

PREMIUM ONLY PLAN



PLAN DOCUMENT

SECTION 1

PRELIMINARY MATTERS

- 1.1 **Form.** The Premium Only Plan ("POP") is set forth in this document, the accompanying Plan Highlights which is incorporated herein by reference and made a part hereof, and any amendments to these documents.
- 1.2 **Plan Purpose.** This Plan is designed and intended to qualify as a cafeteria plan under Code Section 125, and is to be interpreted in a manner consistent with Code Section 125. The sole purpose of this Plan is to provide Participants with the opportunity to elect to receive taxable compensation or to pay their share of premiums for various Eligible Benefits on a pre-tax basis.

SECTION 2

DEFINITIONS

- 2.1 **"Accidental Death and Dismemberment Insurance"** means any policy or program of accidental death and dismemberment insurance coverage offered or maintained by the Sponsor or a Participating Affiliate.
- 2.2 **"Affiliate"** means any corporation, partnership or other entity with which the Sponsor constitutes a controlled group of corporations, a group of trades or businesses (whether or not incorporated) under common control or an affiliated service group as defined under Code Sections 414 (b), (c), (m), (n) or (o).
- 2.3 **"Child"** means any child of a Participant described in Code Section 152(f)(1) who has not attained age 27 as of the end of the Participant's taxable year.
- 2.4 **"Code"** means the Internal Revenue Code of 1986, as may be amended from time to time. Reference to a specific provision of the Code shall include such provision and any valid regulation promulgated thereunder, or corresponding provision of any successor revenue law thereto.
- 2.5 **"Dental Insurance"** means any policy or program of dental insurance coverage offered or maintained by the Sponsor or a Participating Affiliate.
- 2.6 **"Dependent"** means (1) any person who is a dependent of a Participant within the meaning of Code Section 152, determined without regard to subsections (b)(1), (b)(2) and (d)(1)(B) thereof and (2) a Participant's Child.
- 2.7 **"Disability Insurance"** means any policy or program of long-term disability insurance coverage offered or maintained by the Sponsor or a Participating Affiliate.
- 2.8 **"Effective Date"** means the day the Plan begins as stated in the Plan Highlights. Notwithstanding the foregoing, the Plan may not be effective prior to the date the Plan is adopted. The effective date of an amendment and restatement of an existing Plan shall be the date stated in the Plan Highlights but shall be no earlier than the date the amended and restated Plan is adopted.
- 2.9 **"Eligible Benefits" or "Benefits"** means the benefits permitted under Code Section 125(f) and the regulations thereunder, including (but not necessarily limited to) Health Insurance, Dental Insurance, Vision Insurance, Accidental Death and Dismemberment Insurance, Disability Insurance and Life Insurance as listed in the Plan Highlights and which are more fully described in separate written documents. Notwithstanding the preceding sentence, Eligible Benefits for purposes of the Plan shall be limited to those benefits supported under the Service Provider's POP program.

- 2.10** **“Employee”** means a person who performs services for the Sponsor or Participating Affiliate and receives compensation for his services other than a pension, retirement allowance, retainer or fee under contract. Such persons may include persons who are common law employees, leased employees described in Code section 414(n) or full-time life insurance salesmen defined in Code section 7701(a)(20). Person who act only as directors or independent contractors are not Employees, although persons who serve in a dual status (i.e., persons performing services both as an employee and as a director or independent contractor) are Employees to the extent they serve in an employee capacity. Persons who are sole proprietors, partners owning an interest in a partnership, 2% shareholders (as defined in Code Section 1372(b)) of an S corporation or owners of a pass-through entity (such as a limited liability company) are not Employees. If an individual is not considered to be an employee of the Sponsor or Participating Affiliate in accordance with the preceding sentences for a Plan Year, a subsequent determination by the Sponsor, Participating Affiliate, any governmental agency or court that the individual is an employee of the Sponsor or Participating Affiliate, even if such determination is applicable to a prior Plan Year, will not have a retroactive effect for purposes of eligibility to participate in the Plan.
- 2.11** **“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended, and corresponding provisions of future laws. Reference to a specific provision of ERISA shall include such provision and any valid regulation promulgated thereunder.
- 2.12** **“Health Insurance”** means any policy or program of group health insurance coverage offered or maintained by the Sponsor or a Participating Affiliate that is a qualified benefit within the meaning of Code Section 125(f).
- 2.13** **“Highly Compensated Individual or Participant”** means any individual or Participant who is a Highly Compensated Individual or a Highly Compensated Participant as defined under Code Section 125.
- 2.14** **“Key Employee”** means any Employee who is a key employee of the Sponsor or a Participating Affiliate within the meaning of Code Section 416(i)(1) at any time during the preceding Plan Year.
- 2.15** **“Life Insurance”** means any policy or program of group term life insurance coverage offered or maintained by the Sponsor or a Participating Affiliate.
- 2.16** **“Participant”** means any Employee who meets the requirements for participation specified in Article 3.
- 2.17** **“Participating Affiliate”** means an Affiliate that adopts the Plan in accordance with Section 8.3.
- 2.18** **“Plan”** means the Premium Only Plan (“POP”) set forth in this document and the accompanying Plan Highlights, as amended from time to time.
- 2.19** **“Plan Administrator”** means the Sponsor of the Plan, unless otherwise designated by the Sponsor in the Plan Highlights.
- 2.20** **“Plan Highlights”** means the accompanying document, which is incorporated into the Plan by reference and made a part hereof, which sets forth specific features of the Plan as specified by the Sponsor.
- 2.21** **“Plan Year”** means a twelve (12) consecutive month period that commences and ends on a date selected by the Sponsor and set forth in the Plan Highlights. The Plan Year is also the period of coverage for each Eligible Benefit specified in the Plan Highlights for purposes of the requirements of Code Section 125. A Sponsor may specify a short Plan Year of less than twelve (12) consecutive months in the Plan Highlights, or change a Plan Year to a different twelve (12) consecutive month period than the initial Plan Year specified in the Plan Highlights, but only if the specification of a short Plan Year or a change to a Plan Year is made for a valid business purpose and is otherwise permitted under Code Section 125.
- 2.22** **“Salary Conversion Amount”** means the portion of a Participant's compensation reserved for the payment of Eligible Benefits under the Plan for a Plan Year.

- 2.23 **“Service Provider”** means ADP, LLC, or any subsidiary or division thereof which has contracted with the Sponsor to provide plan documentation and related services in connection with the Plan, and any successor in interest thereto.
- 2.24 **“Sponsor”** means the employer identified in the Plan Highlights. “Sponsor” also means any successor entity assuming the obligations created in this Plan. Solely for purposes of nondiscrimination testing under Code Section 125, the Sponsor shall include all entities that are treated as an Affiliate.
- 2.25 **“Vision Insurance”** means any policy or program of vision insurance coverage offered or maintained by the Sponsor or a Participating Affiliate.

SECTION 3

PARTICIPATION

- 3.1 **Eligibility Requirements.** An Employee shall be eligible to participate in the Plan if he meets the eligibility requirements specified in the Plan Highlights. If this Plan is an amendment and restatement of an existing plan, any Employee who was a participant in the existing plan shall continue to be eligible to participate in the Plan. Persons who are not Employees are not eligible to participate in the Plan.
- 3.2 **Participation Date and Initial Election.** An eligible Employee shall become a Participant in the Plan effective as of the later of the date on which he satisfies the requirements of Section 3.1 or the Effective Date of the Plan. Each eligible Employee shall be required to sign and complete an election form in accordance with the provisions of Section 5.1 prior to commencing participation in the Plan. Participation shall commence on the participation commencement date specified in the Plan Highlights, which date shall not be retroactive to any date prior to the date the eligible Employee becomes a Participant; provided, however, that the participation commencement date may be retroactive to the date of hire for a newly-hired eligible Employee (other than an Employee who is rehired within 30 days after terminating employment or an Employee who returns to employment after an unpaid leave of absence of less than 30 days) if such Employee signs and completes the election form required by Section 5.1 within 30 days after his date of hire.
- 3.3 **Duration of Participation.** Except as otherwise provided in Sections 4.4, 5.2, and 7.2 of this Plan, an eligible Employee shall continue as a Participant so long as he remains in the employment of the Sponsor or Participating Affiliate and continues to meet the eligibility requirements of Section 3.1.
- 3.4 **Reinstatement of Participant.** A former Participant will again become a Participant if and when he meets the eligibility requirements of Section 3.1 and, if terminated and rehired within the same Plan Year, may make a new election hereunder for the remainder of the Plan Year in accordance with Section 5 of this Plan. Notwithstanding the previous sentence, if a former Participant is rehired within a period of time specified by the Plan Administrator in its administrative rules and procedures and within the same Plan Year as the initial termination of employment, the former Participant, upon satisfaction of the eligibility criteria of Section 3.1, may not make a new enrollment election hereunder for the remainder of the Plan Year and the Sponsor or Participating Affiliate, as applicable, shall reinstate such Participant’s coverage elections that were in effect immediately prior to termination of employment.

SECTION 4

CONTRIBUTIONS AND BENEFITS

- 4.1 **Salary Conversion Election.** Each Participant may elect to receive full payment of compensation in cash or to apply a portion of compensation toward the payment of premiums for Eligible Benefits for the Participant or the Participant’s spouse or Dependent. A Participant’s salary conversion election shall be effective only for compensation that is not currently available to the Participant. Upon receipt of a Participant’s salary reduction election, the Sponsor or Participating Affiliate, as applicable, shall reduce the Participant’s future compensation for the Plan Year by an amount determined based upon the Participant’s election of Eligible Benefits. Except as provided in Section 5, any election for Eligible Benefits shall be effective for the Plan Year to which such election relates.

- 4.2 **Maximum Salary Conversion Amount.** The total amount of compensation eligible for conversion in any one Plan Year shall not exceed the total cost of Benefits available under the Plan with respect to that Participant. Employees who become eligible to participate in the Plan on a date other than the first day of the Plan Year shall be eligible to convert an amount of compensation equal to the maximum Salary Conversion Amount times a fraction, the numerator of which will be the number of full months remaining in the Plan Year and the denominator of which will be twelve. The maximum Salary Conversion Amount available to Participants receiving insurance benefits through the Plan shall be increased by the amount of any increase in the cost of such insurance benefits occurring during the Plan Year.
- 4.3 **Forfeitability of Contributions.** Any salary conversion amounts made by a Participant for Eligible Benefits shall not be returned to the Participant, provided, however, that notwithstanding the foregoing, such payments may be returned to the extent they result from a processing error by the Sponsor, a Participating Affiliate, the Service Provider or a third-party carrier.
- 4.4 **Termination of Contributions.** If a Participant fails to make any contributions required to pay for a Benefit he has elected, the Plan Administrator shall terminate provision of the Benefit to the Participant unless other arrangements have been made with the Participant. The Participant may renew election of the terminated Benefit at the beginning of the Plan Year following termination of the Benefit, provided that he satisfies the eligibility requirements of Section 3.1 and 3.2 for the new Plan Year.
- 4.5 **Eligible Benefits.** Notwithstanding that a Participant's Salary Conversion Amounts may be used to pay premiums under this Plan for one or more of the Eligible Benefits set forth in the Plan Highlights, said Benefits will not be provided by this Plan but by the specific Benefit plan made available by the Sponsor and Participating Affiliates and elected by the Participant. Any insurance benefits payable to Participants are described in the contracts or policies issued by the insurance companies or, with respect to a self-insured arrangement, described in the plan document governing said arrangement.
- (a) The Plan provides only for payment of premiums for the Eligible Benefits selected by Participants. Actual terms of the insurance coverage are separately and exclusively governed by the insurance policies or the plan document in the case of a self-insured arrangement.
 - (b) The Sponsor and Participating Affiliates do not guarantee payment of any claims arising for benefits under the insurance policies, or plan document, as the case may be, nor does eligibility under the Plan guarantee that Participants will satisfy any insurer's requirements for eligibility to receive insurance.
 - (c) If premium costs change during the Plan Year, a revised schedule of premium costs will be distributed.
- 4.6 **No Deferred Compensation.** At no time shall this Plan permit a Participant to defer the receipt of compensation or benefits from one Plan Year to another Plan Year, except as expressly permitted by Code Section 125.

SECTION 5

ELECTION PROCEDURES

- 5.1 **Initial Elections.** The Plan Administrator shall coordinate initial elections by making election forms available to newly eligible Employees as they become eligible or at such earlier time as the Plan Administrator deems appropriate. The election form shall permit an eligible Employee to elect Eligible Benefits, and the eligible Employee must complete, sign and return the form to the Plan Administrator. If the Employee returns the election form before his effective date of participation pursuant to Section 3.2, the election shall be effective on his effective date of participation. If the Employee returns the election form within 30 days after his effective date of participation, the election shall be effective on the first day of the first pay period following the later of his effective date of participation or the date the election form is received by the Plan Administrator. The previous sentence notwithstanding, if the Plan Highlights specifies a participation commencement date that is retroactive to the date of hire for a newly-hired Eligible Employee (other than an Employee who is rehired within 30 days after terminating employment or an Employee who returns to

employment after an unpaid leave of absence of less than 30 days) who returns the election form within 30 days after his date of hire, the election shall be effective retroactive to such Employee's date of hire. If an Employee fails to return a completed initial election form within 30 days after the participation commencement date, the Employee's failure to make an election is governed by Section 5.6. Notwithstanding the foregoing, if this Plan is an amendment and restatement of a previously existing plan, the Plan Administrator may but need not obtain re-executed election forms from current Participants reaffirming their election to participate if the Plan Administrator determines in its discretion that the enrollment forms currently in effect at the time of said amendment and restatement are consistent with the terms of this Plan. Except as otherwise provided in Section 5, an initial election shall be irrevocable for the remainder of the Plan Year to which such election relates.

5.2 Annual Elections. The Plan Administrator shall coordinate annual elections by making election forms available to each eligible Employee and Participant approximately 30 days prior to the beginning of each Plan Year, or during such earlier time as the Plan Administrator may prescribe. The election form shall permit an eligible Employee to elect Eligible Benefits, and shall permit a Participant to change or revoke a prior election of Eligible Benefits. All election forms must be completed and returned on or before the date specified by the Plan Administrator for making annual elections. An eligible Employee's or Participant's annual election shall be effective on the first day of the Plan Year following the date specified by the Plan Administrator for making annual elections. If an Employee fails to return a completed annual election form on or before the date specified by the Plan Administrator, the Employee's failure to make an election is governed by Section 5.6. Except as otherwise provided in this Section 5, an annual election shall be irrevocable for the remainder of the Plan Year to which such election relates.

5.3 Change in Status. A Participant may change or revoke an election during the Plan Year if the Participant experiences an event as described in Section 5.4 below, including a Change in Status, and such change or revocation satisfies the consistency requirements of Section 5.4. Any permissible change or revocation must be made in the manner prescribed by the Plan Administrator within a reasonable period of time as established by the Plan Administrator following the date of the Change in Status or other event. For purposes of this Plan, a "Change in Status" shall mean any of the following events:

- (a) The Participant's marriage, death of the Participant's spouse, divorce, legal separation, or annulment;
- (b) Birth, death, adoption, or placement for adoption of a Dependent with a Participant;
- (c) A change in the employment status of the Participant or the Participant's spouse or Dependent(s), including termination or commencement of employment, strike or lockout, beginning or returning from an unpaid leave of absence, and a change in worksite that requires a change in elections under an underlying Benefit. In addition to the foregoing, if eligibility for a cafeteria plan (including this Plan) or other benefit plan of the Sponsor or Participating Affiliate or the employer of the Participant's spouse or Dependent, depends on such an individual's employment status and a change in the individual's employment status causes the individual to gain or lose eligibility under such plan, that change will constitute a change in employment under this Section 5.3(c);
- (d) Events that cause the Participant's Dependent(s) to satisfy or cease to satisfy eligibility requirements for coverage under a Benefit plan on account of attainment of age, student status, or any similar circumstances specified in the applicable Benefit plan;
- (e) A change in residence by the Participant, the Participant's spouse, or the Participant's Dependent(s); and
- (f) Any other events, determined in the sole discretion of the Plan Administrator, to be a Change in Status under any regulation, ruling, release or statement issued under Code Section 125.

5.4 Events Permitting a Mid-Plan Year Election Change. Notwithstanding the irrevocability requirements of Sections 5.1 and 5.2 of this Plan, a Participant may change an election during a Plan Year under the circumstances and in the manner described below.

- (a) **Change in Status.** If a Participant experiences a Change in Status, as defined in Section 5.3, the Participant may make a new election as long as that election is consistent with the Change in Status. A new election is consistent with a Change in Status if, as determined in the sole discretion of the Plan Administrator, the election change is on account of and corresponds with a Change in Status that affects eligibility for Eligible Benefits or benefits under the plan of a

Dependent's or Participant's spouse's employer. In addition, the following special consistency requirements must be satisfied, if applicable:

- (i) Loss of Spouse or Dependent Eligibility. If the Change of Status is the Participant's divorce, annulment or legal separation from a spouse, the death of a spouse or Dependent, or a Dependent ceasing to satisfy the eligibility requirements for coverage, a Participant's mid-year election options are limited to canceling accident or health insurance coverage (as defined in Section 5.4(k)(i) below) for the spouse involved in the divorce, annulment or legal separation, the deceased spouse or Dependent, or the Dependent that ceased to satisfy the eligibility requirements for coverage. No other election is consistent with such a Change in Status, provided that if a Participant or his spouse or Dependent becomes eligible for continuation coverage under a plan maintained by the Sponsor or a Participating Affiliate as provided in Code Section 4980B (COBRA) or any similar state law, the Participant may increase his pre-tax election to pay for the continuation coverage for himself, his spouse or Dependent, as applicable.
 - (ii) Coverage Under Another Employer's Plan. If a Participant or his spouse or Dependent gains eligibility for coverage under another cafeteria plan or underlying benefit plan funded by a cafeteria plan due to a change in the Participant's marital status or a change in employment status of the Participant, his spouse or Dependent, a Participant's election under this Plan to cease or decrease coverage for that individual corresponds with that Change in Status only if coverage for that individual goes into effect or is increased under the other plan.
- (b) Significant Curtailment of Coverage. If coverage offered to a Participant or Participant's spouse or Dependent is significantly curtailed or ceases during a Plan Year, affected Participants may revoke their elections for such coverage under the Plan. Each such affected Participant may make a new election prospectively for "similar coverage" under another plan, if any, that is made available for the remainder of the Plan Year. Such an election is to be made within a reasonable period of time as established by the Plan Administrator after the coverage is significantly curtailed or ceases. Coverage is deemed to be significantly curtailed only if there is an overall reduction in coverage provided under the plan so as to constitute reduced coverage generally. In all events, the Plan Administrator will determine in its sole discretion and in accordance with prevailing Internal Revenue Service guidance whether a curtailment is "significant" and whether other coverage is "similar coverage."
- (c) Medicare/Medicaid Entitlement. If a Participant or a Participant's spouse or Dependent who is enrolled in a Sponsor's or Participating Affiliate's accident or health plan (as defined in Section 5.4(k)(i) below) becomes entitled to Medicare or Medicaid (other than coverage consisting solely of pediatric vaccine benefits under Section 1982 of the Social Security Act), the Participant may make a prospective election change to cancel or reduce coverage for the Participant or his spouse or Dependent, as applicable, under the Plan. In addition, if a Participant or his spouse or Dependent who has been entitled to such coverage under Medicare or Medicaid loses eligibility for such coverage, the Participant may make a prospective election change to commence or increase coverage of that Participant, spouse or Dependent under a Sponsor's or Participating Affiliate's accident or health plan. An election change is to be made within a reasonable period of time as established by the Plan Administrator after the event described in this Section 5.4(c).
- (d) Judgment, Decree or Order. If a Sponsor or Participating Affiliate is in receipt of a judgment, decree or order resulting from a divorce, legal separation, annulment, or change in legal custody, including a qualified medical child support order (as defined in Section 609 of ERISA) with respect to a Dependent child or Dependent foster child of a Participant, and if such a court order requires accident or health coverage (as defined in Section 5.4(k)(i) below) for a Participant's Dependent child or Dependent foster child, the Plan Administrator shall change the Participant's election under the Plan to comply with the order. Specifically, a Participant may (i) change his or her election to provide coverage for the Dependent child or Dependent foster child if the order requires the Participant to provide coverage; or (ii) change his or her election to revoke coverage for the Dependent child or Dependent foster child if the order requires the Participant's spouse, former spouse or other individual to provide coverage for such child and that coverage is provided.
- (e) Addition, Significant Improvement, or Elimination of Option. If a Sponsor or Participating Affiliate

adds or eliminates a benefit package option (as defined in Section 5.4(k)(ii) below) or other coverage option, or significantly improves coverage under an existing benefit package option or other coverage option, during a Plan Year, affected Participants or, if applicable, Employees who are otherwise eligible to participate in the Plan, may prospectively elect the newly-added or significantly improved option, or elect another option if an option has been eliminated, and make corresponding election changes with respect to other benefit package options providing similar accident or health coverage, subject to the terms of the underlying coverage. The Plan Administrator will determine in its sole discretion whether a benefit or coverage option has been added or significantly improved. An election change is to be made within a reasonable period of time as established by the Plan Administrator after the event described in this Section 5.4(e).

- (f) Change in Cost of Coverage. If the cost of any coverage payable by a Participant under a qualified benefits plan maintained by a Sponsor or Participating Affiliate is increased (or decreased) during the Plan Year, the compensation reduction amount of each Participant shall be automatically adjusted consistent with such change in required costs. If the cost of coverage payable by a Participant under the Plan for a benefit package option significantly increases (or significantly decreases), as determined by the Plan Administrator in its sole discretion, a Participant may make a corresponding prospective change in his election under the Plan or revoke an existing election and, in lieu thereof, receive on a prospective basis coverage under another coverage option, if any, providing similar coverage. The Plan Administrator, in its sole discretion, shall determine whether a benefit or benefit coverage provides “similar coverage” and whether a cost increase or decrease is “significant.”
- (g) Change in Coverage of Spouse or Dependent Under Other Employer’s Plan. A Participant may make a prospective election change that is on account of and corresponds with a change made under another employer plan (including a plan of the Sponsor or a Participating Affiliate or a plan of the Participant’s spouse’s, former spouse’s, or Dependent’s employer) if:
- (i) the other cafeteria plan or qualified benefits plan permits its participants to make an election change that would otherwise be permitted under proposed or final Internal Revenue Service regulations under Code Section 125 (disregarding the provisions described in this Section 5.4(g)); or
 - (ii) the Plan’s Plan Year is different from the period of coverage under the other cafeteria plan or qualified benefits plan.

The Plan Administrator will determine in its sole discretion and in accordance with IRS guidance whether a Participant’s elected change is on account of and corresponds with the foregoing. An election change is to be made within a reasonable period of time as established by the Plan Administrator after the event described in this Section 5.4(g).

- (h) Special Enrollment Rights. If a Participant or his spouse or Dependent is entitled to special enrollment rights under a group health plan in accordance with Code Section 9801(f), a Participant may revoke a prior group health coverage election and make a new election that corresponds with such special enrollment right to the extent required by Code Section 9801 (and the regulations and other guidance issued thereunder). As required by the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), a special enrollment right will arise if:
- (i) The Participant or his spouse or Dependent declined to enroll in group health plan coverage because he had other coverage, and eligibility for the other coverage is terminated due to: (A) exhaustion of the maximum period of COBRA coverage, if the other coverage was COBRA coverage, or (B) the loss of eligibility for the coverage or employer contributions for the coverage were terminated, if the other coverage was not COBRA coverage (provided, however, that a mid-year election change pursuant to this subsection must be elected not later than 30 days after the event giving rise to the special enrollment right);

- (ii) The Participant acquires a new spouse or Dependent as a result of marriage, birth, adoption, or placement for adoption. An election to add previously eligible Dependents due to acquisition of a new spouse or Dependent child shall be deemed consistent with the special enrollment right. An election change on account of a HIPAA special enrollment right resulting from birth, adoption, or placement for adoption of a new Dependent child may be effective retroactively by up to 30 days to the date of birth, adoption, or placement for adoption, subject to the provisions of the underlying group health plan; or
- (iii) The Participant or a Dependent is covered under a State Medicaid or State Children's Health Insurance Plan and that coverage is terminated due to a loss of eligibility for such coverage, or the Participant or a Dependent becomes eligible for State premium assistance under a State Medicaid or State Children's Health Insurance Plan. An election change on account of a HIPAA special enrollment right resulting from these events must be elected not later than 60 days after the event that creates the special enrollment right.

(i) Loss of Other Group Health Coverage. A Participant may prospectively change his election to add group health coverage for the Participant or his spouse or Dependent if such individual loses group health coverage sponsored by a governmental or educational institution, including a state children's health insurance program (SCHIP) under Title XXI of the Social Security Act; a medical care program of an Indian Tribal government (as defined in Code Section 7701(a)(40)), the Indian Health Service or a tribal organization; a state health benefits risk pool; or a foreign government group health plan, subject to the terms of the applicable benefit package option.

(j) Other Permitted Election Changes. In addition to the foregoing, a Participant shall be permitted to change his elections under the Plan to the extent the Plan Administrator determines that such change is consistent with the Code and with regulations, rulings, releases and other guidance issued under the Code.

(k) Definitions.

(i) "Accident or health coverage" means coverage under an accident or health plan as defined in Code Section 105 and its underlying regulations, including, but not limited to, Accidental Death and Dismemberment Insurance, Dental Insurance, Disability Insurance, Health Insurance; Life Insurance; or Vision Insurance as elected in the Plan Highlights.

(ii) "Benefit package option" means an Eligible Benefit or Benefit as defined in Section 2.9 above or an option for coverage under an underlying accident or health plan (for example, an indemnity, HMO, or PPO option under an accident or health plan).

5.5 Nondiscrimination Requirements. The Plan Administrator may in its sole and absolute discretion take any actions that it deems appropriate to ensure compliance with all applicable non-discrimination requirements and all applicable limitations on Benefits provided to Key Employees or Highly Compensated Individuals or Participants. These actions may include without limitation the modification of elections by Key Employees and Highly Compensated Individuals or Participants with or without their consent.

5.6 Failure to Make Elections. An eligible Employee who fails to return a completed election form to the Plan Administrator on or before the date specified for making an initial election under Section 5.1 shall be deemed to have elected to receive his compensation in cash. A Participant who fails to return a completed election form to the Plan Administrator on or before the specified date for making an annual election for a subsequent Plan Year under Section 5.2 shall be deemed to have (a) reelected the same Benefit coverages, if any, in effect for the Participant just prior to the end of the preceding Plan year and (b) agreed to convert the Participant's compensation for the subsequent Plan year equal to the Participant's share of premiums during such Plan Year for the Benefit coverages.

5.7 Automatic Termination of Election. Elections made under this Plan (or deemed to be made under Section 5.6 shall automatically terminate on the date on which the Participant ceases to be a Participant in the Plan, although coverage or benefits under the underlying health benefit plan may continue if and to the extent provided by such plan. Salary reductions under this Plan shall terminate as of the last payroll date prior to the Participant's transfer to an employment classification that causes him to be ineligible to participate in the Plan or receive Eligible Benefits.

- 5.8 **Family and Medical Leave Act.** If a Participant is on an unpaid leave of absence pursuant to the Family and Medical Leave Act (FMLA), the Participant shall be allowed to continue participation in the Plan in any manner consistent with Internal Revenue Service Regulations including, without limitation, (a) the prepayment of premiums;
- (b) payment during the term of the Participant's FMLA leave on the same schedule as payments would be made if the Participant were not on leave; or (c) under any system voluntarily agreed to by the Participant and the Sponsor or Participating Affiliate, as applicable, that is not inconsistent with said Regulations.
- 5.9 **Unpaid (Non-FMLA) Leave of Absence.** The Participant's commencement of, and subsequent return from, an approved unpaid leave of absence shall each be treated as a Change in Status. An authorized leave of absence granted by the Sponsor or Participating Affiliate, as applicable, pursuant to which the Employee, in accordance with the Sponsor's or Participating Affiliate's employment policies and procedures, may continue participation in the Benefits will not interrupt participation in the Plan. In the absence of any employment policies or procedures permitting continued participation in the Plan, a Participant shall cease participation in the Plan upon commencement of an unpaid (non-FMLA) leave of absence. If the Sponsor's or Participating Affiliate's employment policies and procedures permit continued participation in the event of an approved unpaid leave of absence, the Participant may, upon commencing an approved unpaid (non-FMLA) leave of absence, choose either to continue participation in the Plan, on a pre-tax or an after-tax basis, or to terminate coverage under the Plan. If the Participant elects to continue coverage on a pre-tax basis while on an unpaid leave of absence, the Participant will be required to pay the cost of coverage during the leave in such manner as determined by the Sponsor or Participating Affiliate, as applicable, which may include, but is not necessarily limited to, the prepayment of premiums. On return to active employment, a Participant who terminated coverage under the Plan may be treated as incurring a Change in Status and such Participant shall be allowed to make a new election under the Plan in accordance with the Change in Status provisions of the Plan.

SECTION 6

PLAN ADMINISTRATION

- 6.1 **Plan Administrator.** The Plan Administrator is the named fiduciary with full authority and responsibility to control and manage the operation and administration of the Plan. The Plan is subject to contract administration.
- 6.2 **Powers.** The Plan Administrator shall have the exclusive right and discretion to interpret the Plan (but not to modify or amend the Plan) and to decide any and all questions arising in the administration, interpretation and application of the Plan. The Plan Administrator shall establish whatever rules it finds necessary for the operation and administration of the Plan. The decisions of the Plan Administrator or its action with respect to the Plan shall be conclusive and binding upon all persons having or claiming to have any right or interest in or under the Plan.
- 6.3 **Claims Procedure.** Any claim which arises under an Eligible Benefit shall not be subject to review under this Plan, and the Plan Administrator's authority under Section 6.2 shall not extend to any matter as to which an administrator under any such other insurance plan is empowered to make determinations under such plan. Notwithstanding the foregoing, any residual claims under this Plan shall be subject to any claims procedures that may be established by the Plan Administrator or required by law.
- 6.4 **Review Procedure.** Any person whose claim under this Plan has been denied may file a written appeal with the Plan Administrator within 90 days after receipt by the claimant of written notification of the denial. The claimant or his authorized representative may review any pertinent documents and submit any issues or comments to the Plan Administrator. The claimant and/or his authorized representative shall be afforded an opportunity to meet with the Plan Administrator for a full and fair review of the claim and the Plan Administrator's decision. The decision of the Plan Administrator on appeal will normally be made within 60 days of its receipt of a written appeal. The time for rendering a decision may be extended for an additional 60 days because of special circumstances by the Plan Administrator providing written notice of such extension to the claimant. The claimant shall be notified in writing of the decision of the Plan Administrator and the reasons therefore, including references to specific Plan provisions. If the claimant is not notified of the decision within 60 days (120 days under special circumstances) then the claim shall be deemed denied on appeal.
- 6.5 **Information to be Furnished.** Participants shall provide the Plan Administrator with such information and evidence, and shall sign such documents, as may reasonably be requested from time to time for the purpose of administration of the Plan.

SECTION 7

AMENDMENT AND TERMINATION OF THE PLAN

7.1 Amendment.

- (a) The Service Provider may amend any part of the Plan at any time, including, without limitation, retroactive amendments necessary to ensure that the Plan meets or continues to meet the requirements of Code Section 125, regulations, revenue rulings, and any other guidelines published by the Internal Revenue Service. The Service Provider shall provide written notice of any amendment to the Employer, so long as the Employer has engaged and retained the Service Provider to provide administrative services in connection with the Plan under a services agreement from time to time in effect; provided, however, that the Service Provider shall be under no obligation to amend the Plan or provide written notice of any amendment to the Sponsor after the termination of any such services agreement. The Service Provider may require a Sponsor to execute a new Plan Highlights and return it to the Service Provider when an existing POP is amended and restated by the Service Provider.
- (b) The Sponsor, acting through a duly authorized officer, partner or sole proprietor, as the case may be, may amend the Plan at any time, or from time to time by executing a new Plan Highlights. The previous sentence notwithstanding, the Sponsor's authority to amend the Plan shall be limited to those terms of the Plan that are unique to the Sponsor as specified in the Plan Highlights, including, but not limited to, eligibility, Eligible Benefits funded through the Plan and the Plan Year. Any amendment to the Plan adopted by the Sponsor shall be deemed to be an amendment to the Plan on behalf of the Sponsor and any Participating Affiliate. No amendment to the Plan adopted by the Sponsor shall be effective before the Sponsor has provided notification of said amendment to the Service Provider.
- (c) No amendment shall affect the rights of Participants to receive payment for Eligible Benefits incurred prior to the date the amendment is adopted.

7.2 Termination. The Plan is intended by the Sponsor to be a permanent program for the benefit of its Employees. The Sponsor nevertheless reserves the right to terminate the Plan, acting through duly authorized officer, partner or sole proprietor, as the case may be, at any time and for any reason. Such termination shall be effected by a written instrument executed by the Sponsor with the same formality as this instrument. The Sponsor shall provide written notice of the termination to the Service Provider. Termination of the Plan shall not affect the rights of Participants to receive payment for Eligible Benefits incurred prior to the date as of which the requisite action is taken by the Sponsor to terminate the Plan.

SECTION 8

MISCELLANEOUS

- 8.1 No Employment Rights Conferred. The adoption and maintenance of the Plan shall not be deemed to constitute a contract between the Sponsor or any Participating Affiliate and any Participant or to be a consideration for, or an inducement to or condition of, the employment of any person. Nothing herein contained shall be deemed to: (i) give to any Participant the right to be retained in the employment of the Sponsor or any Participating Affiliate, (ii) interfere with the right of the Sponsor or any Participating Affiliate to discharge any Participant at any time, (iii) give to the Sponsor or any Participating Affiliate the right to require any Participant to remain in its employment, or (iv) interfere with any Participant's right to terminate his employment with the Sponsor or any Participating Affiliate at any time.
- 8.2 Treatment of Participant Contributions. The Sponsor and Participating Affiliates shall have no right, title or interest in any Participant salary deferral contributions, whether or not placed in trust, nor shall any part of any trust established by a Sponsor or Participating Affiliates revert or be repaid to the Sponsor or Participating Affiliates, directly or indirectly.
- 8.3 Participation in the Plan by an Affiliate. With the consent of the Sponsor, any Affiliate may adopt the Plan by taking appropriately documented legal action. A Participating Affiliate may terminate its participation in the Plan or discontinue making contributions on behalf of its Employees to the Plan by appropriate written action as described in the preceding sentence.

- 8.4 **Governing Law.** The Plan is governed by the Code and the Treasury regulations promulgated thereunder, but the Sponsor does not guarantee the favorable tax treatment sought by the Plan. To the extent not preempted by federal law, the provisions of the Plan shall be construed, enforced and administered according to the laws of the state or commonwealth of the Sponsor's principal office.
- 8.5 **Gender and Number.** A pronoun or adjective in the masculine gender includes the feminine gender, and the singular includes the plural.
- 8.6 **Severability.** If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included herein.
- 8.7 **Indemnification of Sponsor by Participants.** If any Participant receives one or more payments under the Plan that are not for a permitted Benefit, the Participant shall indemnify and reimburse the Sponsor for any liability it may incur for failure to withhold federal or state income tax or Social Security tax from such payments. However, the amount of any required indemnification shall not exceed the additional federal and state income tax that the Participant would have owed if the payments had been made to the Participant as regular cash compensation, plus the Participant's share of any Social Security tax that would have been paid on such compensation, less any such additional income and Social Security tax actually paid by the Participant.
- 8.8 **Captions.** The captions contained herein are inserted only as a matter of convenience and for reference, and in no way define, limit, enlarge, or describe the scope or intent of the Plan, nor in any way shall affect the Plan or the construction of any provision thereof.



The ADP logo is a registered trademark of ADP, LLC.

AMENDMENT TO THE ADP PREMIUM ONLY PLAN DOCUMENT

WHEREAS, pursuant to Section 7.1(a) of the ADP Premium Only Plan document, the Service Provider may amend the Premium Only Plan at any time; and

WHEREAS, the ADP Premium Only Plan was amended effective July 1, 2007 to add a Massachusetts Addendum that applied to, and provided special Plan provisions for, Massachusetts Sponsors to satisfy the requirements of Massachusetts General Laws, Chapter 151F, and regulations thereunder, which law required Massachusetts Sponsors to establish and maintain a cafeteria plan under Internal Revenue Code Section 125 to permit individuals to pay for health insurance on a pre-tax basis ("Section 125 premium only plan"); and

WHEREAS, Internal Revenue Code Section 125(f)(3), as added by the Patient Protection and Affordable Care Act of 2010, prohibits use of a Section 125 premium only plan by individuals who purchase individual health insurance on a state or federal Exchange or Marketplace, and

WHEREAS, Internal Revenue Service Notice 2013-54 prescribed guidance for Section 125 premium only plans regarding compliance with Code Section 125(f)(3) effective for plan years beginning on or after January 1, 2014, and

WHEREAS, the legislature of the Commonwealth of Massachusetts repealed Massachusetts General Laws, Chapter 151F on March 17, 2014, and

WHEREAS, based on the foregoing, the Service Provider believes it is appropriate to formally amend the ADP Premium Only Plan document to reflect such changes in the law;

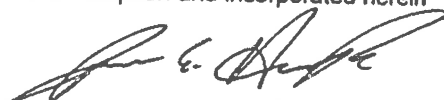
NOW THEREFORE, effective for plan years beginning on or after January 1, 2014, the Premium Only Plan is hereby amended to delete the Massachusetts Appendix.

RECORD OF ADOPTION
OF THE
PREMIUM ONLY PLAN
FOR THE EMPLOYEES OF

Memphis Furniture Group LLC
(Name of Employer)

By signing this Record of Adoption, the Employer approves and adopts the terms of the above-named Plan as stated in the Premium Only Plan document and Plan Highlights and acknowledges that the adoption is in accordance with applicable governing law. A copy of the current Premium Only Plan document and current Plan Highlights is attached to this Record of Adoption and incorporated herein by reference.

May 23-2018
(DATE)


Ryan F. Hinkle
(NAME)

President
(TITLE)



RESOLUTIONS OF ADOPTION

RESOLUTIONS

Of

Memphis Furniture Group LLC (the Sponsor)

For the Adoption of the

Memphis Furniture Group LLC Premium Only Plan (the Plan)
(Insert Name of Plan)

WHEREAS, the Sponsor desires to adopt the above-named Plan, which includes the attached Premium Only Plan document and accompanying Plan Highlights, for the benefit of its eligible employees.

NOW THEREFORE, be it hereby:

RESOLVED, that the Plan is hereby adopted in substantially the form attached hereto effective as of May 9th, 2017, as a cafeteria plan to be maintained by the Sponsor pursuant to Section 125 of the Internal Revenue Code; and be it

FURTHER RESOLVED, that the proper individuals(s) as authorized by the Sponsor be and hereby are authorized and directed to take such action and to execute such documents as may be deemed necessary to effectuate the above resolution and to direct counsel to take such action as may be necessary to satisfy any applicable requirements of law.

IN WITNESS WHEREOF, these resolutions have been adopted on this 9 day of May, 2017

Ryan E. Hinkle Ryan E. Hinkle
(NAME)

President
(TITLE)



Premium Only Plan Plan Highlights



A more human resource.™

- 1). Sponsor Name: Memphis Furniture Group LLC
- 2). Plan Name: Memphis Furniture Group LLC Premium Only Plan
- 3). An Employee shall be eligible to participate in the Plan if he/she meets the following eligibility requirements (should reflect all eligibility requirements, including excluded/included classes of employees and service requirements, if any):
Month of Service:
Hours Per Week:
Other: 60 Days
- 4). An Employee who has met the Plan's eligibility requirements shall become a Participant in the Plan on the following date specified for beginning participation:
The first day of the month after the Plan's eligibility requirements have been satisfied
- 5). Participants may pay their share of group insurance premiums through the Plan for the following
Medical, Dental, Vision
- 6). Plan Year: The Plan Year shall begin on January 1, and end on December 31
- 7). *If the first Plan Year of this amendment and restatement is a short Plan Year, the first short Plan Year shall begin on May 09, 2017, and end on December 31, 2017
- 8). Plan Administrator Information:
Name: Memphis Furniture Group LLC Premium Only Plan
Address: 7891 Stage Hills Boulevard Suite 101 Memphis TN 38133
Phone: 901-372-0023
- 9). **Plan Effective Date: This Plan is an amendment and restatement of an existing Premium Only Plan. The Effective Date of this amendment and restatement is _____
- 10). The original Effective Date of the Premium Only Plan was May 09, 2017
- 11). Plan Number: 501
- 12). Sponsor's Internal Revenue Service Tax Identification Number: _____
- 13). Agent for Service of legal process:
Company Name: Memphis Furniture Group LLC
Address: 7891 Stage Hills Boulevard Suite 101 Memphis TN 38133
Phone: 901-372-0023

**Only completed if there is a short plan year.*

***Only completed if there is a restatement or amendment to an existing plan.*