

Plan Document: Appendix C

Dependent Care Benefits Plan

All terms and conditions stated in the Plan Document and Appendix C are applicable to this Dependent Care Benefits Plan unless specifically changed by this Appendix C.

All capitalized terms in this Appendix C are defined exactly as in the Plan Document, Article III, Definitions.

This Plan is intended to provide reimbursement for certain Dependent Care Expenses incurred by Participants. The Employer intends that the Plan qualify as a dependent care assistance plan under Section 129(d) of the Internal Revenue Code, and that the nontaxable benefits provided under the Plan be eligible for exclusion from Participant incomes under Section 129 of the Code. This Plan is not subject to the Employee Retirement Income Security Act of 1974 (ERISA).

Maximum Contribution. A Participant can defer the lesser of \$5000, their earned income, or the Spouse's earned income, per plan Year. If a Spouse is disabled or a full-time student with no income, then the Spouse is deemed to have a monthly income of \$250, if one dependent, \$500 if two or more dependents. A married Participant who files a separate tax return is limited to \$2,500 per year. Contributions to the Plan are made and limited in accordance with the Participant's annual election.

Maximum Benefit. A Participant can never withdraw more funds than actually contributed on the date a claim is submitted. If a Participant fails to use his/her entire election at the end of the Plan Year or upon other termination of the Plan, the unused election cannot be cashed out and becomes the property of the Employer.

Dependent Care Expenses. Expenses incurred by a Participant for the care of a Qualified Person or for related household services which would be considered employment-related expenses under Section 21(b)(2) of the Internal Revenue Code.

Qualifying Person - All child and Dependent Care Expenses must be for the care of one or more Qualifying Persons. A Qualifying Person is defined as the following:

- (a) A child whom is claimed as the Participant's Dependent and who was under the age of 13 when the care was provided;
- (b) A Participant's Spouse who was physically or mentally unable to care for himself/herself and lived with the Participant for more than half of the year;
- (c) A person who was physically or mentally unable to care for himself or herself and lived with the Participant for more than half of the year, and either of the following:
 - (1) Was the Participant's Dependent; or
 - (2) Would have been the Participant's Dependent without the occurrence of one of the following:
 - i) He or she received gross income equal to or in excess of the exemption amount for Dependents under Internal Revenue Code § 151(d);
 - ii) He or she filed a joint tax return;
 - iii) The Participant, or the Participant's Spouse if filing jointly, could be claimed as a Dependent on someone else's federal tax return.

Child of divorced or separated parents: Even if a Participant cannot claim a child as a Dependent, he or she is treated as a Qualifying Person if one of the following applies.

- (a) The child was under the age of 13 or was physically or mentally unable to care for himself/herself; or
- (b1) The Participant was the child's custodial parent (the parent with whom the child lived for the greater part of the calendar year), and

- (b2) The non-custodial parent is entitled to claim the child as a Dependent under the special rules for a child of divorced or separated parents.

If this applies, the non-custodial parent cannot treat the child as a Qualifying Person.

Benefits and Claims - Benefits are provided only for the reimbursement of a Qualified Person's Dependent Care Expenses that are incurred during the Plan Year and during the period in which the Employee was a Participant. Benefits are limited to the amount that has actually been withheld from the Participant's Compensation on the date the claim is processed.

Reimbursement will be made under the Plan only on the basis of Dependent Care Expenses incurred for the care of a Qualified Person, as presented on a written form specific for requesting reimbursement from the Plan. Dependent Care Expenses requested for reimbursement will be reviewed for eligibility prior to reimbursement from a Participant's dependent care reimbursement benefits account. If it is determined that an expense is a Dependent Care Expense subject to reimbursement, the Participant will be reimbursed for the Dependent Care Expense within a reasonable time. To make the determination that a Dependent Care Expense subject to reimbursement has been incurred, proper evidence of any or all of the following may be required:

- (a) the name of the Qualified Person for whom the expenses have been incurred;
- (b) the nature of the services incurred;
- (c) the date the services were incurred;
- (d) the amount of the requested reimbursement; and,
- (e) that the expenses have not been otherwise paid through a program offered by the Employer or any other employer, or reimbursed from any other source.

The Employer will make the final determination of what constitutes a Dependent Care Expense subject to reimbursement under the Plan.

In the event of the death of the Participant prior to the payment of any claims, payment will be made in the following priority:

- (a) Executor of the Estate of the deceased Participant,
- (b) Spouse of decedent.

Amounts Paid in Error - Upon any benefit payment made in error, the Employer will inform the Participant that they are required to repay the amount that has been paid to or on the behalf of a Participant in error. This includes and is not limited to amounts over the Participant's annual election, amounts for services that are determined not to be Dependent Care Expense, or when a Participant does not provide adequate documentation to substantiate a claim upon request. The Employer may take reasonable steps to recoup such an amount including reducing the amount of future benefit reimbursements by the amount paid in error.

Forfeiture (Use-it-or-lose-it Rule) - A Participant forfeits any amount of his/her annual election that exceeds of the amount of claims reimbursed during any Plan Year. A Participant who terminates coverage during the Plan Year has a run out period in which to submit eligible claims. A Participant who is covered through the end of the Plan Year will have a run out period in which to submit eligible claims. The duration of these run out periods will be provided in the Summary Plan Description provided by the Employer.

Upon such forfeiture, the Participant's accrual will be reduced to zero. Forfeited funds can be retained by the Employer, or at the discretion of the Employer, forfeitures of benefits under the Plan can be reallocated to Participants in any reasonable manner that has no relation to prior claims history. Forfeitures of benefits also may be applied towards the cost of administering the Plan. Forfeitures of benefits will become the sole property of the Employer.

Change in Enrollment. No Participant in the Plan will be allowed to alter or discontinue the Participant's elections during a Plan Year except when due to and consistent with a Change in Status. Change in Status Event enrollment requests must be made within 30 days of the Change in Status Event and be consistent with the actual Change in Status, as defined by the IRS.

The new Benefits Enrollment Form, if determined by the Employer to be submitted in a timely fashion and consistent with the Status Change, will be effective prospectively and apply only to those Benefits accruing to the Participant, the Participant's Spouse, or the Participant's Dependents after the effective date of the new Benefits Enrollment Form.

Nondiscrimination. The Plan is not intended to discriminate in favor of highly compensated individuals regarding eligibility to participate, contributions, and benefits in accordance with applicable provisions of the Code. The Employer may take such actions as excluding certain highly compensated employees from participation in the Plan or adjusting elections midyear, if in the Employer's judgment, such actions serve to assure that the Plan does not violate applicable nondiscrimination rules.

