vested amounts. However, it is possible that your benefits under the Plan will decrease as a result of investment losses. If your benefits decrease because of investment losses, you will only be entitled to the vested amount in your account at the time of distribution.

ARTICLE 8 PARTICIPANT LOANS

The Plan permits Participants to take a loan from the Plan. Thus, you may take a loan from your vested benefits under the Plan. The Plan Administrator will develop procedures for administering Participant loans, including the establishment of procedures for applying for a loan and limits on the total amount of loan proceeds that may be outstanding at any time. For more information regarding the procedures for receiving a Participant loan, please contact the Plan Administrator.

ARTICLE 9 PLAN DISTRIBUTIONS

The Plan contains detailed rules regarding when you can receive a distribution of your benefits from the Plan. As discussed in Article 7 above, if you qualify for a Plan distribution, you will only receive your vested benefits. This Article 9 describes when you may request a distribution and the tax effects of such a distribution.

Distribution upon termination of employment. When you terminate employment, you may be entitled to a distribution from the Plan. The availability of a distribution will depend on the amount of your vested account balance.

- **Vested account balance in excess of \$5,000.** If your total vested account balance exceeds \$5,000 as of the distribution date, you may receive a distribution from the Plan within a reasonable period following your termination of employment. If you do not consent to a distribution of your vested account balance, your balance will remain in the Plan. If you receive a distribution of your vested benefits when you are only partially-vested in your Plan benefits, your non-vested benefits will be forfeited.

You may elect to take your distribution in any of the following forms. Prior to receiving a distribution from the Plan, you will receive a distribution package that will describe the distribution options that are available to you. If you have any questions regarding your distribution options under the Plan, please contact the Plan Administrator.

- **Lump sum.** You may elect to take a distribution of your entire vested account balance in a lump sum. If you take a lump sum distribution, you may elect to rollover all (or any portion) of your distribution to an IRA or to another qualified plan. See the *Special Tax Notice*, which you may obtain from the Plan Administrator, for more information regarding your ability to rollover your plan distribution.
 - **Partial lump sum.** You may also elect to take a lump sum distribution of less than your entire vested account balance.
 - **Special distribution provisions.** In applying the distribution provisions under the Plan, the following special rules apply: Repetitive payments
- **Vested account balance of \$5,000 or less.** If your total vested account balance under the Plan is \$5,000 or less as of the distribution date, you will be eligible to receive a distribution of your entire vested account balance in a lump sum within a reasonable period following your termination of

employment. If you receive a distribution of your vested benefits when you are partially-vested in your Plan benefits, your non-vested benefits will be forfeited.

You may elect to receive your distribution in cash or you may elect to rollover your distribution to an IRA or to another qualified plan.

If your total vested benefit under the Plan is between \$1,000 and \$5,000 as of the distribution date and you do not consent to a distribution of your vested account balance, your vested benefit automatically will be rolled over to an IRA selected by the Plan Administrator. If your total vested benefit exceeds \$5,000, no distribution will be made from the Plan without your consent. If your total vested benefit is \$1,000 or less as of the distribution date, your entire vested benefit will be distributed to you in a lump sum, even if you do not consent to a distribution.

If your benefit is automatically rolled over to an IRA selected by the Plan Administrator, such amounts will be invested in a manner designed to preserve principal and provide a reasonable rate of return. Common types of investment vehicles that may be used include money market accounts, certificates of deposit or stable value funds. Reasonable expenses may be charged against the IRA account for expenses associated with the establishment and maintenance of the IRA. Any such expenses will be no greater than similar fees charged for other IRAs maintained by the IRA provider. For further information regarding the automatic rollover requirements, including further information regarding the IRA provider and the applicable fees and expenses associated with the automatic rollover IRA, please contact the Plan Administrator or other designated Plan representative.

In-service distributions. You may withdraw vested amounts from the Plan while you are still employed with us, but only if you satisfy the Plan's requirements for in-service distributions. In addition, you may withdraw amounts attributable to After-Tax Contributions and Rollover Contributions at any time.

Under the Plan, you may take an in-service distribution upon any of the following events:

- You are at least age 59.5 at the time of the distribution.

However, special in-distribution rules apply for certain contribution types under the Plan:

- **After-Tax Contributions.** You may withdraw amounts attributable to After-Tax Contributions while you are still employed upon any of the following events:
 - You are at least age 59.5 at the time of the distribution.
- **Employer Pick-Up Contributions.** You may withdraw amounts attributable to Employer Pick-Up Contributions while you are still employed upon any of the following events:
 - You are at least age 59.5 at the time of the distribution.
- **Rollover Contributions.** You may withdraw amounts attributable to Rollover Contributions while you are still employed upon any of the following events:
 - You are at least age 59.5 at the time of the distribution.

Required distributions. If you have not begun taking distributions before you attain your Required Beginning Date, the Plan generally must commence distributions to you as of such date. For this purpose, your Required Beginning Date is April 1 following the end of the calendar year in which you attain age 70½ (age 72, if you were born after June 30, 1949), or terminate employment, whichever is later.

Once you attain your Required Beginning Date, the Plan Administrator will commence distributions to you as required under the Plan. The Plan Administrator will inform you of the amount you are required to receive once you attain your Required Beginning Date.

Distribution upon disability. If you should terminate employment because you are disabled, you will be eligible to receive a distribution of your vested account balance under the Plan's normal distribution rules.

Distributions upon death. If you should die before taking a distribution of your entire vested account balance, your remaining benefit will be distributed to your beneficiary or beneficiaries, as designated on the

appropriate designated beneficiary election form. You may request a designated beneficiary election form from the Plan Administrator.

If you are married, your spouse generally is treated as your beneficiary, unless you and your spouse properly designate an alternative beneficiary to receive your benefits under the Plan. The Plan Administrator will provide you with information concerning the availability of death benefits under the Plan and your rights (and your spouse's rights) to designate an alternative beneficiary for such death benefits. For purposes of determining your beneficiary to receive death distributions under the Plan, any designation of your spouse as beneficiary is automatically revoked upon a formal divorce decree unless you re-execute a new beneficiary designation form or enter into a valid Qualified Domestic Relations Order (QDRO).

Default beneficiaries. If you do not designate a beneficiary to receive your benefits upon death, your benefits will be distributed first to the default beneficiaries identified under the Plan. Generally, distribution will be made first to your spouse and, if you have no spouse at the time of death, then equally to your surviving children and then to your estate. However, the following special rules apply in determining the default beneficiaries under the Plan: In the event no valid designation of Beneficiary exists, or if the Beneficiary with respect to a portion of a Participant's death benefit is not alive at the time of the Participant's death and no contingent Beneficiary has been designated, then such portion of the death benefit will be paid in the following order of priority: 1. The Participant's surviving Spouse; 2. The Participant's issue, in equal shares; 3. The Participant's surviving parents, in equal shares; or 4. The Participant's estate.

Taxation of distributions. Generally, you must include any Plan distribution in your taxable income in the year you receive the distribution. More detailed information on tax treatment of Plan distributions is contained in the "Special Tax Notice" which you may obtain from the Plan Administrator.

- **After-Tax Contributions.** If you have made After-Tax Contributions to the Plan, you will not be taxed on those contributions when they are distributed from the Plan. You will, however, be taxed on income attributable to such contributions.

Distributions before age 59½. If you receive a distribution before age 59½, you generally will be subject to a 10% penalty tax in addition to regular income taxation on the amount of the distribution that is subject to taxation. You may avoid the 10% penalty tax by rolling your distribution into another plan or IRA. Certain exceptions to the penalty tax may apply. For more information, please review the "Special Tax Notice," which may be obtained from the Plan Administrator.

Rollovers and withholding. You may "roll over" most Plan distributions to an IRA or another qualified plan and avoid current taxation. You may accomplish a rollover either directly or indirectly. In a direct rollover, you instruct the Plan Administrator that you wish to have your distribution deposited directly into another plan or an IRA. In an indirect rollover, the Plan Administrator actually makes the distribution to you and you may rollover that distribution to an IRA or another qualified plan within 60 days after you receive the Plan distribution.

If you are eligible to directly rollover a distribution but choose not to, the Plan Administrator must withhold 20% of the taxable distribution for federal income tax withholding purposes. The Plan Administrator will provide you with the appropriate forms for choosing a direct rollover. For more information, see the "Special Tax Notice," which may be obtained from the Plan Administrator.

Certain benefit payments are not eligible for rollover and therefore will not be subject to 20% mandatory withholding. The types of benefit payments that are not "eligible rollover distributions" include:

- annuities paid over your lifetime,
- installments payments for a period of at least ten (10) years,
- minimum required distributions at age 70½ (age 72, if you were born after June 30, 1949),
- hardship withdrawals, and
- Certain "corrective" distributions.

[Note: All of the above distribution options may not be available under this Plan.]

Non-assignment of benefits and Qualified Domestic Relations Orders (QDROs) Your benefits cannot be sold, used as collateral for a loan, given away, or otherwise transferred, garnished, or attached by creditors, except as provided by law. However, if required by applicable state domestic relations law, certain court orders could require that part of your benefit be paid to someone else—your spouse or children, for example. This type of court order is known as a Qualified Domestic Relations Order (QDRO). As soon as you become aware of any court proceedings that might affect your Plan benefits, please contact the Plan Administrator. You may request a copy of the procedures concerning QDROs, including those procedures governing the qualification of a domestic relations order, without charge, from the Plan Administrator.

ARTICLE 10 PLAN ADMINISTRATION AND INVESTMENTS

Valuation Date. To determine your share of any gains or losses incurred as a result of the investment of Plan assets, the Plan is valued on a regular basis. For this purpose, the Plan is valued on a daily basis. Thus, you will receive an allocation of gains or losses under the Plan at the end of each business day during which the New York Stock Exchange is open.

Plan fees. There may be fees or expenses related to the administration of the Plan or associated with the investment of Plan assets that will affect the amount of your Plan benefits. Any fees related to the administration of the Plan or associated with the investment of Plan assets may be paid by the Plan or by the Employer. If the Employer does not pay Plan-related expenses, such fees or expenses will generally be allocated to the accounts of Participants either proportionally based on the value of account balances or as an equal dollar amount based on the number of participants in the Plan. If you direct the investment of your benefits under the Plan, you will be responsible for any investment-related fees incurred as a result of your investment decisions. Prior to making any investment, you should obtain and read all available information concerning that particular investment, including financial statements, prospectuses, and other available information.

In addition to general administration and investment fees that are charged to the Plan, you may be assessed fees directly associated with the administration of your account. For example, if you terminate employment, your account may be charged directly for the pro rata share of the Plan's administration expenses, regardless of whether the Employer pays some of these expenses for current Employees. Other fees that may be charged directly against your account include:

- Fees related to the processing of distributions upon termination of employment.
- Fees related to the processing of in-service distributions.
- Fees related to the processing of required minimum distributions at age 70½ (age 72, if you were born after June 30, 1949), or termination of employment, if later.
- Participant loan origination fees and annual maintenance fees.
- Charges related to processing of a Qualified Domestic Relation Order (QDRO) where a court requires that a portion of your benefits is payable to your ex-spouse or children as a result of a divorce decree.

If you are permitted to direct the investment of your benefits under the Plan, each year you will receive a separate notice describing the fees that may be charged under the Plan. In addition, you will also receive a separate notice describing any actual fees charged against your account. Please contact the Plan Administrator if you have any questions regarding the fees that may be charged against your account under the Plan.

ARTICLE 11
PLAN AMENDMENTS AND TERMINATION

Plan amendments. We have the authority to amend this Plan at any time. Any amendment, including the restatement of an existing Plan, may not decrease your vested benefit under the Plan, except to the extent permitted under the Internal Revenue Code, and may not reduce or eliminate any “protected benefits” (except as provided under the Internal Revenue Code or any regulation issued thereunder) determined immediately prior to the adoption or effective date of the amendment (whichever is later). However, we may amend the Plan to increase, decrease or eliminate benefits on a prospective basis.

Plan termination. Although we expect to maintain this Plan indefinitely, we have the ability to terminate the Plan at any time. For this purpose, termination includes a complete discontinuance of contributions under the Plan or a partial termination. If the Plan is terminated, all amounts credited to your account shall become 100% vested, regardless of the Plan’s current vesting schedule. In the event of the termination of the Plan, you are entitled to a distribution of your entire vested benefit. Such distribution shall be made directly to you or, at your direction, may be transferred directly to another qualified retirement plan or IRA. If you do not consent to a distribution of your benefit upon termination of the Plan, the Plan Administrator will transfer your vested benefit directly to an IRA that we will establish for your benefit. Except as permitted by Internal Revenue Service regulations, the termination of the Plan shall not result in any reduction of protected benefits.

A partial termination may occur if either a Plan amendment or severance from service excludes a group of employees who were previously covered by this Plan. Whether a partial termination has occurred will depend on the facts and circumstances of each case. If a partial termination occurs, only those Participants who cease participation due to the partial termination will become 100% vested. The Plan Administrator will advise you if a partial termination occurs and how such partial termination affects you as a Participant.