

July 1, 2022
SUMMARY PLAN DESCRIPTION
FOR
NAVY EXCHANGE SERVICE COMMAND 401(K) PLAN

Navy Exchange Service Command (NEXCOM)
Employer Identification Number: 11-1644854
Plan Number: 003

This is only a summary intended to familiarize you with the major provisions of the Plan. You should read this summary closely. If you have any questions and before you make any important decisions based on your understanding of the Plan from this summary, you should contact the Plan Administrator.

HOW TO USE THIS SUMMARY

TABLE OF CONTENTS

The table of contents gives a detailed description of where specific information concerning a particular topic may be found.

GLOSSARY

Some terms used in the summary have special meanings. These terms are identified by capitalizing the term's first letter. To find out the exact meaning of a special term, there is a glossary at the end of this summary.

EFFECTIVE DATE

This booklet describes in easy-to-understand terms the principal features of the Plan as in effect on July 1, 2022. It updates and replaces any prior descriptions of the Plan. Some Plan provisions may be different for employees whose employment terminated before July 1, 2022.

MORE SPECIFIC INFORMATION

Some technical details and legal expressions contained in the formal Plan documents have been omitted in this summary. The formal Plan documents govern in administering and interpreting the rights of participants and their beneficiaries.

DAILY ADMINISTRATIVE CONTACT

The person or entity handling the day-to-day operations of the Plan is:

Chief Executive Officer
Navy Exchange Service Command (NEXCOM)
3280 Virginia Beach Boulevard
Virginia Beach, VA 23452-5724
(757) 631-3600

Any questions concerning the day-to-day operations of the Plan should be directed to the person or entity identified above.

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INTRODUCTION TO YOUR PLAN

The Navy Exchange Service Command 401(k) Plan helps you provide for your retirement security by making it simple and convenient for you to contribute to your retirement savings regularly. The Employer may also make contributions to your Account to provide you with additional savings. The Plan is intended to meet federal tax law qualification requirements, allowing your savings to accumulate on a tax-deferred basis and permitting you to save more dollars for your retirement.

HOW YOU SAVE

- You may contribute a percentage of your pay to the Plan as 401(k) Contributions. You may make Pre-Tax 401(k) Contributions and/or Roth 401(k) Contributions. For information on making 401(k) Contributions, see **YOUR CONTRIBUTIONS: 401(k) CONTRIBUTIONS**.
- If you will be age 50 by the end of the year, you may make Catch Up 401(k) Contributions to the Plan. Catch Up 401(k) Contributions are additional 401(k) Contributions that are not subject to annual limits imposed on 401(k) Contributions under the Plan. For more information on making Catch Up 401(k) Contributions, see **YOUR CONTRIBUTIONS: 401(k) CONTRIBUTIONS** and **LIMITATIONS ON CONTRIBUTIONS**.
- If you could receive a distribution from your Account that is eligible for direct rollover, you may elect to convert any portion of the distributable amount that is not already attributable to Roth 401(k) Contributions to Roth 401(k) Contributions through an in-plan rollover. For more information on the types of distributions that may be converted and the terms and conditions for making In-Plan Roth Rollover Contributions, see **YOUR CONTRIBUTIONS: IN-PLAN ROTH ROLLOVER CONTRIBUTIONS**.
- If you have savings from another retirement plan or annuity, you may be able to roll those savings into the Plan as Rollover Contributions. For more information on the types of savings that may be rolled over into the Plan and the terms and conditions for making Rollover Contributions, see **YOUR CONTRIBUTIONS: ROLLOVER CONTRIBUTIONS**.
- If you contribute to the Plan, your Employer will add a Matching Contribution. For information on the amount of your Employer's Matching Contribution and the terms and conditions for receiving Matching Contributions, see **EMPLOYER CONTRIBUTIONS: MATCHING CONTRIBUTIONS**.
- Dollars you save as Pre-Tax 401(k) Contributions and dollars the Employer contributes on your behalf are not currently included as part of your federal taxable income. Dollars saved as Roth 401(k) Contributions, including Designated Roth Rollover Contributions and In-Plan Roth Rollover Contributions, are taxed before contributed, but are not taxed when they are distributed to you. Taxes are also deferred on investment earnings on all contributions held in your Account. Therefore, you pay no federal income taxes on your Plan savings, except dollars saved as Roth 401(k) Contributions, including Designated Roth Rollover Contributions and In-Plan Roth Rollover Contributions, until they are distributed to you. If you satisfy certain rules, you will not pay taxes on investment earnings on your Roth 401(k) Contributions, Designated Roth Rollover Contributions, and In-Plan Roth Rollover Contributions even when they are distributed to you.

YOUR PLAN ACCOUNT

You have your own Account under the Plan to hold all contributions you make to the Plan and any contributions your Employer makes for you. Your Account also holds any investment earnings on those contributions. Your Account keeps track of your share of the assets held in the Plan.

VESTING OF YOUR ACCOUNT

Your Vested Interest in your Account is the percentage of your Account that you would receive if your employment terminated.

Your Vested Interest in the balance of your Account resulting from your contributions is always 100%.

Your Vested Interest in the balance of your Account resulting from Employer Contributions is determined under the applicable vesting schedule, which may require you to complete a specified number of years of Vesting

Service to earn a Vested Interest. (For more information about Vesting Service and vesting schedules, see **EMPLOYER CONTRIBUTIONS: VESTED INTEREST IN EMPLOYER CONTRIBUTIONS** and **VESTING SERVICE**.)

DISTRIBUTION OF BENEFITS

You may receive distributions from your Vested Interest in your Account when any of the following happens:

- You satisfy the requirements for an in-service withdrawal. (For more information about withdrawals, see **IN-SERVICE WITHDRAWALS**.)
- You become Disabled while still employed.
- You retire from employment after you reach your Normal Retirement Date.
- You die (distribution will be made to your Beneficiary).
- Your employment terminates. (For more information about distributions following termination of employment, see **DISTRIBUTION OF YOUR ACCOUNT**.)

EMPLOYER DISCRETION

The Employer has discretionary authority to interpret and construe the provisions of the Plan, to determine your eligibility for benefits under the Plan, and to resolve any disputes that arise under the Plan. The Employer may delegate this authority as provided under the Plan.

PLAN IDENTIFICATION INFORMATION

TYPE OF PLAN

The Plan is a "**defined contribution plan**". Under a defined contribution plan, all contributions you make to the plan or that are made on your behalf are held in an account that is invested on your behalf. When you retire, your retirement benefit from the plan will be based on the value of your account (including investment earnings and losses) at the time distribution is made to you.

The Plan is a type of defined contribution plan called a "**profit-sharing plan**". Contributions under a profit-sharing plan are **not** subject to funding requirements under federal tax law. Therefore, contributions may be discretionary with the employer. However, any contributions made under a profit-sharing plan must be allocated among participants under a formula that is described in the plan.

The Plan is also a "**governmental plan**" described in Code Section 414(d). That means it is subject to different rules and requirements under Federal law than a non-governmental plan and is subject to certain state law requirements.

The Plan is also a "**401(k) plan**". Under a 401(k) plan, you may elect to make contributions to the plan from your pay. Your contributions (called "401(k) Contributions" in this summary) may be either Pre-Tax 401(k) Contributions or Roth 401(k) Contributions. You do not pay any taxes on your Pre-Tax 401(k) Contributions or earnings until they are distributed to you. You pay taxes on your Roth 401(k) Contributions for the year of the contribution, but earnings accumulate tax-free and, if you satisfy certain requirements, are also excluded from your taxable income when distributed to you.

ADMINISTRATOR

(This is the Plan Administrator for purposes of the Internal Revenue Code.)

Chief Executive Officer
Navy Exchange Service Command (NEXCOM)
3280 Virginia Beach Boulevard
Virginia Beach, VA 23452-5724
(757) 631-3600

EMPLOYER

Navy Exchange Service Command (NEXCOM)
3280 Virginia Beach Boulevard
Virginia Beach, VA 23452-5724

EMPLOYER'S EMPLOYER IDENTIFICATION NUMBER

11-1644854

PLAN NUMBER

003

FUNDING MEDIUM

Plan assets are held in a trust maintained by the Trustee.

TRUSTEE

Prudential Bank & Trust, FSB
280 Trumbull Street, H16T
Hartford, CT 06103

AGENT FOR SERVICE OF LEGAL PROCESS

Legal process may be served on the Employer at its address listed above.

ELIGIBILITY TO PARTICIPATE

If you were eligible to make contributions to the Plan and/or receive Employer Contributions before July 1, 2022, you will continue to be eligible after July 1, 2022, provided you are still a Covered Employee, as described below. If you were *not* already eligible to make contributions to the Plan and/or receive Employer Contributions before July 1, 2022, you will become eligible after satisfying the eligibility requirements described below.

ELIGIBILITY REQUIREMENTS

To participate in the Plan you must satisfy the following requirements:

- you are a Covered Employee, as described in **COVERED EMPLOYEES** below.
- you reach age 18.

COVERED EMPLOYEES

You are a Covered Employee if you are:

- a United States citizen, a United States national, or a permanent resident alien employed in the United States;
- a permanent full-time or permanent part-time civilian Employee;
- regularly employed for more than 20 hours a week; and
- paid from nonappropriated funds.

In addition, you must also (i) be employed on the U.S. payroll, (ii) have a Federal Social Security Number or Individual Tax Identification Number, (iii) be subject to U.S. income taxation, and (iv) not be subject to a Status of Forces Agreement provision that precludes eligibility for participation in the Plan.

You are *not* a Covered Employee if:

- you have been classified by your Employer as an independent contractor or other person for whom your Employer does not withhold income or employment taxes and file Form W-2. If your Employer treats you as an independent contractor and you are later adjudicated to be a common law employee of your

Employer, you will not be considered a member of the "eligible class" unless and until your Employer extends Plan coverage to you.

- you are a Leased Employee.
- you normally work fewer than 20 hours per week.
- you are a resident of the Commonwealth of Puerto Rico.
- you are a non-U.S. citizen working outside the United States

In spite of the foregoing, you will be eligible to participate in the Plan if you continue to participate, or are otherwise required to be permitted to participate, in the Plan pursuant to the Portability of Benefits for Nonappropriated Fund Employees Act, as amended.

Effective January 31, 2022, the Plan acquired NGIS. Service with NGIS will be credited for eligibility and vesting purposes.

DATE OF PARTICIPATION

You may make contributions to the Plan and receive Employer Contributions (provided you satisfy any allocation requirements) beginning on the first day of the payroll period coinciding with or immediately following the date you meet the eligibility requirements described above.

TRANSFERS OF EMPLOYMENT

If you are transferred from other employment with the Employer to employment as a Covered Employee (as described in **COVERED EMPLOYEES** above), you will be eligible to participate beginning on your transfer date if you would have been eligible to participate on or before your transfer date had you been employed as a Covered Employee for your entire period of employment. Otherwise, you will be eligible to participate as provided above.

REEMPLOYMENT

If your employment terminates and you are later reemployed as a Covered Employee (as described in **COVERED EMPLOYEES** above), you will be eligible to participate beginning on your reemployment date if you were eligible to participate at the time you terminated employment. Otherwise, you will be eligible to participate when you have met the requirements above.

YOUR CONTRIBUTIONS

401(k) CONTRIBUTIONS

If you elect to make 401(k) Contributions, you authorize the Employer to reduce the Compensation you would regularly receive by a specified amount. This amount is then deposited in your Account as a 401(k) Contribution. You may elect to make Pre-Tax 401(k) Contributions and/or Roth 401(k) Contributions to the Plan. Once you have designated a 401(k) Contribution as either a Pre-Tax or Roth 401(k) Contribution, you may not later change its designation, unless you elect to convert Pre-Tax 401(k) Contributions to Roth 401(k) Contributions, as provided in **YOUR CONTRIBUTIONS: IN-PLAN ROTH ROLLOVER CONTRIBUTIONS** below. You may, however, change your designation with respect to future 401(k) Contributions. (See **Change in Amount and/or Treatment of 401(k) Contributions** below).

Pre-Tax 401(k) Contributions

You do not pay federal income taxes (or, in many states, state income taxes) on Compensation you contribute to the Plan as Pre-Tax 401(k) Contributions for the year in which you make the contribution. Instead, your Pre-Tax 401(k) Contributions and earnings on your Pre-Tax 401(k) Contributions are only taxable when they are distributed from the Plan.

Roth 401(k) Contributions

You pay federal income taxes and state income taxes on Compensation you contribute to the Plan as Roth 401(k) Contributions for the year in which you make the contribution. However, your Roth 401(k) Contributions are not taxable when they are distributed from the Plan. In addition, if certain conditions are satisfied, the earnings on your Roth 401(k) Contributions are also not taxable when distributed from the Plan.

There are 2 separate sets of requirements that must be satisfied in order for the distribution of the earnings on your Roth 401(k) Contributions to be non-taxable:

- First, distribution must be made at least 5 years after the first day of the calendar year in which you first made Roth 401(k) Contributions to the Plan or, if earlier, you first converted a portion of your Account by making an In-Plan Roth Rollover Contribution, as described in **YOUR CONTRIBUTIONS: IN-PLAN ROTH ROLLOVER CONTRIBUTIONS**. Special rules apply for determining this 5-year period if you make Designated Roth Rollover Contributions.
- Second, the distribution must be a "qualified distribution." A "qualified distribution" is a distribution made to you after you reach age 59 1/2 or become disabled or made to your Beneficiary after your death. For this purpose, you are considered disabled if you are unable to engage in **any** substantial gainful activity because of a medically determinable physical or mental impairment that can be expected to result in your death or to be of long-continued and indefinite duration.

How to Make an Election

To make 401(k) Contributions, you must contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100), access your Account at the Insurance Company's internet site – www.Prudential.com/online/retirement, or notify the Administrator of your election in accordance with the rules established by the Administrator. Your election must specify the portion of your 401(k) Contributions to be treated as Pre-Tax 401(k) Contributions and the portion to be treated as Roth 401(k) Contributions.

Amount of 401(k) Contributions

You may contribute from 1% to 90% of your Compensation as 401(k) Contributions.

Commencement of 401(k) Contributions

401(k) Contributions will be made from your Compensation as provided in your election beginning as soon as reasonably practicable after the date your election is effective.

Automatic Annual Increase

You may elect in accordance with rules prescribed by the Administrator to have your 401(k) Contributions automatically increased each year. You may elect to have your 401(k) Contributions increased in 1%, 2% or 3% increments up to the maximum deferral rate (not to exceed 90% of Compensation) you specify. The annual increase will be effective each year as of the date you elect.

To elect an automatic annual increase, you must contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100), access your Account at the Insurance Company's internet site – www.Prudential.com/online/retirement, or notify the Administrator of your election in accordance with the rules established by the Administrator.

Change in Amount and/or Treatment of 401(k) Contributions

You may change the amount the Employer withholds from your future Compensation or change the portion of your 401(k) Contributions treated as Pre-Tax and Roth 401(k) Contributions effective as of the first day of the following payroll period. To change the amount or treatment of your 401(k) Contributions, you must contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100), access your Account at the Insurance Company's internet site – www.Prudential.com/online/retirement, or notify the Administrator in accordance with the rules established by the Administrator. Any change in your election must specify the

portion of your future 401(k) Contributions to be treated as Pre-Tax 401(k) Contributions and the portion to be treated as Roth 401(k) Contributions.

Suspension of 401(k) Contributions

You may direct your Employer to stop withholding amounts from your future Compensation and suspend your 401(k) Contributions at any time. To suspend your 401(k) Contributions, you must contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100), access your Account at the Insurance Company's internet site – www.Prudential.com/online/retirement, or notify the Administrator in accordance with the rules established by the Administrator. The suspension will take effect as soon as reasonably practicable after you notify the Administrator.

If you suspend your 401(k) Contributions, the suspension will remain in effect until you elect to resume making 401(k) Contributions again.

Resumption of 401(k) Contributions

If you suspend your 401(k) Contributions, you may resume making 401(k) Contributions effective as of the first day of the following payroll period. To resume your 401(k) Contributions you must contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100), access your Account at the Insurance Company's internet site – www.Prudential.com/online/retirement, or notify the Administrator in accordance with the rules established by the Administrator. Your notice to resume 401(k) Contributions must specify the portion of your future 401(k) Contributions to be treated as Pre-Tax 401(k) Contributions and the portion to be treated as Roth 401(k) Contributions.

Annual Federal Limit on Amount of 401(k) Contribution

Federal law limits the amount of 401(k) Contributions (including both Pre-Tax and Roth 401(k) Contributions) that you can make to the Plan each calendar year. For 2022, the maximum amount is \$20,500. The IRS may adjust this limit for future years. Any adjustment will be in increments of \$500. If the Administrator determines that the amount you authorize your Employer to withhold from your Compensation would exceed the maximum amount permitted for the year, the Administrator will adjust the amount withheld so that it does not exceed the maximum.

Catch-Up 401(k) Contributions

If you will be age 50 or older by the end of the calendar year, you may make Catch-Up 401(k) Contributions for that year that exceed the annual Federal limit above. Your total Catch-Up 401(k) Contributions for a year cannot exceed the Catch-Up Limit in effect for the year. For 2022, the Catch-Up Limit is \$6,500. The IRS may adjust this limit each year.

ROLLOVER CONTRIBUTIONS

If you are a Covered Employee, you may elect to rollover qualified distributions to the Plan.

Your Rollover Contributions are subject to all the terms and conditions of the Plan and are only distributable to you under the terms of the Plan.

Savings Eligible for Direct Rollover

The Plan permits "direct rollovers" from the following:

- "qualified plans" (these are plans that meet the requirements of Section 401(a) or annuities that meet federal tax law qualification requirements, such as 401(k) or profit-sharing plans). Your "direct rollover" may include Roth contributions.
- 403(b) retirement plans (these are retirement plans maintained for employees of tax exempt organizations or governments). Your "direct rollover" may include Roth contributions.
- 457 deferred compensation plans (these are deferred compensation plans for employees of state or local governments). Your "direct rollover" may include Roth contributions.

- IRAs.

A "direct rollover" is a rollover made directly from another plan or annuity without being distributed to you first. You may not make a direct rollover to the Plan of after-tax employee contributions.

If you have an outstanding loan under another plan or annuity, you may **not** rollover the loan note as part of your Rollover Contribution.

Savings Eligible for Indirect Rollover

The Plan permits "indirect rollovers" from the following:

- "qualified plans" (these are plans that meet the requirements of Section 401(a) or annuities that meet federal tax law qualification requirements, such as 401(k) or profit-sharing plans). Your "indirect rollover" may include the taxable portion of any Roth contributions, but may not include non-taxable Roth contributions.
- 403(b) retirement plans (these are retirement plans maintained for employees of tax exempt organizations or governments). Your "indirect rollover" may include the taxable portion of any Roth contributions, but may not include non-taxable Roth contributions.
- 457 deferred compensation plans (these are deferred compensation plans for employees of state or local governments). Your "indirect rollover" may include the taxable portion of any Roth contributions, but may not include non-taxable Roth contributions.
- IRAs.

An "indirect rollover" is a rollover you make to the Plan of amounts you have actually received as a distribution from another plan or annuity. You may not make an indirect rollover to the Plan of after-tax employee contributions or, except as provided above, Roth contributions.

Rollover Procedures

The Administrator may require you to provide information to show that the savings you want to rollover meet the Plan requirements.

If the distribution qualifies, you may roll it over into the Plan by having it delivered to the Trustee. If you actually receive distribution of the amount you are rolling over, your Rollover Contribution must be delivered to the Trustee within 60 days of the date you receive it.

Treatment of Designated Roth Rollover Contributions

If you make Designated Roth Rollover Contributions to the Plan, those amounts will be accounted for separately from your other Rollover Contributions. This is required so that the Plan can keep track of the non-taxable portion of the rollover.

IN-PLAN ROTH ROLLOVER CONTRIBUTIONS

You may elect to make an In-Plan Roth Rollover Contribution of any part of your Account that is eligible for direct rollover and that is not already attributable to Roth 401(k) Contributions. In-Plan Roth Rollover Contributions are treated similarly to Roth 401(k) Contributions. Thus, your In-Plan Roth Rollover Contributions and, if certain conditions are satisfied, the earnings on your In-Plan Roth Rollover Contributions, are not taxable when distributed from the Plan.

Please Note: Once any part of your Account is converted to In-Plan Roth Rollover Contributions, you may not later undo your election.

In-Plan Roth Rollover Procedures

If you could receive a non-hardship withdrawal, as described in **IN-SERVICE WITHDRAWALS** or, a distribution because of your termination of employment that would be eligible for direct rollover (as described in **FORM OF PAYMENT: FORM OF PAYMENT TO YOU**) and that is not already attributable to Roth 401(k) Contributions, you may elect, in accordance with rules prescribed by the Administrator, to convert

that distributable amount to an In-Plan Roth Rollover Contribution. Your Vested Interest in the contribution source you are converting must be 100%. Otherwise, you may not even convert the vested portion to In-Plan Roth Rollover Contributions.

If you elect to make an In-Plan Roth Rollover Contribution, the taxable amount of the converted distribution will be included in federal taxable income for the taxable year in which the In-Plan Roth Rollover Contribution is made. Later distributions of your In-Plan Roth Rollover Contributions will be taxable as described in **DISTRIBUTION OF YOUR ACCOUNT: SPECIAL TAX RULES APPLICABLE TO DISTRIBUTIONS**.

For additional information regarding, or to make, an In-Plan Roth Rollover Contribution, you should contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100), access your Account at the Insurance Company's internet site – www.Prudential.com/online/retirement, or notify the Administrator in accordance with the rules established by the Administrator.

Special Rules

The following special rules apply to your In-Plan Roth Rollover Contributions.

- **Separate accounting:** Your In-Plan Roth Rollover Contributions will be separately accounted for under the Plan.
- **5-year period for tax exclusion:** The 5-year period that must elapse in order for the earnings on your In-Plan Roth Rollover Contributions to be tax-free upon distribution runs from the first day of the calendar year in which you make the In-Plan Roth Rollover Contribution or, if earlier, the date you first made Roth 401(k) Contributions to the Plan. Special rules apply for determining this 5-year period if you make Designated Roth Rollover Contributions. (Remember, for a distribution of earnings to be tax free, it must also be a "qualified distribution" as described above under Roth 401(k) Contributions in **YOUR CONTRIBUTIONS: 401(k) CONTRIBUTIONS**.)
- **Protected rights:** Any special distribution rules (e.g., in-service withdrawal rights) that applied to the amounts you elect to convert to In-Plan Roth Rollover Contributions are preserved after the conversion.

VESTED INTEREST IN YOUR CONTRIBUTIONS

Your Vested Interest in the Value of your contributions to the Plan is always 100%.

EMPLOYER CONTRIBUTIONS

In addition to your contributions, your Employer may make Employer Contributions to your Account. You are not taxed on any Employer Contributions made to your Account until distribution is made to you.

MATCHING CONTRIBUTIONS

Matching Contributions

Once you have met the requirements to participate in the Plan with respect to Matching Contributions, as described in **ELIGIBILITY TO PARTICIPATE** above, you will receive Matching Contributions for a payroll period if you are a Covered Employee at any time during that payroll period.

If you are eligible, each payroll period your Employer will make a Matching Contribution to your Account equal to 50% of your 401(k) Contributions for the payroll period.

Your Employer will match your Catch-Up 401(k) Contributions to the Plan.

Limitations on Matching Contributions

Your 401(k) Contributions are **not** included in determining the amount of the Matching Contributions the Employer makes to your Account if:

- They exceed 6% of your Compensation.

VESTED INTEREST IN EMPLOYER CONTRIBUTIONS***Vesting Schedule***

Your Vested Interest in the Value of the Matching Contributions in your Account is determined using the following schedule:

Years of Vesting Service	Vested Interest
Less than 1	0%
1, but less than 2	25%
2, but less than 3	50%
3 or more	100%

If you are a former NGIS associates who was 100% vested in the 401(k) plan of CNIC ("CNIC Plan"), you will be 100% vested immediately in the Plan. All other former NGIS associates will be subject to the Plan's 3-year vesting schedule.

Special Vesting Events

Notwithstanding the foregoing, if you are employed by the Employer on your Normal Retirement Date or the date you die or become Disabled, your Vested Interest in your full Account will be 100%. If you are absent from employment because of military service and you die while performing "qualified" military service (as described in the Uniformed Services Employment and Reemployment Rights Act of 1994), you are treated as if you died while employed by the Employer.

VESTING SERVICE

Vesting Service is used to determine your Vested Interest under the applicable schedule above.

Crediting of Vesting Service

You are credited with Vesting Service from the date you commence 401(k) Contributions to the Plan (or again commence 401(k) Contributions following rehire) until your Severance Date. If your employment terminates but you are rehired before you have been absent from work for 12 months, you are credited with Vesting Service for the period that you were absent from work.

If you are absent from employment with an Employer because of military service, and you die while performing "qualified" military service (as described in the Uniformed Services Employment and Reemployment Rights Act of 1994), you will be credited with Vesting Service for the period you were absent as if you returned to work immediately before your death.

Excluded Vesting Service

The following Vesting Service that would otherwise be credited to you under the rules above is excluded in determining your Vested Interest in the Value of the Employer Contributions (including any investment gains or losses on them) in your Account:

- Vesting Service completed before you reach age 18.
- Vesting Service completed before the date the Plan was first effective (August 1, 1999).

PLAN INVESTMENTS**WHERE PLAN CONTRIBUTIONS ARE INVESTED**

You direct how the contributions made to your Account are invested. You may direct your contributions be invested in any of the funds made available to you under the Plan. The Administrator will provide you with a

description of the different investment funds available. New investment funds may be added and existing funds changed. The Administrator will update the description of the available funds to reflect any changes.

In addition to the funds mentioned above, you may select your own investment vehicles through a self-directed brokerage account.

MAKING INVESTMENT ELECTIONS

Investment Elections

When you become eligible to participate in the Plan, you must notify the Administrator of your investment elections in accordance with the rules established by the Administrator. Your investment election must specify the percentage of contributions to your Account that will be invested among the available investment funds.

Failure to Direct Investments

If you do not direct how contributions to your Account should be invested, the contributions will be invested among the investment funds selected by the Investment Fiduciary.

Change of Investment Elections

You may change how contributions to your Account are invested effective as of the date or dates prescribed by the Administrator. To perform this transaction you must contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100), access your Account at the Insurance Company's internet site – www.Prudential.com/online/retirement, or notify the Administrator in accordance with the rules established by the Administrator.

Transfers Between Funds

You may transfer any amount held in your Account from one investment fund to another investment fund. You must specify the amount that is to be transferred.

A transfer may be made effective as of the date or dates prescribed by the Administrator. To make a transfer, you must contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100), access your Account at the Insurance Company's internet site – www.Prudential.com/online/retirement, or notify the Administrator in accordance with the rules established by the Administrator.

Restrictions on Transfers

The Insurance Company expects that, under most circumstances, unrestricted transfers will be available into any competing fixed income fund. Also, these provisions will not affect new contributions to, or transfers from, a competing fixed income fund.

In addition, if the Securities and Exchange Commission (SEC) has suspended or otherwise restricted trading, or another emergency outside of our control exists, the Insurance Company may defer investment transfers for up to 6 months. Interest (or gains or losses, as applicable) will continue to apply during the deferral period. In addition, the Insurance Company reserves the right to monitor participant's investment fund transfer activities to determine whether there are any inappropriate market timing activities. If the Insurance Company determines that a plan participant has engaged in inappropriate market timing, it may restrict his or her ability to make investment transfers in or out of particular funds.

If you intend to transfer amounts from one investment fund to another investment fund, there may be special rules pertaining to transfers to and from such funds. For more information, you should contact the Administrator.

Prudential Retirement's Internet Site

The Prudential Retirement® Online Retirement Center allows Internet access to your Account using your personal computer. The Prudential Retirement® Online Retirement Center is available 24 hours a day, 7

days a week. You can access the Prudential Retirement® Online Retirement Center through the Internet site at www.Prudential.com/online/retirement.

VALUING YOUR ACCOUNT

The Value of your Account is periodically adjusted to show any earnings or losses on your investments, any distributions that you have received, and any contributions that have been made to your Account since the preceding adjustment date. Legal rules require this adjustment to be made at least annually.

The Value of your Account may increase or decrease at any time due to investment earnings or losses. You are only entitled to receive from the Plan the Value of your Vested Interest in your Account on the date distribution is made to you. That Value will be determined on the adjustment date immediately preceding the date of distribution and may be larger or smaller than the Value determined on any other adjustment date. The Plan fiduciaries and functionaries handling Plan assets (including the Employer, the Investment Fiduciary, the Administrator, and the Trustee) do **not** guarantee your Account from investment losses.

LOANS FROM YOUR ACCOUNT

The Plan provides for loans to participants from their vested Accounts. Loans from the Plan are governed by a separate loan policy adopted by the Administrator. The Administrator can provide you with a copy of the policy governing Plan loans.

APPLICATION FOR LOAN

You may apply for a loan from your Account in accordance with the rules prescribed by the Administrator if you are an active Employee. Loans will not be made from your Account after you have terminated employment.

FEDERAL TAX RULES GOVERNING PLAN LOANS

For the Plan to retain its tax-qualified status (that allows your retirement savings to accumulate on a tax-deferred basis), any Plan loan must meet the following minimum requirements:

- **Interest rate:** must be a reasonable rate similar to the rate charged for a loan made under similar circumstances by persons in the business of lending money. (If you are absent because of military leave, federal law limits the interest rate that can apply to your loan.)
- **Loan amount:** cannot exceed specified limits when added to the outstanding balance of all other loans made to you from the Plan or any other plan maintained by your Employer.
- **Loan term:** cannot exceed 5 years, unless it is used to purchase your principal residence.
- **Repayment schedule:** must be substantially equal installments made not less frequently than quarterly. Some exceptions are made for unpaid leaves.

The loan guidelines provided by the Administrator may have more stringent requirements than the federally required minimum. In that case, any Plan loan must meet the more stringent requirements set forth in the loan guidelines.

COLLATERAL FOR LOAN

If you receive a Plan loan, a portion of your Vested Interest in your Account will be used as collateral for the loan. You may not receive a loan in excess of 50% of your Vested Interest. If a Plan loan is still outstanding at the time distribution of your Account is to be made, the amount distributed will be reduced by the portion of your Account being held as collateral for the loan, but only to the extent necessary to repay the loan.

DEFAULT ON LOAN

You will not receive a Plan loan unless you agree that your Account may be charged for unpaid principal and interest if you default on the loan. A Plan loan will be declared to be in default if either (1) you fail to make a required payment within 90 days of the date the payment was due (though the Administrator may extend the

grace period until the end of the calendar quarter following the quarter in which the payment was due) or (2) there is an outstanding principal balance after the last scheduled repayment date.

SPECIAL LOAN RULES

- **Repayment:** if you are employed by the Employer, repayment will be made by payroll withholding or by other means permitted under the loan policy.
- **Minimum Vested Account Balance:** In order to take a Plan loan, you must have a vested Account balance of at least \$2,000.
- **Minimum loan amount:** \$1,000.
- **Limit on outstanding loans:** only 1 outstanding Plan loan is permitted at any time.
- **Prepayment of outstanding balance:** permitted in full or in part without penalty.
- **Wait period to apply for new loan:** you may not apply for a new loan until 7 days after paying off a prior loan.
- **Due on termination:** outstanding balance immediately due and owing on termination of employment; provided, however, that you may elect to continue repaying an outstanding Plan loan via coupon payments.
- **Rollover of loans to this Plan:** you may not rollover any loan note.
- **Rollover of loans from this Plan:** you may not elect to rollover any loan note held pursuant to the provisions of this Plan.
- **Principal residence loans:** may not exceed 15 years.
- **Ordering Rules:** Roth sources will be loaned last in the hierarchy.

IN-SERVICE WITHDRAWALS

Under certain circumstances, you may make a cash withdrawal from your Account while you are still employed by your Employer.

WITHDRAWALS OF YOUR CONTRIBUTIONS

If you meet the applicable requirements indicated below, if any, you may withdraw all or part of the Value of the following contributions you made (or were made on your behalf) to your Account:

- **Rollover Contributions** at any time.
- **Designated Roth Rollover Contributions** at any time.
- **In-Plan Roth Rollover Contributions** at any time.
- **Pre-Tax 401(k) Contributions** at age 59 1/2.
- **Roth 401(k) Contributions** at age 59 1/2.

Roth sources will be available last in the hierarchy. Your withdrawal will be effective as soon as administratively practicable after your election is received.

WITHDRAWALS OF EMPLOYER CONTRIBUTIONS

If you meet the applicable requirements indicated below, you may withdraw all or part of the Value of your Vested Interest in the following Employer Contributions held in your Account:

- **Matching Contributions**, provided you have reached age 59 1/2.

Your withdrawal will be effective as soon as administratively practicable after your election is received.

WITHDRAWALS WHILE ABSENT ON MILITARY DUTY

If you are absent from employment with your Employer to perform military service, you may be entitled to withdraw amounts from your Account.

Standard Military Withdrawals

If you are absent from employment for at least 1 day because of service with the uniformed services (as described in United States Code, Title 38, Chapter 43), you may withdraw all or part of the Value of your Vested Interest in the following contributions held in your Account:

- ***Rollover Contributions.***
- ***Designated Roth Rollover Contributions.***
- ***In-Plan Roth Rollover Contributions.***
- ***Matching Contributions.***

Your withdrawal will be effective as soon as administratively practicable after your election is received.

Deemed Severance of Employment Withdrawals

If you are absent from employment for more than 30 days because of service with the uniformed services (as described in United States Code, Title 38, Chapter 43), federal law permits the Plan to treat you as if you had terminated employment, ***but solely*** to allow you to withdraw amounts from your Account that are not otherwise available for withdrawal. (This summary does not address the effect of military leave on your other employer-provided benefits.) If you are deemed to have terminated employment for this purpose, you may withdraw all or part of the Value of the following contributions:

- ***Pre-Tax 401(k) Contributions.***
- ***Roth 401(k) Contributions.***

Your withdrawal will be effective as soon as administratively practicable after your election is received.

If you take a withdrawal because of your deemed severance of employment, you will not be permitted to make 401(k) Contributions to the Plan (or any other plan maintained by the Employer) for 6 months from the date of the withdrawal.

HARDSHIP WITHDRAWALS

If you incur an immediate and heavy financial need, you may withdraw all or part of the Value of the following contributions held in your Account:

- ***Pre-Tax 401(k) Contributions (excluding investment income).***
- ***Roth 401(k) Contributions (excluding investment income).***
- ***Rollover Contributions.***
- ***Designated Roth Rollover Contributions.***
- ***In-Plan Roth Rollover Contributions.***
- ***Matching Contributions.***

You may only make a hardship withdrawal if the Administrator determines that the withdrawal is necessary to meet your financial need. Generally, the amount of your hardship withdrawal cannot exceed the amount of your financial need, except it may include amounts necessary to pay any federal, state, or local income taxes or penalties reasonably expected to result from the withdrawal.

Roth sources will be available last in the hierarchy. Your hardship withdrawal will be effective as soon as administratively practicable after your election is received.

Financial Needs For Which Hardship Withdrawals Are Available

Unless otherwise indicated in the Employer's administrative policy, the financial needs for which you can get a hardship withdrawal are:

- medical expenses of you, your Spouse, or your dependents for the diagnosis, cure, mitigation, treatment, or prevention of disease.
- purchase of your principal residence (excluding mortgage payments).
- tuition payments, related educational fees, and room and board expenses for post-secondary education for you, your Spouse, or your dependents.
- prevention of your eviction from your principal residence or foreclosure on the mortgage of your principal residence.
- funeral or burial expenses for your deceased parent, Spouse, child, or dependent.
- expenses for the repair of damages to your principal residence that would qualify for a casualty loss deduction (determined without regard to whether the loss exceeds 10% of your adjusted gross income).
- expenses and losses (including loss of income) you incur on account of a disaster declared by the federal government (FEMA) provided your principal residence or principal place of employment at the time of the disaster was located in an area designed by FEMA for disaster assistance.

Generally, for purposes of a hardship withdrawal, your dependent is as defined for purposes of receiving an income tax deduction, without regard to the rules (1) prohibiting persons treated as dependents from claiming dependents of their own, (2) precluding persons who file a joint return with their Spouse from being claimed as dependents, and (3) precluding persons who have gross income for the year equal to or greater than the exemption amount from being claimed as dependents.

For purposes of determining whether you have a financial need for which a hardship withdrawal is available, the term "Spouse" does **not** include your Domestic Partner.

Demonstrating Need for Hardship Withdrawal

You must represent (in writing, by an electronic medium, or in such other form required by the Administrator) that you have insufficient cash or other liquid assets reasonably available to satisfy your financial need. The Administrator may rely on your substantiation of such necessity and is not obligated to inquire into your financial condition, unless it has actual knowledge to the contrary, that the need cannot be satisfied by one of the actions listed below or if the effect would increase the need.

The Administrator will approve your hardship withdrawal:

- the withdrawal amount does not exceed the amount you need to meet your financial need.
- you have obtained all other distributions available to you from any plan maintained by your Employer.

Limitations on Hardship Withdrawals

You must apply for a hardship withdrawal such number of days before the effective date as the Administrator prescribes.

FORFEITURE OF NON-VESTED AMOUNTS

If your employment terminates with the Employer and you are not 100% vested in the Value of the Employer Contributions in your Account at that time, you will forfeit the non-vested portion of your Account.

Timing of Forfeiture

- If you have no Vested Interest in your Account, your Account will be forfeited on the date your employment terminates.

- If you have a Vested Interest in your Account and receive distribution of that amount because of your termination, the non-vested portion of your Account will be forfeited on the date distribution is made to you.
- If you have a Vested Interest in your Account, but do not receive distribution of that interest because of your termination, the non-vested portion of your Account will be forfeited on the last day of the 5-year period that begins on your Severance Date.

If you are reemployed by the Employer before the non-vested portion of your Account is forfeited, the forfeiture will not occur.

Recrediting of Forfeited Amounts

If you are reemployed by the Employer after forfeiting the non-vested portion of your Account, the amount you forfeited will be recredited to your Account if you are reemployed before the last day of the 5-year period that begins on the date distribution was made to you (or the date your employment terminated, if you did not receive a distribution because you had no Vested Interest in your Account).

Treatment of Forfeited Amounts

Non-vested Matching Contributions forfeited during a Plan Year are used to meet the Employer's contribution obligations to the Plan or to pay Plan expenses.

DISTRIBUTION OF YOUR ACCOUNT

DISTRIBUTION TO YOU

If your employment with the Employer terminates, you may receive distribution of your Account. Distribution may be made as soon as reasonably practicable following the date your employment terminates.

You may postpone distribution until April 1 of the calendar year following the calendar year in which you reach age 70 1/2.

Instead of receiving distribution of your full Vested Interest, you may elect to receive a partial distribution of only a portion of your Account following termination and postpone distribution of the remaining balance.

The Plan provides for distribution of your Account while you are still employed if:

- you have become Disabled.

Request for Distribution

Unless your Account is cashed out as described below, distribution of your Account will not be made before April 1 of the calendar year following the calendar year in which you reach age 70 1/2 or retire, whichever is later, unless you request an earlier distribution.

If you keep your Account in the Plan after your employment terminates, you must pay for all fees and expenses to maintain your Vested Interest in the Plan. These expenses will be withdrawn directly from your Account.

Effect of Reemployment

If you are reemployed by the Employer before distribution of your full Vested Interest in your Account has been made, distribution of your Account will be suspended until your reemployment terminates.

Required Distribution

Federal tax law requires distribution of your Account to begin no later than April 1 of the calendar year following the year in which you reach age 70 1/2 or retire, whichever is later.

SPECIAL TAX RULES APPLICABLE TO DISTRIBUTIONS

If you terminate employment before reaching age 55 and elect to receive distribution of your Account before reaching age 59 1/2, you may be subject to a 10% penalty tax on your distribution. The penalty tax does not apply to amounts that are rolled over to another eligible retirement program. You should consult your own tax advisor to determine whether this tax applies to you.

If you receive distribution of your Roth 401(k) Contributions, Designated Roth Rollover Contributions or In-Plan Roth Rollover Contributions fewer than 5 years after you first made Roth 401(k) Contributions to the Plan, first converted funds through an In-Plan Roth Rollover Contribution or if you made a Designated Roth Rollover Contribution, the date you first made Roth contributions to the other plan, whichever is earliest, the earnings on your Roth 401(k) Contributions, Designated Roth Rollover Contributions or In-Plan Roth Rollover Contributions will be taxable. (The 5-year period is counted from January 1 of the year in which you made the contribution.) In addition, if distribution of your Roth 401(k) Contributions, Designated Roth Rollover Contributions or In-Plan Roth Rollover Contributions is made to you before you reach age 59 1/2 or become disabled, the earnings on your Roth 401(k) Contributions, Designated Roth Rollover Contributions or In-Plan Roth Rollover Contributions will be taxable. For this purpose, you are considered disabled if you are unable to engage in *any* substantial gainful activity because of a medically determinable physical or mental impairment that can be expected to result in your death or to be of long-continued and indefinite duration.

DISTRIBUTION TO YOUR BENEFICIARY

If you die before distribution of the full Value of your Account has been made to you, distribution of your Account will be made to your Beneficiary as soon as reasonably practicable following the date your Beneficiary requests distribution.

Unless distribution of your Account is to be made to your Beneficiary in a series of installment payments, federal tax law requires distribution to your Beneficiary to be made in full no later than the end of the fifth calendar year beginning after your death or, if your Beneficiary is your Spouse, the end of the calendar year in which you would have reached age 70 1/2, if later.

If distribution of your Account is to be made to your Beneficiary in a series of installment payments, federal tax law requires distribution to your Beneficiary to begin:

- if your Beneficiary is your Spouse, no later than the end of the first calendar year beginning after your death or the end of the calendar year in which you would have reached age 70 1/2, whichever is later; or
- if your Beneficiary is someone other than your Spouse, no later than the end of the first calendar year beginning after your death.

Your Spouse may only delay distribution under the federal tax law requirements described above if your Spouse is your sole Beneficiary. Generally, your Spouse is your sole Beneficiary only if (1) your Spouse is entitled to your full Account or a segregated portion of your Account and (2) no other Beneficiary is entitled to any portion of your Spouse's interest unless your Spouse dies before receiving full distribution of that interest.

CASH OUTS OF ACCOUNTS AND CONSENT TO DISTRIBUTION

If the Value of your Vested Interest in your Account is \$5,000 or less, your Account will be "cashed out" by distributing your Vested Interest in your Account in a single-sum payment or by direct rollover to an IRA or other eligible retirement plan as soon as reasonably practicable following the date your employment terminates. Your Account will be cashed out even if you do not consent to the distribution.

If the Value of your Vested Interest in your Account is more than \$5,000, distribution of your Account cannot be made before your Normal Retirement Date without your written consent.

AUTOMATIC ROLLOVERS

If the Value of your Vested Interest in your Account is \$5,000 or less, the Administrator will notify you of the cash out rules and give you the opportunity to elect whether to (1) receive payment yourself or (2) have the payment rolled over directly to the IRA or other eligible plan that you select. If you do not make an election within the

period prescribed by the Administrator, tax rules require that your Vested Interest in your Account be rolled over directly to an IRA maintained by a provider selected by your Employer (an "automatic rollover IRA").

The automatic rollover rules only apply to you if the Value of your Vested Interest in your Account is more than \$1,000. If the Value of your Vested Interest is \$1,000 or less, and you do not make an election, payment will be made directly to you.

You are the beneficial owner of any automatic rollover IRA established for you. The automatic rollover IRA must initially be invested in products that are designed to preserve principal (the amount of the initial investment) and provide a reasonable rate of return, consistent with retaining liquidity (so that you can change investments readily). Examples of this kind of investment product are money market funds and certificates of deposit. As the IRA owner, you will be able to change your future investments.

All fees and expenses of maintaining the automatic rollover IRA will be paid directly from your IRA. For more information regarding automatic rollover IRAs, contact the Administrator at the telephone number and address shown at the beginning of this booklet.

FORM OF PAYMENT

FORM OF PAYMENT TO YOU

- **Single-sum payment:** Distribution of your Account will be made in one payment.
- **Installment payments:** Distribution of your Account will be made in a series of installment payments over the period you specify. Under federal law, however, the maximum period over which installment payments may be paid cannot exceed your life expectancy or the joint life expectancies of you and your Beneficiary. Installment payments will be made in reasonably equal amounts, except as necessary to reflect increases or decreases in the Value of your Account. Subject to the requirements of federal law, You may modify the rate and amount of your installment payments at any time.
- **Direct rollover:** If your distribution is eligible for rollover into an IRA or other eligible retirement plan, you can elect to have the distribution transferred directly into the IRA (including a Roth IRA) or other eligible plan. If you do not elect a direct rollover of your eligible distributions, a 20% mandatory federal income tax withholding applies to the distribution. All or any portion of a distribution from your Account is eligible for rollover except:
 - any minimum distribution that is required under federal tax law.
 - any distribution that is one of a series of installment payments made over your life, the life of you and your Beneficiary, or for a specified period of 10 or more years.
 - any hardship withdrawal.

The Administrator may restrict direct rollovers if the total value of your distribution is less than \$200 or you only want to rollover part of your distribution and the part you want to rollover is less than \$500.

FORM OF PAYMENT TO YOUR BENEFICIARY

If you die before distribution of your Account is made, your Beneficiary may elect among the same forms of payment that are available to you.

If your Beneficiary receives distribution in a single-sum payment or in installments over a period of less than 10 years, your Beneficiary may also elect a direct rollover, as described above. If your Beneficiary is your Spouse or a former Spouse, he or she may rollover the distribution to an IRA (including a Roth IRA) or to any other eligible plan. Your non-Spouse Beneficiary may only rollover the distribution to an IRA (including a Roth IRA) that is treated as an inherited IRA for required distribution purposes. For this purpose, your "Spouse" does **not** include your Domestic Partner.

YOUR BENEFICIARY UNDER THE PLAN

Designated Beneficiary

You may designate a Beneficiary to receive distribution of your Account if you die. If you have a Spouse, your Beneficiary under the Plan is your Spouse unless you designate a non-Spouse Beneficiary. Your Beneficiary will not change until you designate a different Beneficiary. To designate a Beneficiary or change a prior designation, you must contact the Administrator.

Effect of Divorce on Prior Beneficiary Designation

If your Spouse is your Beneficiary under the Plan and you get divorced, your Spouse will cease to be your Beneficiary on the date of the final divorce or similar decree or order, unless either (i) you re-designate your former Spouse as your Beneficiary or (ii) your former Spouse is designated as your Beneficiary under a qualified domestic relations order. If your Spouse is designated as your Beneficiary under a qualified domestic relations order, he or she will be treated as your Beneficiary only to the extent required under the order.

Beneficiary Where There is No Designated Beneficiary

If you die without properly designating a Beneficiary or if no Beneficiary survives you, your Beneficiary will be your surviving Spouse if you are married or, if you are not married or have no surviving Spouse your estate.

CLAIMS FOR BENEFITS

In order to receive benefits, you will need to submit an application for benefits to the Administrator. Your claim will be reviewed in accordance with the procedures established by the Administrator.

BRINGING A CIVIL ACTION

If your claim is denied and you want to bring a civil claim, you must file your claim within 1 year of the date you receive a final adverse determination of your claim on review.

AMENDMENT AND TERMINATION OF THE PLAN

PLAN AMENDMENT

The Employer reserves the right to amend the Plan, either prospectively or retroactively.

PLAN TERMINATION

The Employer reserves the right to terminate the Plan at any time. Under federal law, if all contributions under the Plan cease, the Plan will be deemed to have terminated.

If the Plan is terminated, you will be 100% vested in the Value of the Employer Contributions (including any investment gains or losses on them) in your Account and distribution of your Account will be made as permitted under federal law.

MISCELLANEOUS INFORMATION

PLAN BOOKLET DOES NOT CREATE EMPLOYMENT CONTRACT

The only purpose of this booklet is to provide you with information about the benefits available under the Plan. The booklet is not intended to create an employment contract between you and your Employer. Nothing in this booklet should be construed as a limitation on your right or your Employer's right to terminate your employment at any time, with or without cause.

NO GUARANTEES REGARDING INVESTMENT PERFORMANCE

The Plan fiduciaries and functionaries handling Plan assets (including the Employer, the Investment Fiduciary, the Administrator, and the Trustee) do not guarantee any particular investment gain or appreciation on your Account nor guarantees your Account against investment losses or depreciation.

IF CIRCUMSTANCES REQUIRE DELAY OF A WITHDRAWAL

All withdrawals may be delayed by the Insurance Company under certain circumstances. A description of these situations may be obtained from your Administrator. Regardless of the circumstances, there will be no delay in payment in cases of death, retirement, termination of employment, or becoming disabled.

TRANSFERS FROM GUARANTEED INCOME FUND MAY BE LIMITED

Under certain circumstances, the amount transferred from the Guaranteed Income Fund to other investment funds may be limited by the Insurance Company. Please see your Administrator for further information on transferring funds from the Guaranteed Income Fund.

PAYMENT OF ADMINISTRATIVE EXPENSES

Generally, the expenses of administering the Plan are paid from Plan assets, unless your Employer elects to make the payment. If administrative expenses are paid from Plan assets, they will first be reduced by any forfeitures the Administrator has directed to be used for payment of expenses. Any remaining expenses will be shared among all participants' Accounts.

Although expenses are generally shared among the Accounts, administrative expenses incurred as a direct result of your activities under the Plan are allocated to, and may be deducted directly from your Account. These expenses may include any or all of the following, if applicable:

- Any expenses incurred in connection with your request for a hardship withdrawal.
- Any expenses incurred in connection with your request for a non-hardship withdrawal.
- Any expenses incurred in processing your loan request.
- Any expenses incurred in determining whether a domestic relations order received for you meets certain requirements.
- Any expenses incurred in connection with distributing your Account.
- Any expenses incurred as a result of you exercising an investment election.
- Any expenses incurred as a result of you exercising an investment election with respect to your self-directed brokerage account.
- Any expenses incurred as a result of you utilizing the Plan's investment advice services.
- Any expenses incurred in calculating the benefit amounts payable to you under different forms of payment.
- Any expenses incurred in processing your request for payment in the form of installments.

QUALIFIED DOMESTIC RELATIONS ORDERS

Generally, your Account will not be paid to someone other than you, unless you have died. An exception to this rule is made for qualified domestic relations orders. A qualified domestic relations order may require that a portion of your Account be paid to someone other than you or your Beneficiary.

"Qualified domestic relations orders" are court judgments, decrees, etc. that pertain to child support, alimony, or marital property and that meet specific legal requirements. The Administrator has procedures for determining whether a court judgment or decree meets the specific legal requirements to be a qualified domestic relations order. You or your Beneficiary may obtain, without charge, a copy of these procedures from the Administrator.

MILITARY LEAVE

If you return to employment following a military leave, you may be entitled to benefits under the Plan for the period that you were absent from employment. You should consult the Administrator for information regarding Plan benefits during military leave.

If you die while absent from employment with the Employer because of "qualified" military service (as described in the Uniformed Services Employment and Reemployment Rights Act of 1994), you will be treated for purposes of the Plan as if you died while employed by the Employer. However, no additional contributions will be made to your Account.

RETURN OF CONTRIBUTIONS TO YOUR EMPLOYER

If your Employer makes a contribution to your Account by mistake or if your Employer cannot deduct a contribution made to the Plan on its tax return, that contribution will be returned to your Employer in accordance with federal law.

LIMITATIONS ON CONTRIBUTIONS

As described above in **YOUR CONTRIBUTIONS: 401(k) CONTRIBUTIONS**, federal law limits the dollar amount of 401(k) Contributions that you can make each calendar year. For 2022, the maximum contribution amount is \$20,500.

Total contributions to the Plan are subject to annual limitations under federal law. Your Employer is required to restrict total contributions to the Plan so they do not exceed the annual limitation.

If you will be age 50 or older by the end of the year, you may make Catch-Up 401(k) Contributions that exceed any of the above limits. The total amount of your Catch-Up 401(k) Contributions cannot exceed the Catch-Up Limit for the year.

MORE THINGS YOU SHOULD KNOW

Contributions you make to the Plan and contributions your Employer makes for you are held for the exclusive benefit of you and your Beneficiaries.

If your employment terminates with the Employer before you are fully vested in your Account, you will lose the non-vested portion of your Account.

GLOSSARY

Account	The account established to track the contributions made to the Plan on your behalf and the investment earnings and losses on those contributions.
Administrator	The fiduciary responsible for the administration of the Plan.
Beneficiary	The person (or persons) entitled to receive distribution of your Account if you die before your Account has been fully distributed to you.
Catch-Up 401(k) Contribution	Any 401(k) Contribution that you make to the Plan for any year (beginning with the year you reach age 50) that exceeds an applicable limit by no more than the Catch-Up Limit in effect for the year.
Catch-Up Limit	The maximum amount by which your Catch-Up 401(k) Contributions for a particular year may exceed the limitations applicable to 401(k) Contributions for the year. The Catch-Up Limit for 2022 is \$6,500. The IRS may adjust this limit for future years.
Compensation	<p>The compensation from your Employer that is taken into account in determining the amount of contributions that you or your Employer can make to your Account.</p> <p>Your Compensation for any period means the wages paid to you for employment covered under the Plan that would be reported as income on Form W-2.</p> <p>Compensation includes the following:</p> <ul style="list-style-type: none">• 401(k) Contributions you make to the Plan, transportation fringe benefits you receive from your Employer that are excluded from your taxable gross income, amounts that you contribute on a pre-tax basis to a cafeteria plan (or that the Employer contributes on your behalf unless you elect to receive cash instead), and amounts you contribute as salary reduction contributions to a 403(b) account, or other plan.• differential pay you receive from the Employer for periods that you are absent because of military service.• pay you receive after your termination of employment for your services before termination, including your regular pay and, if otherwise included in Compensation, overtime, differential pay, etc., provided payment is made before the later of 2 1/2 months following termination or the end of the year in which termination occurs. <p>Notwithstanding the foregoing, Compensation does not include the following:</p> <ul style="list-style-type: none">• cost of living differentials;• recruitment, relocation, and retention bonuses;• annual leave payouts;• tips which are not timely reported to the Employer in accordance with applicable procedures; and• all earnings for services rendered by an Employee who is a resident of the Commonwealth of Puerto Rico and taxable on such earnings by the Commonwealth of Puerto Rico.

Legal rules limit the Compensation that may be included under the Plan each year. For 2022, the maximum amount is \$305,000. (The IRS may adjust this limit for future years.)

Covered Employee

You are employed by the Employer in a job category and at a location that is covered by the Plan. Only employees who are Covered Employees may make and receive contributions under the Plan.

Designated Roth Rollover Contributions

A Rollover Contribution that consists of designated Roth contributions you made to another plan or annuity contract and/or earnings on those contributions.

Disabled

"Disabled" means the total and continuous inability to engage in any and every gainful occupation or employment or substantial gainful activity for which you are qualified or may reasonably become qualified by reason of your training, education or experience by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of at least 12 months. You are Disabled only if you meet one or more of the following criteria:

- you are eligible for Social Security disability payments.
- the Administrator determines, based on medical evidence satisfactory to it, that you are permanently and totally disabled.

Employer

A company that sponsors or participates in the Plan. The Employer who sponsors the Plan is Navy Exchange Service Command (NEXCOM). Military Sealift Command shall be an adopting Employer.

Employer Contribution 401(k) Contribution

Any contribution that your Employer makes to your Account.

Any contributions you make to the Plan as provided in your salary reduction election.

In-Plan Roth Rollover Contribution

Any amount that is distributable from your Account and that you elect to convert to a Roth 401(k) Contribution as described in detail in **YOUR CONTRIBUTIONS: IN-PLAN ROTH ROLLOVER CONTRIBUTIONS**.

Insurance Company

The Prudential Insurance Company of America.

Investment Fiduciary

The fiduciary responsible for determining the investment options available under the Plan.

Matching Contribution

Any Employer Contribution your Employer makes to your Account because of your 401(k) Contributions to the Plan, as described in detail in **EMPLOYER CONTRIBUTIONS: MATCHING CONTRIBUTIONS**.

Normal Retirement Age

The age at which you are entitled to retire with full benefits. Your Normal Retirement Age is the date you reach age 62.

Normal Retirement

Date

The date distribution may be made due to your attainment of Normal Retirement Age. Your Normal Retirement Date is the date you reach Normal Retirement Age.

Plan

The Navy Exchange Service Command 401(k) Plan.

Plan Year

The period on which the Plan's records are kept. The Plan Year is the 12-month period beginning each January 1st.

**Pre-Tax 401(k)
Contribution**

Any 401(k) Contribution made to the Plan on a before-tax basis.

**Predecessor
Employer**

Any company that is a predecessor to the Employer, under federal tax rules, provided the Employer maintains a Plan of that company. In addition, NGIS is treated as a Predecessor Employer and service with NGIS is counted for eligibility and vesting purposes under this Plan.

**Prudential
Retirement's Internet
Site**

The Internet service where, among other services, participants have access to view a 90-day account history, transfer between investment funds, change contribution percentages, check investment performances and project their investments. You can access Prudential Retirement's Internet site at www.Prudential.com/online/retirement.

**Rollover
Contribution**

Any qualified cash contribution that you elect to rollover to the Plan from another retirement plan or from a rollover IRA.

**Roth 401(k)
Contribution**

Any 401(k) Contribution you made to the Plan that is taxable under federal law for the year in which contributed, but is not taxable upon distribution from the Plan. If certain conditions are met, earnings on Roth 401(k) Contributions are also not taxable upon distribution from the Plan.

Severance Date

The date your employment terminates or you are absent from work (without terminating employment) for 1 year.

Spouse

The person to whom you are legally married in accordance with the laws of the State, Commonwealth, or foreign country in which the marriage was celebrated.

Trustee

The entity that holds the Plan assets for the benefit of covered employees. The entity may be a trust company, a bank, an insurance company, or a group of individuals chosen by the Employer.

Value

The monetary worth of the contributions and investment earnings and losses on such contributions in your Account.

Vested Interest

The percentage of the Value of your Account that you are entitled to receive upon distribution.

Vesting Service

The service credited to you that is used for determining your Vested Interest in the Value of the following contributions:

- Matching Contributions.

ADDENDUM RE: PARTICIPANT LOAN POLICY

NAVY EXCHANGE SERVICE COMMAND 401(K) PLAN

PARTICIPANT LOAN PROGRAM

July 1, 2022

The Navy Exchange Service Command 401(k) Plan permits loans to be made to Participants. However, before any loan is made, the Plan requires that a written loan program be established which sets forth the rules and guidelines for making Participant loans. This document shall serve as the required written loan program. In addition, the Plan Administrator may use this document to serve as, or supplement, any required notice of the loan program to Participants. All references to Participants in this loan program shall only include Participants with respect to the Plan. Furthermore, it shall only include those individuals to the extent they are active Employees. Loans will not be made to Participants whose employment has terminated.

The Plan Administrator is authorized to administer the Participant loan program.

1. **LOAN APPLICATION.** All loan applications will be considered by the Plan Administrator within a reasonable time after the Participant makes formal application in accordance with elections made by the Employer in the Administrative Services Agreement between the Employer and the service provider ("Prudential") as follows:

- For Outsourced Loans, a Participant may apply for a loan by submitting a loan application ("Application"), in a form prescribed by Prudential and consistent with the terms of this Loan Policy as authorized by the Plan Administrator, to Prudential by authorized electronic means. The date and time of receipt will be appropriately recorded.
- For Automated Loans, a Participant may apply for a loan by submitting a loan application ("Application"), in a form prescribed by Prudential and consistent with the terms of this Loan Policy as authorized by the Plan Administrator, to Prudential by authorized electronic means. The request will be reviewed and approved and/or denied by an authorized representative of the Employer by electronic means. The date and time of the receipt will be appropriately recorded.
- For Non-Automated Loans, a Participant may apply for a loan by submitting a duly completed loan application ("Application") to the Plan Administrator or authorized plan representative that has been signed by the Participant, within the 90-day period prior to the making of the loan. An authorized plan representative must approve the loan.

A Participant who has repaid a prior Plan loan may not apply for another loan until 7 days from the date of his last loan payment.

An Employee may not make and the Plan will not accept a Direct Rollover of a loan note from the qualified plan of the Employee's former employer.

2. **LOAN LIMITATIONS.** The Plan Administrator will not approve any loan to a Participant in an amount which exceeds 50% of his or her nonforfeitable Account balance. The maximum aggregate dollar amount of loans outstanding to any Participant may not exceed \$50,000, reduced by the excess (if any) of (i) the Participant's highest outstanding balance of loans during the one year period ending on the day before the date on which a loan is made over (ii) the Participant's outstanding balance of loans on the date on which such loan is made.

With regard to any loan made pursuant to this program, the following rule(s) and limitation(s) shall apply, in addition to such other requirements set forth in the Plan:

- A minimum vested Account balance of \$2,000.
- The minimum loan available from the Plan is \$1,000.
- A Participant may only have one loan outstanding from the Plan. A Participant with an outstanding loan may not apply for another loan until the existing loan is paid in full or offset and may not refinance an existing loan or obtain a second loan for the purpose of paying off the existing loan. Note that a loan in default, including a loan that is deemed distributed, is treated as an outstanding loan for purposes of determining the number of loans outstanding to a Participant until it is repaid or actually offset against the Participant's Account balance.
- All loans made pursuant to this program will be considered a directed investment of the Participant's Account under the Plan. As such, all payments of principal and interest made by the Participant will be credited only to the Account of such Participant. The Plan also will charge the Participant's Account with expenses directly related to the origination, maintenance, and collection of the note.

3. LOAN FEES/SOURCES. Please refer to the Administrative Services Agreement for applicable loan initiation and maintenance fees. The Plan Administrator, as to new loans, may increase these fees by notice to or agreement with the record keeper or other party administering loans and repayments.

- The loan will be processed from all Sub-Accounts, as prescribed by the Plan Administrator.
- Roth sources will be loaned last in the hierarchy.

4. TERMS OF LOAN. In accordance with the Employer's direction in the Plan Criteria Guidelines submitted to Prudential, Prudential will make any necessary rate changes based upon the "bank prime rate" (plus 2%) reported by the U.S. Federal Reserve on the last business day of a calendar quarter effective for loans made on and after the first business day of the subsequent quarter. The source for the rate will be www.federalreserve.gov or other websites that may provide the same information.

The Plan Administrator will require that the Participant repay the loan by agreeing to payroll deduction. Coupon repayment is allowed only after severance from employment.

The Plan Administrator will fix the term for repayment of any loan. Generally, the term of repayment may not be greater than 5 years. However, if the loan qualifies as a Primary Residence loan, the term may be longer than 5 years. The term of repayment of a "Primary Residence loan" may not be greater than 15 years.

- Note that the amount of any loan (other than a "Primary Residence loan") not repaid within 5 years may be treated as a taxable distribution on the last day of the 5 year period, including any available cure period or if sooner, at the time the loan is in default. If a Participant extends a non-Primary Residence loan having a 5 year or less repayment term beyond 5 years, the balance of the loan at the time of the extension is deemed to be a taxable distribution to the Participant.

Loans may be prepaid in whole or in part at any time. Any such prepayment shall be made in any form approved by the Plan Administrator. Participants may contact the recordkeeper in order to obtain a payoff quote that is valid for 14 calendar days.

Partial prepayments of principal only will not change the amount or timing of subsequent payments due prior to pay-off of the loan, but will simply reduce the total number of payments to be made. In order to be processed as a prepayment of principal only, the Participant or authorized representative of the Employer must notify Prudential that the partial prepayment should be processed as a principal only payment, and the amount should be sent as a separate payment, not with payments made in accordance with the amortization schedule. Unless otherwise directed by the Participant or an authorized representative of the Employer within a reasonable timeframe from the date of receipt, payments made as required by the loan amortization schedule will be allocated to principal and interest in accordance with the amortization schedule.

A loan, if not otherwise due and payable, is due and payable on termination of the Plan, notwithstanding any contrary provision in the promissory note. Nothing in this loan policy restricts the Employer's right to terminate the Plan at any time.

5. SECURITY FOR LOAN. The Plan will require that adequate security be provided by the Participant before a loan is granted. For this purpose, the Plan will consider a Participant's interest under the Plan to be adequate security. However, in no event will more than 50% of a Participant's vested interest in the Plan (determined immediately after origination of the loan) be used as security for the loan. The Plan will not make loans which require security other than the Participant's vested interest in the Plan. The Plan Administrator will not investigate the Participant's creditworthiness before making the loan as the loan will be treated as a directed investment of the borrower's Account.

The 50% limit is based on the Participant's full Account.

6. FORM OF PLEDGE. The pledge and assignment of a Participant's Account balances will be made in the manner prescribed by the Plan Administrator.

7. MILITARY SERVICE. If a Participant takes a leave of absence from the Employer because of service in the military and does not receive a distribution of his or her Account balances, the Plan may suspend loan repayments until the Participant's completion of military service. While the Participant is on active duty in the United States military, the interest rate on any loan in existence before such leave shall not exceed 6%, compounded annually.

8. LEAVE OF ABSENCE/SUSPENSION OF PAYMENT. The Plan Administrator may suspend loan repayments for a period not exceeding one year which occurs during an approved leave of absence, either without pay from the Employer or at a rate of pay (after applicable employment tax withholdings) that is less than the amount of the installment payments required under the terms of the loan. The Plan Administrator will provide the Participant with a written explanation of the effect of the leave of absence upon his or her Plan loan.

9. PAYMENTS AFTER LEAVE OF ABSENCE. When payments resume following a payment suspension in connection with a leave of absence authorized in 7 or 8 above, the Participant shall increase the amount of the required installments to an amount sufficient to amortize the remaining balance of the loan, over the remaining term of the loan. Further, if the Participant's loan term was not the maximum permissible, then he may extend the maturity date of the loan and re-amortize the payments over the remaining time of the new term. If the leave of absence was due to a Qualified Military Leave of Absence described in item 7 above, the revised term of the loan shall not exceed the maximum term permitted in item 4 above, augmented by the time the Participant was actually in United States Military Service.

10. DEFAULT. The Plan Administrator will treat a loan in default if any scheduled payment remains unpaid beyond 90 days following the date on which the scheduled payment was due. The Plan Administrator may extend the grace period so deemed distribution of the loan amount does not occur until the quarter following the quarter in which the payment was due. After termination of employment, whether the Participant chooses to continue to repay the loan or chooses not to repay the loan, the remaining loan balance will be offset against the Participant's Account upon the earlier of (1) a total distribution of the Account to the Participant, or (2) expiration of the grace period.

A Participant may not elect to rollover any loan note held pursuant to the provisions of this Plan.

If a Participant is still employed upon default, a deemed distribution will be declared. The amount of loan outstanding upon default will be treated as a deemed distribution and will be taxable to the Participant in the year of the default, which will result in a Form 1099-R being issued to the Participant.

A Participant who continues employment following default may (i) repay the full amount of the loan, with interest, (ii) resume current status of the loan by paying any missed payment plus interest, or (iii) if distribution is available under the Plan, request distribution of the promissory note. If the loan remains in default, when the Participant's Account is distributed, the Plan Administrator will offset the Participant's vested Account balance by the outstanding balance of the loan to the extent permitted by law. The Plan Administrator will treat the note as repaid to the extent of any permissible offset. Pending final disposition of the note, the Participant remains obligated for any unpaid principal and accrued interest.

11. MEANING OF TERMS. Generally, capitalized terms have the meaning provided in the Summary Plan Description. The following terms, which are not defined in the Summary Plan Description, have the following meanings:

- "Participant" means an individual on whose behalf contributions were made to the Plan and who retains an Account under the Plan.
- "Primary Residence loan" means a loan used to acquire a dwelling unit that will, within a reasonable period of time, be used as the Participant's principal residence.
- "Sub-Account" means a sub-account maintained under a Participant's Account.