

## 401(K) PLAN

### HARDSHIP DISTRIBUTION AMENDMENT FOR 401(K) PLANS

This Amendment is intended as a good faith effort to comply with the requirements of the hardship distribution final regulations and is to be construed in accordance with same. Both the Amendment and the provisions of the hardship distribution final regulations will supersede any inconsistent Plan provisions.

For each item below, if the check boxes are empty, the *italicized* provision will apply.

#### 1. Deferral Earnings

*Effective on the first day of the first plan year after 12/31/2018, hardship distributions may be taken from earnings on all Elective Deferrals.*

- Effective \_\_\_\_\_, earnings on all Elective Deferrals are available for hardship distributions.
- Hardship distributions continue to only be available from earnings on Elective Deferrals grandfathered under Treas. Reg. section 1.401(k)-1(d)(3)(ii)(B).

#### 2. Safe Harbor Contributions/QNECs/QMACs

*Effective on the first day of the first plan year after 12/31/2018, if available under the Plan, Qualified Non-Elective Contributions (QNECs), Qualified Matching Contributions (QMACs) or contributions used to satisfy the safe harbor requirements of Code sections 401(k)(12) or 401(k)(13), or 401(m)(11) or 401(m)(12), will be available for hardship distributions.*

- Effective \_\_\_\_\_, hardship distributions are permitted from Qualified Non-Elective Contributions, Qualified Matching Contributions or contributions used to satisfy the safe harbor requirements of Code sections 401(k)(12) or 401(k)(13), or 401(m)(11) or 401(m)(12), if available under the Plan.
- Hardship distributions continue to be prohibited from Qualified Non-Elective Contributions, Qualified Matching Contributions or contributions used to satisfy the safe harbor requirements of Code sections 401(k)(12) or 401(k)(13), or 401(m)(11) or 401(m)(12).

#### 3. Amount Necessary to Satisfy Need Requirement

*Effective on the first day of the first plan year after 12/31/2018, a hardship distribution will be considered necessary to satisfy an immediate and heavy financial need of the Participant only if:*

- *The distribution is not in excess of the amount required to satisfy the financial need (including any amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution);*
- *The Participant has obtained all other currently available distributions, other than hardship distributions, under any deferred compensation plan, whether qualified or nonqualified, maintained by the Employer; and*
- *Effective for distributions made on or after 01/01/2020, the Participant has represented (in writing or by an electronic medium) that he has insufficient cash or other liquid assets to satisfy the financial need.*

- Effective \_\_\_\_\_, a distribution will be determined to satisfy an immediate and heavy financial need only if the three criteria listed above are met.
- The following provisions will be used for complying with the amount necessary to satisfy need requirement: \_

#### 4. Six-Month Suspension

*If the Safe Harbor criteria are used for hardship distributions, effective on the first day of the first plan year after 12/31/2018, the six-month suspension period for Elective Deferrals (and after-tax contributions) will no longer be a condition for obtaining a hardship distribution, even if the hardship distribution was made in the prior plan year.*

- Effective \_\_\_\_\_, the Plan will not initiate a six-month suspension period on Elective Deferrals (and after-tax contributions) following a hardship distribution (cannot be later than 01/01/2020).
- The Plan will discontinue any remaining portion of the suspension period for hardship distributions

made prior to the entered effective date.

- The Plan will continue any remaining portion of the full six-month suspension period for hardship distributions made prior to the entered effective date.

5. Loan Requirement

*If the Safe Harbor criteria are used for hardship distributions, effective on the first day of the first plan year after 12/31/2018, Participants are not required to take all nontaxable loans under all plans maintained by the Employer prior to applying for a hardship distribution.*

- Effective \_\_\_\_\_, Participants are not required to take all available nontaxable loans before applying for a hardship distribution.
- Participants must continue to take all nontaxable loans under all plans maintained by the Employer before applying for a hardship distribution.

6. Safe Harbor Financial Needs

*If the Safe Harbor criteria are used for hardship distributions, the following immediate and heavy financial needs are considered as safe harbor criteria for hardship distributions made on or after 01/01/2018:*

- *Expenses for the repair of damage to the Employee's principal residence that would qualify for the casualty deduction under Code section 165 (determined without regard to section 165(h)(5) and whether the loss exceeds 10% of adjusted gross income).*
- *Expenses and losses (including loss of income) incurred by the Employee on account of a disaster declared by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, provided that the Employee's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster.*

- Effective \_\_\_\_\_, the immediate and heavy financial needs listed above are considered as safe harbor criteria for hardship distributions.
- The immediate and heavy financial needs listed above are not considered as safe harbor criteria for hardship distributions.

**401(K) PLAN  
SUMMARY OF MATERIAL MODIFICATIONS**

The purpose of this Summary of Material Modifications is to inform you of changes that have been made to the 401(k) Plan. These changes affect the information previously provided to you in the Plan's Summary Plan Description. The Summary Plan Description is modified as described below.

Due to changes affecting the Hardship Distribution section, the entire section is provided below along with any special effective dates.

Hardship Distributions

**General Rule.** You may receive a distribution on account of hardship from all of your Accounts that are fully vested, including your Qualified Non-Elective Contribution Account and Safe Harbor Matching Contribution Account effective 01/01/2019. Earnings of your Elective Deferral Account are also eligible for hardship distribution effective 01/01/2019.

Your Roth Contributions may be withdrawn on account of financial hardship in the same manner as your regular Elective Deferral Contributions. Please note however, that the income on the Roth Contributions may be taxable (and subject to penalties for early withdrawal) if the withdrawal is not a "qualified distribution."

**Immediate and Heavy Financial Need.** You may receive a hardship distribution only if the Plan Administrator finds that you have an immediate and heavy financial need where you lack other available resources. The following are the only financial needs considered immediate and heavy:

- (1) Expenses incurred or necessary for medical care, described in Code section 213(d), for you or your spouse, children, or dependents;
- (2) The purchase (excluding mortgage payments) of a principal residence for the Participant;
- (3) Payment of tuition and related educational fees for the next 12 months of post-secondary education for you or your spouse, children or dependents;
- (4) The need to prevent the eviction of you from your principal residence (or a foreclosure on the mortgage on your principal residence);
- (5) Payments for burial or funeral expenses for your deceased parent, spouse, children or dependents;
- (6) Expenses for the repair of damage to your principal residence that would qualify for the casualty deduction;  
or
- (7) Expenses incurred on account of a federally declared disaster.

Effective 01/01/2019, there will no longer be a 6-month suspension period for your Elective Deferral Contributions, if applicable, after the receipt of the hardship distribution. In addition, any remaining portion of the 6-month suspension period for a prior hardship distribution will be discontinued on that date.

**Amount Necessary to Satisfy Need.** Effective 01/01/2019, a distribution will be considered as necessary to satisfy your immediate and heavy financial need only if:

- (1) You have obtained all distributions, other than hardship distributions, under all plans maintained by the Company;
- (2) The distribution is not in excess of the amount of an immediate and heavy financial need (including amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution).
- (3) You have represented in writing that you have insufficient cash or other liquid assets to satisfy the financial need.