



## Laitram Annual 401(k) Plan Safe Harbor Notice

The Laitram Employees' Incentive Savings Plan, also called a 401(k) plan, is designated as a "safe harbor" plan. This notice outlines the specific benefits and features of the plan that relate to its safe harbor status for 2022. Additional rules apply to contributions and benefits and are contained in the summary plan description for the plan.

**Safe Harbor Plan.** Because the plan is a safe harbor plan:

- a. You are eligible to make regular, pre-tax/post-tax contributions equal to the **lesser** of 75% of your compensation or \$20,500 for 2022.
- b. The Company matches your pre-tax/post-tax contributions on a dollar-for-dollar basis, but not in excess of 4% of your compensation while you are a participant (up to \$305,000 for 2022). Matching contributions are made soon after each pay period and the Company recalculates its contributions at the end of the year to ensure you are credited with the full amount of your match. **Please remember that you must contribute to the plan to receive matching contributions so this is a good time to reevaluate the amount you are contributing to the plan for your retirement.**
- c. Matching contributions are fully vested and non-forfeitable.

### **Auto Enroll and Auto Increase Program.**

- a. **The Auto Enroll Program** automatically enrolls any **newly eligible employees** who do not enroll themselves. You are automatically enrolled at a 4% pre-tax election 30 days prior to your 401(k) entry date. If you do not wish to contribute, or wish to contribute less than 4%, you must actively reduce your deferral rate to a lesser percentage or 0%.
- b. **The Auto Increase Program** allows you to automatically increase your contribution a set % each year. **Newly eligible employees** are automatically enrolled in this program with a 1% pre-tax increase each March if you (i) do not take action to enroll yourself, or (ii) enroll at a 1-3% deferral rate and do not actively opt-out/modify your participation in auto-increase.

**Year-end Nondiscretionary Company Contribution.** The Company makes an additional contribution equal to the sum of (a) 3% of your compensation, and (b) 2.7% of your compensation in excess of the Social Security wage base (\$147,000 in 2022), but no Company contributions are made on compensation in excess of \$305,000 for 2022. To receive the nondiscretionary contribution, you must be employed on the last day of the year (December 31<sup>st</sup>) and eligible to participate in the plan. Although you do not need to contribute to the plan to receive this contribution, the contributions are subject to the following vesting schedule:

<b>Years of Service</b>	<b>Vested Percentage</b>
Less than two years	0%
Two to less than three years	25%
Three to less than four years	50%
Four to less than five years	75%
Five or more years	100%

**Employee Contributions.** You may make regular, pre-tax contributions or you may designate your deferrals as post-tax Roth contributions. To contribute, you can submit your deferral election at [www.401k.com](http://www.401k.com) and indicate whether you want to make a pre-tax, post-tax, or combination deferral. Your election will apply to all compensation you receive, including bonuses and incentives. You can increase or decrease the amount of your contributions to be effective as of the beginning of each pay period. If you stop making contributions, you can resume your contributions effective the first day of any subsequent calendar quarter.

**Catch-up Contributions.** If you are age 50 or will attain age 50 at any time during 2022, you can make an additional \$6,500 “catch-up” contribution for a total contribution of \$27,000 in 2022. Like your deferrals, this contribution may be pre-tax, post-tax, or a combination.

**Distributions, Withdrawals, and Loans.** You can receive a distribution of your vested account balance after your employment with the Company ceases. You may be eligible to make a withdrawal during your employment (a) if you experience a serious financial hardship and meet certain requirements, or (b) after you reach age 59½. You may also be entitled to borrow from your accounts during the term of your employment. If you elect to make an in-plan Roth conversion (paying the taxes currently on your accounts), you are also eligible to take a distribution of your vested account balance in your pre-safe harbor matching contributions and your profit-sharing contributions provided that you have participated in the plan for at least 60 months.

**Plan Investment Options.** The plan has a number of investment options in which you may invest your deferral, matching, or nondiscretionary contribution accounts. A description of the available options is on Fidelity’s website at [www.401k.com](http://www.401k.com).

If you do not make an investment selection, your account will be automatically invested in a default fund that is based upon your birth date. For example, if you were born on January 1, 1973, any uninvested account that you may have will be defaulted into the American Funds 2040 Target Date Retirement Fund. A description of each fund, including objectives and expense ratios, can also be found on Fidelity’s website. If you decide to make your investment selections later, you may do so by going to the Fidelity website or calling (800) 835-5097.

**Questions.** If you have any questions concerning this notice, the summary plan description, or the 401(k) plan, please contact Rob Munch (x1231) or Edie Sclafini (x1205). In addition, you can obtain a copy of the summary plan description on the Laitram Intranet.