

# **Arnold Fabrication and Machine, Inc. Health Reimbursement Arrangement (HRA) Plan**

As Adopted Effective August 1, 2023

## **ARTICLE I. INTRODUCTORY PROVISIONS**

### **1.1 Establishment of HRA Plan**

Arnold Fabrication and Machine, Inc. (“Employer”) hereby establishes the Arnold Fabrication and Machine, Inc. Health Reimbursement Arrangement (HRA) Plan (“Plan”) effective August 1, 2023 (“Effective Date”). This plan is intended to permit an Eligible Employee to obtain reimbursement of Medical Care Expenses on a nontaxable basis from his or her HRA Account.

### **1.2 Legal Status**

This Plan is intended to qualify as an employer-provided medical reimbursement plan under Code §§ 105 and 106 and regulations issued thereunder, and as a health reimbursement arrangement as defined under Internal Revenue Service (IRS) Notice 2002-45, and shall be interpreted to accomplish that objective. The Medical Care Expenses reimbursed under the Plan are intended to be eligible for exclusion from Participants’ gross income under Code § 105(b). The Employer reserves the right to amend the terms of this Plan from time to time as may be deemed necessary in accordance with new and/or updated guidance or other regulations from the IRS.

## ARTICLE II. DEFINITIONS

### 2.1 Definitions

Capitalized terms used in this Plan that are not otherwise defined shall have the meanings set forth in this Article:

**“Administrator”** means Arnold Fabrication and Machine, Inc.. The contact person is the Human Resources Manager or the equivalent thereof for Arnold Fabrication and Machine, Inc., who has the full authority to act on behalf of the Administrator, except with respect to appeals, for which the Committee has the full authority to act on behalf of the Administrator, as described in Section 13.1.

**“Benefits”** means the reimbursement benefits for Medical Care Expenses described under Article VII.

**“COBRA”** means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

**“Code”** means the Internal Revenue Code of 1986, as amended.

**“Committee”** means the Benefits Committee appointed by the Board of Directors or the equivalent thereof of Arnold Fabrication and Machine, Inc..

**“Compensation”** means the wages or salary paid to an Employee by the Employer.

**“Covered Individual”** means, for purposes of Article VIII, a Participant, Spouse, or Dependent.

**“Dependent”** means any individual who is a tax dependent of the Participant as defined in Code § 105(b), with the following exception: Any child to whom Code § 152(e) applies (regarding a child of divorced parents, etc., where one or both parents have custody of the child for more than half of the calendar year and where the parents together provide more than half of the child’s support for the calendar year) is treated as a dependent of both parents.

Notwithstanding anything in the foregoing to the contrary,

- 1) A “Dependent” shall also include for purposes of any accident or health coverage provided under this plan a child of a Participant who has not attained age 27 by the end of any given taxable year, and
- 2) the HRA Account will provide Benefits in accordance with the applicable requirements of any QMCSO, even if the child does not meet the definition of “Dependent.”

**“Effective Date”** of this Plan has the meaning described in Section 1.1.

**"Electronic Payment Card"** means a debit card, stored value card, or credit card that allows a Participant to access funds in a health reimbursement arrangement to pay the service provider at the point-of-sale (i.e., the time a service or item is provided).

**"Electronic Protected Health Information"** has the meaning described in 45 CFR §160.103 and generally includes Protected Health Information that is transmitted by electronic media or maintained in electronic media. Unless otherwise specifically noted, Electronic Protected Health Information shall not include enrollment/disenrollment information and summary health information.

**"Eligible Employee"** means an Employee eligible to participate in this Plan, as provided in Section 3.1.

**"Employee"** means an individual that the Employer classifies as a common-law employee and who is on the Employer's W-2 payroll. An "Employee" shall not include any of the following individuals: any employee covered under a collective bargaining agreement that does not contemplate such employee's participation in the plan, any leased employee (including but not limited to those individuals defined as leased employees in Code § 414(n)), any individual who performs services for the Employer but who is paid by a temporary or other employment or staffing agency for the period during which such individual is paid by such agency whether or not such individual is determined by the IRS or others to be a common-law employee of the Employer, any self-employed individual, any partner in a partnership or any more-than-2% shareholder in a Subchapter S corporation. The term "Employee" does include "former Employees" for the limited purpose of allowing continued eligibility for Benefits in accordance with Section 3.2.

**"Employer"** means Arnold Fabrication and Machine, Inc., and any Related Employer that adopts this Plan with the approval of Arnold Fabrication and Machine, Inc. Related Employers, if any, that have adopted this Plan are listed in Appendix A to this Plan. However, for purposes of Article XIV and Section 15.3, "Employer" means only Arnold Fabrication and Machine, Inc..

**"Employment Commencement Date"** means the first regularly-scheduled working day on which the Employee first performs an hour of service for the Employer for Compensation.

**"Enrollment Form"** means the form provided by the Administrator for the purpose of allowing an Eligible Employee to participate in this Plan.

**"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended.

**"FMLA"** means the Family and Medical Leave Act of 1993, as amended.

**"Health FSA"** means a health flexible spending arrangement established pursuant to Internal Revenue Code Section 125.

**“Health Insurance Plan”** means the plan(s) that the Employer maintains for its Employees (and for their Spouses and Dependents that may be eligible under the terms of such plan), providing major medical type benefits through a group insurance policy or policies.

**“Highly Compensated Individual”** means an individual defined under Code § 105(h), as amended, as a “highly compensated individual” or “highly compensated employee.”

**“HIPAA”** means the Health Insurance Portability and Accountability Act of 1996, as amended.

**“HRA”** means a health reimbursement arrangement as defined in IRS Notice 2002-45.

**“HRA Account”** means the HRA Account described in Section 7.4.

**“Medical Care Expenses”** has the meaning defined in Section 7.2.

**“Open Enrollment Period”** with respect to a Plan Year means the month preceding the Plan Year, or such other period as may be prescribed by the Administrator. In the case of a Short Plan Year, the Plan Administrator may specify an Open Enrollment Period so long as this is done in a nondiscriminatory manner.

**“Participant”** means an individual who is an Eligible Employee and who is participating in this Plan in accordance with the provisions of Article III.

**“Period of Coverage”** means the Plan Year, with the following exceptions: (a) for Eligible Employees who first become Participants, it shall mean the portion of the Plan Year following the date participation commences, as described in Section 3.1; and (b) for Participants who terminate participation, it shall mean the portion of the Plan Year prior to the date participation terminates, as described in Section 3.2. A different Period of Coverage (e.g., a calendar month) may be established by the Administrator and communicated to Participants.

**“Plan”** means the Arnold Fabrication and Machine, Inc. HRA Plan as set forth herein and as amended from time to time.

**“Plan Year”** means the 12-month period commencing August 1st and ending on July 31st.

**“Privacy Official”** shall have the meaning described in 45 CFR § 164.530(a).

**“Protected Health Information”** shall have the meaning described in 45 CFR §160.103 and generally includes individually identifiable health information held by, or on behalf of, the Plan.

**“QMCSO”** means a qualified medical child support order.

**“Related Employer”** means any employer affiliated with Arnold Fabrication and Machine, Inc. that, under Code § 414(b), (c), or (m), is treated as a single employer with Arnold Fabrication and Machine, Inc. for purposes of Code § 105.

**“Spouse”** means an individual who is legally married to a Participant as determined under applicable state law (and who is treated as a spouse under the Code).

**“SPD”** means the separate summary plan description describing the terms of this Plan.

**“USERRA”** means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended.

## **ARTICLE III. ELIGIBILITY AND PARTICIPATION**

### **3.1 Eligibility to Participate**

An individual is an Eligible Employee and may participate in this Plan if the individual is an Employee; regularly works 40 hours or more per week; has been employed by the Employer for at least 60 calendar days; and is enrolled in the Employer's major medical plan, counting his or her Employment Commencement Date as the first day of such period. Once an Employee becomes an Eligible Employee by meeting the Plan's eligibility requirements and submitting an Enrollment Form to the Administrator, the Eligible Employee's coverage under the Plan as a Participant will commence on the first day of the month coinciding with or following the date the eligibility requirements have been met.

If the employee's spouse participates in an HSA, the employee may not be eligible to participate in the employer-sponsored HRA.

### **3.2 Termination of Participation**

A Participant will cease to be a Participant in this Plan upon the earlier of:

- the termination of this Plan; or
- the date on which the Employee ceases (because of retirement, termination of employment, layoff, reduction in hours, or any other reason) to be an Eligible Employee, provided that eligibility may continue beyond such date for purposes of COBRA coverage, as may be permitted by the Administrator on a uniform and consistent basis under Section 7.7.

Reimbursements from the HRA Account after termination of participation will be made pursuant to Section 7.7 (relating to a run-out period for submitting claims incurred prior to termination and relating to COBRA).

### **3.3 Participation Following Termination of Employment or Loss of Eligibility**

If a Participant terminates his or her employment for any reason, including (but not limited to) disability, retirement, layoff or voluntary resignation, and then is rehired within 30 days or less of the date of a termination of employment, the Employee will be reinstated with the same HRA Account balance that such individual had before termination. If an Employee (whether or not a Participant) terminates employment and is not rehired within 30 days or ceases to be an Eligible Employee for any other reason, including (but not limited to) a reduction in hours, and then becomes an Eligible Employee again, the Employee must complete the waiting period described in Section 3.1 before again becoming eligible to participate in the Plan.

### **3.4 FMLA and USERRA Leaves of Absence**

Notwithstanding any provision to the contrary in this Plan, if a Participant goes on a qualifying leave under the FMLA or USERRA (if the Employer is subject to either or both of these), and if Employer is subject to either or both of same, then to the extent required by the FMLA or USERRA, as applicable, the Employer will continue to maintain the Participant's Benefits on the same terms and conditions as if the Participant were still an active Eligible Employee.

### **3.5 Non-FMLA and Non-USERRA Leaves of Absence**

If a Participant goes on a leave of absence that is not subject to the FMLA or USERRA, the Participant will be treated as having terminated participation, as described above under Section 3.2.



## **ARTICLE IV. METHOD AND TIMING OF ENROLLMENT**

### **4.1 Enrollment When First Eligible**

An Employee who first becomes an Eligible Employee by meeting the Plan's eligibility requirements will commence participation in this Plan as outlined in Section 3.1, provided that the Eligible Employee submits an Enrollment Form to the Administrator before the first day on which participation is to commence. Once the Eligible Employee is enrolled as a Participant, his or her participation will continue month-to-month and year-to-year until his or her participation ceases pursuant to Section 3.2. The Enrollment Form shall identify the Spouse and Dependents whose Medical Care Expenses may be submitted to the HRA. The Participant must promptly notify the Administrator if this information changes.

### **4.2 \*\*\*RESERVED\*\*\***

## **ARTICLE V. BENEFITS OFFERED AND METHOD OF FUNDING**

### **5.1 Benefits Offered**

When an Eligible Employee becomes a Participant in accordance with Articles III and IV, an HRA Account will be established for such Participant to receive Benefits in the form of reimbursements for Medical Care Expenses, as described in Article VII. In no event shall Benefits be provided in the form of cash or any other taxable or nontaxable benefit other than reimbursement for Medical Care Expenses.

### **5.2 Employer and Participant Contributions**

The Employer funds the full amount of the HRA Accounts. There are no Participant contributions for Benefits under the Plan. Under no circumstances will the Benefits be funded with salary reduction contributions, employer contributions (e.g., flex credits) or otherwise under a cafeteria plan, nor will salary reduction contributions or employer contributions be treated as Employer contributions to the Plan.

### **5.3 Funding This Plan**

All of the amounts payable under this Plan shall be paid from the general assets of the Employer. Nothing herein will be construed to require the Employer or the Administrator to maintain any fund or to segregate any amount for the benefit of any Participant, and no Participant or other person shall have any claim against, right to, or security or other interest in any fund, account or asset of the Employer from which any payment under this Plan may be made. There is no trust or other fund from which Benefits are paid.

**ARTICLE VI. \*\*\*RESERVED\*\*\***

## **ARTICLE VII. HEALTH REIMBURSEMENT BENEFITS**

### **7.1 Benefits**

The Plan will reimburse Participants for Medical Care Expenses up to the unused amount in the Participant's HRA Account, as set forth and adjusted under Section 7.3.

### **7.2 Eligible Medical Care Expenses**

Under the HRA Account, a Participant may receive reimbursement for Medical Care Expenses incurred during a Period of Coverage.

*(a) Incurred.* A Medical Care Expense is incurred at the time the medical care or service giving rise to the expense is furnished, and not when the individual incurring the expense is formally billed for, is charged for, or pays for the medical care. Medical Care Expenses incurred before a Participant first becomes covered by the Plan are not eligible.

*(b) Medical Care Expenses Generally.* "Medical Care Expenses" are in-network deductible, out-of-network deductible, prescriptions, copays and coinsurance. Reimbursements due for Medical Care Expenses incurred by the Participant or the Participant's Spouse or Dependents shall be charged against the Participant's HRA Account.

*(c) Cannot Be Reimbursed or Reimbursable From Another Source.* Medical Care Expenses may be reimbursed from the Participant's HRA Account only to the extent that the Participant or other individual incurring the expense is not reimbursed for the expense (nor is the expense reimbursable) through the Health Insurance Plan, other insurance, or any other accident or health plan (but see Section 7.9 if the other health plan is a Health FSA). If only a portion of a Medical Care Expense has been reimbursed elsewhere (e.g., because the Health Insurance Plan imposes co-payment or deductible limitations), the HRA Account may reimburse the remaining portion of such expense if it otherwise meets the requirements of this Article VII.

### **7.3 Maximum Benefits**

*(a) Maximum Benefits.* The maximum dollar amount that may be credited to an HRA Account for an Employee who participates for an entire 12-month Period of Coverage is \$5,400.00 employee-only coverage, \$10,800.00 employee plus spouse coverage, \$10,800.00 employee plus child coverage and \$10,800.00 family coverage.

- (b) *Changes.* For subsequent Plan Years, the maximum dollar limit may be changed by the Administrator and shall be communicated to Employees through the Enrollment Form, the SPD or another document. If a Participant enters the HRA Plan mid-year, then the Participant will be credited with the full annual contribution.
- (c) *Nondiscrimination.* Reimbursements to Highly Compensated Individuals may be limited or treated as taxable compensation to comply with Code § 105(h), as may be determined by the Administrator in its sole discretion.

#### **7.4 Establishment of Account**

The Administrator will establish and maintain an HRA Account with respect to each Participant but will not create a separate fund or otherwise segregate assets for this purpose. The HRA Account so established will merely be a recordkeeping account with the purpose of keeping track of contributions and available reimbursement amounts.

- (a) *Crediting of Accounts.* A Participant's HRA account will be credited at the beginning of the Plan Year in addition to any carryover from the previous year (only if the Plan allows for carryovers pursuant to Section 7.5).
- (b) *Debiting of Accounts.* A Participant's HRA Account will be debited during each Period of Coverage for any reimbursement of Medical Care Expenses incurred during the Period of Coverage.
- (c) *Available Amount.* The amount available for reimbursement of Medical Care Expenses is the amount credited to the Participant's HRA Account under subsection (a) reduced by prior reimbursements debited under subsection (b).

#### **7.5 Carryover of Accounts**

If any balance remains in the Participant's HRA account after all reimbursements have been made for the Period of Coverage, such balance shall be forfeited. However, upon termination of employment or other loss of eligibility, the Participant's coverage ceases, and expenses incurred after such time will not be reimbursed unless COBRA continuation coverage is elected as provided in Section 7.7. In addition, any HRA benefit payments that are unclaimed (e.g., uncashed benefit checks) by the close of the Plan Year following the Period of Coverage in which the Medical Care Expense was incurred shall be forfeited.

When a Participant ceases to be a Participant, the Participant will not be able to receive reimbursements for Medical Care Expenses incurred after his or her participation terminates. However, such Participant (or the Participant's estate) may claim reimbursement for any

Medical Care Expenses incurred during the Period of Coverage prior to termination of participation, provided that the Participant (or the Participant's estate) files a claim by 3 month(s) following the Participant's termination date.

#### **7.6 Reimbursement Procedure For Claims in Which Electronic Payments Cards Are Not Used**

- (a) *Timing.* Within 30 days after receipt by the Administrator of a reimbursement claim from a Participant, the Employer will reimburse the Participant for the Participant's Medical Care Expenses (if the Administrator approves the claim), or the Administrator will notify the Participant that his or her claim has been denied (see Section 13.1 regarding procedures for claim denials and appeals procedures). The 30-day time period may be extended for an additional 15 days for matters beyond the control of the Administrator, including in cases where a reimbursement claim is incomplete. The Administrator will provide written notice of any extension, including the reasons for the extension, and will allow the Participant 45 days in which to complete an incomplete reimbursement claim.
- (b) *Claims Substantiation.* A Participant who seeks Benefits may apply for reimbursement by submitting an application in writing to the Administrator in such form as the Administrator may prescribe, no later than 03 months following the close of the Plan Year in which the Medical Care Expense was incurred, setting forth:

- the individual(s) on whose behalf Medical Care Expenses have been incurred;
- the nature and date of the Medical Care Expenses so incurred;
- the amount of the requested reimbursement;
- other such details about the expenses that may be requested by the Plan Administrator in the reimbursement request form or otherwise (e.g., a statement from a medical practitioner that the expense is to treat a specific medical condition, or a more detailed certification from the Participant); and
- a statement that such Medical Care Expenses have not otherwise been reimbursed and are not reimbursable through any other source, including Health FSA coverage, if any.

The application shall be accompanied by an Explanation of Benefits (EOB) showing that the Medical Care Expenses have been incurred and the amounts of such Medical Care Expenses, together with any additional documentation that the Administrator may request.

(c) *Claims Denied*. For reimbursement claims that are wholly or partially denied, see the appeals procedure in Article XIII.

### **7.7 Reimbursements After Termination; COBRA**

When a Participant ceases to be a Participant under Section 3.2, the Participant will not be able to receive reimbursements for Medical Care Expenses incurred after his or her participation terminates. However, such Participant (or the Participant's estate) may claim reimbursement for any Medical Care Expenses incurred during the Period of Coverage prior to termination of participation, provided that the Participant (or the Participant's estate) files a claim within 3 month(s) following the Participant's termination date.

Notwithstanding any provision to the contrary in this Plan, to the extent required by COBRA, the Participant and his or her Spouse and Dependents (Qualified Beneficiaries), whose coverage terminates under the HRA Account because of a COBRA qualifying event, shall be given the opportunity to continue (on a self-pay basis) the same coverage that he or she had under the HRA Account on the day before the qualifying event for the periods prescribed by COBRA (subject to all conditions and limitations under COBRA). However, in the event that such coverage is modified for all similarly-situated non-COBRA Participants prior to the date continuation coverage is elected, Qualified Beneficiaries shall be eligible to continue the same coverage that is provided to similarly situated non-COBRA Participants. At the beginning of each month in the Period of Coverage, Qualified Beneficiaries shall be credited with the reimbursement amount that is made available to similarly situated non-COBRA beneficiaries, and any unused reimbursement amounts from the previous Period of Coverage shall be carried over to the next Period of Coverage (provided that the applicable premium is paid). A premium for COBRA continuation coverage shall be charged to Qualified Beneficiaries in such amounts and shall be payable at such times as are established by the Administrator and permitted by COBRA.

### **7.8 Named Fiduciary; Compliance With Relevant Laws**

(a) *Named Fiduciary*. Arnold Fabrication and Machine, Inc. is the named fiduciary for the Plan.

(b) *Laws Applicable to Group Health Plans*. Benefits shall be provided in compliance with ERISA, COBRA, HIPAA, FMLA, USERRA, and other group health plan laws to the extent required by such laws.

### **7.9 \*\*\*RESERVED\*\*\***

## **ARTICLE VIII. HIPAA PRIVACY AND SECURITY**

### **8.1 Employer's Certification of Compliance**

The Plan shall not disclose Protected Health Information to the Employer unless the Employer certifies that the Plan document incorporates the provisions of 45 CFR § 164.504(f)(2)(ii) and the Employer agrees to conditions of disclosure set forth in this Article VIII.

### **8.2 Permitted Disclosure of Enrollment/Disenrollment Information**

The Plan may disclose to the Employer information on whether an individual is a Participant in the Plan.

### **8.3 Permitted Uses and Disclosures of Summary Health Information**

The Plan may disclose Summary Health Information to the Employer, provided that the Employer requests the Summary Health Information for the purpose of modifying, amending, or terminating the Plan.

"Summary Health Information" means information (a) that summarizes the claims history, claims expenses, or type of claims experienced by individuals for whom a plan sponsor had provided health benefits under a health plan; and (b) from which the information described at 42 CFR § 164.514(b)(2)(i) has been deleted, except that the geographic information described in 42 CFR § 164.514(b)(2)(i)(B) need only be aggregated to the level of a five-digit ZIP code.

### **8.4 Permitted and Required Uses and Disclosure of Protected Health Information for Plan Administration Purposes**

Unless otherwise permitted by law, the Plan may disclose a Covered Individual's Protected Health Information to the Employer, provided that the Employer will use or disclose such Protected Health Information only for Plan administration purposes. "Plan administration purposes" means administration functions performed by the Employer on behalf of the Plan, such as quality assurance, claims processing (including appeals), auditing, and monitoring. Plan administration functions do not include functions performed by the Employer in connection with any other benefit or benefit plan of the Employer, and they do not include any employment-related functions. Any disclosure to and use by Employer of a Covered Individual's Protected Health Information will be subject to and consistent with the provisions of this Article VIII (including, but not limited to, the restrictions on the Employer's use and disclosure described in Section 8.5) and the specifications and requirements of the administrative simplification provisions of HIPAA and its implementing regulations at 45 CFR Parts 160-64.

### **8.5 Restrictions on Employer's Use and Disclosure of Protected Health Information**



- (a) Employer will neither use nor further disclose a Covered Individual's Protected Health Information, except as permitted or required by the Plan document, or as required by law.
- (b) Employer will ensure that any agent, including any subcontractor, to which it provides a Covered Individual's Protected Health Information or Electronic Protected Health Information received from the Plan, agrees to the restrictions, conditions, and security measures of the Plan document that apply to Employer with respect to the Protected Health Information or Electronic Protected Health Information, respectively.
- (c) Employer will not use or disclose a Covered Individual's Protected Health Information for employment-related actions or decisions, or in connection with any other benefit or employee benefit plan of Employer.
- (d) Employer will report to the Plan any use or disclosure of a Covered Individual's Protected Health Information that is inconsistent with the uses and disclosures allowed under the Plan document of which the Employer becomes aware.
- (e) Employer will make Protected Health Information available to the Plan or to the Covered Individual who is the subject of the information in accordance with 45 CFR § 164.524.
- (f) Employer will make a Covered Individual's Protected Health Information available for amendment, and will on notice amend a Covered Individual's Protected Health Information, in accordance with 45 CFR § 164.526.
- (g) Employer will track disclosures it may make of a Covered Individual's Protected Health Information that are accountable under 45 CFR § 164.528 so that it can make available the information required for the Plan to provide an accounting of disclosures in accordance with 45 CFR § 164.528.
- (h) Employer will make its internal practices, books, and records relating to its use and disclosure of a Covered Individual's Protected Health Information received from the plan available to the Plan and to the U.S. Department of Health and Human Services to determine compliance with the HIPAA Privacy Rule at 45 CFR Part 164, Subpart E.
- (i) Employer will, if feasible, return or destroy all Protected Health Information of a Covered Individual, in whatever form or medium, received from the Plan, including all copies thereof and all data, compilations, or other works derived therefrom that allow identification of any Covered Individual who is the subject of the Protected Health Information, when the Covered Individual's Protected Health Information is no longer needed for the plan administration functions for which the disclosure was made. If it is not feasible to return or destroy all such Protected Health Information, Employer will limit the use or disclosure of any Covered Individual's Protected Health Information that

cannot feasibly be returned or destroyed to those purposes that make the return or destruction of the information infeasible.

- (j) Employer will ensure that the adequate separation between Plan and Employer (i.e., the “firewall”), required in 45 CFR § 504(f)(2)(iii), is satisfied.

### **8.6 Adequate Separation Between Employer and the Plan**

- (a) Only the following employees or classes of employees or other workforce members under the control of Employer may be given access to a Covered Individual’s Protected Health Information or Electronic Protected Health Information received from the Plan or a business associate servicing the Plan:

- Privacy Official;
- Employees in the Employer’s Human Resources Department;
- Employees in the Employer’s Office of General Counsel; and
- Any other class of employees designated in writing by the Privacy Official.

- (b) The employees, classes of employees, or other workforce members identified in Section 8.6(a) will have access to a Covered Individual’s Protected Health Information or Electronic Protected Health Information only to perform the plan administration functions that Employer provides for the Plan, as specified in Section 8.4.

- (c) The employees, classes of employees, or other workforce members identified in Section 8.6(a) will be subject to disciplinary action and sanctions pursuant to the Employer’s employee discipline and termination procedures, for any use or disclosure of a Covered Individual’s Protected Health Information or Electronic Protected Health Information in breach or violation of or noncompliance with the provisions of this Article VIII.

### **8.7 Security Measures for Electronic Protected Health Information**

The Employer will implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of a Covered Individual’s Electronic Protected Health Information that the Employer creates, receives, maintains, or transmits on the Plan’s behalf.

### **8.8 Notification of Security Incident**

The Employer will report to the Plan any attempted or successful unauthorized access, use, disclosure, modification, or destruction of information, or interference with system operations in the Employer’s information systems, of which the Employer becomes aware.

**ARTICLE IX – ARTICLE XII. \*\*\*RESERVED\*\*\***

## **ARTICLE XIII. APPEALS PROCEDURE**

### **13.1 Procedure If Benefits Are Denied Under This Plan**

If a claim for reimbursement under this Plan is wholly or partially denied, claims shall be administered in accordance with the claims procedure set forth in the SPD. The Committee acts on behalf of the Administrator with respect to appeals.

## **ARTICLE XIV. RECORDKEEPING AND ADMINISTRATION**

### **14.1 Administrator**

The administration of this Plan shall be under the supervision of the Administrator. It is the principal duty of the Administrator to see that this Plan is carried out, in accordance with its terms, for the exclusive benefit of persons entitled to participate in this Plan without discrimination among them.

### **14.2 Powers of the Administrator**

The Administrator shall have such duties and powers as it considers necessary or appropriate to discharge its duties. It shall have the exclusive right to interpret the Plan and to decide all matters thereunder, and all determinations of the Administrator with respect to any matter hereunder shall be conclusive and binding on all persons. Without limiting the generality of the foregoing, the Administrator shall have the following discretionary authority:

- (a) to construe and interpret this Plan, including all possible ambiguities, inconsistencies, and omissions in the Plan and related documents, and to decide all questions of fact, questions relating to eligibility and participation, and questions of Benefits under this Plan (provided that, notwithstanding the first paragraph in this Section 14.2, the Committee shall exercise such exclusive power with respect to an appeal of a claim under Section 13.1);
- (b) to prescribe procedures to be followed and the forms to be used by Employees and Participants to enroll in and submit claims pursuant to this Plan;
- (c) to prepare and distribute information explaining this Plan and the Benefits under this Plan in such manner as the Administrator determines to be appropriate;
- (d) to request and receive from all Employees and Participants such information as the Administrator shall from time to time determine to be necessary for the proper administration of this Plan;
- (e) to furnish each Employee and Participant with such reports with respect to the administration of this Plan as the Administrator determines to be reasonable and appropriate;
- (f) to receive, review, and keep on file such reports and information concerning the Benefits covered by this Plan as the Administrator determines from time to time to be necessary and proper;

- (g) to appoint and employ such individuals or entities to assist in the administration of this Plan as it determines to be necessary or advisable, including legal counsel and benefit consultants;
- (h) to sign documents for the purposes of administering this Plan, or to designate an individual or individuals to sign documents for the purposes of administering this Plan;
- (i) to secure independent medical or other advice and require such evidence as it deems necessary to decide any claim or appeal; and
- (j) to maintain the books of accounts, records, and other data in the manner necessary for proper administration of this Plan and to meet any applicable disclosure and reporting requirements.

### **14.3 Reliance on Participant, Tables, etc**

The Administrator may rely upon the information submitted by a Participant as being proper under the Plan and shall not be responsible for any act or failure to act because of a direction or lack of direction by a Participant. The Administrator will also be entitled, to the extent permitted by law, to rely conclusively on all tables, valuations, certificates, opinions and reports that are furnished by accountants, attorneys, or other experts employed or engaged by the Administrator.

### **14.4 Provision for Third-Party Plan Service Providers**

The Administrator, subject to approval of the Employer, may employ the services of such persons as it may deem necessary or desirable in connection with the operation of the Plan. Unless otherwise provided in the service agreement, obligations under this Plan shall remain the obligation of the Employer.

### **14.5 Fiduciary Liability**

To the extent permitted by law, the Administrator shall not incur any liability for any acts or for failure to act except for the Administrator's own willful misconduct or willful breach of this Plan.

### **14.6 Compensation of Plan Administrator**

Unless otherwise determined by the Employer and permitted by law, any Administrator who is also an Employee of the Employer shall serve without compensation for services rendered in such capacity, but all reasonable expenses incurred in the performance of the Administrator's duties shall be paid by the Employer.

### **14.7 Bonding**

The Administrator shall be bonded to whatever extent may be required by law.

#### **14.8 Insurance Contracts**

The Employer shall have the right (a) to enter into a contract with one or more insurance companies for the purposes of providing any Benefits under the Plan; and (b) to replace any of such insurance companies or contracts. Any dividends, retroactive rate adjustments, or other refunds of any type that may become payable under any such insurance contract shall not be assets of the Plan but shall be the property of, and be retained by, the Employer, to the extent that such amounts are less than aggregate Employer contributions toward such insurance.

#### **14.9 Inability to Locate Payee**

If the Administrator is unable to make payment to any Participant or other person to whom a payment is due under the Plan because it cannot ascertain the identity or whereabouts of such Participant or other person after reasonable efforts have been made to identify or locate such person, then such payment and all subsequent payments otherwise due to such Participant or other person shall be forfeited following a reasonable time after the date that any such payment first became due.

#### **14.10 Effect of Mistake**

In the event of a mistake as to the eligibility or participation of an Employee, or the allocations made to the HRA Account of any Participant, or the amount of Benefits paid or to be paid to a Participant or other person, the Administrator shall, to the extent that it deems administratively possible and otherwise permissible under Code § 105, the regulations issued thereunder or other applicable law, cause to be allocated or cause to be withheld or accelerated, or otherwise make adjustment of, such amounts as it will in its judgment accord to such Participant or other person the credits to the HRA Account or distributions to which he or she is properly entitled under the Plan. Such action by the Administrator may include withholding of any amounts due to the Plan or the Employer from Compensation paid by the Employer.

## **ARTICLE XV. GENERAL PROVISIONS**

### **15.1 Expenses**

All reasonable expenses incurred in administering the Plan are currently paid by the Employer.

### **15.2 No Contract of Employment**

Nothing herein contained is intended to be or shall be construed as constituting a contract or other arrangement between any Employee and the Employer to the effect that such Employee will be employed for any specific period of time. All Employees are considered to be employed at the will of the Employer.

### **15.3 Amendment and Termination**

This Plan has been established with the intent of being maintained for an indefinite period of time. Nonetheless, the Employer may amend or terminate all or any part of this Plan at any time for any reason by resolution of the Employer's Board of Directors or by any person or persons authorized by the Board of Directors to take such action, and any such amendment or termination will automatically apply to the Related Employers that are participating in this Plan.

### **15.4 Governing Law**

This Plan shall be construed, administered and enforced according to the laws of the State of Tennessee to the extent not superseded by the federal law.

### **15.5 Compliance with Federal Law**

It is intended that this Plan meet all applicable requirements of federal law and of all regulations issued thereunder. This Plan shall be construed, operated and administered accordingly, and in the event of any conflict between any part, clause, or provision of this Plan and applicable federal law, such applicable law shall be deemed controlling and any conflicting part, clause, or provision of this Plan shall be deemed superseded to the extent of the conflict.

### **15.6 No Guarantee of Tax Consequences**

Neither the Administrator nor the Employer makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under this Plan will be excludable from the Participant's gross income for federal, state, or local income tax purposes. It shall be the obligation of each Participant to determine whether each payment under this Plan is excludable from the Participant's gross income for federal, state, and local income tax purposes and to



notify the Administrator if the Participant has any reason to believe that such payment is not so excludable.

### **15.7 Indemnification of Employer**

If any Participant receives one or more payments or reimbursements under this Plan on a tax-free basis, and such payments do not qualify for such treatment under the Code, such Participant shall indemnify and reimburse the Employer for any liability it may incur for failure to withhold federal income taxes, Social Security taxes, or other taxes from such payments or reimbursements.

### **15.8 Non-Assignability of Rights**

The right of any Participant to receive any reimbursement under this Plan shall not be alienable by the Participant by assignment or any other method and shall not be subject to claims by the Participant's creditors by any process whatsoever. Any attempt to cause such right to be so subjected will not be recognized, except to such extent as may be required by law.

### **15.9 Headings**

The headings of the various Articles and Sections (but not subsections) are inserted for convenience of reference and are not to be regarded as part of this Plan or as indicating or controlling the meaning or construction of any provision.

### **15.10 Plan Provisions Controlling**

In the event that the terms or provisions of any summary or description of this Plan, or of any other instrument, are in any construction interpreted as being in conflict with the provisions of this Plan as set forth in this document, the provisions of this Plan shall be controlling.

### **15.11 Severability**

Should any part of this Plan subsequently be invalidated by a court of competent jurisdiction, the remainder of the Plan shall be given effect to the maximum extent possible.

\* \* \*

IN WITNESS WHEREOF, and as conclusive evidence of the adoption of the foregoing instrument comprising the Arnold Fabrication and Machine, Inc. HRA Plan, Arnold Fabrication and Machine, Inc. has caused this Plan to be executed in its name and on its behalf, on this 1st day of August, 2023..

**Arnold Fabrication and Machine, Inc.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Witness: \_\_\_\_\_

Signature: \_\_\_\_\_