

**SUMMARY PLAN DESCRIPTION
FOR**

**Cecil County Public Schools 403(b)
Retirement Plan**

**REFLECTING THE TERMS OF THE PLAN
EFFECTIVE AS OF**

January 1, 2026

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Cecil County Public Schools 403(b) Retirement Plan

SUMMARY PLAN DESCRIPTION

ARTICLE 1 INTRODUCTION

The Board of Education of Cecil County d/b/a Cecil County Public Schools has adopted the Cecil County Public Schools 403(b) Retirement Plan (the "Plan") to help its employees save for retirement. If you are an employee of The Board of Education of Cecil County d/b/a Cecil County Public Schools, 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 SPD 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 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 Department of Labor (DOL), 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 SPD.

Plan Name: Cecil County Public Schools 403(b) Retirement Plan

Plan Number: 001

Employer:

Name: The Board of Education of Cecil County d/b/a Cecil County Public Schools

Address: 201 Booth Street
Elkton, MD 21921-5618

Telephone number: 410-996-5400

Employer Identification Number (EIN): 52-6000923

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.

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 Administrator.

Effective Date of Plan:

This Plan is a restatement of an existing Plan to comply with current law. This Plan was originally effective October 2, 2007. However, unless designated otherwise, the provisions of the Plan as set forth in this SPD are effective as of January 1, 2026.

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.

Investment Arrangement

The Investment Arrangement is the funding medium used for the accumulation of Plan assets from which Participant's benefits will be established.

Plan Compensation:

In applying the contribution formulas under the Plan (as described in Article 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. Note that the compensation dollar limit described above does not apply to Salary Deferrals contributed to the Plan. See your Plan Administrator for special limits that may apply to you if you were a Participant in the Plan prior to January 1, 1996.

For purposes of determining Plan Compensation, your total taxable wages or salary is taken into account including any Salary Deferrals you make to this 403(b) plan and 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:

- All fringe benefits (cash and noncash), reimbursements or other expense allowances, moving expenses, deferred compensation and welfare benefits
- Overtime pay
- Plan Compensation excludes amounts attributable to additional duties performed throughout the school year that are not directly associated with the standard Employee contract and amounts received in the form of a bonus, unless such amounts are paid as a retirement incentive.

Period for determining Plan Compensation. For purposes of determining Plan Compensation, only compensation you are paid while you are a participant in the Plan will be taken into account. Thus, any compensation you are paid while you are not eligible to participate in the Plan will not be considered in determining Plan Compensation.

Normal Retirement Age:

You will reach Normal Retirement Age under the Plan when you turn age 65.

Disabled:

The following definition of Disabled applies for purposes of the Plan: The definition of Disabled shall be based on the earlier of the following: (1) as defined under Section 223(d) of the Social Security Act for purposes of determining eligibility for Social Security benefits; or (2) as defined under the Maryland State Retirement and Pension System

**ARTICLE 3
DESCRIPTION OF PLAN**

Type of Plan. This Plan is a special type of retirement plan commonly referred to as a 403(b) plan. Under the Plan, you may elect to have a portion of your salary deposited directly into a 403(b) account on your behalf. This pre-tax contribution is called a “Salary Deferral.” As a pre-tax contribution, you do not have to pay any income tax while your Salary Deferrals are held in the Plan, and any earnings on your Salary Deferrals are not taxed while they stay in the Plan.

You also may choose to make contributions to the Plan on an after-tax basis, by designating your Salary Deferrals as Roth Deferrals. While you are taxed on a Roth Deferral in the year you contribute to the Plan, you will not be taxed on the contribution or earnings attributable to Roth Deferrals under the Plan when you elect to withdraw your Roth amounts from the Plan, as long as your withdrawal is a qualified distribution. See the discussion of Roth Deferrals under Article 5 below.

In addition to your own Salary Deferrals, if you satisfy the eligibility conditions described in Article 4 below, you may be eligible to receive an additional Employer Contribution under the Plan. If you are eligible to receive an Employer Contribution, we will deposit such contribution directly into the Plan on your behalf. Like the pre-tax Salary Deferrals discussed above, any Employer Contribution we make to the Plan on your behalf and any earnings on such amounts will not be subject to income tax as long as those amounts stay in the Plan. You will not be taxed on your Employer Contributions generally until you withdraw such amounts from the Plan. Article 5 below describes the Employer Contributions authorized under the Plan.

This Plan is a defined contribution plan, which is intended to qualify under Section 403(b) 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.

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 The Board of Education of Cecil County d/b/a Cecil County Public Schools, provided you are not otherwise excluded from the Plan.

Minimum Age and Service Requirements

If you are an Eligible Employee, you may begin to make Salary Deferrals into the Plan as soon as administratively possible after your date of hire. There are no minimum age or service requirements to make Salary Deferrals.

For other contributions, 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. 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 re-satisfy the eligibility requirements in order to participate under the Plan.

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.

Salary Deferrals. You do not need to satisfy any additional allocation conditions to make Salary Deferrals under the Plan. If you satisfy the eligibility conditions described above, you will be eligible to make Salary Deferrals, 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 Salary Deferrals 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.

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.

Salary Deferrals

If you have satisfied the conditions for participating under the Plan (as described in Article 4 above) you are eligible to make Salary Deferrals to the Plan. To begin making Salary Deferrals, you must complete a Salary Deferral election requesting that a portion of your compensation be contributed to the Plan instead of being paid to you as wages. Any Salary Deferrals you make to the Plan will be invested in accordance with the Plan's investment policies.

Pre-Tax Salary Deferrals. If you make Salary Deferrals 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.

Consider the following examples:

- If you earn \$30,000 a year, are in the 22% tax bracket, are eligible to participate in the Plan and you elect to save 3% (or \$900) of your salary under the 403(b) Plan this year, you would save \$198 in Federal income taxes (22% of \$900 = \$198).
- If you earn \$30,000 a year, are in the 22% tax bracket, are eligible to participate in the Plan, and you elect to save 5% (or \$1,500) of your salary under the 403(b) Plan this year, you would save \$330 in Federal income taxes (22% of \$1,500 = \$330).
- If you earn \$30,000 a year, are in the 22% tax bracket, are eligible to participate in the Plan and you elect to save 8% (or \$2,400) of your salary under the 403(b) Plan this year, you would save \$528 in Federal income taxes (22% of \$2,400 = \$528).

As you can see, the more you are able to put away in the Plan and the higher your tax bracket, the greater your tax savings will be. In addition, if the amount of your Salary Deferrals grows due to investment earnings, you will not have to pay any Federal income taxes on those earnings until such time as you withdraw those amounts from the Plan.

Roth Deferrals. Effective October 2, 2007, you also may be able to avoid taxation on earnings under the Plan by designating your Salary Deferrals as Roth Deferrals. Roth Deferrals are a form of Salary Deferral but, instead of being contributed on a pre-tax basis, you must pay income tax currently on such deferrals. However, provided you satisfy the distribution requirements applicable to Roth Deferrals (as discussed in Article 8 below), you will not have to pay any income taxes at the time you withdraw your Roth Deferrals from the Plan, including amounts attributable to earnings. Thus, if you take a qualified distribution (as described in Article 8) your entire distribution may be withdrawn tax-free. You should discuss the relative advantages of pre-tax Salary Deferrals and Roth Deferrals with a financial professional before deciding how much to designate as pre-tax Salary Deferrals and Roth Deferrals.

In-Plan Roth Conversions. Effective January 1, 2026, the Plan permits In-Plan Roth conversions. In addition to making new Roth Deferrals, you also may be able to convert your existing non-Roth vested Plan accounts

to a "Roth" account within the Plan. This includes not only Salary Deferrals, but other contributions, such as Employer Contributions or Matching Contributions. Converting non-Roth contributions to Roth contributions can be a complex decision that is dependent on your personal financial situation and may not be appropriate for all situations or in all circumstances. **Therefore, you should consult with your individual tax advisor to help you determine if this strategy is appropriate for you.**

If you are eligible to make an in-Plan Roth conversion, you can make an in-Plan Roth conversion at any time, even if you are not otherwise eligible to receive a distribution from the Plan. Please contact the Plan Administrator if you would like more information as to how to implement an in-Plan Roth conversion.

- **Tax effect of Roth conversion.** If you elect to convert any portion of your non-Roth contributions to Roth contributions, you will have to include those amounts in gross income for the year of the conversion, unless you have already included such amounts in income. Since no actual distribution is being made from the Plan, no withholding will apply to the in-Plan conversion. If you elect to convert to Roth contributions, you should be sure you have adequately withheld amounts based on the additional taxes owed as a result of the Roth conversion. You may want to increase your withholding or make an estimated tax payment to avoid any potential penalties for underpayment of taxes when filing your federal tax return. You should discuss the specific tax consequences with your tax advisor. In addition, if you are under age 59½ at the time of the Roth conversion, you may be subject to a 10% penalty tax if you take a subsequent distribution from the Roth conversion account prior to your attaining age 59½.
- **Limits applicable to Roth conversions.** In addition, certain limits apply for purposes of determining the amounts that can be converted to Roth contributions. For this purpose, the following limits apply:
 - Roth conversions may only be made from contribution sources that are fully vested (i.e., 100% vested).
 - Roth conversions are not permitted with respect to any outstanding loan balances.
- **Distribution options.** Regardless of any distribution options available for regular Roth contributions, no In-service distributions will be permitted from a Roth conversion account. However, a distribution must continue to be offered for any converted amounts as of the earliest date a distribution would otherwise have been permitted for such converted amounts if you did not elect the Roth conversion.

Salary Deferral election. You may not begin making Salary Deferrals under the Plan until you enter into a Salary Deferral election designating how much you wish to defer under the Plan.

Change of election. You can increase or decrease the amount of your Salary Deferrals as of a designated election date. For this purpose, the designated election date(s) for changing or modifying your Salary Deferral election will be set forth under the Salary Deferral election or other written procedures describing the time period for changing Salary Deferral 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 Salary Deferral election at least once per year. Generally, you may revoke an existing Salary Deferral election and stop making Salary Deferrals at any time. Any change you make to a Salary Deferral 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.

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 above 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.

- **Discretionary Employer Contribution formula.** We will decide each year how much, if any, we will contribute to the Plan. Since this Employer Contribution is discretionary, we may decide not to make an Employer Contribution for a given year. We may decide to give a different contribution to each eligible participant under the Plan. The Employer Contribution may be determined as a percentage of compensation or as a dollar amount. We will inform you of the amount of your Employer Contribution once we determine how much we will be contributing to the Plan.

Special Employer Contributions

In addition to other Employer Contributions under the Plan, the Employer may make special Employer Contributions on behalf of former employees as follows:

- A separate discretionary Employer Contribution may be made to each former Employee.

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 may also rollover Roth contributions from another qualified plan to this Plan. Rollovers are not permitted from a Roth IRA. 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. The 60-day rollover option is not available for rollovers of Roth contributions. Any rollover to the Plan will be credited to your Rollover Contribution Account. See Article 8 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 accept rollover contributions from Employees who have not yet met the Plan’s eligibility requirements as described in Article 4. The Plan Administrator may, in its discretion, accept rollover contributions from former Employees who continue to have account balances under 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 limits on Salary Deferrals. The IRS imposes limits on the amount you can contribute as Salary Deferrals during a calendar year. For 2025, the maximum deferral limit is \$23,500. For years after 2025, the maximum deferral limit may be adjusted for cost-of-living each year. The Plan Administrator will provide you with information regarding the adjusted deferral limits beginning after 2025. In addition, if you are at least age 50 by December 31 of the calendar year, you also may make a special catch-up contribution in addition to the maximum deferral limit described above. For 2025, the catch-up contribution limit is \$7,500. For years after 2025, the catch-up contribution limit may be adjusted for cost-of living each year. The Plan Administrator will provide you with information concerning the catch-up contribution limit for years after 2025.

Example: If you are at least age 50 by December 31, 2025, the maximum Salary Deferral you may make for the 2025 calendar year is \$31,000 [i.e., \$23,500 maximum deferral limit plus \$7,500 catch-up contribution limit].

The IRS deferral limit applies to all Salary Deferrals you make in a given calendar year to this Plan or any other cash or deferred arrangement (including a cash or deferred arrangement maintained by an unrelated employer). For this purpose, cash or deferred arrangements include 401(k) plans, 403(b) plans, simplified employee pension (SEP) plans or SIMPLE plans. (Note: If you participate in both this Plan and a 457 eligible deferred compensation plan, special limits may apply under the 457 plan. You should contact the Plan Administrator of the 457 plan to find out how participation in this Plan may affect your limits under the 457 plan.)

If you make Salary Deferrals for a given year in excess of the deferral limit described above under this Plan or another plan maintained by the Employer (or any other employer maintaining this Plan), the Plan Administrator will automatically return the excess amount and associated earnings to you by April 15. If you make Salary Deferrals for a given year in excess of the deferral limit described above because you made Salary Deferrals under this Plan and a plan of an unrelated employer not maintaining this Plan, you must ask one of the plans to refund the excess amount to you. If you wish to take a refund from this Plan, you must notify the Plan Administrator, in writing, by March 1 of the next calendar year so the excess amount and related earnings may be refunded by April 15. The excess amount is taxable for the year in which you made the excess deferral. If you fail to request a refund, you will be subject to taxation in two separate years: once in the year of deferral and again in the year the excess amount is actually paid to you.

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 2025, the dollar limit is \$70,000. 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 Salary Deferrals you may make to this 403(b) plan and 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 \$55,000 (after reduction for pre-tax 403(b) plan contributions of \$5,500). Your compensation for purposes of the overall contribution limit is \$60,500 (\$55,000 + \$5,500 of pre-tax deferrals). 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. You earn an ownership interest in your Plan benefits if you have earned enough service with us to become *vested* based on the Plan's vesting schedule. If you terminate employment before you become fully vested in any of your Plan benefits, those non-vested amounts may be forfeited. (See below for a discussion of the forfeiture rules that apply if you terminate with a non-vested benefit under the Plan.)

The following describes the vesting schedule applicable to contributions under the Plan.

- **Salary Deferrals.** You are always 100% vested in your Salary Deferrals. In other words, you have complete ownership rights to your Salary Deferrals under the Plan.

- **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.
- **Other contributions.** In addition, certain special contributions that are made to the Plan on your behalf will always be 100% vested. If any of these special contributions are made to the Plan, you will always have an immediate ownership interest in such contributions. Examples of special contributions that may be made to the Plan include:
 - Rollover Contributions

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 8 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 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 8 describes when you may request a distribution and the tax effects of such a distribution.

Spousal Consent for Distributions.

- If you are married, your spouse must consent if you name a beneficiary who is someone other than your spouse.

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 as soon as administratively feasible 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. For this purpose, your vested account balance is determined with regard to any Rollover Contributions you may have under the plan.

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. In addition, if permitted by the Plan Administrator, you may take a partial distribution of a portion of your vested account upon termination of employment. 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.
- **Installment payments.** You may elect to receive a distribution in the form of a series of installment payments. If you elect distribution in the form of installments, your vested benefit will be paid out in equal annual installments over a set number of years. If the installment period is 10 years or

greater, you may not rollover any of the installment payments into an IRA or into another qualified plan. The Plan Administrator will provide you with forms necessary to elect an installment distribution under the Plan.

- **Partial lump sums.** You may elect to receive a distribution in the form of a partial lump sum payment of less than your entire vested benefit. However, you may not take a partial lump sum distribution of less than \$1,000. The Plan Administrator will provide you with forms necessary to elect a partial lump sum distribution under the Plan.
- **Annuity payments.** You also may elect to receive a distribution in the form of an annuity. If you elect to receive a distribution in the form of an annuity, the Plan Administrator will use your vested benefit to purchase an annuity that will pay you over a designated period not to exceed your life or life expectancy (and the life or life expectancy of a designated beneficiary). Special rules apply when distributions are made in the form of an annuity. You (and your spouse, if you are married) should contact the Plan Administrator to make sure you understand your rights with respect to the selection of an annuity form of distribution under the Plan.
- **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 as soon as administratively feasible 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. For this purpose, your vested account balance is determined by including any Rollover Contributions you may have under the plan.

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

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.

- You may receive your distribution in the form of property or other in-kind distribution.

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. Different in-service distribution options apply depending on the type of contribution being withdrawn from the Plan.

If your account is invested in custodial accounts/mutual funds, your ability to take certain in-service distributions may be limited. For more information on such limitations, please see your Plan Administrator.

- **Salary Deferrals.** You may withdraw amounts attributable to Salary Deferrals while you are still employed upon any of the following events:
 - You are at least age 59½ at the time of the distribution.
 - You have incurred a hardship, as described below. You must obtain all available loans before you may receive a hardship distribution.
 - You are in certain qualified active military duty. Please contact your Plan Administrator if you have any questions regarding the availability of a distribution under this provision.
 - You qualify for a Qualified Birth or Adoption Distribution (QBAD) (as defined in the Plan).

- Amounts attributable to Qualified Nonelective Contribution (QNEC) and/or Qualified Matching Contribution (QMAC) sources are only permitted to be withdrawn upon attainment of age 59½.

No in-service distribution of Salary Deferrals may be made prior to age 59½ (other than a distribution on account of hardship). Thus, regardless of any in-service distribution provisions under the Plan, you may not request an in-service distribution of amounts attributable to your Salary Deferrals under the Plan prior to attaining age 59½ (other than a distribution on account of hardship).

- **Employer Contributions.** You may withdraw amounts attributable to Employer Contributions while you are still employed upon any of the following events:
 - You are at least age 59½ at the time of the distribution.
 - You qualify for a Qualified Birth or Adoption Distribution (QBAD) (as defined in the Plan).
- **Rollover Contributions.** If you have rolled money into this Plan from another qualified plan or IRA, you may take an in-service distribution of your Rollover Contribution account at any time.

Hardship distribution. To receive a distribution on account of hardship, you must demonstrate one of the following hardship events.

- (1) You need the distribution to pay unpaid medical expenses for yourself, your spouse or any dependent.
- (2) You need the distribution to pay for the purchase of your principal residence. You must use the hardship distribution for the *purchase* of your principal residence. You may not receive a hardship distribution solely to make mortgage payments.
- (3) You need the distribution to pay tuition and related educational fees (including room and board) for the post-secondary education of yourself, your spouse, your children, or other dependent. You may take a hardship distribution to cover up to 12 months of tuition and related fees.
- (4) You need the distribution to prevent your eviction or to prevent foreclosure on your mortgage. The eviction or foreclosure must be related to your principal residence.
- (5) You need the distribution to pay funeral or burial expenses for your deceased parent, spouse, child or dependent.
- (6) You need the distribution to pay expenses to repair damage to your principal residence (provided the expenses would qualify for a casualty loss deduction on your tax return, without regard to 10% adjusted gross income limit).
- (7) You need the distribution to pay expenses and losses (including loss of income) incurred due to a federally-declared disaster. Your principal residence or principal place of employment at the time of the disaster must be located in the federally-declared disaster area.

In addition, a hardship event described under (1), (3) or (5) above may also be determined with respect to a primary beneficiary under the Plan. For this purpose, a primary beneficiary is an individual who is named as a beneficiary under the Plan and has an unconditional right to all or a portion of a participant's benefit upon the death of the participant.

Before you may receive a hardship distribution, you must represent, in writing, that you have insufficient cash or other liquid assets to satisfy your financial need.

In addition, if you have other distributions available under this Plan (or any other plan we may maintain) you must take such distributions *before* requesting a hardship distribution.

You may not receive a hardship distribution of more than you need to satisfy your hardship. In calculating your maximum hardship distribution, you may include any amounts necessary to pay federal, state or local income taxes or penalties reasonably anticipated to result from the distribution. See the Plan Administrator for more information regarding the maximum amount you may take from the Plan as a hardship distribution and the total amount you have available for a hardship distribution. The Plan Administrator will provide you with the appropriate forms for requesting a hardship distribution.

Limits on in-service distributions. In addition to the requirements described above for receiving an in-service distribution, the Plan contains additional limits which may limit your ability to take an in-service withdrawal. For example:

- You may not receive a hardship distribution (even if otherwise available under the Plan) if you have terminated employment.

The Plan Administrator may impose additional limitations on in-service distributions as authorized under the Plan.

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 generally is April 1 following the end of the calendar year in which you attain age 70½ (or age 72, if you were born after June 30, 1949) or terminate employment, whichever is later. (For 5% owners, the Required Beginning Date is April 1 following the calendar year in which you attain age 70½ (or age 72, if you were born after June 30, 1949), even if you are still employed.)

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.

Disaster-related distributions. Special rules related to certain federally-declared natural disasters may have applied for distributions and loans under the Plan. If you received a disaster-related distribution from the Plan, you may be able to recontribute the amount of the distribution to the Plan. Please contact the Plan Administrator for more information.

Distribution of lifetime income investment. The Plan may allow a distribution of certain lifetime income investments, provided such distribution is made within the 90-day period ending on the date when the lifetime income investment is no longer authorized to be held as an investment option under the Plan. The Plan Administrator will notify you if you are eligible for this type of distribution.

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 your spouse. If you have no spouse at the time of death, your benefits will be distributed to your surviving children in equal shares. If you have no surviving spouse or children at the time of your death, your benefits will be distributed to your 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.

- **Roth Deferrals.** If you make Roth Deferrals under the Plan, you will not be taxed on the amount of the Roth Deferrals taken as a distribution (because you pay taxes on such amounts when you contribute

them to the Plan). In addition, you will not pay taxes on any earnings associated with the Roth Deferrals, provided you take the Roth Deferrals and earnings in a qualified distribution. For this purpose, a qualified distribution occurs only if you have had your Roth Deferral account in place for at least 5 years and you take the distribution on account of death, disability, or attainment of age 59½. If you have made both pre-tax Salary Deferrals and Roth Deferrals under the Plan, you may designate the extent to which a distribution of Salary Deferrals is taken from your pre-tax Salary Deferral Account or your Roth Deferral Account. Any distribution of Salary Deferrals (including Roth Deferrals) must be authorized under the Plan distribution provisions.

If you take a distribution that does not qualify as a qualified distribution, you will be taxed on the earnings associated with the Roth contributions. (You will never be taxed on the Roth contributions distributed since those amounts are taxed at the time you make the Roth contributions or Roth conversion.)

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.

If you convert pre-tax deferrals to Roth deferrals under an in-Plan Roth conversion (as described in Article 5), the 10% penalty does not apply at the time of the Roth conversion. However, if you subsequently take a distribution of converted amounts before you turn age 59½, you may be subject to the 10% penalty unless you have held the converted amounts in the plan for at least five years.

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,
- installment payments for a period of at least ten (10) years,
- minimum required distributions at age 70½ (or 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.

Missing participants or beneficiaries. The Plan Administrator will make reasonable and diligent efforts to locate any missing participant or beneficiary. In the event that the Plan Administrator is unable to locate a participant or beneficiary who is entitled to receive a benefit from the Plan, the Plan Administrator may use any available regulatory or Plan method to resolve the matter, including forfeiture of the benefits, setting up an IRA, transferring benefits to a federal program or State unclaimed property fund, as is deemed appropriate. You may contact the Plan Administrator for further information concerning the disposition of benefits for missing participants and beneficiaries, including information on State unclaimed property funds or IRAs to which benefits were transferred.

ARTICLE 9 PLAN ADMINISTRATION AND INVESTMENTS

Investment of Plan assets. Your right to direct the investment of your Plan accounts is restricted as follows:

- You may only direct investments for the following accounts: All Accounts

Plan assets may be invested in either mutual funds or annuity contracts. The Plan Administrator will provide you with information on the amounts available for direction, the investment choices available to you, the frequency with which you can change your investment choices and other investment information. Periodically, you will receive a benefit statement that provides information on your account balance and your investment returns. If you have any questions about the investment of your Plan accounts, please contact the Plan Administrator (or other Plan representative).

Although you have the opportunity to direct the investment of your benefits under the Plan, the Plan Administrator may decline to implement investment directives where it deems it is appropriate in fulfilling its role as a fiduciary under the Plan. The Plan Administrator may adopt rules and procedures to govern Participant investment elections and directions under the Plan.

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 (including hardship distributions).
- Fees related to the processing of required minimum distributions at age 70½ (or 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 10 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 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.

ARTICLE 12 PLAN PARTICIPANT RIGHTS AND CLAIM PROCEDURES

Please contact the Plan Administrator regarding your rights under the Plan and the Plan's claims procedures.