

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

SHAUNA WINKELMAN, MICHAEL)	
LENON, SCOTT CENNA, KALEA)	
NIXON, ROBERT GOLDORAZENA,)	
CHAD DIEHL and ROSS NANFELDT,)	CIVIL ACTION NO.: 1:23-cv-1352-RP
individually and on behalf of all others)	
similarly situated,)	
)	
Plaintiffs,)	
v.)	
)	
WHOLE FOODS MARKET, INC., THE)	
BOARD OF DIRECTORS OF WHOLE)	
FOODS MARKET, INC., THE WHOLE)	
FOODS MARKET, INC. EMPLOYER)	
COMMITTEE, THE WHOLE FOODS)	
MARKET, INC. 401(K) COMMITTEE,)	
THE WHOLE FOODS MARKET, INC.)	
BENEFITS ADMINISTRATIVE)	
COMMITTEE and JOHN DOES 1-)	
50.)	
)	
Defendants.)	

FIRST AMENDED COMPLAINT

Plaintiffs, Shauna Winkelman, Michael Lenon, Scott Cenna, Kalea Nixon, Robert Goldorazena, Chad Diehl and Ross Nanfeldt (“Plaintiffs”), by and through their attorneys, on behalf of the Whole Foods Market Growing Your Future 401(k) Plan (the “Plan”),¹ themselves and all others similarly situated, state and allege as follows:

I. INTRODUCTION

¹ The Plan is a legal entity that can sue and be sued. ERISA § 502(d)(1), 29 U.S.C. § 1132(d)(1). However, in a breach of fiduciary duty action such as this, the Plan is not a party. Rather, pursuant to ERISA § 409, and the law interpreting it, the relief requested in this action is for the benefit of the Plan and its participants.

1. This is a class action brought pursuant to §§ 409 and 502 of the Employee Retirement Income Security Act of 1974 (“ERISA”), 29 U.S.C. §§ 1109 and 1132, against the Plan’s fiduciaries, which include Whole Foods Market, Inc. (“Whole Foods” or “Company”) and the Board of Directors of Whole Foods Market, Inc. and its members during the Class Period² (“Board”), the Whole Foods Market, Inc. Employer Committee and its members during the Class Period (“Employer Committee”), the Whole Foods Market, Inc. 401(k) Committee and its members during the Class Period (“401(k) Committee”)³ and the Whole Foods Market, Inc. Benefits Administration Committee and its members during the Class Period (“Benefits Committee”) for breaches of their fiduciary duties. When the Employer Committee, the 401(k) Committee and the Benefits Committee are referred to collectively they will be called the “Committees.”

2. To safeguard plan participants and beneficiaries, ERISA imposes strict fiduciary duties of loyalty and prudence upon employers and other plan fiduciaries. Fiduciaries must act “solely in the interest of the participants and beneficiaries,” 29 U.S.C. § 1104(a)(1)(A), with the “care, skill, prudence, and diligence” that would be expected in managing a plan of similar scope. 29 U.S.C. § 1104(a)(1)(B). These twin fiduciary duties are “the highest known to the law.” *Ma Kujanek v. Houston Poly Bag I Ltd.*, 658 F.3d 483 at 489 (5th Circuit 2011), *Martin on Behalf of Cal–Tex Protective Coatings v. Frail*, 2011 WL 13175089 at *14 (W.D. Tex. 2011), *Main v. American Airlines Inc.*, 248 F.Supp.3d 786 at 792 (N.D. Tex. 2017).

² The Class Period, as will be discussed in more detail below, is defined as November 6, 2017 through the date of judgment.

³ Prior to 2019, the Whole Foods Market, Inc. 401(k) Committee was known as the Whole Foods Market, Inc. Investment Committee (“Investment Committee”). Defendants also state the 401(k) Committee is now known as the WFM Retirement Committee. *See* ECF No. 15, at 1. For purposes of this complaint, the “401(k) Committee” means the Investment Committee, the 401(k) Committee and the WFM Retirement Committee.

3. The Department of Labor (“DOL”) has explicitly stated that employers are held to a “high standard of care and diligence” and must, among other duties, both “establish a prudent process for selecting investment options and service providers.” See, “*A Look at 401(k) Plan Fees*,” *supra*, at n.3.

4. With regard to plan fees, the DOL states “You should be aware that your employer also has a specific obligation to consider the fees and expenses paid by your plan.” U.S. Dep’t of Labor, *A Look at 401(k) Plan Fees*, (Aug. 2013), at 2, available at <https://www.dol.gov/sites/dolgov/files/ebsa/about-ebsa/our-activities/resource-center/publications/a-look-at-401k-plan-fees.pdf> (last visited February 21, 2020).

5. At all times during the Class Period, the Plan had at least \$1 billion dollars in assets under management. At the end of fiscal year 2021 and 2020, the Plan had over \$1.9 billion dollars and \$1.6 billion dollars, respectively, in assets under management that were/are entrusted to the care of the Plan’s fiduciaries. The December 31, 2021 Report of Independent Auditor of the Whole Foods Market Growing Your Future 401(k) Plan (“2021 Auditor Report”) at 5.

6. The Plan’s assets under management qualifies it as a jumbo plan in the defined contribution plan marketplace, and among the largest plans in the United States. As a jumbo plan, the Plan had substantial bargaining power regarding the fees and expenses that were charged against participants’ investments.

7. The Plan is also large in terms of the number of its participants. From 2017 to 2022, for example, the Plan had between 90,182 and 111,989 participants with account balances. For comparison, according to information derived from ERISApedia.com’s database, a service that compiles all Form 5500s filed with the DOL by retirement plans, in 2020, there were only 125

defined contribution plans (401k, 401a, and 403b) in the country with over 50,000 participants with account balances.

8. Digging deeper, as of the end of 2022, there were only 47 (forty-seven) 401(k) retirement plans with 90,000 or more participants and 41 (forty-one) 401(k) plans with 100,000 or more participants.

9. Accordingly, the Plan had substantial bargaining power to negotiate favorable recordkeeping and administration fees. Plans, such as the Plan, with large numbers of participants can take advantage of economies of scale by negotiating a lower per-participant recordkeeping fee.

10. Not only does the number of participants add to the negotiating power of the Plan, but the Plan's assets under management makes it a jumbo plan in the defined contribution plan marketplace, and among the largest plans in the United States. In 2019, only 0.1 percent (776 of 603,217) of Plans in the country had more than \$1 billion in assets under management.⁴ In addition, this was true at the start of the Class Period in 2017 where, again, only 0.1 percent (695 of 569,257) of 401(k) plans in the country were as large as the Plan.⁵ As a jumbo plan, the Plan had substantial bargaining power regarding the fees and expenses that were charged against participants' investments. Defendants, however, did not try to reduce the Plan's expenses to ensure they were prudent.

11. Plaintiffs allege that during the putative Class Period Defendants, as "fiduciaries" of the Plan, as that term is defined under ERISA § 3(21)(A), 29 U.S.C. § 1002(21)(A), breached

⁴ See The BrightScope/ICI Defined Contribution Plan Profile: A Close Look at Plans, 2019 at Ex. 1.2, p. 7., available at <https://www.ici.org/system/files/2022-09/22-ppr-dcplan-profile-401k.pdf>.

⁵ See The BrightScope/ICI Defined Contribution Plan Profile: A Close Look at 401(k) Plans, 2017 at Ex. 1.2, p. 13., available at https://www.ici.org/system/files/attachments/20_ppr_dcplan_profile_401k.pdf.

the duties they owed to the Plan, to Plaintiffs, and to the other participants of the Plan by, *inter alia*, failing to control the Plan's administrative and recordkeeping ("RKA") costs.

12. Defendants' mismanagement of the Plan, to the detriment of participants and beneficiaries, constitutes a breach of the fiduciary duty of prudence, in violation of 29 U.S.C. § 1104. Their actions were contrary to actions of a reasonable fiduciary and cost the Plan and its participants millions of dollars.

13. Based on this conduct, Plaintiffs assert claims against Defendants for breach of the fiduciary duty of prudence (Count One) and failure to monitor fiduciaries (Count Two).

II. JURISDICTION AND VENUE

14. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1331 because it is a civil action arising under the laws of the United States, and pursuant to 29 U.S.C. § 1332(e)(1), which provides for federal jurisdiction of actions brought under Title I of ERISA, 29 U.S.C. § 1001, *et seq.*

15. This Court has personal jurisdiction over Defendants because they transact business in this District, reside in this District, and/or have significant contacts with this District, and because ERISA provides for nationwide service of process.

16. Venue is proper in this District pursuant to ERISA § 502(e)(2), 29 U.S.C. § 1132(e)(2), because some or all of the violations of ERISA occurred in this District and Defendants reside and may be found in this District. Venue is also proper in this District pursuant to 28 U.S.C. § 1391 because Defendants do business in this District and a substantial part of the events or omissions giving rise to the claims asserted herein occurred within this District.

III. PARTIES

Plaintiffs

17. Plaintiff, Shauna Winkelman (“Winkelman”), resides in Brown Deer, Wisconsin. During her employment, Plaintiff Winkelman participated in the Plan paying the RKA costs associated with her Plan account and was subject to the excessive RKA costs. Ms. Winkelman invested in the Fidelity Contrafund and the Vanguard 2050 target date fund in the Plan. A portion of the quarterly returns from these funds were used to pay for the excessive recordkeeping fees, discussed above. Ms. Winkelman suffered injury to her Plan account by overpaying for her share of RKA costs.

18. Plaintiff, Michael Lenon (“Lenon”), resides in Las Vegas, Nevada. During his employment, Plaintiff Lenon participated in the Plan paying the RKA costs associated with his Plan account and was subject to the excessive RKA costs. Mr. Lenon invested in the Fidelity Contrafund, the Fidelity Total International Index fund, the Vanguard Institutional 500 Index fund and the Vanguard 2040 target date fund in the Plan. A portion of the quarterly returns from these funds were used to pay for the excessive recordkeeping fees, discussed above. Mr. Lenon suffered injury to his Plan account by overpaying for his share of RKA costs.

19. Plaintiff, Scott Cenna (“Cenna”), resides in Horsham, Pennsylvania. During his employment, Plaintiff Cenna participated in the Plan paying the RKA costs associated with his Plan account and was subject to the excessive RKA costs. Mr. Cenna invested in the Fidelity Contrafund, the American Funds New Perspective fund, the Fidelity Total International Index fund, the Vanguard Explorer ADM fund, the DFA US Sustain Core fund, the Fidelity Capital and Income fund, the MetWest Total Return fund and the Vanguard 2025 target date fund in the Plan. A portion of the quarterly returns from these funds were used to pay for the excessive recordkeeping fees, discussed above. Mr. Cenna suffered injury to his Plan account by overpaying for his share of RKA costs.

20. Plaintiff, Kalea Nixon (“Nixon”), resides in Parkville, Maryland. During her employment, Plaintiff Nixon participated in the Plan paying the RKA costs associated with her Plan account and was subject to the excessive RKA costs. Ms. Nixon invested in the Vanguard 2060 target date fund in the Plan. A portion of the quarterly returns from this fund was used to pay for the excessive recordkeeping fees, discussed above. Ms. Nixon suffered injury to her Plan account by overpaying for her share of RKA costs.

21. Plaintiff, Robert Goldorazena (“Goldorazena”), resides in Scottsdale, Arizona. During his employment, Plaintiff Goldorazena participated in the Plan paying the RKA costs associated with his Plan account and was subject to the excessive RKA costs. Mr. Goldorazena invested in the Vanguard 2050 target date fund in the Plan. A portion of the quarterly returns from this fund was used to pay for the excessive recordkeeping fees, discussed above. Mr. Goldorazena suffered injury to his Plan account by overpaying for his share of RKA costs.

22. Plaintiff, Chad Diehl (“Diehl”), resides in Philadelphia, Pennsylvania. During his employment, Plaintiff Diehl participated in the Plan paying the RKA costs associated with his Plan account and was subject to the excessive RKA costs. Mr. Diehl invested in the Vanguard 2050 target date fund in the Plan. A portion of the quarterly returns from this fund was used to pay for the excessive recordkeeping fees, discussed above. Mr. Diehl suffered injury to his Plan account by overpaying for his share of RKA costs.

23. Plaintiff, Ross Nanfeldt (“Nanfeldt”), resides in Philadelphia, Pennsylvania. During his employment, Plaintiff Nanfeldt participated in the Plan paying the RKA costs associated with his Plan account and was subject to the excessive RKA costs. Mr. Nanfeldt invested in the Vanguard 2050 target date fund in the Plan. A portion of the quarterly returns from

this fund was used to pay for the excessive recordkeeping fees, discussed above. Mr. Nanfeldt suffered injury to his Plan account by overpaying for his share of RKA costs.

24. Plaintiffs have standing to bring this action on behalf of the Plan because they participated in the Plan and were injured by Defendants' unlawful conduct. Plaintiffs are entitled to receive benefits in the amount of the difference between the value of their accounts currently, or as of the time their accounts were distributed, and what their accounts are or would have been worth, but for Defendants' breaches of fiduciary duty as described herein.

25. Plaintiffs did not have knowledge of all material facts (including, among other things, recordkeeping cost comparisons to similarly-sized plans) necessary to understand that Defendants breached their fiduciary duties and engaged in other unlawful conduct in violation of ERISA until shortly before this suit was filed.

Defendants

Company Defendant

26. Whole Foods is the sponsor of the Plan and a named fiduciary of the Plan with a principal place of business at 550 Bowie Street, Austin, Texas. The December 31, 2021 Form 5500 of the Plan filed with the United States Department of Labor ("2021 Form 5500") at 1. Whole Foods is a nationwide grocery retailer which currently employs more than 90,000 people. Whole Foods describes itself as "the world's leader in natural and organic foods, with 500+ stores in North America and the UK."⁶

27. Whole Foods appointed the Committees to, among other things, ensure that the investments available to the Plan's participants are appropriate, had no more expense than reasonable, performed well as compared to their peers and/or paid a reasonable rate for

⁶ <https://www.wholefoodsmarket.com/company-info> last accessed on October 9, 2023.

recordkeeping given the size of the Plan.⁷ As will be discussed below, the Committees fell well short of these fiduciary goals. Under ERISA, fiduciaries with the power to appoint have the concomitant fiduciary duty to monitor and supervise their appointees.

28. Accordingly, Whole Foods during the putative Class Period is/was a fiduciary of the Plan, within the meaning of ERISA Section 3(21)(A), 29 U.S.C. § 1002(21)(A) because it had a duty to monitor the actions of the Committee.

29. For the foregoing reasons, the Company is a fiduciary of the Plan, within the meaning of ERISA Section 3(21)(A), 29 U.S.C. § 1002(21)(A).

Board Defendants

30. Whole Foods, acting through its Board of Directors, among other things, ensures that the investments available to the Plan's participants are appropriate, had no more expense than reasonable, performed well as compared to their peers and/or paid a reasonable rate for recordkeeping given the size of the Plan. *See* Footnote 8, above. As will be discussed below, the Committee fell well short of these fiduciary goals. Under ERISA, fiduciaries with the power to appoint have the concomitant fiduciary duty to monitor and supervise their appointees.

31. Accordingly, each member of the Board during the putative Class Period (referred to herein as John Does 1-10) is/was a fiduciary of the Plan, within the meaning of ERISA Section 3(21)(A), 29 U.S.C. § 1002(21)(A) because each had a duty to monitor the actions of the Committee.

⁷ The roles of the Committees varied during the Class Period. Prior to 2019, the Employer Committee had more oversight over the 401(k) Committee and the Benefits Committee. Here, the roles of each Committee can refer to any role of any of the Committees at any time during the Class Period. *See*, the Unanimous Written Consent of the Whole Foods Market, Inc. Employer Committee dated November 19, 2019 at 1 and 2.

32. The Board and the unnamed members of the Board during the Class Period (referred to herein as John Does 1-10), are collectively referred to herein as the “Board Defendants.”

Employer Committee Defendants

33. As discussed above, Whole Foods and the Board appointed the Employer Committee to, among other things, ensure that the investments available to the Plan’s participants are appropriate, had no more expense than reasonable, performed well as compared to their peers and/or paid a reasonable rate for recordkeeping given the size of the Plan. *See* Footnote 8, above. In addition, the Employer Committee may have, at certain points during the Class Period, supervised the 401(k) Committee and/or the Benefits Committee which had control over Plan assets and the Plan document. *See*, Footnote 8, above. Under ERISA, fiduciaries with the power to appoint have the concomitant fiduciary duty to monitor and supervise their appointees. As will be discussed below, the Committee fell well short of these fiduciary goals. Under ERISA, individuals or entities that exercise discretionary authority over management or disposition of plan assets are considered fiduciaries.

34. The Committee and each of its members were fiduciaries of the Plan during the Class Period, within the meaning of ERISA Section 3(21)(A), 29 U.S.C. § 1002(21)(A) because each exercised discretionary authority over management or disposition of the Plan assets and/or because each had a duty to monitor the actions of the 401(k) Committee and/or the Benefits Committee.

35. The Committee and unnamed members of the Committee during the Class Period (referred to herein as John Does 11-20), are collectively referred to herein as the “Committee Defendants.”

401(k) Committee Defendants

36. As discussed above, Whole Foods and/or the Board and/or the Employer Committee appointed the 401(k) Committee to, among other things, ensure that the investments available to the Plan's participants are appropriate, had no more expense than reasonable, performed well as compared to their peers and/or paid a reasonable rate for recordkeeping given the size of the Plan. *See*, Footnote 8, above. As will be discussed below, the Committee fell well short of these fiduciary goals. Under ERISA, individuals or entities that exercise discretionary authority over management or disposition of plan assets are considered fiduciaries.

37. The Committee and each of its members were fiduciaries of the Plan during the Class Period, within the meaning of ERISA Section 3(21)(A), 29 U.S.C. § 1002(21)(A) because each exercised discretionary authority over management or disposition of the Plan assets.

38. The 401(k) Committee and unnamed members of the 401(k) Committee during the Class Period (referred to herein as John Does 21-30), are collectively referred to herein as the "401(k) Committee Defendants."

Benefits Committee Defendants

39. As discussed above, Whole Foods and/or the Board and/or the Employer Committee appointed the Benefits Committee to, among other things, ensure that the investments available to the Plan's participants are appropriate, had no more expense than reasonable, performed well as compared to their peers and/or paid a reasonable rate for recordkeeping given the size of the Plan. *See*, Footnote 8, above. As will be discussed below, the Benefits Committee fell well short of these fiduciary goals. Under ERISA, individuals or entities that exercise discretionary authority over management or disposition of plan assets are considered fiduciaries. In addition, the Benefits Committee may have, at certain points during the Class Period, supervised

the 401(k) Committee which had control over Plan assets and the Plan document. *See*, the Investment Management Agreement dated January 1, 2017 between Strategic Advisors and Whole Foods at 1. Under ERISA, fiduciaries with the power to appoint have the concomitant fiduciary duty to monitor and supervise their appointees.

40. The Benefits Committee and each of its members were fiduciaries of the Plan during the Class Period, within the meaning of ERISA Section 3(21)(A), 29 U.S.C. § 1002(21)(A) because each exercised discretionary authority over management or disposition of the Plan assets and/or because each had a duty to monitor the actions of the 401(k) Committee.

41. The Benefits Committee and unnamed members of the Committee during the Class Period (referred to herein as John Does 31-40), are collectively referred to herein as the “Benefits Committee Defendants.”

Additional John Doe Defendants

42. To the extent that there are additional officers, employees and/or contractors of Whole Foods who are/were fiduciaries of the Plan during the Class Period, or were hired as investment manager(s) for the Plan during the Class Period, the identities of whom are currently unknown to Plaintiffs, Plaintiffs reserve the right, once their identities are ascertained, to seek leave to join them to the instant action. Thus, without limitation, unknown “John Doe” Defendants 41-50 include, but are not limited to, Whole Foods officers, employees and/or contractors who are/were fiduciaries of the Plan within the meaning of ERISA Section 3(21)(A), 29 U.S.C. § 1002(21)(A) during the Class Period.

IV. CLASS ACTION ALLEGATIONS⁸

⁸ Although this is a proposed class action, the allegations in this complaint are alternatively pled in derivative fashion on behalf of the Plan because class certification is not necessarily required

43. Plaintiffs bring this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of themselves and the following proposed class (“Class”):⁹

All persons, except Defendants and their immediate family members, who were participants in or beneficiaries of the Plan, at any time between November 6, 2017 through the date of judgment (the “Class Period”).

44. The members of the Class are so numerous that joinder of all members is impractical. The 2021 401(k) Form 5500 lists 97,447 Plan “participants with account balances as of the end of the plan year.” 2021 401(k) Form 5500 at 2.

45. Plaintiffs’ claims are typical of the claims of the members of the Class. Like other Class members, Plaintiffs participated in the Plan and have suffered injuries as a result of Defendants’ mismanagement of the Plan. Defendants treated the Plaintiffs consistently with other Class members and managed the Plan as a single entity. Plaintiffs’ claims and the claims of all Class members arise out of the same conduct, policies, and practices of Defendants as alleged herein, and all members of the Class have been similarly affected by Defendants’ wrongful conduct.

46. There are questions of law and fact common to the Class, and these questions predominate over questions affecting only individual Class members. Common legal and factual questions include, but are not limited to:

A. Whether Defendants are/were fiduciaries of the Plan;

for Plaintiffs to prosecute claims on behalf of the Plan and all participants. *See, e.g., In re: Wilmington Trust Corp.*, 2013 WL 4757843, at *3 (D. Del. Sept. 4, 2013) (granting plaintiffs’ motion to proceed derivatively on behalf of all plan participants without class certification, because of the nature of such claims). ERISA Section 502(a), 29 U.S.C. § 1132(a), authorizes pension plan participants to bring suit on behalf of a plan to recover losses to a plan.

⁹ Plaintiffs reserve the right to propose other or additional classes or subclasses in their motion for class certification or subsequent pleadings in this action.

- B. Whether Defendants breached their fiduciary duties of prudence by engaging in the conduct described herein;
- C. Whether the Company and Board Defendants failed to adequately monitor the Committee and other fiduciaries to ensure the Plan was being managed in compliance with ERISA;
- D. The proper form of equitable and injunctive relief; and
- E. The proper measure of monetary relief.

47. Plaintiffs will fairly and adequately represent the Class and have retained counsel experienced and competent in the prosecution of ERISA class action litigation. Plaintiffs have no interests antagonistic to those of other members of the Class. Plaintiffs are committed to the vigorous prosecution of this action and anticipates no difficulty in the management of this litigation as a class action.

48. This action may be properly certified under Rule 23(b)(1). Class action status in this action is warranted under Rule 23(b)(1)(A) because prosecution of separate actions by the members of the Class would create a risk of establishing incompatible standards of conduct for Defendants. Class action status is also warranted under Rule 23(b)(1)(B) because prosecution of separate actions by the members of the Class would create a risk of adjudications with respect to individual members of the Class that, as a practical matter, would be dispositive of the interests of other members not parties to this action, or that would substantially impair or impede their ability to protect their interests.

49. In the alternative, certification under Rule 23(b)(2) is warranted because the Defendants have acted or refused to act on grounds generally applicable to the Class, thereby

making appropriate final injunctive, declaratory, or other appropriate equitable relief with respect to the Class as a whole.

V. THE PLAN

50. The Plan is a “defined contribution plan established January 1, 2002 by Whole Foods Market, Inc. (the ‘Company’ or ‘Plan Sponsor’) ...” within the meaning of ERISA Section 3(34), 29 U.S.C. § 1002(34). The 2021 Auditor Report at 7.

51. The Plan is a “defined contribution” or “individual account” plan within the meaning of ERISA § 3(34), 29 U.S.C. § 1002(34), in that the Plan provides for individual accounts for each participant and for benefits based solely upon the amount contributed to those accounts, and any income, expense, gains and losses, and any forfeitures of accounts of the participants which may be allocated to such participant’s account. The 2021 Auditor Report at 8. Consequently, retirement benefits provided by the Plan is based solely on the amounts allocated to each individual’s account. *Id.*

Eligibility

52. In general, regular full-time employees are eligible to participate in the Plan from their first day of service. The 2021 Auditor Report at 7.

Contributions

53. There are several types of contributions that can be added to a participant’s account, including: an employee salary deferral contribution, an employee Roth 401(k) contribution, an employee after-tax contribution, catch-up contributions for employees aged 50 and over, rollover contributions, discretionary profit-sharing contributions and employer matching contributions based on employee pre-tax, Roth 401(k), and employee after-tax contributions. The 2021 Auditor Report at 7.

54. With regard to employee contributions in the Plan: “[p]articipants may contribute up to 100% of their annual compensation, as defined in the Plan, up to the maximum allowed under the Internal Revenue Code (“IRC”).” 2021 Auditor Report at 7. Whole Foods will make matching contributions to the Plan on behalf of its employees as determined by the 401(k) Committee each year. For 2020 and 2021, Whole Foods “made a matching contribution on behalf of eligible participants equal to 14% of the first \$1,000 of each such participant’s contributions ...” 2021 Auditor Report at 7.

55. Like other companies that sponsor 401(k) plans for their employees, Whole Foods enjoys both direct and indirect benefits by providing matching contributions to the Plan participants. Employers are generally permitted to take tax deductions for their contributions to 401(k) plans at the time when the contributions are made. *See generally*, <https://www.irs.gov/retirement-plans/plan-sponsor/401k-plan-overview>.

56. Whole Foods also benefits in other ways from the Plan’s matching program. It is well-known that “[o]ffering retirement plans can help in employers’ efforts to attract new employees and reduce turnover.” *See*, <https://www.paychex.com/articles/employee-benefits/employer-matching-401k-benefits>.

57. Given the size of the Plan, Whole Foods likely enjoyed a significant tax and cost savings from offering a match.

Vesting

58. Participants are immediately vested in all contributions whether they were made by the employee or whether the contribution was a matching contribution made by Whole Foods.

The Plan’s Investments

59. The Plan's assets under management for all funds as of December 31, 2021 was \$1,949,516,000. 2021 Auditor Report at 6.

Payment of Plan Expenses

60. During the Class Period, administrative expenses, including recordkeeping fees, were paid for using the Plan's assets. 2021 Auditor Report at 9.

VI. THE PLAN'S FEES DURING THE CLASS PERIOD WERE UNREASONABLE

A. The Totality of the Circumstances Demonstrates that the Plan's Fiduciaries Failed to Administer the Plan in a Prudent Manner

61. As described in the "Parties" section above, Defendants were fiduciaries of the Plan.

62. ERISA "imposes a 'prudent person' standard by which to measure fiduciaries' investment decisions and disposition of assets." *Fifth Third Bancorp v. Dudenhoeffer*, 134 S. Ct. 2459, 2467 (2014) (quotation omitted).

63. "The duty to pay only reasonable fees for plan services and to act solely in the best interest of participants has been a key tenet of ERISA since its passage." "Best Practices for Plan Fiduciaries," at 36, published by Vanguard, 2019.¹⁰

ERISA's Fee Disclosure Rule

64. In January 2012, the DOL issued a final regulation under Section 408(b)(2) of ERISA which requires a "covered service provider" to provide the responsible plan fiduciary with certain disclosures concerning fees and services provided to certain of their ERISA governed

¹⁰ Available at <https://institutional.vanguard.com/iam/pdf/FBPK.pdf?cbdForceDomain=false>.

plans. This regulation is commonly known as the service provider fee disclosure rule, often referred to as the “408(b)(2) Regulation.”¹¹

65. The required disclosures must be furnished in advance of a plan fiduciary entering into or extending a contract or arrangement for covered services. The DOL has said that having this information will permit a plan fiduciary to make a more informed decision on whether or not to enter into or extend such contract or arrangement.

66. As stated by the DOL: ERISA “requires plan fiduciaries, when selecting and monitoring service providers and plan investments, to act prudently and solely in the interest of the plan’s participants and beneficiaries. Responsible plan fiduciaries also must ensure that arrangements with their service providers are ‘reasonable’ and that only ‘reasonable’ compensation is paid for services. Fundamental to the ability of fiduciaries to discharge these obligations is obtaining information sufficient to enable them to make informed decisions about an employee benefit plan’s services, the costs of such services, and the service providers.” DOL 408(b)(2) Regulation Fact Sheet.

67. The 408(b)(2) disclosures in short require a service provider to disclose the services it provides and the fees it collects for such services so that sponsors can determine the reasonableness of the arrangement.

68. A plan’s participants do not have access to the disclosures provided to fiduciaries under the 408(b)(2) Regulation.

69. Instead, plan administrators have a separate obligation under 29 CFR § 2550.404a-5 to disclose plan-related information, including fees for certain services to participants. Among

¹¹ See <https://www.dol.gov/sites/dolgov/files/ebsa/about-ebsa/our-activities/resource-center/fact-sheets/final-regulation-service-provider-disclosures-under-408b2.pdf> (“DOL 408(b)(2) Regulation Fact Sheet”)

other things, fiduciaries are required to provide plan participants “[a] description of the services to which the charges relate (e.g., plan administration, including recordkeeping, legal, accounting services).” 29 CFR § 2550.404a-5(C)(2)(ii)(B).

B. Costs for Recordkeeping Services Vary Little for a Plan with a Substantial Number of Participants

70. The term “recordkeeping” is a catchall term for the suite of administrative services typically provided to a defined contribution plan by the plan’s “recordkeeper.” Recordkeeping and administrative services fees are one and the same and the terms are used synonymously herein and referred to as RKA.

71. Nearly all recordkeepers in the marketplace offer the same range of services and can provide the services at very little cost. In fact, several of the services, such as managed account services, self-directed brokerage, Qualified Domestic Relations Order processing, and loan processing are often a profit center for recordkeepers. Numerous recordkeepers in the marketplace are capable of providing a high level of service and will vigorously compete to win a recordkeeping contract for a jumbo defined contribution plan.

72. There are essential recordkeeping services provided by all national recordkeepers for large plans with substantial bargaining power (like the Plan), which include the following services:

- A. Basic account recordkeeping (e.g. demographic, source, investment and vesting records);
- B. Multi-channel participant and plan sponsor access (e.g. phone, web);
- C. Daily participant transaction accounting (e.g., purchases, redemptions, exchanges);
- D. Payroll service (e.g. hardships, in-service withdrawals, termination distributions);
- E. Participant tax reporting services (e.g., IRS Form 1099-R);

- F. Participant confirmations, statements, and standard notices;
- G. Plan-level reporting and annual financial package (excluding IRS Form 5500);
- H. Participant education (e.g. newsletters, web articles, standard communication materials);
- I. Plan consulting (e.g., preapproved document services, operational materials);
- J. Plan consulting (e.g. preapproved document services, operational compliance support).

73. These services are offered by all recordkeepers for one price (typically at a per capita price), regardless of the services chosen or utilized by the plan. Ancillary services such as QDRO's, participant loans, and self-directed brokerage accounts are normally charged to only participants using those ancillary services.

74. The services chosen by a large plan do not affect the amount charged by recordkeepers for such basic and fungible services. Recordkeepers for large 401(k) plans such as Fidelity, Vanguard, Empower, and Voya, among others, invest in technology infrastructure necessary to provide recordkeeping and transaction services to all clients (e.g., website, call center, and some print services). These costs also do not materially change if the recordkeeper gains a new plan or loses an existing plan, and don't vary based on the amount of assets in the plan or in an individual's account.

75. The way it works, in part, is that each participant's account incurs transactions such as contributions, distributions, asset allocation changes, and less frequently, loans and distributions and participant reports. Each participant's account balance is updated daily, reflecting the aforementioned activities as well as investment returns. In this manner a participant's account is somewhat similar to a simplified brokerage account with only a few investment positions. As a

result, the cost of recordkeeping a participant's account with a balance of \$500,000 is the same as for a participant whose account balances is \$5,000 in the same plan.

76. The cost of providing recordkeeping services thus often depends on the number of participants in a plan.

77. When more participants in a plan are on a recordkeeping platform, the recordkeeper allocates its fixed costs over a larger participant base, which reduces the per-participant cost. As a result, the cost to add a new participant to a plan is relatively low. And as the overall number of participants increase, the average cost per participant decreases. *See*, 1998 DOL Study at 4.2.2 (“Basic per-participant administrative charges typically reflect minimum charges and sliding scales that substantially reduce per capita costs as plan size increases.”)¹² ***Because recordkeeping expenses are driven by the number of participants in a plan, the vast majority of plans are charged on a per-participant basis.***¹³

78. Accordingly, plans with large numbers of participants can take advantage of economies of scale by negotiating a lower per-participant recordkeeping fee.

79. Although the 401(k) participant servicing can vary slightly in the various service levels, the actual cost to a large record keeper with a very robust participant servicing system remains almost constant notwithstanding the level and sophistication of participant servicing the employer has elected for his/her plan. Accordingly, a plan sponsor or fiduciary has the leverage

¹² *See* <https://www.dol.gov/sites/dolgov/files/EBSA/researchers/analysis/retirement/study-of-401k-plan-fees-and-expenses.pdf>

¹³ “[T]he actual cost of administrative services is more dependent on the number of participants in the plan.” There is no “logical or practical correlation between an increase in administrative fees and an increase in plan assets.” Hewitt Associates, LLC, *Be a Responsible Fiduciary: Ask the Right Questions About 401(k) Plan Fees*, Oct. 2008; *see also* Mercer Investment Consulting, Inc., *DC Fee Management – Mitigating Fiduciary Risk and Maximizing Plan Performance* (2013), <https://www.mercer.com/content/dam/mercer/>

to negotiate favorable rates given that costs of implementation do not change for the service provider.

80. Recordkeeping and annual account administration add no monetary value to the account and act solely as a necessary expense decreasing investment returns. There is no rational economic reason for the record keeper, or account administrator to receive increased revenues simply based upon increased investment returns, and increased account balances, or employee additional retirement savings' contributions.

81. Recordkeeping expenses can either be paid directly from plan assets, or indirectly by the plan's investments in a practice known as revenue sharing (or a combination of both or by a plan sponsor). Revenue sharing payments are payments made by investments within the plan, typically mutual funds, to the plan's recordkeeper or to the plan directly, to compensate for recordkeeping and trustee services that the mutual fund company otherwise would have to provide.

C. Much Information Regarding the Reasonableness of Fees for Recordkeeping Services are in the Sole Possession of Defendants

82. As noted above, 408(b)(2) disclosures provided to plan sponsors and fiduciaries are generally not made available to plan participants. The same is true for Plaintiffs and this Plan, as Plaintiffs do not have access to any 408(b)(2) disclosures that may have been received by the Plan's fiduciaries.

83. Other information has also not been made available to Plaintiffs. For example, a plan's fiduciaries must remain informed about overall trends in the marketplace regarding the fees being paid by other plans, as well as the recordkeeping rates that are available. This will generally include conducting a Request for Proposal ("RFP") process at reasonable intervals, and immediately if the plan's recordkeeping expenses have grown significantly or appear high in relation to the general marketplace. More specifically, a RFP should happen at least every three

to five years as a matter of course, and more frequently if the plans experience an increase in recordkeeping costs or fee benchmarking reveals the recordkeeper's compensation to exceed levels found in other, similar plans. *George v. Kraft Foods Glob., Inc.*, 641 F.3d 786, 800 (7th Cir. 2011); *Kruger v. Novant Health, Inc.*, 131 F. Supp. 3d 470, 479 (M.D.N.C. 2015).

84. Cerulli Associates stated in early 2012 that more than half of the plan sponsors asked indicated that they “are likely to conduct a search for [a] recordkeeper within the next two years.” These RFPs were conducted even though many of the plan sponsors indicated that “they have no intention of leaving their current recordkeeper.”¹⁴

85. Generally, any RFPs, if conducted, would not be made available to plan participants. The same is true for Plaintiffs here who do not have direct access to such information.

86. Additionally, documentation of fiduciary fee monitoring is generally accomplished in the form of meeting minutes. These minutes do not necessarily need to be lengthy, but they should describe the (i) fiduciary topics discussed, (ii) type of investment information considered for the fiduciary review, and (iii) the rationale for resulting investment decisions. Any related documents or data considered for purposes of the investment review (*e.g.*, prospectuses, plan investment reports, market data, etc.) should be included as attachments to the meeting minutes or otherwise memorialized. Without proper documentation of the investment decision-making process, plan fiduciaries are open to the charge that their decisions were made in an imprudent or conflicted manner.

87. In an attempt to discover the details of the Plan's mismanagement, on February 13, 2023, the Plaintiffs wrote to Whole Foods requesting, *inter alia*, meeting minutes from the

¹⁴ “Recordkeeper Search Activity Expected to Increase Within Next Two Years,” *Cerulli Assoc.*, January 8, 2013, <https://www.plansponsor.com/most-recordkeeping-rfps-to-benchmark-fees/>

Committee. By letter dated, March 24, 2023, Whole Foods provided very limited meeting minutes from February 2019 evidencing only a change in the responsibilities of the 401(k) Committee. All other information for these minutes was redacted by the Defendants.

88. Reviewing meeting minutes, when they exist, is the bare minimum needed to peek into a fiduciary's monitoring process. But in most cases, even that's not sufficient. For, "[w]hile the absence of a deliberative process may be enough to demonstrate imprudence, the presence of a deliberative process does not ... suffice in every case to demonstrate prudence. Deliberative processes can vary in quality or can be followed in bad faith. In assessing whether a fiduciary fulfilled her duty of prudence, we ask 'whether a fiduciary employed the *appropriate* methods to investigate and determine the merits of a particular investment,' not merely whether there were any methods whatsoever." *Sacerdote et al. v. New York Univ.*, 9 F.4th 95, 111 (2d Cir. 2021) (emphasis in original).

89. In short, Plaintiffs did not have and do not have actual knowledge of the specifics of Defendants' decision-making process with respect to the Plan, including Defendants' processes (and execution of such) for monitoring recordkeeping and administration costs, because this information is solely within the possession of Defendants prior to discovery. *See Braden v. Walmart Stores, Inc.*, 588 F.3d 585, 598 (8th Cir. 2009) ("If Plaintiffs cannot state a claim without pleading facts which tend systematically to be in the sole possession of defendants, the remedial scheme of [ERISA] will fail, and the crucial rights secured by ERISA will suffer.")

90. For purposes of this Complaint, Plaintiffs have drawn reasonable inferences regarding these fiduciary processes based upon information available to Plaintiffs, such as Rule 404a disclosures, Form 5500s filed with the DOL, market surveys, and other authority.

91. Defendants’ breaches of their fiduciary duties, relating to their overall decision-making, resulted in, *inter alia*, the imposition of excessive administrative and record keeping fees which wasted the assets of the Plan and the assets of participants.

D. Circumstantial Facts and Evidence Plausibly Show the Plan Paid Unreasonable Recordkeeping Fees and/or the Plan’s Fiduciaries Failed to Engage in a Prudent Process to Evaluate Recordkeeping Fees

1. The Plan’s Recordkeeping Services Agreement with Fidelity Offered Routine Services

92. Effective January 1, 2017, Whole Foods entered into a Trust Agreement with Fidelity Management Trust Company (“Fidelity”) to, among other things, provide recordkeeping for the Plan. *See* Trust Agreement Between Whole Foods Market, Inc. and Fidelity Management Trust Company for the Whole Foods Market Growing Your Future 401(k) Plan Trust, Restated and Dated as of January 1, 2017 (“2017 Trust Agreement”), WFM_0133-WFM_0231.

93. During the Class Period, Fidelity was one of the top recordkeepers nationally as measured by assets being recordkept. For example, in 2020 Fidelity ranked as follows:

2020 TOP PROVIDERS (RECORDKEEPERS)¹⁵

Top 10, by Total 401(k) Assets (\$MM)

1	Fidelity Investments	\$2,037,733
2	Empower Retirement	\$493,577
3	The Vanguard Group	\$454,223
4	Alight Solutions	\$434,737
5	Principal Financial Group	\$322,976
6	Voya Financial	\$211,389
7	T. Rowe Price	\$195,224
8	Prudential Financial, Inc.	\$180,544
9	Bank of America Corporation	\$173,412
10	Charles Schwab	\$162,876

¹⁵ *See* <https://www.runnymede.com/blog/401k-providers-2020-top-10-lists/>

94. The recordkeepers in the top ten are all capable of providing the same quality of service and they must do so to succeed in the very highly competitive 401(k) service provider arena.

95. Per the 2017 Trust Agreement, Fidelity agreed to perform recordkeeping and administrative services in line with the routine services described in Section VI.B. above and which any of the top ten recordkeepers are capable of performing. Fidelity agreed to perform “Administration” which included establishment and maintenance of participant accounts and election percentages, maintenance of Plan investment options, and maintenance of contribution sources. 2017 Trust Agreement at Schedule A.

96. Additionally, Fidelity agreed to provide participant services, plan accounting, participant reporting, plan reporting, government reporting (*e.g.* Form 5500s), and communication and education services. *Id.* at WFM_0169 – WFM_0173. These services are routine. This is illustrated by the attached sample Fidelity services agreement that forms the basis of all service agreements with Fidelity clients. *See* Exhibit A. Under Schedule B of the sample agreement, Fidelity offers the same range of services as it does for the Plan (p10). Any services falling outside core services are billed separately (p.28).

97. Schedule B of the 2017 Trust Agreement, the Fee Schedule, indicates all “Ongoing Communication and Education” services (such as multi-touch enrollment, onboarding program, needs-based workplace campaigns, needs based life stage messaging campaigns, education campaigns for retirees and job changers with postage included) are included in the per participant costs. *Id.* at WFM_0174. The recordkeeping fee also includes 20 days onsite up to 4 meetings/day, and \$1,800 per additional day. *Id.* at WFM_0175.

98. The 2017 Trust Agreement did not identify any unique services Fidelity would have to provide to the Plan that would make the recordkeeping services provided to the Plan differ in any material way from recordkeeping services provided by Fidelity or other nationally recognized recordkeepers to other jumbo plans like the Plan.

99. Indeed, any additional services outside the core services provided by Fidelity required additional fees to be paid. For example, “Special Projects” incur an additional fee of \$175/hr. WFM_0176. And as another example, effective January 1, 2019 when the per participant fee was \$33 per participant, the recordkeeping services agreement stated “Live Plan Specific Web Workshop Sessions” cost \$200 per session. *See* First Amendment to Trust Agreement Between Fidelity Management Trust Co. and Whole Foods Market, Inc. at 9, WFM_0245. Additionally, if Fidelity needed to perform services to locate lost participants it would cost an additional \$22 to \$38 per participant, depending on the tier level selected, to perform the service. *Id.* at p. 45, WFM_0281.

2. There is No Indication Defendants Negotiated to Reduce the Plan’s Recordkeeping Fees During the Class Period

100. As noted above, 408(b)(2) disclosures are not available to plan participants. By the same token, because 408(b)(2) disclosures are provided from a service provider to its client, the disclosures are not available to any other plan fiduciary either. Accordingly, as noted above, the best way for a Plan fiduciary (as opposed to a plan participant) to determine whether a plan is paying reasonable recordkeeping fees is to conduct a RFP.

101. Here it appears the Defendants failed to conduct a RFP in the years leading up to the start of the putative Class Period. The fact that the Plan had the same recordkeeper in place, namely Fidelity, since 2011 with little meaningful change in the already excessive RKA rate strongly suggests that the Plan fiduciaries failed to act in the best interests of Plan participants

when they failed to genuinely attempt to seek a competitive market rate for RKA fees. Had the Defendants genuinely sought a competitive rate, the Plan participants would have benefited from a significant reduction in RKA costs given that the market for recordkeeping is highly competitive, with many vendors equally capable of providing a high-level service.

102. At any point in the Class Period, the Plan's fiduciaries could have opted to conduct a RFP to any recordkeeper including any of the above top ten recordkeepers who were peers of Fidelity and capable of providing lower recordkeeping fees. Had Defendants sought an appropriate market rate through an RFP, it's likely either the recordkeeper would have been changed at some point or Fidelity would have agreed to pay its own admitted reasonable rate of \$14-\$21 per participant or less (discussed below) throughout the Class Period.

103. Apart from failing to reduce the Plan's recordkeeping fees through a RFP, the evidence also indicates the Plan's fiduciaries failed to leverage the Plan's massive size to negotiate lower recordkeeping fees.

104. From information obtained through the Plaintiffs' request for Plan documents, the Plaintiffs were supplied with a historical snapshot of the RKA rates for the Plan. Starting in 2016, Fidelity charged a per participant RKA rate of \$34. As discussed below, this rate was nearly double the reasonable RKA costs for a plan the size of this Plan during the same time period. There was a modest change in price in 2018 to \$33 per participant and to \$31 per participant since 2020. However, "a high fee may reflect imprudence even if the fee falls year-over-year." *Johnson v. PNC Fin. Servs. Grp., Inc.*, No. 2:20-cv-01493, 2021 WL 3417843, *4 (W.D. Pa. Aug. 3, 2021).

105. These rates continued to exceed, by far, the reasonable rate for a plan the size of the Plan. But importantly, even as the number of Plan participants increased and the Plan's services stayed the same, there was no decrease in the Plan's recordkeeping fees.

106. In particular, the Plan's recordkeeping fee has stayed at \$31 per participant since 2020 even though the Plan's participants have increased by nearly 14,000 participants during that time period and the Plan's recordkeeping services have not changed:

Year	Participants (PP)	Fidelity Per Participant Charge (PPC)	Total Direct Costs (PP x PPC)
2020	97,506	\$31	\$3,022,686
2021	97,447	\$31	\$3,020,857
2022	111,989	\$31	\$3,471,659

107. There is no reasonable justification for the Plan to pay nearly a half-million dollars per year more for recordkeeping for the *same* services. The Plan's Second Quarter 2022 Investment Management Review, WFM_0335 – WFM_0493 notes the increase in Plan participants as of Q3 of 2022 and makes no mention of any additional recordkeeping services being provided by Fidelity.

3. The Plan's Recordkeeping Fees were/are Unreasonable When Benchmarked Against Other Similarly Situated Plans and Within the Context that Plan Recording Fees Should Decline as Plan Size Increases

108. During the Class Period, the Plan's per participant total RKA fees were as follows:

Year	Participants (PP)	Fidelity Per Participant Charge (PPC)	Total Direct Costs (PP x PPC)
2017	90,182	\$34	\$3,066,188
2018	92,635	\$33	\$3,056,955
2019	96,669	\$33	\$3,190,077
2020	97,506	\$31	\$3,022,686
2021	97,447	\$31	\$3,020,857
2022	111,989	\$31	\$3,471,659

109. At all times during the Class Period, the above fees were unreasonable. As noted above, a DOL study concluded that "[b]asic per-participant administrative charges typically reflect

minimum charges and sliding scales that substantially reduce per capita costs as plan size increases.”

Accordingly, the larger the plan, the lower the recordkeeping fee should be.

110. To put things into perspective, when comparing retirement plan data, most publications utilize tranches. For example, the leading publication that collects 401(k) data is BrightScope/ICI. *See* fn. 4. It categorizes plans in the following tranches:

2019 The BrightScope/ICI Defined Contribution Plan Profile, A Close Look at 401(k) Plans.pdf - Adobe Acrobat Reader (32-bit)

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EXHIBIT I.2

Universe of 401(k) Plans

Distribution of 401(k) plans, participants, and assets by plan assets or number of plan participants, 2019

Plan assets	Plans		Participants		Assets	
	Number	Percent	Thousands	Percent	Billions of dollars	Percent
Less than \$1M	336,744	55.8%	5,675.6	7.7%	\$104.7	1.7%
\$1M to \$10M	225,598	37.4	13,607.0	18.5	691.6	11.3
>\$10M to \$50M	31,260	5.2	10,248.3	14.0	631.3	10.3
>\$50M to \$100M	4,213	0.7	4,659.1	6.3	294.1	4.8
>\$100M to \$250M	2,724	0.5	6,937.8	9.5	423.0	6.9
>\$250M to \$500M	1,176	0.2	5,293.8	7.2	410.5	6.7
>\$500M to \$1B	726	0.1	5,415.6	7.4	512.3	8.3
More than \$1B	776	0.1	21,557.2	29.4	3,068.2	50.0
All plans	603,217	100.0	73,394.3	100.0	6,135.6	100.0

Number of plan participants	Plans		Participants		Assets	
	Number	Percent	Thousands	Percent	Billions of dollars	Percent
Fewer than 100	536,971	89.0%	11,262.6	15.3%	\$832.8	13.6%
100 to 499	51,998	8.6	10,132.0	13.8	654.2	10.7
500 to 999	6,599	1.1	4,585.5	6.2	326.6	5.3
1,000 to 4,999	5,908	1.0	12,272.5	16.7	1,048.0	17.1
5,000 to 9,999	876	0.1	6,041.3	8.2	620.4	10.1
10,000 or more	865	0.1	29,100.3	39.6	2,653.7	43.3
All plans	603,217	100.0	73,394.3	100.0	6,135.6	100.0

Note: Assets are fair market value at the year-end of the plan and include loans. The results exclude 403(b) plans with a 401(k) feature.
Source: BrightScope Defined Contribution Plan Database

See The BrightScope/ICI Defined Contribution Plan Profile: A Close Look at Plans, 2019 at Ex.

1.2, p. 7., available at <https://www.ici.org/system/files/2022-09/22-ppr-dcplan-profile-401k.pdf>.

Accordingly, the billion-dollar asset mark is significant as all plans over a billion dollars are considered in a category of their own.

111. Starting at 2022, the most recent year for which most plan Form 5500s are available, demonstrates the unreasonably high Plan fees when looking at the fees of the Plan's peers:

Plan Name	Plan Year	Assets > \$1 billion	Participants	Cost per participant ¹⁶
Costco 401(k) Retirement Plan	2022	\$25,412,076,000	231,411	\$17.00 ¹⁷
Lowes 401(k) Plan	2022	\$7,376,782,360	149,935	\$8.80
Google, LLC 401(k) Plan	2022	\$28,898,202,210	148,787	\$14.44
Citi Retirement Savings Plan	2022	\$16,946,720,993	119,328	\$22.43
Macy's Inc. 401(k) Retirement Investment Plan	2022	\$3,583,497,000	130,388	\$18.20 ¹⁸
Whole Foods Plan	2022	\$1,674,000,000	111,989	\$31

112. The above chart demonstrates that for plans with more than a billion dollars and 100,000 participants, the Plan had one of the highest recordkeeping fees. As noted above, as of the end of 2022 there were only 41 401(k) plans with 100,000 or more participants. The Plan's \$31 per participant fee is nearly twice the average fee of \$16.17 per participant for the five plans listed above. This vast discrepancy between the Plan's recordkeeping fees existed for all years of the Class Period. The below chart illustrates the point:

¹⁶ Unless otherwise noted, the participant recordkeeping fees are derived from the various plans' Form 5500 filings.

¹⁷ See Costco 401(k) Retirement Plan SPD, Jan. 1, 2022 at 30 ("The Plan's recordkeeping expenses are charged to Plan accounts. The charge (currently, \$4.25 per quarter) will be taken from your investments on a pro-rata basis). (Exhibit B).

¹⁸ See Macy's Inc. 401(k) Retirement Investment Plan, Participant Disclosure of Plan and Investment Related Information, at 3 ("The Plan Sponsor and service provider have agreed upon \$18.20 per participant annually to cover the cost of administrative services") (Exhibit C).

Plan Name	Plan Year	Assets > \$1b	Participants	Cost per participant ¹⁹
Citi Retirement Savings Plan	2022	Yes	119,328	\$22.43
Costco 401(k) Retirement Plan	2022	Yes	231,411	\$17.00
Macy's Inc. 401(k) Retirement Investment Plan	2022	Yes	130,388	\$18.20
Whole Foods Plan	2022	Yes	111,989	\$31.00
Lowe's 401(k) Plan	2021	Yes	158,184	\$10
Kaiser Permanente 401k Retirement Plan	2021	Yes	149,636	\$12
Apple 401(k) Plan	2021	Yes	131,476	\$14
Google 401(k) Plan	2021	Yes	124,725	\$17
Publicis Benefits Connection 401K Plan	2021	Yes	48,148	\$27
Whole Foods Plan	2021	Yes	97,447	\$31
Apple 401(k) Plan	2020	Yes	127,321	\$12.77
Whole Foods Plan	2020	Yes	97,506	\$31.00
Publicis Benefits Connection 401K Plan	2019	Yes	48,353	\$21
Deseret 401(k) Plan	2019	Yes	34,938	\$22
The Savings and Investment Plan [WPP Group]	2019	Yes	35,927	\$27
The Dow Chemical Company Employees' Savings Plan	2019	Yes	37,868	\$25
Whole Foods Plan	2019	Yes	96,669	\$33
AT&T Retirement Savings Plan	2018	Yes	249,894	\$15.45 ²⁰
Whole Foods Plan	2018	Yes	92,635	\$33

113. Dating back to 2018, the Plan's recordkeeping fees remained among the highest for billion dollar plans while consistently having some of the largest numbers of Plan participants, an aspect of the Plan that should have commanded much lower fees. As a point of emphasis, in

¹⁹ Unless otherwise noted, the participant recordkeeping fees are derived from the various plans' Form 5500 filings. The plans depicted utilize little to no revenue sharing to pay for recordkeeping. For example, the Apple plan all utilizes collective investment trusts (CITs) which do not use revenue sharing. Accordingly, there should be minimal discrepancy between the reported recordkeeping fees on the Form 5500s and the actual 404(a) disclosures. See Discussion *supra* at VI.A.

²⁰ See AT&T Retirement Savings Plan Disclosure at p.84 (showing administrative, trustee, and recordkeeping fees are .01% of assets) (Exhibit D)

2020, there were only 125 defined contribution plans (401k, 401a, and 403b) in the country with over 50,000 participants with account balances (*see supra* ¶ 7) meaning the Plan fiduciaries had tremendous bargaining power.

4. The Plan's Recordkeeping Fees Are Unreasonable When Compared to the Lower Recordkeeping Fees for Similar Services Performed by Fidelity for Similarly Situated Plans and Plans with Less Bargaining Power than the Plan

114. The final factor indicating the Plan overpaid for recordkeeping fees during the Class Period is based on the fact that Fidelity charges, and has charged, lower recordkeeping fees to other plans, much smaller in size to the Plan in terms of the number of participants (and thus plans with less bargaining power than the Plan), for the same routine recordkeeping services it offered to the Plan.

115. In a recent lawsuit where Fidelity's own multi-billion dollar plan with at least 58,000 participants like the Plan was sued, the "parties [] stipulated that if Fidelity were a third party negotiating this fee structure at arms-length, the value of services would range from \$14-\$21 per person per year over the class period, and that the recordkeeping services provided by Fidelity to this Plan are not more valuable than those received by other plans of over \$1,000,000,000 in assets where Fidelity is the recordkeeper." *Moitoso et al. v. FMR, et al.*, 451 F.Supp.3d 189, 214 (D.Mass. 2020).

116. Fidelity itself defines the relevant marketplace as plans with over a billion dollars in assets confirming the meaningfulness of the billion-dollar asset marker as used herein.

117. Fidelity stipulated as follows: "The value of the recordkeeping services that Fidelity provided to the Plan in 2014 was \$21 per participant; the value of the recordkeeping services that Fidelity provided to the Plan in 2015 and 2016 was \$17 per participant, per year; and the value of the recordkeeping services that *Fidelity has provided to the Plan since January 1, 2017 is \$14*

per participant, per year. Had the Plan been a third-party plan that negotiated a fixed fee for recordkeeping services at arm's length with Fidelity, it could have obtained recordkeeping services for these amounts during these periods. ***The Plan did not receive any broader or more valuable recordkeeping services from Fidelity than the services received by any other Fidelity-recordkept plan with at least \$1 billion in assets during the Class Period (November 18, 2014 to the present).***

Moitoso, No. 1:18-cv-12122-WGY, ECF 138-67, ¶ 2 (emphasis added).

118. The significance of the Fidelity stipulation is that the Plan's demographics matches favorably with the Fidelity plan's demographics. The Plan had almost double the number of participants that the Fidelity plan had (meaning the Plan should have commanded lower fees) and was also a billion-dollar plan like the Fidelity plan.

119. Additionally, the operative recordkeeping agreement in this case went into effect on January 1, 2017 at which time the Fidelity stipulation stated the value of the type of services being received by the Plan was \$14 per participant per year. Given the trend of diminishing recordkeeping fees over the last few years (and as borne out by the diminishing fees described in the Fidelity stipulation and the other plans cited in this complaint), the value of the recordkeeping services provided to the Plan by Fidelity would likely be less than \$14 per participant at present.

120. Looking at several other retirement plans recordkept by Fidelity during the span of the Class Period further demonstrates that plans ranging from around half a billion dollars to over a billion dollars in assets under management, and having over 10,000 plan participants (the last tranche in the 2019 BrightScope ICI study), were able to obtain recordkeeping fees from Fidelity that were below the fees of the Plan even though the Plan had a greater bargaining advantage with

its immense size than all the other plans and should have been able to command much lower recordkeeping fees:

Plans Recordkept by Fidelity					
Plan Name	Plan Year	Assets > \$1b	Assets > \$.4 b	Participants	Cost per participant²¹
Tesla, Inc. 401(k) Plan	2021	Yes		61,773	\$27
Publicis Benefits Connection 401K Plan	2021	Yes		48,148	\$27
Whole Foods Plan	2021	Yes		97,447	\$31
Chevron Employee Savings Investment Plan	2020	Yes		33,484	\$26
Whole Foods Plan	2020	Yes		97,506	\$31.00
Publicis Benefits Connection 401K Plan	2019	Yes		48,353	\$21
Optumcare Management, LLC 401(k) Retirement Savings Plan	2019		\$843,224,007	10,072	\$22
Pacific Architects and Engineers, LLC 401(k) Savings Plan	2019		\$435,391,716	14,698	\$23
Tesla, Inc. 401(k) Plan	2019		\$633,256,831	36,431	\$26
The Dow Chemical Company Employees' Savings Plan	2019	Yes		37,868	\$25
Whole Foods Plan	2019	Yes		96,669	\$33
AT&T Retirement Savings Plan	2018	Yes		249,894	\$15.45 ²²
Danaher Corporation & Subsidiaries Savings Plan	2018	Yes		35,757	\$28.00
Publicis Benefits Connection 401K Plan	2018	Yes		42,316	\$28.00
Whole Foods Plan	2018	Yes		92,635	\$33

121. The Plan should have been able to obtain per participant recordkeeping fees of at least \$10-\$17 (\$17 being the number Fidelity stipulated to as reasonable) per participant from Fidelity based on its immense size and the routine nature of the recordkeeping services performed by Fidelity. As noted above, Fidelity largely offers the same services to its 401(k) clients. Any services beyond the routine are billed on top of the core charges. This fee range is consistent with

²¹ Unless otherwise noted, these fees are taken from the Form 5500.

²² See AT&T Retirement Savings Plan Disclosure at p.84 (showing administrative, trustee, and recordkeeping fees are .01% of assets) (Exhibit D)

the average recordkeeping fees paid by the largest plans in the country as demonstrated in the allegations above showing five of the 401(k) plans in the country with over 100,000 plan participants paid an average of \$16.17 per participant in 2022.

FIRST CLAIM FOR RELIEF
Breach of Fiduciary Duty of Prudence
(Asserted against the Committee)

122. Plaintiffs re-allege and incorporate herein by reference all prior allegations in this Complaint as if fully set forth herein.

123. At all relevant times, the Committee and its members during the Class Period (“Prudence Defendants”) were fiduciaries of the Plan within the meaning of ERISA § 3(21)(A), 29 U.S.C. § 1002(21)(A), in that they exercised discretionary authority or control over the administration and/or management of the Plan or disposition of the Plan’s assets.

124. As fiduciaries of the Plan, these Defendants were subject to the fiduciary duties imposed by ERISA § 404(a), 29 U.S.C. § 1104(a). These fiduciary duties included managing the assets of the Plan for the sole and exclusive benefit of the Plan’s participants and beneficiaries, and acting with the care, skill, diligence, and prudence under the circumstances that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

125. The Prudence Defendants breached these fiduciary duties in multiple respects as discussed throughout this Complaint. The Prudence Defendants also failed to control the costs of the Plan’s recordkeeping and administrative costs.

126. As a direct and proximate result of the breaches of fiduciary duties alleged herein, the Plan suffered millions of dollars of losses. Had Defendants complied with their fiduciary

obligations, the Plan would not have suffered these losses, and the Plan's participants would have had more money available to them for their retirement.

127. Pursuant to 29 U.S.C. §§ 1109(a) and 1132(a)(2), the Prudence Defendants are liable to restore to the Plan all losses caused by their breaches of fiduciary duties, and also must restore any profits resulting from such breaches. In addition, Plaintiffs are entitled to equitable relief and other appropriate relief for Defendants' breaches as set forth in their Prayer for Relief.

128. The Prudence Defendants knowingly participated in each breach of the other Defendants, knowing that such acts were a breach, enabled the other Defendants to commit breaches by failing to lawfully discharge such Defendant's own duties, and knew of the breaches by the other Defendants and failed to make any reasonable and timely effort under the circumstances to remedy the breaches. Accordingly, each Defendant is also liable for the breaches of its co-fiduciaries under 29 U.S.C. § 1105(a).

SECOND CLAIM FOR RELIEF
Failure to Adequately Monitor Other Fiduciaries
(Asserted against Whole Foods and the Board Defendants)

129. Plaintiffs re-allege and incorporate herein by reference all prior allegations in this Complaint as if fully set forth herein.

130. Whole Foods and the Board (the "Monitoring Defendants") had the authority to appoint and remove members of the Committee, and the duty to monitor the Committee and were aware that the Committee Defendants had critical responsibilities as fiduciaries of the Plan.

131. In light of this authority, the Monitoring Defendants had a duty to monitor the Committee Defendants to ensure that the Committee Defendants were adequately performing their fiduciary obligations, and to take prompt and effective action to protect the Plan in the event that the Committee Defendants were not fulfilling those duties.

132. The Monitoring Defendants also had a duty to ensure that the Committee Defendants possessed the needed qualifications and experience to carry out their duties; had adequate financial resources and information; maintained adequate records of the information on which they based their decisions and analysis with respect to the Plan's investments; and reported regularly to the Monitoring Defendants. The Monitoring Defendants breached their fiduciary monitoring duties by, among other things, failing to monitor and evaluate the performance of the Committee Defendants or have a system in place for doing so, standing idly by as the Plan suffered significant losses as a result of the Committee Defendants' imprudent actions and omissions;

133. As a consequence of the foregoing breaches of the duty to monitor, the Plan suffered millions of dollars of losses. Had the Monitoring Defendants complied with their fiduciary obligations, the Plan would not have suffered these losses, and the Plan's participants would have had more money available to them for their retirement.

134. Pursuant to 29 U.S.C. §§ 1109(a) and 1132(a)(2), the Monitoring Defendants are liable to restore to the Plan all losses caused by their failure to adequately monitor the Committee Defendants. In addition, Plaintiffs are entitled to equitable relief and other appropriate relief as set forth in their Prayer for Relief.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray that judgment be entered against Defendants on all claims and requests that the Court awards the following relief:

A. A determination that this action may proceed as a class action under Rule 23(b)(1), or in the alternative, Rule 23(b)(2) of the Federal Rules of Civil Procedure;

B. Designation of Plaintiffs as Class Representatives and designation of Plaintiffs' counsel as Class Counsel;

C. A Declaration that the Defendants, and each of them, have breached their fiduciary duties under ERISA;

D. An Order compelling the Defendants to make good to the Plan all losses to the Plan resulting from Defendants' breaches of their fiduciary duties, including losses to the Plan resulting from imprudent monitoring of recordkeeping and administrative costs, and to restore to the Plan all profits which the participants would have made if the Defendants had fulfilled their fiduciary obligations;

E. An order requiring the Defendants to disgorge all profits received from, or in respect of, the Plan, and/or equitable relief pursuant to 29 U.S.C. § 1132(a)(3) in the form of an accounting for profits, imposition of a constructive trust, or a surcharge against the Defendants as necessary to effectuate said relief, and to prevent the Defendants' unjust enrichment;

F. Actual damages in the amount of any losses the Plan suffered, to be allocated among the participants' individual accounts in proportion to the accounts' losses;

G. An order enjoining Defendants from any further violations of their ERISA fiduciary responsibilities, obligations, and duties;

H. Other equitable relief to redress Defendants' illegal practices and to enforce the provisions of ERISA as may be appropriate, including appointment

of an independent fiduciary or fiduciaries to run the Plan and removal of Plan's fiduciaries deemed to have breached their fiduciary duties;

- I. An award of pre-judgment interest;
- J. An award of costs pursuant to 29 U.S.C. § 1132(g);
- K. An award of attorneys' fees pursuant to 29 U.S.C. § 1132(g) and the common fund doctrine; and
- L. Such other and further relief as the Court deems equitable and just.

Dated: March 11, 2024

CAPOZZI ADLER, P.C.

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Counsel for Plaintiffs and the Putative Class

CERTIFICATE OF SERVICE

I hereby certify that on March 11, 2024, a true and correct copy of the foregoing document was filed with the Court utilizing its ECF system, which will send notice of such filing to all counsel of record.

By: /s/ Mark K. Gyandoh

EXHIBIT A



Fidelity is committed to working with you to develop mutually agreed upon contract terms reflective of the services under consideration. This sample agreement presented may require revision due to service and/or legal changes.

Party Information

Party	Legal Name	Entity Type	State of Formation	Address	Contact for Notices
Fidelity:	Fidelity Workplace Services LLC	LLC	DE	245 Summer Street, V7A Boston, MA 02210	VP, WI Contracts
Client:	[REDACTED]	NFP	[REDACTED]	[REDACTED]	

Service Lines

<input checked="" type="checkbox"/> Defined Contribution (DC) <input checked="" type="checkbox"/> Qualified <input checked="" type="checkbox"/> Non-Qualified	<input type="checkbox"/> Defined Benefit (DB) <input type="checkbox"/> Cash Balance	<input type="checkbox"/> Health & Welfare (HW)	<input type="checkbox"/> Stock Plan Services (SPS)
<input type="checkbox"/> Workplace Consulting (WC)	<input type="checkbox"/> Workplace Giving (WG)	<input type="checkbox"/> Health Savings Account (HSA)	<input type="checkbox"/> Wellness Solutions (WS)
<input type="checkbox"/> Voluntary Benefits (VB)		<input type="checkbox"/> Reimbursement Accounts (RA)	<input type="checkbox"/> Student Debt (SD)

Optional Services and Offerings

All Service Lines	<input checked="" type="checkbox"/> Financial Wellness <input checked="" type="checkbox"/> with Point Solutions	<input type="checkbox"/> Single Sign On <input type="checkbox"/> Single Sign On (PSW®)	<input checked="" type="checkbox"/> NetBenefits FullView®
DC	<input checked="" type="checkbox"/> Personalized Planning & Advice (PP&A) <i>or</i> <input type="checkbox"/> Model Portfolio Recordkeeping (MP)	BrokerageLink® <input checked="" type="checkbox"/> Qualified <input type="checkbox"/> Non-Qualified	5500 Services <input type="checkbox"/> Workplace Investing <input checked="" type="checkbox"/> Workplace Consulting
			<input checked="" type="checkbox"/> Trustee / Custodian Services
Optional Services terms and applicable Fees are in the MSA or separately signed Exhibit. For DC and DB, details regarding which Plan(s) are enabling which Optional Service(s) are either in this MSA or the PAM.			

MSA Authorization

By signing below, the undersigned represent that they are authorized to sign this MSA on behalf of the respective Parties effective on [date] (the "Effective Date"). Each Party may rely without duty of inquiry on the foregoing representation.

Party	Signature	Name	Date
Fidelity:			
Client:			

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This Main Services Agreement, consisting of these MSA Terms, the Coversheet, Glossary, and attached Schedules and Attachments (“**MSA**”) is between Fidelity and Client (each a “**Party**”) as of the Effective Date.

1. Services

1.01. Services. Fidelity will provide the Services specifically described in each Service Line’s Statement of Services Schedules subject to these MSA Terms, each Service Line’s Terms, and any applicable Schedules and Attachments. Fidelity will provide the Services itself or through its agents, subcontractors, or Affiliates; provided Fidelity shall remain responsible for the performance of such Services to the same extent as if it had performed such Services itself.

2. Directions

2.01. Directed Recordkeeper. Fidelity is a directed recordkeeper and has no discretionary authority or responsibility for the Plans. The Services are of a directed nature and performed within the framework of Client’s Directions. Except as explicitly provided otherwise herein or in other mutually agreed writings, neither this MSA nor any services Fidelity performs will cause Fidelity to be regarded as a fiduciary of Client, any Plan, or any Participant, under any law or for any purpose. Fidelity will not perform any service that would cause it to be treated as an “administrator” or “sponsor” of any Plan under law or for any other purpose. Client is responsible for its and all its Plans’ compliance with all Plan design and issues pertaining to administration of its Plans. Client has relied and will continue to rely on its own legal, tax, business, and financial advisors for advice and not on Fidelity or any person affiliated with Fidelity.

2.02. Client Direction. A Directing Party shall provide Directions regarding each Plan’s provisions, guidelines, and interpretation, reflecting all Plan designs and updates, via electronic data transfer or other agreed upon procedures. Directions reflect Client’s interpretation of applicable laws. Client is solely responsible for the accuracy and tax or legal effect of any Direction. Client will make Directing Parties and Client’s other personnel, agents, and service providers available to Fidelity as necessary. All Services are conditioned on Client timely providing Fidelity Directions and information as required or requested to enable Fidelity to perform. Client will provide Fidelity prompt written notice of a Directing Party’s termination or suspension of authority. Fidelity will be fully protected in relying on a Direction it reasonably believes to be genuine without further inquiry on the authority or authenticity of the person providing it. Fidelity may refuse a Direction (and will notify Client of its refusal) if it is not in writing, or is unclear, or the Fidelity recipient is aware that it conflicts with either another Direction (unless such is the express intent thereof), this MSA, or applicable law. If Client provides a Direction regarding any change to its Plans, policies, or procedures, or that would require Fidelity to modify the way it provides Services (including pending corporate actions), or to make any retroactive amendment or rescission of transactions, then Client must provide Fidelity notice pursuant to the Modifications Section. Fidelity will not be obligated to follow the Direction unless agreed.

3. Fees

3.01. Fees. Client will pay, or cause to be paid, to Fidelity the Fees in the Fee Schedule via Automated Clearing House unless otherwise agreed. Invoices are issued and due and payable as provided in the Fee Schedule, unless and to the extent Client disputes the Fees in good faith. Fidelity may charge additional fees for mutually agreed upon Change Control Requests. If one or more Assumptions change significantly, Fees may be adjusted to reflect the revised arrangement after reasonable negotiation.

4. Duration; Termination

4.01. Term. The term of this MSA commences on the Effective Date and continues in effect without limit as to time, subject to the Amendments and Termination Sections (the “Term”).

4.02. Termination. Either Party may terminate this MSA in its entirety or for one or more Service Lines: (i) on 180 days’ prior written notice (unless otherwise agreed), provided if Client terminates, Client shall, if applicable, pay the Early Termination Fees in the relevant Service Line’s Fee Schedule; (ii) for the other Party’s material breach (unless the Party makes substantial progress toward cure within 60 Business Days after written notice, after complying with the Dispute Resolution Section); or (iii) on commencement by or against the other Party of any bankruptcy, insolvency, moratorium or other proceeding affecting creditors’ rights. This MSA will continue for any Service Lines not terminated subject to reasonable fee adjustments where appropriate.

5. Confidentiality

5.01. Confidential Information. Each Party shall maintain the confidentiality of the other Party’s Confidential Information with at least the same degree of care it uses to safeguard its own information (or information of its customers) of a similar nature and with no less than reasonable care. Each Party may use and disclose the other Party’s Confidential Information to its

employees, Affiliates, permissible assigns, subcontractors, advisors, and agents to the extent reasonably necessary to perform its obligations, or maintain or improve services, or enforce its rights under this MSA; provided, the disclosing Party shall ensure that such parties are bound by confidentiality provisions substantially similar to those in this MSA. Each Party will be responsible for any improper disclosure of Confidential Information by itself or its such parties. A Party is not obligated to disclose its Confidential Information to the other Party, provided Fidelity will be excused from performance to the extent Client withholds necessary information. Neither Party will sell or lease the other Party's Confidential Information.

5.02. Exceptions. A Party may disclose the other Party's Confidential Information as required to respond to any valid subpoena, court order, litigation, or regulatory request, or satisfy any legal requirement, provided, to the extent not legally prohibited, such Party advises the other Party prior to disclosure so the other Party may act as it considers appropriate. Fidelity may respond to routine subpoenas or court orders commonly received in its role as recordkeeper (e.g., domestic relations orders) without providing notice.

6. Data, Security, and Fraud Prevention

6.01. Data Security. Fidelity will follow the information security practices detailed in the Information Security Program (as may be updated by Fidelity from time to time), made available to Client through PSW® or other electronic means and the attached Information Security Schedule.

6.02. Restrictions on Use of Personal Data. Fidelity's privacy information management system governing the privacy of Personal Data in support of the DC, SPS, DB, H&W, and HSA Service Lines is aligned and certified to the ISO 27701 framework. To provide assurances about its privacy governance framework, Fidelity will make available its current ISO 27701 certification. Fidelity will treat Personal Data in accordance with its Privacy Policy and the Consumer Privacy Rights Addendum (as may be updated by Fidelity from time to time), made available to Client through PSW® or other electronic means. Fidelity will only use Personal Data as Client authorizes, including as provided under this MSA, or in response to a Participant's expression of a need or interest, or as the Participant otherwise permits.

6.03. Data Conditions. All data provided to Fidelity must be correct, complete, provided in a timely manner, in good condition, and submitted in accordance with Fidelity's standard specifications. No information Client provides will expand the scope of Services. Fidelity may rely on, and will not be liable for, the accuracy, completeness, and legal transfer of all such data. Fidelity has no duty to verify such data. If the Fidelity recipient of the data becomes actually aware that any such data does not meet these requirements, Fidelity will not be obligated to process it until Client corrects it or Client and Fidelity agree, in writing pursuant to the Modifications Section, that Fidelity will correct it.

6.04. Data Management. Certain data with respect to the Plan is accessible to Client through PSW®. On termination in accordance with the Termination Section, Fidelity will provide Client data that Fidelity has prepared and maintained for Client in the ordinary course of business to the extent such data is required for Client or its new recordkeeper's ongoing provision of Services in accordance with the applicable Service Line's Schedules, with Fidelity's Confidential Information removed. As recordkeeper for the Plans, Fidelity has an obligation to retain data in accordance with Fidelity's legal, regulatory, and business requirements regarding records retention applicable to Fidelity in its provision of the Services. Any destruction of data by Fidelity will follow current industry standards (e.g., Department of Defense, NIST 800-88 or an equivalent superseding standard).

6.05. Electronic Services. Both Parties will use reasonable security precautions regarding Electronic Services. Electronic Services use Client or Participant Credentials and telecommunication services, including the internet. Except to the extent caused by Fidelity's breach of its security obligations in this MSA, Fidelity is not responsible for the security, use, unauthorized access, or disclosure of Client or Participant Credentials, or for the speed, availability, or security of telecommunications services, including their interception or interruption. To address security concerns, Fidelity may temporarily modify or discontinue Electronic Services, or block data or communications transmitted electronically that are either inadequately secured or where it is not administratively feasible to use the security provided. Client shall keep Fidelity informed of Client personnel authorized to access Electronic Services and promptly report to Fidelity if Client has reason to believe Client or Participant Credentials have been compromised. Client and Client's agents, representatives, subcontractors, or Affiliates will not scan, test, and/or probe Information Systems, or systems of Fidelity or its agents, subcontractors, or Affiliates.

6.06. Customer Protection. Fidelity maintains controls (e.g., two factor authentication and real-time security alerts) designed to protect Participants against risks of identity theft and fraud. To decrease such risks, Fidelity requires Participant contact information (such as address, email, and mobile phone number). Client authorizes Fidelity to collect such information from Participants at registration or periodically thereafter and shall timely provide Fidelity such information on request, as Fidelity may be unable to administer such controls without such information. If either Party becomes aware of security concerns regarding a Participant's account, Client will reasonably assist Fidelity in the investigation.

6.07. Disabling Codes. Neither Party will knowingly insert or allow to be inserted into the software or systems used to provide Confidential Information

the Services any code or other device that is designed to disable, damage, erase, delay, or otherwise shut down all or any portion of the Services or the hardware, software, systems, or data used in providing the Services or that permits any person to circumvent the normal security of the software or the system containing the code. Both Parties will use commercially reasonable safeguards to ensure information transferred to the other Party is free of malware, viruses, and unauthorized code.

7. Intellectual Property

7.01. Proprietary Rights. Except as specifically otherwise agreed, neither Party intends to convey to the other any ownership rights that it, or its subcontractors or licensors, has to any Intellectual Property or Confidential Information.

7.02. Use of Intellectual Property. Each Party is authorized to use the other Party's Intellectual Property solely in connection with the provision of Services. Neither Party will alter, publish, copy, broadcast, retransmit, reproduce, reverse engineer, frame-in, link to, commercially exploit, or otherwise disseminate the other Party's Intellectual Property. Each Party shall be solely responsible for any loss related to any changes that Party makes to the other Party's Intellectual Property in violation of this MSA. When Client is permitted to post Content on NetBenefits®, Client must conform to Fidelity's standard specifications. Fidelity may remove or modify Content that does not conform. Client further authorizes Fidelity's agents, subcontractors, and Affiliates to use Content solely in connection with the provision of Services. Fidelity and its agents, subcontractors, and Affiliates are not responsible for Content. Fidelity may market, develop, or use for itself or others, services or products that are the same as or similar to those Fidelity provides to Client. Fidelity is free to use its general knowledge, skills and experience and any ideas, concepts, know-how and techniques that are acquired or used while providing the Services.

7.03. Publicity. All advertising, press releases, and public announcements and disclosures by either Party relating to this MSA including the other Party's Name or language inferring such Name will be subject to that Party's approval prior to release. Either Party may make disclosures as required under or permitted by applicable law, subject to the Confidentiality Section, and Fidelity may include Client's Name in Fidelity's annual report or customer list. Other than in the preceding sentence, Fidelity shall provide Client the right to review any proposed use of Client's Name or description of its Plans in any Participant communications, and Client shall provide Fidelity any proposed use of Fidelity's Name or the descriptions of its Services in any Client or Plan materials, communications or filings for Fidelity's review and advance approval to ensure Fidelity and its Services are accurately described and comply with any Fidelity-required disclosures.

8. Audits and Assessments

8.01. Independent Third-Party Audits and Certifications. Fidelity will make available an annual SOC 1 Type II report (or successor report) for the DC, SPS, DB, and H&W Service Lines that reviews Fidelity's controls in effect as of October 31st of each year covering the common processes Fidelity performs at primary shared service locations in controlling and administering recordkeeping activities. To provide assurances about the security of systems used to process Client data, Fidelity will also make available its current ISO 27001 certification, SOC 2 report (available for the DC, SPS, DB, and H&W Service Lines), and Fidelity's BITS Shared Assessment (or each of their successor reports).

8.02. Client Security Audits / Assessments. For matters not covered by the items directly above, Client may perform an annual operational audit and security assessment, unless additionally required for legal or regulatory compliance. Audits/assessments are solely to examine supporting transactional detail underlying the Services and Client's invoices or to evaluate Fidelity's security program regarding the Services. Client will provide Fidelity with at least 90 days prior written notice of an audit/assessment including a proposed timeframe and scope. Client will either perform the audit/assessment itself or use Auditors having appropriate internal information barriers to restrict access to Fidelity's Confidential Information to the personnel required to perform the audit/assessment and only for audit/assessment purposes. Auditors and other third-party representatives must execute non-disclosure agreements and comply with security and confidentiality requirements as Fidelity requests. Fidelity will reasonably cooperate in the audit/assessment, make available information and personnel reasonably required to facilitate reviews of processes, controls, and support documentation for the audit/assessment, and assist Client and its Auditors as reasonably necessary. Audits/assessments may be conducted only during normal business hours with minimal disruption to Fidelity's operations. Client and its Auditors will not be given access to data or information of Fidelity's other customers or clients, to any Fidelity proprietary data (including information that could compromise controls used to safeguard both Fidelity and Fidelity's clients' data), to other Fidelity Confidential Information not relevant for the purposes of the audit/assessment, to Fidelity networks and systems (including logical access), nor have unrestricted physical access to Fidelity facilities and personnel. Client and its Auditors may not re-perform or observe control testing or execution. Special Projects Fees for audits/assessments may apply.

9. Indemnification

9.01. General Indemnity. Fidelity shall indemnify Client for any third-party claims or regulatory proceedings asserted or commenced against Client to the extent resulting from Fidelity's negligence or willful misconduct under, or breach of the

terms of, this MSA. Client shall indemnify Fidelity for any third-party claims or regulatory proceedings asserted or commenced against Fidelity to the extent resulting from Client's negligence or willful misconduct under, or breach of the terms of, this MSA, or from any act done, or any act failed to be done, by any individual or person with respect to the Plans, except to the extent resulting from Fidelity's negligence or willful misconduct under, or breach of the terms of, this MSA. For purposes of this General Indemnity Section, any reference to Client or Fidelity as an indemnified Party includes their respective directors, officers, Affiliates, and subsidiaries.

9.02. IP Infringement Indemnity. Fidelity shall indemnify Client for any IP Infringement Claim and will control the defense of such claim at its expense. Client will promptly notify Fidelity in writing of an IP Infringement Claim and reasonably cooperate in defending such claim.

9.03. Limitation on Damage. Neither Party will be liable to the other for any consequential, indirect, incidental, exemplary, or punitive damages (including damages due to business interruption, trading losses, competitive advantage, or goodwill) arising from or in connection with this MSA, whether or not foreseeable, and regardless of the cause of such damages even if the Party has been advised of the possibility of such damages in advance. This Limitation on Damage Section does not apply to damages that cannot be excluded by law or arise from a Party's fraudulent conduct, or to breaches of a Party's confidentiality obligations under this MSA or infringement of the other Party's intellectual property rights. This Limitation on Damage Section does not limit, relieve, or exclude losses recoverable by either Party under either Indemnity Sections, above.

10. Warranties

10.01. Warranties. Each Party confirms that (i) it has been duly incorporated or organized and is validly existing as a legal entity under the laws of its jurisdiction of incorporation or organization, (ii) it has full power and authority to execute, deliver, and perform its obligations under this MSA (including any related agreements required in connection with this MSA), (iii) this MSA and the related agreements constitute legal, valid, binding, and enforceable obligations of such Party, (iv) the execution and delivery of this MSA and the related agreements have been duly authorized and approved by all necessary action on the part of the Party; (v) the execution, delivery, and performance by such Party of this MSA and the related agreements do not contravene, conflict with, or result in a violation of any of the terms or requirements of any legal or contractual requirement or order to which such Party may be subject, and (vi) there are no material consents, approvals, authorizations, orders or notifications of, or declarations or filings with, any governmental, judicial or self-regulatory authority or organization, or consents, approvals, authorizations or notifications of any third party, or any other proceedings that are required in connection with the valid execution, delivery and performance of this MSA or the related agreements by such Party, except as have been obtained or made prior to the Effective Date or are contemplated by this MSA.

11. Compliance with Law

11.01. General Compliance. Fidelity shall comply with all laws and regulations applicable to it in its provision of the Services. Client shall comply with all laws and regulations applicable to it and its Plans, including, without limitation, the preparation and filing of all returns, reports, and information required by law.

11.02. Governing Law. The validity, interpretation, and performance of this MSA is governed and construed in accordance with Massachusetts law (without regard to its conflicts-of-laws or choice-of-law provisions) to the extent not federally preempted.

12. Disputes

12.01. Dispute Resolution. The Parties will use reasonable efforts to resolve a dispute relating to this MSA before initiating an action in a court of law, and if requested by the funding Party, enter into a written settlement agreement the terms of which will be agreed to in good faith by the Parties. If not resolved within 60 Business Days after commencing discussion, the Parties will attempt in good faith to resolve through non-binding mediation. If not resolved through non-binding mediation within 90 Business Days after the dispute is referred to the mediator, the Parties may mutually continue mediation, agree to arbitration, or initiate a court action.

12.02. Equitable Relief. This Disputes Section will not prevent a Party from seeking equitable relief or making a claim or asserting a defense as necessary to avoid the expiration of an applicable limitations period, to preserve a superior position with respect to other creditors, or in claims involving third parties, to allow for an expeditious presentation of a Party's claims or defenses.

12.03. Jury Trial Waiver. The Parties expressly waive all rights to trial by jury on any claim, cause of action, suit or proceeding directly or indirectly related to this MSA.

12.04. Period for Assertion of Claims. Neither Party may assert any claim in connection with this MSA against the other Party unless it has given the other Party written notice of the claim within two years after it first knew, or reasonably should have

known, of the underlying facts giving rise to such claim.

13. Modifications

13.01. Amendments. Except as specifically provided otherwise herein or as otherwise agreed by the Parties, this MSA may only be modified or amended by a written amendment signed by or on behalf of each Party.

13.02. Change Control Procedures. If either Party submits a Change Control Request, the Parties shall promptly discuss what modifications to the terms, conditions, and pricing of this MSA or Direction Document may be appropriate. On agreement, Fidelity will draft a form of Direction Document for Client's review and signature unless either Party requires such modifications be memorialized in a formal amendment. Fidelity will commence work on execution of the applicable Direction Document or amendment. Fidelity may unilaterally enhance Services or delivery of Services if there is no impact on the Fees, it is permissible under applicable law, and does not degrade the value of Services.

13.03. Assignment. Neither Party may assign or transfer this MSA without the other Party's prior written consent; provided, Fidelity may assign this MSA to a subsidiary or Affiliate. No assignment to a subsidiary or Affiliate shall constitute a novation or relieve either Party of its obligations. Consent to an assignment is not consent to further assignment. All provisions in this MSA will be binding upon the Parties' respective successors and permitted assigns.

14. Miscellaneous

14.01. Mutuality of Drafting. This MSA is the Parties' mutual product. Each provision has been subject to mutual consultation, negotiation, and drafting, and will be interpreted without regard to which Party prepared it.

14.02. Fidelity Not Insurer or Guarantor. Fidelity is not an insurer or underwriter of, or guarantor of any benefit due or alleged to be due under, any Plan. As such, Fidelity is not liable for the payment of (or any costs or expenses related to) such benefits.

14.03. Duty to Mitigate. Each Party has a duty to take reasonable actions to mitigate damages recoverable from the other Party under this MSA (including complying with statutes of limitation or opting for the least expensive approved remedy available under any governmental correction programs for specified Plan failures).

14.04. No Waiver. Failure to enforce any provision of, or any right under, this MSA does not waive it, nor does it affect the validity of this MSA.

14.05. Relationship of Parties. Each Party is an independent contractor. Except as expressly provided in this MSA, Fidelity does not undertake to perform any Client obligation, whether regulatory or contractual, or to assume any responsibility for Client's business. Fidelity will not be required to enter into separate agreements with any of Client's service providers or subcontractors.

14.06. Notice. All legal notices, demands, or other non-routine communications will be given in writing by actual delivery or by mail, postage prepaid at the address on the Coversheet or at such other place as the Party designates in writing.

14.07. Severability. If any MSA provision, or application of any provision, is judicially declared invalid, unenforceable, or void, the remainder of this MSA will not be affected and the invalid, unenforceable or voided provision will be rewritten by substituting another provision that is legal and enforceable and that achieves the same objective.

14.08. No Third-Party Beneficiaries. This MSA does not confer upon any party, other than the Parties, any rights, benefits or remedies of any kind, and no party will be deemed a third-party beneficiary under this MSA.

14.09. Entire Agreement. This MSA is the entire agreement between the Parties with respect to the Services and supersedes all prior and contemporaneous agreements and understandings, whether written or oral, between the Parties. Notwithstanding the foregoing, Client acknowledges that individuals utilizing certain Services may be required to agree to additional terms (e.g., online licenses or terms of use).

14.10. Taxes. Client is responsible for paying and remitting all taxes (plus interest and penalties) arising from, assessed, claimed, or imposed on this MSA, the resulting transactions, the Fees, or the Services, unless Fidelity is required to do so by law. Such taxes are in addition to the Fees.

14.11. Rules of Construction; Conflicts. Headings are for reference purposes only and do not affect the meaning or interpretation of this MSA. In the event of any conflict between any Direction Document and this MSA, the MSA controls.

14.12. Survival. Each Party's obligations under this MSA that by their nature would continue beyond termination of this MSA will survive termination of this MSA.

14.13. Force Majeure. Each Party will be excused from performance under this MSA to the extent performance would be prohibited by, or violate, any law, rule or regulation or any order of any court, arbitral panel, or governmental authority, or is

delayed by a Force Majeure Event. The nonperforming Party will promptly notify the other Party and use reasonable efforts to recommence performance and/or implement reasonable service modifications as soon as reasonably practicable. This Force Majeure Section does not excuse either Party from any liability resulting from its fault or negligence, or from failure to maintain a reasonable disaster recovery plan.

SAMPLE

Defined Contribution Plans

1. "Qualified" Plans

1.

Plan Number: [REDACTED]
Type of Plan: 401(a)/401(k)
Governmental Plan Sponsor: No
ERISA Plan: Yes
Trustee:
Named Fiduciary:
Administrator:
Mutual Fund Voting: Pass Through to Participants

[REDACTED]

Plan Number:
Type of Plan: 403(b)
Governmental Plan Sponsor: No
ERISA Plan: Yes
Custodian: Fidelity Management Trust Company
Named Fiduciary:
Administrator:
Custodial Account Agreement: Group
Mutual Fund Voting: Pass Through to Participants

2. "Non-Qualified" Plans

1. Plan Name: _____

Plan Number: _____
Type of Plan: 457(b)
Governmental Plan Sponsor: No
ERISA Plan: No (to the extent top hat status is maintained)
Trustee:
Administrator:
Assetized: Yes
Mutual Fund Voting: Sponsor Votes

Schedule B - Service Line Statements of Services and Service Line Terms**DC Statement of Services**

Plans Fidelity is to provide service for marked with "x"

For purposes of any Plan identified as non-assetized on *List of Plans Schedule*, any reference to investment options herein shall mean hypothetical investment options.

The purpose of this schedule is to outline the services provided by Fidelity. Processing details pertaining to these Services are documented in the Plan Administration Manual(s) or other such Direction Document(s).

Description of Services	401(a)/(k) Plan	403(b) Plan	457(b) Plan
Maintenance of the Plan investment options set forth on Attachment A – Investment Options.	X	X	X
Maintenance of the money classifications.	X	X	X
Participant service representatives are available each Business Day to provide toll free telephone service for Participant inquiries and transactions, to the extent permitted.	X	X	X
Participants have virtually 24 hour account inquiry and, to the extent the Plan allows for Participants to conduct exchanges, transaction capabilities, through on-line account access via the world wide web.	X	X	X
For security purposes, all calls are recorded. In addition, several levels of security are available including the verification of a PIN or such other personal identifier as may be agreed to from time to time by the Client and Fidelity.	X	X	X
Process Participant enrollments.	X	X	X
Provide Plan investment option information.	X	X	X
Provide and maintain information and explanations about Plan provisions. Respond to requests for Plan documents.	X	X	X
Allow, process, and maintain Participants requests to change their deferral percentage(s), establish/change catch-up contributions, if applicable, and provide updates via EDT or via PSW® for the Client to apply to its payrolls accordingly.			
To the extent the Plan allows for Participants to conduct exchanges Process exchanges (transfers) between investment options on a daily basis, maintain, and process changes to Participants' prospective and existing investment mix elections.	X	X	X
Process in-service withdrawals, hardship withdrawals (for purposes of 401(a), 401(k), and 403(b) plans), unforeseen emergency withdrawals (for purposes of 457(b) and NQ DC plans), and other distributions and withdrawals as directed from time to time, all to the extent available under the Plan and in accordance with the Plan Administration Manual. Process full distributions as directed by the Client.	X	X	X
Consult with Participants on various loan scenarios and process loan requests (including loans for the purchase of a primary residence, if applicable) as directed by the Client. For multi-vendor Plans, the amount and collateral of any new loans issued will be limited to assets held at Fidelity and will not include balances at other Plan vendors.			
Provide beneficiary services as directed by the Client.	X	X	X
Except to the extent such Plan is identified on Schedule A as a non-assetized Plan, process consolidated payroll contributions, including error correction, according to the Client's payroll frequency via EDT or Fidelity Plan Sponsor Webstation®. The data format will be provided by Fidelity.	X	X	X
Provide daily Plan and Participant level accounting for all Plan investment options and all money classifications for the Plan.	X	X	X

Description of Services	401(a)/(k) Plan	403(b) Plan	457(b) Plan
Audit and reconcile the Plan and Participant accounts daily.	X	X	X
Provide Fidelity standard eligibility tracking service.			
Except to the extent such Plan is identified on Schedule A as a non-assetized Plan, maintain and update employee data necessary to support Plan administration. The data will be submitted according to payroll frequency.	X	X	X
Except to the extent such Plan is identified on Schedule A as a non-assetized Plan, and to the extent Fidelity is providing check and tax services, reconcile and process Participant withdrawal requests and distributions as approved and directed by the Client. All requests are paid based on the current market values of Participants' accounts, not advanced or estimated values. A distribution report will accompany each check.	X	X	X
To the extent the Plan allows for Participants to conduct exchanges, provide confirmation to Participants of all Participant-initiated transactions either online or via the mail if electronic delivery is not an option. Online confirms are generated upon submission of a transaction and mail confirms are available by mail within three to five (3-5) calendar days of the transaction.	X	X	X
Provide Participant statements in accordance with the procedures.	X	X	X
Provide Participants with required Code Section 402(f) notification for distributions from the Plan. This notice advises Participants of the tax consequences of their Plan distributions.			
Provide Code Section 402(g) limit tracking in accordance with the Plan Administration Manual. Collect "spillover" election which allows Participants to direct contributions in excess of 402(g) limit to after tax sources.			
Code Section 411(a)(11) Notices. Provide Participants with required Code Section 411(a)(11) notification for distributions from the Plan. This notice advises Participants of the normal and optional forms of payment of their Plan distributions.			
Provide appropriate Participants with Single Life or Joint and Survivor Annuity Notice and the Waiver of Single Life or Joint and Survivor Annuity form and all notices and forms required under Code Sections 401(a)(11) and 417. Each notice may be provided electronically, in writing, telephonically, as allowed by applicable law.			
Prepare, reconcile and deliver a monthly Trial Balance Report presenting all money classes and investments. This report is based on the market value as of the last business day of the month. The report will be delivered not later than twenty (20) calendar days after the end of each month in the absence of unusual circumstances.			
Provide a Plan Year-End Summary package with regard to accounts under the Plan held at Fidelity.			
5500 Plan Year End Service: Process year-end tax reports for Participants, as well as preparation of Form 5500 in accordance with the guidelines set forth on Schedule B, <i>DC Terms</i> .			
Check & Tax: For purposes of those Plans listed on Schedule A as Non-Qualified where Fidelity is providing Check and Tax Services, provide federal and state tax reporting and withholding on benefit payments made to Participants and beneficiaries in accordance with this MSA.			
For purposes of those Plans listed on Schedule A as Non-Qualified where Fidelity is not providing Check and Tax Services, provide necessary account information to the Client for issuance of Participant checks and tax reporting.			
Design, produce and distribute a customized comprehensive communications program for employees. The program may include multimedia informational materials, investment education and planning materials, access to Fidelity's homepage on the internet. Additional fees for such services may apply as mutually agreed upon between Client and Fidelity or as reflected in Schedule C, <i>Fees, Defined Contribution</i> .			

Description of Services	401(a)/(k) Plan	403(b) Plan	457(b) Plan
Fidelity® Personalized Planning & Advice: <ul style="list-style-type: none"> Provides investment management service by Strategic Advisers LLC and Fidelity Personal and Workplace Advisors LLC. Strategic Advisers provides discretionary money management. Fidelity Personal and Workplace Advisors LLC provides planning and advice services directly to enrolled participants. Both firms are registered investment advisers and Fidelity Investments companies. Assess participant-based fees for advisory services unless Client decides to pay fees. Make available specially trained and FINRA licensed representatives respond to inquiries and assist with the setup of a managed account. Provide multi-channel enrollment and participant communications. Make option available as plan investment default/QDIA. 			
MP Service: Provide MP Service as described in Schedule B, <i>DC Terms</i> .			
Auto-Debit Services: Provide auto-debit services.			
Minimum Requirement Distributions (MRDs): Provide MRD services.			
QDROs. Fidelity will be notified of a pending DRO either directly by Participants or by Client, and Fidelity will restrict the affected Participant Account upon receipt of DRO or Client Direction if the DRO is determined to be a QDRO, any and all liquidations and transfers of securities will be completed pursuant to Client Direction.	X	X	X
Fidelity Plan Sponsor Webstation® (PSW®): The Fidelity Participant Recordkeeping System is available on-line to the Client via the Fidelity Plan Sponsor Webstation®. PSW® is a graphical, Windows-based application that provides current plan and Participant-level information, including indicative data, account balances, activity and history. The Client agrees that PSW® access will not be granted to third parties without the prior consent of Fidelity.	X	X	X
Prospectus Delivery: Except to the extent such Plan is identified on Schedule A as a non-assetized Plan, updated prospectuses and semiannual shareholder reports for Mutual Funds will be made available electronically or mailed if electronic delivery is not an option to the Client and Participants, as applicable. Participants will receive prospectuses either electronically or in paper form upon request or when making an initial investment in a Mutual Fund.	X	X	X
Change of Address: Fidelity shall allow Participants to make address changes as directed by the Client.	X	X	X
Transfers and Rollovers: Process requests for transfers, contract exchanges and/or rollovers of Fidelity account balances to and from other investment options and/or providers for the Plan. With respect to contract exchanges, Client shall be responsible for informing Fidelity of all Approved Vendors for the 403(b) Plan and keeping Fidelity promptly informed of any changes to the list of Approved Vendors.	X	X	
Auto-Age Payouts: Fidelity shall provide services to auto age payout Participants as directed by the Client.			
Non-Discrimination Testing: Fidelity shall perform non-discrimination testing upon request. In order to obtain this service, the client shall be required to provide the information identified in the Fidelity Nondiscrimination Testing Service Overview, or similar document.			
Participant Disclosure Service: Details to be provided in corresponding strategy document or other direction document.			
Roll-In Processing: Fidelity shall process the qualification of rollover contributions to the Plan. The procedures for qualifying a rollover are directed by the Client and Fidelity shall accept or deny each rollover based upon the Plan's written criteria and any written guidelines provided by the Client. Requests that do not meet the specified criteria will be returned to the Participant with further explanation as to why the request cannot be processed. If the Client or Fidelity determines that a request is not a valid rollover, the full amount of the requested rollover will be distributed to the Participant.	X	X	

Description of Services	401(a)/(k) Plan	403(b) Plan	457(b) Plan
<p>Comprehensive engagement experience, including:</p> <p><u>Retirement Help</u></p> <ul style="list-style-type: none"> • 1:1 personal investment support • Pre-retiree income planning • Distribution Support • NetBenefits Planning & Guidance Center to plan for multiple goals, including, but not limited to, retirement income planning • NetBenefits Library with trending articles, videos, and podcasts • On-Demand Workshops • Live Web and Onsite Workshops • Emerging Technologies such as Digital Assistants (Amazon Alexa) Peer Comparison Skill <p><u>Enrollment & Transition Help</u></p> <ul style="list-style-type: none"> • Enhanced Enrollment Experience • Personalized Transition Onboarding Communications • Transitional support, guidance and advice for job changers and terminated employees <p><u>Participant Engagement Help</u></p> <ul style="list-style-type: none"> • General Participant engagement education content • NetBenefits library with trending articles, videos and podcasts • Planning & Guidance Center Goal Planning such as college, emergency, savings, weddings, etc. • On-Demand Workshops to help on a variety of topics including but not limited to planning through student loan payments, building budgets, reducing debt, etc. <p><u>Ongoing, Proactive Communications</u></p> <ul style="list-style-type: none"> • Quarterly personalized check-ins • Relevant Participant engagement touch points throughout the year • Personalized NetBenefits alerts & messaging • NetBenefits Mobile App Push Notifications to encourage positive action 	X	X	X
<p>If applicable, provide non-fiduciary Investment Services, which may include some or all of the following:</p> <ul style="list-style-type: none"> • periodic ratings of a plan's investments • education, guidance and/or information related to a plan's actual or potential investment options • guidance on investment categories/asset classes • list of potential investment options for consideration • meetings with investment professionals • market overview, thought leadership, prospectuses, etc. materials to plan sponsor • information or illustrations concerning investment option changes related to corporate actions (e.g., plan mergers) 	X	X	X
<p>Termination Assistance Services: Upon termination of the DC Service Line, provide to Client or its designee, at a mutually agreeable time, one file, in Fidelity's format, of Plan data to the extent that such data is required by Client for the ongoing provision of Services by Client or its designee. Additional termination assistance may be provided, subject to mutual agreement and charged at a rate in accordance with the Fee Schedule.</p>	X	X	X
<p>Calculation Services: Fidelity shall make available calculation services to assist Participants and Client with determining the maximum legally permissible 403(b) salary deferral contribution amount for the year.</p>		X	
<p>Transfers: Fidelity will process requests for transfer of Fidelity account balances to and from other 457(b) plans.</p>			X

SAMPLE

DC Terms

This Schedule and its Attachments apply only with respect to those Plans identified on the *List of Plans Schedule* as defined contribution plans (and as further clarified below).

1. **General**

A. **Plan Status.** Client represents and has sole responsibility for ensuring that (i) Client is the Sponsor of each Plan in the *List of Plans Schedule* and is an organization eligible to offer such designated plan to its employees, (ii) with respect to each such Plan, Client has appointed the trustee or custodian, as applicable, named on the *List of Plans Schedule* as trustee or custodian (and shall notify Fidelity of any changes thereto), (iii) each such Plan is intended to meet the requirements of and, as applicable, be qualified or non-qualified under the applicable requirements of the Code, (iv) each such Plan's status and full compliance with the applicable requirements of the Code are and will continue to be met, and (v) any qualified trust established thereunder is intended to be tax-exempt under Section 501(a) of the Code. Fidelity shall assume until advised to the contrary that the Plan meets such requirements described herein. Client represents that each Plan on the *List of Plans Schedule* has been correctly identified as being subject to ERISA or not subject to ERISA. For any Plan subject to ERISA, Client represents that, to the extent Participants are able to instruct the investment of their Accounts, each such Plan is intended to satisfy the requirements set forth in Sections 404(a) and 404(c) of ERISA and related regulations.

a. **"Qualified" Plans.** The term "Qualified" Plans refers to any pension benefit Plan that generally provides for (1) the deferral of taxation on compensation contributed to the Plan on behalf of Participants (except with respect to amounts deposited in Roth accounts or after-tax accounts); (2) the deferral of taxation on amounts held in the Plan's trust or custodial account until distribution (except with respect to qualified distributions from Roth accounts or distributions of basis amounts from after-tax accounts); and (3) the ability of the plan sponsor to deduct for tax purposes (if applicable) contributions made to the Plan, as described generally in Code sections 401(a), 401(k), 403(b), 414(k) and 457(b).

Upon Fidelity's request, Client shall obtain verification regarding the Plan's status under such applicable section of the Code, such as an IRS determination letter, an opinion of counsel or other verification satisfactory to Fidelity. If the Plan ceases to meet the applicable requirements of the Code, Client shall promptly notify Fidelity and agrees to immediately remediate the issues in a manner consistent with applicable IRS requirements for such plans.

B. **Responsibilities of Named Fiduciary and Administrator.** Except with respect to any Affiliates or subcontractors performing any of Fidelity's obligations hereunder, Client agrees and acknowledges that (i) Fidelity shall have no responsibility for any failure to perform any obligation that is described hereunder as being the responsibility of other specific entities (e.g., a Named Fiduciary or Administrator with respect to a Plan) under this MSA, and (ii) Client shall be responsible for ensuring that such entities (A) are made aware of such obligations, and (B) have confirmed the accuracy of any acknowledgements or representations attributed to such entities under the terms hereof.

C. **Plan Document/Amendments.** Client shall furnish Fidelity with a copy of Plan documents (and amendments thereto) sufficiently in advance (if possible) of Fidelity's commencement of, or changes to, services with respect to such Plan in order to enable Fidelity to assist Client in the preparation of a Direction Document. Notwithstanding the foregoing, Fidelity shall have no duty under this MSA to review, interpret or retain any Plan document or amendment nor shall it have any responsibility to provide any services (or modify any services then being provided) in connection with any Plan provision until Fidelity is in receipt of the relevant Client Direction and Fidelity agrees to provide such services.

D. **Plan Document and Summary Plan Description.** Client represents that it has included, and will continue to include, in its Plan documents and summary plan descriptions: (1) a requirement that a claimant must exhaust all administrative remedies under the Plan before seeking judicial review; (2) a reasonable time limit on a claimant's right to bring a legal action (including, but not limited to, a civil action under Section 502(a) of ERISA with respect to any ERISA Plan) following a final decision of an adverse benefit determination (or, in the absence of such a final decision, within a reasonable period following the date the final decision should have been issued under the Plan); and (3) a prohibition against claimant's presentation in any legal action of evidence not timely presented to the Administrator as part of the Plan's administrative review process. Except for any Plan designated otherwise in writing by Client, Client represents that it has included, and will continue to include, in its Plan documents and summary plan descriptions statements that, subject to applicable law, regulations and governmental guidance, (i) any overpayments must be returned to the Plan by the recipient, and (ii) the Plan and its agents are authorized to (A) recoup overpayments plus any earnings or interest to the extent allowed by applicable law, regulations or governmental guidance, and (B) if necessary, offset any overpayments that are not returned against other Plan benefits to which the recipient is or becomes entitled.

E. **Plan Benefit Litigation.** If a Participant, beneficiary, alternate payee, covered employee and/or dependent initiates a formal claim seeking recovery of DC Plan benefits against Fidelity (or its affiliates), Client (or its affiliates), or a Plan, or a combination thereof, in the interest of efficiency, Client shall retain counsel for all such parties and direct the

response. If Client, the Plan, or Fidelity reasonably believes that a joint defense to the litigation presents a conflict of interest between Client and Fidelity, or the Plan and Fidelity, or is otherwise not in its best interest, such Party shall so notify the others and each Party shall be responsible for retaining its own counsel. The responsibility for costs incurred by the Parties in the defense of such claims shall continue to be determined by the provisions of the *General Indemnity* section of the MSA.

F. Claims and Appeals. Client hereby represents that it has established reasonable claims and appeals procedures with respect to Plans and programs serviced hereunder that may be required by law (including, if applicable, ERISA Section 503 and all applicable regulations). Except to the extent explicitly provided otherwise with respect to any Plans for which Client has elected to receive Claims and Appeals Support or Enrollment Determination Support services, Fidelity shall (i) have no responsibility for any Participant claims and/or appeals under such laws in providing the Services, and (ii) only manage informal Participant problems or complaints with respect to the Services, provide Participants upon request basic information on the procedures for filing a claim as directed by Client, instruct such Participants to file such claim and/or appeal with Client, and provide Client, or its designee(s), with the information in its possession necessary for them to respond to such claims and/or appeals upon request. Client agrees that no written materials or other communications should direct Participants or any other parties to Fidelity for any purpose involving claims and/or appeals, and understands that the accommodation described in (ii) above is intended only to re-direct Participants who mistakenly contact Fidelity with claims-related matters or questions.

G. Error Correction. Depending upon the scope, impact, and nature of the erroneous Service, corrections may include (i) reimbursements to Client and/or employee accounts, or (ii) re-performance of such Service. Corrections may be made by Fidelity where the appropriate correction method is clear based on the facts and circumstances and consistent with existing direction documents, administrative procedures or requirements. In the case of all other corrections, Fidelity will either (i) notify Client of the **error** with a proposed method for correction that Client will accept or reject upon notice back to Fidelity, or (ii) seek Client's input/direction as to the appropriate method of correction. If, pursuant to the preceding sentence, Client rejects Fidelity's proposed method or Fidelity seeks Client input/direction as to the appropriate method, the Parties will assert reasonable efforts to agree upon an efficient and practical correction method that minimizes, to the extent legally permissible, costs to the Parties.

H. Required Information Sharing. Client and Fidelity Parties mutually agree to provide each other with the following information in the context of contract exchange transactions within the same 403(b) Plan, in accordance with Treasury Regulations and other applicable laws: (i) information necessary for the resulting contract, or any other contract to which contributions have been made by Client, to satisfy section 403(b), including information concerning the Participant's employment and information that takes into account other section 403(b) contracts or qualified employer plans and (ii) information necessary for the resulting contract, or any other contract to which contributions have been made by the employer, to satisfy other tax requirements (such as whether a plan loan satisfies the conditions in section 72(p)(2) so that the loan is not a deemed distribution under section 72(p)(1)).

2. Expenses

All fees as shown on the *Defined Contribution Fee Schedule* with respect to such Plan, shall be a charge against and paid from the respective Plan Participants' Accounts, except to the extent such amounts are paid by Client in a timely manner.

3. Investment Options

The Parties acknowledge that Client is capable of evaluating investment risks independently. Client affirms that at all times all decisions concerning the Plan's investment line-up or its investment strategies, including, but not limited to, evaluations of information provided by Fidelity or its Affiliates, shall be made by exercising independent judgment.

With respect to any Plan listed on the *List of Plans Schedule* as a qualified Plan or assetized nonqualified Plan, the following applies. Client represents and warrants that the power to determine which investment options are made available under each Plan is properly reserved to the Named Fiduciary under the relevant Plan documents (as applicable), and that neither Fidelity nor any Fidelity Affiliate shall have any responsibility for the selection of investment options under the Plan.

With respect to any Plan listed on the *List of Plans Schedule* as a non-assetized nonqualified Plan, the following applies. Client shall direct Fidelity in writing as to the deemed investment of funds to be used to determine the Participants' benefits under the Plan. Fidelity shall not maintain any assets with respect to the Plan. Fidelity shall maintain Plan Accounts for Participants based on Phantom Funds for each Participant. Fidelity shall credit a rate of return (loss) to the Phantom Funds which is based on the investment results of the corresponding investment options maintained under the notional investments in Participant's Account. The deemed investment options for which Fidelity shall provide recordkeeping and related services are described in Attachment A to this Schedule with respect to such Plan. Although Client retains sole discretion as to the deemed investment options used for the Plan Accounts, Fidelity shall not, absent its written consent, be required to provide services with respect to other deemed investment options that Client seeks to add to the Plan. It is not intended that this MSA confer any ownership rights on Participants regarding the Phantom Funds used to determine benefits payable to Participants under the Plan.

A. Available Investment Options. With respect to any Plan listed on the *List of Plans Schedule* as a qualified or assetized nonqualified Plan, the following applies. The Named Fiduciary shall direct Fidelity as to the investment options in which each Plan's assets shall be invested during any applicable Participant Recordkeeping Reconciliation Period, the investment options in which Participants may invest (or notionally invest, as applicable) following any applicable Participant Recordkeeping Reconciliation Period and transfer to Fidelity, and any other investment option in which the Plan's assets are to be invested, as reflected on Attachment A to this Schedule. Client retains sole discretion as to the investment options for each Plan (as set forth on Attachment A to this Schedule), and as such, retains the right to have other Plan assets serviced pursuant to a separate arrangement with a different provider. However, Fidelity shall not, absent its written consent, have any obligation or be required to provide any Services with respect to any investment options other than those set forth herein.

If applicable under the circumstances, Fidelity shall have the authority to borrow funds from a bank not affiliated with Fidelity in order to provide sufficient liquidity to process Plan transactions in a timely fashion, provided that the cost of such borrowing shall be allocated in a reasonable fashion to the investment fund(s) in need of liquidity. Client acknowledges that it has received the disclosure on Fidelity's line of credit program and credit allocation policy and a copy of the text of Prohibited Transaction Class Exemption 2002-55 before executing this MSA if applicable.

B. Investment Direction. With respect to each Plan listed on the *List of Plans Schedule* as a qualified or assetized nonqualified Plan, as authorized under each Plan, each Participant shall have the opportunity to direct Fidelity in which investment option(s) to invest the assets in the Participant's Account. Participant directions may be given electronically and in accordance with fund exchange provisions of the PAM. Client directs Fidelity to act upon Participant instructions, as applicable under this *Investment Options* section, without question. To the extent a Participant is entitled to direct Fidelity in which investment option(s) to invest the assets of the Participant's Account, Fidelity shall not be liable for any loss or expense that arises from a Participant's exercise or non-exercise of rights over the assets (or notional assets) in the Participant's Accounts, to the extent applicable. If Fidelity fails to receive a proper direction from Client or the Participant, as applicable, the assets (or notional assets) shall be invested in the investment option (or notional options) set forth for such purpose on Attachment A to this Schedule with respect to such Plan until Fidelity receives a proper direction. Client shall direct Fidelity as to how to invest such assets. In order to provide for an accumulation of assets comparable to the contractual liabilities accruing under the Plan, Client may direct Fidelity in writing to invest such assets to correspond to the investments (or notional investments) made for Participants under the Plan or, for Participants that can conduct exchanges, in accordance with their direction under the Plan.

4. Plan Features

A. Participant Loans. With respect to any qualified Plan listed on the *List of Plans Schedule* that makes Plan loans available to Participants as outlined in the *DC Statement of Services Schedule*, this Section applies. Loans shall be initiated, processed and administered in accordance with the PAM with respect to such Plan. With respect to loan repayments made by payroll deduction and not ACH, the Client shall (i) separately account for repayments of such loans and clearly identify such assets as Plan assets; and (ii) collect and remit all principal and interest payments to Fidelity.

B. Disbursements / Overpayments. This Section applies to any Plan listed on *List of Plans Schedule* as Qualified Plan or any Non-Qualified Plan with or without check and tax services as indicated on the DC Schedule of Services. Fidelity shall make disbursements as directed by the Participant or the Administrator, as applicable, in accordance with the provisions of the PAM with respect to such Plan. Fidelity shall not have any responsibility to see to the application of any disbursement. Fidelity shall not be required to make any disbursement in excess of the net realizable value of the Plan's assets at the time of the disbursement or, with respect to a nonqualified plan, the assets Client has set aside with Fidelity in trust or otherwise remitted to Fidelity to satisfy Client's liability under the Plan. Fidelity shall not be required to make any disbursement where it is not clear as to the assets to be converted to cash for purposes of the distribution. Where any distribution exceeds the benefit due, the recipient shall be required to repay the excess amount to the extent permitted by applicable law, regulations and governmental guidance. The Parties shall cooperate in asserting commercially reasonable attempts to recover such overpayment from the recipient prior to either Party's restoring such amount to the Plan, provided that such recovery is permitted by applicable law, regulations and governmental guidance and the reasonable expenses and fees incurred in such collection efforts shall be the responsibility of the Party that caused the error.

5. Miscellaneous

A. Communications. In the event Client retains any responsibility for delivering Participant communications to some or all Participants and beneficiaries, Client agrees to furnish the communications to such parties in a manner that is (i) timely and (ii) permitted by applicable law, including electronic delivery that is consistent with applicable regulations regarding electronic transmission (e.g., DOL Regulation §2520.104b-1, if applicable). Client is solely responsible for ensuring that the content of any such communication achieves its intended purposes (e.g., affording Plan fiduciaries available protections as determined under applicable law including, if applicable, ERISA §404(c) and the Sarbanes-Oxley Act requirements for

“blackout” notices). Fidelity shall have no responsibility or liability for any Losses resulting from (i) the failure of Client to so furnish any such communications, or (ii) the use of information provided by, or from communications prepared by, Client. The provisions of this Section shall apply to all information provided and all Participant communications prepared and delivered by Client or Fidelity during the implementation period (even if prior to the execution date of this MSA) and throughout the Term.

B. Observation of Services. Fidelity may permit Client and third-party prospects to monitor Participants’ interactions with Fidelity solely to evaluate Fidelity’s Services with the affected Participant’s consent or redacted as to appropriately limit any unnecessary disclosures.

C. Advice Services. With respect to any Plan designated on the *List of Plans Schedule* as a defined contribution plan and that is subject to Title I of ERISA, if Fidelity provides to Participants or Plan beneficiaries Services that constitute fiduciary investment advice that is subject to ERISA § 3(21), Fidelity will:

a. to the extent Fidelity provides advice to Participants or Plan beneficiaries regarding investment of their account, only recommend products and/or services from investment options available under the Plan recordkept by Fidelity as outlined in disclosures provided to Participants from time to time and made available to Client; and

b. to the extent it provides advice regarding plan distributions, only recommend the following: retaining balance in the Plan, roll over to another eligible plan recordkept by Fidelity, and/ or rollover to a Fidelity Individual Retirement Account; and

c. only provide point-in-time recommendations and investment assistance and has no obligation to monitor any such recommendation to determine whether it is followed by such Participant or Plan beneficiary or should change over time, and will provide each Participant or Plan beneficiary with information on how to contact Fidelity to obtain updated or new recommendations; and

d. to the extent necessary to avoid a non-exempt prohibited transaction under ERISA and/or the Internal Revenue Code, rely on one or more exemptions that may apply to its provision of investment advice, potentially including the following—i) the Pension Protection Act computer model and/or level fee exemptions under Section 408(b)(14) and 408(g) of ERISA and Labor Regs. Section 2550.408g-1; ii) Prohibited Transaction Class Exemption 2020-02, *Improving Investment Advice for Workers & Retirees*; and iii) other exemptions that exist under applicable law, now or in the future. The advice arrangements subject to §§ 408(b)(14) and 408(g) of ERISA and Labor regulations § 2550.408g-1 will be audited annually by an independent auditor for compliance with the requirements of the statutory exemption and related regulations. A copy of the auditor’s findings will be made available within 60 days following completion of the audit. Client agrees that Fidelity may provide advice to Participants pursuant to these exemptions.

Furthermore, with respect to any Plan designated on the *List of Plans Schedule* as a defined contribution plan that is not subject to Title I of ERISA, Fidelity may make education and guidance Services available to Plan Participants that may include investment advice (as defined under the Investment Advisers Act or other applicable law) and cause Fidelity to be considered a fiduciary with respect to such Services. If any such Plan is not subject to ERISA because it is excluded from coverage under Title I of ERISA by virtue of the Department of Labor’s regulation at 29 C.F.R 2510.3-2(f), the Client will not be considered by Fidelity to be arranging for or endorsing any advice, or establishing or maintaining a retirement plan.

D. Investment Services. Investment Services are based on facts and circumstances about the investment options known by the presenting Fidelity Affiliate at the point in time that the materials being presented were prepared. Investment Services do not include any ongoing obligation to monitor investments or any other ongoing obligations by Fidelity. To the extent Investment Services include investment-related recommendations, those recommendations are not individualized and do not take account of the particular needs, attributes or circumstances of any one plan. Client and Fidelity agree and intend that such Investment Services (i) are not fiduciary investment advice subject to § 3(21) of ERISA, (ii) are not subject to the fiduciary standards of ERISA, and (iii) do not render Fidelity or any Fidelity Affiliate a fiduciary under ERISA. Fidelity does not charge an additional fee for Investment Services, and the fees charged to the Plan for recordkeeping and other administrative services (as further described in this MSA) will not vary based on whether or not Client chooses to utilize the Investment Services. Fidelity and/or Fidelity Affiliates may have financial interests in, and benefit from, the Plan’s investments, including both investment options managed by a Fidelity Affiliate and investment options managed by entities unaffiliated with Fidelity. These financial interests are disclosed in the applicable prospectuses and other documents provided to Client by Fidelity, including the Statement of Services and Compensation.

E. Omnibus Accounts. This Section shall apply with respect to any Plan listed on the *List of Plans Schedule* as a “Qualified” plan, an assetized nonqualified Plan, or a non-assetized nonqualified Plan for which Fidelity is providing check and tax services. Notwithstanding any other provision of this MSA, Client understands, acknowledges and agrees that (i) Fidelity utilizes omnibus accounts at unaffiliated banks to facilitate transactions for the defined contribution plans and cash

balance plans it services and commingles funds in transit to or from the Plan trust, custodial account or obligor, as applicable, including other funds similarly in transit to or from other Plans, (ii) if markets permit, omnibus account balances may be invested in short-term investments with the aim of earning a rate approximating the Target Federal Funds Rate and/or money market rates (such earnings are referred to as “float earnings”); and (iii) Fidelity will use these earnings to pay bank fees associated with the above-referenced defined contribution plan and cash balance plan transactions and make other required adjustments and will retain any float earnings that exceed such fees and adjustments as compensation for its services, except as otherwise set forth in the Fee Schedule. Fidelity shall pay bank fees to the extent they exceed float earnings.

The amount of float earnings generated depends on market conditions and the length of time that funds are held in the omnibus accounts. The following time frames apply with respect to funds held in these accounts:

With respect to any Plan listed on the *List of Plans Schedule* for which contributions will be remitted to Fidelity, if contributions and instructions to purchase investment options are received by Fidelity in Good Order before the close of trading, Fidelity executes transactions in the investment options as of that day’s Closing Price (the “transaction date” or “T”). Contributions are held in the omnibus account until the following Business Day (“T+1”) for the vast majority of investment options. For share accounted company stock transactions, contributions may be held in the omnibus account until T+2.

With respect to any Plan listed on *List of Plans Schedule* for which monetary exchanges will be processed by Fidelity, instructions to exchange investment options received by Fidelity in Good Order before the close of trading are processed in that day’s nightly cycle. For the vast majority of investment options, exchanges generate no overnight balances, as money is received from one investment option and conveyed to another investment option on the same Business Day. The limited exceptions to this would occur if investment options have different settlement rules and FMTC serves as trustee of the Plan, in which case balances attributable to the exchange may remain in an omnibus account for a few days.

With respect to any Plan listed on the *List of Plans Schedule* for which Fidelity is responsible for making distributions, instructions to make disbursements received in Good Order before the close of trading are processed in that day’s nightly cycle and reflected as debits from Participant Accounts as of that date (“T”). Proceeds attributable to the disbursement are received into the omnibus account based on the settlement period for the investment options, which in the substantial majority of investment options is T+1. After the deduction of tax withholding, if applicable, disbursements are typically made on T+2 either through electronic funds transfers or by mailing a check. Disbursement proceeds distributed by check, net of any tax withholdings, remain in the omnibus account until the check is presented for payment.

Neither Client nor a Plan trust, custodial account or obligor, as applicable] shall be liable for any diminution in the value of such overnight investments. Provided that Client has provided timely funding, neither Client nor the Plan, trust, custodial account or obligor, as applicable] shall be responsible for any failure to settle or clear from such omnibus accounts any proper or timely trade or disbursement if such failure results from a decrease in the value, or temporary inaccessibility of funds attributable to either the use of a specific bank or the overnight investment of balances from such accounts.

Attachment A - Investment Options

For purposes of this Attachment A, any references to “investment options” shall also mean “hypothetical investment options” for purposes of those Plan(s) listed on the *List of Plans Schedule* as non-assetized.

All investment options listed below are being serviced by Fidelity under the MSA with respect to the Plan. All operating guidelines, procedures and direct fund expenses are governed by each investment option’s respective prospectus, as applicable. In accordance with the Client’s wishes, the following investment options are available for investment to Participants:

[Insert investment line up once finalized]

DEFAULT INVESTMENT OPTION

The Client hereby directs that the investment option referred to in the *Investment Direction* provision of the *DC Terms Schedule*, shall be **[DEFAULT FUND]**.

INVESTMENT OPTION PROVISIONS**1. Investment-Specific Provisions**

With respect to any Plan listed on the *List of Plans Schedule* as a qualified Plan or an assetized nonqualified Plan, the following applies. The provisions below apply to such investment(s) applicable to such Plan. To the extent Fidelity has agreed to assume responsibility hereunder on behalf of any defined contribution Plan listed on the *List of Plans Schedule* for trading investment options, or the securities held in separate accounts (including but not limited to strategies, stock funds and other unitized options) offered by the Plan and if in order to fulfill such responsibilities, such securities must be registered in the name of Fidelity on behalf of the Plan, the Client appoints Fidelity as custodian for such limited purpose(s) and grants Fidelity those powers as are customarily appurtenant to such role. Fidelity shall maintain and safeguard the records of any securities for which that it provides custodial services at any given time.

A. Mutual Funds. In lieu of receiving a printed copy of the prospectus for each Fidelity Mutual Fund and Non-Fidelity Mutual Fund selected by the Named Fiduciary as a Plan investment option or short-term investment fund (or notional investment option), the Named Fiduciary hereby consents to receiving such documents electronically. Named Fiduciary shall access each such prospectus as described below after receiving notice from Fidelity that a current version is available online at a website maintained by Fidelity or its affiliate. Named Fiduciary acknowledges that on the Effective Date of this MSA, all Mutual Fund prospectuses are available in the Mutual Fund detail in the Plan’s Investment Performance and Research section on Fidelity NetBenefits, and Fidelity Fund prospectuses are additionally available at <https://fundresearch.fidelity.com/prospectus/funds-workplace> or a successor website. Named Fiduciary represents that by the Effective Date, it has accessed each such prospectus in the manner described above. In the event a prospectus for a Plan investment option (or notional investment option) cannot be accessed, the Named Fiduciary will contact Fidelity to receive the prospectus.

The Client acknowledges and agrees that neither Fidelity nor an Affiliate are responsible for the content of any shareholder materials and other communications including but not limited to Non-Fidelity Mutual Fund Prospectuses, Summary Prospectuses or supplement thereto, annual report, proxy statement or item of advertising or marketing material that are prepared by the Non-Fidelity Mutual Fund, its advisor or an affiliate. Plan, trust, and notional investments in Mutual Funds shall be subject to the following limitations:

Execution of Purchases and Sales

If Fidelity will, in accordance with the terms of the Statement of DC Services, trade any of the Mutual Funds on behalf of a Plan or trust, the following provisions shall also apply. Fidelity shall execute the purchase and sale of Mutual Fund shares (other than for exchanges) if such purchase(s) and sale(s) are based on a proper Direction. Purchases and sales of Mutual Funds (other than for exchanges) shall be made on the date on which Fidelity receives from the Administrator in Good Order all information, documentation and wire transfer of funds (if applicable), necessary to accurately effect such transactions. Exchanges of Mutual Funds will be processed in accordance with the fund exchange provisions set forth in the PAM with respect to such Plan.

Voting

During a Participant Recordkeeping Reconciliation Period, Client shall have the right to direct Fidelity as to the manner in which Fidelity is to vote the shares of the Mutual Funds in the Plan's trust/custodial account, including Mutual Fund shares held in any short-term investment fund for liquidity reserve. Following a Participant Recordkeeping Reconciliation Period, Client shall continue to have the right to direct Fidelity as to the manner in which Fidelity is to vote any Mutual Fund shares held in a short-term investment fund for liquidity reserve. Fidelity shall not vote any such Mutual Fund shares for which it has not received timely directions from Client.

At all times other than during a Participant Recordkeeping Reconciliation Period, the following shall apply. Fidelity shall have no further duty to solicit directions from Participants or Client, other than as described below. Upon request, Fidelity will provide Participant-level information to Client, if available.

With respect to any Plan(s) listed on *List of Plans Schedule* as “**Pass Through to Participants**,” the following shall occur:

At the time of mailing of notice of each annual or special shareholders' meeting of any Mutual Fund, Fidelity shall send a copy of the notice and all proxy solicitation materials to each Participant who has shares of such Mutual Fund credited to the Participant's Accounts, together with a voting direction form for return to Fidelity or its designee. Where any issuer of such mutual funds determines that it will deliver proxy information and/or any other fund information other than by providing a full set of written materials but in a manner consistent with other permissible distribution approaches as outlined under applicable SEC rules and in accordance with applicable law, Fidelity may use the alternative delivery methods. The Participant shall have the right to vote such shares credited to the Participant's Accounts (both vested and unvested) with respect to any qualified plan. Fidelity shall not vote any such Mutual Fund shares for which it has not received timely directions from Participants.

With respect to any Plan(s) listed on *List of Plans Schedule* as “**Sponsor Votes**,” the following shall occur:

At the time of mailing of notice of each annual or special shareholders' meeting of any Mutual Fund, Fidelity shall send in a manner consistent with permissible distribution approaches as outlined under applicable SEC rules and in accordance with applicable law, a copy of the notice and all proxy solicitation materials to Client representing the shares of such Mutual Fund credited to Participant Accounts, including Mutual Fund shares held in any short-term investment fund for liquidity reserve, together with a voting direction form for return to Fidelity or its designee. Client shall have the right to vote the shares credited to Participant Accounts (both vested and unvested). Fidelity shall vote the shares as directed by Client. Fidelity shall not vote any such Mutual Fund shares for which it has not received timely directions from Client.

2. Self-Directed Brokerage (Fidelity BrokerageLink®) – “Qualified” Plans.

This Section shall apply with respect to any “Qualified” Plan listed on the *List of Plans Schedule* that has elected BrokerageLink.

For purposes of this Section only, “securities” or “individual securities” hereinafter shall mean “open-end mutual funds, exchange-traded funds (“ETFs”), exchange-traded notes (“ETNs”), and Closed-End Funds (“CEFs”).”

Client directs Fidelity to use FBSLLC to purchase or sell individual securities for Participant BrokerageLink Accounts in accordance with investment directions provided by Participants. Client directs Fidelity to establish a Participant BrokerageLink Account with FBSLLC in the name of the Plan trustee for each Participant electing to utilize the BrokerageLink option.

Participants who elect to utilize the BrokerageLink option shall enroll in accordance with the PAM. Each so electing Participant shall be granted limited trading authority over the Participant BrokerageLink Account established for such Participant, and FBSLLC shall accept and act upon instructions from such Participants to buy, sell, exchange, convert, tender, trade and otherwise acquire and dispose of securities in the Participant BrokerageLink Accounts. The Participant, authorized as the Client's representative, shall be solely responsible for receiving and responding to all trade confirmations, account statements, prospectuses, annual reports, voluntary reorganization items (e.g., proxy or vote requests, tender offers, rights offers, etc.) and other materials that would otherwise be distributed to the Client, as the owner of the Participant BrokerageLink Account. The Participant shall have the authority to direct the exercise of all shareholder rights attributable to the securities held in the Participant BrokerageLink Account. Fidelity shall not exercise any rights in the absence of direction from the Participant. In order to make changes to indicative data including, but not limited to, postal address, email address, and phone number on the associated Participant BrokerageLink Account, the Participant must contact FBSLLC via approved channels.

The Client further delegates to a Participant the authority to designate an agent to have limited trading authority over assets in the Participant BrokerageLink Account established for such Participant, subject to acceptance by FBSLLC of a completed BrokerageLink Third Party Limited Trading Authorization Form, and FBSLLC shall act upon instructions from the agent as if the instructions had come from the Participant. To the extent a provision of any BrokerageLink related document (e.g., the BrokerageLink Third Party Limited Trading Authorization Form, the BrokerageLink Account Terms and Conditions) conflicts with this MSA, the Parties acknowledge that the provisions of this MSA shall control.

Any successor organization of FBSLLC, through reorganization, consolidation, merger or similar transactions, shall, upon consummation of such transaction, become the successor broker in accordance with the terms of this authorization provision.

The only types of securities that may be purchased under the BrokerageLink option are shares of open-end mutual funds, open-end mutual funds, exchange-traded funds (“ETFs”), exchange-traded notes (“ETNs”), and Closed-End Funds (“CEFs”).

With respect to exchanges from the SPO into the Participant BrokerageLink Account, Client directs Fidelity to submit for processing all instructions for purchases into the BrokerageLink Core Position resulting from such exchange requests on the next Business Day. With respect to transfers from the Participant BrokerageLink Account to the SPO, Client directs Fidelity to submit for processing all instructions for purchases into the BrokerageLink Default Fund resulting from such transfer requests on the next Business Day following settlement into the BrokerageLink Core Position.

Client agrees and acknowledges that (i) the Named Fiduciary for each Plan on the *List of Plans Schedule* that is subject to Section 2550.408b-2(c)(1) of the DOL regulations has received such disclosures, which, at the time of this MSA, may include a cover letter, an addendum, a commission schedule, and other documents, which is intended by Fidelity to satisfy the requirements of such regulation, (ii) such disclosure document(s) was provided to the Named Fiduciary reasonably in advance of implementation of BrokerageLink, and (iii) the Named Fiduciary had a reasonable opportunity to consider the information contained in the disclosure document(s) and ask questions with respect thereto before implementation of this offering.

a. **Procedures.** Client acknowledges that the terms of this Section shall serve as standing instructions to Fidelity to take the appropriate action in response to a given situation, as described below, to comply with the MSA. No prior notice to or consent from the Participant is required. FBSLLC shall buy, sell, exchange, convert, tender, trade and otherwise acquire and dispose of securities in Participant BrokerageLink Accounts, transfer funds to and from the BrokerageLink Core Position and the BrokerageLink Default Fund, collect any fees or other remuneration due FBSLLC or any of its affiliates, and fulfill distributions directly to the Participant, in accordance with the administrative procedures below.

i. **Fees / Distributions / Adjustments / Corrections / Forfeitures.** All Plan related fees that are paid by the Participant, forfeitures of unvested amounts in accordance with the terms of the Plan, corrections and distributions (minimum required distributions, systematic withdrawal payments, etc.) are debited from the Participant's SPO. If there are not enough assets in SPO to pay fees of any nature or make necessary forfeitures, corrections or distributions, then Fidelity will look to the Participant BrokerageLink Account.

If there are sufficient assets in the BrokerageLink Core Position, then Fidelity will initiate the transfer to the BrokerageLink Default Fund to cover the fee, forfeiture, correction or distribution. If the BrokerageLink Core Position does not contain sufficient assets, Fidelity will place a sell trade order(s) in the Participant BrokerageLink Account. The securities will be sold based on the Methodology for BrokerageLink® Liquidations defined in this Schedule (see subsection (iii) – “Liquidations” below), unless otherwise directed by Client.

ii. **Ineligible Securities.** If Fidelity identifies an Ineligible Security that has been purchased in a Participant BrokerageLink Account, then Fidelity will place a sell trade order in the Participant BrokerageLink Account to remove that Ineligible Security, unless otherwise directed by the Client. Any trade-related expenses (commissions or other fees) and realized gain or loss will be borne by the Participant BrokerageLink Account (or if necessary, the SPO). The proceeds from the liquidated Ineligible Securities will be credited to the BrokerageLink Core Position.

iii. **Liquidations.** Based on available investment options in BrokerageLink, holdings shall be sold in the following order (the “Methodology for BrokerageLink Liquidations”), until the entire amount needed to be transferred to the BrokerageLink Default Fund has been liquidated:

1. Unencumbered core cash—liquidate the value of the BrokerageLink Core Position, which as of the Effective Date is Fidelity Government Cash Reserves, or other position used for such purposes;

2. Mutual funds—i) liquidate the highest balance position first (if two holdings are of equal value, sell the mutual fund with the highest share price) and ii) liquidate next highest balance position (or share price) until all mutual funds have been sold;

3. Equity securities—i) liquidate highest balance holding (if a partial amount is needed, round up to sell whole shares, at least to needed amount), ii) if two holdings are of equal value, sell the equity security with the highest share price, and iii) liquidate next highest balance holding until all equity securities are exhausted;

4. Options—i) Close long positions first, then cash-covered puts, and then covered calls, ii) in each case, a) close option position with the lowest market value, b) if two options have the same market value, then close highest “in the money” to the lowest “out of the money,” and c) close next lowest market value position until all options are exhausted; and

5. Fixed Income Securities – Fidelity will attempt to contact the Participant twice over a two (2) day

period to get verbal directions on which position(s) to liquidate. On day two, if no contact is made with the Participant, Fidelity will i) liquidate bonds first and then CDs, ii) in each case, selling the security with the lowest market value position first and then the next lowest market value position until all securities are exhausted.

Such sales will be based on the estimated number of shares necessary to address the situation. Any trade-related expenses (commissions or other fees) and realized gain or loss will be borne by the Participant BrokerageLink Account, or if necessary, the SPO. Any commissions generated by a systematic trade placed to cover a Plan fee will be waived until such time it is no longer administratively feasible.

SAMPLE

1. Fidelity® Personalized Planning & Advice at Work (“Personalized Planning & Advice”)

This Section applies only to Plans listed on the *List of Plans Schedule* that have selected Personalized Planning & Advice and shall be construed in a manner that is consistent with the Investment Management Agreement.

Fidelity will implement Personalized Planning & Advice on [date]. In the event such implementation date is no longer reasonably practicable, the Parties will establish another date for implementation.

a. **Selection of Personalized Planning & Advice.** Fidelity and its Affiliates shall have no responsibility for the Client or Named Fiduciary’s decision to offer Personalized Planning & Advice and will not render investment advice to any person in connection with the selection of Personalized Planning & Advice.

The Parties acknowledge that Client is capable of evaluating investment risks independently. Client affirms that at all times the decision to offer Personalized Planning & Advice shall be made by exercising independent judgment.

b. **Participant Direction for Personalized Planning & Advice.** As authorized under the Plan, each Participant may direct Fidelity to invest such Participant’s Accounts among the Plan’s available investment options in accordance with investment directions provided by Strategic Advisers and FPWA pursuant to the Investment Management Agreement. Fidelity will not be liable for any loss or expense arising from a Participant exercising its right to participate in or to continue participation in Personalized Planning & Advice.

For any Plan listed in *List of Plans Schedule* as non-assetized that has selected this service, references to investments in this Attachment shall be read as referring to hypothetical investments.

c. **Personalized Planning & Advice.**

i. Investment Managers/investment advisers. This section is intended to authorize the appointments of an Investment Manager and investment adviser. To the extent a Plan is governed by ERISA, such appointment of an Investment Manager is as contemplated in Section 402(c)(3) of ERISA. Pursuant to the Investment Management Agreement executed by and among Client, Authorizing Party, FPWA, and Strategic Advisers. Client or Named Fiduciary has appointed (i) Strategic Advisers as an Investment Manager with respect to the Managed Assets and (ii) FPWA and Strategic Advisers as investment advisers with respect to the Managed Assets. For so long as Personalized Planning & Advice is offered, FPWA’s and Strategic Advisers’ authority with respect to Managed Assets will begin when Fidelity has confirmed receipt of an election in Good Order from an eligible Participant who has elected to participate in Personalized Planning & Advice (and in the case of Plans or portions thereof transferring to Fidelity recordkeeping services, at the conclusion of the Participant Recordkeeping Reconciliation Period).

ii. Composition of Assets. Managed Assets will be comprised of those assets held in or contributed to the Plan Accounts of eligible Participants from whom Fidelity or its agent has received in Good Order an election to participate in Personalized Planning & Advice, and whose participation has not been terminated in accordance with subparagraph (iv) below. The Managed Assets shall be identified on the books and records of the Account separately from all other assets held by Fidelity under the MSA.

iii. Purchases and Sales. Purchases and sales of investment options initiated by Personalized Planning & Advice shall be governed by the operating guidelines set out in the Section below titled “Operating Guidelines for Personalized Planning & Advice”.

iv. Termination of Personalized Planning & Advice. FPWA’s and Strategic Advisers’ authority with respect to Managed Assets shall end with respect to a Participant when (A) the Participant’s termination of their election to participate in Personalized Planning & Advice becomes effective, as described below; (B) Managed Assets are withdrawn (e.g., through loan, withdrawal, or distribution) or otherwise transferred out of the Participant’s Account for any reason (but only to the extent of such withdrawal or transfer); (C) the Participant’s Account is transferred to another plan, unless that plan also offers Personalized Planning & Advice and Fidelity is directed to transfer the Participant’s enrollment; (D) receipt of notice of a Participant’s death; (E) FPWA or Strategic Advisers notifies a Participant that the Participant is no longer eligible for Personalized Planning & Advice, or that it will no longer provide Personalized Planning & Advice to such Participant for any reason; (F) when the Plan’s Named Fiduciary or Client, as applicable, directs FPWA and Strategic Advisers to discontinue its service to any Participant (whether through termination of the appointments of FPWA and Strategic Advisers with respect to Personalized Planning & Advice, or otherwise); or (G) when Fidelity or its Affiliate ceases to provide recordkeeping services for the Plan.

v. Directions of FPWA or Strategic Advisers. Strategic Advisers shall have the duty and power to direct Fidelity and its Affiliates as to the investment of Managed Assets among available investment options, in accordance with governing

investment guidelines and Investment Management Agreement. Fidelity shall follow the direction of Strategic Advisers or its agent regarding the investment and reinvestment of the Managed Assets. Fidelity shall have no authority or responsibility to review, question or countermand any instruction provided by FPWA or Strategic Advisers to it, unless it has knowledge that by its action or failure to act, it will be participating in or undertaking to conceal a breach of fiduciary duty by FPWA or Strategic Advisers. Managed Assets shall be managed consistent with the Participant's retirement goal, regardless of distribution dates applicable to such Managed Assets. Fidelity may execute such documents (such as powers of attorney) as may be necessary to authorize FPWA, Strategic Advisers, and/or their applicable agents to exercise their investment management duties.

vi. Appointment of Agents. FPWA and Strategic Advisers may appoint as their agents any entity that is also used by Fidelity in performing its duties hereunder, including but not limited to FIIOC.

vii. Provision of Information. Neither Fidelity nor its Affiliates performing recordkeeping and administrative services for the Plan shall have any obligation to provide any information concerning an enrolled Participant to FPWA and Strategic Advisers (including, without limitation, any holdings of such Participant outside of the assets allocated to Personalized Planning & Advice), provided, however, FPWA may use certain information on Fidelity systems to facilitate a Participant's enrollment in the Personalized Planning & Advice Service and Fidelity and such Affiliates shall be obligated to notify FPWA and Strategic Advisers of an event terminating some or all of its management responsibilities for enrolled Participants.

viii. Enrollment by Participant. A Participant may elect to participate in Personalized Planning & Advice by enrolling via the internet, via telephone with a Fidelity representative, or by other means as agreed to by Client and Fidelity. After the conclusion of any applicable Participant Recordkeeping Reconciliation Period, exchanges shall be made within the next 5 Business Days after a Participant has provided in Good Order all information necessary for Personalized Planning & Advice to determine an appropriate target asset mix and model portfolio, and the receipt of their election to participate in Personalized Planning & Advice has been confirmed. For so long as a Participant participates in Personalized Planning & Advice, he or she may not make exchanges in their account except for exchanges related to Sponsor Stock or self-directed brokerage, if applicable.

ix. Un-enrollment by Participant. A Participant may elect to terminate participation in Personalized Planning & Advice via telephone with a Fidelity representative, or such other means agreed to by Client and Fidelity and such termination shall be effective immediately when Fidelity confirms receipt of such instruction, provided that if confirmation is received after Market Close and one or more exchange transactions are pending for processing in the nightly cycle for such date, such exchanges shall be processed as of the Market Close on such date.. In the absence of such pending transactions, upon completion of unenrollment process of their participation in Personalized Planning & Advice, a Participant may request exchanges immediately, and such transactions shall be implemented in accordance with the standard guidelines set forth in the PAM for such investment option.

x. Client or the Named Fiduciary, may direct Fidelity in writing to automatically enroll some or all of the Participants into Personalized Planning & Advice. If Client or the Named Fiduciary, directs Fidelity to automatically enroll any or all of the Participants into Personalized Planning & Advice, Fidelity shall re-direct contributions to the Plan Accounts of such Participants, and shall re-allocate existing account balances of such Participants, among the Plan's available investment options in accordance with the investment directions provided by Strategic Advisers unless or until the Participant opts out of Personalized Planning & Advice. Assets held in or contributed to the Accounts of a Participant who has been automatically enrolled in Personalized Planning & Advice pursuant to Client or the Named Fiduciary's Direction, shall be Managed Assets as described in (ii) above, subject to investment direction by Strategic Advisers until such time as the Participant opts out of participation in Personalized Planning & Advice and so notifies Fidelity. Participant Direction to opt out of Personalized Planning & Advice may be made via the internet, via telephone with a Fidelity representative, or in such other manner as may be agreed to by Client and Fidelity. Upon receipt and processing of a Participant's election to opt out of Personalized Planning & Advice, Fidelity shall thereafter invest the Participant's accounts among the investment options under the Plan in accordance with the Participant's investment instructions. A Participant's election to opt out of enrollment in Personalized Planning & Advice shall be effective immediately after Fidelity confirms receipt of such election, provided that if confirmation is received after Market Close on a Business Day and one or more exchange transactions initiated by Strategic Advisers are processing in the nightly cycle for such date, such exchanges shall be processed as of the Market Close of the next Business Day.

d. **Operating Guidelines for Personalized Planning & Advice.** The following operating guidelines govern exchanges of investment options for Participants enrolled in Personalized Planning & Advice and do not govern exchanges of Mutual Funds pursuant to Participant request which are processed in accordance with the fund exchange provisions set forth in the PAM. These guidelines are subject to change upon written notice to the Client.

i. Rebalancing Participant Accounts. Assets in the Participant's Plan Account are rebalanced on an ongoing

basis to ensure alignment with the assigned asset allocation strategy and the current model portfolio. There are two primary types of rebalancing activities:

1. Portfolios may be rebalanced periodically to account for changes in market valuations to ensure Participant Accounts are properly aligned to their model portfolio allocations.
2. Portfolios are also monitored each Business Day to ensure that any Participant directed activities (such as withdrawals or loans) have not caused the Participant Account to vary from the assigned market-adjusted model portfolio by more than a standard drift allowance set by Strategic Advisers.

Rebalance transactions will be created in the nightly cycle for processing on the following Business Day and will be reflected in Participant Accounts on the day following the rebalance transaction date.

ii. Reallocation of Model Portfolios. If there is a reallocation of the model portfolio (resulting from review of the Plan's investment options or a change in the Plan investment option menu), those Participant Accounts that vary from the revised model portfolio by more than a standard drift allowance set by Strategic Advisers will be flagged for reallocation. Reallocation transactions will be processed using the same rules as for rebalance transactions.

iii. Changes to Investor Profile. If a change in model portfolios is required as a result of an annual or ad hoc review of the Participant's investor profile completed before Market Close on a Business Day, the required exchanges shall be processed within the next 5 Business Days, and reflected in the Participant's Account within three Business Days.

iv. Termination of Service. If receipt of a Participant's election to terminate Personalized Planning & Advice is confirmed before Market Close, the Account will not be flagged for rebalancing or reallocation, and any pending rebalance or reallocation transactions will be automatically cancelled. If receipt of a Participant's election to terminate Personalized Planning & Advice is confirmed after Market Close, and an exchange is then pending for processing in the nightly cycle for such date, such exchanges shall be processed as of the Market Close on such date.

1. Fidelity 5500 Services.

Effective for the Plan year ending [date], Fidelity agrees to provide the 5500 Plan Year End Service and the SAR with respect to those Plans listed on *List of Plans Schedule* that have elected to include such service under the *DC Statement of Services Schedule* in accordance with the following:

a. Client agrees to:

Submit the following required information ("Required Information") annually:

- i. Copy of the prior year Form 5500 filed with the DOL (applicable only if Fidelity did not prepare the Plan's prior-year Form 5500).
- ii. Any necessary data to support an accurate Plan Form 5500 filing (which may include soliciting information from the prior recordkeeper related to the Form 5500 and/or responding to requests by Fidelity for additional information).
- iii. Submit such Required Information to Fidelity at least 60 calendar days prior to the filing deadline ("Submission Deadline"). If the information is received after the Submission Deadline, Fidelity cannot guarantee a draft 5500 will be published by the filing deadline.
- iv. Review the draft Form 5500 and 8955-SSA prepared by Fidelity to ensure complete and accurate data, and make appropriate updates.
- v. Electronically add applicable attachments in an acceptable format for the DOL; Sign and File eForm 5500 with the DOL in a timely manner.
- vi. Distribute the SAR to Participants and beneficiaries in a timely manner.

b. Fidelity agrees to:

- i. Use prior-year Form 5500 information to prepare some parts of the current-year Form 5500.
- ii. Annually, File Form 5558 to request an extension of time to file Form 5500 and Form 8955-SSA. Client authorizes Fidelity to prepare, execute and file Form 5558 on behalf of the Plan Administrator with the IRS in order to obtain such extensions.
- iii. Provide Client with a Form 5500 at least 10 days prior to the required filing date and SAR at least 10 days prior to the required distribution date, assuming Client has submitted the Required Information and has met the Submission Deadline outlined herein.
- iv. Respond to Client requests related to inquiries from the DOL or IRS received by Client related to any Form 5500 or Form 8955-SSA prepared by Fidelity.
- v. File Form 8955-SSA with the IRS by filing deadline.

Client understands that Form 5500 and Form 8955-SSA will be prepared based upon current-year record keeping data, data from the prior-year Form 5500 and changes submitted by Client to Fidelity Testing and Reporting Services. It is Client's responsibility to validate the completeness and accuracy of the data on Form 5500 and Form 8955-SSA.

If Fidelity does not receive all Required Information by the Submission Deadline, Fidelity will not be held responsible for any late fees or penalties for incomplete filings caused by not receiving the Required Information in a timely manner.

Fees related to this 5500 Service are set out on *Defined Contribution Fee Schedule* to this MSA. This Service will continue until (i) Client provides Fidelity with written direction to the contrary, or (ii) this DC Service Line terminates or otherwise expires.

Client understands and agrees that this service is appropriate only if all reportable Plan assets are recordkept on Fidelity's recordkeeping platform, and Fidelity will not modify the service to reflect any additional Plan assets held by other vendors.

All Service Lines

Invoice Frequency	<input checked="" type="checkbox"/> Quarterly (DC, SPS, HSA, RA, WG, SD, WS, VB) <input type="checkbox"/> Monthly (DB, H&W)
Payable Currency	U.S. Dollars
Payment Terms	Due and payable within 30 days of invoice receipt
Late Payments	Prime + ½% per month interest on total amount past due
The Fees for each Service Line below are based on the Plan characteristics, transaction volumes, investment options available in the Plan including Fidelity proprietary funds, as applicable, number of Participants, other assumptions included, and the regulatory and legal environment in effect as of the Effective Date. Changes to the foregoing occurring after such date may result in additional fees.	

Defined Contribution

ONGOING SERVICES	
Core Fees	Fee
Annual Recordkeeping Fee	Fixed \$[TBD] per Participant ¹ per year, billed and payable quarterly.
Credit Programs	
<p><u>Participant Revenue Credit – Fund Level Allocation.</u></p> <p>1. <u>Calculation.</u> Fidelity shall fund a Participant Revenue Credit for each quarter calculated as the sum of the following:</p> <p>A. <u>Credits attributable to Fidelity investment products:</u></p> <p>Average daily balances held in the Plan of Fidelity investment products multiplied by one-quarter (1/4) of the following rates respectively:</p> <ul style="list-style-type: none"> (i) Actively managed (non Class K) Fidelity equity Mutual Funds: 35 basis points per annum; (ii) Actively managed (non Class K) Fidelity Freedom[®] Funds: 35 basis points per annum; (iii) Actively managed (Class K) Fidelity equity Mutual Funds: 20 basis points per annum; (iv) Fidelity Freedom K[®] Funds: 20 basis points per annum; (v) Fidelity Enhanced Equity Index Funds: 10 basis points per annum; (vi) Actively managed Fidelity fixed income and money market Mutual Funds, except for certain Fidelity institutional money market Mutual Funds (e.g. FIMM Funds): 20 basis points per annum; (vii) Actively managed Fidelity Institutional Asset Management (FIAM) Service Series commingled pools: 10 basis points per annum; 	

¹ This fee is prorated and billed quarterly. The annual fee applies to any record with a balance greater than zero (\$0) in the plan at the end of the quarter.

(viii) Managed Income Portfolio I: 20 basis points per annum.

B. Credits attributable to Non-Fidelity investment products:

Average daily balances held by the Plan in any non-Fidelity investment product, multiplied by the quarterly rate at which FIIOC receives service payments from the asset manager or its affiliates in connection with Plan holdings in that particular investment product. Offsets will not include any other payments that Fidelity or its affiliates may receive from asset managers or their affiliates.

C. Credits attributable to BrokerageLink®:

No credits are provided for assets held in BrokerageLink®.

2. Allocation. The Participant Revenue Credit shall be allocated to Eligible Participants (defined below) as follows:

- A. Crediting Date. Participant Revenue Credits shall be allocated to Eligible Participant accounts as soon as administratively feasible (generally within 15 business days) after a quarterly recordkeeping invoice reflecting such Participant Revenue Credit has been issued and sent (the "Crediting Date"). In the event an invoice is issued and sent with respect to a portion of a quarter, the amount of the Participant Revenue Credit for such quarter may be appropriately adjusted as set forth on such invoice.
- B. Allocation Method. Allocations for the Participant Revenue Credit amount attributable to credits described above shall be made to Eligible Participants pro rata based on the ratio of each Participant's average daily balance in a fund during the quarter to the total average daily balances for all Participants in such fund during the quarter. The allocation to Eligible Participants will be used to purchase whole and fractional shares of the investments in the Eligible Participant Accounts. Any remaining Participant Revenue Credit amount following the allocation to Eligible Participants shall be allocated to the Revenue Credit Account described below and be subject to the provisions governing the Revenue Credit. In the event a residual amount is insufficient to purchase a fractional share it will not be funded.
- C. Eligible Participants. Solely for purposes of allocations pursuant to this section, Eligible Participant means any participant or beneficiary with a balance in a mutual fund option to which the Participant Revenue Credit relates, at any time during the quarter and has a balance greater than zero in the Plan at the time of allocation.
- D. Investment of Allocations. Amounts allocated to Eligible Participant accounts shall be invested in the fund to which the Participant Revenue Credit relates, and allocated proportionately for each Participant. If a participant no longer has a balance in the fund or is not permitted to invest further in such fund, amounts shall be invested in accordance with Eligible Participants' elections for future contributions, or if no such election is on file, in the Plan's designated default investment.
- E. Directions. The Administrator represents to Fidelity that the Administrator has concluded that allocations hereunder are permissible under the Plan and meet the requirements of applicable laws, including ERISA and the Code. The Administrator directs that allocations of Participant Revenue Credits to Eligible Participants' Accounts shall not be included as contributions or annual additions for any testing or reporting purposes. Fidelity shall be responsible for implementing the directions of the Administrator as set forth herein but has no responsibility for the legality or appropriateness of such directions.
- F. 12b-1 Payments. To the extent any Participant Revenue Credits or Revenue Credits below are deemed to be attributable to investments in Fidelity Mutual Funds that have adopted a plan pursuant to Rule 12b-1 under the Investment Company Act of 1940 ("1940 Act") at the time such Participant Revenue Credits or Revenue Credits are made, such Participant Revenue Credits or Revenue Credits shall be made available pursuant to such plan ("12b-1 Payments"), and the following conditions shall apply:

1. The obligation to make 12b-1 Payments shall continue in effect for one year from the effective date of this Agreement (or the amendment of this Agreement containing these provisions), and shall continue for successive annual periods only upon at least annual approval by a vote of the majority of the Trustees for each of those Fidelity Mutual Funds that have adopted such plans, including a majority of those Trustees that are not "interested persons" (as defined in the 1940 Act) of such Mutual Funds and who have no direct or indirect financial interest in the operation of the plan or any agreement related thereto ("Qualified Trustees").
2. Notwithstanding any provision hereof to the contrary, the obligation to make these 12b-1 Payments with respect to any plan may be terminated without penalty at any time, upon either a vote of a majority of the Qualified Trustees, or upon a vote of a majority of the outstanding voting securities (as defined in the 1940 Act) of the applicable Fidelity Mutual Fund to terminate or not continue the plan for the applicable Fidelity Mutual Fund.
3. Upon assignment of this Agreement (as defined under the 1940 Act), the obligation to make 12b-1 Payments shall automatically terminate.

Plan Level Account/Revenue Credit.

1. Calculation. Fidelity shall calculate a Revenue Credit for each quarter equal to the following, as applicable:
 - A. The net float earnings attributable to the Plan for the quarter; and
 - B. Any unallocated amounts referenced in (2)(B) above;
2. Funding. Fidelity shall pay quarterly in arrears the calculated Revenue Credit, in accordance with the above, for such quarter as soon as administratively feasible (generally within 15 business days) after a quarterly invoice reflecting the Participant Revenue Credit has been issued and sent.
3. Investment. Deposits in the Revenue Credit Account will be invested in the first available source in the Plan's source hierarchy, which can be viewed on Fidelity Plan Sponsor Webstation®. (Please note that the source used will not impact testing and reporting.) The Named Fiduciary hereby directs Fidelity to create a Revenue Credit Account in the Trust or Group Custodial Account, as applicable, and that the assets deposited in the Revenue Credit Account shall be invested in the default fund listed on Schedule A.
4. Application of Account to Pay Expenses. The Administrator may direct Fidelity through Fidelity's internet application for Employers to use amounts held in the Revenue Credit Account to reimburse the Employer for fees and expenses associated with services provided to the Plan, or to pay vendors, including Fidelity or third parties, directly. Notwithstanding the foregoing, the Revenue Credit Account may not be used to offset, reimburse or pay: (1) individual expenses that have been deducted from Participant accounts or (2) expenses that are accrued in the net asset value or mil rate of an investment option. Upon receipt of payment instructions in good order, Fidelity shall redeem shares or units of investment options held in the Revenue Credit Account necessary to make such payments and shall issue payment as soon as administratively feasible thereafter (typically within 5 business days). Fidelity shall not be liable for, nor shall it be responsible for separately including in any payment, any late charges, interest or penalties that may accrue owing to untimely submission to Fidelity of directions in good order or Fidelity's processing of any payment instructions in accordance herewith. A direction from the Administrator to pay expenses shall constitute a representation to Fidelity that the Administrator has concluded that the payments are permissible under the Plan and meet the requirements of applicable laws, including ERISA and the Code.
5. Allocation to Participant Accounts.
 - A. General. Effective January 1, 2024, the Administrator or Named Fiduciary, as applicable, may direct Fidelity to allocate amounts in the Revenue Credit Account to Eligible Participant accounts, provided that any such

direction may be provided no more frequently than once per calendar quarter, unless such direction is with respect to a final allocation to be made in the last month of the plan year. Directions shall be submitted through a service request through Fidelity's internet application for Sponsors and shall include the dollar amount to be allocated from the Revenue Credit Account, provided that if such amount exceeds the balance held in the Revenue Credit Account on the date on which the allocation is to be performed (the "Crediting Date"), such amount shall be deemed to be the total balance of the Revenue Credit Account on the Crediting Date. The applicable Crediting Date shall occur as soon as administratively feasible (and in no event later than 15 calendar days) following receipt of a direction in good order.

- B. Method of Allocation. The dollar amount directed to be allocated from the Revenue Credit Account shall be divided among Eligible Participant accounts pro rata based on Eligible Participant account balances, exclusive of outstanding loan balances.
- C. Eligible Participants. Solely for purposes of allocations pursuant to this section, Eligible Participant means any Participant or beneficiary with a balance greater than zero.
- D. Investment of Allocations. Amounts allocated to Eligible Participant accounts from the Revenue Credit Account shall be invested in accordance with Eligible Participants' elections for future contributions, or if no such election is on file, in the Plan's designated default investment pro rata across existing sources.
- E. Directions. A direction from the Administrator or Named Fiduciary to allocate amounts to participant accounts shall constitute a representation to Fidelity that the Administrator or Named Fiduciary, as appropriate, has concluded that the allocations are permissible under the Plan and meet the requirements of applicable laws, including ERISA and the Code. Without limiting the foregoing, the Administrator or Named Fiduciary, as appropriate, directs that allocations of amounts from the Revenue Credit Account to Eligible Participants' Accounts shall not be included as contributions or annual additions for any testing or reporting purposes. Fidelity shall be responsible for implementing the directions of the Administrator or Named Fiduciary, as appropriate, but has no responsibility for the legality or appropriateness of such directions. The Administrator or Named Fiduciary may alter its directions at any time with reasonable advance notice and after consultation with Fidelity concerning the administrative feasibility of alternative directions.

To the extent to which there was an immediately preceding credit program established under this Agreement, no amounts under the preceding credit program shall continue to accrue after the effective date of this amendment; however, to the extent there are any unused amounts in such preceding program as of the effective date of this amendment, the procedures for utilization of such amounts shall continue to be those in effect under the Agreement pertaining to that program, until such amounts are used in their entirety.

Transaction Fees – Qualified Plans	Fee	Per
Loan Initiation Fee	\$75	Loan Initiated
Loan Maintenance Fee for each outstanding loan maintained by Fidelity	\$6.25	Per Quarter
Loan Recordkeeping Fee for each loan originated on or after the TIAA Compliance Coordinator Service effective date, to be deducted from the Participant's Account.	\$6.25	Per Quarter
In-Service Non Hardship Withdrawals	\$25	Check/EFT
Full Distribution	\$25	Check/EFT
Return of Excess Contributions/Deferrals	\$25	Check/EFT
Mailing Documents/Checks via Expedited Service	\$25	Item
Minimum Required Distributions	\$25	Check/EFT
Lead Administrator Services Implementation Fee		One-time fee
Transaction Fees – Nonqualified Plans	Fee	Per
Mailing Documents/Checks via Expedited Service	\$25	Item
Lead Administrator Services Implementation Fee		One-time fee

Communication and Education	Fee
Transition Communications using Fidelity's Employee Experience Program, including print, fulfillment, distribution and postage	Included
Webcasts and Podcasts available on Fidelity.com	Included
Standard Universal Live and Recorded Web Workshops	Included
Custom materials development (including graphic design, typesetting, writing, layout, video production and language translation)	Fee for Service
Print, Fulfillment and Distribution for Custom Communications	Fee for Service
Postage for Custom Communications	Pass Through
Summary Annual Reports	Production and Distribution - Fee for Service Postage (as applicable) - Pass Through
Online, On Demand, Plan Specific Recordings using Brainshark Technology	\$300 per session
Live Plan Specific Web Workshop Sessions Note: Subject to the cancellation and minimum attendance policy.	\$300 per session
Print, fulfillment and distribution of initial and annual participant fee disclosure notices (email distribution is included at no charge)	Pass through to Client OR Included
Non-ERISA Plan(s) Fee Disclosures (Generate and make available on NetBenefits, or its successor, annual participant fee disclosure notices)	Included
Comprehensive engagement experience delivered directly to participants via their preferred channel including print, e-mail, web, and phone: <ol style="list-style-type: none"> 1:1 personal investment support Pre-retiree income planning Multi-Touch Enrollment materials Participant Engagement touch points (3x/year) Ongoing Triggered Alerts Quarterly check-ins (4x/year) Retirement Transition Services Pre transition communications Transitional support for job changers and terminated employees Fidelity NetBenefits® Distribution Assistance FullView® NetBenefits Library Webcasts and Podcasts NetBenefits Planning & Guidance Center Investment support tool Associated postage is included for standard campaigns.	Included
Employee Meetings Days On Site (up to 4 meetings per day) Note: Subject to the cancellation and minimum attendance policy.	\$1,800 per day
Employee Meetings Days Virtual (up to 5 meetings per day) Note: Subject to the cancellation and minimum attendance policy.	\$1,200 per day
Investment Related Services	Fee

Fidelity® Personalized Planning & Advice Personalized Planning & Advice gives participants the opportunity to put investment professionals in charge of managing their workplace savings plan assets. This discretionary service offers access to: <ul style="list-style-type: none"> – Qualified investment professionals – Model portfolios customized to the plan's fund lineup – In-depth research methods – Targeted communications that help keep retirement goals on track The annual advisory fee for Personalized Planning & Advice varies based on the services chosen. Plan sponsors typically require participants to pay the fee quarterly.	Plan Set-up & Ongoing Fee: Included Participant: Outlined in the corresponding Investment Management Agreement
BrokerageLink: Fidelity's Self Directed Brokerage Service	\$0 account fee The retail brokerage commission schedule in place will apply at the time the individual trade is executed.
Implementation Fees	Fee
Travel and Related Expenses	Included
Implementation for Vendor Consolidation	
Base Implementation/Conversion Fee	
Other Services and Fees	Fee
Fidelity Plan Sponsor Webstation®	Included - Fidelity shall not be responsible for any hardware, software or connection, or any other charges in connection with this service.
Audit Hours: 35 hours per annum per Service Line	Included
Out of Pocket Audit Related Costs	Pass through to Client
Fidelity Pre-Approved Plan Document Services	Included
5500 Plan Year End Service	The standard fees are: <ul style="list-style-type: none"> • \$6,500 for 5500 Preparation Services • \$6,000 for Preparation Services for a Master Trust • \$1,500 for each Non-Fidelity Vendor • \$750-\$1,000 for 8955-SSA Plan Year End Service • \$500 SAR Preparation (per Plan) Fidelity reserves the right to charge a \$265.00/hour fee for the preparation of an amended return that is requested by the Client or required as a result of inaccurate or incomplete information provided by the Client.
DRO Qualification	The service will commence only after Fidelity's receipt of Client direction and related documentation. The applicable fee is charged after the initial processing of the

DRO Order*. The Order review fees are as follows:

- Review of a defined contribution order generated on the Fidelity QDRO Web site with no modifications: \$300
- Review of one defined contribution plan mentioned in an order that was not generated on the QDRO Web site or was generated on the Web site, but altered: \$1,200
- Review of an Order naming two or more plans sponsored by the same Plan sponsor for which Fidelity provides QDRO qualification services: \$1,800

For an Order that references multiple plans, the applicable QDRO review fee will be split evenly across all plans named in the Order, as applicable.

* Order as defined in the QDRO Guidelines

Special Projects

Fee

Change Control and operational services in support of fulfilling a client-specific request during implementation or during ongoing administration that is not included in the services as documented in the assumptions herein and any scope and / or service documents which Fidelity has provided or provided a response.

Examples include:

- Plan and program changes.
- Fund Actions
- Global Fund Actions
- Change in scope of existing services as documented in Directions Documents describing the services.
- Client specific processing requested as an alternative to Fidelity's standard solution including any additional resources to support said non-standard solution. Examples include change to data feeds, special offering windows and procedural changes.
- Support of Corporate Actions. Examples include reorganization, layoff, mergers, acquisitions and divestitures
- Custom communications development

\$175/hour

Nondiscrimination Testing:

Package Election	<1,000 parts	1,001 – 10,000 parts	10,001 – 25,000 parts	25,001 – 50,000 parts	>50,001 parts
Comprehensive	\$2,250	\$7,000	\$9,000	\$15,000	\$30,000
Basic	\$1,500	\$4,500	\$6,500	\$10,000	\$20,000
Safe Harbor	\$1,000	\$2,000	\$4,000	\$5,000	\$10,000

Fees are applied based upon the number of employees who are eligible to participate (regardless of whether they are actively contributing) in the Plan being tested at the time the plan signs up for service. It is a flat, recurring fee. If testing is required for more than one plan of an employer, a fee will be charged for each plan based on the number of employees eligible to participate in each additional plan.

Please note that if a plan is sponsored by unrelated Employers (Multiple Employer Plan) for whom separate testing is required, additional testing fees will apply based on the number of separate tests required.

* Safe-harbor plan fees quoted above apply to plans that are exempt from all ADP and ACP testing. The Comprehensive or Basic Packages will apply to plans that are required to perform any ADP or ACP testing (example: ACP testing on employee after-tax contributions).

Note: If ADP and ACP testing is not required for your plan and you wish to only have 402(g) testing performed, the Safe Harbor Plan fees will apply.

The table below includes a description of each package type and the services provided with each. Please note that 414(s) Compensation Testing, 401(a)(4) Benefits, Rights and Features Testing, 401(a)(4) General Testing, and 410(b) Average Benefits Testing may not be required for your plan. Please consult with your legal counsel to determine if such testing is necessary for your plan.

Type of Tests Included With Each Package												
Package Type	ADP	ACP	*402(g)	415	Minimum Coverage	Top Heavy	Proj (1 Test)	QNEC Calc	*Gen Test	*BRF Test	Comp Test	*ABT Test
Comprehensive Package	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Basic Package	✓	✓	✓	✓	✓	✓	✓	✓				
Safe Harbor Package			✓	✓	✓	✓						

*Restrictions apply to the election(s) of these additional testing services.

- 402(g) Testing – Testing & Reporting Services (TRS) will not complete a 402(g) test for off calendar plans.
- General Testing and Average Benefits Testing – all plans involved in the testing must be at Fidelity for TRS to perform.
- Benefits, Rights and Features Testing – TRS will only complete this test as it pertains to each rate of matching contribution contained within the terms of the plan(s) and the plan must also be signed up for Minimum Coverage Ratio Percentage Testing.
- Top Heavy Testing – TRS will not perform Top Heavy Testing for each unrelated employer.
- Puerto Rico 5500 Service – If Fidelity is the trustee and recordkeeper, TRS will prepare the Form 5500. If Fidelity is recordkeeper only, Workplace Consulting is available to help with the filing, subject to additional fees. Form AS 6042.1 filing is not supported by Fidelity.
- Safe Harbor plans – this service can only be elected if the plan does not have an After-Tax feature in the plan and does not have special eligibility provisions for the matching contribution. If they do, the plan will have to elect either the Comprehensive or Basic package.
- QNEC Calculations will only be done at the Client's request.

Tests Available For Additional Fees

- IRC Section 416(c) – Top Heavy Test
- IRC Section 410(b) – Minimum Coverage

Fidelity Workplace Consulting can provide additional tests that may be elected on an individual basis.

Disclosures

Payments made directly to Fidelity Investments Institutional Operations Company LLC (FIIOC) or its affiliates by Non-Fidelity Mutual Fund vendors shall be posted and updated quarterly on Fidelity Plan Sponsor Webstation® at <https://psw.fidelity.com> or a successor site, or prepared and delivered on a quarterly basis no later than twenty (20) calendar days after the end of each quarter in the absence of unusual circumstances.

Fixed Pricing: Separate charges may apply for optional non-discrimination, Form 5500s requiring data and input from other Plan vendors, extraordinary expenses resulting from large numbers of simultaneous manual transactions, from errors not caused by Fidelity, audit support in excess of the standard and customary hours allotted for the annual financial statement audit or the provision of communications materials in hard copy which are also accessible to Participants via electronic services in the event that the provision of such material in hard copy would result in an additional expense deemed to be material.

Assumptions: Fidelity and Client agree to maintain the recordkeeping and trustee fees for a period of [TBD] following the Effective Date.

Employee Digital Contact Information: Client will provide, or otherwise support Fidelity's efforts to capture current employee mobile phone numbers and email addresses for active employees.

Client agrees and acknowledges that (i) the Named Fiduciary for each Plan on Schedule A that is subject to Section 2550.408b-2(c)(1) of the DOL regulations has received the Statement of Services and Compensation applicable to such Plan, which is intended by Fidelity to satisfy the requirements of such regulation, (ii) such statement was provided to the Named Fiduciary reasonably in advance of execution of this MSA, and (iii) the Named Fiduciary had a reasonable opportunity to consider the information contained in the statement and ask questions with respect thereto before Client entered into this MSA.

Schedule D - Information Security

Fidelity's information security environment and governance approach is aligned and certified to the International Organization for Standardization (ISO) 27001:2013 "Information technology – Security techniques – Information security management systems – Requirements" standard, or its successor. In accordance with this standard, Fidelity will maintain multiple control domains as discussed further below. Fidelity will make available its ISO 27001 certification, SOC 2 Type II report (available for the DC, SPS, DB, and H&W Service Lines) that provides assurances about the effectiveness of controls relevant to the security of systems used to process Client data, and Fidelity's BITS Shared Assessment (or each of their successor reports).

This Schedule covers the protection of data maintained on Information Systems with respect to the Plan as is necessary for Fidelity to perform recordkeeping Services under the MSA. The Parties acknowledge that each party's information security practices may evolve over time, and notwithstanding the requirements of this Schedule, each party may reasonably modify its information security practices, provided that neither party engages in a practice that degrades the overall level of protection it has agreed to provide under this Attachment.

Definitions for purposes of this Information Security Schedule

"Client Data" means the Personal Data of Covered Persons that is Processed by Fidelity Companies on behalf of the Client in providing the Services to Client and Covered Persons under the MSA.

"Covered Persons" means Client's employees and other persons covered by Client's employee benefit programs.

"Data Protection Law(s)" means all U.S. consumer privacy rights and data protection laws and regulations applicable to either, (i) Fidelity as a Service Provider or Data Processor under such laws and regulations in its role as a provider of employee-benefit-related and/or financial solutions, products and/or services to Client or (ii) Client, as the Business or Controller of Client Data under such laws and regulations. For the avoidance of doubt, each Party is only responsible for compliance with the Data Protection Law(s) applicable to it.

"Information Systems" means Fidelity recordkeeping systems used to provide the Services specified under the MSA.

"Personal Data" means an individual's first and last name when coupled with other personal data, including compensation, benefits, tax, marital/family status and other similar information about Participants, that Fidelity may receive in performing Services.

"Privacy Policy" means Fidelity's privacy policy applicable to Covered Persons provided within Fidelity's website and mobile application, as may be updated by Fidelity from time to time.

1. Information Security Policies

Fidelity will maintain a comprehensive information security policy framework that is aligned to industry standards, such as the NIST Cyber Security Framework, ISO27001, or their superseding or comparable standard. The policy framework governs the protection of data transmitted, maintained, or otherwise processed on Information Systems and will cover, at a minimum:

- a. data classification, labeling, and handling;
- b. acceptable use of Information Systems, including computing systems, networks, and messaging;
- c. information security incident management, including breach notification and procedures for collecting evidence;
- d. host and network-based security controls, including anti-virus, IDS/IPS, firewalls, and systems hardening requirements;
- e. authentication requirements for end users, administrators, and systems;
- f. access controls, including periodic reviews of access rights;
- g. logging and monitoring of Fidelity's production environment, including physical and logical access to Information Systems that process or store Personal Data; and
- h. disciplinary measures for employees who fail to comply with such policies and procedures.

2. Organization of Information Security

Fidelity will maintain a technology and cybersecurity risk management program that is supported by an Information Security Officer (ISO) and a dedicated team of security and technology risk professionals. Fidelity will perform an annual risk assessment designed to identify, assess and manage risks to data and Information Systems.

3. Human Resource Security

Fidelity employees will be required to have a unique form of identification (e.g., badge), to sign a non-disclosure agreement, and to annually review and acknowledge Fidelity's Code of Ethics and information security policies. Prior to employment,

Fidelity will perform a comprehensive background check that may include fingerprinting, criminal record, credit history, drug screening, and reference background checks, as permitted by law. Fidelity will require that all employees complete annual information security training and will maintain a record of employees who completed such training. Additional security training based on role may also be provided.

4. Asset Management

Fidelity will implement policies and educate employees on how to appropriately classify, label, handle, and dispose of information and media based on the sensitivity of data. Fidelity shall:

- a. maintain an asset inventory of Information Systems;
- b. follow industry standards and applicable regulations when handling, processing and storing Personal Data; and,
- c. implement procedures to sanitize or securely destroy media in accordance with current industry standards such as Department of Defense, NIST 800-88 or an equivalent superseding standard.

Fidelity will enforce for the use of personal mobile devices (e.g., Bring Your Own Device or BYOD), mobile device management controls consistent with industry standards including: (i) use of Mobile Device Management (MDM) software to ensure that data is appropriately containerized, to control enrollment and revocation, and to ensure compliance with policies such as detection of jailbroken devices, weak passwords, unwanted applications, and operating systems that have not been updated, (ii) appropriate authentication and strong encryption controls, and (iii) ability to remotely wipe devices when necessary.

5. Access Control

Fidelity will maintain identity and access management policies and controls reasonably designed to ensure that only authorized personnel are granted access to data. Access requests will be tracked and authorized through a formal access management system. Access will be granted based on the concepts of least privilege and separation of duties, and will be limited to those with a business need. Fidelity will:

- a. Utilize a shared service model (i.e., physical hardware and databases) to support its clients. Client, plan and participant level identifiers are utilized to logically restrict access such that one client/participant cannot view the data of another client/participant of Fidelity;
- b. Revoke access (i) promptly following termination or (ii) in a commercially reasonable amount of time following internal transfer to a position where such access is no longer needed;
- c. Assign unique identifiers to users that are traceable to an individual;
- d. Review user accounts and their privileges on a regular basis, to verify that access is appropriate to job role, and remove access that is no longer required;
- e. Restrict the use of privileged accounts to authorized employees performing system administration or security administration activities;
- f. Collect, monitor, and retain access logs in accordance with industry standards;
- g. Only use system accounts for system-to-system communication and configure them to prevent interactive logins from users; and,
- h. Implement multi-factor authentication for remote and privileged access.

6. Cryptography

Fidelity will encrypt Personal Data during external transmission, physical transport or authentication sessions and while at rest on Information Systems. This includes tapes, removable media devices, laptops, network file transfers, and web transactions. Encryption will be provided through commercial grade, industry-standard cryptographic algorithms (e.g., Advanced Encryption Standard (AES) 256, Transport Layer Security (TLS) 1.2), protocols, and key strengths. Encryption keys will be managed appropriately, including storage of keys in a separate location from the data they are encrypting and implementation of access controls that restrict access to keys.

Fidelity will work with Client to implement reliable and secure electronic data transfer methods that best satisfy Client's requirements.

7. Physical and Environmental Security

Fidelity will maintain physical security measures to control and restrict physical access to Information Systems, including (i) full-time, professional security personnel to staff Fidelity data centers, (ii) cameras covering entry points into the secured data center and parking areas, (iii) intrusion detection and alerting capabilities, (iv) appropriate access control systems and logs, and (v) infrastructure and environmental controls systems, including fire extinguishing, cooling, power and emergency systems

consistent with local laws and industry standards.

All data centers used to store data will be located within the United States of America. Notwithstanding any other provision in the MSA, technology support services, including but not limited to software development, back-office operations, quality assurance and production support, may be performed from outside of the United States. Fidelity will maintain controls no less stringent than those maintained domestically for operations outside of the United States.

8. Operations Security

Fidelity will maintain a reasonably appropriate security operations program designed to protect data and Information Systems that will be tested and continuously improved. Fidelity will maintain the following security controls as part of this program:

- a. protection against data loss, malware, malicious intrusions and downloads;
- b. updating antimalware and antivirus signatures in a timely manner;
- c. an intrusion detection and prevention system (IDS/IPS);
- d. monitoring for unauthorized access, connections, devices and software;
- e. a security vulnerability program that includes monthly network vulnerability scans, timely patch management, and remediation of identified security vulnerabilities prioritized based on risk;
- f. collection and correlation of security events from Information Systems and sensors to detect and address security events (i.e., Security Incident and Event Management or SIEM);
- g. implementation of systems and devices using standardized, hardened builds;
- h. monitoring and control of employee connections to the internet; and,
- i. regularly backing up data as required to meet Fidelity's continuity requirements and recovery time objectives in accordance with tested backup and restoration procedures, and protection of backups from loss, damage and unauthorized access.

9. Communications & Network Security

Fidelity will maintain reasonably appropriate network security and information transfer controls that are designed to ensure the protection of Information Systems, including firewalls, intrusion detection and prevention systems, antimalware, proxy servers and secure file transfer technologies.

Fidelity will:

- a. use multi-factor authentication for remote virtual private network (VPN) access and administration of specific core infrastructure components based upon risk,
- b. leverage secure encryption technologies (e.g., Secure Shell (SSH), VPN, or TLS) for remote network administrative access (non-console);
- c. implement a web-application firewall that checks traffic to detect and prevent web-based attacks against externally facing web applications;
- d. implement a firewall between any demilitarized zone (DMZ) and the Fidelity network;
- e. implement a "deny-all" policy for firewalls except for traffic that is expressly permitted, test all firewall changes, and review firewall policies annually;
- f. not store any data on systems connected directly to the internet; and
- g. leverage industry standard protocols for encryption of external web application communications via HTTPS (e.g., TLS 1.2 or higher).

10. System Acquisition, Development and Maintenance

Fidelity will maintain a secure software development methodology that incorporates security throughout the development lifecycle, including application development policies, security training of application developers, and secure code reviews.

Fidelity will do the following as part of its system acquisition, development and maintenance processes:

- a. develop and configure applications and databases in a manner which is designed to protect the confidentiality, integrity and availability of data;
- b. develop web applications in accordance with security best practices (e.g., OWASP Top Ten), and reasonable steps to verify that web applications are configured to protect against the OWASP Top Ten vulnerabilities;
- c. implement separate environments for production, development, and test;
- d. conduct pre-release assessments or secure code reviews, including open-source reviews, and perform penetration testing of externally facing web applications used to provide the services (e.g., NetBenefits® and Plan Sponsor Webstation® or equivalent), using automated scanning tools and manual analysis, on at least an annual basis. Fidelity will ensure that identified vulnerabilities are remediated in accordance with documented

- policies that prioritize remediation based on risk; and,
- e. manage source code in accordance with documented procedures that restrict access and verify the integrity of code prior to deployment.

11. Supplier Relationships

Fidelity will maintain a vendor risk management program that includes regular evaluations of Fidelity suppliers that process Personal Data using a comprehensive risk/security assessment derived from Fidelity security policies and industry standard practices.

Client acknowledges Fidelity may leverage cloud service providers in connection with the services provided under the MSA. Fidelity is responsible for the Services performed by such suppliers that process or store data to the same extent as if Fidelity had performed the Service itself and will have written agreements with suppliers that process or store data that are consistent with Fidelity's information security obligations as applicable to the Services performed by such suppliers.

12. Information Security Incident Management

Fidelity will maintain and regularly test its documented, comprehensive cyber incident response plan that is designed to identify potential threats, assess any risk exposure, report risks to management, and protect business operations. Fidelity will do the following as part of its information security incident management plan:

- a. assess security events and suspected incidents;
- b. respond by containing and mitigating incidents;
- c. perform root cause analysis;
- d. identify actions to minimize the risk of similar incidents from reoccurring; and,
- e. conduct investigations in accordance with legal requirements for preserving evidence.

Fidelity will promptly notify Client of a compromise of an Information System that results in the access or acquisition of Covered Data by an unauthorized third party which requires notification to Covered Persons and/or to supervisory authorities under the applicable Data Protection Law ("Security Breach"). A good faith but unauthorized or unintentional acquisition or access of Covered Data by a party who has signed a confidentiality agreement with Fidelity does not constitute a Security Breach if the Covered Data is not subject to further unauthorized acquisition or access, or if the risk of identity theft or fraud against the Covered Persons is not reasonably likely.

13. Business Resiliency

Fidelity will maintain a comprehensive business continuity and disaster recovery program, which includes technology and business operational recovery. Fidelity will focus both on preventing outages through redundancy of telecommunications, systems, and business operations, and on recovery strategies in the event of loss. The business continuity and disaster recovery process will include training, planning, and testing critical technology and business operational recovery at least annually. Business impact analysis will be performed, and recovery strategies developed for different threat scenarios to include loss of premises, people, technology, or vendor. Fidelity will maintain recovery plans that may be executed during or after an event that define recovery time objectives (RTOs) and recovery point objectives (RPOs) based on system criticality, and service level agreements. Fidelity will regularly schedule and perform backups, and will have processes in place to facilitate appropriate data recovery. Fidelity shall provide a summary of its disaster recovery and business continuity programs (Resiliency Statement) along with its ISO 22301 certification upon request.

Schedule E - Performance Standards

Performance standards, which measure performance levels for certain Services Fidelity delivers to Client, are set forth below. The sole and exclusive remedy for any failure to satisfy a performance standard shall be Fidelity's crediting Client the amounts set forth below with respect to the particular Service Line's failure(s). Except as set forth otherwise below, Fidelity's performance shall be measured quarterly. Fidelity and Client shall: (i) review and discuss performance; (ii) problem solve any issues that have arisen in the delivery of the Services; and (iii) discuss any proposed improvements.

The total amount of fees at risk allocated across all measures will not exceed [TBD] and the fees at risk paid out in any given quarter will not exceed [TBD]. No individual measure will be weighted more than [TBD] and will be mutually agreed upon between Fidelity and the Client.

Category Standard	Definition	Service Level Requirement	Measure	Fees at Risk
Availability: 1. Voice Response System (VRS)	The monthly measurement of the availability of business critical functions ¹ within the VRS system, which is indicative of the overall availability.	Service Level Requirement: 99.5% Availability is calculated as a percentage of time per month (24 hours a day, 7 days a week) the business critical functions are available, excluding scheduled installation periods and scheduled maintenance periods. ²	Product	[X%]
Availability: 2. NetBenefits [®]	The monthly measurement of the availability of business critical functions ¹ within the NetBenefits [®] system, which is indicative of the overall availability.	Service Level Requirement: 99.5% Availability is calculated as a percentage of time per month (24 hours a day, 7 days a week) the business critical functions are available, excluding scheduled installation periods and scheduled maintenance periods. ² Measurements are calculated within the Fidelity firewall.	Product	[X%]
Availability: 3. Fidelity Plan Sponsor WebStation [®] (PSW [®])	The monthly measurement of the availability of business critical functions ¹ within the PSW [®] system, which is indicative of the overall availability.	Service Level Requirement: 99.5% Availability is calculated as a percentage of time per month (24 hours a day, 7 days a week) the business critical functions are available, excluding scheduled installation periods and scheduled maintenance periods. ² Measurements are calculated within the Fidelity firewall.	Product	[X%]
Availability: 4. Call Abandonment Rate	An abandoned call is defined as a call that is disconnected by the caller after the call is transferred from the Voice Response System (VRS) to the call center queue. Note: Excludes any calls abandoned before 20 seconds.	Service Level Requirement: <= 4% abandonment rate after 20 seconds This measurement is calculated as the number of abandoned calls, divided by the total number of telephone calls.	Product	[X%]
Responsiveness: 5. Average Speed to Answer	Average speed to answer (ASA) is defined as the amount of time a participant/employee waits to speak with a Fidelity Representative after they select the Customer Service Representative prompt.	Service Level Requirement: 30 seconds The total wait time (in seconds) of calls, divided by the number of answered calls.	Client	[X%]

Category Standard	Definition	Service Level Requirement	Measure	Fees at Risk
Responsiveness: 6. First Call Response Rate (One and Done)	<i>The ability to successfully resolve a customer-stated issue during the customer's first call. (Note: Reported as a percentage.)</i> <i>% of participant questions answered on the first call = ((Total # of Calls - # of calls with a case management item)/Total # of Calls) ["One and Done"]</i>	Service Level Requirement: 90%	Client	[X%]
Responsiveness: 7. Case Management Resolution – Timeliness	This item is defined as the percentage of case management items resolved after receipt of necessary information from Client or third parties. Excludes: Survivor benefits, check copies, Subpoena Processing and plan-level adjustments.	Service Level Requirement: 5 days 95% within 5 business days This measure is calculated as the number of case management items reported and resolved within the standard, divided by the total number of participant issues tracked through Fidelity's case management item system within the quarter.	Client	[X%]
Responsiveness: 8. Case Management Resolution – Timeliness	This item is defined as the percentage of case management items resolved after receipt of necessary information from Client or third parties. Excludes: Survivor benefits, check copies, Subpoena Processing and plan-level adjustments.	Service Level Requirement: 10 days 99% within 10 business days This measure is calculated as the number of case management items reported and resolved within the standard, divided by the total number of participant issues tracked through Fidelity's case management item system within the quarter	Client	[X%]
Responsiveness: 9. Participant Communications – Availability: DC Statements	Availability of online statements on NetBenefits®, 24 hours a day, 7 days a week.	Service Level Requirement: 99.5% Availability is calculated as a percentage of time per month the online statements are available excluding scheduled installation periods and scheduled maintenance periods ² . Measurements are calculated within the Fidelity firewall.	Product	[X%]
Accuracy: 10. Transaction Processing – Accuracy	Number of processing defects, divided by the total number of participant transactions posted to the Fidelity recordkeeping system	Service Level Requirement: 99% 99% of participant transactions will be processed without reported errors.	Client	[X%]

Category Standard	Definition	Service Level Requirement	Measure	Fees at Risk
Satisfaction: 11. Participant Satisfaction: Via general survey	Measured based on Fidelity's satisfaction survey – associate service question, top 2 box of 5 point scale	Service Level Requirement: 80% Note: If number of survey respondents is less than 75 per quarter, then product level results will be utilized to determine Performance Standard.	Client	[X%]
12. Plan Sponsor Administration Review	Annual review of key plan information	Service Level Requirement: Annually Key plan information will be reviewed as part of one or more of the following discussions: <ul style="list-style-type: none"> • Business planning • Service review • Investment Review (as requested for DC only) • Fee Review Note: Measured at the client level and reported by the Client Service Team.	Client	[X%]

Performance Standards Definitions

Term	Description
Adjustment Methodology	<p>A “Pass/Fail” method will be employed when non-performance triggers an adjustment. Under this method, any measure below the performance standard will trigger full “payment” of the full amount of the percent of the fees assigned to the standard.</p> <p><u>For example:</u> Issue Resolution standard = 90% of case management items will be resolved within 5 business days. If Fees at risk = 1% (<i>example</i>)</p> <p>When only 89.9% of case management items are resolved within 5 business days, this would be determined to be a “Fail” and the full 1% of recordkeeping/administration fees would be credited on a subsequent invoice.</p>
Business Day	Business day is defined as any day that the New York Stock Exchange is open.
Calculation of Adjustment	<p>Failure to perform against standard, (as determined during the quarterly evaluation) will trigger an adjustment against that quarter’s proportion of the annual per participant recordkeeping/administration fees.</p> <p>If a product-specific measure is not met, penalties will be triggered for that product only.</p>
Exclusions – Circumstances Beyond Fidelity’s Control	Performance Standards that are not met for reasons outside of Fidelity's control are excluded from any calculation of fees at risk.
Exclusions – Volatility	Performance Standards will be suspended when unusual market or Client activity leads to unanticipated volume increases (10% above normal volumes).
Grace Period Internal note: Remove for renewals	The Grace Period is the period of time following the implementation of the product where the Performance Standards will be measured, but fees at risk will be suspended. The Grace period is 3 months. Fees shall be at risk with the first calendar quarter beginning after the end of the Grace Period.
Operations and Issue Resolution – Minimum Number of Case management items	If the number of case management items for a specific client falls below 100 items per quarter, fees at risk will be suspended.
Payment	No payments shall be made directly to the Plan Sponsor. In the event of a Performance Standard failure, a credit will be applied to a future billing invoice (or) Payments will be made in accordance with the Performance Payments section set forth in this agreement.
Reporting	Performance results for purposes of Fee Guarantees are calculated quarterly based on cumulative results over the quarter.
Modification Note: can remove definition if do not want to offer client option to review/propose changes	The Parties agree to discuss modifications to the above measures and/or allocations of the fees at risk assigned to each measure (within the above stated guidelines and no more frequently than once per year) by providing a minimum of 30 days written notice. Any such changes shall be reviewed as part of the Annual Business Planning process. Mutually agreed changes will become effective beginning in the following quarterly reporting period upon execution of an amendment to the agreement.
Weighting & Caps	The weighting of individual performance measures will be determined by Client at effective date of Amendment/Agreement. The sum total of all individual standards will not exceed [TBD] and the fees at risk paid out in any given quarter will be capped at [TBD]. No individual standard will be weighted more than [TBD].

FOOTNOTES**¹Business Critical Functions**

Channel	Product	Function
NetBenefits	General	Home Page, Login
NetBenefits	Defined Contribution	Account Balance, Contributions, Exchanges, Loans, Withdrawals
Plan Sponsor WebStation (PSW)	General	Home Page, Login
PSW	Defined Contribution	Funding, Error Correction, File Upload with Template, Send Files in Fidelity Format, Receive Files in Fidelity Format, Participant Data Update, Participant Search
VRS	Defined Contribution	Balance Inquiry, Connect to a Phone Rep, Obtain check/EFT status
Customer Service	Defined Contribution	Account Balance, Exchange Transactions, Future Elections/Contributions, Loans, Withdrawals, Check and Payment, Stop and Replace

² Maintenance Windows

Service	Installation and Maintenance Window (Code) (2nd or 3rd Thursday of each month)*	Installation and Maintenance Window (Rules, i.e., eligibility) (Every other Saturday)	Network and Hardware Changes (Every Saturday 11 pm - 7 am ET)
DC	11 pm - 7 am ET Redundant systems may or may not avoid an outage dependent on what specific changes are being made.	N/A	11 pm - 7 am ET Outages may or may not apply dependent on the networking component being impacted

*Installation and maintenance windows based on a pre-established annual schedule

Unscheduled maintenance is performed based on the criticality and business impact of the component requiring maintenance. In the event that an unscheduled maintenance item is identified, the need and business risk of the component are determined based on pre-established need ratings. Those need rating determine how quickly the issue must be resolved. Any unscheduled changes require multiple levels of Senior Management approval/authorization. If the maintenance is determined to be critical and impacting the client, a member of the Client Service Team will contact the client.

Schedule F - Additional Offerings

Both this Schedule as well as any products or services that are made available to participants in connection with this Schedule (i) are distinct from both any underlying benefit plans and any servicing arrangements or agreements regarding such plans; (ii) are not subject to Title I of the ERISA; and (iii) do not provide or themselves comprise a “benefit, right, or feature” (as defined under Treasury Regulation Section 1.401(a)(4)-4) with respect to any qualified plan. Fidelity may receive compensation in connection with such products or services.

Financial Wellness

Financial Wellness. (U.S. Participants Only) Client authorizes Fidelity to make Fidelity’s Financial Wellness or its successor (“FW”) available to participants and to use information pertaining to participants for it. FW is available through NetBenefits® and may cover a broad range of topics, including personal financial assessments and financial education. FW allows participants to create actionable next steps across a wide variety of financial needs and understand where they are doing well and where they could improve their personal finances. As part of FW, Participants will only be given access to links which leave Fidelity’s website for third-party websites which provide educational information. Fidelity will communicate with participants regarding FW and its integration into NetBenefits®. Participants may get additional information and assistance with FW through the normally available phone channels. FW may be modified or terminated at any time. Certain aspects of FW may be limited based on legal or regulatory limitations.

Financial Wellness with Point Solutions. (U.S. Participants Only) In addition to the terms of the FW service above, Client further authorizes Fidelity to make Fidelity’s Financial Wellness with Point Solutions or its successor (“FWPS”) available to participants and to use information pertaining to participants for it. FWPS includes the FW range of topics plus additional access to Fidelity and third-party financial products and services. All such products and services made available through FWPS shall be governed by the terms of this Section. Fidelity may receive compensation as a result of Fidelity products and services made available to persons through FWPS. As of the effective date, Fidelity does not receive compensation from third-party providers through FWPS. If Fidelity ever has such an arrangement with a third-party provider, this information will be disclosed to Client.

Third-Party Providers under FWPS:

Where an unaffiliated third-party provides any such product or service, (i) Fidelity is not responsible for such third-party products or services, (ii) any terms and standards regarding data security, storage, retention and access that are part of any agreement between Fidelity and Client (including terms relating to offshoring or the use of and responsibility for subcontractors or subprocessors) do not apply to such third-party providers, and (iii) Fidelity specifically disclaims any liability for any claims or issues arising out of a participant’s access to, or use of, information, products, or services that may be available through any of the third-party websites.

Fidelity Affiliate Providers under FWPS:

Where a Fidelity Affiliate provides any such product or service, Fidelity shall defend, indemnify and hold harmless Client against any claim brought by any such participant alleging (i) liability on account of Client’s endorsement of such products or services, or (ii) that actions taken by Fidelity or its Affiliates in the marketing, sale or servicing of any such products or services were (A) negligent, fraudulent, misleading, or inaccurate, (B) in violation of applicable securities law, regulation, or securities regulatory organization rules, or (C) in breach of the terms of any agreement(s) entered into between such individual and Fidelity (or its Affiliate) with respect to such products or services. Client shall be solely responsible for (i) ensuring that its authorizations herein comply with all laws, policies and contracts to which Client is subject, and (ii) any misrepresentations of any such products or services by Client’s employees or other representatives.

Financial topics and products and services available through FW and FWPS will change over time. New products and services will be automatically added after communication with Client.

NetBenefits FullView ®

NetBenefits FullView®.¹ Client has elected that the FullView® service via NetBenefits® be made available to Participants through which they may elect to consolidate and manage any retirement account information available through NetBenefits® as well as account information, including retirement savings account information, from third-party websites or other websites maintained by Fidelity or its affiliates (“External Account Information”). NetBenefits® FullView® is a service that Participants may initiate, request, or elect to purchase for their own (i.e., not as part of Fidelity’s servicing of any Plan in

¹ This service is available through Client’s election for all Service Lines except the SPS Service Line. All U.S. Participants in the SPS Service Line have individual access to FullView® directly via their Participant Account.
Confidential Information

accordance with the terms of this MSA). To the extent not provided by Fidelity or an Affiliate, the data aggregation service will be provided by such independent provider as Fidelity may select, pursuant to a contract that would require the provider to take appropriate steps to protect the privacy and confidentiality of information furnished by users of the service. Client acknowledges that Participants who elect to use FullView® must provide passwords and Credentials to the provider of data aggregation services. Fidelity will use External Account Information to furnish and support FullView® or other services provided pursuant to this MSA or as otherwise authorized by the Participant. Fidelity will not furnish External Account Information to any other third party, except pursuant to subpoena or other applicable law. Notwithstanding anything to the contrary in this MSA, Client understands and acknowledges that (i) the FullView® service is not a Service subject to the terms of this MSA but is instead governed solely by the Terms of Service that apply to the Participants' use thereof, (ii) information accumulated through FullView® shall therefore not be made available to Client (provided that Fidelity shall provide to Client, upon request, aggregate usage data that contains no personally identifiable information), and (iii) except as provided otherwise in such Terms of Service, neither Fidelity nor any Affiliate (including eMoney Advisors, LLC) shall be responsible to Client or any other party for any Losses or damages arising in connection with the FullView® service.

SAMPLE

Exhibit A - Group Custodial Account Agreement

This Group Custodial Account Agreement is dated as of the [date] (the “**Effective Date**”) between [redacted], a not-for-profit organization, having an office at [redacted] (the “**Sponsor**”), and Fidelity Management Trust Company, a Massachusetts trust company, having an office at 245 Summer Street, Boston, Massachusetts 02210 (the “**Custodian**”).

1. **Overview / Rules.** Sponsor is the sponsor of [redacted] a Code Section 403(b) plan (the “**Plan**”) which is intended to satisfy the requirements of Section 403(b) of the Code both in form and operation.

Sponsor represents that the Plan is subject to ERISA.

Sponsor wishes to establish, pursuant to the provisions of this Group Custodial Account Agreement (including any Schedules, Exhibits and Attachments hereto, as the same may be amended and in effect from time to time) (the “**Group Custodial Account Agreement**”), a single group custodial account governed by the laws of the Commonwealth of Massachusetts to hold and invest assets of the Plan (the “**Group Custodial Account**”). Custodian is willing to hold the aforesaid Plan assets for the exclusive benefit of Participants and their beneficiaries pursuant to the provisions of this Group Custodial Account Agreement.

Sponsor also wishes to have an affiliate of Custodian perform certain ministerial recordkeeping and related functions under the Plan in connection with the Group Custodial Account pursuant to the separate Main Services Agreement (the “**MSA**”).

The Group Custodial Account established hereunder, specifically including the Provisions Required by Internal Revenue Code Section 403(b)(7) attached hereto, is intended to satisfy the requirements of Sections 403(b)(7) and 401(f)(2) of the Code and related regulations, as each is amended and in effect from time to time, and shall be interpreted accordingly.

Each capitalized term used herein shall have the meaning ascribed to such term under the MSA unless otherwise defined herein or the context clearly indicates otherwise.

2. **Group Custodial Account.** The Group Custodial Account shall consist of (i) an initial contribution of money or other property acceptable to Custodian in its sole discretion, made by Sponsor or transferred from a previous or current custodian or annuity provider under the Plan, (ii) such additional sums of money or other property as shall from time to time be delivered to the Custodian, (iii) all investments made therewith and proceeds thereof, and (iv) all earnings and profits thereon, less the payments that are made by Custodian as provided herein. Custodian accepts the Group Custodial Account and shall be accountable for the assets received by it, subject to the terms and conditions hereof. Sponsor and Named Fiduciary of the Plan retain the right to hold other Plan assets in a custodial account or insurance contract separate and apart from the Group Custodial Account, and Custodian and its affiliates shall have no responsibilities with respect to such account or insurance contract except as specifically set forth herein. “Custodian” shall also refer to any successor to all or substantially all of Custodian’s custody business and any successor custodian appointed pursuant to *Resignation or Removal of Custodian*.

Assets held in the Group Custodial Account shall be recordkept by an affiliate of the Custodian as further described in the MSA. The Custodian assumes no responsibility for preserving optional forms of benefit unless the Custodian has received notification of such optional forms of benefit and the Custodian has agreed in the MSA to account for such assets separately. The Sponsor or Participant is solely responsible for providing information to Custodian as necessary to allocate pre-1987 and pre-1989 assets properly. Absent the furnishing of such information, Custodian shall treat all such transfers of assets or contract exchanges as post-1986 assets and post-1988 assets respectively and shall not be responsible for maintaining or pursuing such data or liable for the consequences of not maintaining such data.

This Group Custodial Account Agreement incorporates by reference the terms set forth in the Provisions Required by Internal Revenue Code Section 403(b)(7) as attached hereto.

3. **Exclusive Benefit and Reversion of Sponsor Contributions.** Except as provided under applicable law, no part of the Group Custodial Account may be used for, or diverted to, purposes other than the exclusive benefit of the Participants in the Plan or their beneficiaries or to pay the reasonable expenses of Plan administration (including account administration). No assets of the Plan shall revert to the Sponsor, except as specifically permitted by the terms of the Plan and applicable law.

4. **Investment of Group Custodial Account.** All amounts held in the Group Custodial Account shall be invested in the stock of any regulated investment company, as defined in Code Section 851(a) and/or Other Funding Vehicles to the extent permitted by the terms of the Plan and applicable law. Assets held in Fidelity BrokerageLink® accounts shall be deemed to be assets held under this Group Custodial Account. The Custodian shall be responsible for providing services under this Group Custodial Account Agreement solely with respect to those investment options set forth in Attachment A to the *DC Terms Schedule*, which have been designated by the Named Fiduciary in its sole discretion. Although the Named Fiduciary retains sole discretion as to the investment options for the Plan, Custodian shall not, absent its written consent, be required to provide services with respect to other investment options that the Named Fiduciary seeks to add to the Plan or Group Custodial

Account. For purposes of this Group Custodial Account Agreement, "Other Funding Vehicle" means all eligible assets (other than shares of regulated investment company stock) in which the assets of the Group Custodial Account are (1) permitted to be invested under Code Section 403(b)(7), all applicable laws and the Plan, and (2) acceptable to the Custodian in the Custodian's sole discretion for investment under this Group Custodial Account Agreement. Other Funding Vehicles may include, but are not limited to, group trusts as described in Rev. Rul. 81-100 (as modified or superseded by subsequent revenue rulings) and lifetime income investments as defined in Code Section 401(a)(38)(B)(ii). Notwithstanding the foregoing, the Custodian reserves the right to refuse to accept and hold any specific asset. All assets of the Group Custodial Account will be held in the name of the Custodian or its nominee or nominees.

5. Sponsor Direction; Custodian Powers. Sponsor hereby directs Custodian to exercise the following powers and authority in Custodian's role as custodian as necessary to carry out its responsibilities under this Group Custodial Account Agreement:

- a. Subject to the ongoing direction of the Sponsor, Participants and/or appropriate parties (as described herein), sell, exchange, convey, transfer, or otherwise dispose of any property held in the Group Custodial Account, by private contract or at public auction.
- b. Cause securities or other property held as part of the Group Custodial Account to be (i) registered in Custodian's own name, in the name of one or more of its nominees, or in Custodian's account with the Depository Trust Company of New York, or (ii) held in bearer form, but the books and records of Custodian shall at all times show that all such investments are part of the Group Custodial Account.
- c. To the extent permitted under the Code, keep that portion of the Group Custodial Account in cash or cash balances as the Named Fiduciary or Administrator may, from time to time, deem to be in the best interest of the Group Custodial Account.
- d. Make, execute, acknowledge, and deliver any and all documents of transfer or conveyance in order to carry out the powers herein granted.
- e. In accordance with this paragraph, (i) settle, compromise, or submit to arbitration any claims, debts, or damages due to or arising from the Group Custodial Account, (ii) commence or defend suits or legal or administrative proceedings, (iii) represent the Group Custodial Account in all suits and legal and administrative hearings, and (iv) pay all reasonable expenses arising from any such action from the Group Custodial Account if not paid by Sponsor. Custodian shall take action on behalf of the Group Custodial Account with respect to any claim or dispute relating to the Group Custodial Account only upon the written direction of the relevant fiduciary (which, for this purpose, shall be the fiduciary designated in writing by the Named Fiduciary for such purpose, and in the absence of such designation, shall be the Named Fiduciary). In the absence of such a direction, Custodian shall have (i) no authority to take action with respect to such claim or dispute even as to ministerial, nondiscretionary acts (for example, without limitation, the execution and delivery on behalf of the Group Custodial Account of forms, pleadings, agreements, or other documents in connection with (A) the commencement, prosecution, or defense of a claim or dispute in litigation, arbitration, or other proceedings, (B) the settlement or compromise of a claim or dispute, or (C) the joining or opting out from a class action), (ii) no duty to request that the relevant fiduciary provide a direction or to question any direction of the relevant fiduciary in connection with any such claim or dispute, and (iii) no duty to act upon, consider, or respond to demands by Plan Participants or anyone other than the relevant fiduciary in connection with any claim or dispute.
- f. Employ legal, accounting, clerical, and other assistance as may be required in carrying out the provisions of this Group Custodial Account Agreement and pay their reasonable expenses and compensation from the Group Custodial Account if not paid by Sponsor.
- g. To the extent permitted by the Plan, the Code and other applicable law, to transfer to and invest all or any part of the Group Custodial Account in any collective investment trust which is then maintained by a bank or trust company (or any affiliate), including the Custodian and any affiliate of the Custodian, and which is tax-exempt pursuant to Code Section 501(a) and Revenue Ruling 81-100, as amended; provided that the instrument establishing such collective investment trust, as amended from time to time, shall govern any investment therein, and is hereby made a part of the Plan and this Group Custodial Account Agreement to the extent of such investment therein.
- h. Disburse payments for reasonable fees and expenses of the Plan, including disbursements to the Custodian, the Custodian's affiliates, and unaffiliated entities (including registered investment advisors and bank advisors). The Custodian shall have no responsibility for determining whether any such payments are reasonable or appropriate. The Custodian will be entitled to rely conclusively upon and will be fully protected in any action or nonaction taken in good faith reliance upon any fee disbursement direction received in good order from a duly authorized entity.

i. Do all other non-fiduciary acts, although not specifically mentioned herein, as Custodian may deem necessary to carry out any of the foregoing directions or responsibilities under this Group Custodial Account Agreement seeking further direction or instruction from Sponsor or other appropriate fiduciary where, and to the extent, Custodian is required as a custodian to do so.

6. Services to Be Performed.

a. **Accounts.** Custodian shall keep accurate accounts of all investments, receipts, disbursements, and other transactions hereunder, and shall report the value of the assets held in the accounts under this Group Custodial Account Agreement as of each Reporting Date. If required by the Plan or the Code, Custodian shall establish and maintain one or more separate sub-accounts within the account of each Participant as required to satisfy the separate accounting requirements for the type of assets held in such sub-accounts. Such sub-accounts may be bookkeeping accounts or records. Within 30 days following each Reporting Date or within 60 days in the case of a Reporting Date caused by the resignation or removal of Custodian, or the termination of this Group Custodial Account Agreement, Custodian shall file with Sponsor a written account setting forth (i) all investments, receipts, disbursements, and other transactions effected by Custodian between the Reporting Date and the prior Reporting Date, and (ii) the value of the Group Custodial Account as of the Reporting Date. Except as otherwise required under applicable law, upon the expiration of 6 months from the date of filing such account with the Administrator, Custodian shall have no liability or further accountability with respect to the propriety of its acts or transactions shown in such account (or any Participant-level report provided to a Participant), except with respect to such acts or transactions as to which a written objection shall have been filed with Custodian within such 6-month period. Custodian shall not be responsible to monitor, recommend or compel Sponsor to make contributions to the Group Custodial Account on behalf of any Participant, nor shall Custodian have any duty to question the directions of Sponsor regarding the designation of the type of contribution or determine whether such type is appropriate.

b. **Plan Services.** An affiliate of the Custodian shall provide services with respect to the Plan and the Group Custodial Account as described in the MSA. In the event of a conflict between the terms of the Group Custodial Account Agreement (including “Provisions Required for Internal Revenue Code Section 403(b)(7) Custodial Accounts” if applicable and attached hereto) and the MSA, the MSA shall control.

7. **Expenses.** All expenses of the Custodian relating directly to the acquisition and disposition of investments constituting part of the Group Custodial Account, all taxes of any kind whatsoever that may be levied or assessed under existing or future laws upon or in respect of the Group Custodial Account or the income thereof, and any other reasonable expenses of Plan administration as determined and directed by the Administrator, may be a charge against and paid from the appropriate accounts under the Group Custodial Account.

8. **Nonfiduciary Status.** Custodian is not a fiduciary of the Plan under ERISA or any state law, and accordingly, shall not be liable for any loss or expense arising from any act or omission of any fiduciary under the Plan.

9. Resignation or Removal of Custodian.

a. **Duration.** This Group Custodial Account Agreement shall continue in effect without limit as to time, subject, however, to the provisions of the MSA relating to amendment or modification and subsections 9(b) and 9(c) hereof.

b. **Resignation and Removal.** Custodian may resign, and Sponsor may remove Custodian, in either case by terminating this Group Custodial Account Agreement upon at least 180 days prior written notice to the other; provided, however, that the receiving party may agree, in writing, to a shorter notice period. If, by the termination date, Sponsor does not notify Custodian in writing as to the individual or entity to which the assets and cash are to be transferred and delivered, Custodian may bring an appropriate action or proceeding for leave to deposit the assets of the Group Custodial Account and cash, if any, in a court of competent jurisdiction. Sponsor shall reimburse Custodian for all costs and expenses of the action or proceeding including, without limitation, reasonable attorneys’ fees and disbursements.

c. **Successor Custodian.** Any successor to Custodian, either through sale or transfer of the business of Custodian, or through reorganization, consolidation, or merger, or any similar transaction of Custodian, shall, upon consummation of the transaction, become the successor custodian under this Group Custodial Account Agreement, provided that such successor custodian satisfies the standards under Code Section 401(f)(2) and related regulations.

10. **Inclusion of Additional Terms.** Both Custodian and Sponsor agree to the sections of the MSA pertinent to the Plan that are (i) under the headings of “Directions”, “Fees”, “Confidentiality”, “Data Conditions”, “Electronic Services”, “Disabling Codes”, “Intellectual Property”, “Audits and Assessments”, “Indemnification”, “Warranties”, “General Compliance”, “Disputes”, “Modifications”, “Mutuality of Drafting”, “Fidelity Not Insurer, Guarantor”, “Duty to Mitigate”, “No Waiver”, “Relationship of Parties”, “Notice”, “Severability”, “Entire Agreement”, “Taxes”, “Rules of Construction; Conflicts”, “Survival”, and “Force Majeure” in the body of the MSA, or (ii) included in the *DC Terms Schedule* to the MSA, as though

such provisions were contained in this Group Custodial Account Agreement, *mutatis mutandis* (including, without limitation, revising where appropriate references to “Fidelity” to refer to “Custodian”, references to “Client” to refer to “Sponsor”, and references to the MSA to refer to this Group Custodial Account Agreement) except to the extent this Group Custodial Account Agreement clearly provides otherwise. For purposes of clarity, where a particular provision (i) assigns to Fidelity a general obligation (such as the duty to protect Confidential Information), or (ii) limits or disclaims responsibility on the part of Fidelity, such duty, limitation or disclaimer shall be similarly applied to Custodian whereas the inclusion of any provision describing Fidelity’s responsibility for performing a particular service under the MSA should not be read as imposing a duplicative requirement that Custodian provide, or be responsible for, that same service. Furthermore, duties and responsibilities assigned or reserved to Client under such sections shall be deemed to apply to Sponsor hereunder.

11. Governing Law; Plan Document

a. **Massachusetts Law Controls.** The validity, construction, and effect of this Group Custodial Account Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts (without regard to its conflicts-of-laws or choice-of-law provisions), except to the extent those laws are superseded by federal law or regulation or under Section 514 of ERISA, if applicable.

b. **Group Custodial Account Agreement Controls.** Sponsor is solely responsible for ensuring that the Plan (including this Group Custodial Account Agreement to the extent it is deemed to be a part of the Plan) constitutes a written plan which, in both form and operation, satisfies the requirements of Section 403(b) of the Code and the regulations thereunder. Custodian is not a party to the Plan, and in the event of any conflict between the provisions of the Plan and the provisions of this Group Custodial Account Agreement, the provisions of the Plan shall control except (1) to the extent that the Plan provisions would modify this Agreement without the Custodian’s consent, (2) if the Custodian’s rights and obligations under this Agreement would be modified without its prior written consent, and (3) with respect to sections 3 (Exclusive Benefit and Reversion of Sponsor Contributions), 4 (Investment of Group Custodial Account), 5 (Sponsor Direction; Custodian Powers), 7 (Expenses), 8 (Nonfiduciary Status), 9 (Resignation or Removal of Custodian), the Governing Law provision of the MSA, and, if applicable, the “Provisions Required for Internal Revenue Code Section 403(b)(7) Custodial Accounts” attached hereto.

12. Miscellaneous

a. **Disbursements.** Custodian shall not be required to make any disbursement under a Plan in excess of the net realizable value of the assets of the Group Custodial Account allocable to such Plan at the time of the disbursement. With respect to any Plan that is identified on Schedule A as a 403(b) Plan, as required by Code Section 403(b)(7)(A)(i) and subject to the other terms of the MSA, additional restrictions on disbursements are described in the “Provisions Required for Internal Revenue Code Section 403(b)(7) Custodial Accounts” attached hereto.

b. **Beneficiaries.** A Participant may designate one or more beneficiaries for such Participant’s account, as permitted by the Plan. The term Participant herein shall include the Participant’s beneficiary/ies after the Participant’s death, to the extent applicable. Sponsor hereby agrees to direct Custodian regarding the identification of the proper beneficiary or beneficiaries of a deceased Participant in accordance with the Plan and the MSA.

c. **Electronic Signatures.** In the event the Parties have agreed to utilize an electronic signature process, each Party represents that its electronic signature below is intended to authenticate this writing and to have the same force and effect as a manual signature.

d. **Counterparts.** This Group Custodial Account Agreement may be executed in two or more counterparts, each of which will be deemed to be an original, but all of which together will constitute one agreement binding on the Parties.

By signing below, the Parties agree to the terms of this Group Custodial Account Agreement and the undersigned represent that they are authorized to execute this Group Custodial Account Agreement on behalf of the respective Parties.

Sponsor

Fidelity Management Trust Company

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Provisions Required for Internal Revenue Code Section 403(b)(7) Custodial Accounts

1. 403(b)(7) Custodial Account. The Group Custodial Account Agreement and these “Provisions Required for Internal Revenue Code Section 403(b)(7) Custodial Accounts” are intended to satisfy the requirements of Internal Revenue Code Sections 403(b)(7) and 401(f)(2) and related regulations. Accordingly, the provisions herein must be read in a manner consistent with that purpose. The provisions herein shall not cause Fidelity to assume or change any recordkeeping responsibilities not otherwise set forth in the Agreement to which this document is attached and incorporated into by reference. The provisions herein may be unilaterally amended by Custodian to reflect applicable law from time to time. Custodian shall notify the Sponsor and make such amendment available through PSW® or other electronic or paper means. Corresponding changes to services provided by an affiliate of the Custodian shall be handled through the typical process for obtaining updated Client direction.

2. Nonforfeitable. The rights of each Participant to his or her accumulated benefit in the Plan held hereunder shall be nonforfeitable (disregarding rights to future premiums), except to the extent a vesting schedule applies under the Plan or is permitted by applicable law. Prior to the time that a Participant’s account is or becomes nonforfeitable, such forfeitable amount shall be treated as a Code Section 401(a) qualified plan as described in Treas. Reg. sec. 1.403(b)-8(d)(4). All assets in the Group Custodial Account will be fully vested and nonforfeitable on the date of Plan termination.

3. Nondiscrimination. The Sponsor is solely responsible for ensuring that contributions to the Group Custodial Account satisfy Treas. Reg. sec. 1.403(b)-5 to the extent applicable. The Custodian will make corrective distributions in accordance with the Code and Sponsor direction.

4. Nontransferability. The Group Custodial Account shall be nontransferable, other than to a successor custodian as described in the Group Custodial Account Agreement. The rights of a Participant to his or her accumulated benefits in the Plan held in an account under the Group Custodial Account shall be nontransferable, except to the extent that such benefits are transferred to the Participant’s beneficiary(ies) or as permitted by the terms of the Plan or applicable law.

5. Nonassignment. The Group Custodial Account shall not be subject to alienation, assignment, trustee process, garnishment, attachment, execution or levy of any kind, either voluntarily or involuntarily, in whole or in part, except with respect to the payment of the expenses of the Custodian or other Plan service providers as authorized by the Plan and this Agreement, and except to the extent permitted by the terms of the Plan or applicable law, including complying with a qualified domestic relations order as defined in Code Section 414(p).

6. Exclusive Benefit. Except as provided under applicable law, the assets held in this Group Custodial Account cannot be used for, or diverted to, purposes other than the exclusive benefit of the Participants in the Plan or their beneficiaries or to pay the reasonable expenses of Plan administration (including account administration). No assets of the Plan shall revert to the Sponsor, except to the extent permitted by the terms of the Plan or applicable law.

7. Contribution Limitations.

a. Aggregation of Accounts. The Sponsor shall be responsible for aggregating contributions for any Participant to the Group Custodial Account with contributions to all other Code Section 403(b) (1) annuity contract(s) and 403(b)(7) custodial account(s) purchased or contributed to by the Sponsor for the Participant under the Plan and all other plans, contracts or arrangements of the Sponsor for purposes of applying the applicable contribution limits under the Internal Revenue Code. The contribution limitations described in this section 7 will be superseded by any Plan or Code provisions that are more restrictive. The Custodian has no obligation to calculate, validate or monitor any limitations unless separately agreed to in writing.

b. Maximum Annual Contributions. The contributions for any Participant may not exceed the limitations imposed by Code Section 415 which are incorporated herein by reference. The Sponsor is solely responsible for ensuring that the foregoing contribution limitation is observed in compliance with Treas. Reg. sec. 1.403(b)-4(b) and other applicable law. Subject to the terms of the Plan, amounts allocated to Participants’ accounts as “revenue credits” or similar service provider compensation-related amounts shall be considered earnings and not annual additions.

c. Deferral Contributions. Deferral contributions contributed to a Participant’s account may not exceed the limitations of Code Sections 402(g) and 414(v) with adjustments permitted under the Code, which are incorporated herein by reference.

d. Excess Contributions. Any contributions which exceed the maximum annual contribution limit or annual limitation on deferral contributions, as identified by the Sponsor to the Custodian, shall be held in a separate account which constitutes a separate account for purposes of Code Section 72 and distributed at the Sponsor’s direction (or Participant’s direction, if acceptable to the Custodian) as soon as reasonably practicable.

e. Tax on Excess Contributions. The Sponsor shall be responsible for taking reasonable measures to prevent and promptly identify to the Custodian any excess contributions or deferrals to the account of any Participant. The Participant shall be responsible for determining and paying all taxes imposed under Code Section 4973(c) on excess contributions to such Participant’s account.

8. Distributions.

a. In General. Distributions are subject to the terms of the Plan and applicable law. The Custodian may rely upon information regarding distribution eligibility provided by the Sponsor.

b. Distributions of Amounts Other Than Deferral Contributions. Amounts other than deferral contributions generally will not be distributed before the Participant has a severance from employment, dies, becomes disabled (within the meaning of Code Section 72(m)(7)), attains age 59½, or qualifies for an in-service distribution of such amounts under the Plan and the Code. Subject to the terms of the Plan, amounts held in a separate subaccount for rollover contributions and after-tax contributions may not be subject to these restrictions.

c. Distributions of Deferral Contributions. Amounts which are attributable to deferral contributions generally will not be distributed before the Participant has a severance from employment, dies, encounters financial hardship (within the meaning of Code Section 403(b)(7)(A)(i)(V) as then in effect), becomes disabled (within the meaning of Code Section 72(m)(7)), attains age 59½, or qualifies for an in-service distribution of such amounts under the Plan and the Code. Amounts held as of the close of the taxable year beginning before January 1, 1989 (but not the earnings thereon) may be distributed pursuant to the special distribution rules described in Treas. Reg. sec. 1.403(b)-6(d)(1)(ii).

d. Other In-Service Distributions. Subject to the terms of the Plan and the Code and notwithstanding anything herein to the contrary, amounts may be distributed prior to the Participant’s severance from employment (1) to correct an excess deferral, (2) as a qualified reservist distribution pursuant to Code Section 72(t)(2)(G), (3) as a qualified birth or adoption distribution pursuant to Code Section 72(t)(2)(H), (4) as an emergency personal expense distribution pursuant to Code Section 72(t)(2)(I), (5) as a distribution from a pension-linked emergency savings account pursuant to Code Sections 402A(e) and 72(t)(2)(J), (6) as an eligible distribution to a domestic abuse victim pursuant to Code Section 72(t)(2)(K), (7) as a qualified disaster recovery distribution pursuant to Code Section 72(t)(2)(M), (8) as an amount that the Sponsor finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to a Participant or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against a Participant, (9) as a return of a mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto), (10) effective for distributions made after December 29, 2025, as provided for distributions to which Code Section 401(a)(39) applies pursuant to Code Section 403(b)(7)(A)(i)(VII), (11) in the event of Plan termination, and/or (12) as otherwise permitted under applicable law from time to time.

e. Hardship Distributions. Subject to the terms of the Plan, amounts may be distributed on account of financial hardship as described Code Section 403(b)(7)(A)(i)(V). Such distributions may be from deferral contributions and, effective as of January 1, 2023, earnings and other amounts to the extent permitted by Code Section 403(b)(17). Subject to the terms of the Plan and/or the Plan’s loan procedures, Participants may not be required to take any available loan under the Plan before taking a hardship distribution. Effective for Plan years beginning after December 29, 2023, the Sponsor and Custodian may rely on a Participant’s self-certification that the requested

hardship distribution is (1) on account of a financial need of a type deemed in applicable law to be an immediate and heavy financial need and (2) not in excess of the amount required to satisfy such financial need (plus an amount necessary to satisfy taxes on such distribution) and that the Participant has no alternative means reasonably necessary to satisfy such financial need, unless the Sponsor has actual knowledge to the contrary.

f. Lifetime Income Investments. To the extent permitted by the Plan, except as may be otherwise provided by regulations, amounts invested in a lifetime income investment (as defined in Code Section 401(a)(38)(B)(ii)) may be distributed if no longer held as an investment option under the Plan. Such distributions shall be no earlier than the date that is 90 days prior to the date that such lifetime income investment may no longer be held as an investment option hereunder, and may be distributed in the form of a qualified distribution (as defined in Code Section 401(a)(38)(B)(i)) or a qualified plan distribution annuity contract (as defined in Code Section 401(a)(38)(B)(iv)).

g. Special Rule for Pre-1989 Code Section 403(b) Elective Deferrals. To the extent properly identified to the Custodian by the Sponsor or the Plan Administrator, the Custodian shall separately recordkeep in the Participant's account amounts held as of the close of the taxable year beginning before January 1, 1989 (but not the earnings thereon), which shall be distributed pursuant to the special distribution rules described in Treas. Reg. § 1.403(b)-6(d)(ii).

h. Consent. To the extent that a distribution or loan from the Group Custodial Account is subject to the consent of the Participant or the Participant's spouse or approval by the Plan Administrator, the Custodian shall be authorized to rely on the Sponsor or delegate to obtain such consent and/or approval prior to requesting a distribution or loan from the Group Custodial Account. Such consent or authorization may be obtained by any means then permitted by law.

i. Form of Distributions. Distributions will be made in cash (lump sum or installment payments) unless the Custodian agrees in its sole discretion to make an in-kind distribution in the form of investment company shares, evidence of loan notes or other form of distribution. In the event of Plan termination, the Group Custodial Account may be converted by the Custodian into individual custodial accounts that are intended to satisfy the requirements of Code Sections 403(b)(7) and 402(f) and "distributed" from the Plan in kind, in the sole discretion of the Custodian.

9. Required Minimum Distributions. As required by Code Section 403(b)(10), distributions are intended to comply with the minimum distribution requirements of Code Section 401(a)(9) and the regulations thereunder that are incorporated herein by reference. If the Group Custodial Account is part of a governmental plan within the meaning of Code Section 414(d), distributions will comply with a reasonable and good faith interpretation of Code Section 401(a)(9) for all years in which Code Section 401(a)(9) applies. The terms of this section 9 supersede any Plan provisions that are inconsistent with Code Section 401(a)(9) and the regulations thereunder. The term "Spouse" when used in this section 9 means the person to whom an individual is married for purposes of Federal income taxes on the relevant date, unless the definition is modified by the Plan.

a. In General. It shall be the responsibility of the Sponsor and/or the relevant Participant to request appropriate distributions, both in timing and amount. It shall be the Sponsor's responsibility to provide the Custodian with sufficient information in a timely manner regarding the Participant's age, his or her other account(s) under the Plan, and all other information required to determine the minimum distribution requirements of Code Section 401(a)(9) with respect to a Participant hereunder, if such responsibility is accepted by Fidelity in writing. The Custodian shall have no responsibility to monitor, review, calculate or validate that any distributions from the Group Custodial Account comply with Code Section 401(a)(9). The Participant shall be solely responsible for determining and paying any excise tax imposed under Code Section 4974 due to a failure to take required minimum distributions from the Group Custodial Account.

b. Required Beginning Date. Except as otherwise provided herein, the Participant's entire interest in the Participant's account must be, or begin to be, distributed not later than the Participant's required beginning date, which is April 1 of the calendar year following the calendar year in which occurs the later of (1) the Participant's retirement from employment or (2) the Participant's attainment of the "applicable age" set forth in the chart below or as required by Code Section 401(a)(9) from time to time:

Date of Birth	Applicable Age
Before July 1, 1949	70½
On or after July 1, 1949 and before January 1, 1951	72
On or after January 1, 1951 and before January 1, 1960	73
On or after January 1, 1960	75

The Participant may elect, in a manner acceptable to the Custodian, to have required minimum amount distributed in (1) a single sum or (2) payments over a period not longer than the life of the Participant or the joint lives of the Participant and his or her designated beneficiary.

c. Distributions Upon a Participant's Death. If a Participant dies before the entire interest in his or her account is distributed to him or her, the remaining interest will be distributed to the Participant's beneficiary as described in this subsection based on the Participant's date of death.

Death Generally Before 2020. If a Participant dies on or before December 31, 2019 (or, in the case of a governmental plan within the meaning of Code Section 414(d), on or before December 31, 2021; or, in the case of a plan maintained pursuant to one or more collective bargaining agreements ratified prior to December 27, 2019, the date described in Section 401(b)(2) of the SECURE Act of 2019, as determined by the Sponsor and communicated to the Custodian) and before the Participant's entire interest in the Participant's account is distributed, the remaining interest will be distributed as described in (a) or (b):

(a) If the Participant dies on or after the required beginning date and distributions required by Code Section 401(a)(9) have begun, then:

(1) if the designated beneficiary is the Participant's surviving Spouse, the remaining interest will be distributed over the surviving Spouse's life expectancy as determined each year until such Spouse's death, or over the period in paragraph (a)(3) below if longer. Any interest remaining after the Spouse's death will be distributed over such Spouse's remaining life expectancy as determined in the year of the Spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(3) below, over such period; or

(2) if the designated beneficiary is not the Participant's surviving Spouse, the remaining interest will be distributed over the designated beneficiary's remaining life expectancy as determined in the year following the death of the Participant and reduced by 1 for each subsequent year, or over the period in paragraph (a)(3) below if longer; or

(3) if there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the Participant as determined in the year of the Participant's death and reduced by 1 for each subsequent year.

(b) If the Participant dies before the required beginning date, the remaining interest will be distributed in accordance with paragraph (b)(1) below or, if elected or there is no designated beneficiary, in accordance with paragraph (b)(2) below.

(1) The remaining interest will be distributed in accordance with paragraphs (a)(1) and (a)(2) above (but not over the period in paragraph (a)(3) above, even if longer), starting by the end of the calendar year following the year of the Participant's death. If, however, the designated beneficiary is the Participant's surviving Spouse, then this distribution is not required to begin before the end of the calendar year in which the Participant would have reached the applicable age. But in such case, if the Participant's surviving Spouse dies before the distributions are required to begin, then the remaining interest will be distributed in accordance

with paragraph (a)(2) above (but not over the period in paragraph (a)(3) above, even if longer), over such Spouse's designated beneficiary's life expectancy, or in accordance with subsection (b)(2) below if there is no such designated beneficiary; or

(2) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Participant's death.

Death Generally After 2019. If a Participant dies after December 31, 2019 (or, in the case of a governmental plan within the meaning of Code Section 414(d), after December 31, 2021; or, in the case of a plan maintained pursuant to one or more collective bargaining agreements ratified prior to December 27, 2019, the date described in Section 401(b)(2) of the SECURE Act of 2019, as determined by the Sponsor and communicated to the Custodian) and before the Participant's entire interest in the account is distributed, the Participant's remaining interest will be distributed as described in (1) or (2):

(1) if the Participant's designated beneficiary is an Eligible Designated Beneficiary (as defined below), the remaining interest will be distributed over such Eligible Designated Beneficiary's remaining life expectancy as determined in the year following the death of the Participant and reduced by 1 for each subsequent year. If the designated beneficiary of a Participant who died prior to January 1, 2020, dies after December 31, 2019, any remaining benefits must be distributed by the end of the tenth year following the year of such designated beneficiary's death; or

(2) if the Participant's designated beneficiary is not an Eligible Designated Beneficiary (as defined below) or if the Participant does not have a designated beneficiary, the remaining interest must be distributed by the end of the tenth calendar year following the calendar year of the Participant's death.

An individual is an "Eligible Designated Beneficiary" if such designated beneficiary of the Participant meets the definition set forth in Code Section 401(a)(9)(E). The beneficiary or Sponsor shall be responsible for identifying whether a beneficiary is an Eligible Designated Beneficiary and ensuring that the remaining interest in the Participant's Account is distributed by the applicable deadline.

d. Designated Roth Accounts. This section 9 shall not apply to any amounts held in a designated Roth subaccount for taxable years beginning after December 31, 2023 (other than required distributions with respect to years beginning before January 1, 2024, but are permitted to be paid on or after such date), to the extent permitted by Code Section 402A(d)(5).

e. Surviving Spouse. Effective for calendar years beginning after December 31, 2023, a beneficiary who is a surviving Spouse may elect (or be deemed to elect) treatment under Code Section 401(a)(9)(B)(iv), as permitted under the applicable regulations.

f. Special Rules for Benefits Accruing Before January 1, 1987. The distribution rules provided in Code Section 401(a)(9) generally do not apply to the undistributed portion of a Participant's account valued as of December 31, 1986, exclusive of subsequent earnings (pre-'87 account balance) as described in Treas. Reg. sec. 1.403(b)-6(e)(6). The Participant must withdraw the pre-'87 account balance in accordance with the incidental benefit requirement of Treas. Reg. sec. 1.401-1(b)(1)(i).

g. Application to Multiple Contracts. The required minimum distribution amount must be separately determined for each Participant but may be distributed from another section 403(b) contract of the Participant pursuant to the aggregation rules described in Treas. Reg. §1.403(b)-6(e)(7). The Participant may elect to offset the amount required to be distributed with certain annuity payments received by the Participant to the extent permitted by the Plan and applicable law.

h. Waiver of 2020 Required Minimum Distributions. Notwithstanding anything herein to the contrary but subject to the terms of the Plan, required minimum distributions for 2020 were waived pursuant to Code Section 401(a)(9)(I).

i. Excise Tax. The Participant is solely responsible for determining and paying any excise tax imposed under Code Section 4974 due to a failure to take required minimum distributions.

10. Rollover Distributions and Other Transactions.

a. In General. If the distributee of an eligible rollover distribution elects to have the distribution paid directly to an eligible retirement plan as defined in Code Section 402(c)(8)(B) and specifies the eligible retirement plan to which the distribution is to be paid, then the distribution will be paid by the Custodian to that eligible retirement plan in a direct rollover. The Custodian will, within a reasonable time period before making an eligible rollover distribution, provide an explanation to the distributee of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover, as required under Code Section 402(f).

b. Automatic Rollovers for Certain Distributions under Code Section 401(a)(31)). If total vested balance of a Participant (as determined by the Sponsor) does not exceed the maximum amount that can be distributed without the Participant's consent under Code Section 411(a)(11)(A) or such lower amount described in the Plan, the Participant's account may be distributed in the form of a lump-sum in cash or a direct rollover to an individual retirement account pursuant to Code Section 401(a)(31).

c. Contract Exchanges. If permitted by the Plan, the Custodian may accept amounts received from Other 403(b) Vendors in a direct contract exchange described in Treas. Reg. sec. 1.403(b)-10(b)(2). If permitted by the Plan, all or a portion of a Participant's account may be exchanged for another section 403(b) contract of the Participant, provided such contract exchange is consistent with the terms of the Plan and the contract exchange otherwise satisfies the requirements of Treas. Reg. sec. 1.403(b)-10.

d. Transfers. If permitted by the Plan, Participants' accounts may be transferred to: (1) another retirement plan to the extent permitted by applicable law in a "plan-to-plan" transfer, provided that the transfer otherwise satisfies the requirements of the regulations under Code Section 403(b) and, if applicable, Code Section 414(z); (2) a qualified defined benefit plan that is a governmental plan as defined in Code Section 414(d), provided that the transfer otherwise satisfies the requirements of the regulations under Code Section 403(b); (3) an insurance company to purchase a qualified distribution annuity contract as defined in Code Section 401(a)(38)(B)(iv) or a qualified longevity annuity contract as described in the regulations under Code Section 401(a)(9); (4) an insurance company to pay for qualified health insurance premiums as described in Code Section 402(l); or (5) such other recipients as permitted by the Plan and applicable law.

e. Beneficiaries. All or a portion of a Participant's account may be transferred to an account established for the benefit of, or distributed to, the Participant's beneficiary. The term beneficiary means (1) the person(s) or entity (including a trust or estate, in which case the term may mean the trustee or personal representative acting in their fiduciary capacity) who is entitled to benefits in respect of a Participant following such Participant's death (or benefits in respect of a beneficiary following such beneficiary's death) or (2) the alternate payee of the Participant pursuant to a qualified domestic relations order as defined in the Plan.

f. Loans. Loans shall be available if permitted by the Plan and as directed by the Sponsor. Loan repayments must be made pursuant to the Custodian's reasonable procedures. The terms of existing loans may be modified to the extent permitted by applicable law. Loans will be treated as having been received as a distribution in accordance with Code Section 72(p)(1), except to the extent that the loan satisfies Code Section 72(p)(2) (relating to loans that do not exceed a maximum amount and that are repayable in accordance with certain terms) and Treas. Reg. sec. 1.72(p)-1, or as otherwise permitted by applicable law. A plan loan offset will be treated as a distribution hereunder. If the Plan is governed by ERISA, no loans will be made that would violate ERISA's prohibited transaction rules.

11. Investments. Amounts held in the Group Custodial Account shall be invested in stock of a regulated investment company (as defined in Code Section 851(a) relating to mutual funds) or such other investments as may be permitted under Plan, the Group Custodial Account Agreement to which this document is attached, Code Section 403(b)(7) and other applicable law. The assets available to be held in the Group Custodial Account are as described in the Group Custodial Account Agreement and the MSA.

Exhibit B - Trust Agreement (Qualified Trust)

This Trust Agreement, dated as of the [date] (“**Effective Date**”), is between [redacted], not-for-profit organization, having an office at [redacted] (“**Sponsor**”), and Fidelity Management Trust Company (the “**Trustee**”), a Massachusetts trust company, having an office at 245 Summer Street, Boston, Massachusetts 02210.

1. **Overview; Roles.** Sponsor is the sponsor of the [redacted] Plan (the “**Plan**”).

Sponsor wishes to establish pursuant to the provisions of this trust agreement (including any Schedules, Exhibits and Attachments hereto, as the same may be amended and in effect from time to time) (the “**Trust Agreement**”), a single trust named the [redacted] Plan Trust, to be administered as a Massachusetts trust governed by the laws of the Commonwealth of Massachusetts, and to hold and invest assets of the Plan for the exclusive benefit of Participants in the Plan and their beneficiaries (the “**Trust**”).

Trustee is willing to hold and invest the aforesaid Plan assets in trust among several investment options selected by the Named Fiduciary.

Sponsor also wishes to have an affiliate of Trustee perform certain ministerial recordkeeping and related functions with respect to the Plan(s) pursuant to a separate Main Services Agreement (the “**MSA**”).

Each capitalized term used herein shall have the meaning ascribed to such term under the MSA unless otherwise defined herein or the context clearly indicates otherwise.

2. **Trust.** The Trust shall consist of (i) an initial contribution of money or other property acceptable to Trustee in its sole discretion, made by Sponsor or transferred from a previous trustee under the Plan, (ii) such additional sums of money or other property acceptable to Trustee in its sole discretion, as shall from time to time be delivered to Trustee under the Plan, (iii) all investments made therewith and proceeds thereof, and (iv) all earnings and profits thereon, less the payments that are made by Trustee as provided herein. Trustee hereby accepts the Trust and shall be accountable for the assets received by it, subject to the terms hereof. Sponsor and Named Fiduciary of the Plan retain the right to hold other Plan assets in a trust or insurance contract separate and apart from the Trust, and Trustee shall have no responsibilities with respect to such trust or insurance contract except as specifically set forth herein. “Trustee” shall also refer to any successor to all or substantially all of Trustee’s trust business and any successor trustee appointed pursuant to *Resignation or Removal of Trustee*.

3. **Exclusive Benefit and Reversion of Sponsor Contributions.** Except as provided under applicable law, no part of the Trust may be used for, or diverted to, purposes other than the exclusive benefit of the Participants in the Plan or their beneficiaries or the reasonable expenses of Plan administration. No assets of the Plan shall revert to Sponsor, except as specifically permitted by the terms of the Plan.

4. **Investment of Trust.** Trustee shall be responsible for providing services hereunder solely with respect to those investment options set forth in Attachment A to the *DC Terms Schedule* which have been designated by the Named Fiduciary in its sole discretion. Although the Named Fiduciary retains sole discretion as to the investment options for the Plan, Trustee shall not, absent its written consent, be required to provide services with respect to other investment options that the Named Fiduciary seeks to add to the Trust. Except where stated otherwise in this Trust Agreement by explicit reference to Plan assets being held outside the Trust, (i) all obligations of Trustee hereunder (including all services to be performed by Trustee) with respect to the Plan shall be performed solely with respect to the investment options set forth in the MSA or herein, and (ii) no other investments that may be held under a separate trust or insurance product with respect to the Plan shall be considered by Trustee in its performance of its obligations. Trustee shall be considered a fiduciary with investment discretion only with respect to Plan assets that are invested in stable value investments managed by Trustee or collective investment funds maintained by Trustee for qualified plans, and where such investments vehicles are listed in the MSA or herein as available investment options.

5. **Sponsor Direction; Trustee Powers.** Sponsor hereby directs Trustee to exercise the following powers and authority in Trustee’s role as directed trustee as necessary to carry out its responsibilities under this Trust Agreement:

a. Subject to the ongoing direction of Participants and/or appropriate Plan fiduciaries (as described herein), sell, exchange, convey, transfer, or otherwise dispose of any property held in the Trust, by private contract or at public auction.

b. Cause securities or other property held as part of the Trust to be (i) registered in Trustee’s own name, in the name of one or more of its nominees, or in Trustee’s account with the Depository Trust Company of New York, or (ii) held in bearer form, but the books and records of Trustee shall at all times show that all such investments are part of the Trust.

c. Keep that portion of the Trust in cash or cash balances as the Named Fiduciary or Administrator may, from time to time, deem to be in the best interest of the Trust.

d. Make, execute, acknowledge, and deliver any and all documents of transfer or conveyance in order to carry out the powers herein granted.

e. Borrow funds from a bank not affiliated with Trustee in order to provide sufficient liquidity to timely process Plan transactions where Sponsor or Named Fiduciary directs that investments requiring such liquidity be held in the Trust; provided that the cost of such borrowing shall be allocated in a reasonable fashion to the investment fund(s) in need of liquidity. Sponsor acknowledges that it has received the disclosure on Trustee's line of credit program and credit allocation policy and a copy of the text of Prohibited Transaction Exemption 2002-55 before executing this Trust Agreement if applicable.

f. In accordance with this paragraph, (i) settle, compromise, or submit to arbitration any claims, debts, or damages due to or arising from the Trust, (ii) commence or defend suits or legal or administrative proceedings, (iii) represent the Trust in all suits and legal and administrative hearings, and (iv) pay all reasonable expenses arising from any such action from the Trust if not paid by Sponsor. Trustee shall take action on behalf of the Trust with respect to any claim or dispute relating to the Trust only upon the written Direction of the relevant fiduciary (which, for this purpose, shall be the fiduciary designated in writing by the Named Fiduciary for such purpose, and in the absence of such designation, shall be the Named Fiduciary). In the absence of such a Direction, Trustee shall have (i) no authority to take action with respect to such claim or dispute even as to ministerial, nondiscretionary acts (for example, without limitation, the execution and delivery on behalf of the Trust of forms, pleadings, agreements, or other documents in connection with (A) the commencement, prosecution, or defense of a claim or dispute in litigation, arbitration, or other proceedings, (B) the settlement or compromise of a claim or dispute, or (C) the joining or opting out from a class action), (ii) no duty to request that the relevant fiduciary provide a Direction or to question any Direction of the relevant fiduciary in connection with any such claim or dispute, and (iii) no duty to act upon, consider, or respond to demands by Plan Participants or anyone other than the relevant fiduciary in connection with any claim or dispute.

g. Employ legal, accounting, clerical, and other assistance as may be required in carrying out the provisions of this Trust Agreement and pay their reasonable expenses and compensation from the Trust if not paid by Sponsor.

h. As directed by the Named Fiduciary or other authorized fiduciary from time to time, invest all or any part of the assets of the Trust in investment contracts and short term investments (including interest-bearing accounts with Trustee or money market mutual funds advised by affiliates of Trustee) and in any collective investment trust or group trust, including any collective investment trust or group trust maintained by Trustee, which then provides for the pooling of the assets of plans described in Section 401(a) and exempt from tax under Section 501(a) of the Code, or any comparable provisions of any future legislation that amends, supplements, or supersedes those sections, provided that such collective investment trust or group trust is exempt from tax under the Code or regulations or rulings issued by the IRS. The provisions of the document governing such collective investment trusts or group trusts, as it may be amended from time to time, shall govern any investment therein and are hereby made a part of this Trust Agreement.

i. Do all other acts, although not specifically mentioned herein, as Trustee may deem necessary to carry out any of the foregoing Directions or responsibilities under this Trust Agreement seeking further Direction or instruction from Sponsor or other appropriate fiduciary where, and to the extent, Trustee is required as a directed trustee to do so.

6. Services to Be Performed.

a. **Accounts.** Trustee shall keep accurate accounts of all investments, receipts, disbursements, and other transactions hereunder, and shall report the value of the assets held in the Trust as of each Reporting Date. Within 30 days following each Reporting Date or within 60 days of a Reporting Date caused by the resignation or removal of Trustee, Trustee shall file with the Administrator a written account setting forth (i) all investments, receipts, disbursements, and other transactions effected by Trustee between the Reporting Date and the prior Reporting Date, and (ii) the value of the Trust as of the Reporting Date. Except as otherwise required under ERISA, upon the expiration of 6 months from the date of filing such account, Trustee shall have no liability or further accountability with respect to the propriety of its acts or transactions shown in such account (or any Participant-level report provided to a Participant), except with respect to such acts or transactions as to which a written objection shall have been filed with Trustee by Sponsor or any Participant within such 6-month period. Trustee shall not be responsible to monitor, recommend or compel Sponsor to make contributions to the Trust on behalf of any Participant, nor shall Trustee have any duty to question the directions of Sponsor regarding the designation of the type of contribution or determine whether such type is appropriate.

7. **Expenses.** All expenses of Trustee relating directly to the acquisition and disposition of investments constituting part of the Trust, all taxes of any kind whatsoever that may be levied or assessed under existing or future laws upon or in respect of the Trust or the income thereof, and any other reasonable expenses of Plan administration as determined and directed by the Administrator, may be a charge against and paid from the appropriate Participants' accounts.

8. **Co-Fiduciary Liability.** Trustee shall not be liable for any loss or expense arising from any act or omission of another

fiduciary under the Plan except as provided in Section 405(a) of ERISA.

9. Resignation or Removal of Trustee.

a. **Duration.** This Trust shall continue in effect without limit as to time, subject, however, to the provisions hereof relating to amendment, modification, and termination of this Trust Agreement.

b. **Resignation and Removal.** Trustee may resign, and Sponsor may remove Trustee, in either case by terminating this Trust Agreement upon at least 180 days prior written notice to the other; provided, however, that the receiving party may agree, in writing, to a shorter notice period. If, by the termination date, Sponsor does not notify Trustee in writing as to the individual or entity to which the assets and cash are to be transferred and delivered, Trustee may bring an appropriate action or proceeding for leave to deposit the assets and cash in a court of competent jurisdiction. Sponsor shall reimburse Trustee for all costs and expenses of the action or proceeding including, without limitation, reasonable attorneys' fees and disbursements.

c. **Successor Trustee.** Any successor to Trustee, either through sale or transfer of the business or trust department of Trustee, or through reorganization, consolidation, or merger, or any similar transaction of Trustee, shall, upon consummation of the transaction, become the successor trustee under this Trust Agreement.

10. Inclusion of Additional Terms. Both Trustee and Sponsor agree to the Sections of the MSA pertinent to the Plans included in the Trust that are (i) under the headings of "Directions", "Fees", "Confidentiality", "Data Conditions", "Electronic Services", "Disabling Codes", "Intellectual Property", "Audits and Assessments", "Indemnification", "Warranties", "General Compliance", "Disputes", "Modifications", "Mutuality of Drafting", "Fidelity Not Insurer, Guarantor", "Duty to Mitigate", "No Waiver", "Relationship of Parties", "Notice", "Severability", "Entire Agreement", "Taxes", "Rules of Construction; Conflicts", "Survival", and "Force Majeure" in the body of the MSA, or (ii) included in the *DC Terms Schedule* to the MSA, as though such provisions were contained in this Trust Agreement, *mutatis mutandis* (including, without limitation, revising where appropriate references to "Fidelity" to refer to "Trustee", references to "Client" to refer to "Sponsor", and references to the MSA to refer to this Trust Agreement) except to the extent this Trust Agreement clearly provides otherwise. For purposes of clarity, where a particular provision (i) assigns to Fidelity a general obligation (such as the duty to protect Client's Confidential Information), or (ii) limits or disclaims responsibility on the part of Fidelity, such duty, limitation or disclaimer shall be similarly applied to Trustee whereas the inclusion of any provision describing Fidelity's responsibility for performing a particular service under the MSA should not be read as imposing a duplicative requirement that Trustee provide, or be responsible for, that same service. Similarly, duties and responsibilities assigned or reserved to Client under such sections shall be deemed to apply to Sponsor hereunder.

11. Governing Law. The validity, construction, and effect of this Trust Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts (without regard to its conflicts-of-laws or choice-of-law provisions), except to the extent those laws are superseded under Section 514 of ERISA. Trustee is not a party to the Plan, and in the event of any conflict between the provisions of the Plan and the provisions of this Trust Agreement, the provisions of this Trust Agreement shall control.

12. Electronic Signature. In the event the Parties have agreed to utilize an electronic signature process, each Party represents that its electronic signature below is intended to authenticate this writing and to have the same force and effect as a manual signature.

13. Counterparts. This Trust Agreement may be executed in two or more counterparts, each of which will be deemed to be an original, but all of which together will constitute one agreement binding on the Parties.

By signing below, the parties agree to the terms of this Trust Agreement and the undersigned represent that they are authorized to execute this Trust Agreement on behalf of the respective parties.

Sponsor

By: _____

Name: _____

Title: _____

Date: _____

Fidelity Management Trust Company

By: _____

Name: _____

Title: _____

Date: _____

Exhibit C - Trust Agreement (Nonqualified Trust)

This Trust Agreement, dated as of the [date] (“**Effective Date**”), is between [redacted], not-for-profit organization, having an office at [redacted] (“**Sponsor**”), and Fidelity Management Trust Company, a Massachusetts trust company, having an office at 245 Summer Street, Boston, Massachusetts 02210 (“**Trustee**”).

1. **Overview; Roles.** Sponsor is the sponsor of the [redacted]. The term “Sponsor” shall also refer to any successor to all or substantially all of Sponsor’s businesses which, by agreement, operation of law or otherwise, assumes the responsibility of Sponsor hereunder.

By entering into this trust agreement, which includes any Schedules, Exhibits and Attachments hereto, as the same may be amended and in effect from time to time (the “**Trust Agreement**”), Sponsor wishes to establish an irrevocable trust (the “**Trust**”) and to contribute to the Trust assets that shall be held therein, subject to the claims of Sponsor’s creditors in the event of Sponsor’s Insolvency, until paid to Participants and their beneficiaries in such manner and at such times as specified in the Plan.

Sponsor intends to make contributions to the Trust to provide itself with a source of funds to assist it in the meeting of its liabilities under the Plan.

Trustee is willing to (i) hold and invest the aforesaid assets in trust among several investment options selected by Sponsor, and (ii) perform the services described herein on the terms and conditions hereof.

The Parties intend that this Trust shall constitute an unfunded arrangement and shall not affect the status of the Plan as an unfunded plan maintained for the purpose of providing deferred compensation for a select group of management or highly compensated employees for purposes of Title I of ERISA.

Sponsor also wishes to have an affiliate of Trustee perform certain ministerial recordkeeping and related functions with respect to the Plan pursuant to a separate Main Services Agreement (the “**MSA**”).

Each capitalized term in this Trust Agreement has the meaning ascribed to such term under the MSA unless specifically defined otherwise herein or in the event the context clearly indicates otherwise.

2. **Trust.**

a. **Establishment.** The Trust shall consist of (i) an initial contribution of money or other property acceptable to Trustee in its sole discretion made by Sponsor or transferred from a previous trustee, (ii) such additional sums of money as shall from time to time be delivered to Trustee, (iii) all investments made therewith and proceeds thereof, and (iv) all earnings and profits thereon, less payments made by Trustee as provided herein, without distinction between principal and income. Trustee accepts the Trust and shall be accountable for the assets received by it, subject to the terms and conditions of this Trust Agreement. The term “Trustee” shall also refer to any successor to all or substantially all of the Trustee’s trust business and any successor trustee appointed pursuant to the provisions of *Resignation or Removal of Trustee*.

b. **Trust Assets.** The principal of the Trust and any earnings thereon shall be held separate and apart from other funds of Sponsor and shall be used exclusively for the uses and purposes of Participants and general creditors as herein set forth. Participants and their beneficiaries shall have no preferred claim on, or any beneficial ownership interest in, any assets of the Trust. Any rights created under the Plan and this Trust Agreement shall be mere unsecured contractual rights of Participants and their beneficiaries against Sponsor. Any assets held by the Trust will be subject to the claims of Sponsor’s general creditors under federal and state law in the event of Insolvency. For federal tax purposes, Sponsor is the owner of the Trust assets.

3. **Non-Assignment; Payments to Sponsor.** Benefit payments to Participants and their beneficiaries under this Trust may not be anticipated, assigned (at law or in equity), alienated, pledged, encumbered, or subjected to attachment, garnishment, levy, execution, or other legal or equitable process. Notwithstanding anything in this Trust Agreement to the contrary, Sponsor can direct Trustee to disburse monies pursuant to a DRO in accordance with the provisions hereof. Except as provided under this Trust Agreement, Sponsor shall have no right to retain or divert to others any Trust assets before all payments of benefits have been made to Participants pursuant to the terms of the Plan. Sponsor may direct Trustee in writing to pay over to Sponsor or to direct Trustee to pay expenses of Plan administration with any amount in excess of the amount needed to pay all of the benefits accrued under the Plan as of the date of such payment.

4. **Investment of Trust.** Trustee shall be responsible for providing services under this Trust Agreement solely with respect to those investment options set forth in Attachment A to the *DC Terms Schedule*, which have been designated by Sponsor in its sole discretion. Although Sponsor retains sole discretion as to the notional investment options available to Participants under the Plan, Trustee shall not, absent its written consent, be required to provide services with respect to other investment options that Sponsor seeks to add to the Trust. All obligations of Trustee hereunder (including all services to be

performed by Trustee) shall be performed solely with respect to the investment options set forth herein, and no other investments that may be held under a separate trust or insurance product with respect to the Plan shall be considered by Trustee in its performance of such obligations. Sponsor shall direct Trustee as to how to invest the Trust assets. In order to provide for the accumulation of assets comparable to the contractual liabilities accruing under the Plan, Sponsor may direct Trustee in writing to invest the assets held in the Trust to correspond to the Participants' notional investment directions under the Plan, subject to the limitations provided in this Article 4.

5. Sponsor Direction; Trustee Powers. Sponsor hereby directs Trustee to exercise the following powers and authority in Trustee's role as directed trustee as necessary to carry out its responsibilities under this Trust Agreement:

- a. Subject to the ongoing direction of Sponsor (as described herein), sell, exchange, convey, transfer, or otherwise dispose of any property held in the Trust, by private contract or at public auction.
- b. Cause securities or other property held as part of the Trust to be (i) registered in Trustee's own name, in the name of one or more of its nominees, or in Trustee's account with the Depository Trust Company of New York, or (ii) held in bearer form, but the books and records of Trustee shall at all times show that all such investments are part of the Trust.
- c. Keep that portion of the Trust in cash or cash balances as the Named Fiduciary or Administrator may, from time to time, deem to be in the best interest of the Trust.
- d. Make, execute, acknowledge, and deliver any and all documents of transfer or conveyance in order to carry out the powers herein granted.
- e. Borrow funds from a bank not affiliated with Trustee in order to provide sufficient liquidity to process Plan transactions in a timely fashion where Sponsor or Named Fiduciary directs that investments requiring such liquidity be held in the Trust; provided that the cost of such borrowing shall be allocated in a reasonable fashion to the investment fund(s) in need of liquidity. Sponsor acknowledges that it has received the disclosure on Trustee's line of credit program and credit allocation policy prior to executing this Trust Agreement if applicable.
- f. In accordance with this paragraph, (i) settle, compromise, or submit to arbitration any claims, debts, or damages due to or arising from the Trust, (ii) commence or defend suits or legal or administrative proceedings, (iii) represent the Trust in all suits and legal and administrative hearings, and (iv) pay all reasonable expenses arising from any such action from the Trust if not paid by Sponsor. Trustee shall take action on behalf of the Trust with respect to any claim or dispute relating to the Trust only upon the written Direction of the relevant fiduciary (which, for this purpose, shall be the fiduciary designated in writing by the Named Fiduciary for such purpose, and in the absence of such designation, shall be the Named Fiduciary). In the absence of such a Direction, Trustee shall have (i) no authority to take action with respect to such claim or dispute even as to ministerial, nondiscretionary acts (for example, without limitation, the execution and delivery on behalf of the Trust of forms, pleadings, agreements, or other documents in connection with (A) the commencement, prosecution, or defense of a claim or dispute in litigation, arbitration, or other proceedings, (B) the settlement or compromise of a claim or dispute, or (C) the joining or opting out from a class action), (ii) no duty to request that Sponsor provide a Direction or to question any Direction of Sponsor in connection with any such claim or dispute, and (iii) no duty to act upon, consider, or respond to demands by Participants or anyone other than the Sponsor in connection with any claim or dispute.
- g. Employ legal, accounting, clerical, and other assistance as may be required in carrying out the provisions of this Trust Agreement and pay their reasonable expenses and compensation from the Trust if not paid by Sponsor.
- h. Do all other acts, although not specifically mentioned herein, as Trustee may deem necessary to carry out any of the foregoing Directions or responsibilities under this Trust Agreement seeking further Direction or instruction from Sponsor or other appropriate fiduciary where, and to the extent, Trustee is required as a directed trustee to do so.

Notwithstanding any powers granted to Trustee pursuant to this Trust Agreement or applicable law, Trustee shall not have any power that could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of Section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Code.

6. Services to Be Performed.

- a. **Accounts.** Trustee shall keep accurate accounts of all investments, receipts, disbursements, and other transactions hereunder, and shall report the value of the assets held in the Trust as of each Reporting Date. Within 30 days following each Reporting Date or within 60 days in the case of a Reporting Date caused by the resignation or removal of Trustee, or the termination of this Trust Agreement, Trustee shall file with the Administrator a written account setting forth (i) all investments, receipts, disbursements, and other transactions effected by Trustee between the Reporting Date and the prior Reporting Date, and (ii) the value of the Trust as of the Reporting Date. Except as otherwise required under applicable law, upon the expiration of 6 months from the date of filing such account, Trustee shall have no liability or further accountability

with respect to the propriety of its acts or transactions shown in such account, except with respect to such acts or transactions as to which a written objection shall have been filed with Trustee within such 6-month period. Trustee shall not be responsible to monitor, recommend or compel Sponsor to make contributions to the Trust on behalf of any Participant, nor shall Trustee have any duty to question the directions of Sponsor regarding the designation of the type of contribution or determine whether such type is appropriate.

7. **Expenses.** All expenses of Trustee relating directly to the acquisition and disposition of investments constituting part of the Trust, and all taxes of any kind whatsoever that may be levied or assessed under existing or future laws upon or in respect of the Trust or the income thereof, shall be a charge against and paid from the Trust assets.

8. **Resignation or Removal of Trustee.**

a. **Duration.** This Trust shall continue in effect without limit as to time, subject, however, to the provisions hereof relating to amendment, modification, and termination of this Trust Agreement.

b. **Resignation and Removal.** Trustee may resign, and Sponsor may remove Trustee, in either case by terminating this Trust Agreement upon at least 180 days' prior written notice to the other; provided, however, that the receiving party may agree, in writing, to a shorter notice period. If, by the termination date, Sponsor has not notified Trustee in writing as to the individual or entity to which the assets and cash are to be transferred and delivered, Trustee may bring an appropriate action or proceeding for leave to deposit the assets and cash in a court of competent jurisdiction. Sponsor shall reimburse Trustee for all costs and expenses of the action or proceeding including, without limitation, reasonable attorneys' fees and disbursements.

c. **Successor Trustee.** Any successor to Trustee, either through sale or transfer of the business or trust department of Trustee, or through reorganization, consolidation, or merger, or any similar transaction of Trustee, shall, upon consummation of the transaction, become the successor trustee under this Trust Agreement.

9. **Insolvency of Sponsor.** Trustee shall cease disbursing funds for benefit payments to Participants if it becomes aware that Sponsor is Insolvent. At all times during the continuance of this Trust, the principal and income of the Trust shall be subject to claims of general creditors of Sponsor under federal and state law as set forth below. The board of directors and the chief executive officer of Sponsor shall have the duty to inform Trustee in writing of Sponsor's Insolvency. If a person claiming to be a creditor of Sponsor alleges in writing to Trustee that Sponsor has become Insolvent, Trustee shall determine whether Sponsor is Insolvent and, pending such determination, Trustee shall discontinue disbursements for payment of benefits to Participants. Unless Trustee has actual knowledge of Sponsor's Insolvency, or has received notice from Sponsor or a person claiming to be a creditor alleging that Sponsor is Insolvent, Trustee shall have no duty to inquire whether Sponsor is Insolvent. Trustee may in all events rely on such evidence concerning Sponsor's solvency as may be furnished to Trustee and that provides Trustee with a reasonable basis for making a determination concerning Sponsor's solvency.

If at any time Trustee has determined that Sponsor is Insolvent, Trustee shall discontinue disbursements for payments to Participants and shall hold the assets of the Trust for the benefit of Sponsor's general creditors. Nothing in this Trust Agreement shall in any way diminish any rights of Participants to pursue their rights as general creditors of Sponsor with respect to benefits due under the Plan or otherwise. Trustee shall resume disbursing benefit payments to Participants in accordance with this Trust Agreement only after Trustee has determined that Sponsor is not Insolvent (or is no longer Insolvent).

Provided that there are sufficient assets, if Trustee discontinues the payment of benefits from the Trust pursuant to the above and subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of all payments due to Participants under the terms of the Plan for the period of such discontinuance, less the aggregate amount of any payments made to Participants by Sponsor in lieu of the payments provided for hereunder during any such period of discontinuance.

10. **Inclusion of Additional Terms.** Both Trustee and Sponsor agree to the Sections of the MSA pertinent to the Plan that are (i) under the headings of "Directions", "Fees", "Confidentiality", "Data Conditions", "Electronic Services", "Disabling Codes", "Intellectual Property", "Audits and Assessments", "Indemnification", "Warranties", "General Compliance", "Disputes", "Modifications", "Mutuality of Drafting", "Fidelity Not Insurer, Guarantor", "Duty to Mitigate", "No Waiver", "Relationship of Parties", "Notice", "Severability", "Entire Agreement", "Taxes", "Rules of Construction; Conflicts", "Survival", and "Force Majeure" in the body of the MSA, or (ii) included in the *DC Terms Schedule* to the MSA, as though such provisions were contained in this Trust Agreement, *mutatis mutandis* (including, without limitation, revising where appropriate references to "Fidelity" to refer to "Trustee", references to "Client" to refer to "Sponsor", and references to the MSA to refer to this Trust Agreement) except to the extent this Trust Agreement clearly provides otherwise. For purposes of clarity, where a particular provision (i) assigns to Fidelity a general obligation (such as the duty to protect Client's Confidential Information), or (ii) limits or disclaims responsibility on the part of Fidelity, such duty, limitation or disclaimer shall be similarly applied to Trustee whereas the inclusion of any provision describing Fidelity's responsibility for performing a

particular service under the MSA should not be read as imposing a duplicative requirement that Trustee provide, or be responsible for, that same service. Similarly, duties and responsibilities assigned or reserved to Client under such sections shall be deemed to apply to Sponsor hereunder.

11. **Situs of Trust Assets.** No assets of the Trust shall be located or transferred outside of the United States.

12. **Governing Law/Document.** This Trust Agreement is being made in the Commonwealth of Massachusetts, and the Trust shall be administered as a Massachusetts trust. The validity, construction, and effect of this Trust Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts (without regard to its conflicts-of-laws or choice-of-law provisions). Trustee is not a party to the Plan.

13. **Electronic Signatures.** In the event the Parties have agreed to utilize an electronic signature process, each Party represents that its electronic signature below is intended to authenticate this writing and to have the same force and effect as a manual signature.

14. **Counterparts.** This Trust Agreement may be executed in two or more counterparts, each of which will be deemed to be an original, but all of which together will constitute one agreement binding on the Parties.

By signing below, the parties agree to the terms of this Trust Agreement and the undersigned represent that they are authorized to execute this Trust Agreement on behalf of the respective parties.

Sponsor

By: _____
 Name: _____
 Title: _____
 Date: _____

Fidelity Management Trust Company

By: _____
 Name: _____
 Title: _____
 Date: _____

Exhibit D - Investment Management Agreement (FPPA)**Party Information**

Party	Legal Name	State of Formation	Address	Contact for Notices
FPWA:	Fidelity Personal and Workplace Advisors LLC	DE	245 Summer Street, V7A Boston, MA 02210	VP, WI Contracts
Strategic Advisers:	Strategic Advisers LLC	DE	245 Summer Street, V7A Boston, MA 02210	VP, WI Contracts
Client:	[REDACTED]		[REDACTED]	
Authorizing Party:	[REDACTED]		[REDACTED]	

Plan Information

Plan Name	Plan Number	Authorizing Party
[REDACTED]		[REDACTED]
[REDACTED]		[REDACTED]

IMA Authorization

By signing below, the undersigned represent that they are authorized to execute this IMA on behalf of the respective Parties effective as of the date last signed below (the “**Effective Date**”). Each Party may rely without duty of inquiry on the foregoing representation. This IMA may be executed in two or more counterparts, each of which will be deemed to be an original, but all of which together will constitute one agreement binding on the Parties. Each Party’s electronic signature below authenticates this writing and has the same force and effect as a manual signature.

Party	Signature	Name	Date
FPWA:			
Strategic Advisers:			
Client:			
Authorizing Party:			

Investment Management Agreement

This Investment Management Agreement, including the Coversheet, IMA Glossary, and attached Schedules (“**IMA**”) is entered into between FPWA, Strategic Advisers, Client, and Authorizing Party (the “**Parties**”) as of the Effective Date set forth on the Coversheet. To the extent that the Authorizing Party and Client are the same, the Authorizing Party’s execution of this IMA shall also bind Client.

1. Services

Client has entered into an MSA with an Affiliate of FPWA and Strategic Advisers with respect to the Plan listed on the Coversheet to this Exhibit which permits certain assets held in such Plan to be managed by a duly appointed investment manager.

2. Appointment of FPWA and Strategic Advisers

The Authorizing Party has the authority to appoint investment advisers and investment managers with respect to the assets held in such Plan, and hereby appoints FPWA and Strategic Advisers to provide discretionary management of the Managed Assets and certain non-discretionary advice to enrolled Participants consistent with the Investment Guidelines.

3. Acceptance of Appointment

FPWA and Strategic Advisers accept the appointment to manage the Managed Assets and provide the Managed Account Service consistent with the Investment Guidelines. FPWA and Strategic Advisers each represents that it is an investment adviser registered under the Investment Advisers Act of 1940, and that it has full power and authority to enter into this IMA. FPWA and Strategic Advisers are ERISA fiduciaries only to the extent of their discretionary authority over the Managed Assets. To the extent the Plan is governed by ERISA, Strategic Advisers is a fiduciary under Section 3(21) of ERISA, and it is an investment manager under Section 3(38) of ERISA, in each case only to the extent of its discretionary authority over the Managed Assets.

4. Powers, Rights and Duties of FPWA

FPWA will assist Participants in determining an appropriate investment strategy with one of the model portfolios designed by Strategic Advisers for the Plan. Each model portfolio consists only of the Plan Investment Options. FPWA shall provide the Managed Account Service consistent with the Investment Guidelines and ensure the Managed Assets are invested in accordance with the Investment Guidelines. FPWA will also provide on-going customer service to each of the Participants such as answering client questions and addressing service issues.

5. Powers, Rights and Duties of Strategic Advisers

Strategic Advisers will design model portfolios for each Plan. Subject to its fiduciary duties, Strategic Advisers will use best efforts to provide an opportunity for enhanced returns, consistent with appropriate risk diversification, by investing the Managed Assets only in the Plan Investment Options.

Strategic Advisers has authority and discretion to manage the investment of the Managed Assets subject to the Investment Guidelines and this IMA.

Strategic Advisers has authority to:

- i. direct the trustee, custodian or either of their agents to make purchases and sales of securities or other property for the Participant Accounts that are enrolled in the Managed Account Service;
- ii. direct the trustee, custodian or either of their agents to perform any or all of the powers, duties, and authority given to such trustee, custodian or agent in the relevant agreements which are therein subjected to direction by Strategic Advisers and to enforce performance by such trustee, custodian or agent of such powers, duties, and authority;
- iii. execute the documents necessary to make investments within the scope of the Investment Guidelines and carry out other duties of Strategic Advisers.

6. Limitations on Duties of FPWA and Strategic Advisers:

6.01 Shareholder Rights and Legal Proceedings. FPWA and Strategic Advisers will have no responsibility or authority to exercise any shareholder rights that arise with respect to investments in which Managed Assets are invested, nor will they have responsibility or authority to make decisions arising out of the Account’s ownership of any such investments, including matters such as litigation or bankruptcy.

6.02 Responsibility for Other Assets. FPWA and Strategic Advisers are not responsible for managing Other Assets but may consider Other Assets when identifying an asset allocation strategy as specifically described in Part 2A of FPWA’s and Strategic Advisers’ Form ADV pertaining to the Managed Account Service.

6.03 Treatment of Multiple Accounts. If FPWA and Strategic Advisers manage a Participant's Accounts in multiple Plans, all such managed Plans will be managed using the same investment strategy, however, each Plans' model portfolio may differ based on the Investment Options available under that Plan.

6.04 Selection of Investment Options and Interpretation of Plan Rules. FPWA and Strategic Advisers shall have no duty to advise the Authorizing Party or any other person with respect to the Investment Options, or to exercise management authority to add or remove Investment Options to or from the Plan. FPWA and Strategic Advisers shall have no duty or authority to advise or make recommendations to the Authorizing Party or Client with respect to any other matter, including without limitation, the impact of Plan rules on the management or diversification of Managed Assets.

7. FPWA's and Strategic Advisers' Standard of Care

FPWA and Strategic Advisers shall comply with all laws and regulations applicable to its duties under this IMA and shall discharge such duties:

- i. solely in the interest of the Participants and for the exclusive purpose of providing benefits to such Participants and their beneficiaries and defraying reasonable expense of administering the Plan, subject to the provisions in Section 11;
- ii. with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;
- iii. in accordance with the Plan documents provided to FPWA, Strategic Advisers, or its agents, and this IMA; provided, this IMA shall control in the event of any inconsistency.

Regardless of whether the Plan is subject to ERISA, FPWA and Strategic Advisers will perform all of its duties hereunder as if the Plan were subject to ERISA, provided, however, that governing Plan documents need not be consistent with ERISA.

8. Duties of the Authorizing Party

The Authorizing Party will:

- i. direct, or cause to be directed, the trustee, custodian, recordkeeper or their agents to invest the Managed Assets at the direction of Strategic Advisers;
- ii. authorize the trustee, custodian or recordkeeper to provide, FPWA and Strategic Advisers with such information pertaining to the Managed Assets and the Plan as FPWA and Strategic Advisers may reasonably request, which information FPWA and Strategic Advisers shall keep as confidential and shall not disclose, except as required by law, to any party other than its employees, Affiliates, permissible assigns, subcontractors, advisors, or agents, without the prior consent of the Authorizing Party;
- iii. to the extent not paid by Client, compensate FPWA and Strategic Advisers, or cause the trustee or custodian to compensate FPWA and Strategic Advisers, by deduction from the Participant Accounts enrolled in the Managed Account Service, for FPWA and Strategic Adviser services under this IMA in the amounts set forth on Schedule A to this Exhibit as it may be amended by FPWA and Strategic Advisers in accordance with this Agreement;
- iv. provide, or cause its agent to provide, communications to Participants as required by FPWA and Strategic Advisers, and
- v. maintain a menu of Investment Options that meets the requirements of the Managed Account Service by providing adequate diversification opportunities necessary for the implementation and operation of the Managed Account Service, as determined in the sole discretion of Strategic Advisers. If the Authorizing Party fails to maintain a menu of Investment Options as set forth above Strategic Advisers will notify the Authorizing Party and has no obligation to manage the Managed Assets until the Authorizing Party modifies the Investment Options to provide adequate diversification opportunities necessary for the implementation and operation of the Managed Account Service, as determined in the sole discretion of Strategic Advisers.
- vi. provide at least thirty (30) days' prior written notice to FPWA or Fidelity of an Investment Options change. Strategic Advisers has no obligation to manage the Managed Assets until thirty (30) days after being notified of an Investment Option change.
- vii. fulfill or comply with such other obligations or restrictions as are outlined in the Investment Guidelines.

9. Liability and Indemnification

9.01 General Indemnity. FPWA and Strategic Advisers shall indemnify the Authorizing Party and Client with respect to any

third-party claims or regulatory proceedings asserted or commenced against the Authorizing Party or Client to the extent resulting from FPWA's or Strategic Advisers' negligence, or willful misconduct under, or breach of the terms of, this IMA. The Authorizing Party and Client shall indemnify FPWA and Strategic Advisers with respect to any third-party claims or regulatory proceedings asserted or commenced against FPWA and Strategic Advisers to the extent resulting from the Authorizing Party's or Client's negligence or willful misconduct under, or breach of the terms of, this IMA, or from any act done, or any act failed to be done, by any individual or person with respect to the Plans, except to the extent such claim results from FPWA's or Strategic Advisers' negligence or willful misconduct under, or breach of the terms of, this IMA. For purposes of this *General Indemnity* Section, any reference to the Authorizing Party or Client or to FPWA or Strategic Advisers as an indemnified Party includes their respective directors, officers, Affiliates, and subsidiaries.

9.02 Fiduciary Liability. Except for liability under ERISA §405 that may be imposed with respect to FPWA's and Strategic Advisers' conduct related to ERISA-governed Plans, FPWA and Strategic Advisers shall have no responsibility for the acts or omissions of the Authorizing Party, Client, the trustee, custodian or any of its agents. FPWA and Strategic Advisers shall have no responsibility for any loss resulting from (i) any breach of fiduciary duty of the Authorizing Party in selecting and monitoring FPWA and Strategic Advisers, the selection of investment alternatives or the administration of the Plan, (ii) anything done or omitted to be done in good faith reliance on any written, electronic or telephonic directions from the Authorizing Party or any authorized representative thereof or any information provided by a Participant who is enrolled in the Managed Account Service, (iii) anything done or omitted to be done in good faith reliance on any inaccurate, outdated or incomplete employee, Participant or Plan data provided by Clients, the Authorizing Party or Participant as the case may be, or (iv) the Authorizing Party's failure to perform its obligations hereunder.

9.03 Federal and state securities laws impose liability, under certain circumstances, on persons who act in good faith. Nothing in this IMA shall waive or limit any rights that the Authorizing Party and Client may have under those laws.

10. Compensation

Fees are attached hereto as Schedule A to this Exhibit. FPWA and Strategic Advisers may change the Fees once per year upon sixty (60) days prior written notice to Client; provided, however, that should the Authorizing Party change or modify the Investment Options, FPWA and Strategic Advisers may modify the Fees at any time upon sixty (60) days written notice to the Authorizing Party. Any other changes to the Fees shall require written consent of the Parties to this IMA.

11. Confidential Information; Other Clients and Services

Any information or recommendations supplied by or through FPWA and/or Strategic Advisers in connection with the Managed Account Service, which are not otherwise in the public domain or previously known to the Authorizing Party or Client, are to be regarded as proprietary and confidential to FPWA, Strategic Advisers and their Affiliates, and for use only in connection with Managed Assets by Participants, the Authorizing Party, Client or such persons as any of them may designate in connection with the Managed Assets.

FPWA and Strategic Advisers shall comply with substantially similar confidentiality provisions as those set forth in the MSA and shall safeguard confidential information using the same degree of care that Fidelity is required to use under the MSA and in any event, no less than reasonable care.

The Parties acknowledge that FPWA and Strategic Advisers may provide similar services to other trusts, accounts and plans, and that nothing in this IMA shall require FPWA and Strategic Advisers to disclose to the Authorizing Party or Client, the Plan or its Participants the existence of such other engagements or prohibit FPWA and Strategic Advisers from rendering services to such other clients. The Authorizing Party and Client acknowledge that FPWA and Strategic Advisers may use identical, similar or different investment methodologies in providing education or other investment services to the Plan(s) or its (their) Participants, or to other plans, participants or clients. With respect to the allocation of trades among clients, FPWA and Strategic Advisers will treat each of its client accounts in a fair and equitable manner when allocating orders for the purchase and sale of securities, including mutual fund shares. All allocations among client accounts will be made in a manner consistent with FPWA's and Strategic Advisers' fiduciary duties.

12. ERISA, Tax and Other Considerations

The Authorizing Party and Client acknowledge that FPWA and Strategic Advisers are affiliated with other entities that may receive asset-based compensation in connection with the Investment Options, including, but not limited to, Fidelity Mutual Funds.

To the extent that the Plans are governed by ERISA, the Parties acknowledge that the Managed Account Service, to the extent it would otherwise constitute a prohibited transaction, is intended to comply with Prohibited Transaction Class Exemption 77-4, as it may be amended from time to time (PTCE 77-4), with respect to Fidelity Mutual Funds. To that end, the Authorizing

Party acknowledges that it is the named fiduciary of the Plans that are ERISA-governed, it is independent of FPWA and Strategic Advisers within the meaning of PTCE 77-4, that it has received prospectuses for the Fidelity Mutual Funds available under the Plan, and a full and detailed disclosure of the investment advisory and other fees charged to or paid by the Plan with respect to the Managed Account Service and the investment company(ies). An explanation of the reasons why Strategic Advisers may consider purchases or sales of Fidelity Mutual Funds for accounts of Plan Participants electing the Managed Account Service is provided to the Authorizing Party in the Investment Guidelines. The Authorizing Party acknowledges receipt of such disclosure and hereby authorizes the purchase and sale of Fidelity Mutual Funds for accounts of Participants electing the Managed Account Service.

13. Receipt of Part 2A of Form ADV

The Authorizing Party acknowledges receipt of the Fidelity Personalized Planning & Advice at Work Terms and Conditions (Part 2A of Form ADV), which is also available at:

https://nb.fidelity.com/bin-public/070_NB_IA_Pages/documents/dcl/shared/PPAW/ADV.PDF.

14. Inspection

Once annually, unless otherwise required as a matter of law or for regulatory compliance, Client or Authorizing Party, or either of their Auditors, may request information and documentation regarding FPWA's and Strategic Advisers' records of investment direction provided pursuant to this IMA to audit the Managed Account Service, upon prior written notice of at least 90 days along with a proposed scope and at the expense of Client.

15. Assignment of IMA or Duties

The Parties will not assign this IMA, in whole or in part, nor delegate except as contemplated herein, all or part of the performance of duties required of it by this IMA without the consent of the other party, except as permitted by applicable law or regulation, provided, however, that FPWA and Strategic Advisers may assign all or a portion of this IMA to any Affiliate using a negative consent process whereby the Authorizing Party has no less than sixty (60) days to respond to a notice of intended assignment, and failure to respond to any such notice of such intended assignment shall constitute assent to such proposed assignment.

16. Governing Law

The validity, interpretation, and performance of this IMA will be governed and construed in accordance with the laws of the Commonwealth of Massachusetts (without regard to its conflicts-of-laws or choice-of-law provisions), except as superseded and preempted by ERISA.

17. Conflicts; Validity

In the event of a conflict between this IMA and the Managed Account Services provisions of the MSA, this IMA will govern. An adjudication or other determination that a provision of this IMA is invalid or unenforceable shall not affect the validity or enforceability of any remaining provision of this IMA.

18. Termination

The Authorizing Party may at any time, without prior notice, order FPWA and Strategic Advisers to cease activity, subject to completion of the execution of investment directions already in process with respect to the Managed Assets. FPWA and Strategic Advisers may cease to provide models for the Managed Account Service in the event Authorizing Party fails to maintain a menu of Investment Options as required by this IMA and nothing herein shall prohibit FPWA and Strategic Advisers from terminating management of any Participant's Account in accordance with the MSA.

Without limitation to the foregoing, this IMA continues until the termination of recordkeeping services to the Plan by an Affiliate of FPWA and Strategic Advisers, or upon sixty (60) days' notice of termination.

If this IMA is terminated during any period of time for which FPWA and Strategic Advisers have not been compensated, the Fees due to FPWA and Strategic Advisers for such period shall be prorated to the date of termination.

19. Notices

All legal notices, demands, or other non-routine communications will be given in writing by actual delivery or by mail, postage prepaid at the address set forth on the Coversheet or at such other place as a Party designates in writing.

20. Due Authorization

The Authorizing Party represents it has authority to appoint investment advisers and an investment manager for the Plan for

which it serves as Authorizing Party, and to enter into this IMA with respect to and on behalf of the Plan. To the extent the Plan is associated with a trust for which the trustee is not an Affiliate of FPWA and Strategic Advisers, the Authorizing Party represents that the provisions of the trust authorize the appointment of investment advisers and an investment manager. To the extent that the Plan is governed by ERISA, the Authorizing Party represents that it is the Plan's named fiduciary acting in accordance with its duties and obligations under ERISA and the Plan.

Each Party to this IMA hereby represents to the others that it is duly authorized by all applicable laws and regulations to enter into this IMA, and to be bound thereby, including the indemnification provision set forth in Section 9.

21. Entire Agreement; Amendment; Survival

This IMA, including the Coversheet, IMA Glossary, and attached Schedules, as well as any provisions of any MSA governing the Managed Account Service, constitute the entire agreement and understanding among the Parties, and, except as specifically provided otherwise herein, may not be modified or amended except by a writing executed by the Parties. Each Party's obligations under this IMA that by their nature would continue beyond termination of this IMA shall survive termination of this IMA.

Schedule A to Investment Management Agreement (FPPA)

Fees for Managed Account Service

Fees

Annual Fee Type	Average Daily Balance of Managed Assets	Less Than 20% Eligible Participant Enrollment	Equal to, or Greater Than, 20% Eligible Participant Enrollment ²
Gross Advisory Fee	For the first \$100,000 in assets, or portion thereof		
	For the next \$150,000 in assets, or portion thereof		
	All assets over \$250,000		
Target Net Advisory Fee	For the first \$100,000 in assets, or portion thereof		
	For the next \$150,000 in assets, or portion thereof		
	All assets over \$250,000		
Range of Target Net Advisory Fee	For the first \$100,000 in assets, or portion thereof		
	For the next \$150,000 in assets, or portion thereof		
	All assets over \$250,000		

Note: If applicable, Sponsor Stock and self-directed brokerage assets are not Managed Assets and are excluded from the fee calculation.

Fee Terms

Net Advisory Fee

Net Advisory Fee = Gross Advisory Fee – Plan Credit Amount

Description: The net advisory fee is charged to cover ongoing management of the Managed Assets, related servicing, and Participant communications, and is solely attributable to advisory services associated with facilitating and providing discretionary investment management services for the Managed Assets.³ The net advisory fee is not for any non-discretionary financial planning services provided by FPWA.

Calculation: The net advisory fee for the Managed Account Service is a percentage of the average daily balance of Managed Assets of enrolled Participants. It is calculated by deducting a credit amount (as defined below) from the Plan's gross advisory fee.

Plan Credit Amount

Description: The credit amount reduces the Plan's gross advisory fee by the amount of asset-based fees, if any, FPWA, Strategic Advisers or its Affiliates receive and retain for management of Fidelity Mutual Funds and other Fidelity Investment Options in which Managed Assets are invested, and for other services related to any other Investment Option.

Calculation: For each Investment Option in which Managed Assets are invested, the credit amount is calculated daily by adding together:

(i) the underlying investment management fees paid to FPWA, Strategic Advisers or its Affiliates from such investment if it is a Fidelity Mutual Fund or other Fidelity Investment Options (but, if applicable, not other fund expenses); and

(ii) the servicing or other fees paid to and retained by FPWA, Strategic Advisers and its Affiliates based on assets or Participants in any Investment Option other than Fidelity Mutual Funds or other Fidelity Investment Options.

On a quarterly basis, the credit amount is then divided by the average daily amount of Managed Assets for the Plan to establish a percentage that is applied equally across all Participant Accounts to arrive at the net advisory fee for that Participant. It is expected that the credit amount will vary over time, based upon the investment management fees and servicing or other fees as described in (i) and (ii) above as well as the total amount of Managed Assets.

Gross Advisory Fee

Because the credit amount will vary over time, the net advisory fee paid by any Participant will also vary for the reasons above. The gross advisory fee is determined by estimating the credit amount and adding it to the target net advisory fee.

If a Participant is enrolled in the Managed Account Service through other qualified plans record kept by Fidelity outside of this IMA, the Participant's aggregate total average daily balance of managed assets determines the breakpoints at which the gross advisory fee rates set forth above are applied, which may reduce the Participant's advisory fee. Non-qualified plan accounts are not included in the

² If a Plan exceeds the Fee enrollment threshold, the Fee reduction applies on the first day of the quarter in which the threshold was met or exceeded (calculated on a per Plan basis).

³ The net advisory fee is charged in addition to any applicable management fees, purchase fee, short-term trading fee, similar fees payable to the applicable Investment Options, and/or any fee paid to FPWA and Strategic Advisers' Affiliates for services rendered to the Plan.

Participant's total average daily balance of Managed Assets.

Range for Target Net Advisory Fee

Given the Investment Options as of the Effective Date and expected allocation of Managed Assets, FPWA and Strategic Advisers anticipate that the net advisory fees paid by any Participant will fall within the range for target net advisory fee shown above. In rare circumstances, due to the variable nature of the credit amount, the net advisory fee payable by Participants may fall outside of the ranges shown above.

Payment Terms

The Fees are payable quarterly in arrears and will be calculated based on each Participant's average daily balance of Managed Assets. Unless paid by Client, Fidelity or its agent will redeem investments in the amount of the net advisory fee directly from enrolled Participants' Accounts. Fees are generally calculated on the 25th day of the last month of the billing cycle (or the next Business Day if the 25th is not a Business Day) and deducted on the day following the calculation and such amount will be noted on the Participant's statement.

Impact of Participant or Managed Account Service Termination

- Managed Account Service is Terminated but Participant Remains in Plan or Plan Discontinues Managed Account Service

In the event a Participant's enrollment in the Managed Account Service is terminated before the end of a quarter but such Participant remains enrolled in the Plan or the Plan discontinues the Managed Account Service before the end of a quarter, the gross advisory fee applicable to that quarter will be prorated based on the number of days the Account was managed during the quarter, and such Participant's net advisory fee for the pro-rated quarter will be calculated using the Plan credit amount.

- Managed Account Service is Terminated and Participant Takes Full Plan Distribution

If, prior to the end of a billing quarter, a Participant's enrollment in the Managed Account Service is terminated and the Participant does not remain invested in the Plan, then the gross advisory fee applicable to that quarter will be prorated based on the number of days the Account was managed during the quarter. In such cases, a Participant's gross advisory fee for the pro-rated quarter will be reduced by a credit amount based on only those Investment Options in which such Participant was invested.

Schedule B to Investment Management Agreement (FPPA)
Investment Guidelines for Fidelity® Personalized Planning & Advice

In providing discretionary management, Strategic Advisers shall manage Managed Assets in an enrolled Participant's Account by selecting from among the Investment Options in order to provide diversification appropriate for the enrolled Participant. Strategic Advisers will allocate the Participant's portfolio across various asset classes to try to achieve the long-term goal of seeking an appropriate level of returns for a given level of risk.

FPWA shall assign the Participant to an appropriate asset mix based on the appropriate risk/reward trade-offs for the Participant. To determine the appropriate mix, FPWA will consider the Participant's date of birth, assumed retirement age, Account balance, and other personal information provided by the recordkeeper or by the Participant directly through a series of questions or through the incorporation of available online information. This profile information may include the Participant's risk preferences, investment experience, current and future income, and potential withdrawal needs, depending on the availability of such information and the willingness of the Participant to provide such information. It may also include information about assets held by the Participant in other accounts (including amounts held in other plans or accounts serviced by its Affiliates) and the asset allocation of these accounts. FPWA will base its proposed asset mix on the amount of information provided by the Participant but shall not require information from the Participant beyond (i) correct date of birth information for each plan Participant, and (ii) designating the expected retirement age for each Participant.

Strategic Advisers shall design model portfolios for the plan by selecting a combination of Investment Options that track the risk and diversification attributes of the targeted asset allocation within an appropriate range. Based on the information outlined above, FPWA will assign the Participant to one of the model portfolios.

Client or the Authorizing Party has chosen the Managed Account Service's "core" investment management approach (the "core approach") for the management of Managed Assets of enrolled Participants. The core approach evaluates all eligible Investment Options, including actively managed funds, index-based funds, and extended asset class investment strategies when building portfolios. The Managed Account Service chosen by Client and/or the Authorizing Party employs active asset allocation as part of this investment process. Strategic Advisers' active asset allocation process attempts to adjust the long-term asset allocation of the portfolios to increase return potential and/or diversification benefits by applying research-driven primary asset class weightings. Please see Terms and Conditions brochure for the Managed Account Service for more information.

Participant asset allocations generally will be reviewed three to six times per year, and a Participant may be reassigned to an asset allocation that matches his or her updated profile. A Participant may be reassigned to an appropriate asset allocation and portfolio any time the Participant informs FPWA and Strategic Advisers of a change to his or her profile.

Authorizing Party shall be responsible for providing correct date of birth information for each Participant. In addition, if the Participant does not provide information designating their expected retirement date, the Authorizing Party will either (i) provide a default retirement date to be used in scoring Participants or (ii) direct FPWA and Strategic Advisers to use the default retirement date

designated by the Social Security Administration for such Participant.

Strategic Advisers shall invest eligible amounts held in, or contributed to, the accounts of enrolled Participants in accordance with the model portfolio, as it may be adjusted from time to time for market fluctuation, provided that Strategic Advisers shall not manage amounts held in Sponsor Stock (if applicable), or contributions required to be invested in Sponsor Stock, except to counterbalance against such Sponsor Stock as described below. Enrolled Participant Accounts may be rebalanced periodically to align their Accounts to their assigned model portfolio, or if their Accounts drift materially from the market-adjusted model portfolio designated by Strategic Advisers. Strategic Advisers may change the model portfolios as appropriate for changes in the Investment Options, market performance, or economic conditions.

FPWA and Strategic Advisers shall have no independent obligation under this IMA to value assets under its management but shall instead rely upon valuations provided by the trustee, custodian, recordkeeper or its agent, or an external money manager, if applicable.

Special Guidelines for Sponsor Stock Holdings (if applicable): Strategic Advisers will not invest Managed Assets in Sponsor Stock. An enrolled Participant whose Account is invested in Sponsor Stock will be offered the choice whether to (i) have FPWA ignore such holdings in assigning an asset allocation to the Participant or (ii) assign an asset allocation that attempts to offset the risk characteristics associated with an investment in a security. If a Participant elects to offset the Sponsor Stock holdings, FPWA will assign the Participant to a portfolio that attempts to account for their holdings in Sponsor Stock, based on the Participant's level of Sponsor Stock holdings in their Account. If a Participant fails to direct Strategic Advisers as to whether to offset or ignore his or her Sponsor Stock positions, the Authorizing Party hereby directs FPWA to assign the Participant into a portfolio that attempts to offset the risk characteristics of the Participant's Sponsor Stock position.

Strategic Advisers will not make decisions with respect to the exercise of any rights accruing to Investment Options including, without limitation, shareholder rights to vote proxies or tender or exchange shares, or rights arising out of bankruptcy or litigation. Decisions with respect to the exercise of any such rights shall be made in accordance with the provisions of the MSA, and Strategic Advisers shall not be required to take such matters into account in making its investment decisions.

Managed Assets of enrolled Participants may be invested in any Investment Options available for new investment by enrolled Participants other than assets held in or investment options available in self-directed brokerage accounts (and Sponsor Stock, if applicable) subject to the restrictions described below.

To the extent a Participant is enrolled in more than one Account within the Managed Account Service, FPWA and Strategic Advisers will share such Participant data across Accounts and Plans. FPWA and Strategic Advisers will use such Participant's data provided in connection with one Account for updating or management purposes in other Accounts of such Participant that are also managed by the Managed Account Service.

Managed Assets of enrolled Participants will not be invested in any core Investment Option that is closed to new investment by eligible Participants. Certain investments – such as “investment strategy options” – may be excluded from the model portfolio construction process. The Authorizing Party shall have the right to impose reasonable restrictions upon Strategic Advisers with respect to investment management, other than those set out here, provided that it shall first propose such restrictions in writing to Strategic Advisers, and provided that Strategic Advisers shall have thirty (30) business days to determine whether such restriction is reasonable.

To the extent that the Authorizing Party or Client has determined to allow Participants who have self-directed brokerage assets to invest in the Managed Account Service, any self-directed brokerage assets held by the Participant will not be included in the Managed Assets. In addition, all future contributions into the Participant Account will be directed into the portion of the Participant’s Account to be managed by Strategic Advisers. Participants will have the opportunity, if they choose, to reinvest assets from their self-directed brokerage account into the portion of the Participant’s Account to be managed by Strategic Advisers, but such participants will not have the option of withdrawing such assets to reinvest through their self-directed brokerage account.

With respect to any stable value option or custom fund option within a Plan lineup, Strategic Advisers will use such stable value option as the short-term position in constructing its portfolios. The Authorizing Party shall be responsible for obtaining the approval of the stable value option or custom fund provider prior to the implementation of the Managed Account Service.

The Managed Account Service will only consider Fidelity Mutual Funds if such funds have been selected by Client or the Authorizing Party and included in the Plan Investment Options offered to Participants and beneficiaries. To the extent that the Managed Account Service includes one or more Fidelity Mutual Funds in model portfolios utilized by Participants, Strategic Advisers believes such fund or funds are appropriate because each such fund is an Investment Option that, in combination with other Investment Options in the model portfolio, provide a resulting portfolio that tracks the risk and diversification attributes of the targeted asset allocation. Strategic Advisers constructs and manages each model portfolio by applying a quantitative investment methodology. In constructing model portfolios, Strategic Advisers employs a process that is independent with respect to fund family or investment manager.

In addition to the discretionary investment management services described above, through the Managed Account Service FPWA provides non-discretionary, web-based and representative-led financial planning and participant assistance. This financial planning is designed to help enrolled Participants who wish to create, implement, and track a holistic, integrated financial wellness and retirement plan. A team of FPWA advisors will be available to provide ongoing support and to help enrolled participants with financial planning and the servicing of their Managed Assets in their Account. In general, FPWA advisors will only be available via telephone or web access.

These Investment Guidelines may be changed upon sixty (60) days written notice to the Authorizing Party.

IMA Glossary

Unless otherwise defined herein, the terms used in this IMA shall have the same meaning as in the MSA.

“Advisers Act” means the Investment Advisers Act of 1940, as amended.

“Authorizing Party” with respect to a Plan means the entity with authority to retain an investment manager for the Plan, and in the case of a Plan governed by ERISA, shall be the Named Fiduciary. The Authorizing Party for each Plan shall be listed on the Coversheet to this Exhibit.

“Fees” means those fees set forth on Schedule A to this Exhibit that are payable to FPWA and Strategic Advisers for the Managed Account Service.

“Investment Guidelines” means the guidelines set forth in Schedule B.

“Investment Options” means each Plan’s designated investment options offered to Participants under the Plan. To the extent a Plan is intended to be a Non-Qualified Plan that is not funded for tax purposes, Investment Options mean those hypothetical investment options in which a Participant is allowed to direct his or her hypothetical account for purposes of measuring his or her benefit entitlement under the Plan.

“Managed Account Service” means Fidelity® Personalized Planning & Advice *at Work*, an investment management service provided by FPWA and Strategic Advisers, consisting of discretionary investment management services and certain non-discretionary advice to Participants with respect to assets allocated to eligible Participants in the Plan.

“Managed Assets” means the assets in enrolled Participants’ Accounts per the Investment Guidelines but do not include, if applicable, any assets for which the Participant has no authority to provide investment directions under the terms of the Plan, Sponsor Stock, or assets held in self-directed brokerage.

“Other Assets” means the (i) assets of the Plan in Participant Accounts enrolled in the Service that are not Managed Assets, including, if applicable, Sponsor Stock or assets held in self-directed brokerage and (ii) assets of the Participant held outside of the Plan.

“Plan” means, collectively and individually, the Plan(s) listed on the Coversheet to this Exhibit. To the extent any of the Plans identified on the Coversheet to this Exhibit are intended to be Non-Qualified Plans that are unfunded for tax purposes, no provision herein shall be deemed to cause the Plan to be funded for tax purposes, nor shall any provision herein be deemed to grant Participants in such Plan any rights to assets of the trust or custodial account associated with such Plan.

“MSA” means the trust, custodial, service or recordkeeping agreement governing servicing of the Plan by Affiliates of FPWA and Strategic Advisers, which sets forth the conditions for eligibility, enrollment, and termination of enrollment in the Managed Account Service.

Core

“Affiliate” means any other person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, a referenced party. For purposes of the SPS Service Line, the term “Affiliate” shall also include Fidelity International Ltd, its subsidiaries and affiliates.

“Assumptions” means the assumptions specified in the Fee Schedule.

“Auditors” means a third-party auditor either from a certified public accounting firm or as otherwise mutually agreed.

“Business Day” means each day the applicable stock exchange is open.

“Change Control Request” means a notice from a Party to the other Party that sets forth, in reasonable detail, a proposed change to this MSA (either for ongoing Services or for special projects).

“Confidential Information” means (i) all information (including Personal Data) that is identified as confidential or proprietary or reasonably should have been understood to be proprietary or confidential, and (ii) either Party’s technical, trade secret or business information, financial information, business or marketing strategies or plans, product development or customer information, including the terms of this MSA; in each case, disclosed by a Party or its representatives to the other Party before or after the Effective Date in connection with this MSA. “Confidential Information” does not include particular information the receiving Party can demonstrate (a) was, at the time of disclosure either already known to the receiving Party (and not subject to a pre-existing confidentiality agreement) or publicly known; (b) after disclosure, becomes publicly known through no fault of the receiving Party; (c) was separately received from a third party without confidentiality restrictions, (d) was independently developed by the receiving Party without use of the disclosing Party’s Confidential Information, or (e) is data (or a derivative thereof) in a form that is aggregated, de-identified, anonymized, encrypted or otherwise rendered unreadable or unrecognizable as Client’s, Plan’s, or Participants’ information.

“Content” means text, graphics, video, audio, or other materials, including Client’s Name, that Client provides to Fidelity.

“Contract Year” means the 12-month period beginning on the Effective Date and each subsequent 12-month period thereafter during the Term that commences on an anniversary of the Effective Date.

“Covered Persons” means Client’s employees and other persons covered by Client’s employee benefit programs.

“Credentials” means sign-on data that authenticate an End User’s identity (for example, an account number and password).

“Directing Party” means any individual Client authorizes to act on its behalf in giving certain forms of Direction under the MSA. Client may specify different individuals authorized to give Directions on Client’s behalf versus other named entities, or for different Service Lines.

“Direction” means a Directing Party’s written instruction for Fidelity to act, or refrain from acting, in a particular manner in providing Services or special projects and shall include for this purpose the terms of the MSA.

“Direction Document” means a document, the terms of which are agreed to by the Parties, that sets forth ongoing Directions with respect to servicing of any Plan(s).

“Electronic Services” means communication and services Fidelity makes available to Client in connection with this MSA via electronic media.

“End User” means an individual who presents Credentials to sign-on to a website, system, or application.

“Fees” means fees payable to Fidelity specified in the Fee Schedule or elsewhere for Services and special projects.

“Force Majeure Events” means acts of God, civil or military authority, acts of terrorism, whether actual or threatened, quarantines, epidemics, acts of public enemy, war, natural disasters or catastrophes, strikes or other work stoppages, interruption of utilities or other necessary services or supplies or any other cause beyond the reasonable control of the Party.

“Information Systems” means Fidelity recordkeeping systems used to provide the Services specified under the MSA.

“Intellectual Property” means patents, trademarks, service marks, copyrights, trade secrets, systems, procedures, methods, know-how, materials, content, tools, hardware, software, documents, scripts, or code associated with the Services, or any portion thereof, Electronic Services, and Content; in each case provided by one Party (and each of their respective Affiliates, agents, subcontractors, vendors, assignees or delegees) to the other Party in connection with the provision of Services.

“IP Infringement Claim” means any third-party claim alleging any unmodified product or Service Fidelity provides and Client uses in a manner consistent with the terms of this MSA infringes any patent, trademark, copyright, trade secret, or other

proprietary right of that third party.

“**Name**” means a Party’s name, trade names, trademarks, logos, service marks or trade dress.

“**NetBenefits®**” means Fidelity NetBenefits® or its successor, the graphical windows-based application Fidelity makes available for Participant use that provides current Plan and Participant information including indicative data, account balances, activity, and history.

“**PAM**” or “**Plan Administration Manual**” means the document that sets forth in greater detail than this MSA the recordkeeping and related duties and procedures to be followed by Fidelity in providing Services to a Plan. The PAM is a form of Direction Document. This definition includes the Plan Administrative Discovery and Design Document from the implementation process until the full PAM can be generated and approved.

“**Participant**” means any employee, former employee or other individual specifically designated as, or otherwise fitting within the classification of, a “participant” as detailed by the Plan terms and included on the participant list Client provides to Fidelity.

“**Personal Data**” means an individual’s first and last name when coupled with other personal data, including compensation, benefits, tax, marital/family status and other similar information about Participants, that Fidelity may receive in performing Services.

“**Plan**” For the DC and DB Service Lines, “Plan” means each Plan separately identified in the *List of Plans Schedule*. For the SPS Service Line, “Plan” means each plan designated as an equity or other form of compensation plan as detailed in the PAM, through which Client has granted the Equity Award Types to be serviced by Fidelity under this MSA, collectively with the applicable option or grant agreements and other documentation issued from time to time thereunder. For all other Service Lines (e.g., the HSA Service Line and H&W Service Line), “Plan” refers to the respective program selected on the Coversheet. Each reference to “**Plan**” applies to the Plan(s) to which the particular provision of this MSA is being applied or to all Plans as the context requires.

“**Privacy Policy**” means Fidelity’s privacy policy applicable to Covered Persons provided within Fidelity’s website and mobile application, as may be updated by Fidelity from time to time.

“**PSW®**” means Fidelity Plan Sponsor Webstation® or its successor, the graphical windows-based application Fidelity makes available for Client’s use that provides current Plan and Participant information including indicative data, account balances, activity, and history.

“**Service Line**” means each group of Services in a separate Services Schedule as of the Effective Date or by amendment. Each reference to “Service Line” applies to the Service Line(s) to which the particular provision of this MSA is being applied or to all Service Lines as the context requires (e.g., “DC Service Line,” “DB Service Line,” “H&W Service Line,” “SPS Service Line,” “HSA Service Line”).

“**Services**” means those services listed under all Services Schedules. Each reference to “Services” applies to the Service(s) to which the particular provision of this MSA is being applied or to all Services as the context requires (e.g., “DC Services,” “DB Services,” “H&W Services,” “SPS Services,” and “HSA Services”).

Defined Contribution

“**Account**” means an account established and maintained hereunder at a Client’s direction for receiving contributions under a Plan for the benefit of Participants, and any income, expenses, gains, or losses incurred thereon. If used in connection with any Plan listed on the *List of Plans Schedule* as a nonqualified defined contribution plan, this definition shall be read as referring to notional contributions, income, expense, gains and losses, as appropriate.

“**Administrator**” means the entity named on Schedule A as the administrator of a Plan (in accordance with section 3(16)(A) of ERISA, for any Plan subject to ERISA). Absent such designation, the Client shall be deemed to be the Administrator for all purposes hereof.

“**Available Liquidity**” means the amount of short-term investments held in a Stock Fund with respect to a DC Plan decreased by any outgoing cash for expenses then due including payables for loan principals and obligations for pending stock purchases, and increased by incoming cash (such as contributions, exchanges in) and to the extent credit is available and allocable to the Stock Fund, receivables for pending stock sales. (Not applicable for TEM)

“**BrokerageLink**” means Fidelity BrokerageLink®, a Participant-directed brokerage option offered under a DC Plan.

“**BrokerageLink Core Position**” means the money market fund, currently Fidelity Government Cash Reserves, that serves as a settlement vehicle for the purchases and sales of securities via BrokerageLink. All contributions directed to BrokerageLink and all additional BrokerageLink investments are first deposited in the BrokerageLink Core Position.

“BrokerageLink Default Fund” means the SPO investment option into which the transferred assets will be placed when Participants transfer assets from BrokerageLink to the SPO.

“Closed-End Fund (“CEF”)” shall mean an exchange-traded product that issues a fixed number of shares through an initial public offering (“IPO”), whose shares are traded intraday at either a discount or premium to the net asset value of the underlying portfolio, or any other investment with similar attributes that is classified as such on Fidelity’s platform.

“Closing” means the New York Stock Exchange’s (NYSE) normal closing time of 4:00 p.m. (ET), however, in the event the NYSE closes before such time or alters its closing time, all references to the NYSE closing time shall mean the actual or altered closing time of the NYSE.

“Closing Price” means either (1) the closing price of the stock on the principal national securities exchange on which the stock is traded or, in the case of stocks traded over the counter, the last sale price of the day; or (2) if (1) is unavailable, the latest available price as reported by the principal national securities exchange on which the stock is traded or, for an “over the counter” stock, the last bid price prior to the close of the NYSE.

“Code” means the Internal Revenue Code of 1986, as it has been or may be amended.

“Declaration of Separate Fund” means the declaration of separate fund for each fund of a Group Trust.

“Edelman Financial Engines” means Financial Engines Advisors LLC, a registered investment adviser, or its successors or assigns.

“Eligible Individual Account Plan” has the meaning set forth under Section 407(d)(3) of ERISA. (Not applicable for TEM)

“ERISA” means the Employee Retirement Income Security Act of 1974, as it has been or may be amended.

“Existing Investment Contracts” means each investment contract entered into before the Effective Date by a Sponsor (or any of its subsidiaries or affiliates) or any Plan trustee and specified on an Attachment to Schedule B (DC Terms).

“Fidelity Mutual Fund” means any investment company advised by Fidelity Management & Research Company or any of its affiliates.

“Fidelity Pre-Approved 401(a) Document” shall mean the pre-approved retirement plan document or documents filed by Fidelity with the IRS pursuant to Revenue Procedure 2017-41 and subsequent guidance and offered to Client solely in support of providing services to Client’s 401(a)/(k) Plan(s) under this MSA. Certain terms utilized within the MSA in describing services provided to the Client when the Client’s Plan is utilizing the Fidelity Pre-Approved 401(a) Document (such as Basic Plan Document, Adoption Agreement, Plan Superseding Provisions Addendum, Trust Superseding Provisions Addendum and Pre-Approved Plan Provider) shall have the same definition as provided in the Fidelity Pre-Approved 401(a) Document. With regard to any Plan indicated on the Schedule of Plans as utilizing the Fidelity Pre-Approved 401(a) Document, this MSA shall be considered for such Plan to be the Service Agreement described in the Fidelity Pre-Approved 401(a) Document.

“FIFO” means first in, first out. (Not applicable for TEM)

“Fixed Annuity Contract” means a group annuity contract issued by an insurance carrier. The investment generally guarantees principal and accumulated interest, based on either a fixed rate of return established by the insurance company or the investment returns of a portfolio of fixed-income products managed by the insurance company.

“FPRS” means the Fidelity Participant Recordkeeping System.

“Good Order” shall mean a state or condition acceptable to Fidelity in its sole discretion that Fidelity determines is reasonably necessary for accurate execution of the intended transaction or activity.

“Group Trust” means a group trust for retirement plans that is established and maintained pursuant to IRS Revenue Ruling 81-100 and subsequent IRS guidance.

“Ineligible Securities” shall mean any security or security type that Fidelity or the Client has identified as being restricted from purchase or holding in BrokerageLink.

“Insolvency” or “Insolvent” with respect to a party means that the party (i) is unable to pay its debts as they become due, or (ii) is subject to a pending proceeding as a debtor under the United States Bankruptcy Code (or if not subject to the United States Bankruptcy Code, the entity is placed into receivership, conservatorship or similar status by its chartering or primary regulatory agency).

“Investment Contracts” means guaranteed investment contracts, structured or synthetic investment contracts, or any similar stable value products.

“Investment Management Agreement” means the investment management agreement executed by and between the Client,

Strategic Advisers LLC, and Fidelity Personal and Workplace Advisors LLC in connection with Personalized Planning & Advice.

“Investment Manager” has the meaning set forth under Section 3(38) of ERISA.

“Investment Services” means any guidance or assistance provided by Fidelity to the Client through any medium and that includes any analysis recommendation or ranking of investment options or that in any way discusses the attributes of investments for use in a defined contribution retirement plan.

“LIFO” means last in, first out.

“Losses” means any and all loss, damage, penalty, liability, cost and expense, including without limitation, reasonable attorney’s fees and disbursements.

“Managed Assets” means those assets held in or contributed to the individual Plan Accounts of: (i) with respect to Personalized Planning & Advice, eligible Participants from whom Fidelity or its agent has received in Good Order an election to participate in the Personalized Planning & Advice, and whose participation has not been terminated in accordance with the rules thereof (excluding Sponsor Stock), (ii) with respect to Professional Management services, eligible Participants with respect to whom Fidelity or its agent has received notice from Edelman Financial Engines of the Participant’s election to participate in the Professional Management service (or, in the case of auto enrollment those enrolled who have not opted out of the service), and whose participation has not been terminated in accordance with the rules thereof, or (iii) with respect to Model Portfolio Recordkeeping Services, Participants who have enrolled in the Model Portfolio Service but not including Participant assets invested in Sponsor Stock, self-directed brokerage, any Sponsor-directed source, or FMTC or Fidelity Advisor stable value commingled pools. If used in connection with any Plan listed on Schedule A as a nonqualified defined contribution plan, this definition shall be read as referring to notional assets, as appropriate.

“Market Close” means the New York Stock Exchange’s (NYSE) normal closing time of 4:00 p.m. (ET), however, in the event the NYSE closes before such time or alters its closing time, all references to the NYSE closing time shall mean the actual or altered closing time of the NYSE.

“MP Service” means the Model Portfolio Recordkeeping Service offered under the Plan.

“Mutual Fund” refers both to Fidelity Mutual Funds and Non-Fidelity Mutual Funds.

“Named Fiduciary” (i) with respect to any Plan subject to the fiduciary duty provisions of ERISA, shall mean a fiduciary who is named in the Plan document, or who, pursuant to a procedure specified in the Plan, is identified as a fiduciary (A) by a person who is an employer or employee organization with respect to the Plan, or (B) by such an employer and such an employee organization acting jointly, and (ii) with respect to any Plan not subject to the fiduciary duty provisions of ERISA, shall mean the Client, Sponsor or the Employer, as applicable, for the purpose of assuming the responsibilities reserved to the Named Fiduciary under this MSA.

“NAV” means Net Asset Value.

“Non-Fidelity Mutual Fund” means certain investment companies not advised by Fidelity Management & Research Company or any of its affiliates.

“Participant BrokerageLink Account” means a Participant BrokerageLink Account established in connection with self-directed brokerage services under a DC Plan.

“Participant Recordkeeping Reconciliation Period” means the period beginning on the date of a transfer of the Plan’s records (and, if applicable, assets) to Fidelity and ending on the date of the completion of the reconciliation of Participant records.

“Participation Agreement” means the participation agreement for a Group Trust.

“Permissible Investment Options” means those investment options that are available for investment through the MP Service.

“Personalized Planning & Advice” Personalized Planning & Advice means Fidelity® Personalized Planning & Advice at Work, an investment management service provided by Fidelity Personal and Workplace Advisors LLC (“FPWA”) and Strategic Advisers LLC (“Strategic Advisers”), each affiliates of Fidelity, and registered investment advisers, in accordance with the Investment Management Agreement, to eligible Participants who elect Personalized Planning & Advice.

“Phantom Funds” means the hypothetical investment option(s) described in an Attachment to Schedule B (DC Terms and Conditions) with respect to any Plan.

“Professional Management Service” means a discretionary investment management service provided by Edelman Financial Engines, in accordance with a financial services agreement between the Named Fiduciary and Edelman Financial Engines, to eligible Participants who elect to participate in the service.

“Qualified Domestic Relations Order” (or **“QDRO”**) has the meaning ascribed to such term under Section 414(p) of the Code and, if applicable, under Section 206(d) of ERISA.

“Qualifying Employer Securities” has the meaning set forth under Section 407(d)(5) of ERISA. (Not applicable for TEM)

“Reporting Date” means the last day of each fiscal quarter of a Plan and, if not on the last day of a fiscal quarter, the date as of which the trustee or custodian, as applicable, resigns or is removed pursuant to the terms of the Trust Agreement or the Group Custodial Account Agreement, as applicable.

“Rollover Contribution” means the rollover of all or any portion of an eligible rollover distribution from an Eligible Retirement Plan to an Account pursuant to the rollover provisions of the Code, regulations and IRS guidance and subject to the provisions of the Client’s Plan, if any.

“SAR” means Summary Annual Report.

“Specified Hierarchy” means the Stock Fund processing order in Schedule B (DC Terms) that gives precedence to distributions, loans (if applicable) and withdrawals, and otherwise on a FIFO basis. (Not applicable for TEM)

“SPO” means the Standard Plan Options that are the basic non-brokerage investment options available in a DC Plan.

“Sponsor” shall mean, with respect to any Plan, the entity that has assumed the responsibility of the Sponsor under this MSA and which has been designated as such on the *List of Plans Schedule* (or, absent such designation, the Client). With respect to any ERISA Plan, Fidelity shall be entitled to rely on such Client representation that such entity is the Sponsor of such Plan as defined under Section 3(16)(B) of ERISA.

“Sponsor Stock” means the common stock of the Sponsor of a Plan, such other publicly-traded stock of the Sponsor, or such other publicly-traded stock of the Sponsor’s affiliates and meets the requirements of Section 407(d)(5) of ERISA, if applicable, with respect to the Plan. (Not applicable for TEM)

“Stock Fund” means the investment option consisting of Sponsor Stock and, if applicable, cash or short-term liquid investments. (Not applicable for TEM)

“Strategic Advisers” means Strategic Advisers, LLC, an affiliate of Fidelity, and a registered investment adviser, or its successors or assigns.

“Variable Annuity Contract” means a group annuity contract issued by an insurance carrier. The rate(s) of return for the investment will vary based on the performance of the investment choice(s) available through the variable annuity and could lose value.

“VRS” means Voice Response System.

Defined Contribution (TEM Only)

“Approved Vendor” means any insurance company or custodial account provider that Client designates to Fidelity as approved to receive contributions, changes of investments (between Approved Vendors), and/or contract exchanges under a Plan designated in Schedule A hereto as a 403(b) plan.

“Church Plan” has the meaning set forth under Section 3(33) of ERISA.

“Compliance Services Website” means an aggregation database and software infrastructure, including connectivity, transmission, and display of data constituting Plan information uploaded from FPRS, received from Client and/or transmitted from the Other 403(b) Vendor(s).

“Eligible Retirement Plan” means any eligible retirement plan as described in Section 402(c)(8)(B) of the Code.

“Eligible Rollover Distribution” means a distribution qualifying as an “eligible rollover distribution” under Section 403(b)(8) of the Code.

“Fidelity Pre-Approved 403(b) Document” shall mean the pre-approved retirement plan document or documents filed by Fidelity with the IRS pursuant to Revenue Procedure 2013-22 and subsequent guidance and offered to Client solely in support of providing services to Client’s 403(b) Plan(s) under this MSA. Certain terms utilized within the MSA in describing services provided to the Client when the Client’s Plan is utilizing the Fidelity Pre-Approved 403(b) Document (such as Basic Plan Document, Adoption Agreement, Plan Superseding Provisions Addendum and Volume Submitter Sponsor) shall have the same definition as provided in the Fidelity 403(b) Pre-Approved Plan Document. As required by the IRS, in the event of any conflict between the terms of the Fidelity 403(b) Plan Document and the terms of the Investment Arrangement Documentation, the terms of the Fidelity 403(b) Plan Document will govern. The term “Investment Arrangement Documentation” means the terms and agreements associated with the funding arrangement(s) for the Plan, such as custodial agreement(s), annuity contract(s), or other

documents that the Investment Arrangement Documentation may reference, such as service agreement(s). If Fidelity is not the only vendor to the Plan, Client is responsible for ensuring that its version of the Fidelity 403(b) Plan Document is consistent with the Plan's Investment Arrangement Documentation and communicating any necessary changes to such Investment Arrangement Documentation to the relevant vendor(s) under the Plan. Client agrees to promptly notify Fidelity regarding changes to the Investment Arrangements described on Appendix D to its Plan, if such changes impact the terms of its 403(b) Plan or Fidelity's servicing of its 403(b) Plan.

"Governmental Plan" has the meaning set forth under Section 3(32) of ERISA.

"Group Custodial Account" means the group custodial account maintained under any Group Custodial Account Agreement between FMTC and Client.

"Lead Administrator Services" refers collectively to the Lead Administrator Contribution Management Services, Lead Administrator Compliance Services, and other related service options.

"Other 403(b) Vendor" means each other active or frozen recordkeeper, investment provider or vendor for a 403(b) Plan that is currently considered part of such Plan for purposes of compliance with the Code and, if applicable, ERISA.

SAMPLE

EXHIBIT B

COSTCO

401(k) Retirement Plan

Summary Plan Description

January 1, 2022

#SAVE



GET STARTED >

Welcome

This booklet, called a “Summary Plan Description,” summarizes the rules of the Costco 401(k) Retirement Plan (“Plan”) in effect as of January 1, 2022. The information contained here describes the main features of the Plan, tells you how it operates and gives you certain information required by law. However, this booklet is only a summary – the terms of the Plan control.

The Plan is maintained by Costco Wholesale Corporation (“Costco”) for the exclusive benefit of eligible employees of Costco and its designated participating employer subsidiaries (Costco Wholesale Membership, Inc., CWC Travel, Inc., CWC DC LLC, and Lincoln Premium Poultry, LLC). In this booklet, these affiliates and Costco are all referred to as “participating employers.” Lincoln Premium Poultry, LLC (“LPP”) employees participate in the Plan, but their benefits are described in a separate booklet.

The Plan may be changed in the future. You will be notified of any material changes to the Plan in a “summary of material modifications” (SMM). Officers and employees of Costco or its affiliates are not authorized to speak on behalf of the Plan or the Plan Administrator (the Costco Benefits Committee).

If you have any questions with respect to benefits under the Plan, you can speak to a Plan service representative by calling T. Rowe Price at **800-922-9945**. If you still have unanswered questions, you should contact the Costco Benefits Department at **800-284-4882**.

The terms of the Plan and this Summary Plan Description govern over oral or other written communications (including electronic communications) concerning the Plan.

References to other pages within this booklet are [blue](#) and linked.

Portions of this Summary Plan Description (including all subsequent summaries of material modifications hereto) that describe the material terms of the Costco 401(k) Retirement Plan and its operation constitute part of a prospectus covering securities that have been registered under the Securities Act of 1933, as amended, as described in the Prospectus for Costco Wholesale Corporation – Costco 401(k) Retirement Plan, dated December 31, 2019 (or subsequent versions thereof).

Although portions of this Summary Plan Description constitute part of the Costco stock prospectus, the other documents that make up the Costco stock prospectus or that Costco files with the SEC are separate from, are not part of, and are not incorporated by reference into this Summary Plan Description.

Este folleto contiene un resumen en inglés de tu plan de derechos y beneficios bajo el Plan de Retiro Costco 401(k).

Si se te dificulta comprender alguna parte de este folleto, contacta al departamento de Beneficios de Costco al 800-284-4882 o en el 999 Lake Drive, Issaquah, WA 98027. El horario de oficina es de 8:00 a 17:00 hrs. de Lunes a Viernes.

Eligibility

- Eligibility upon rehire

Enrollment

Automatic enrollment

Eligibility and Enrollment

Eligibility

To be eligible to make pre-tax and Roth salary deferral contributions (and receive Costco's matching contributions), you must be at least 18 years old and you must have completed 90 days of service within a 12-consecutive-month period. You may enter the Plan on the first day of the month after you work 90 days and meet the age requirement, and any pay date thereafter. For example, if you are at least 18 and your 90th day of employment is July 15, you may enter the Plan beginning on August 1 or any pay date thereafter. When you enter the Plan on a pay date, this means that your salary deferral election will apply when administratively practicable to all compensation you earned during the pay period for that pay date (other than compensation earned before your entry date).

Employees designated as employees on Costco's Issaquah, Washington payroll system, and who receive a Form W-2 from a participating employer, may participate in the Plan when they meet the eligibility requirements described above. However, union employees may participate only to the extent their collective bargaining agreement and the Plan specifically provide for coverage. ("Union employees" are employees who are part of a collective bargaining unit recognized by Costco and with respect to whom retirement benefits have been the subject of good-faith bargaining.) Employees working and being paid in Puerto Rico are covered by the Costco Puerto Rico Retirement Plan and do not participate in this Plan. Employees working and being paid in foreign countries are not eligible to participate in this Plan. Leased employees, NWAP employees, temporary agency employees, independent contractors, and individuals performing work for a participating employer in any other non-employee capacity are not eligible to participate. These rules apply notwithstanding any subsequent reclassification of an individual as an employee.

From time to time, Costco may acquire a new company and adopt special rules. For example, acquired employees may be offered an opportunity to roll over an outstanding plan loan or after-tax contributions. Any transition rules will be described in the Plan and communicated to affected employees. Except to the extent the Plan specifically provides otherwise, prior service with an acquired company or its affiliates is not counted for any purpose under the Plan.

ELIGIBILITY UPON REHIRE

If you were participating in the Plan at the time you terminated or you were eligible to participate but had not yet entered the Plan at the time of your termination, you are eligible to begin participating upon your rehire. If you had not previously met the eligibility requirements, you must become eligible in accordance with the provisions of the Plan.

Enrollment

To begin making salary deferral contributions to the Plan, contact T. Rowe Price online at rps.troweprice.com or by calling 800-922-9945, elect a salary deferral percentage (i.e., the percentage of your pay that you wish to contribute to the Plan as a pre-tax salary deferral contribution, a Roth salary deferral contribution, or a combination of the two), and make your investment choices. (An enrollment kit with further details will be provided to you.)

Your election will take effect when administratively practicable following the date of your request. Elections may not be made or changed retroactively. It is your responsibility to review account statements and pay stubs to verify that the correct amounts are taken

Eligibility

Eligibility upon rehire

Enrollment

- Automatic enrollment

from your compensation and contributed to the Plan. You must notify the Costco Benefits Department of any error, in which case the error will be fixed prospectively. However, salary deferral contributions that have already been taken from your compensation are final and irrevocable.

AUTOMATIC ENROLLMENT

If you don't contact T. Rowe Price and make a salary deferral election (i.e., an election to contribute a percentage of your compensation to the Plan or an election to contribute nothing), you will be automatically enrolled in the Plan. If you are automatically enrolled, each paycheck will be reduced by 4% of your compensation, which is contributed to the Plan as a pre-tax salary deferral contribution. In order to make a Roth salary deferral contribution, you must contact T. Rowe Price.

Prior to April 2, 2022, participants who were automatically enrolled had each paycheck reduced by 3% of their compensation. This changed to 4% of compensation, effective for participants whose entry date for salary deferral contributions is after April 1, 2022. This change also applies to participants who become eligible to make salary deferral contributions upon their rehire or entry into eligible employment after April 1, 2022, and to any occasional automatic enrollments announced by the Plan Administrator that take effect after April 1, 2022.

Automatic enrollment happens in the following situations:

- **Initial eligibility** – If you are a newly eligible employee who becomes eligible after completing 90 days of service within a 12-consecutive-month period, you will be automatically enrolled if you don't make a salary deferral election within 30 days after the first day of the next month. However, if you are not in eligible employment on the first day of the next month, you will be automatically enrolled if you don't make a salary deferral election within 30 days after the date you enter eligible employment.

- **Rehire** – If you are a former participant or eligible employee who again becomes eligible to participate as of your date of rehire (as described in [Eligibility upon rehire on page 3](#)), you will be automatically enrolled if you don't make a salary deferral election within 30 days after rehire.
- **Occasional automatic enrollment** – From time to time, the Plan Administrator may automatically enroll non-participating eligible employees, regardless of their hire or rehire date. You will receive advance notice of any such automatic enrollment, and you will not be automatically enrolled if (1) you make any salary deferral election within 30 days of the date of the notice, or (2) you changed your salary deferral percentage to 0% within the 90 days before the automatic enrollment is scheduled to occur.

Automatic enrollment will take effect when administratively practicable following the end of the 30-day period described above. If you are automatically enrolled, you can change your pre-tax salary deferral percentage, elect to make Roth salary deferral contributions, or elect not to participate prospectively at any time by contacting T. Rowe Price, as described in [Employee contributions on page 5](#). Once you are enrolled, your pre-tax salary deferral percentage will automatically increase each year unless you opt out, as described in [Automatic contribution increases on page 5](#).

Employee contributions

- Excess contributions
 - Automatic contribution increases
- If contribution election exceeds net pay

Costco's contributions

Vesting of Costco's contributions

Rollover contributions

Rollovers from a former employer's plan

In-Plan Roth rollovers

Total contribution limits

Compensation definition

Contributions

Employee contributions

You may elect to contribute, by payroll deduction, up to 50% of your compensation per pay period (in 1% increments). Generally, your salary deferral contributions cannot exceed the maximum amount permitted by the Tax Code each year (\$20,500 for 2022, and increased by IRS cost-of-living adjustments in future years). This Code limit applies to your pre-tax and Roth salary deferral contributions, combined. However, if your total salary deferral contributions have hit this limit and you're age 50 or older (or if you will turn 50 by the end of the calendar year), you are eligible to make additional pre-tax and/or Roth salary deferral contributions called "catch-up contributions."

You may elect to make catch-up contributions, by payroll deduction, of up to 50% of your compensation per pay period (in 1% increments), up to the maximum catch-up contribution amount permitted by the Code each year (\$6,500 for 2022, and increased by IRS cost-of-living adjustments in future years).

You may stop, restart or change your contributions at any time by contacting T. Rowe Price online at rps.troweprice.com or by calling **800-922-9945**. Requests to stop or restart contributions or change your salary deferral percentage will take effect when administratively practicable. If the contribution change does not take effect within 2-3 pay cycles, contact T. Rowe Price.

Any contributions made before your request to change or stop contributions takes effect will not be reversed or refunded – the contributions will remain in your account until you are eligible to receive a distribution from the Plan, as described in [Distributions on page 20](#).

EXCESS CONTRIBUTIONS

The above Code limit on your salary deferral contributions applies to all your contributions during the year to this Plan and any other 401(k) plan, or 403(b) or 408(k) plan, combined. If you exceed this limit and want the Plan to return the excess to you (adjusted for investment earnings and losses accrued during the year in question), you must notify T. Rowe Price in writing before April 1 of the following year. You may have adverse tax consequences if you do not ask T. Rowe Price to return the excess.

In addition, your contributions to the Plan are subject to an annual test to ensure that employees at different pay levels benefit from the Plan on a nondiscriminatory basis. If you are a highly compensated employee, the test results may require you to reduce your contribution. You will be notified if the test results indicate that the percentage you contribute must change or if contributions must be returned to you. If it is necessary to return your contribution, a check will be mailed to you, if possible by March 15 following the year in question, and it will include any income or loss the returned contributions accrued during such year. You must include the returned amount in your taxable income.

AUTOMATIC CONTRIBUTION INCREASES

After you are enrolled in the Plan, your pre-tax salary deferral contributions will automatically increase by 1% each year. The automatic increase will take effect when administratively practicable following the anniversary of your date of hire. However, the automatic increase will not occur if: (1) you changed your salary deferral election within the 30 days prior to your anniversary date, (2) you are already contributing 20% or more of your pay to the Plan, (3) you have elected

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not to contribute to the Plan, or (4) you have opted out of automatic increases.

You may opt out of automatic increases at any time. You may also customize automatic increases as follows: you can choose to have your pre-tax salary deferral contributions automatically increase on a different day of the year or by more than 1% each year, or you can choose to have automatic increases stop at a different contribution percentage (up to 50%). To elect not to contribute to the Plan, or to opt out of or customize automatic increases, contact T. Rowe Price at 800-922-9945 or online at rps.troweprice.com.

Automatic increases will not apply to your Roth salary deferral contributions. To change the percentage of your Roth salary deferral contributions, you must contact T. Rowe Price as described above.

IF CONTRIBUTION ELECTION EXCEEDS NET PAY

Your compensation in any pay period is first reduced for most other deductions, such as state and federal taxes, loan repayments, garnishments, and most benefits under the Costco Employee Benefits Program. If your net pay after these deductions is insufficient to make your elected contributions for a pay period, you will be treated as having withdrawn your election with respect to the following categories of contributions in the following order, until your total election is less than your net pay: all catch-up Roth salary deferral contributions; all non-catch-up Roth salary deferral contributions; all catch-up pre-tax salary deferral contributions; and all non-catch-up pre-tax salary deferral contributions. For example, if your compensation is \$1,300 and your net pay is \$1,000, and you elect \$600 of Roth salary deferral contributions and \$600 of pre-tax salary deferral contributions, you will be treated as having withdrawn your election to make Roth salary deferral contributions, but your election to make \$600 of pre-tax salary deferral contributions will be given effect.

Costco's contributions

Costco may make three kinds of contributions to the Plan on your behalf:

1. Matching contribution

Costco may contribute an amount equal to a percentage of (or a tiered percentage of) your total salary deferral contributions made for a year, up to a certain dollar amount. The matching contribution formula is established annually by Costco. Costco reserves the right to make no matching contribution and the right to modify the contribution formula or allocation. For 2022, the matching contribution is the lesser of \$500 or 50% of your salary deferral contributions. Costco does not match catch-up contributions.

Union employees (as defined in [Eligibility on page 3](#)) are ineligible for matching contributions except to the extent their collective bargaining agreement provides for a matching contribution to the Plan. The matching contribution for participants whose work is covered by the collective bargaining agreement with the International Brotherhood of Teamsters in California, the Eastern Area Teamsters Agreement, or the Teamsters Local 243, Local 174 or Local 150 Agreements is that which is required by those agreements and memorialized by Costco. For 2022, the matching contribution for work covered by those collective bargaining agreements is the lesser of \$250 or 50% of your salary deferral contributions.

If you work both as a union employee and as a non-union employee during a year, the following rules apply: If you receive a matching contribution under a collective bargaining agreement for hours worked as a union employee, you may not also receive a matching contribution under the non-union matching contribution schedule with respect to that same work, and vice versa. In addition, your total matching contribution for the year may not exceed the annual maximum under the non-union schedule (\$500 for 2022).

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Matching contributions are subject to a special IRS test to ensure that employees at different pay levels benefit from the Plan on a nondiscriminatory basis. If you are a highly compensated employee, the test results may require that a portion of the matching contribution made on your behalf be distributed to you or forfeited. You will be notified if this applies to you.

2. Discretionary contribution

In addition to the matching contribution, Costco may make a discretionary contribution to your account if you have met the eligibility requirements for discretionary contributions, as described below.

Before you can enter the Plan for purposes of Costco's discretionary contributions, you must be at least 18 years old and have waited at least 12 months since your first date of employment with a participating employer on or after January 1, 2020. Once you have met the age and service requirements, you enter the Plan for purposes of discretionary contributions on the next entry date for discretionary contributions, which occurs twice each year, on January 1 and July 1. You will then be eligible to receive discretionary contributions provided you are employed on December 31 of the year for which the contribution is made. For instance, if you were hired on July 15, 2020, you would have met the service requirement on July 14, 2021. Assuming you were at least 18 years of age, you would enter the Plan on the next entry date, which would be January 1, 2022. You would be eligible for discretionary contributions made in 2023 for the 2022 plan year, as long as you were still employed on December 31, 2022. Note that for purposes of eligibility for discretionary contributions, a former employee who is receiving severance is not considered "employed" after the termination date specified in the severance agreement.

The discretionary contribution, if made, will be a percentage of your compensation based on your years of service. The following

chart shows the discretionary contribution that was made for 2021:

Years of service	Percentage of compensation contributed
Less than 1	0
3 (less than 4)	3
4 (less than 5)	4
5-9 (less than 10)	5
10-14 (less than 15)	6
15-19 (less than 20)	7
20-24 (less than 25)	8
25 or more	9

If you entered the discretionary contribution portion of the Plan on the July 1 entry date, your contribution for the first year will be with respect to your compensation paid after that date. In addition, if you are still employed by a participating employer at the end of the year but have changed jobs, so that for a portion of the year you were not in eligible employment, only the compensation you earned while you were in eligible employment will be used to calculate your discretionary contribution. For a description of eligible employment, see [Eligibility on page 3](#).

Union employees (as defined in [Eligibility on page 3](#)) are ineligible for the discretionary contribution except to the extent their collective bargaining agreement provides for a discretionary contribution, they have met the Plan's eligibility requirements for discretionary contributions (see above), and the Plan specifically provides for coverage. The discretionary contribution for employees whose work is covered by the collective bargaining agreement with the International Brotherhood of Teamsters in California, the Eastern Area Teamsters Agreement, or the Teamsters Local 243, Local 174 or Local 150 Agreements is that which is required by those agreements and memorialized by Costco. This type of discretionary contribution is called the "company contribution." The company contribution, if made, will be a contribution amount (based on a participant's years of

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service) times straight time hours worked during the year. For this purpose, "straight time hours" means straight time hours worked, including hours worked on Sunday, up to a maximum of 2,080 for each calendar year of work. Only straight time hours worked pursuant to the collective bargaining agreement and after your entry date for discretionary contributions are taken into account when computing the company contribution. The following chart shows the company contribution for 2021:

Years of service	Company contribution
Less than 1	0
4 (less than 5)	5 cents an hour up to 2,080 hours
5-9 (less than 10)	15 cents an hour up to 2,080 hours
10-19 (less than 20)	37 cents an hour up to 2,080 hours
20 or more	47 cents an hour up to 2,080 hours

If you receive a company or other discretionary contribution under a collective bargaining agreement for hours worked, you may not also receive a discretionary contribution under the non-union discretionary contribution schedule for compensation earned with respect to that same work, and vice versa.

For purposes of determining your years of service for any Plan contribution, prior service does not count if you terminated employment for a year or more. In addition, an employee who was employed by The Price Company on the effective date of the merger of The Price Company and Costco may not count any previous service with Costco, and vice versa. Also, work performed as an LPP employee does not count for purposes of discretionary or company contributions. However, former Plan participants who are rehired, and former LPP employees who become employed with another participating employer, are treated as having no less than one year of service.

Costco reserves the right to make no discretionary or company contribution and the right to modify the contribution formula or allocation.

3. Profit-sharing contribution

In addition to matching and discretionary contributions, Costco may from time to time make a profit-sharing contribution to your account if you meet the specific eligibility requirements listed in Appendix C to the Plan. To request a copy of Appendix C, contact the Benefits Department at 800-284-4882. Profit-sharing contributions were last made in 2008.

VESTING OF COSTCO'S CONTRIBUTIONS

The term "vesting" refers to the percentage of contributions that you are entitled to if you terminate employment. This is also called your "vested percentage." You are always 100% vested in your salary deferral, rollover contribution, and profit-sharing contribution accounts. However, your matching and discretionary contribution accounts are subject to a vesting schedule based on your years of service, as follows:

Years of service	Percentage vested in Costco's contributions
Under 2 years	0%
2 years	20%
3 years	40%
4 years	60%
5 years	100%

Your vested interest will automatically increase to 100% if you turn age 65 (the Plan's normal retirement age) while you are still in active employment with a participating employer, if you terminate employment with a participating employer as a result of total disability (as defined by the Plan), if you die while employed by a participating employer or while performing qualified military service, or if the Plan is terminated.

Years of service for vesting purposes

You will receive one year of service for vesting purposes for each whole year of service with participating employers. If you terminate employment but then return within 12 months, your absence is

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ignored. Also ignored are the following: approved leaves of absence, military leave (to the extent provided in the Plan), and maternity or paternity leave (to the extent provided in the Plan). Otherwise, an absence of more than 12 months ends the preceding period of service, and a new period of service begins on your return. If you have more than one period of service, your periods of service will be added together and you will receive one year of service for every 365 days of employment. If you have prior service that should be considered for the purpose of calculating vesting, please contact the Costco Benefits Department at 800-284-4882.

If you stop working before you are 100% vested

The portions of your matching and discretionary contribution accounts that are not vested when you terminate employment with all participating employers are forfeited in accordance with the following rules. If you are 0% vested, forfeiture occurs as of your termination date. Otherwise, it occurs on the earlier of: (1) the date you receive distribution of your vested account balance, or (2) at the end of five consecutive "breaks in service." (A "break in service" is a 12-consecutive-month period during which you are not employed by a participating employer.) The forfeited funds stay in the Plan to be used first to pay administrative expenses and second to reduce future employer contributions to the Plan for other participants.

If you are rehired within five years, any amount forfeited under the above rules will be restored to your account if you repay the amount that was distributed to you (if any). You must make the repayment within five years of your reemployment date. If you do not do so, the previously forfeited amounts will remain forfeited. If this applies to you, contact the Costco Benefits Department at 800-284-4882. Also, regardless of whether you took a distribution, if you are not rehired within five years, any amount that was not vested when you terminated employment will be permanently forfeited.

Rollover contributions**ROLLOVERS FROM A FORMER EMPLOYER'S PLAN**

You may make a rollover contribution from a former employer's plan as long as you are eligible to make salary deferral contributions to the Plan (see [Eligibility on page 3](#)) and the amount contributed is an eligible rollover distribution (as defined in Code Section 402(c)) from a pre-tax IRA or from another qualified plan, or a Code Section 403(a), 403(b), or 457(b) plan. You can make a rollover contribution from a Roth salary deferral account in one of those plans, but this Plan does not accept rollovers from Roth IRAs or other types of after-tax contributions. In addition, a rollover contribution may not include an outstanding loan, it may not require any changes to the operation or administration of the Plan, and it may not require the provision of any form of distribution not otherwise provided by the Plan. Exceptions may be made with respect to employees of a newly acquired company, to the extent provided in the Plan.

In general, rollovers must be made within 60 days of the time you received the distribution or they must be transferred directly to this Plan from your IRA or the trustee of your former plan. However, the 60-day rollover option is not available for rollovers from a Roth salary deferral account – those rollovers must be made directly to this Plan from the trustee of your former plan. If you wish to make a rollover contribution, contact T. Rowe Price at 800-922-9945 for a rollover kit. Rollover contributions will be deposited into a "rollover contribution account" in your name. Rollovers from a Roth salary deferral account will be placed in a separate sub-account called a "Roth rollover contribution account."

Like your other Roth accounts, distributions from your Roth rollover contribution account can be rolled over only to a Roth IRA or to a Roth salary deferral account in another qualified plan or a Code Section 403(b) or 457(b) plan. Also, you cannot take a Plan loan from your Roth rollover contribution account.

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IN-PLAN ROTH ROLLOVERS

In-Plan Roth rollovers are also available. An in-Plan Roth rollover allows you to convert certain non-Roth balances in your account to a Roth balance. An in-Plan Roth rollover could potentially provide tax benefits, depending on your individual circumstances. You should talk with your own financial or tax advisor before electing an in-Plan Roth rollover.

You may convert invested pre-tax amounts that you've contributed to the Plan, adjusted for earnings and losses and prior withdrawals. Other types of contributions, including Costco's matching and discretionary contributions, cannot be converted. Loan balances and Costco stock also cannot be converted to Roth. In addition, conversions are not available to non-spouse death beneficiaries and alternate payees who are not a spouse or former spouse.

If you elect an in-Plan Roth rollover, the converted amount will be transferred to an in-Plan Roth rollover account in your name and will be subject to tax at the time of the conversion. Income taxes will not be withheld from the converted amount, so it will be your responsibility to satisfy all taxes due. Distributions of converted amounts (and earnings) are tax-free so long as certain timing and other requirements are met. In general, a distribution will be tax-free if you've waited at least five years after the conversion and you are age 59½ or older.

Converted amounts are subject to the same distribution rules that applied before the conversion. For example, if you convert pre-tax salary deferral contributions, generally you still cannot withdraw those funds until age 59½ or termination of employment. A hardship distribution can be taken from converted salary deferral contributions (other than investment gains), but only if you have no remaining pre-tax salary deferral contributions. Hardship distributions cannot be taken from investment gains on converted amounts. In addition, you cannot take a loan from your in-Plan Roth rollover account.

To elect an in-Plan Roth rollover, call T. Rowe Price at **800-922-9945**. The amount you elect to convert will be taken pro rata from your

investments in your eligible contribution accounts, other than investments in Costco stock, and transferred in-kind to your in-Plan Roth rollover account. To convert amounts invested in Costco stock, you must first exchange into a different investment option. Note that if you have reached your required beginning date, you will not be able to elect an in-Plan Roth rollover until you have taken your required minimum distribution for the year.

In-Plan Roth rollovers are final – you cannot elect to move the funds back to non-Roth.

Total contribution limits

There's an IRS limit on the total contributions that can be made to your account each year. The limit applies to Costco's contributions and your own salary deferral contributions, but it does not apply to any rollover contributions that you make. For 2022, the limit is the lesser of 100% of your compensation or \$61,000 (\$67,500 including catch-up contributions) (increased for IRS cost-of-living adjustments in following years). If you believe this limit may be a problem for you, ask T. Rowe Price for help in figuring out the most you should defer without losing benefits because of this limit.

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For your salary deferral contributions and Costco's matching and discretionary contributions, compensation generally means your regular, taxable base pay, overtime, vacation pay, sick leave except third-party sick or disability pay, and extra checks (before pre-tax reductions, such as contributions you make for health coverage under the Costco Employee Benefits Program). It does not include executive bonuses, deferred compensation, sick leave payoff, restricted stock units and stock options, relocation expenses, ridesharing payments, severance pay or any other amounts paid after severance from employment, incentives and similar amounts. Compensation taken into account for purposes of your salary deferral contributions and Costco's matching contributions does not include compensation you earned prior to your entry date for salary deferral contributions,

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and compensation for purposes of discretionary contributions does not include compensation you earned prior to your entry date for discretionary contributions.

The IRS sets a maximum amount of compensation that may be considered by the Plan. For 2022, the maximum amount is \$305,000. This is adjusted annually for inflation. For further details on how the Plan defines compensation, see Appendix B to the Plan, which sets forth in detail the types of pay that are treated as compensation for each purpose. You can request a copy of Appendix B from the Costco Benefits Department by calling **800-284-4882**.

Costco contributes to the Plan with respect to LPP compensation only to the extent described in the separate booklet for LPP employees.

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You are responsible for directing the investment of your account among the investment options offered by the Plan. A list of the Plan's investment options will be provided to you annually. You may also obtain the list by contacting T. Rowe Price at **800-922-9945** or online at rps.troweprice.com. You may direct the investment of your entire account into one investment option, or you may direct portions of your account (in any whole percentage) to be invested in as many of the options as you like, subject to certain restrictions described below. The Plan's investment options may be changed from time to time by the Benefits Committee, in their sole discretion. In addition, if you obtain a participant loan from your account (see [Loans on page 18](#)), your loan is considered an investment of your account.

The portion of the Plan invested directly in Costco stock is an Employee Stock Ownership Plan ("ESOP"). The ESOP is designed to invest exclusively in Costco stock. However, you may sell portions of your account invested in Costco stock and reinvest those amounts in any of the investment options offered under the Plan.

The Plan is intended to be an ERISA Section 404(c) plan and Labor Regulation Section 2550.404c-1 plan. This means that you are responsible for controlling the investment of your account and Plan fiduciaries are not liable for any investment losses attributable to your investment decisions. You should make your investment decisions carefully, after you have read all of the investment information given to you, requested any additional information from the Plan, and consulted with your own investment advisers to determine the appropriate mix of investments for your individual needs. With respect to Costco stock held in the ESOP, you should be aware that there is a risk to holding a substantial portion of your assets in the securities of one company, as individual securities tend to have wider price swings, up and down, in short periods of time, compared to diversified investment options. If any dispute arises regarding your investment decisions or instructions, it constitutes a dispute

arising under the terms of the Plan and must be processed as an administrative claim under the claim and appeal procedures in [Filing a claim on page 31](#).

INVESTMENT INFORMATION

The following types of information are available from T. Rowe Price:

- **Fund Fact Sheets** – These are short descriptions of the investment options, prepared by T. Rowe Price.
- **Costco stock prospectus** – The Prospectus for Costco Wholesale Corporation – Costco 401(k) Retirement Plan ("Costco stock prospectus").
- **Other investment-related information** – This includes performance, fee and expense information; prospectuses (the short-form or summary prospectuses may be provided) or similar documents provided by investment options that do not issue a prospectus; and other investment-related information as described in Labor Regulation Section 2550.404a-5(d)(4).

To request a copy of any of the above information, contact T. Rowe Price Retirement Plan Services at 4515 Painters Mill Road, Owings Mills, MD 21117, or call **800-922-9945**. Some of the above information is also available online at rps.troweprice.com. Note that prospectuses, Fund Fact Sheets and other documents and filings relating to particular investments are not drafted or published by the Plan.

In addition, you may request copies of the following documents that are incorporated by reference in the Costco stock prospectus (but which are not part of this Summary Plan Description) that are filed or to be filed by Costco with the SEC pursuant to the Securities Exchange Act of 1934 (other than exhibits): Costco's latest annual report on Form 10-K, all other reports filed by Costco with the SEC pursuant

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to the Exchange Act since the end of the fiscal year covered by the annual report on Form 10-K, and the description of Costco stock that is incorporated by reference in the latest annual report on Form 10-K.

You may obtain copies of these documents, at no cost, by writing or telephoning Costco Wholesale. Written requests should be directed to Investor Relations, Costco Wholesale Corporation, 999 Lake Drive, Issaquah, WA 98027. Telephonic requests should be directed to Investor Relations at **425-313-8100**. Also, all filings are available on the "Investor Relations" page at [costco.com](https://www.costco.com). Although portions of this Summary Plan Description that describe the material terms of the Plan and its operation constitute part of the Costco stock prospectus, the other documents that make up the Costco stock prospectus or that Costco files with the SEC are separate from, are not part of, and are not incorporated by reference into this Summary Plan Description.

Choosing your investments

When you enroll for the first time, you may make your investment selections on the T. Rowe Price plan account line (PAL) at **800-922-9945** or online at rps.troweprice.com. Changes in your investments may be made at any time by requesting either an exchange or a rebalance:

- When requesting an "exchange," you're directing T. Rowe Price to sell a particular investment option and invest the proceeds into a different option. For example, you might sell the T. Rowe Price Retirement 2035 Trust and buy Costco stock.
- When requesting a "rebalance," you're directing T. Rowe Price to change the asset allocation of your entire account balance. That is, you select the investment options in which you'd like to invest and the percentage of your account that should be invested in each option. For example, you might direct T. Rowe Price to invest 25% of your account in one investment option and 75% in another.

You may also elect an "auto rebalance," which directs T. Rowe Price to automatically rebalance your account back to your selected asset

allocation from time to time. However, auto rebalance is not available while you are invested in the Income Class of the T. Rowe Price Retirement Trust. If you elect to invest in the Income Class, your auto rebalance election will automatically end. In addition, under certain circumstances auto rebalance will not occur, in which case you will be notified.

Contacting T. Rowe Price (by phone or online, as described above) is the only way you can provide investment instructions, and the record of those transactions will be controlling. The timing of your changes is discussed below. Representatives of T. Rowe Price are available to assist you on business days at the above telephone number between 7 a.m. and 10 p.m. Eastern time (ET). After your investment direction is carried out, T. Rowe Price will send you a confirmation of your transaction.

WHEN CHANGES TAKE EFFECT

In general, if your investment instruction is received on a business day before the time that the New York Stock Exchange closes (typically 4 p.m. ET), your request will be carried out that day and it will post to your account at that day's closing prices. If your request is received after the New York Stock Exchange closes, it will be carried out the next business day, at that day's closing prices. However, if your timely instruction involves Costco stock, it is processed differently: your transaction will post to your account the next business day, at the net average price of all such transactions traded for the Plan on that day (minus commissions and, for stock sales, a nominal regulatory fee).

If your instruction is to sell an investment option and purchase Costco stock, here's what happens:

- Assuming you enter your instruction on a business day before the New York Stock Exchange closes (Day 1),
- You will receive that day's closing price for the investment option, and
- Your purchase of Costco stock will post to your account the next business day (Day 2) at the net average transaction price (minus

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commissions and a nominal regulatory fee) for all Costco stock transactions processed on Day 2 for the Plan.

- On the next business day, the Costco stock transaction will settle and you will be the shareholder of record (Day 3).

If your instruction is to sell Costco stock and to purchase a different investment option, here's what happens:

- Assuming you enter your instruction on a business day before the New York Stock Exchange closes (Day 1),
- The sale of Costco stock will post to your account on the following business day (Day 2) at the net average transaction price (minus commissions and a nominal regulatory fee) for all Costco stock transactions processed on Day 2 for the Plan, and
- The purchase of the investment option will post to your account one business day later (Day 3), at the closing price on that day, and you will no longer be the shareholder of record for the Costco stock sold from your account.

Note that there may be situations (such as excessive trading situations, blackouts, certain periods of large employer contributions, or other restrictions described in the investment option's prospectus or governing documents) where your instructions will not be completed within these time frames. However, your instructions will be completed as soon as practicable.

Also, if you ask T. Rowe Price to rebalance your account (see [Choosing your investments on page 13](#)), the composition of your account at the time of initiating your rebalance determines the sale and repurchase transactions necessary to execute your rebalance, and affects the time it takes to complete your rebalance. For example, if your rebalance will involve buying and selling Costco stock, it may take up to two extra business days. This can affect when you become a shareholder of record. For details specific to your account call T. Rowe Price at **800-922-9945**.

Default investment elections

In general, if you don't contact T. Rowe Price to make an investment election, your account will be invested in the Plan's "qualified default investment alternative" (QDIA). As shown in the chart below, the Plan's QDIA is the T. Rowe Price Retirement Trust with the target retirement date closest to the year you turn age 65 (unless you were born in 1937 or earlier, in which case your QDIA is the T. Rowe Price Retirement Balanced Trust).

If you were born...	The QDIA is...
In 1998 or after	T. Rowe Price Retirement 2065 Trust or T. Rowe Price Retirement 2060 Trust [†]
Between 1993 and 1997	T. Rowe Price Retirement 2060 Trust or T. Rowe Price Retirement 2055 Trust*
Between 1988 and 1992	T. Rowe Price Retirement 2055 Trust
Between 1983 and 1987	T. Rowe Price Retirement 2050 Trust
Between 1978 and 1982	T. Rowe Price Retirement 2045 Trust
Between 1973 and 1977	T. Rowe Price Retirement 2040 Trust
Between 1968 and 1972	T. Rowe Price Retirement 2035 Trust
Between 1963 and 1967	T. Rowe Price Retirement 2030 Trust
Between 1958 and 1962	T. Rowe Price Retirement 2025 Trust
Between 1953 and 1957	T. Rowe Price Retirement 2020 Trust
Between 1948 and 1952	T. Rowe Price Retirement 2015 Trust
Between 1943 and 1947	T. Rowe Price Retirement 2010 Trust
Between 1938 and 1942	T. Rowe Price Retirement 2005 Trust
In 1937 or before	T. Rowe Price Retirement Balanced Trust

[†] The 2065 Trust is your QDIA if contributions are first made to your Plan account on or after October 16, 2020. Otherwise, your QDIA is the 2060 Trust (subject to a special rule if you are rehired – see below for details).

* The 2060 Trust is your QDIA if contributions are first made to your Plan account after 2014. Otherwise, your QDIA is the 2055 Trust (subject to a special rule if you are rehired – see below for details).

Your failure to direct the investment of your account by contacting T. Rowe Price is considered your affirmative investment election to direct the investment of your account into the T. Rowe Price Retirement Trust listed above. Subject to excessive trading

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restrictions, you may direct T. Rowe Price to move your account out of a T. Rowe Price Retirement Trust and into another investment option available under the Plan. There is no fee for moving your account from a T. Rowe Price Retirement Trust into another option available under the Plan.

Note that contributions made to your account before March 16, 2005, were invested in the T. Rowe Price Stable Value Fund if you had not contacted T. Rowe Price to direct investment of your account. In January 2013, those contributions were transferred to the Capital Preservation Portfolio (which replaced the T. Rowe Price Stable Value Fund), unless you elected otherwise. Those contributions will remain invested in the Capital Preservation Portfolio until you make a different investment election.

If you terminate employment and then are rehired by a participating employer, any previous investment election you had on file for new contributions is negated at the time of rehire. If you do not make a new investment election, new contributions to your account will be invested in the QDIA (any existing account balance will remain as currently invested until you make a different investment election). Therefore, if you were born between 1993 and 1997 and are rehired after 2014, any contributions previously defaulted to the 2055 Trust will remain invested in the 2055 Trust, and the 2060 Trust will be your QDIA for any new contributions to your account (until you make a different investment election). Similarly, if you were born after 1997 and rehired on or after October 16, 2020, any contributions previously defaulted to the 2060 Trust will remain invested in the 2060 Trust, and the 2065 Trust will be your QDIA for any new contributions to the Plan (until you make a different investment election).

If you are an alternate payee and you do not make an investment election before the date your account is segregated, or if you are a death beneficiary and you do not make an investment election or request a total distribution within 30 days of the date your account is established, your account will be invested in the QDIA for your age. If the beneficiary is a trust, estate, or other entity, the QDIA will be the T. Rowe Price Retirement Balanced Trust (except in cases where

there is one primary beneficiary and the beneficiary's date of birth is known to T. Rowe Price, in which case the QDIA will be based on the beneficiary's date of birth).

In addition, if your account has not been transferred to an account for your beneficiary within six months of the date Costco receives notice of your death (for example, because your beneficiary has not submitted necessary documentation), your account will be invested in the T. Rowe Price Retirement Balanced Trust as soon as administratively practicable after the six-month period ends. Your account will remain invested in the T. Rowe Price Retirement Balanced Trust until the balance is transferred to your beneficiary's account or forfeited in accordance with the Plan's unclaimed account procedures.

The current fee class of the Retirement Trusts is Class J. If the fee class changes, you'll be notified. For more information about the QDIA, see the Plan's current Notice Regarding the Qualified Default Investment Alternative. For a copy of the Notice, contact T. Rowe Price.

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REDEMPTION FEES, LIMITATIONS AND RESTRICTIONS ON INVESTMENT DIRECTIONS

Some of the investment options have excessive trading policies. If an excessive trading policy applies to an investment option, you may not exceed one purchase and sale or one sale and purchase in that option during a specified period, unless an exception applies. If an investment option has a specific type of excessive trading policy called a "30-day purchase block," you may be restricted from exchanging into that investment option for a period of 30 calendar days after you have exchanged out of that same option, unless an exception applies.

You will be advised through the T. Rowe Price online and phone transaction services if you are making an investment election that may be impacted by an excessive trading policy. In addition, any redemption fees, excessive trading policies, or other trading limitations or restrictions that may apply to an investment option are

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described in the option's prospectus or other governing documents. To obtain a current copy of these items, or if you need any assistance in identifying whether a particular investment option charges redemption fees or has excessive trading restrictions, call T. Rowe Price at **800-922-9945**.

In addition, the Plan has limits on Costco stock held in the ESOP. In general, there is a 50% limit on your account's investment in Costco stock. You may not allocate more than 50% of future contributions to Costco stock – this applies to all sources of money that may come into your account, other than Costco stock dividends. You may direct T. Rowe Price to sell an investment and move the proceeds into Costco stock, so long as after the transaction your invested account balance would be no more than 50% stock. Also, certain individuals may not trade Costco stock during regularly scheduled time periods called blackout periods. These restrictions relate to securities law. If you are subject to these restrictions, you will receive a notice and blackout calendar. Other individuals who are "Insiders" are ineligible to invest in stock.

INCOME CLASS RESTRICTIONS

The Plan offers the "Income Class" of certain T. Rowe Price Retirement Trusts. These investments are only available to those who are age 59½ or older and 100% vested in their Plan account, and who have terminated employment with all participating employers. Eligibility to invest in the Income Class ends upon rehire, notice to the Plan of your death, or if a hold is placed on your account (for example, because the Plan receives notice of a pending divorce or other domestic relations action). If you lose eligibility to invest in the Income Class, then when administratively practicable T. Rowe Price will exchange your Income Class balance to the other class of that investment option offered by the Plan. For example, if you were invested in the T. Rowe Price Retirement 2020 Trust – Income Class, your balance would be exchanged to the T. Rowe Price Retirement 2020 Trust.

If you elect to invest in the Income Class, your election will not apply to any additional contributions to your Plan account. Those

contributions will instead be invested in accordance with the investments you last selected for new contributions. However, you may exchange into the Income Class (or any of the Plan's other investment options) by contacting T. Rowe Price.

Also, if you invest in the Income Class while you have an outstanding loan, you won't be able to continue making loan repayments. Investment in the Income Class will trigger a default and taxable distribution/offset of your loan. See [Distribution while a loan is outstanding on page 19](#).

For information about Income Class distributions, see [Retirement distributions on page 22](#).

INVESTMENT RIGHTS

Voting rights

You have the right to vote your account's Costco stock shares held in the ESOP. You will be able to direct the Plan's trustee as to how to vote your shares or exercise other shareholder ownership rights. If you choose not to vote your shares, they will remain unvoted (or untendered if there was a tender offer).

Unless you are notified otherwise, you do not have voting rights for any other investments held in your account.

Confidentiality of investment in Costco stock shares held in the ESOP

The Plan does not distribute, to participating employers or their employees, information related to whether you have decided to hold, purchase, or sell Costco stock shares held in the ESOP, unless required to comply with law or efficiently administer the Plan.

The confidentiality of your voting and exercise of tender and similar rights is also protected by the following procedures. Your proxy card showing how you voted should be submitted to the proxy tabulation company in accordance with the instructions included in your proxy

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materials. This company, which is independent of Costco, adds up the votes and sends the numeric results (with no individual identifying information) to T. Rowe Price, which then forwards the results to Costco in time for the annual meeting of Costco shareholders.

The Costco Benefits Committee (999 Lake Drive, Issaquah, WA 98027, **425-313-8100**) is responsible for monitoring compliance with these procedures to safeguard the confidentiality of information regarding your purchase, holding and sale of Costco stock and the exercise of voting, tender, and similar rights. In the event of potential for undue employer influence with regard to the direct or indirect exercise of shareholder rights, the Costco Benefits Committee will appoint an independent outside fiduciary (someone not affiliated with any participating employer) to safeguard the confidentiality of this information.

Special rights for dividends paid on Costco stock in the ESOP

Because the portion of the Plan invested directly in Costco stock is an ESOP, you have the following choice when Costco pays a dividend on your Costco stock shares held in the ESOP on a dividend record date: you may elect either to receive payment of such dividends in a check or to reinvest them in Costco stock within the ESOP. (Note that the Plan's limit on Costco stock investment does not apply to dividends – that is, you may reinvest 100% of your dividends in Costco stock, even if your invested balance is more than 50% Costco stock.)

Unless you affirmatively elect to receive dividend checks, your dividends will be used within the ESOP to purchase additional shares of Costco stock (reinvested). If you want to receive dividend checks, you must contact T. Rowe Price (at **800-922-9945** or online at rps.troweprice.com) by no later than 4 p.m. ET on the last business day before the next dividend payment date. Dividend checks will be taxed to you as ordinary income, and they are not eligible for rollover to an IRA. In general, your dividend election will continue in effect unless and until you change your election by contacting T. Rowe Price as described above. However, from time to time dividend elections may be “reset” to the default (reinvestment in Costco stock). Before

this occurs, you will be notified and given an opportunity to elect to have your dividends paid in a check.

ESOP dividends are 100% vested at all times. You may not take a loan from reinvested dividends.

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The price of the investment options and Costco stock varies from day to day. The current value of each of your investments will depend upon the number of shares or units you own and the most recent price at which the shares or units were traded. The exception is the Capital Preservation Portfolio which seeks to maintain a constant value of one dollar per unit. Interest is paid on the amount that you invest but its principal value is not expected to change.

ACCOUNT STATEMENTS

Following the end of each calendar quarter, you will receive an account statement that will show the contributions credited, investments held, the total value of your account balances as of the end of the quarter, and certain fees and expenses charged to your account during the prior quarter. You can also obtain account balance and investment information at any time by contacting T. Rowe Price online at rps.troweprice.com or by calling **800-922-9945**.

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You may take a loan from your Plan account while you are employed by a participating employer. Two types of loans are available: standard loans and principal residence loans. A principal residence loan is a loan requested to buy a home that is to be used as your principal residence. A principal residence loan must be made at the same time you purchase your home. The documentation requirements for a principal residence loan are specified in the loan application. All other loans are standard loans.

You may have only one outstanding loan at a time, and loans may not be amended or refinanced.

You may borrow from your pre-tax salary deferral contribution account, your pre-tax rollover contribution account, and your profit-sharing contribution account. You may not borrow from your Roth accounts, discretionary contribution account, matching contribution account, ESOP dividend reinvestment account, QNEC account, or rescission account.

Your loan is paid as a single lump sum and is taken from your investment options on a pro rata basis from available accounts (but you can change your investment mix at any time before or after the loan is made). A loan is treated as a direction of investment by you.

The interest rate for loans is set by the Plan Administrator. For the current rate, call T. Rowe Price.

Loan limits

You may borrow up to 45% of your vested account balance (measured at the time of your request) or \$50,000 (reduced by the highest outstanding loan balance over the last 12 months), whichever is less. Also, your loan cannot exceed 50% of your vested account balance at the time it is made. Up to 50% of your vested account balance will be

used as security for the loan. You may not receive a loan to the extent it would require loan repayments that exceed 25% of your pay period net pay that is available for payroll deduction. The minimum loan amount is \$1,000.

Loan repayment

Loan repayments are automatically deducted from your paycheck on an after-tax basis and credited to your account. If you are not receiving a paycheck from a participating employer for any reason, including because you are on approved leave of absence or because you have terminated employment, you must make the payments directly to the Plan on the same pay period schedule. The Plan does not suspend the repayment obligation of participants on a leave of absence. Loan repayments that are not automatically deducted from your paycheck must be paid by personal check, cashier's check, certified check or money order. Loan payoffs may also be made using any of these methods. However, please note that payments by personal check will not post to your account for five business days after receipt to allow for bank processing.

Loan repayments are invested according to your investment direction for new contributions at the time of repayment.

You have a maximum of four years to repay a standard loan and 15 years to repay a principal residence loan. You may request a shorter term.

You may pay off your entire outstanding loan balance at any time. However, partial loan prepayments are not accepted. If you wish to pay off your loan, contact T. Rowe Price at **800-922-9945**.

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IF YOU DEFAULT ON A LOAN

There are income tax penalties for failure to repay a Plan loan on schedule. If any payment remains overdue at the end of the applicable cure period (90 days after the date the missed payment was due), the loan is considered in default and the Plan is required to report the outstanding balance of your loan to the IRS as a "deemed distribution." As a result, you will owe income tax on the entire outstanding loan balance (including interest accrued to that date), not just the portion that is overdue. Income tax (including a penalty tax if you are under age 59½) will be determined as if you had received a distribution from the Plan rather than a loan. After a loan is deemed distributed, salary reductions for loan payments will stop.

If you are entitled to a distribution (i.e., you are age 59½, totally disabled, or have terminated employment with all participating employers) at the time your loan goes into default, then in addition to the tax consequences noted above, your account will be reduced ("offset") by the amount necessary to repay the loan and all accrued interest. A taxable loan offset will also occur if you die with an outstanding loan. You may be eligible to roll over a Plan loan offset to an IRA or eligible retirement plan. Timing rules apply; you can request the Plan's rollover notice from T. Rowe Price for more information and should consult your tax advisor.

If you are not entitled to a distribution at the time of your default and deemed distribution, the offset will occur later, when you do become entitled to a distribution. An offset loan will be treated as paid in full and you will have no further obligation with respect to the loan.

If you default on a loan, you may not apply for a subsequent loan until at least six months after the initial loan is paid in full.

DISTRIBUTION WHILE A LOAN IS OUTSTANDING

You can take distributions while you have an outstanding loan. However, if you have terminated employment and you request an installment distribution, an Income Class distribution, or a total distribution of your Plan account, this will trigger a default and taxable distribution/offset of your loan, as described above. You can take a partial distribution without impacting your loan.

How to apply for a loan

If you wish to apply for a loan, contact T. Rowe Price at **800-922-9945** or online at rps.troweprice.com. For standard loans, you must apply for the loan over the phone or online. For principal residence loans, you must select the amount and length of your loan over the phone or online, and you will then receive a loan application package from T. Rowe Price in a few days. Return the completed loan documents and the required supporting documentation to T. Rowe Price in the envelope provided. Upon approval of your loan, T. Rowe Price will send a check to your address of record within 30 days.

LOAN FEES

There is an application fee for each loan, which will be deducted from your account (and taken from your investments on a pro-rata basis) at the time the loan is made. The current application fee is \$50. If you reside in Florida, you also will have to pay a documentary stamp tax.

In addition, you will be required to pay an annual loan maintenance fee, currently \$25 per year. This fee will be deducted from your account (and taken from your investments on a pro-rata basis) during the fourth quarter of each calendar year if you have an outstanding loan balance at the time the fee is deducted. However, if your loan is issued in the fourth quarter of the calendar year you will only be charged the loan application fee – you will not be charged a loan maintenance fee until the following year.

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In-service distributions

The Plan offers the following types of “in-service” distributions (that is, distributions from your account while still employed by a participating employer): rollover contribution distributions, after-tax distributions, age 59½ distributions, hardship distributions and disability distributions, as described further below.

ROLLOVER CONTRIBUTION DISTRIBUTIONS, AFTER-TAX DISTRIBUTIONS AND AGE 59½ DISTRIBUTIONS

- **Rollover contribution distribution** – allows you to withdraw all or a portion of any funds you have rolled over from another plan, as described in [Rollover contributions on page 9](#). A rollover contribution distribution can be made at any time.
- **After-tax distribution** – allows you to withdraw all or a portion of any funds you may still have in an after-tax account under the prior Price Company Retirement Plan, which merged into this Plan in 1995. (These after-tax amounts are different from your Roth salary deferral contributions.) An after-tax distribution can be made at any time.
- **Age 59½ distribution** – allows you to withdraw all or a portion of your vested account balance at any time after you’ve reached age 59½. You may take one age 59½ distribution each calendar quarter. You can choose to have the payment made from your pre-tax accounts, from your Roth accounts, or from all accounts on a pro-rata basis.

To request a rollover contribution distribution, after-tax distribution, or age 59½ distribution, you must contact T. Rowe Price at **800-922-9945** or online at rps.troweprice.com. See [Rollover distributions on page 23](#) and [How distributions are taxed on page 23](#) for information about your rollover options and how

your distribution will be taxed. T. Rowe Price will provide you with additional information when you apply for a distribution.

Distributions are made pro rata from all investments in the applicable accounts – you cannot choose to take your distribution out of a specific investment option. Your distribution will be paid to you in a single lump sum, unless you are eligible for and elect a rollover to an IRA or another qualified plan. A check will be mailed to your address of record within an administratively practicable period after your distribution request is approved. If your distribution includes Costco stock, you may elect to have the stock paid to you in cash or in kind, as described in [Payment options on page 22](#).

HARDSHIP DISTRIBUTIONS

Hardship distributions are limited distributions available if you cannot meet certain immediate and heavy financial needs with your own resources.

You may take up to two hardship distributions each calendar year. You qualify for a hardship distribution only if you satisfy the deemed hardship distribution standards of the Treasury Regulations and the Plan. Under these standards, an immediate and heavy financial need may arise only if you require a hardship distribution to pay for any the following:

- Expenses for (or necessary to obtain) medical care for you, your spouse, or your dependents (as defined in Code Section 152, without regard to subsections (b)(1), (b)(2), or (d)(1)(B)). Such expenses must be deductible for federal income tax purposes under Code Section 213(d) (determined without regard to whether the expenses exceed 7.5% of adjusted gross income).

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- Costs directly related to the purchase of your principal residence (excluding mortgage payments).
- Payments necessary to prevent your eviction from your principal residence or foreclosure of the mortgage on your principal residence.
- Payment of tuition, related educational fees, and room and board expenses for up to the next 12 months of post-secondary education for yourself, your spouse, your children, or your dependents (as defined in Code Section 152, without regard to subsections (b)(1), (b)(2), or (d)(1)(B)).
- Payments for burial or funeral expenses for your deceased parent, spouse, child, or dependent (as defined in Code Section 152, without regard to subsection 152(d)(1)(B)).
- Expenses for the repair of damage to your principal residence that would qualify for the casualty deduction determined under Code Section 165 (determined without regard to whether the loss exceeds 10% of adjusted gross income or was caused by a federally declared disaster).
- Expenses and losses (including loss of income) on account of a disaster declared by the Federal Emergency Management Agency ("FEMA"). To qualify, your principal residence or principal place of employment at the time of the disaster must be in an area designated by FEMA for individual assistance with respect to the disaster.
- From time to time, the Plan may permit hardship distributions to pay for other types of expenses in special circumstances, in accordance with IRS guidance.

Before you can take a hardship distribution you must have obtained all other currently available distributions under this Plan and all other retirement or deferred compensation plans maintained by Costco (including payment by check of Costco stock dividends as described in [Special rights for dividends paid on Costco stock in the ESOP on page 17](#)). You must also confirm that you have insufficient cash or other liquid assets reasonably available to satisfy your financial need.

Hardship distribution limits

Hardship distributions cannot exceed your salary deferral contribution account balance (excluding investment earnings and any outstanding loans). You may not withdraw matching contributions, discretionary contributions, profit-sharing contributions, or any investment earnings on any of your accounts. Also, the distribution cannot be more than the amount of your immediate and heavy financial need (including amounts necessary to pay any state, federal or local income taxes or penalties reasonably anticipated to result from the distribution).

A hardship distribution is paid in a single lump sum. It is treated as taxable income and, in most cases, you will incur an early distribution penalty tax if you are younger than 59½. The current federal income tax penalty is 10%, and some states have a penalty as well.

How to apply

You must submit a written application to T. Rowe Price. The application form is available online at rps.troweprice.com or by calling T. Rowe Price at **800-922-9945**. The form requires you to detail the reason for the hardship request, and you must submit a statement that you have taken all distributions available under all benefit plans maintained by participating employers. You must also provide the documentation described in the application that supports the reason for your withdrawal and the dollar amount that you are requesting. If your application is approved, a check will be mailed to your address of record within an administratively practicable period.

DISABILITY DISTRIBUTIONS

You may take a distribution if you become totally disabled (as defined by the Plan). Disability distributions are not subject to early withdrawal penalties; however, they are subject to applicable state and federal income tax withholding. To request a disability distribution, you must complete and submit the Plan's disability distribution form along with proof of eligibility for Social Security

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disability benefits. The disability distribution form is available at rps.troweprice.com or by calling T. Rowe Price at **800-922-9945**. Disability distributions are paid in a single lump sum.

Retirement distributions

To request a distribution after you retire or otherwise terminate employment with all participating employers, contact T. Rowe Price at **800-922-9945** or online at rps.troweprice.com.

PAYMENT OPTIONS

In general, your total vested balance will be paid in one lump-sum payment, called a "total distribution." However, if your vested account balance is more than \$1,000, you also have the option of electing a partial distribution or an installment distribution, or you may invest in the T. Rowe Price Retirement Trust Income Class and receive Income Class distributions. These distributions are described below.

- **Partial distributions** – A partial distribution is one lump-sum payment of only part of your vested account balance. Unlike other kinds of distributions, when you take a partial distribution you will choose to have the payment made from your pre-tax accounts, from your Roth (after-tax) accounts, or from all accounts on a pro-rata basis. However, you cannot choose to take your distribution out of a specific investment. Distributions are pro rata over all investments in the selected contribution accounts. You may take as many partial distributions as you want, so long as your vested account balance exceeds \$1,000.
- **Installment distributions** – With an installment distribution, you are asking T. Rowe Price to pay your total vested account balance in installments made on a monthly, quarterly, semi-annual, or annual basis. You can choose to have the payments made in a fixed dollar amount or over your life expectancy or other specified period. Once your installment payments begin, they will continue even if your account balance goes below \$1,000. Distributions are pro rata over all investments and contribution accounts (except for the Income Class of the T. Rowe Price Retirement Trust). You

may elect to stop, change or restart your installment payments at any time, and your election would apply for any payments not yet processed. Your installment payments will automatically stop if you die or if you are rehired by a participating employer. Your payments also automatically stop if you elect to exchange into or out of the T. Rowe Price Retirement Trust Income Class – you can restart your installment distribution by calling T. Rowe Price, but the payments won't be taken from any amounts invested in the Income Class.

- **Income Class distributions** – While you are invested in the Income Class of the T. Rowe Price Retirement Trust, you will receive monthly payments from that investment. Payments will continue even if your account balance goes below \$1,000. Each monthly payment will equal the number of Income Class units you own multiplied by a dollar rate calculated annually by T. Rowe Price. For example, if the monthly rate is \$.0382 per unit and you own 10,000 units, you will receive \$382 per month.

T. Rowe Price calculates the dollar rate in advance of each calendar year, with the goal of making the total per-unit payments during the year equal about 5% of a unit's average net asset value over the prior five years. This calculation is intended to reduce the effects of market volatility on your payment amounts. The dollar rate is expected to stay the same during the year but will likely vary from one year to another – as a result, your per-unit monthly payments will likely vary from one year to another. And if you purchase additional Income Class units (or sell some of your Income Class units), your monthly payments will change accordingly.

If you are invested in the Income Class as of close of business on the record date for receiving a monthly payment (the 15th day of each month, or the next business day if the 15th falls on a day the New York Stock Exchange (NYSE) is closed), you will receive a monthly payment for that month. Payments are processed on the second business day that the NYSE is open following the record date. The payments are not eligible for rollover to another plan or IRA.

If your distribution includes Costco stock, you may elect to have the stock portion of the distribution paid to you in cash or in-kind

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(your shares will be electronically registered in your name via Direct Registration with the transfer agent for Costco stock, or registration via DTC with your financial institution of choice). Any partial shares will be paid in cash. You should consult your tax advisor with respect to the tax impact of distributions of stock in kind and net unrealized appreciation.

Rollover distributions

In general, you may elect to have all or a portion of your payment(s) made payable to an individual retirement account (IRA), Roth IRA, or eligible retirement plan (i.e., a qualified plan, a Code Section 403(a) annuity plan, a Code Section 403(b) tax-sheltered annuity contract, or a Code Section 457(b) government plan). A check made payable to the IRA or plan will be mailed to your address of record, and you are responsible for transmitting the check to the IRA or plan. This is called a “direct rollover.” (Alternatively, if you elect to receive a check made payable to you, you may roll the payment over yourself within 60 days of receipt.)

However, certain types of payments (such as hardship distributions, minimum distributions required by the Code, installment distributions that will be paid over your life expectancy or a period of 10 or more years, and Income Class distributions) are not eligible for rollover. In addition, distributions from your Roth accounts can only be rolled over to a Roth IRA or to a Roth salary deferral account in another qualified plan or Code Section 403(b) tax-sheltered annuity contract or a Code Section 457(b) government plan.

Delaying distributions after termination of employment

Whether you can delay taking distributions after termination of employment depends on the value of your account:

- **Accounts over \$1,000** – If your vested account balance exceeds \$1,000, you may delay distribution until your “required beginning date”, at which time the minimum distributions required by the Code must begin.

If you turn age 70½ after 2019, your “required beginning date” is April 1 of the year following the year you turn age 72 or the year in which you retire, whichever comes later. However, if you turned age 70½ prior to 2020, your “required beginning date” is April 1 of the year following the year you turned 70½ or the year in which you retire, whichever comes later.

If you have already taken distributions that are more than the required minimum distribution for the year, you will not have to take another distribution that year. If they're less than the required minimum distribution, you will still have to take another distribution that year but it will only be for the difference between the required minimum distribution and the distributions you already received. The amount of your required minimum distribution is recalculated each year.

- **Accounts \$1,000 or less** – If your vested account balance is \$1,000 or less, you may not delay distribution of your account. Your entire vested account will be distributed to you, unless you elect a rollover. Prior to the automatic distribution occurring, you will receive a notification from T. Rowe Price that explains your options, what you must do to select the distribution or rollover option of your choice, and the timeframe for making your election. However, your account will not be automatically distributed while you are receiving an installment or Income Class distribution, even if your vested account balance goes below \$1,000.

How distributions are taxed

How distributions are taxed depends on the type of contribution being distributed:

- **Distribution of pre-tax contributions** – Your pre-tax salary deferral, pre-tax rollover, matching, profit-sharing, and discretionary contributions to the Plan are not taxed when made, and earnings accumulate in the Plan without tax. However, when these amounts are paid out, income tax will be due unless an exception applies. If your distribution is eligible for rollover, 20% of your distribution must be withheld for federal income tax (and mandatory state income tax withholding may also apply) unless you elect a direct

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rollover from this Plan to an individual retirement account (IRA) or eligible retirement plan. If you elect a direct rollover to a Roth IRA, the payment is taxable but withholding is not required. See [Rollover distributions on page 23](#) for more information on rollovers. If your distribution is not eligible for rollover (for example, because it is an Income Class distribution) different tax withholding rules apply. For more information, call T. Rowe Price at **800-922-9945**.

- **Distribution of Roth contributions** – Your Roth salary deferral contributions are taxed when made, so they are not taxed when paid out. Earnings on your Roth salary deferral contributions are also distributed tax-free if the distribution: (1) is made on or after you reach age 59½, die or become totally disabled, (2) is made no earlier than the 5th taxable year following the year you first made Roth salary deferral contributions to the Plan, (3) is not a pass-through distribution of ESOP dividends, and (4) is not an amount distributed because it exceeds a Code limit. In addition, distributions from your other Roth accounts are tax-free if certain timing and other requirements are met. In general, a distribution from your in-Plan Roth rollover account will be tax-free if you've reached age 59½ and you've waited at least five years after the conversion, and a distribution from your Roth rollover contribution account will be tax-free if you've reached age 59½ and it's been at least five years since you began making Roth salary deferral contributions to this Plan or your former plan.

Also, whether or not your distribution includes pre-tax or Roth amounts, there is a federal income tax penalty of 10% (in addition to ordinary income tax) for distributions received before you are age 59½, unless you elect a rollover or another exception, such as disability, applies. Some states also tax distributions and impose an income tax penalty on distributions before age 59½.

T. Rowe Price and Costco cannot give you tax advice. You should consult your tax adviser for details on the tax consequences of your distribution.

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Beneficiaries

If you die, your entire vested account balance will be paid to your beneficiary. If you have an outstanding loan from the Plan, your account will be offset by the amount necessary to repay the loan, which will be treated as a taxable distribution, as described in [Loans on page 18](#).

You may designate your beneficiary online at rps.troweprice.com or you may call T. Rowe Price at **800-922-9945**. A beneficiary designation is effective only if properly completed and received by T. Rowe Price before your death.

You can name multiple beneficiaries. When you submit your beneficiary designation to T. Rowe Price, you can specify the percentage of your vested account balance that each beneficiary is to receive. If you do not specify the percentage, they will receive equal shares. You may also designate beneficiaries as either primary or secondary. Secondary beneficiaries are entitled to a distribution only if no primary beneficiary survives you.

If you are married, your beneficiary must be your spouse, unless you obtain the necessary consent described below.

When you die, your beneficiary will be determined based on the beneficiary designation on record with T. Rowe Price and shown in your online Plan account. Any other beneficiary designation you made will be invalid.

Default beneficiary

If your online Plan account does not show that you designated a beneficiary, your vested account balance will be paid to your default beneficiary, who is:

- your surviving spouse, and if you have no surviving spouse,

- your surviving issue (children, or grandchildren by a deceased child) in equal shares, by right of representation, and if you have no surviving issue,
- your surviving parents (in equal shares), and if you have no surviving parents,
- your surviving siblings (in equal shares), and if you have no surviving siblings,
- your estate, and if the Plan Administrator cannot locate a qualified representative of your estate or if no representative has been appointed,
- your heirs at law. If no heirs can be found, the Plan's unclaimed account procedures apply.

Your surviving issue also includes a child who is born within 42 weeks of your death. And following a legal adoption, the adopted child is treated as the child of the adoptive parent (not the child of the biological parent) if the parental rights of the biological parent have been terminated. If any beneficiary is a minor or incompetent, the Plan may instead distribute benefits to that person's parent (if a minor), legal conservator or guardian, custodian, trustee, or to a responsible adult.

Naming a beneficiary other than your spouse

For Plan purposes, your "spouse" means the person to whom you are legally married and who is treated as your spouse under federal law. Domestic partners and partners in a civil union are not treated as a "spouse" under federal law.

If you are married, you can name a beneficiary other than your spouse only if your spouse agrees. Your spouse's agreement must be in writing and notarized on the Plan's Designation of Beneficiary Form,

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and must be received by T. Rowe Price prior to your death. Otherwise, your account will be paid to your spouse and not to your designated beneficiary. If you have designated a beneficiary and then get married, the prior designation will be ineffective unless you submit a new form with your new spouse's notarized signature.

IF YOU GET DIVORCED

Designation of your spouse as beneficiary is automatically revoked to the extent the Plan receives written notice of your divorce (or the annulment of your marriage) before your account is distributed. If you still want your former spouse to be the beneficiary, or if a court has ordered you to keep your former spouse as beneficiary, you must submit a new beneficiary designation after the date of divorce (or annulment) to reinstate your former spouse as your beneficiary, and your current spouse (if you've remarried) must consent in writing as described above.

How distributions are made to beneficiaries

If the amount payable to your beneficiary is \$1,000 or less, it will be automatically distributed in one lump-sum cash payment. However, if the amount payable to your beneficiary exceeds \$1,000, your beneficiary may delay distribution until payments must begin under the required minimum distribution rules described below. Your beneficiary may elect one lump-sum cash payment or a partial or installment distribution. And if your beneficiary has reached age 59½, your beneficiary may elect to invest in the T. Rowe Price Retirement Trust Income Class and receive Income Class distributions (see [Retirement distributions on page 22](#)). In addition, spouses and certain other beneficiaries are eligible for regular payments over their life expectancy in accordance with the required minimum distribution rules described below.

If your beneficiary is your spouse, they will generally have the same rollover options as you (see [Rollover distributions on page 23](#)). Your non-spouse beneficiary will also be able to elect a rollover, but only to an individual retirement account (IRA) or Roth IRA

that is treated as an "inherited IRA." However, required minimum distributions, Income Class distributions, and certain installment distributions are not eligible to be rolled over.

REQUIRED MINIMUM DISTRIBUTION RULES

If your beneficiary's vested account balance exceeds \$1,000, the following required minimum distribution rules apply:

For accounts of participants who died prior to 2020:

- If you died on or after your "required beginning date" (see [Delaying distributions after termination of employment on page 23](#)), your beneficiary must receive the remaining portion of your account balance by December 31 of the calendar year following the year of your death.
- If you died before your "required beginning date," your beneficiary may delay distribution until December 31 of the calendar year containing the 5th anniversary of your death, at which time a lump-sum payment is required. However, if your beneficiary is your spouse, your spouse may delay distribution until December 31 of the calendar year in which you would have attained age 72 (age 70½ if you were born prior to July 1, 1949) or, if later, December 31 of the calendar year immediately following the calendar year in which you died, at which time minimum distributions required by the Code must begin. If your spouse fails to make an election by September 30 of the earliest year in which payments would be required under either of these options (or such other election deadline established by the Plan Administrator from time to time), the option under the Code that provides for annual minimum distributions over your spouse's life expectancy will apply. To make an election, your spouse must contact T. Rowe Price at **800-922-9945**.

For accounts of participants who die after 2019:

In general, your account must be distributed in full to your beneficiary by no later than December 31 of the calendar year containing the

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10th anniversary of your death (“the 10-year rule”). However, special rules apply to certain beneficiaries:

- If your beneficiary is your spouse, they may choose to have the account paid under the 10-year rule or over their life expectancy. Under the life expectancy rule for spouses, the account is paid in annual minimum distributions required by the Code commencing by no later than December 31 of the calendar year in which you would have attained age 72 (age 70½ if you were born prior to July 1, 1949) or, if later, December 31 of the calendar year immediately following the calendar year in which you died. If no election is made by September 30 of the earliest year in which payments would be required under either of the above options (or such other election deadline as established by the Plan Administrator from time to time), distribution will be made under the life expectancy rule. To make an election, your spouse must contact T. Rowe Price at **800-922-9945**.
- If your beneficiary is your minor child, or a person other than your spouse who is not more than 10 years younger than you or who is “disabled” or “chronically ill” (as those terms are defined in Section 401(a)(9) of the Code), they may choose to have the account paid under the 10-year rule or over their life expectancy. Under the life expectancy rule for these beneficiaries, the account is paid in annual minimum distributions required by the Code commencing by no later than December 31 of the calendar year immediately following the calendar year in which you died. If no election is made by September 30 of the year following the year in which you died (or such other election deadline as established by the Plan Administrator from time to time), distribution will be made under the 10-year rule. To make an election, your beneficiary must contact T. Rowe Price at **800-922-9945**. Your beneficiary may be required to prove or certify that they qualify for the life expectancy rule at the time of their election.

If payments are being made to your minor child under the life expectancy rule, once your child reaches the age of majority the remainder of the account must be paid out within 10 years. An exception applies to adult children who are “disabled” or

“chronically ill” (as those terms are defined in Section 401(a)(9) of the Code). Whether a child is a minor is determined under Section 401(a)(9) of the Code and regulations thereunder.

- If your beneficiary is an entity, such as your estate or a charitable organization, the rules for accounts of participants who died prior to 2020 will apply. Special rules apply to trusts.
- The above rules may change as required by federal law.

If your beneficiary dies

If your beneficiary dies after you but before distribution in full of your account to him/her, the remaining account will be distributed to the beneficiary designated by your beneficiary (as reflected in your beneficiary's online Plan account). If no effective beneficiary designation is on file with T. Rowe Price when your beneficiary dies, distribution will be made to your beneficiary's estate. Different required minimum distribution rules apply to the beneficiaries of beneficiaries, depending on whether the initial beneficiary was your spouse, the timing of your and the initial beneficiary's death, and other factors. For more information, contact T. Rowe Price.

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Legal and Claims Information

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The name of the Plan is the Costco 401(k) Retirement Plan.

The Plan is a defined contribution plan. Due to the salary deferral feature, the Plan also is known as a 401(k) plan because it operates under Code Section 401(k). The Plan is intended to be a qualified retirement plan under Code Section 401, and the trust is a tax-exempt trust under Code Section 501(a). Moreover, because participants make their own investment choices, the Plan is also known as an ERISA Section 404(c) plan. Finally, the portion of the Plan that is an ESOP is invested directly in Costco stock.

To the extent this Plan is maintained pursuant to one or more collective bargaining agreements, participants and beneficiaries may obtain a copy of such agreements upon written request to the Plan Administrator and such agreements are also available for examination.

A prior 401(k) plan for The Price Company was established effective September 2, 1991, and a prior profit-sharing plan for The Price Company was established effective August 31, 1987. A prior 401(k) plan for Costco was established effective January 1, 1987. These prior plans were combined into this Plan, effective January 1, 1995. In addition, the Costco 401(k) Plan for California Union Employees, established effective June 1, 1995, was merged into this Plan effective December 31, 2002. The Plan has been amended from time to time to make changes desired by Costco and to comply with changes in the law. This booklet describes the version of the Plan in effect as of January 1, 2022.

PLAN RECORDS

Plan records are kept on a calendar year basis, and the “plan year” ends on each December 31. However, eligibility to participate and vesting are calculated from the time you are hired.

PLAN SPONSOR

Costco Wholesale Corporation sponsors the Plan. Its address and telephone number are:

Costco Wholesale Corporation
999 Lake Drive
Issaquah, WA 98027
(425) 313-8100

Costco’s employer identification number (EIN) assigned by the IRS is 91-1223280. The Plan number assigned by Costco for IRS purposes is 002.

PLAN ADMINISTRATOR

The “Plan Administrator” as defined under ERISA is the Costco Benefits Committee. The Benefits Committee is also the named fiduciary. The Benefits Committee exercises sole, exclusive and discretionary authority and control over Plan administration, the construction and interpretation of all Plan and trust documents, booklets, policies, rules or regulations, and granting or denying benefits under the Plan, except where such authority and control have been delegated to another person or entity. The Benefits Committee can be contacted at the address or phone number listed above for Costco. The Committee’s exercise of discretion and determinations in all of

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the above matters are final and binding and entitled to the fullest deference permitted by law.

Currently, the Committee members are: Pat Callans, Darby Greek, Joe Moore, Mario Omoss, Yoram Rubanenko, Jay Tihinen, and Brenda Weber.

The Costco Benefits Committee may delegate its authority among Committee members and may also designate persons other than named fiduciaries to carry out its responsibilities under the Plan. The record keeper and claims administrator for the Plan is T. Rowe Price. T. Rowe Price's contact information is as follows:

T. Rowe Price Retirement Plan Services, Inc.
4515 Painters Mill Road
Owings Mills, MD 21117
800-922-9945
rps.troweprice.com

PLAN TRUSTEE

T. Rowe Price (specifically, the T. Rowe Price Trust Company) is the Plan trustee. The trustee holds all Plan assets and performs duties including investing Plan accounts as directed by participants, beneficiaries and alternate payees and making benefit payments from the Plan as directed by the Plan Administrator or its delegate.

The trustee can be contacted at the following address and telephone number:

T. Rowe Price Trust Company
100 E. Pratt St.
Baltimore, MD 21202
800-922-9945

AGENT FOR SERVICE OF LEGAL PROCESS

Costco has appointed its Chief Compliance Officer (currently John Sullivan) to be the agent for service of any legal process on the Plan,

at the address for Costco shown above. In addition, service of legal process may be made on the Plan's trustee at its address shown above, or on the Plan Administrator at the address shown above for Costco.

PENSION BENEFIT GUARANTY CORPORATION (PBGC) INFORMATION

ERISA requires that certain types of pension plans be insured by the PBGC, a federal agency, to guarantee benefit payment in the event a plan terminates. Since this Plan is a defined contribution type of plan, it is not covered by the PBGC.

COMMUNICATIONS WITH THE PLAN

Written communications (including written communications made electronically) to the Plan Administrator, the Plan, Costco, the trustee, the Benefits Committee or other fiduciaries, or their delegates, agents or representatives, must be received before the expiration of any time expressed in the Plan, this Summary Plan Description or in related documents. These parties' records will be conclusive as to whether a communication has been sent or received and the date of such sending or receipt (unless you procure a United States Postal Service return receipt, with respect to communications made via mail). The common law "mailbox rule" shall apply for all other purposes under the Plan.

From time to time, the above parties may communicate with you via telephone, rather than in writing. The Plan's rules on content and date of sending/receiving written communications also apply to telephonic communications.

UNCLAIMED ACCOUNT AND UNCASHED CHECK RULES

You have an obligation to keep the Plan informed of any address changes or other information that enables the Plan to provide you with quarterly statements, notices, and distribution checks. If your

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address isn't current or if you do not cash a check within 180 days of issuance and the Plan is unable to locate you, your account may be forfeited in accordance with the Plan's unclaimed account procedures. To update your address and other information, contact T. Rowe Price.

ASSET OWNERSHIP DISPUTES AND OVERPAYMENTS

If any controversy or disagreement arises with respect to the ownership of the assets of your account (for example, after your death if persons other than your named beneficiaries claim an interest in your account), the Plan may (1) hold your assets until resolution of the disagreement, (2) begin a court action known as an "interpleader" to ask the court to resolve the dispute, and/or (3) take other action the Plan deems appropriate.

In addition, if you receive an overpayment from the Plan, you must return the overpayment upon the Plan's request.

FEES AND EXPENSES

Under certain circumstances, fees and expenses may be charged to and withdrawn from your account. Below are examples:

Example 1: The Plan's recordkeeping expenses are charged to Plan accounts. The charge (currently, \$4.25 per quarter) will be taken from your investments on a pro-rata basis on the last business day of each quarter, unless your account balance is less than \$1,000 on that date.

Example 2: Upon your death, your beneficiary cannot be located or potential beneficiaries dispute their entitlement to your account. The Plan Administrator must engage in a search for your beneficiary or hire counsel to advise it on proper distribution of your account or it may interplead your account into court. The fees and expenses incurred by the Plan, including court costs and attorney's fees, may be deducted from your account.

Example 3: Your child is your beneficiary under the Plan. At the time of your death, your child's property is held in trust by a trustee, and

the trustee requests that distribution from the Plan be made to the trust rather than to your child. The Plan's legal fees and expenses for reviewing the trust document and determining if it is proper to make the distribution may be charged to your account.

Example 4: Distribution checks are mailed via first class mail at no additional charge. If you instead elect to have your check mailed via Express Mail Services, a \$30 charge will be deducted from your account for each express mail delivery transaction requested.

Example 5: The address you have on file with the Plan is incorrect or you do not cash a distribution check within 180 days of issuance, and the Plan incurs expenses to find you or locate your correct address. Your account may be charged those expenses.

The above are examples of situations where your account may be charged. Others are noted elsewhere in this booklet, and there may be additional situations in which the Plan Administrator determines that the reasonable or necessary expenses of administering the Plan should be charged to your account. More detailed information about these fees and expenses will be provided to you annually, and you will be notified of any changes. Also, your quarterly account statements contain information about certain of the fees and expenses that were charged to your account in the previous quarter.

Protection of benefits

Except as described below or required by ERISA and the Tax Code, your benefit is not transferable or assignable and may not be used as collateral for a loan (other than a Plan loan).

DOMESTIC RELATIONS ORDERS

The Plan Administrator is required to honor a court order regarding child support, alimony payments, or property division in connection with a divorce or other domestic relations action, if the order is a Qualified Domestic Relations Order (QDRO) under applicable law. If an order is a QDRO, all or a portion of your benefits may be paid

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out to your children, spouse, former spouse, or other dependent (called your “alternate payee”). The Plan has a written procedure for processing domestic relations orders and a sample QDRO. A copy of the QDRO procedures and the sample QDRO are available to any participant or alternate payee, without charge, from the Costco Benefits Department at **800-284-4882**.

If the Plan receives a domestic relations order relating to your account, a temporary hold will be placed on your account while the order is being analyzed to determine if it is a QDRO. While the hold is in place, you cannot receive a loan, you cannot be invested in the Income Class, and you generally cannot receive a distribution from the Plan. However, you can still make other changes to your investments and to your salary deferral percentage, and you may receive distribution of Costco stock dividends as described in [Special rights for dividends paid on Costco stock in the ESOP on page 17](#). The reasonable legal fees and expenses the Plan incurs in determining if the order is a QDRO will be charged to and withdrawn from your account (and/or the account established for your alternate payee) in accordance with the Plan’s QDRO procedures.

Once an order is determined to be a QDRO, the alternate payee’s interest will be transferred to an account in his or her name. Distribution will be made to the alternate payee as soon as administratively practicable if the account balance payable to the alternate payee is \$1,000 or less. Otherwise, the alternate payee may delay distribution until the date that the participant must begin receiving minimum distributions required by the Code, and may choose any payment form available to participants (see [Distributions on page 20](#)). To request a distribution or make an investment election, an alternate payee must call T. Rowe Price at **800-922-9945**. Different rules apply to QDROs for child support – see the QDRO Procedures for details.

FORFEITURE OF BENEFITS

If you terminate your employment prior to being 100% vested in the Plan, you will forfeit the unvested portion of your matching and discretionary contribution accounts, as described in [If you stop working before you are 100% vested on page 9](#).

You may also voluntarily assign your benefits to Costco, in limited circumstances. Ask the Costco Benefits Department for details on the Plan’s assignment policy.

In addition, your account may be forfeited in accordance with the Plan’s unclaimed account procedures, as described in [Unclaimed account and uncashed check rules on page 29](#).

It is also possible that your accounts could decrease in value because of negative investment results.

AMENDMENT OR DISCONTINUATION OF PLAN

Costco (or its delegee, the Costco Benefits Committee) may amend or terminate the Plan in its sole discretion at any time, but no amendment may reduce your vested benefit under the Plan or divert Plan funds to any purpose other than for the exclusive benefit of Plan participants and their beneficiaries.

In the event the Plan is terminated, you will automatically become 100% vested in your account balance. Accounts will be distributed when it is administratively practicable to do so, following payment of Plan administrative expenses.

Filing a claim

T. Rowe Price is the claims administrator for the Plan and will process distribution requests. (However, the Costco Benefits Department is the claims administrator for purposes of determining death beneficiaries.) In general, you must contact T. Rowe Price online at rps.troweprice.com or by calling 800-922-9945 to request a distribution. However, for hardship or total disability distributions,

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or if you are a beneficiary, you must contact T. Rowe Price at **800-922-9945** for the forms and procedures necessary to process your request, and instructions as to where to submit your claim. If you are an alternate payee, call T. Rowe Price at **800-922-9945** to request a distribution. You must follow these forms and procedures in order to file a claim for benefits under the Plan.

If your claim is denied at the initial claim administration level, you may appeal the denial to the Benefits Committee ("Plan Administrator") as explained further below. A claim for benefits that is subject to the following claim procedures includes any claim under the terms of the Plan to recover benefits, to clarify rights to benefits, or to enforce rights.

Your authorized representative may file a claim or appeal a denied claim on your behalf. For purposes of these procedures, your "authorized representative" is any individual you authorize in writing to act on your behalf, or any individual authorized by court order to submit claims on your behalf.

IF YOUR CLAIM IS DENIED

If your claim is denied, a written denial notice will generally be provided to you within 90 days after the date your claim is received by the claims administrator. (However, if special circumstances require an extension of time for processing the claim beyond the initial 90-day period, written notice of the extension will be furnished to you before the end of the initial 90-day period. An extension of time will not exceed a period of 90 days from the end of the initial 90-day period. An extension notice will explain the reasons for the extension and the expected date of a decision.)

The written denial notice will include the following:

- the specific reason or reasons for the denial;
- references to the specific Plan provisions on which the denial is based;

- a description of any additional material or information necessary in order for you to perfect the claim, and an explanation of why such material or information is needed;
- an explanation of the Plan's review procedure for denied claims, including the applicable time limits for submitting your claim for review; and
- a statement of your right to bring a civil action under Section 502(a) of ERISA, if your claim is denied on appeal.

APPEALING A DENIED CLAIM

If you wish to appeal a denial of your claim for benefits, you must file a written appeal with the Plan Administrator within 60 days after receiving written notice of the denial. You may submit written comments, documents, records, and other information relating to the claim. You may also, upon request and free of charge, have reasonable access to and copies of Relevant Documents (defined below). The review will take into account all comments, documents, records and other information you submit relating to the claim, without regard to whether such information was submitted or considered in the initial denial decision. Claim determinations are made in accordance with Plan documents and, where appropriate, Plan provisions are applied consistently to similarly situated claimants.

The Plan Administrator reviews appeals of denied claims and makes final determinations. The Plan Administrator has the sole, exclusive and discretionary authority and control to administer, construe and interpret the terms and provisions of all Plan and trust documents, booklets, policies, and rules and regulations, and to determine eligibility for benefits under the Plan.

In general, a decision on your appeal will be made by the Plan Administrator no later than the date of its next regularly-scheduled quarterly meeting after your appeal is received. However, if your appeal is received within 30 days prior to such meeting, a decision will be made no later than the second regularly-scheduled quarterly

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meeting after your appeal is received. In addition, if special circumstances require an extension of time for processing your appeal, a decision will be made no later than the third regularly-scheduled quarterly meeting after your appeal is received. Written notice of any extension of time will be sent before it commences explaining the reason for the extension and the expected date of the appeal determination. Notice of the appeal decision will be provided not later than five days after the decision is made. If an extension is required because you have not provided the information necessary to decide your appeal, the extension period will not count against the Plan Administrator's time for processing your appeal. The extension period starts on the date of the extension notice and ends on the earlier of 1) the date the Plan receives your response or 2) the date set by the Plan for your requested response (at least 45 days).

The written notice of the appeal decision will include the following information:

- the specific reason or reasons for the decision;
- reference to the specific Plan provisions on which the decision is based;
- a statement of your right to receive, upon request free of charge, reasonable access to and copies of Relevant Documents (defined below); and
- a statement of your right to bring a civil action under Section 502(a) of ERISA within two years after your appeal is denied or, if earlier, the date your cause of action first accrued.

RELEVANT DOCUMENTS

Relevant Document means any document, record or other information that:

- was relied upon in making a decision to deny benefits;
- was submitted, considered, or generated in the course of making the decision to deny benefits, whether or not it was relied upon in making the decision to deny benefits; or

- demonstrates compliance with any administrative processes and safeguards designed to confirm that the benefit determination was in accord with the Plan and that Plan provisions, where appropriate, have been applied consistently regarding similarly situated individuals.

LIMITATIONS ON LEGAL ACTION

Following these procedures is very important. The Plan Administrator has the right to refuse to review your claim if it is not appealed within 60 days following your receipt of a benefit claim denial. Moreover, you may not be allowed to bring a lawsuit against the Plan in court unless you have first made a written appeal to the Plan Administrator within the applicable 60-day timeline.

In order to bring a lawsuit against the Plan, the Plan sponsor or a participating employer, the trust, the Plan Administrator or its delegates, or any members of the Benefits Committee, you must file suit within two years after your appeal is denied or, if earlier, the date your cause of action first accrued.

Note: Certain claim and appeal deadlines are suspended during the COVID-19 Outbreak Period. For details, see [Temporary COVID-19 rules on page 35](#).

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YOUR ERISA RIGHTS

As a Plan participant, you are entitled to the following rights and protections under ERISA:

- **Receive information about your plan and benefits** – ERISA provides that all Plan participants are entitled to:
 - » Examine, without charge, at the offices of the Plan Administrator, and at other specified locations, such as worksites, all documents governing the Plan, including any applicable collective bargaining agreements, and a copy of the latest annual report (Form 5500

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Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

- » Obtain, upon written request to the Plan Administrator, copies of all documents governing operation of the Plan, including any applicable collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and an updated Summary Plan Description. The Plan Administrator may make reasonable charge for the copies.
- » Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- » Obtain a statement telling you of your account balance, the amount of vesting in that balance, and how many more years you have to work to become 100% vested. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

Protection of benefits

Domestic relations orders

Forfeiture of benefits

Amendment or discontinuation of Plan

- **Prudent action by plan fiduciaries** – In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan are called “fiduciaries” of the Plan. The fiduciaries have a duty to operate the Plan prudently and in the interests of you and other Plan participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a retirement plan benefit or exercising your rights under ERISA.
- **Enforce your rights** – If your claim for a benefit under the Plan is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce your rights. For instance, if you request a copy of Plan documents or the latest

annual report from the Plan Administrator and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 per day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court (subject to the rules in the Plan's claim and appeal procedures described above). In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in a federal court. If it should happen that the Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay the costs and fees, for example, if it finds your claim is frivolous.

- **Assistance with your questions** – Contact T. Rowe Price or the Plan Administrator if you have any questions about the Plan. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest area office of the Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Ave. N.W., Washington, D.C., 20210. You also may obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Filing a claim

If your claim is denied

Appealing a denied claim

Relevant documents

Limitations on legal action

Additional rights and Plan rules

- Your ERISA rights
- USERRA rights
- Power of attorney
- If the Plan becomes top-heavy
- Temporary COVID-19 rules

USERRA RIGHTS

Under the Uniformed Services Employment and Reemployment Rights Act (“USERRA”) and other federal law, if you leave work for a participating employer to perform qualified military service you

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may be entitled to certain rights and benefits under the Plan. These include the following:

1. If you have a Plan loan with an interest rate greater than 6%, your interest rate will be reduced to 6% for the duration of your military service. However, you must still make regular loan payments while on military leave (see [Loans on page 18](#) for details).
2. If you are on active duty in military service for a period of at least 31 days, you may withdraw any portion of your salary deferral account. If you take a withdrawal under this rule, however, you may not make pre-tax or Roth salary deferral contributions to the Plan for six months. For a summary of the tax rules applicable to your withdrawal, see [How distributions are taxed on page 23](#).
3. When you return to work for a participating employer following qualified military service, you may be able to make up salary deferral contributions (and receive associated matching contributions) that you missed during your leave. In addition, you may receive any discretionary and/or profit-sharing contributions you would have received during your leave had you remained actively employed with a participating employer. You may also receive service credit for the period of your leave.
4. If you die or become totally disabled (as defined by the Plan) while performing qualified military service, the following rules apply:
 - Your vested interest in your Plan benefits will automatically increase to 100%.
 - Costco will treat your date of death as a re-employment for purposes of the rule in paragraph #3 above. Therefore, your beneficiary will receive any discretionary and/or profit-sharing contributions you would have received had you remained actively employed with a participating employer until your date of death. Your beneficiary will also receive any matching contributions you would have received during your military leave had you continued to make salary deferral contributions

at your average rate during the 12-month period immediately preceding your leave.

To receive any of the above rights and benefits, you must notify your employer before taking military leave, unless precluded by military necessity or other reasonable cause. In addition, your military service and re-employment (if applicable) both must qualify under USERRA. A number of specific timelines and requirements apply. Contact Costco's Benefits Department at 800-284-4882 for details.

POWER OF ATTORNEY

In general, you cannot authorize another person to request a distribution, designate your beneficiary, or otherwise act on your behalf with respect to your Plan account. However, the Plan may allow an attorney in fact to act on your behalf pursuant to a signed power of attorney if you are incapacitated, legally incompetent, or on military leave, in accordance with the Plan's power of attorney procedures. Also, as described under [Filing a claim on page 31](#), you may designate an individual to act as your "authorized representative" for purposes of pursuing a benefit claim or appeal.

IF THE PLAN BECOMES TOP-HEAVY

A top-heavy plan means that key employees (such as certain officers) receive 60% or more of the plan's benefits. This Plan has never been top-heavy and is not expected to ever be top-heavy. In the unlikely event that the Plan is ever top-heavy, special vesting and contribution rules will apply.

TEMPORARY COVID-19 RULES

- **Suspension of claim and appeal deadlines** – In response to the pandemic, the United States Department of Labor and the Internal Revenue Service have adopted a rule that requires certain Plan deadlines be extended during the COVID-19 "Outbreak Period" – that is, the period from March 1, 2020, through the end of the

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federal declaration of emergency regarding COVID-19, plus 60 days. As a result, the portion of any deadline to file an initial claim for benefits or appeal a denied claim that falls within the Outbreak Period will be disregarded, up to a maximum of one year (and the deadline will be extended by the number of days of the deadline that passed during the Outbreak Period, up to one year).

In addition, the following rules apply if you were diagnosed with or adversely affected by the coronavirus or COVID-19, as described in IRS guidance issued under the CARES Act:

- **Coronavirus-Related Distributions** – Effective April 24 through December 30, 2020, the Plan allowed you to take up to two “Coronavirus-Related Distributions,” even if you were not otherwise eligible to receive a distribution from the Plan. Limitations applied – for example, no more than \$50,000 could be withdrawn.

If you took a Coronavirus-Related Distribution from the Plan in 2020, you can elect to repay the distribution to the Plan. The repayment is treated like a rollover contribution – that means you can delay paying any federal income tax on the repaid amount until it is distributed to you again. To request a repayment election form, contact T. Rowe Price (online at rps.troweprice.com or by calling 800-922-9945). Limitations apply to all of your Coronavirus-Related Distributions from all plans in which you participate – for example, the repayment must be completed within three years of the day after the date you received the distribution, the maximum amount you can repay to this Plan (or other plans or IRAs) is \$100,000, and certain distributions (such as a deemed distributions of a defaulted loan) are not eligible. You will be required to certify that your distribution qualifies for repayment under IRS rules.

- **Suspension of loan repayments** – The Plan allowed participants with an outstanding loan to request a suspension of loan repayments that were due from March 27 through December 31, 2020. If the request was approved by T. Rowe Price, in January 2021 the entire loan balance (including interest on the delayed

payments) was reamortized over the remaining term of the loan (which was extended by nine months).



EXHIBIT C

Participant Disclosure of Plan and Investment Related Information

Macy's, Inc. 401(k) Retirement Investment Plan

Participating in the Macy's, Inc. 401(k) Retirement Investment Plan can be one of the best ways you can save and invest for your financial future. The assets you could accumulate through your Plan account may be one of your primary sources of income in retirement, so you'll want to make the most of the opportunity the Plan offers.

When you participate in the Plan, it's important that you understand the benefits available to you through the Plan. It's also important that you understand your rights and responsibilities as a participant, the investment choices the company makes available in the Plan, and the expenses associated with your participation. These expenses include any fees you may incur directly, such as fees for certain transactions, and any indirect costs associated with the investment choices you select for your Plan account.

This document provides participants in the Macy's, Inc. 401(k) Retirement Investment Plan with certain Plan and investment-related information. This information includes the costs associated with your participation and investment choices, along with your rights to direct how your accounts in the Plan are invested.

Macy's, Inc. has directed the provision of this information. This document, along with the educational information, tools and services available through Merrill, is designed to help you make smart and informed decisions as you prepare for your financial future.

What's Inside

Plan-Related Information

This section includes information about your ability to direct the investment of your Plan account and administrative expenses of the Plan. It's important that you understand your responsibility to direct your accounts to the investment alternatives of your choice.

This section is organized into three categories:

1. General Plan Information: Describing your rights to choose and manage Plan investments.
2. Administrative Expenses Information: Describing general administrative expenses that may be charged against your account, and;
3. Individual Expenses Information: Describing individual transaction expenses that may be charged only to your account.

Investment-Related Information

The Plan's menu of investment alternatives is designed to help you select a mix of investments that you believe is appropriate for your financial goals, tolerance for investment risk and time horizon.

This section provides key information about the investment alternatives offered through the Plan, including the type of fund, its historical performance, its performance relative to a benchmark of similar investments, each fund's expense ratio and any fees and expenses that may be associated with certain transactions in any of these investments.

For additional information and documentation regarding your Plan:

Macy's, Inc.
HR Services - Retirement
145 Progress Place
Springdale, OH 45246
(800) 234-6229
www.benefits.ml.com

Plan-Related Information

Plan Name: Macy's, Inc. 401(k) Retirement Investment Plan - Recordkeeping Plan Number: 609910

1. General Plan Information

Your rights as a participant

As a participant in the Plan, you have the right to choose how to invest your account among the investment alternatives that the Macy's, Inc. 401(k) Retirement Investment Plan makes available to participants.

Your Investment Alternatives

Macy's, Inc. 401(k) Retirement Investment Plan currently makes the following investment alternatives available to you as a Plan participant:

Extended Market Index Fund	Target Income Retirement Trust	Target 2045 Retirement Trust
International Index Fund	Target 2020 Retirement Trust	Target 2050 Retirement Trust
S&P 500 Index Fund	Target 2025 Retirement Trust	Target 2055 Retirement Trust
Macy's, Inc. Stock Fund	Target 2030 Retirement Trust	Target 2060 Retirement Trust
Self-Directed Brokerage Account Service	Target 2035 Retirement Trust	Target 2065 Retirement Trust
Stable Value Fund	Target 2040 Retirement Trust	Target 2070 Retirement Trust

Additionally, the Macy's, Inc. 401(k) Retirement Investment Plan currently makes the following investment manager available to you as a Plan participant:

Advice Access

Advice Access is an online investment advisory service that provides personalized planning and investing advice for retirement plan participants. Advice Access provides personalized, unbiased savings and investment recommendations — provided by an independent financial expert, Morningstar. Recommendations are based on an individual's goals and current status and include contribution rate, asset allocation and specific investment alternatives. Advice Access can take into consideration other participant data, including assets held outside the retirement plan to formulate a comprehensive strategy.

Directing Your Investments

As a Plan participant, you can change your current investments as well as your investment direction for future contributions on a daily basis.

Investment directions are processed the same business day if received prior to 3 P.M. (ET) (unless there is an earlier market closure), otherwise they are processed the following business day. Investment directions are not processed on days the New York Stock Exchange (NYSE) is closed (i.e., weekends, market holidays), but will be processed on the next business day the NYSE is open. Any fund or Plan-specific restrictions or limitations are described in the Investment-Related Information section of this document.

The Plan is intended to satisfy ERISA Section 404(c) and DOL Regulations Section 2550.404c-1. As such, the Plan's fiduciaries may be relieved of liability for any losses which are the direct and necessary result of investment instructions given by Plan participants and beneficiaries.

You can direct how your future contributions are to be invested, or change how your existing balance is invested, on Benefits OnLine® at www.benefits.ml.com or by calling (800) 234-6229.

Fees, Limitations & Restrictions

As a Plan participant, you may be subject to fees that are charged directly against your investments. Although rarely assessed, fees may include sales loads, sales charges, surrender charges and/or exchange fees.

In addition, redemption fees (also referred to as market timing or short-term trading fees), which are imposed by the investment alternative(s) and used to mitigate excessive trading, if applicable, are applied to fund transfers that are directed by you as the Plan participant. Merrill will notify you of any redemption fees, including the amount, before you direct such trades via Benefits OnLine, the Interactive Voice Response (IVR) system, or with a representative at (800) 234-6229.

You may be charged a fee if you enroll in the PersonalManager feature of Advice Access, unless your plan is not subject to pay such a fee, or your Plan Sponsor has elected to pay such a fee. Any potential fees for the PersonalManager service are displayed on the PersonalManager enrollment screen on Benefits OnLine as well as in Section 3 (Individual Expense Information) of this disclosure document. Any potential PersonalManager fees are payable quarterly in arrears and are not applicable to any restricted assets whether restricted by the participant or Plan Sponsor.

Your Plan may also include certain restrictions designed to prevent market timing transactions and excessive trading that prohibit the purchase and subsequent sale of investment alternative(s) within a specified timeframe.

For specific fees, Plan restrictions and limitations pertaining to your investment alternatives, please refer to the charts in the Investment-Related Information section or Benefits OnLine.

Proxy Voting and Tender Rights

Proxies and corporate actions are voted in accordance with the provisions in the Plan's trust as described below:

Company Stock

With company stock, you have the right to direct the Trustee or designated agent on how to vote any issued proxies or corporate actions. You will receive the proxy material or corporate action information for voting.

Your voting instructions will be forwarded to the Trustee or designated agent, who will vote the Plan's shares in accordance with your instructions.

If you do not provide the Trustee or designated agent with timely voting instructions, they will vote the shares in proportion to the voting instructions actually received from other participants, subject to the Trustee's fiduciary responsibilities under ERISA.

Mutual Funds and Other Investment Alternatives

With mutual funds and other investment alternatives, the proxies are voted by a Plan representative.

Self-Directed Brokerage

Self Directed Brokerage (SDB) accounts holding investments on the record date are automatically captured through the Merrill proxy process, and data is provided to the proxy vendor each night for processing. As a participant in SDB, you will receive the proxy voting card and instructions.

Self-Directed Brokerage Accounts

Macy's, Inc. offers participants the Self-Directed Brokerage Account (SDB) service, which is a separate account within your retirement Plan that allows you to invest in investments not available in your Plan's investment menu. Macy's, Inc. offers participants the following type(s) of Self-Directed programs:

- **SDB Direct Advantage** - Designed for investors who prefer to submit trades themselves online or through the call center. Participants create their own investment strategy and have access to a comprehensive range of investments.

2. Administrative Expenses Information

There are currently no fees and expenses for Plan administrative services charged against participant accounts that are not reflected in the total annual operating expenses of an investment. However, there may be applicable Plan administrative fees and expenses arising from time to time that may be charged to participant accounts on a pro rata basis (i.e., based upon a participant's account balance relative to total Plan assets) or a per capita basis (i.e., a flat fee for each participant account), as the Plan fiduciary chooses.

The actual amount of any such administrative fees and expenses charged to your account will appear on your participant statement under the Contributions and Activity For This Period section.

The Plan Sponsor and service provider have agreed upon \$18.20 per participant annually to cover the cost of administrative services.

3. Individual Expenses Information

This section describes any fees and expenses that may be charged against the account of any participant or beneficiary of an individual, rather than on a Plan-wide basis, and are not reflected in the total annual operating expenses of any investment alternative. Individual expenses include any fee you might be charged for a particular transaction or service that you select. These fees are deducted directly from your account and shown on your quarterly participant statement.

Here are the transactions for which the Plan charges fees to your account:

<u>Transaction</u>	<u>Fee</u>
One-Time Loan Initiation	\$50.00 per loan initiated
Overnight Check Service	\$25.00 per check
Returned ACH Fee	\$25.00 per returned ACH
Wires	\$10.00 per request

Self-Directed Brokerage Fees

Self-Directed Brokerage (SDB) is a separate account through which you can buy and sell investment choices not available in your Plan's regular investment menu.

SDB Direct Advantage

Annual Recordkeeping Fee:	\$80.00
Mutual Fund Alliance Funds	Transactions conducted at Net Asset Value (NAV)
Mutual Funds Supermarket Funds	Online trades: \$49.95 - Call Center trades: \$74.95

Investment-Related Information

This section includes important information to help you compare the investment alternatives under your retirement plan. If you want additional information, including more current performance information about your investment alternatives, you can go to the Plan's website at www.benefits.ml.com, or call (800) 234-6229.

The table shown in this section provides information about the designated investment alternatives the Plan has chosen to make available to participants.

The table provides historical performance information for the investment alternatives that do not have a fixed or stated return as well as related expenses, fees and restrictions where applicable. The performance for each investment option is also compared either to a benchmark index, such as the Russell 1000 Value, or a Lipper peer group; the latter measures how a group of similar funds has performed over the same period.

Fees and expenses are only one factor to consider when selecting your investments and the cumulative effect of fees and expenses can substantially reduce the growth of your retirement account. For an example of the long-term effect of investment fees and expenses, you can visit the Employee Benefit Security Administration's website at <https://www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/publications/understanding-your-retirement-plan-fees> for additional information.

Historical Performance – Variable Return Investments

This table displays the historical performance of the investment alternatives available in your Plan that have a variable rate of return, meaning that they can rise or decline in value during any given period. It also shows the expenses and fees (if any) for the investment alternatives available through the Plan.

Shown for each fund is its gross annual expense ratio. An expense ratio is an amount that shareholders pay for fund operating expenses and management fees and is expressed as a percentage of its total assets.

These expenses reduce the investment return available to you through the fund. These expenses are shown in this table on a per \$1,000 basis. For a fund with an expense ratio of 0.25%, for example, this means that for each \$1,000 invested in the fund, \$2.50 would be used by the fund to help cover its costs rather than to earn a potential return for the investor.

This historical performance is measured against the performance of a benchmark of similar investments. (A participant cannot invest directly in an index used as a benchmark.)

The performance data contained herein represents past performance. An investment's past performance is not necessarily an indication of how the investment will perform in the future. Investment return and principal value will fluctuate so that units, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For more current fund performance, including the most recently completed calendar month, please log on to Benefits OnLine at www.benefits.ml.com.

The fund performance data is shown net of fees. All total returns assume the reinvestment of all dividend and capital gain distributions at net asset value when paid and do not reflect the deduction of any sales charges, as these charges are not applicable to eligible 401(k) Plans. Please note that there are other charges and expenses that apply to the investment alternatives, such as management fees, which are reflected in their net investment return.

As of September 30, 2023

Investment Category				Annual Gross Expense Ratio	
Investment Name					
Benchmark					
Redemption Fees, Limitations	Average Annual Total Return %			Expense Ratio	
	1 Yr	5 Yr	10 Yr	As a %	Per \$1,000
Equity/Stock					
Extended Market Index Fund ¹	14.25%	4.44%	7.82%	0.09%	\$0.90
Extended Market Benchmark	14.28%	4.40%	7.79%		
International Index Fund ²	21.22%	2.68%	3.41%	0.15%	\$1.50
International Benchmark	20.39%	2.58%	3.35%		
S&P 500 Index Fund ³	21.52%	9.81%	11.79%	0.09%	\$0.90
S&P 500 Benchmark	21.62%	9.92%	11.91%		
Macy's, Inc. Stock Fund	-25.83%	-19.63%	-12.33%	0.17%	\$1.70
Money Market/Stable Value					
Stable Value Fund ⁴	2.38%	2.03%	1.97%	0.43%	\$4.30
Stable Value Benchmark	1.26%	1.22%	0.69%		
Other					
Target Income Retirement Trust ⁵	7.10%	2.64%	3.54%	0.12%	\$1.20
Target Income Retirement Benchmark	7.31%	2.97%	3.84%		
Target 2020 Retirement Trust ⁶	9.37%	3.54%	5.21%	0.12%	\$1.20
Target 2020 Retirement Benchmark	9.69%	3.95%	5.54%		
Target 2025 Retirement Trust ⁷	11.51%	4.06%	5.78%	0.12%	\$1.20
Target 2025 Retirement Benchmark	11.92%	4.50%	6.14%		
Target 2030 Retirement Trust ⁸	13.10%	4.46%	6.26%	0.13%	\$1.30
Target 2030 Retirement Benchmark	13.51%	4.91%	6.63%		
Target 2035 Retirement Trust ⁹	14.63%	4.93%	6.77%	0.13%	\$1.30
Target 2035 Retirement Benchmark	14.99%	5.38%	7.14%		
Target 2040 Retirement Trust ¹⁰	16.15%	5.37%	7.24%	0.13%	\$1.30
Target 2040 Retirement Benchmark	16.48%	5.82%	7.62%		
Target 2045 Retirement Trust ¹¹	17.68%	5.84%	7.57%	0.13%	\$1.30
Target 2045 Retirement Benchmark	18.09%	6.32%	7.97%		
Target 2050 Retirement Trust ¹²	18.49%	5.97%	7.63%	0.13%	\$1.30
Target 2050 Retirement Benchmark	18.74%	6.43%	8.03%		
Target 2055 Retirement Trust ¹³	18.48%	5.96%	7.61%	0.13%	\$1.30
Target 2055 Retirement Benchmark	18.74%	6.43%	8.03%		
Target 2060 Retirement Trust ¹⁴	18.50%	5.98%	N/A	0.13%	\$1.30
Target 2060 Retirement Benchmark	18.74%	6.43%	N/A		

Investment Category				Annual Gross	
Investment Name				Expense Ratio	
Benchmark					
Redemption Fees, Limitations	Average Annual Total Return %				
	1 Yr	5 Yr	10 Yr	As a %	Per \$1,000
Target 2065 Retirement Trust ¹⁵	18.47%	N/A	N/A	0.14%	\$1.40
Target 2065 Retirement Benchmark	18.74%	N/A	N/A		
Target 2070 Retirement Trust ¹⁶	18.59%	N/A	N/A	0.11%	\$1.10
Target 2070 Retirement Benchmark	18.74%	N/A	N/A		

Below are definitions of fees and restrictions that may or may not be imposed by designated investment alternative managers:

Redemption Fees: Designated investment alternatives may assess an investment-specific short-term redemption fee when investments are held for less than a fixed period of time. This helps to mitigate excessive trading.

Repurchase Restrictions: Designated investment alternatives may impose limitations to repurchase into the same investment within a specified period of time (i.e., 60 Calendar days). This restriction helps to limit increases to investment expenses.

Minimum Waiting Block Period: Designated investment alternatives may institute a waiting period (e.g., 15 Business days) for the selling and/or repurchasing of investments. This helps to mitigate excessive trading.

To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading your assets among different types of investments can help you achieve a favorable rate of return, while minimizing your overall risk of losing money. This is because market or other economic conditions that cause one category of assets, or one particular security, to perform very well often cause another asset category, or another particular security to perform poorly. If you invest more than 20% of your retirement savings in any one company or industry, your savings may not be properly diversified. Although diversification is not a guarantee against loss, it is an effective strategy to help you manage investment risk.

For plans which offer a money market fund: Although a Money Market Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund. The Fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Keep in mind the 7-day yield more closely reflects the current earnings of the fund, than the total return quotation.

Please be aware that certain investment alternatives may charge redemption fees for short-term trading, which are imposed by the investment alternative companies. The returns for these funds will not reflect such fees, and if they had been reflected, results would have been lower than shown.

For certain investment alternatives, the returns reflect subsidies and waivers, without which the results would have been lower than noted. These subsidies and waivers may not continue to remain in effect. Please consult the prospectus 17 for more information.

Investors should consider the investment objectives, risks, charges and expenses of investment alternatives carefully before investing. This, and additional information about the investment alternatives, can be found in the prospectuses, and, if available, the summary prospectuses, which can be obtained on Benefits OnLine® at www.benefits.ml.com or by calling Merrill at (800) 234-6229. Investors should read the prospectuses and, if available, the summary prospectuses carefully before investing.

For more information on the investment alternatives that are not mutual funds (non-registered investments), log on to www.benefits.ml.com and refer to the fund description or fact sheet, if available.

Investing involves risk, including possible loss of the principal value invested. Investments in foreign securities or sector funds, including technology or real estate stocks, are subject to substantial volatility due to adverse political, economic or other developments and may carry additional risk resulting from lack of industry diversification. Funds that invest in small or mid-capitalization companies experience a greater degree of market volatility than those of large-capitalization stocks and are riskier investments. Bond funds have the same interest rate, inflation, and credit risks associated with the underlying bonds owned by the fund. Generally, the value of bond funds rises when prevailing interest rates fall and falls when interest rates rise. Investing in lower-grade debt securities ("junk" bonds) may be subject to greater market fluctuations and risk of loss of income and principal than securities in higher rated categories. There are ongoing fees and expenses associated with investing. Bear in mind that higher return potential is accompanied by higher risk.

- 1 The Extended Equity Fund benchmark consists of the Dow Jones U.S. Completion Index (Russell 2000 Index prior to July 17, 2008). The fund asset manager changed effective 3/2/2021 to Northern Trust from Mellon. The returns shown represent the blended values from both asset managers for the average annual total returns.
- 2 The International Stock Fund benchmark consists of the Morgan Stanley Capital International All Country World ex-U.S. Net Index (MSCI EAFE Net Index prior to July 1, 2013). The fund asset manager changed effective 3/2/2021 to Northern Trust from Mellon. The returns shown represent the blended values from both asset managers for the average annual total returns.
- 3 The S&P 500 Stock Index Fund benchmark consists of the Standard & Poor's 500 Stock Index. The fund asset manager changed effective 3/2/2021 to Northern Trust from Mellon. The returns shown represent the blended values from both asset managers for the average annual total returns.
- 4 The Stable Value Fund benchmark consists of a rolling 4-year average of 90-day Treasury bill returns.

- 5 The Target Income Fund benchmark consists of 18% CRSP U.S. Total Market, 12% FTSE Global All-Cap ex-U.S., 16% Barclays Global Aggregate ex-U.S., 37% Barclays U.S. Aggregate, 17% Barclays U.S. 0-5 Year TIPS.
- 6 The Target 2020 Fund benchmark consists of 26% CRSP U.S. Total Market, 17% FTSE Global All-Cap ex-U.S., 14% Bloomberg Global Aggregate ex-U.S., 32% Bloomberg U.S. Aggregate, 11% Bloomberg U.S. 0-5 Year TIPS.
- 7 The Target 2025 Fund benchmark consists of 33% CRSP U.S. Total Market, 23% FTSE Global All-Cap ex-U.S., 12% Bloomberg Global Aggregate ex-U.S., 28% Bloomberg U.S. Aggregate, 4% Bloomberg U.S. 0-5 Year TIPS.
- 8 The Target 2030 Fund benchmark consists of 38% CRSP U.S. Total Market, 26% FTSE Global All-Cap ex-U.S., 11% Bloomberg Global Aggregate ex-U.S., 25% Bloomberg U.S. Aggregate.
- 9 The Target 2035 Fund benchmark consists of 42% CRSP U.S. Total Market, 29% FTSE Global All-Cap ex-U.S., 9% Bloomberg Global Aggregate ex-U.S., 20% Bloomberg U.S. Aggregate.
- 10 The Target 2040 Fund benchmark consists of 47% CRSP U.S. Total Market, 32% FTSE Global All-Cap ex-U.S., 6% Bloomberg Global Aggregate ex-U.S., 15% Bloomberg U.S. Aggregate.
- 11 The Target 2045 Fund benchmark consists of 51% CRSP U.S. Total Market, 35% FTSE Global All-Cap ex-U.S., 4% Bloomberg Global Aggregate ex-U.S., 10% Bloomberg U.S. Aggregate.
- 12 The Target 2050 Fund benchmark consists of 54% CRSP U.S. Total Market, 36% FTSE Global All-Cap ex-U.S., 3% Bloomberg Global Aggregate ex-U.S., 7% Bloomberg U.S. Aggregate.
- 13 The Target 2055 Fund benchmark consists of 54% CRSP U.S. Total Market, 36% FTSE Global All-Cap ex-U.S., 3% Bloomberg Global Aggregate ex-U.S., 7% Bloomberg U.S. Aggregate.
- 14 The Target 2060 Fund benchmark consists of 54% CRSP U.S. Total Market, 36% FTSE Global All-Cap ex-U.S., 3% Bloomberg Global Aggregate ex-U.S., 7% Bloomberg U.S. Aggregate.
- 15 The Target 2065 Fund benchmark consists of 54% CRSP U.S. Total Market, 36% FTSE Global All-Cap ex-U.S., 3% Bloomberg Global Aggregate ex-U.S., 7% Bloomberg U.S. Aggregate.
- 16 The Target 2070 Fund benchmark consists of 54% CRSP U.S. Total Market, 36% FTSE Global All-Cap ex-U.S., 3% Barclays Global Aggregate ex-U.S., 7% Barclays U.S. Aggregate.
- 17 Some investments are not required to maintain a prospectus. For those investments, please review the fund fact sheet.

Important Note: For additional and more recent details regarding your investment alternatives, including: (a) name of the issuer; (b) the alternative's objectives or goals; (c) the alternative's principal strategies and risks; and (d) the alternative's portfolio turnover rate, you may call (800) 234-6229 or contact your Plan Sponsor or you may visit your Plan's website at www.benefits.ml.com (access the "Investments" tab and click on the investment alternative's name to view the fund's prospectus. A prospectus may not be available for non-registered investment alternatives.)

Upon request, and at no charge, you will be provided with paper copies of the information available on the website, copies of prospectuses, financial statements or reports, values of shares or units of each designated investment alternative and the list of the assets comprising the portfolio of each designated investment. You may call (800) 234-6229 or contact your Plan Sponsor to request this information.

Glossary of Terms

Please visit www.benefits.ml.com for a glossary of investment terms relevant to the investment alternatives under this Plan. This glossary is intended to help you better understand your options.

Learn more

To learn more about investing, visit Benefits OnLine at www.benefits.ml.com. Then select the Education and Planning tab. Here you can view a wealth of informative articles and videos intended to help you feel confident in your financial future at each stage of your life, whether you are just starting out, transitioning to retirement or somewhere in between.

Our Risk Assessment and Investment Guide, available via the Investment Direction section of your Investments, is a guide that can help you understand your risk profile and how you might invest in your accounts.

EXHIBIT D



PROSPECTUS

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933.

AT&T Inc.

AT&T Retirement Savings Plan

This document, together with the attached summary plan description (SPD), constitutes the prospectus relating to participation interests in the AT&T Retirement Savings Plan (Plan) and shares of the common stock of AT&T Inc. ("AT&T" or the "Company"), par value \$1.00 per share (AT&T Shares) in which participants' Contributions may be invested pursuant to the Plan. This prospectus contains a summary of the principal provisions of the Plan and other information for participants. The Plan text, as modified by law, is the final authority and will govern. AT&T has registered 200,000,000 AT&T Shares and an indeterminate amount of participation interests with the Securities and Exchange Commission (SEC) for issuance pursuant to the Plan and certain other benefit plans of AT&T.

**This portion of the prospectus does not constitute part of the SPD
and is not issued by a fiduciary on behalf of the Plan.**

AT&T Inc. is a holding company incorporated under the laws of the State of Delaware in 1983. The Company's subsidiaries and affiliates operate in the communications and digital entertainment services industry and provide services and equipment that deliver voice, video, and broadband services both domestically and internationally. Our principal executive offices are located at 208 S. Akard St., Dallas, TX 75202. Our telephone number is **210-821-4105**. We maintain an Internet site at the following location: att.com.

AT&T files annual, quarterly and other reports and proxy statements with the SEC. This information, which is specifically identified in the registration statements filed with the SEC to register the AT&T Shares and participation interests to be offered under the Plan, is incorporated in this portion of the prospectus by reference. Any information AT&T files with the SEC after the date of the filing of the registration statements will automatically update and supersede this information. AT&T will furnish without charge, upon written or oral request, a copy of these documents as well as exhibits specifically incorporated by reference in those documents. Requests for copies should be directed to Specialist-External Reporting, 208 S. Akard St., 28th floor, Dallas, TX 75202, telephone number **214-782-6066**. This information is also available online at att.com. A copy of the Plan and this prospectus are available upon written request from AT&T Services, Inc., P.O. Box 132160, Dallas, TX 75313, telephone number **210-351-3333**.

No person has been authorized to give any information or to make any representations other than those contained in this prospectus, and, if given or made, such information or representations must not be relied upon.

This prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation would be unlawful. No Plan provision or this prospectus shall give any employee any right of continued employment or shall in any way prohibit changes in the terms or the termination of the employment of any employee covered by the Plan.

August 2018

*You should keep this document
for future reference.*

NIN: 78-44088

Summary Plan Description



IMPORTANT BENEFITS INFORMATION

AT&T Retirement Savings Plan

This is an updated summary plan description (SPD) for the AT&T Retirement Savings Plan. This SPD replaces your existing SPD and all of its summaries of material modifications.

Please keep this SPD for future reference.

IMPORTANT: This document constitutes part of a Prospectus covering securities that have been registered under the Securities Act of 1933.

DISTRIBUTION: Distributed to active and former employees of Participating Companies, as described in ["Attachment 1"](#) *Participating Companies*, who are eligible to participate in the Plan as described in the ["Eligibility"](#) section.

NIN: 78-44088



SUMMARY PLAN DESCRIPTION

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933.

IMPORTANT INFORMATION

In all cases, the official Plan documents govern and are the final authority on the terms of the Plan. If there are any discrepancies between the information in this summary plan description (SPD) and the Plan, the Plan documents will control. The Plan Sponsor reserves the right to terminate or amend any and all of its employee benefit plans or programs at any time for any reason. Participation in the Plan is neither a contract nor a guarantee of future employment.

What Is This Document?

This SPD is a guide to your benefits under the Plan. This SPD together with the summaries of material modification (SMMs) issued for this Plan constitute your SPD for this Plan. See the [“Eligibility”](#) section for more information about eligibility for the Plan.

What Information Do I Need to Know to Use This SPD?

Eligibility, participation, benefit provisions, forms of payment, and other provisions of the Plan depend on certain factors such as your:

- Employment status (for example, full-time or part-time)
- Job title classification
- Employer
- Service history (for example, hire date, Termination of Employment, or Term of Employment)

To understand how the various provisions affect you, you will need to know the above information. If you don't have this information or have questions, please refer to OneStop (onestop.web.att.com or access.att.com). The Recordkeeper may also be able to provide some of these details. See the [“Contact Information”](#) section for more information on how to contact the Recordkeeper.

What Action Do I Need to Take?

You should review this SPD.

Highlights

This SPD describes your benefits as of August 2018. Changes since the last SPD (August 2017), including changes previously communicated through summaries of material modifications (SMMs), are incorporated into this SPD. While you should review the entire SPD, please note the following list of important changes since the last SPD:

- *Attachment 2: Investment Fund Returns and Fee Disclosure* has been updated to reflect information through December 31, 2017.
- The Dividend Fund Account (DFA) section has been updated to reflect how annual cash dividends are reinvested in the event they are unable to be distributed.

- The list of Participating Companies has been updated to reflect information as of May 2018.
- Effective January 1, 2018, all Bargaining Unit Employees (regardless of hire date) covered by the following collective bargaining agreements are eligible to participate in the Plan:
 - AT&T East Core Contract – CWA District 1;
 - AT&T Midwest Contract – IBEW System Council T-3;
 - AT&T West Core Contract – CWA District 9;
 - SBC Global Services, Inc. – IBEW Local 21 (*Appendix D* to the AT&T Midwest Contract – IBEW System Council T-3);
 - SBC Global Services, Inc. – IBEW Local 58 (*Appendix E* to the AT&T Midwest Contract – IBEW System Council T-3);
 - SBC Global Services, Inc. – IBEW Local 134 (*Appendix F* to the AT&T Midwest Contract – IBEW System Council T-3); and
 - SBC Global Services, Inc. – IBEW Local 494 (*Appendix G* to the AT&T Midwest Contract – IBEW System Council T-3)

How Do I Use This Document?

As you read this SPD, pay special attention to the key points at the beginning of most major sections and shaded boxes that contain helpful examples and important notes. Although AT&T has provided these tools to help you better understand the Plan, it is important that you read the SPD in its entirety, so that you can understand the details of the Plan. Also, throughout this SPD, there are cross-references to other sections in the SPD. Please see the ["Table of Contents"](#) to help you locate these cross-referenced sections.

IMPORTANT: You need to keep your SPDs and SMMs so you can refer to them in the future. They are your primary resource for your questions about the Plan.

Questions?

If you have questions regarding information in this SPD, call the Recordkeeper listed in the ["Contact Information"](#) section.

Si usted tiene alguna dificultad en entender este documento, por favor póngase en contacto con el administrador que aparece en la sección que se titula ["Contact Information."](#)

August 2018

*You should keep this document
for future reference.*

NIN: 78-44088

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USING THIS SUMMARY PLAN DESCRIPTION

KEY POINTS

- *The Plan provides Compensation deferrals and Company Match to Eligible Employees of Participating Companies.*
- *This SPD summarizes Plan eligibility requirements and benefits.*

The Plan is a defined contribution plan sponsored by the Plan Sponsor. The Plan provides savings plan benefits to Eligible Employees of Participating Companies.

This document is the summary plan description (SPD) for the Plan. This SPD relates to participation interests in the Plan and shares of the common stock of AT&T Inc. ("AT&T" or the "Company"), par value \$1.00 per share (AT&T Shares), in which participants' Contributions may be invested according to the Plan. This document summarizes the terms of the Plan, including the particular eligibility requirements for coverage, the benefits provided, the conditions that must be met to qualify for Plan benefits, and the times and forms of payment of Plan benefits, plus other special Plan provisions.

Some special Plan provisions are not fully described in this SPD. Usually, these special provisions are the result of corporate transactions or agreements between AT&T and other companies. You may obtain more information about these special provisions by contacting the Recordkeeper. See the ["Contact Information"](#) section for information about how to contact the Recordkeeper.

The Plan is a complex and technical legal document. Although every effort has been made to make the description in this SPD as accurate as possible, this SPD does not include every relevant detail of the Plan. To the extent this SPD conflicts with the official Plan document, the official Plan document controls. Your right to any benefits under the Plan depends on the actual facts and the terms and conditions of Plan documents, and no rights accrue by reason of, or arising out of, any statement shown in or omitted from this SPD.

This SPD is not intended to, nor does it create, a contract of employment with any member of the AT&T Controlled Group.

Many sections of the SPD are related to other sections of the document. You may not have all of the information you need by reading just one section, so it is important that you review all sections that apply to a specific topic. In addition, notes included in the text are used throughout this SPD where needed to provide clarification or additional information or to identify an exception or distinction applicable to certain Eligible Employees. These notes provide information that is important to fully understand the Plan and the benefits it provides.

Terms Used in This SPD

Certain terms used in this SPD have specific meanings. Many of the terms that use capital letters, such as Eligible Employee, are defined in the ["Definitions"](#) section. Other less widely used terms are defined where the term is used in this SPD. Understanding the meanings of all of the defined terms will help you better understand the information provided in this SPD.

BENEFITS AT A GLANCE

The following *Benefits at a Glance* table provides you some of the important provisions in the Plan. For more information on any specific provision of the Plan, please see the detailed information provided later in this SPD.

Benefits	
Plan Features	
Eligibility	Immediate
Employee Groups Eligible	See the " Eligibility " section and " Attachment 1 " <i>Participating Companies</i> to the SPD
Enrollment	
Auto-Enrollment	3% Before-tax Basic auto-enrollment after 60 days of hire or rehire date
Auto-enrollment Contribution Investments	Auto-enrollment Contributions are invested in the age appropriate AT&T Age-Based Asset Allocation Fund
Auto-Enrollment Annual Increase Program (AIP)	Annual 1% increases (up to a maximum of 6%)
Voluntary Annual Increase Program (AIP)	You may elect to participate in Voluntary AIP. You choose to have your Before-tax Contributions increase annually in whole percentages from 1% to 10%. Annual increases continue until Basic Contributions reach 6%, then until Supplementary Contributions reach 44%.
Employee Contributions	
Employee Contributions	Before-tax Contributions, After-tax Contributions, Roth Contributions, or a combination of all three: 50% limit (6% Basic Contribution and 44% Supplementary Contribution)
Spillover Provisions	Spillover to After-tax Contributions unless election to cease
Roth 401(k)	Roth Contributions are permitted. Roth Contributions may be Basic and/or Supplementary Contributions. Although Roth Contributions are made on an after-tax basis, they are subject to the limitations on Before-tax Contributions.
Catch-Up Contributions	Catch-Up Contributions are permitted on a Before-tax and/or Roth basis in one percent increments. You must be age 50 by the end of the calendar year. Maximum of \$6,000 in 2018. Catch-Up Contributions are not eligible for Company match.
Company Matching Contributions Eligibility	One Year of Service requirement (unless noted below) Immediate (but only for the group(s) listed below) <ul style="list-style-type: none"> • AT&T Management • AT&T Mobility Services • AT&T Government Solutions, Inc. • AT&T Technical Services Company, Inc. • AT&T World Personnel Services, Inc.

Benefits	
Company Match Amount	<p>80% of Basic Contributions (unless noted below)</p> <p>100% of Basic Contributions (but only for the group(s) listed below)</p> <ul style="list-style-type: none"> • AT&T Government Solutions Employees • AT&T Management hired or rehired on or after 1/1/15 • Nonmanagement Nonunion employees who follow CWA (AT&T Core), hired or rehired on or after 1/1/15 • AT&T Mobility Services LLC - CWA District 3 hired, rehired, or transferred on or after 1/1/15 • Former employees of DIRECTV with a DIRECTV hire date on or after 1/1/16, who transfer to an AT&T Management Employee position without an intervening termination • Management Employees of DIRECTV, LLC and DIRECTV Enterprises, LLC, hired on or after 1/1/2016 <p>75% of Basic Contributions (but only for the group(s) listed below)</p> <ul style="list-style-type: none"> • Legacy T-CWA hired or rehired on or before 8/8/09 <p>66 2/3% of Basic Contributions (but only for the group(s) listed below)</p> <ul style="list-style-type: none"> • Legacy T-IBEW hired or rehired on or before 8/8/09 • Teamsters Local Union No. 959 (Alascom) <p>25% of Basic Contributions (but only for the group(s) listed below)</p> <ul style="list-style-type: none"> • BellSouth Utility Operations Bargaining Unit hired or rehired after 8/8/09
Company Match Investment	<p>AT&T Shares (unless noted below)</p> <p>Same as your employee Contributions (but only for the group(s) listed below)</p> <ul style="list-style-type: none"> • Government Solutions Employees • Legacy T-IBEW hired on or before 8/8/09 • Cricket Wireless LLC
Company Match Diversification	Immediate
Vesting	
Vesting Schedule	100% vested after 3 Years of Service
Automatic Vesting	Death, Disability, or age 65
Loans	
Maximum Number of Loans	Three total loans outstanding at one time. Of the three loans, one may be for principal residence.
Minimum Amount	\$1,000
Maximum Amount	The maximum cannot exceed the lesser of (a) \$50,000 less the highest outstanding loan balance in the prior 12 months, or (b) 50% of the total value of your vested account balance in the Plan, excluding amounts held in your DFA(s) Account.
Term of Loan	Principal Residence - 10 years General Purpose - 5 years
Interest Rate	Prime rate plus 1%

Benefits	
Withdrawal Options	
Types of Withdrawals	General, Before-tax Hardship, SOP, Roth, Rollover, Military
Types of General/In-service Withdrawals	After-tax Contributions plus earnings; Company Match Contributions plus earnings; and Before-tax Contributions plus earnings (must be Disabled or age 59 ^{1/2}).
Limitations on Hardship Withdrawals	Must be from Before-tax Contributions. Contributions are suspended for 6 months.
Dividend Pass-through Availability	Annual dividend pass-through
Distributions	
Types of Distributions	Full lump sum; partial distribution; monthly, quarterly, or annual installments
When Allowed	You may take a distribution of your vested account balance after your Termination of Employment.
Automatic Cash-out	If the value of your account exceeds \$1,000, it will remain in the Plan, and at your election be distributed in accordance with any method of Distribution available under the Plan, unless you direct the Plan to rollover your account balance in accordance with the Plan.
Investments	
Number of Investment Exchanges per Quarter	Eight exchanges each quarter
Availability of Brokerage Window	Participants able to invest in Fidelity BrokerageLink®

ELIGIBILITY

KEY POINTS

- *Only Eligible Employees may participate in the Plan.*
- *Eligible Employees will become eligible to participate when covered on the active payroll of a Participating Company.*
- *Active participation in the Plan ends when you are no longer an Eligible Employee.*
- *There are no age or service requirements for making deferrals of your own Compensation.*

Eligible Employee

You are an Eligible Employee if you are employed by a Participating Company (as listed in ["Attachment 1" Participating Companies](#)) and you are one of the following:

- A Management Employee. Generally, you are a Management Employee if your job title and classification are not included in a collective bargaining agreement between a Participating Company and a union. A Management Employee also includes nonmanagement nonunion employees, except those groups that follow certain bargaining units (see the definition of Bargaining Unit Employee in this section).

- A Bargaining Unit Employee covered by a collective bargaining agreement listed below:
 - AT&T Corp. Core Contract — CWA;
 - AT&T Corp. National Contract — IBEW System Council T-3;
 - AT&T East Core Contract — CWA District 1;
 - AT&T Midwest Contract — IBEW System Council T-3;
 - AT&T Mobility Services LLC — All CWA Districts;
 - AT&T Mobility Services LLC — IBEW Local 1547 (Blue Contract);
 - AT&T Services, Inc. — National Internet Contract — Tier 1 — CWA;
 - AT&T Services, Inc. — National Internet Contract — Tier 2 — CWA;
 - AT&T West Core Contract — CWA District 9;
 - CWA District 3 DIRECTV, LLC (AT&T Southeast Contract);
 - CWA District 4 DIRECTV, LLC (AT&T Midwest Contract);
 - CWA District 6 DIRECTV, LLC (AT&T Southwest Contract);
 - DIRECTV, LLC IBEW System Council T-3 (AT&T Midwest Contract) (Out-of-Region Technicians Agreement);
 - DIRECTV, LLC IBEW System Council T-3 (AT&T Midwest Contract) (Call Center Employees Agreement);
 - Pacific Bell Telephone Company — IBEW Local 1269;
 - SBC Global Services, Inc. — CWA District 4 (Customer Operations Specialists);
 - SBC Global Services, Inc. — CWA District 9 (Appendix D of the AT&T West Core Contract — CWA District 9);
 - SBC Global Services, Inc. — IBEW Local 21 (*Appendix D* to the AT&T Midwest Contract — IBEW System Council T-3);
 - SBC Global Services, Inc. — IBEW Local 58 (*Appendix E* to the AT&T Midwest Contract — IBEW System Council T-3);
 - SBC Global Services, Inc. — IBEW Local 134 (*Appendix F* to the AT&T Midwest Contract — IBEW System Council T-3);
 - SBC Global Services, Inc. — IBEW Local 494 (*Appendix G* to the AT&T Midwest Contract — IBEW System Council T-3); or
 - Teamsters Union Local No. 959 (Alascom).
- A Bargaining Unit Employee covered by a collective bargaining agreement listed below and hired or rehired on or after August 9, 2009:
 - AT&T Billing Southeast, LLC — CWA District 3;

- AT&T Midwest Core Contract — CWA District 4;
 - AT&T Southeast Core Contract — CWA District 3;
 - AT&T Southwest Core Contract — CWA District 6;
 - BellSouth Telecommunications, LLC (Utility Operations) — CWA District 3; or
 - SBC Global Services, Inc. (CPE) — CWA District 4 (*Appendix G* to the AT&T Midwest Core Contract — CWA District 4).
- An employee covered by a collective bargaining agreement that has agreed to participate in the Plan and you are temporarily promoted to a management position for one year or less.

Generally, you are a Bargaining Unit Employee if:

- Your job title and classification are covered by a collective bargaining agreement between your Employer and a union agreeing to Plan benefits.
- You are a “confidential employee” as defined by the National Labor Relations Act.
- You are a nonmanagement nonunion employee in the same business unit as any of the following bargaining units:
 - AT&T Corp. Core Contract — CWA;
 - AT&T Midwest Core Contract — CWA District 4;
 - AT&T Midwest Contract — IBEW System Council T-3;
 - AT&T Southwest Core Contract — CWA District 6; or
 - AT&T West Core Contract — CWA District 9.

You are **NOT** eligible to participate in the Plan if you are one or more of the following:

- Not an Eligible Employee;
- Eligible to contribute to any other AT&T sponsored savings or profit sharing plan (such as the AT&T Savings and Security Plan or the BellSouth Savings and Security Plan);
- Not on an Employer’s payroll;
- Subject to a written agreement or other designation from your Employer that states that you are not eligible to participate in the Plan;
- Classified, designated, or treated by the Participating Company as an independent contractor or a leased employee (even if deemed or later determined to be a common law employee);
- An employee of another company that provides services to an Employer; or
- Not a resident of the U.S. and you have no U.S.-sourced income.

Special Provisions

- **Special Rule for Employees Hired or Rehired Before August 9, 2009, and Surplused from the Regional Core Contracts of Appendix F to the AT&T Midwest Core Contract — CWA District 4 or Appendix J to the AT&T Southwest Core Contract — CWA District 6**

*If you were surplused from the regional Core Contract to any job title in the appendices listed above, you will **not** be eligible to participate in the Plan while you hold one of these job titles. All other employees covered by these job titles are eligible for the Plan unless otherwise indicated in one of the Special Rules below.*

- **Special Rule for Employees Hired or Rehired Before August 9, 2009, and Surplused from the AT&T Southeast Core Contract – CWA District 3 to the position of Wire Technician**

If you were surplused from a job title in the AT&T Southeast Core Contract – CWA District 3 to the position of Wire Technician, you will not be eligible to participate in the Plan while you hold this job title. All other employees covered by this job title are eligible for the Plan unless otherwise indicated in one of the Special Rules below.

- **Special Rules for Employees in Bargaining Units and for Nonmanagement Nonunion Employees in the Same Business Units That Are Eligible Employees for This Plan: AT&T Midwest Core Contract — CWA District 4 (including Appendix G), AT&T Southwest Core Contract — CWA District 6, AT&T Billing Southeast, LLC — CWA District 3, AT&T Southeast Core Contract — CWA District 3, or BellSouth Telecommunications, LLC (Utility Operations) — CWA District 3**

Certain Reclassified Employees

You are eligible to participate in the Plan if you were hired or rehired before August 9, 2009, as a Regular Limited Term Employee, Temporary Employee, or Term Employee and reclassified as a Regular Employee on or after August 9, 2009. Note that “Regular Limited Term Employee,” “Temporary Employee,” “Term Employee,” and “Regular Employee” are defined under the applicable bargaining agreement. Contact the Recordkeeper if you have questions about whether this provision applies to you.

Transfers From a Management Position to a Bargained Position On or After August 9, 2009

If you were in a Management position on August 8, 2009, and transfer to a bargaining unit listed above you are eligible to participate in the Plan while represented by that bargaining unit.

Transfers Under the National Transfer Plan Between Bargained Positions On or After August 9, 2009

You are eligible to participate in the Plan if you transfer to and are represented by a bargaining unit listed above and you were any of the following:

- *Not a member of a bargaining unit listed above on August 8, 2009 (including a Bargaining Unit Employee on layoff status who is later rehired from that layoff with recall rights), and you transfer to a bargaining unit listed above;*
- *A member of a bargaining unit represented by the AT&T National Contract — IBEW System Council T-3, AT&T Midwest Contract — IBEW System Council T-3, SBC Global Services, Inc.*

— IBEW Local 21 (Appendix D to the AT&T Midwest Contract — IBEW System Council T-3), SBC Global Services, Inc. — IBEW Local 58 (Appendix E to the AT&T Midwest Contract — IBEW System Council T-3), SBC Global Services, Inc. — IBEW Local 134 (Appendix F to the AT&T Midwest Contract — IBEW System Council T-3), or SBC Global Services, Inc. — IBEW Local 494 (Appendix G to the AT&T Midwest Contract — IBEW System Council T-3) on August 8, 2009, and you transfer to any other bargaining unit listed above; or

- A member of Pacific Bell Telephone Company — IBEW Local 1269 on August 8, 2009, and you transfer to any other bargaining unit listed above.

- **Special Rule for Employees in Premises Technician Job Titles**

*If you are not a “Regular Employee” as defined under the applicable collective bargaining agreement and you are in a premises technician job title for all bargaining units other than the AT&T West CWA District 9, then you are **not** eligible to participate in the Plan.*

ENROLLMENT

KEY POINTS

- Your enrollment is generally effective the next payroll period beginning after you enroll.
- If you are a new hire or rehired, you may be automatically enrolled after 60 days.

How to Enroll

To enroll in the Plan, contact the Recordkeeper. See the [“Contact Information”](#) section for the Recordkeeper’s contact information.

Generally, your enrollment is effective with the next payroll period that starts after you enroll. You may not make Contributions to the Plan before your enrollment is processed.

Automatic Enrollment

If you are newly hired, rehired, or transferred into the Plan and become eligible to participate, the Recordkeeper automatically enrolls you in the Plan. A Before-tax Basic Contribution of 3 percent of your Compensation will be deducted from your paycheck if you are automatically enrolled.

IMPORTANT: If you do not make an investment fund election, and you do not have a balance in the Plan from a period of prior participation, the Plan invests your Contributions in the AT&T Age-Based Asset Allocation Fund that corresponds to your age, assuming you will retire at the age of 65. For example, if you turn 65 in 2021, your Contributions would be invested in the AT&T Age-Based Asset Allocation Fund 2020. See the section [“Qualified Default Investment Alternative”](#) for additional information.

This automatic deduction begins with the first full payroll period that starts 60 days after the date you become eligible. During this 60-day period, you may stop the automatic enrollment and make your own enrollment and investment decisions, or you may elect not to be enrolled.

If you are automatically enrolled in the Plan, your 3 percent Before-tax Basic Contributions will increase by 1 percent each year on the anniversary of your deemed enrollment date, up to 6 percent, unless you make an affirmative change to your contribution percentage election, in

which case such increases will cease immediately. See also the subsection [“Automatic Annual Increase”](#) under the [“Employee Contributions”](#) section below for additional information on elective automatic contribution increases.

- **Special Rule for Certain Newly Eligible Employees Who are Part of a Group Movement**

*Effective September 1, 2010, if you become eligible to participate in the Plan as part of a group movement due to a bargaining agreement, merger, or acquisition, you are **not** automatically enrolled in the Plan unless the terms of the bargaining agreement or, in the case of a merger or acquisition, the purchase agreement, provide otherwise. If you are an employee who is newly eligible to participate as described in this Special Rule, you should contact the Recordkeeper if you wish to enroll (or to stop automatic enrollment, if applicable).*

If you elect not to be automatically enrolled, you may elect to enroll in the future by contacting the Recordkeeper. Generally, your enrollment begins with the next payroll period that starts after you enroll. You may not make Contributions that apply before you are enrolled.

EMPLOYEE CONTRIBUTIONS

KEY POINTS

- *You may make Basic Contributions and Supplementary Contributions.*
- *Only Basic Contributions are eligible to receive Company Match.*
- *If you are age 50 or older, you may make Catch-Up Contributions.*

Amount of Employee Contributions

You contribute to the Plan through payroll deductions. You may contribute up to **50 percent** of your Compensation in **1 percent** increments: up to **6 percent** as a **Basic Contribution**, and up to **44 percent** as a **Supplementary Contribution**. Your total Contributions may not exceed the limits in the [“Limits on Contributions”](#) section.

Once eligible, you receive Company Match on your Basic Contributions. Your Supplementary Contributions do not receive Company Match. (See the [“Employer Contributions”](#) section for more information.) Your Contributions may be Before-tax Contributions, After-tax Contributions, Roth Contributions, or a combination of all three. Carefully consider your financial needs and talk with your financial adviser before you elect to contribute.

IMPORTANT: You make separate elections for Basic Contributions and Supplementary Contributions. Only your Basic Contributions will be eligible for Company Match.

Before-tax Contributions

Your Before-tax Contributions are deducted from your paycheck before income taxes are withheld. These Contributions are included in your taxable income when distributed to you from the Plan. By law, your Before-tax Contributions cannot exceed an annual limit (see the [“Limits on Contributions”](#) section). Note that you pay Social Security taxes on your Before-tax Contributions.

If your Before-tax Contributions exceed an annual limit, your Contributions are converted to After-tax Contributions unless you elect to stop your Before-tax Contributions. This is called a spillover election.

After-tax Contributions

Your After-tax Contributions are deducted from your paycheck after withholding applicable income taxes. These Contributions are included in your taxable income. Your After-tax Contributions are not taxable when paid to you from the Plan. However, the earnings on these Contributions are taxable when paid to you from the Plan.

EXAMPLE: Tax Treatment of \$50 Contribution on Your Paycheck

Item	Before-tax Contribution	After-tax Contribution
Gross Amount of Paycheck	\$1,000	\$1,000
Before-tax Contribution	- \$50	
Taxable Income	\$950	\$1,000
Estimated 22% Income Tax	- \$209	- \$220
After-tax Contribution		- \$50
Take-Home Pay	\$741	\$730

Roth Contributions

You may also make Basic and/or Supplementary Contributions to a Roth account in the Plan (Roth Contributions). Although you make Roth Contributions on an after-tax basis (meaning after income taxes are withheld), they are subject to the same annual statutory contribution limits as Before-tax Contributions (see the ["Limits on Contributions"](#) section). If your Roth Contributions exceed an annual limit set by the IRS, your Contributions are converted to After-tax Contributions unless you elect to stop your Roth Contributions. This is called a spillover election.

You may withdraw earnings on your Roth Contributions tax-free if it has been at least five tax years since your first Roth Contribution and you are at least 59½ years old or Disabled.

Consider making Roth Contributions if you:

- Have the ability and time to accumulate tax-free earnings;
- Are not eligible for a Roth IRA but want a pool of tax-free money available for retirement; or
- Want to leave tax-free money to your beneficiaries.

Automatic Annual Increase

If your Before-tax Contributions are less than the annual limit (see the ["Limits on Contributions"](#) section), you may elect to automatically increase your Before-tax Contributions each year until you reach 6 percent as a Basic Contribution and then until you reach 44 percent as a Supplementary Contribution (subject to the IRS annual limit). The automatic increase takes effect

annually, beginning and thereafter on the anniversary of a date that you select, unless your Contributions are suspended following a Hardship Withdrawal (see the [“Withdrawals”](#) section). Choose your automatic increase in whole percentages (up to 10 percent annually). Contact the Recordkeeper to elect an automatic annual increase.

Spillover Election

If you reach the annual statutory contribution limit (see the [“Limits on Contributions”](#) section) on your Before-tax Contributions and your Roth Contributions, your Contributions are converted to After-tax Contributions unless you elect to temporarily stop your Contributions when you reach the Limit. The spillover election does not apply to the Catch-Up Contribution Limit.

Catch-Up Contributions

If you are or will be age 50 or older before the end of a calendar year, you may save more on a before-tax basis to “catch up” your savings to help meet your retirement needs. You may contribute an additional Before-tax Contribution or a Roth Contribution that exceeds the otherwise applicable Plan or statutory limits (a “Catch-Up Contribution”). See the [“Limits on Contributions”](#) section. **Catch-Up Contributions are not eligible for Company Match.**

Your Catch-Up Contributions are limited to 50 percent of your Compensation.

IMPORTANT: In order to make a Catch-Up Contribution, you must make a separate election for an “Employee Pre-tax Catch-Up” Contribution or an “Employee Roth Catch-Up” Contribution. You will not be allowed to make this election unless you have an employee Contribution election greater than 0 percent.

EXAMPLE: The Statutory Limit of \$18,500 for Before-tax Contributions Is Reached

Jane is 52 years old and is paid \$60,000 a year (\$2,500 semi-monthly for 24 paychecks during the year). She already contributes the maximum Before-tax and/or Roth Contributions allowed by statute (\$18,500 in a calendar year for 2018). However, Jane wants to contribute \$6,000 more for her retirement and decides to elect a Catch-Up Contribution. Jane must make sure she elects a separate Catch-Up Contribution for her additional Contribution of \$6,000.

Before-tax Contributions	Deducted Each Paycheck*	Annual Total
Before-tax Basic (maximum Basic is 6%)	\$150	\$3,600
Before-tax Supplementary (maximum Supplementary is 44%)	\$621	\$14,900
Total Before-tax Basic and Supplementary Contributions (maximum Before-tax is \$18,500)	\$771	\$18,500**
Catch-Up Contribution (maximum is \$6,000)	\$250	\$6,000
Total Contributions During the Plan Year		\$24,500

* For simplicity, figures have been rounded to the nearest whole number.

** After reaching the Before-tax Contribution limit, her Before-Tax Contributions may automatically be recharacterized as After-tax Contributions or cease (depending on her spillover election).

To Change or Suspend Your Contributions

Each payroll period, you may change the percentage or type of your Contributions. You may also suspend your Contributions (decrease your Contributions to 0 percent). You may later reinstate your Contributions for the next following payroll period.

EMPLOYER CONTRIBUTIONS

KEY POINTS

- *If you are eligible, you may receive Company Match on your Basic Contributions.*
- *Supplementary Contributions and Catch-Up Contributions are **not** eligible to receive the Company Match.*
- *Company Match is allocated to the AT&T Shares Fund, except as noted below.*

Amount of Employer Contributions

When you enroll in the Plan and complete one Year of Service, subject to the special rules below, you may receive a Company Match from your Participating Company. Your Company Match is **80 percent** of your total **Basic Contributions**, subject to the special rules below. **No Company Match is made on Supplementary Contributions.** The Company Match is invested in your AT&T Shares Fund on the same day your Basic Contributions are allocated to your account in the Plan, except as noted below.

- **Special Rule for Management Employees**

You are immediately eligible to receive the Company Match from your Participating Company.

- **Special Rules for AT&T Management Employees who were Previously Employed by DIRECTV**

If you are a former employee of DIRECTV whose date of hire at DIRECTV was prior to January 1, 2016, and you have transferred to a position as an AT&T Management Employee on or after July 24, 2015, with a Participating Company without any intervening termination of employment, your Company Match is 80 percent of your Basic Contributions.

If you are a former employee of DIRECTV whose date of hire at DIRECTV was on or after January 1, 2016, and you have transferred to a position as an AT&T Management Employee with a Participating Company without any intervening termination of employment, your Company Match is 100 percent of your Basic Contributions.

- **Special Rule for Management Employees of DIRECTV, LLC and DIRECTV Enterprises, LLC**

If your date of hire at DIRECTV is prior to January 1, 2016, your Company Match is 80 percent of your Basic Contributions. If your date of hire at DIRECTV is on or after January 1, 2016, your Company Match is 100 percent of your Basic Contributions.

- **Special Rule for Teamsters Local Union No. 959 (Alascom)**

Your Company Match is $66\frac{2}{3}$ percent of your Basic Contributions.

- **Special Rule for Government Solutions Employees**

Your Company Match is 100 percent of your Basic Contributions and is invested in the same funds as your own Contributions.

- **Special Rule for BellSouth Utility Operations Bargaining Unit**

Your Company Match is equal to 25 percent of your Basic Contributions.

- **Special Rule for AT&T Mobility Services LLC — All CWA Districts Bargaining Unit Employees**

You are immediately eligible to receive the Company Match from your Participating Company.

- **Special Rule for AT&T Corp. Core Contract — CWA Bargaining Unit Employees hired before August 9, 2009**

Your Company Match is equal to 75 percent of your Basic Contributions.

- **Special Rule for AT&T National Contract — IBEW System Council T-3 Bargaining Unit Employees hired before August 9, 2009**

Your Company Match is equal to $66\frac{2}{3}$ percent of your Basic Contributions and is invested in the same funds as your own Contributions.

- **Special Rule for Employees of Cricket Wireless, LLC**

Your Company Match is invested in the same funds as your own Contributions.

- **Special Rule for AT&T Mobility Services LLC – CWA District 3 Bargaining Unit Employees hired on or after January 1, 2015**

Your Company Match is 100 percent of your Basic Contributions.

- **Special Rule for Management Employees and Nonmanagement Nonunion Employees who follow CWA (AT&T Core Contract), hired or rehired on or after January 1, 2015**

Your Company Match is 100 percent of your Basic Contributions.

Company Match Diversification

All Participants are eligible to exchange or transfer up to 100 percent of the Company Match, whether vested or not. Generally, your Company Match vests after you have at least three Years of Service with AT&T (see the [“Vesting”](#) section).

LIMITS ON CONTRIBUTIONS

KEY POINTS

- *Your Before-tax Contributions and Roth are limited to \$18,500 a year for 2018 (subject to future adjustments).*
- *Your Contributions may be limited if you are a highly compensated employee.*

Before-tax Contributions

The Plan is prohibited by law from accepting your Before-tax and/or Roth Contributions during a Plan Year that, when added to your Before-tax and/or Roth Contributions to other tax qualified plans, exceed \$18,500 in 2018 (subject to future adjustments). If you reach the annual Plan limit on Before-tax and/or Roth Contributions, you may elect to have your Before-tax and/or Roth Contributions either suspended or withheld as After-tax Contributions for the remainder of the year (known as a spillover election). If you have made no election on how those Contributions should be treated, your Contributions for the remainder of the year will be withheld as After-tax Contributions. The annual limit on Before-tax and Roth Contributions applies to the total of all of your Before-tax and Roth Contributions. If you are or will be age 50 or older before the end of a

calendar year, you may be eligible to make Catch-Up Contributions. The Catch-Up Contribution limit for 2018 (subject to future adjustments) is \$6,000.

Highly Compensated Employees

If you are a highly compensated employee, some combination of your Before-tax Contributions, After-tax Contributions, and Company Match could be reduced, recharacterized, or adjusted due to Code limitations (and such adjustment could include a return of excess Contributions). A highly compensated employee is an employee who (a) was a five percent owner at any time during the Plan Year under consideration, or (b) for the prior Plan Year received Compensation greater than \$120,000 applicable to the 2018 Plan Year (subject to future adjustments).

Overall Limits

The Code may impose limits on the total amount contributed to the Plan. The limitation in 2018 (subject to future adjustments) is \$55,000. In addition, each Contribution made by the Participating Company to the Plan (including Before-tax Contributions) is expressly limited and conditioned on the deductibility of the Contribution under the Code. The Plan limits the amount of your Compensation taken into account under the Plan for any Plan Year to \$275,000 in 2018 (subject to future adjustments). If you reach the Compensation limit, your Contributions will be automatically suspended for the remainder of the year. If you exceed the annual contribution limit, any excess Contributions will be returned to you as soon as administratively feasible at the beginning of the following year.

VESTING

KEY POINTS

- *Employee Contributions are vested.*
- *Your Company Match is subject to a vesting schedule.*
- *Generally, you are fully vested after three Years of Service.*

Vesting determines your rights to full ownership of the Company Match. Your Contributions and earnings on those Contributions are fully vested at all times. The Company Match will vest after you have been employed by an Employer and as provided below:

- Your Company Match will vest after three Years of Service.
- If you become Disabled while an Eligible Employee, your Company Match will vest immediately.
- **If you are age 65**, your Company Match will vest immediately.
- **If you die while an Eligible Employee**, your Company Match will vest immediately.

Generally, if you are not vested upon Termination of Employment, you will forfeit and not be entitled to receive any Company Match. However, if your employment is terminated under certain conditions, you may not forfeit Company Match (see the [“Forfeiture”](#) section).

- **Special Rule If You Have Contributions That Were Transferred to the Plan From Another Plan and That Other Plan Had a Different Vesting Schedule**

Contact the Recordkeeper. You may have a different vesting schedule that applies to some or all of your account in the Plan.

- **Special Rule If You Were Previously Employed by an Employer and Subsequently Rehired**

Contact the Recordkeeper. You may receive credit for prior employment with an Employer.

FORFEITURE

KEY POINTS

- *Any portion of your Company Match that is not vested may be forfeited after your termination of employment.*
- *Forfeitures may be used to reduce future Employer Contributions or to pay Plan administrative expenses.*

What Is Subject to Forfeiture

Your Before-tax and/or After-tax Contributions, and applicable earnings on those Contributions, are always vested and are not subject to forfeiture. However, you will forfeit all Company Match Contributions that are **not vested** at the time you terminate employment. The amount to be forfeited will be held in your account for a period of five years following your date of termination or until your account has been completely distributed, whichever occurs first.

Application of Forfeited Company Match

Amounts forfeited under the Plan will be applied as a credit to reduce subsequent Contributions by Participating Companies or pay expenses incurred in the administration of the Plan.

Restoral of Forfeited Company Match

If You Took a Distribution of Your Account upon Termination of Employment

If you are re-employed by a Participating Company within five years of your Termination of Employment and you forfeited Company Match because you elected to take a Distribution of a portion of your account, the previously forfeited Company Match will be restored to your account if you repay the Trustee the amount distributed to you as a result of your earlier Termination of Employment. Your repayment must be made in a single cash payment, and it must be made within five years of the date you are rehired.

Note: Repayment of the forfeited amount needs to come from a qualified plan or IRA. Amounts not rolled over and kept as cash are considered nonqualified monies and cannot be restored to the Plan.

If You Deferred Distribution of Your Account upon Termination of Employment

If you are re-employed by a Participating Company within five years of your Termination of Employment and you deferred the Distribution of your account when you terminated, your account balance upon re-employment will reflect any amounts that were not vested at your prior Termination of Employment.

INVESTMENT OPTIONS

KEY POINTS

- *You invest your Contributions in the investment funds available under the Plan.*
- *If you do not select an investment fund or funds, your Contributions will be invested in an AT&T Age-Based Asset Allocation Fund based on your age and assuming you would retire at age 65.*
- *Attachment 2: Investment Fund Returns and Fee Disclosure contains additional important information about the investment funds under the Plan.*

How Your Contributions Are Invested

You may invest your Contributions, loan repayments, or rollover amounts in one or more of the investment funds described on the following pages. Each of the Plan's investment funds offers different opportunities and levels of risk. Each fund has a specific investment goal and may invest in short-term investments, including commercial paper and bank deposits (including deposits with a fiduciary of the Plan), pending the purchase of other investments of the types described for each fund. Some of the funds, or underlying investment funds and contracts, may engage in securities lending.

IMPORTANT: If you do not select an investment fund, your Contributions will automatically be invested in the AT&T Age-Based Asset Allocation Fund based on your age and assuming you would retire at the age of 65. For example, if you were born in 1956, your Contributions will be invested in the AT&T Age-Based Asset Allocation Fund 2020. This is referred to as the [“qualified default investment alternative.”](#) See the subsection [“Qualified Default Investment Alternative”](#) immediately below for additional information.

The Plan is intended to comply with ERISA Section 404(c). This means that all responsibility with respect to the selection of investments for your Plan account belongs with you. Choices should be made carefully on the basis of your personal financial goals. Neither the Plan Administrator, the Plan Sponsor, any Plan committees, the Recordkeeper, the Trustee, nor the Employer (nor any Participating Company) are accountable for any loss sustained by reason of your investment decisions. In addition, none of the parties listed in the preceding sentence make any guarantee of the performance of any investment option offered under the Plan.

No AT&T employee or Recordkeeper representative is authorized to make any recommendations or provide advice as to how you should invest your Plan account. In addition, neither this SPD nor any other materials provided to you related to the Plan's investment choices should be construed as providing any type of recommendation or investment advice. With the exception of the AT&T Shares Fund, the investment funds are selected by the Plan Administrator, or its delegate, and are subject to change. The Plan Administrator, or its delegate, may also change the managers of the investment funds.

Interest and/or dividends earned in an investment fund (except the AT&T Shares Fund and Dividend Fund Account) are automatically reinvested in that fund. For information on the rate of return for each investment fund, see the [“Historical Performance”](#) section.

Qualified Default Investment Alternative

If you elect to contribute to the Plan but you do not select any investment fund(s) for your Contributions, or you are automatically enrolled in the Plan, your Contributions will automatically be invested in the [“qualified default investment alternative”](#) fund for the Plan. The qualified default investment alternative is an AT&T Age-Based Asset Allocation Fund based on your date of birth and assuming you would retire at age 65, as set forth in the following chart:

AT&T Age-Based Asset Allocation Fund		
Date of Birth Range	AT&T Age-Based Asset Allocation Fund	Age 65 Retirement Date Range
1939 and earlier	AT&T Age-Based Asset Allocation Retirement Fund	2004 and earlier
1940 – 1944	AT&T Age-Based Asset Allocation Fund 2005	2005 – 2009
1945 – 1949	AT&T Age-Based Asset Allocation Fund 2010	2010 – 2014
1950 – 1954	AT&T Age-Based Asset Allocation Fund 2015	2015 – 2019
1955 – 1959	AT&T Age-Based Asset Allocation Fund 2020	2020 – 2024
1960 – 1964	AT&T Age-Based Asset Allocation Fund 2025	2025 – 2029
1965 – 1969	AT&T Age-Based Asset Allocation Fund 2030	2030 – 2034
1970 – 1974	AT&T Age-Based Asset Allocation Fund 2035	2035 – 2039
1975 – 1979	AT&T Age-Based Asset Allocation Fund 2040	2040 – 2044
1980 – 1984	AT&T Age-Based Asset Allocation Fund 2045	2045 – 2049
1985 – 1989	AT&T Age-Based Asset Allocation Fund 2050	2050 – 2054
1990 – 1994	AT&T Age-Based Asset Allocation Fund 2055	2055 – 2059
1995 and later	AT&T Age-Based Asset Allocation Fund 2060	2060 and later

You can change the investment direction for your future Contributions at any time. You can also rebalance your account by executing an exchange or a rebalance. See the [“Changing Your Investments”](#) section for additional details on these types of account transactions.

Benchmark Descriptions

Each investment fund’s returns are compared against a benchmark as set forth in [“Attachment 2” Investment Fund Returns and Fee Disclosure](#). In addition, some investment funds, but not all, are structured in a way to attempt to meet, match, or exceed their benchmark. See the description for each investment fund herein for more information. In general, a benchmark is a standard against which an investment fund is compared and can be an index. Contact the Recordkeeper or visit the applicable website for the Recordkeeper listed in the [“Contact Information”](#) section for more information regarding a particular benchmark.

AT&T Age-Based Asset Allocation Funds***What It Is***

The following funds are actively and passively managed diversified investment pools with an asset allocation strategy that adjusts the portfolio to become more conservative over time. These funds

are designed for investors expecting to retire around the year indicated in each fund's name. These are not SEC-registered 40 Act funds.

- AT&T Age-Based Asset Allocation Retirement Fund
- AT&T Age-Based Asset Allocation Fund 2005
- AT&T Age-Based Asset Allocation Fund 2010
- AT&T Age-Based Asset Allocation Fund 2015
- AT&T Age-Based Asset Allocation Fund 2020
- AT&T Age-Based Asset Allocation Fund 2025
- AT&T Age-Based Asset Allocation Fund 2030
- AT&T Age-Based Asset Allocation Fund 2035
- AT&T Age-Based Asset Allocation Fund 2040
- AT&T Age-Based Asset Allocation Fund 2045
- AT&T Age-Based Asset Allocation Fund 2050
- AT&T Age-Based Asset Allocation Fund 2055
- AT&T Age-Based Asset Allocation Fund 2060

Objective

Seeks to provide an asset allocation investment strategy that becomes more conservative over time.

Strategy

Each fund invests in a series of commingled pools of the Fidelity Group Trust for employee benefit plans and is managed by Fidelity Institutional Asset Management, a Fidelity Investments Company. Each commingled pool consists of securities from different asset classes, market capitalizations and geographic regions, and may invest in the following instruments: domestic and foreign issuers of common stock, preferred stock and convertible securities; exchange-traded funds; real estate investment trusts (REITs); debt obligations issued by U.S. Government, U.S. local city and state governments, U.S. Government agencies, U.S. Government-sponsored corporations, foreign governmental issuers, supranational(s), U.S. corporations and foreign corporations; mortgage-backed securities; asset-backed securities; private placements and other securities not represented in the fixed income benchmarks, including zero coupon bonds, floating-rate debt and Treasury Inflation Protected Securities (TIPS); short-term fixed income investments; derivatives instruments including options, futures, forwards and swaps; and commingled funds that invest in these securities. You select the fund that best matches your retirement strategy.

Individual commingled pools are primarily benchmarked to the following indices: U.S. Equity (Russell 3000), International Equity (MSCI ACWI ex U.S. Index), Fixed Income (Bloomberg Barclays

Agg Index), and Short-Term Investments (Three-Month T-Bills). Target allocations for the AT&T Age-Based Asset Allocation Retirement-2060 funds as of March 31, 2018, were:

Fund	U.S. Equity	International Equity	Fixed Income	Short-Term Investments
Retirement	17%	7%	30%	46%
2005	23%	10%	24%	43%
2010	29%	13%	19%	40%
2015	36%	15%	13%	36%
2020	40%	17%	9%	33%
2025	44%	19%	6%	31%
2030	53%	23%	0%	25%
2035	61%	26%	0%	13%
2040	63%	27%	0%	10%
2045	63%	27%	0%	10%
2050	63%	27%	0%	10%
2055	63%	27%	0%	10%
2060	63%	27%	0%	10%

Risks

Target date funds are designed for investors expecting to retire around the year indicated in each fund's name. The funds are managed to gradually become more conservative over time as they approach their target date. The investment risk of each target date fund changes over time as its asset allocation changes. They are subject to the volatility of the financial markets, including that of equity and fixed income investments in the U.S. and abroad, and may be subject to risks associated with investing in high yield, small-cap and foreign securities, as well as other types of risks. Principal invested is not guaranteed at any time, including at or after their target dates.

These funds are designed to become more conservative over time both to the point of expected retirement and for a period of approximately 15-20 years thereafter. The investment risks of the funds change over time as its asset allocation changes. These are broadly diversified funds and can include a mix of U.S. and non-U.S. stocks, bonds and/or money market instruments. In general, investment values fluctuate in response to adverse issuer, political, regulatory, market, interest rate or economic developments in the U.S. and abroad. They may be subject to additional risks of the underlying investments, such as risks associated with investing in high-yield, small-cap and/or foreign securities. Additional risks may include, but are not limited to, the following: the performance of the underlying commingled pools; the manager's ability to select among the available commingled pools; the manager's ability to develop, select and implement an allocation strategy with a long-term horizon and the impact of any future changes to this strategy. Principal invested is not guaranteed at any time, including at or after these fund's target dates.

Unit price and return will vary. In addition, there can be no assurance that the fund will achieve its stated objective.

AT&T International Stock Fund*What It Is*

A diversified stock fund that invests in foreign companies. This is not an SEC-registered 40 Act fund; it is a custom strategy fund. However, the fund may invest in SEC-registered 40 Act funds including Baillie Gifford – The Emerging Markets Fund (Class 5).

Objective

Seeks to provide returns in excess of international markets as represented by the MSCI All Country World Index excluding U.S. (MSCI ACWI ex U.S. Index).

Strategy

The fund invests primarily in common stocks issued by foreign businesses. It invests in mature markets such as Western Europe, Japan, Australia, Hong Kong, Singapore and Canada with a portion in emerging markets such as Latin America, Africa, Eastern Europe, Middle East, and the Pacific Basin. The fund invests primarily in common stocks, but may also invest in securities convertible into common stocks, stock index futures contracts, short-term fixed income investments and commingled funds that invest in these securities. The fund may also invest in derivatives on currencies including options, futures, forwards and swaps. Using both active and passive investment managers, this fund is currently managed by Artisan Partners, Baillie Gifford, BlackRock, Dimensional Fund Advisors, Highclere International Investors, Marathon Asset Management, Morgan Stanley, State Street Corporation and Silchester International Investors. The allocation to active and passive investment managers is subject to change at any time without further notification. As of March 31, 2018, the allocation was approximately 65 percent active and 35 percent passive.

Risks

Foreign securities are subject to interest-rate, currency-exchange-rate, economic, political, as well as other types of risks, all of which may be magnified in emerging markets. Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, economic or other developments.

As is the case with all stock portfolios, the general level of volatility and risk, along with the potential investment returns associated with this fund, are higher than with fixed income funds. The securities of smaller, less well-known companies can be more volatile than those of larger companies. The fund value and return may vary more than the MSCI ACWI ex U.S. index.

If you sell (including transfers, loans, withdrawals and distributions) your units after holding them for less than 30 days, the fund will deduct a short-term trading fee from your account equal to 1.5 percent of the value of the units sold.

Unit price and return will vary. In addition, there can be no assurance that the fund will achieve its stated objective.

AT&T Shares Fund*What It Is*

A fund that pools your money with that of other employees to buy AT&T Shares and an amount of short-term investments (cash equivalents) designed to allow you to buy or sell without the usual trade settlement period for individual stock transactions. The fund is “unitized,” meaning your ownership interest in the fund is measured in units of the fund instead of individual shares of stock. As such, the value of one fund unit is not equivalent to the price of a single AT&T share. This fund is an Employee Stock Ownership Plan. When AT&T declares a dividend, only participants who have a balance in the AT&T Shares Fund at the end of the trading day preceding the ex-

dividend date will be eligible for a dividend. Please refer to the [“Dividend Fund Account \(DFA\)”](#) section for more information. This is not an SEC-registered 40 Act mutual fund.

Objective

Seeks to approximate the performance of AT&T Shares. Benchmark applied is the S&P 500® Total Return Index.

Strategy

The fund invests in AT&T Shares exclusively, except for cash or other short-term investments necessary to facilitate participant transactions. Newport Trust Company is the Investment Manager and Independent Fiduciary of the AT&T Shares Fund. The amount of short-term investments is based upon a target established by the Independent Fiduciary, but the actual amount of short-term investments on any given Business Day will vary with the amount of cash awaiting investment and with participant activity in the fund (Contributions, redemptions, exchanges, withdrawals, etc.). The Independent Fiduciary has no authority or responsibility for voting AT&T Shares.

Risks

The fund is neither a mutual fund nor a diversified or managed investment option – it is a non-diversified, single-stock fund with a small amount of short-term investments (cash equivalents), as described above. If you invest a significant portion of your retirement savings in any one company or industry, your savings may not be properly diversified. Although diversification is not a guarantee against loss, it can be an effective strategy to help you manage investment risk. Investing in a non-diversified single stock fund involves more risk than investing in a diversified fund. On days of unexpectedly heavy outflows, the fund may not have enough short-term investments for liquidity. If that happens, requests to sell units received by Fidelity before the market close on a Business Day may not be processed on that day. In that case, requested sales of units will be suspended and, as liquidity is restored, suspended transactions will be processed, generally on a first-in-first-out basis, at the closing price for the processing date. In unusual circumstances, the fund may be closed to purchases or sales. As with any stock, the value of your investment may go up or down depending on how the company's stock performs in the market.

AT&T Shares fluctuate in market value, and the value of Units in the fund will likewise fluctuate. Investing in this fund is riskier than investing in the other Plan investment options because this fund invests in only one company. Industry conditions, general economic conditions and financial results of AT&T will have a large impact on the return of the fund. The return and value of your investment will vary depending on the short-term investments held by the fund, less any expenses accrued against the fund.

Note: The fund will be invested exclusively in AT&T Shares (and a small amount of short term investments to facilitate participant transactions) unless the Independent Fiduciary determines, in its sole discretion, that it is required by ERISA to disregard the terms of the Plan.

You may not make an exchange into the AT&T Shares Fund during the two Business Days prior to an ex-dividend date. See the subsection [“Exchange”](#) under the [“Changing Your Investments”](#) section of this SPD for additional information about this restriction.

Unit price and return will vary. In addition, there can be no assurance that the fund will achieve its stated objective.

AT&T Stable Value Fund*What It Is*

A capital preservation and income fund. This is not an SEC-registered 40 Act fund; it is a custom strategy fund.

Objective

Seeks to preserve principal value, provide a relatively stable current rate of interest income and earn incremental returns above the return of the Bloomberg Barclays U.S. Treasury Bellwethers: 3 Month TR Index Unhedged USD.

Strategy

The fund invests primarily in stable value investment contracts issued by banks, insurance companies and other financial institutions, typically held in combination with portfolios of a variety of fixed income investments including securities issued by the U.S. Treasury, U.S. Government agencies or enterprises, other municipal, sovereign (including non-U.S.) or supranational issuers, residential and commercial mortgage-backed securities, including forward-settling covered agency transactions, asset-backed securities and corporate securities. Stable value contracts are negotiated over-the-counter contracts intended to help the fund maintain stable principal valuation in most circumstances and typically require the fund to pay periodic fees to the contract issuers. Some stable value contracts issued by insurance companies may require that the fixed income portfolios are held by the insurance company instead of being held by the fund. The fund may also invest in commingled funds with fixed income investments that are similar to those described above. The fund may invest in derivatives on fixed income securities and currencies including options, futures, forwards and swaps, and in short-term fixed income investment funds and money market funds to help meet daily liquidity requirements.

The average credit quality of the fund's investments is generally expected to be AA- (or its equivalent) or higher, although individual securities or contracts purchased for the fund will have a credit quality rating lower than AA-. The average duration (a measure of price sensitivity to changes in interest rates) for the fund's investments is typically expected to be in a range of two to four years. In general, prices of fixed income investments fall when interest rates rise, and vice versa. The fund invests in stable value contracts to help offset price fluctuations. The terms of each stable value contract obligate the contract's issuer to keep a separate record for the contract's value known as the "book value", which under most circumstances approximates the value of invested principal plus accrued interest, adjusted for deposits, withdrawals and fees. The fund's Net Asset Value (NAV) is normally expected to be calculated using the book value of the stable value contracts, rather than the market value of the fixed income portfolios held in combination with the fund's stable value contracts. The market value of the fund's fixed income investments fluctuates over time, and at any point in time the fund has realized and unrealized gains and losses on its fixed income investments. Stable value contracts provide that realized and unrealized gains and losses on the underlying fixed income investments are typically not reflected immediately in the fund's NAV, but rather are amortized, over the duration of the underlying fixed income investments or other agreed upon period, through adjustments to the future stable value contract interest crediting rates. The terms of each stable value contract provide for certain qualified withdrawals allowed under the Plan, such as exchanges, withdrawals, distributions and benefits to be paid at book value, although terms vary from contract to contract and certain withdrawals may not be permitted at book value.

GSAM Stable Value, LLC is the overall stable value manager for the fund. Using actively managed investment strategies, GSAM Stable Value, LLC, Brown Brothers Harriman & Company, BNY Mellon Asset Management North America Corporation, BlackRock, PIMCO, Jennison Associates and PGIM manage fixed income portfolios for the fund. AT&T may retain additional fixed income portfolio

managers, which will manage portfolios of fixed income securities. The allocation to active and passive investment managers is subject to change at any time without further notification.

The fund may also hold units of commingled stable value funds, generally on a temporary basis and primarily the result of mergers of subsidiary savings plans.

Risks

Investing in the fund involves certain risks, some of which are explained here, and there is no assurance that the fund will achieve its objective. An investment in the fund is not insured or guaranteed by the manager(s), the Plan Sponsor, the Trustee, the FDIC, any other government agency or any other entity. The fund is typically expected to maintain a relatively stable NAV; however, in some circumstances the fund's NAV may fluctuate up or down without advance notice, so it is possible for investors to lose money on their investment in the fund. The stable value contracts and securities purchased for the fund are backed solely by the financial resources of the issuers of such contracts and securities. Those issuers may experience a credit failure or otherwise fail to meet their financial obligations, which could result in a loss. The stable value contracts purchased by the fund are normally expected to be accounted for at book value as described above, although in some circumstances the terms of the stable value contracts may require that an adjustment to the book value be made that may result in investors realizing a loss on their investment in the fund.

Stable value contracts provide for the payment of certain withdrawals and exchanges at book value subject to the terms of the contracts. In order to maintain the contract issuers' obligation to pay such withdrawals and exchanges at book value, the contracts subject the fund and its participants to certain restrictions. For example, withdrawals prompted by certain events (e.g., employer restructurings or layoffs, early retirement programs, corporate mergers, divestitures, spin-offs, sale of a division, facility closings, employer bankruptcy, partial or complete Plan termination, changes in laws, accounting procedures or regulatory changes, changes to the rules or administration of the Plan or fund, Plan amendments or changes to the Plan's investment options, which are collectively referred to as "Market Value or Termination Events") may be paid at the market value of the fund's securities, which may be less than book value balance and therefore result in investors realizing a loss on their investment in the fund.

Stable value contracts contain terms including events of default and termination provisions under which the contract issuer may terminate the contract, which if triggered could obligate the fund's managers to alter the investment strategy and wind down the contracts over a period of several years, or could potentially cause loss of coverage under the contracts. Certain events or conditions, including but not limited to the Market Value or Termination Events described above, could result in the termination of a stable value contract and result in withdrawals from the stable value contracts being made at market value instead of book value, which could result in a reduction of the fund's NAV. Issuers of stable value contracts may decide to exit the market or otherwise elect to terminate or wind down their contracts. There is no assurance that the fund's manager will be able to negotiate a sufficient amount of replacement contract coverage for all of the assets in the fund, and therefore some of the fund's fixed income assets may not be subject to contract coverage, causing the NAV to fluctuate. A reduction or fluctuation in the fund's NAV may result in investors realizing a loss on their investment in the fund.

The value of the fund's fixed income investments held in combination with the stable value contracts fluctuates due to a number of factors, including changes in interest rates or inflation, adverse economic conditions, reduced market liquidity, poor manager performance or other factors affecting the securities markets. Changes in value could occur rapidly or in an unpredictable manner. The creditworthiness of the issuer or guarantor of fixed income securities or stable value contracts, or the counterparty to a derivatives contract, may deteriorate, or the

issuer may default or become unable or unwilling to make timely principal payments, interest payments or to otherwise honor its obligations, which may impact the fund's performance or cause a reduction in the fund's NAV. The fund may invest in derivatives, which are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Investing in derivatives involves certain risks, including the risk of leverage, which could increase the fund's exposure to the market and magnify losses to the fund. In addition, some stable value contracts provide for an adjustment to contract value if a security that is part of the underlying fixed income assets defaults or otherwise becomes impaired as defined in the stable value contract. In the event of an impairment, generally contract value is decreased by the amortized cost of the impaired security and, if such security is subsequently sold, contract value is increased by the amount of such sales proceeds.

The fund's yield and return will vary over time. The crediting rate terms in stable value contracts are typically structured to cause the contract crediting rates to periodically reset, resulting in adjustments to the fund's yield and return over time. The objective is for the fund's yield to gradually follow the general long-term trends in interest rates, although with a time lag, which potentially could be significant. The fund's yield and return will also be affected by cash flows into and out of the fund, including contributions, withdrawals and exchanges from other participants invested in the fund, and groups of participants merging into or out of the fund as a result of corporate merger or divestiture activity or the transfer of participant balances into or out of another plan. The returns of the fund may not keep pace with inflation or the cost of living. The fund's yield and income could at times be reduced to a rate lower than that offered on other conservative investments, such as certificates of deposit or money market funds.

You may not exchange funds from the AT&T Stable Value Fund directly into a Fidelity BrokerageLink® account. Any funds exchanged out of the AT&T Stable Value Fund must remain invested in another fund outside of Fidelity BrokerageLink® for a period of at least 90 days before the funds can be exchanged into a Fidelity BrokerageLink® account.

Certain investment options (e.g., money market funds, short-term bond funds and brokerage window) may be deemed by stable value contract issuers to "compete" with this fund. The terms of these contracts prohibit you from making a direct exchange from this fund to such competing funds. Instead, you must first exchange to a noncompeting fund for 90 days. While these requirements may seem restrictive, they are imposed by the contract issuers as a condition for the issuers' obligation to pay certain withdrawals and exchanges at book value.

Unit price and return will vary. In addition, there can be no assurance that the fund will achieve its stated objective.

AT&T Total Return Bond Fund

What It Is

A diversified fixed income fund. This is not an SEC-registered 40 Act fund; it is a custom strategy fund. However, the fund may invest in SEC-registered 40 Act funds, including BlackRock Core Bond Portfolio — BlackRock Class K Shares.

Objective

Seeks to realize a total return that exceeds the return of the Bloomberg Barclays U.S. Aggregate Bond Index.

Strategy

The fund may invest in all types of bonds, including U.S. Government and agency securities, corporate securities, residential and commercial mortgage-backed securities, including forward-settling covered agency transactions, asset-backed securities and international bonds as well as

commingled funds investing in fixed income securities. The fund may also invest in below-investment-grade securities, non-U.S. bonds and emerging market debt. The fund may also invest in derivatives on fixed income securities and currencies including options, futures, forwards and swaps. Duration (a measure of price sensitivity to changes in interest rates) is typically expected to be in the range of three to seven years. Using both active and passive managers, the fund is currently managed by PIMCO, Western Asset Management Company and BlackRock. The fund may invest in separate accounts, mutual funds, or other commingled funds offered by these managers. AT&T may also retain additional fixed income portfolio managers to manage a portion of the fund. The allocation to active and passive investment managers is subject to change at any time without further notification. As of December 31, 2017, the allocation was approximately 75 percent active and 25 percent passive.

Risks

In general the bond market is volatile, and fixed income securities carry interest rate risk, as well as other types of risks. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk and credit and default risks for both issuers and counterparties. Unlike individual bonds, most bond funds do not have a maturity date.

Unit value, yield, and return will fluctuate based on these risks and the fund could have a negative return. To the extent the fund does not invest in federally-insured obligations, fund investments are subject to the risk that an issuer will fail to make timely payments of interest or principal, which may result in a loss to the overall market value of the fund. Securities that are based on the collective value of a group of assets or mortgages will change in value as the value of the underlying assets or mortgages change. The fund value and return are expected to vary more than the Bloomberg Barclays U.S. Aggregate Bond Index. Foreign securities are subject to interest-rate, currency-exchange-rate, economic and political risks, all of which are magnified in emerging markets.

Unit price and return will vary. In addition, there can be no assurance that the fund will achieve its stated objective.

AT&T U.S. Stock Fund

What It Is

A diversified stock fund. This is not an SEC-registered 40 Act fund; it is a custom strategy fund. However, the fund may invest in SEC-registered 40 Act funds, including Dimensional Fund Advisors – US Small Cap Portfolio.

Objective

Seeks to provide returns in excess of the total U.S. equity market as represented by the Russell 3000 Index.

Strategy

The fund provides broad coverage of the U.S. equity market by investing in companies across the capitalization spectrum (large-capitalization, mid-capitalization and small-capitalization), as well as the style spectrum (growth, blend and value). The fund invests primarily in common stocks, but may also invest in securities convertible into common stocks, stock index futures contracts, short-term fixed income investments and commingled funds that invest in these securities. Using both active and passive investment managers, this fund is currently managed by Barrow Hanley, BlackRock, Dimensional Fund Advisors, Dodge & Cox, Inc., Fidelity Institutional Asset Management, Lazard Asset Management, Polen Capital Management, State Street, and Wellington Management Company, LLP. The allocation to active and passive investment managers is subject to change at

any time without further notification. As of March 31, 2018, the allocation was approximately 15 percent active and 85 percent passive.

Risks

Value and growth stocks can perform differently from other types of stocks. Growth stocks can be more volatile. Value stocks can continue to be undervalued by the market for long periods of time. Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, economic or other developments, as well as other types of risks.

As is the case with all stock portfolios, the general level of volatility and risk, along with the potential investment returns associated with this fund, are higher than with fixed income funds. The securities of smaller, less well-known companies can be more volatile than those of larger companies. The fund value and return are expected to vary more than the Russell 3000 Index.

Unit price and return will vary. In addition, there can be no assurance that the fund will achieve its stated objective.

International Stock Index Fund

What It Is

This is an equity index investment fund. This is not an SEC-registered 40 Act fund; it is a collective investment trust.

Objective

Seeks to match the performance of the MSCI All Country World excluding the U.S. Net Dividend Return IndexSM (MSCI ACWI ex-U.S. Net Dividend Return IndexSM).

Strategy

Primarily invests in a diversified sample of stocks that make up the MSCI ACWI ex U.S. Index. This fund is managed by BlackRock and may invest in the following instruments: foreign stocks (developed and emerging markets), securities convertible into common stocks, debentures accompanied by warrants to purchase stocks, stock index futures contracts, short-term fixed income investments and commingled funds that invest in these securities.

If the fund manager determines that developments between the close of foreign markets and the close of the Business Day for the fund will, in its judgment, materially affect the value of some or all of the fund's securities, the manager reserves the right to adjust the previous closing prices, based on a third-party pricing model, as of the close of the fund's Business Day.

Risks

Foreign securities are subject to interest-rate, currency-exchange-rate, economic and political risks, all of which may be magnified in emerging markets. Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, economic or other developments.

As is the case with all stock portfolios, the general level of volatility and risk-along with the potential investment returns-associated with this fund is higher than with fixed income funds. Stock index futures contracts within this fund are intended to reduce the risk level of this fund or act as a temporary substitute for investment in common stocks. Additional risks include: underlying fund risk, equity investment risk, foreign investment risk, emerging market risk, securities lending risk, and derivative risk, as well as other types of risks.

If you sell (including transfers, loans, withdrawals, and distributions) your units after holding them for less than 30 days, the fund will deduct a short-term trading fee from your account equal to 1.5 percent of the value of the units sold.

Unit price and return will vary. In addition, there can be no assurance that the fund will achieve its stated objective.

Large Cap U.S. Stock Index Fund

What It Is

This is an equity index investment fund. This is not an SEC-registered 40 Act fund; it is a collective investment trust.

Objective

Seeks to match the performance of the S&P 500® Index.

Strategy

Primarily invests in stocks that make up the S&P 500® Index. The fund is managed by BlackRock and may invest in the following instruments: large-capitalization U.S. stocks, securities convertible into common stocks, debentures accompanied by warrants to purchase stocks, stock index futures contracts, short-term fixed income investments and commingled funds that invest in these securities.

Risks

Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, economic or other developments.

As is the case with all stock portfolios, the general level of volatility and risk-along with the potential investment returns-associated with this fund is higher than with fixed income funds. Stock index futures contracts within this fund are intended to reduce the risk level of this fund or act as a temporary substitute for investment in common stocks. Additional risks include: underlying fund risk, equity investment risk, securities lending risk, and derivative risk, as well as other types of risks.

Unit price and return will vary. In addition, there can be no assurance that the fund will achieve its stated objective.

Small and Mid-Sized U.S. Stock Index Fund

What It Is

An equity index investment fund. This is not an SEC-registered 40 Act fund; it is a collective investment trust.

Objective

Seeks to match the performance of the Dow Jones U.S. Completion Total Stock Market Index.

Strategy

Primarily invests in a diversified sample of the stocks that make up the Dow Jones U.S. Completion Total Stock Market Index. The fund is managed by BlackRock and may invest in the following instruments: mid- and small-capitalization U.S. stocks, securities convertible into common stocks, debentures accompanied by warrants to purchase stocks, stock index futures contracts, short-term fixed income investments and commingled funds that invest in these securities.

Risks

The securities of smaller, less well-known companies can be more volatile than those of larger companies. Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, economic or other developments.

As is the case with all stock portfolios, the general level of volatility and risk-along with the potential investment returns-associated with this fund is higher than with fixed income funds. Stock index futures contracts within this fund are intended to reduce the risk level of this fund or act as a temporary substitute for investment in common stocks. Additional risks include: underlying fund risk, equity investment risk, securities lending risk, derivative risk, small-capitalization companies risk, and mid-capitalization companies risk, as well as other types of risks.

Unit price and return will vary. In addition, there can be no assurance that the fund will achieve its stated objective.

Total U.S. Stock Market Index Fund**What It Is**

An equity index investment fund. This is not an SEC-registered 40 Act fund; it is a collective investment trust.

Objective

Seeks to match the performance of the Dow Jones U.S. Total Stock Market Index.

Strategy

Primarily invests in a diversified sample of the stocks that make up the Dow Jones U.S. Total Stock Market Index. The fund is managed by Blackrock and may invest in the following instruments: large-, mid- and small-capitalization U.S. stocks, securities convertible into common stocks, debentures accompanied by warrants to purchase stocks, stock index futures contracts, short-term fixed income investments and commingled funds that invest in these securities.

Risks

Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, economic or other developments.

As is the case with all stock portfolios, the general level of volatility and risk-along with the potential investment returns-associated with this fund is higher than with fixed income funds. Stock index futures contracts within this fund are intended to reduce the risk level of this fund or act as a temporary substitute for investment in common stocks. Additional risks include: underlying fund risk, equity investment risk, securities lending risk, derivative risk, small capitalization companies risk, and mid-capitalization companies risk, as well as other types of risks.

Unit price and return will vary. In addition, there can be no assurance that the fund will achieve its stated objective.

Fidelity BrokerageLink®

In addition to the designated investment funds described herein and offered under the Plan, participants also have the opportunity of investing in the Fidelity BrokerageLink®.

What It Is

This is a brokerage account not managed by any of the Fidelity Investment group of companies. You actively manage your account and decide how it is invested by selecting among the investments available under this option.

Objective

Seeks to provide a broad range of investment products that allows you to manage retirement savings more actively.

Strategy

Individual stocks (excluding AT&T Shares), corporate bonds (excluding AT&T), American Depositary Receipts, certificates of deposit, U.S. Treasuries, zero coupon bonds, mortgage securities, U.S. Government agency bonds, Fidelity Mutual Funds (excluding Fidelity Institutional Funds), non-Fidelity Mutual Funds, real estate investments trusts (REITS) and exchange traded funds. You may not invest in securities not included on this list (however, because this list may change, you should contact the Fidelity Service Center for current options). There are additional fees for investing in a **BrokerageLink®** account. See your Plan's fact sheet for details.

Risks

A self-directed brokerage account is not for everyone. The investor must understand the risks associated with choosing individual investments and be prepared to assume the responsibility of more closely monitoring their portfolio. In addition, there can be no assurance that the Fidelity BrokerageLink® or underlying investment options will achieve the stated objective.

The minimum to open this brokerage account is \$1,000. There is a \$500 minimum on your subsequent contributions. Participants are also limited to designating up to 50% of their payroll contributions into BrokerageLink® and may not perform an exchange that would result in more than 50% of the total account balance being in the BrokerageLink® account (subject to applicable rules and provisions). You should contact the Fidelity Service Center for other restrictions that may apply to individual investments. You will be responsible for any fees associated with establishing, using and making trades, including any investment and commission fees. Contact the Fidelity Service Center for information about the fees and commissions and to obtain copies of any prospectus relating to each investment.

Note: You may not exchange funds from the AT&T Stable Value Fund directly into a Fidelity BrokerageLink® account. Any funds exchanged out of the AT&T Stable Value Fund must remain invested in another fund outside of Fidelity BrokerageLink® for a period of at least 90 days before the funds can be exchanged into a Fidelity BrokerageLink® account.

Summary Chart of Investment Options

Type of Fund	Name	Characteristics
Age-Based	<ul style="list-style-type: none"> AT&T Age-Based Asset Allocation Funds (based on retirement years 2005 through 2060 in 5-year increments, plus a Retirement Fund) 	These are actively managed asset allocation pools, and each pool may include both actively and passively managed assets. The funds seek to provide a well-diversified, institutional approach to investing for retirement. You select the fund(s) that best matches your retirement strategy. Each fund adopts a more conservative asset allocation mix as it approaches its target retirement year and for a period of years thereafter.

Type of Fund	Name	Characteristics
Index	<ul style="list-style-type: none"> • Large Cap U.S. Stock Index Fund • Small and Mid-Sized U.S. Stock Index Fund • Total U.S. Stock Market Index Fund • International Stock Index Fund 	The index funds in this group provide broadly diversified portfolios of small-, mid-, large-capitalization U.S. equities or international equities. These funds seek to match the rates of return realized by a widely accepted market index represented by each asset category.
Custom	<ul style="list-style-type: none"> • AT&T Stable Value Fund • AT&T Total Return Bond Fund • AT&T U.S. Stock Fund • AT&T International Stock Fund 	The AT&T custom funds in this group provide broadly diversified portfolios of stable value, fixed income, U.S. equities or international equities. Each fund consists of multiple manager portfolios, which may be actively or passively managed at institutional rates. The allocation to active and passive investment managers is subject to change at any time without further notification. These options seek to exceed the rates of return realized by a widely accepted market index represented by each asset category.
Employer Stock	<ul style="list-style-type: none"> • AT&T Shares Fund 	This is not a diversified fund. The fund invests in AT&T Shares exclusively, except for cash or other short-term investments necessary to facilitate participant transactions, and the performance is directly tied to the performance of AT&T Shares. Since the fund is a single non-diversified investment, it is riskier than diversified investment funds.

DIVIDEND FUND ACCOUNT (DFA)

KEY POINTS

- *You may elect to have any dividends on AT&T Shares paid directly to you.*
- *If you do not make an election regarding your dividends, they are automatically reinvested in the AT&T Shares Fund.*

You may elect to receive the dividends paid on AT&T Shares held in the AT&T Shares Fund in cash and/or reinvest them in the AT&T Shares Fund. You may elect a percentage (in whole percentages up to 100 percent) of the total amount of dividends you want to reinvest and/or receive in cash. You only need to make one election for all of the AT&T Shares Fund. You must make your election by 3 p.m. Central time on the Business Day before an ex-dividend date.

IMPORTANT: If you fail to make an initial election by the deadline, your dividends will automatically be reinvested in the AT&T Shares Fund.

Once you make an initial election, it remains in effect, and you do not have to make another election unless you wish to change it. You may change your election at any time.

Distribution of Dividends

Cash

The dividends paid during the calendar year will accumulate in a separate DFA and will be paid to you at the end of the year in cash, unless your account is restricted for any reason. If your cash dividend is less than \$50 and you have not elected to have your cash dividend balance paid to you in the form of an electronic fund transfer (EFT), your dividend will be reinvested. Contact the Recordkeeper to sign up for an EFT. The dividend payment will be subject to income tax, may not be rolled over to an IRA and must be reported on your income tax return. The dividend is subject to the income tax even if paid from Roth-sourced money. While held in the DFA, the dividends will earn interest. The interest will be reinvested in your AT&T Shares Fund account each month. While held in the DFA, the dividends will not be available for loans, Withdrawals or exchanges.

At the time your annually accumulated dividends are distributed, such moneys shall be paid to you in cash. If at the time of the annual dividend payout, the Recordkeeper does not have a valid address on file for you or your account is restricted for any reason, including pursuant to a qualified domestic relations order, such annual dividend payout moneys will be automatically reinvested in the appropriate AT&T Age-Based Asset Allocation Fund based on your date of birth.

In addition, if any dividends are remaining in your DFA account as of February 26, 2018, as a result of the inability of such dividends to be distributed as described in the preceding paragraph, such moneys will also be transferred to the appropriate AT&T Age-Based Asset Allocation Fund based on your date of birth.

Reinvest

If you do not elect to receive your dividends in cash, your dividends will be reinvested in the AT&T Shares Fund.

- **Special Rule for Employees of Cricket Wireless, LLC and Government Solutions Employees**

You are not eligible to elect the pass-through of dividends on AT&T Shares paid on or after December 1, 2013. Instead, such dividends shall be reinvested in the AT&T Shares Fund.

CHANGING YOUR INVESTMENTS

KEY POINTS

- *You may change the investment of your existing account balance by executing an exchange or a rebalance.*
- *Neither an exchange nor a rebalance changes the investment direction of your future Contributions.*

For Existing Account Balances

You may move your existing account balances using two different methods: (a) **exchange**, or (b) **rebalance**. These transactions will not change the investment direction you have elected for future Contributions (to change the direction of future Contributions, see the [“For Future Contributions”](#) section). Your transaction will be effective the same Business Day that it is

confirmed by the Recordkeeper. Each method is described below. For more information regarding changing your investments and related details, see the [“When a Transaction Takes Effect”](#) section.

Exchange

Elect this transaction if you want to move existing amounts from one investment fund to another. An exchange will not change the investment direction you have elected for future Contributions. An exchange must be requested in whole percentages or whole dollars. You may make up to eight exchanges each quarter. You may make as many exchanges as you like in the same Business Day, and all of those exchanges will only be counted as one transaction for that day.

IMPORTANT: You may **not** request an exchange on the same day you request a loan, Withdrawal, or Distribution. You may not make an exchange into the AT&T Shares Fund during the two Business Days prior to an ex-dividend date.

You may not make an exchange into the AT&T Shares Fund during the two Business Days prior to an ex-dividend date. If you want to make an exchange into the AT&T Shares Fund, you must complete the transaction prior to 3:00 p.m. Central time on the Business Day that is three days prior to the ex-dividend date. For example, for a hypothetical ex-dividend date of June 7, the following restrictions would apply:

Monday, June 4	Tuesday, June 5	Wednesday, June 6	Thursday, June 7
Complete exchange transaction prior to 3:00 p.m. Central time.	Exchanges into AT&T Shares Fund are not permitted.	Exchanges into AT&T Shares Fund are not permitted.	Ex-dividend date.*

* Any exchanges into the AT&T Shares Fund made on an ex-dividend date will not be eligible to receive the dividends paid on such date.

A “Business Day” is any day that the New York Stock Exchange is open for business; it does not include weekends and bank holidays.

IMPORTANT: If you want to make an exchange into the AT&T Shares Fund, you should consider the effect of weekends and bank holidays to determine the Business Day that is three days prior to the ex-dividend date, and you should complete your transaction prior to 3:00 p.m. Central time on such date.

For example, for a hypothetical ex-dividend date of Thursday, July 7, the following restrictions would apply:

Fri., July 1	Sat.-Sun., July 2-3	Mon., July 4	Tues., July 5	Wed., July 6	Thurs., July 7
Business Day	Weekend days	Bank holiday	Exchanges restricted	Exchanges restricted	Ex-dividend date

In this example, if you wanted to complete an exchange into the AT&T Shares Fund, you would need to do so no later than Friday (July 1) at 3:00 p.m. Central time.

Rebalance

Elect this transaction if you want to change how your entire account is invested and to make changes that involve more than two investment funds. When you elect a rebalance transaction, your account will be reallocated to the percentages that you elect (subject to the annual and quarterly limits described earlier in this SPD). You must specify your rebalance election in percentages and must allocate up to 100 percent of your total account. A rebalance will not change the investment direction you have elected for future Contributions. See example that follows.

EXAMPLE: On May 3, 2018, Jane reviews her statement, and decides to rebalance her existing investments. On that same day before 3 p.m. Central time, she requests a rebalance, and her account is changed as shown below.

Note: Her election will only move her existing balances and will not change her future Contributions, which will continue to be invested in the funds shown under "Current Account."

<u>Current Account as of May 2, 2018</u>		<u>Rebalanced Account as of May 3, 2018</u>	
AT&T Stable Value Fund	30%	AT&T Stable Value Fund	15%
AT&T Shares Fund	40%	AT&T Shares Fund	25%
AT&T U.S. Stock Fund	30%	AT&T U.S. Stock Fund	30%
Total	100%	AT&T Total Return Bond Fund	15%
		AT&T Intl. Stock Fund	15%
		Total	100%

After you have rebalanced your account, you may maintain a balanced portfolio on an ongoing basis by selecting **Rebalance Notification**. If you select this option, you will receive an email notification when any investment in your account varies from your desired allocations by the percentage you specify. Once you are notified that the proportions have changed, you must decide if you want to rebalance your account again.

For Future Contributions

If you want to change the investment direction of your future Contributions, **changes to the investment of your future Contributions may be made in 1 percent increments**. For example, you may currently invest your Contributions in the AT&T Total Return Bond Fund and decide instead to invest in the AT&T Stable Value Fund and the AT&T U.S. Stock Fund. After your transaction is processed, no future Contributions would be made to the AT&T Total Return Bond Fund (unless you subsequently changed your election).

IMPORTANT: You may change the investment direction of future Contributions, in whole percentages, as often as you choose.

Your future Contributions will be invested in the investment fund selected by you the same Business Day that it is confirmed by the Recordkeeper if received and confirmed by the Recordkeeper before the end of the Business Day.

Excessive Trading Notice

Your Plan offers a range of different investment choices for you to structure an investment portfolio to meet your needs. The investment managers who provide these investment choices have the right to monitor your investment trading and to restrict your ability to buy or sell their products in this Plan if they feel your trading is harmful or disruptive to the interests of all investors in their fund. You are encouraged to familiarize yourself with any excessive or short-term trading policies, as applicable, of each fund product that you include in your Plan investment portfolio.

VALUATION OF YOUR ACCOUNT

KEY POINTS

- *Your account is valued in Units.*
- *Historical return information is for reference only and does not predict future returns.*

Valuation Is in Units

Your interest in a fund is represented by Units of participation. These Units are valued on a Valuation Date by dividing the total value of the assets held by each fund by the total number of Units of all participants in that fund. The value of a Unit is generally determined by the closing prices for the funds each Business Day. Closing prices on a given Business Day are generally provided by the investment fund's investment manager(s) and/or Trustee, but are subject to the guidelines, policies and agreements in place between the Plan, Trustee, and Recordkeeper, which may provide for alternative pricing and pricing methods under certain circumstances. For funds that invest in AT&T Shares, a Unit's value is based on the NYSE closing price of AT&T Shares on the Valuation Date (the closing price may vary from the published "consolidated" closing price). Therefore, the values of the Units will vary as the values of the underlying assets vary. Although the value of each Unit can change either up or down, your number of Units, generally, will not be reduced, except if you take a loan or Withdrawal, receive a Distribution, forfeit the Company Match, or incur any fees to your account.

Historical Performance

Historical information on the net annual rates of return for each fund is set forth in the ["Investment Fund Return"](#) chart in ["Attachment 2" Investment Fund Returns and Fee Disclosure](#).

IMPORTANT: Past performance does not guarantee future results.

OPERATING EXPENSES AND OTHER FEES

KEY POINTS

- *Plan administrative and operating expenses may be charged to the Plan and/or Trust as a whole.*

- *Certain transaction-based expenses and other administrative expenses may be charged directly to your account.*
- *Historical expense information is for reference only and does not predict future expenses.*

How Expenses and Fees Are Charged to Your Account or the Plan/Trust

Under the Plan, all expenses incurred to administer and operate the Plan and Trust are charged to participants, either directly to their accounts or through the Plan's Trust or investment funds, in accordance with administrative procedures established by the Plan Administrator. Some examples of the types of administration expenses that are charged against the Plan/Trust include maintenance fees, recordkeeping fees, communications fees, and legal fees. In addition, the Trust or investment funds will generally pay the investment manager fees, trade costs, brokerage fees and commissions, trustee fees, and other fees associated with the investments in each fund.

Administrative expenses and fees charged directly to participant accounts will be reflected as a fee on your account statement. In addition, expenses and fees associated with certain transactions and services will also be charged directly to participants who incur them (rather than the Trust as a whole) and will appear on those participants' statements. Examples include, but are not limited to:

- Distribution fees;
- Shares distribution fees;
- Overnight delivery charges;
- Loan initiation and maintenance fees; and
- Processing fees for Qualified Domestic Relations Orders (QDROs) not paid by the Plan or Trust.

The rate of return for your account in a particular investment fund could be different from the rate of return for the fund itself as a result of fees charged directly to your account.

Operating expenses and fees are subject to change, and there is no limit on the maximum amount of fees that may be charged. Brokerage fees, transfer taxes, and other expenses related to the purchase or sale of securities by the Trustee will be deemed as part of the cost of the securities or deducted from the proceeds, as the case may be. Taxes, if any, on any assets held or income received by the Trustee will be charged appropriately against the accounts of participants as the Plan Administrator will determine. These fees are subject to change without advance notice.

IMPORTANT: If you invest in the AT&T International Stock Fund or the International Stock Index Fund, your account will be charged a short-term trading fee of 1.5 percent of the value of any Units sold that were held for less than 30 days.

Estimated Operating Expenses

Estimated operating expenses allocated to each investment fund are set forth in the [“Investment Manager Fees and Administrative Expenses”](#) chart in [“Attachment 2” Investment Fund Returns and Fee Disclosure](#).

LOANS

KEY POINTS

- *Only Eligible Employees may take out a new loan.*
- *There are two types of loans under the Plan: principal residence and general purpose.*
- *The minimum amount you may borrow is \$1,000.*
- *Your account will be charged a one-time set-up fee for the loan and a quarterly maintenance fee.*

Type and Amount of Loans

If you qualify and you are an Eligible Employee, you may obtain the following types of loans through the Plan: **principal residence** (for the purpose of acquiring your principal residence; term of loan is one to 10 years) and **general purpose** (for any purpose; term of loan is one to five years). You may have up to three outstanding loans at a time; however, you may have only one outstanding loan for your principal residence. If you are an executive officer of AT&T and subject to Section 16 of the Exchange Act of 1934, you may not obtain a loan under the Plan.

The minimum amount you may borrow is \$1,000, and the maximum cannot exceed the lesser of (a) \$50,000 less the highest outstanding loan balance in the prior 12 months, or (b) 50 percent of the total value of your vested account balance in the Plan and other qualified plans sponsored by AT&T, excluding amounts held in your DFA(s). Amounts held in your DFA are not available for loans.

Note: Loan amounts apply to all Plans covered by the AT&T Controlled Group. For instance, if you have two outstanding loans in one AT&T savings plan in a frozen account, you will only be allowed one loan in this AT&T savings plan for a total of three loans across both plans.

IMPORTANT: The DFA is not available for loans.

Your account will be charged a loan initiation fee and quarterly loan maintenance fees. See the [“Operating Expenses and Other Fees”](#) section. You will be charged an interest rate equal to the prime rate (as published by Reuters on the last Business Day of the month preceding the date the loan is initiated) plus 1 percent. You should contact the Recordkeeper to request a loan.

IMPORTANT: You may not cancel a loan after it is processed.

Sufficient Units are sold from your account (excluding your DFA) on a pro rata basis from each investment fund to fund your loan. For general purpose loans, the Recordkeeper calculates the value of your account at the time you request the loan and the loan is confirmed. For principal residence loans, the Recordkeeper calculates the value of your account after it has received the proper documentation to process the loan.

Repayment of Loan

Your loan will be amortized in accordance with your payroll schedule: 26 payments a year if you are paid biweekly or 24 payments a year if you are paid semimonthly. Your loan is paid in equal installments, typically through payroll deductions. The payroll deductions generally begin with the first payroll period credited in the second month after the loan becomes effective.

IMPORTANT: If your payroll deductions do not begin as scheduled, please contact the Recordkeeper immediately.

The deductions will be approximately the same from each paycheck. If you are unable to make payments through payroll deductions, you may make payments with coupons or automatically debit your bank account using the Automated Clearing House (ACH) system. You should contact the Recordkeeper to set up repayment through coupons or the ACH system.

The Plan Administrator may reamortize any loan made under the Plan for administrative purposes (such as a change in payroll, leave of absence, Termination of Employment, or rehire).

At any time, you may make partial prepayments in amounts equal to or greater than \$1,000, or prepay your loan in full. As you repay the loan, the amount repaid, including interest, will be used to purchase new Units for your account at current Unit values and invested in the investment funds which you have currently selected.

If you have an outstanding loan balance upon your Termination of Employment, your loan will be reamortized to a monthly repayment schedule. If you take a Distribution prior to the full repayment of your loan, the amount of the loan will be offset against your account balance.

You will be in default if you miss a loan payment and fail to pay it by the end of the calendar quarter following the quarter the payment was due. For example, if your loan payment was due March 1, 2018 (in the first quarter), and you did not pay it or make another payment by June 30, 2018 (the end of the second quarter), you would be in default. If you default on a loan, the outstanding loan balance will be reported as taxable income, and you may not apply for a new loan until the default has been removed. The default will be removed when you (a) repay the outstanding balance plus interest, or (b) reach the age of 59½. Interest will accrue on a defaulted loan. Unpaid principal and interest accrued through the date of default on a defaulted loan will be reported as taxable income. If you are rehired by a Participating Company and had previously defaulted on a loan during your prior period of employment, you may apply for a new loan.

Military Leave of Absence

If you are on a military leave of absence, loan repayments will be suspended until you return to work. However, interest will continue to accrue on an outstanding loan, but the rate of interest will not exceed 6 percent. When you return from military leave, your loan will be automatically reamortized and extended for the term of the loan by the period of the military leave.

Unpaid Leave of Absence

If you are on an unpaid leave of absence, you may suspend payments on your loan for a period of up to one year or until the leave expires, whichever occurs first. When you return to active employment or after one year, whichever comes first, your loan and accrued unpaid interest will be automatically reamortized for a term that does not extend beyond the expiration date of the original loan. Please note that workers' compensation is not considered an unpaid leave of absence and so you will be required to make your loan repayments during a period of workers' compensation even if you are not receiving pay directly from an AT&T payroll.

WITHDRAWALS

KEY POINTS

- *There are several types of Plan Withdrawals available.*
- *Whether a Withdrawal is available to you and the amount available depends on the sources of money in your account.*
- *Hardship Withdrawals suspend your Contributions and Company Match for a six-month period.*

Type and Amount of Withdrawals

The Plan was designed primarily to provide additional income for you after your employment ends. But in certain circumstances, you may withdraw money from your account while you are actively employed (a "Withdrawal"), if you meet the Plan's Withdrawal requirements.

IMPORTANT: All amounts withdrawn must be vested.

General Withdrawal

Use a General Withdrawal for any purpose. Amounts available for a General Withdrawal are:

- After-tax Contributions plus earnings;
- Company Match Contributions plus earnings, up to 100 percent of vested portion; and
- Before-tax Contributions plus earnings (restrictions: must be Disabled or age 59½). You may elect a General Withdrawal solely out of your Before-tax Contribution account if you are at least the age of 59½. Even when you elect this Before-tax Contributions General Withdrawal, the pre-1987 After-tax Contributions will be distributed prior to your Before-tax Contribution account. The automatic election for the Age 59½ General Withdrawal will remain a distribution from all money sources.

Before-tax Hardship Withdrawal

A Hardship Withdrawal is only available for a limited number of purposes. When you request a Hardship Withdrawal, you must provide documentation, which must be certified by the Plan Administrator and Recordkeeper. The request must be for one or more of the following:

- Medical care for you or your dependents as defined in the Code;
- Costs directly related to the purchase of your principal residence, excluding mortgage payments;
- Tuition and related education fees (including room and board) for the next six months of post-secondary education for you, your dependents, or your Designated Beneficiary;
- Costs associated with funeral/burial expenses for your parents, dependents, or Designated Beneficiary;
- Repair expenses for damage to your principal residence that would qualify as deductible casualty expenses;

- To prevent your eviction from your principal residence or the foreclosure on your principal residence; or
- Any other event deemed an immediate and heavy financial need by the IRS.

You may take a Hardship Withdrawal from your Before-tax Contributions only. You may not withdraw earnings on Before-tax Contributions earned after December 31, 1988.

Restrictions for a Hardship Withdrawal

- You may not withdraw more than the amount necessary to satisfy your financial need.
- You must also take the maximum General Withdrawal and the maximum loan available to the extent the loan amount would not cause a hardship.
- You must prove your heavy, immediate financial need complies with IRS rules.
- You must certify in writing that you cannot meet your financial need through any other means.

IMPORTANT: When you receive a Hardship Withdrawal, your Contributions and Company Match are suspended for six months.

Other Types of Withdrawals

SOP Withdrawal

An SOP Withdrawal of up to 100 percent of your vested SOP account is available for any purpose. If you take an SOP Withdrawal, you must withdraw the entire balance of your SOP account. The SOP account is the amount merged into your account in the Plan, or a successor plan, from the AT&T PAYSOP, the PTG ESOP, and the SNET TRASOP. Contact the Recordkeeper for more information about your SOP account.

Roth Withdrawal

A Roth Withdrawal of up to 100 percent of your Roth account, including Roth rollovers into the Plan, is available for any purpose if you are the age of 59½ or Disabled. To avoid additional taxation, the amount you withdraw must have been in your Plan account for at least five years.

Rollover Withdrawal

A Rollover Withdrawal is available for any purpose. You may withdraw up to 100 percent of the amounts that you have previously rolled over into the Plan.

How to Make a Withdrawal

You should contact the Recordkeeper to make a Withdrawal. You may make cash Withdrawals in whole dollar increments in an amount not to exceed the maximum permitted for the particular type of Withdrawal. Payment will be made in cash as soon as practicable after the Withdrawal is effective.

Amounts will be withdrawn from each investment fund in proportion to the relative values of the respective Units held in each fund on the Valuation Date. Units representing an investment in the AT&T Shares Fund may be paid in cash or whole AT&T Shares (a cash payment will be made for any fraction of a share); however, balances held in your DFA may not be withdrawn. Units representing an investment in the other funds will be paid only in cash.

Withdrawal Sequence

Generally, when you request a Withdrawal, the Withdrawal comes from your account in a specific sequence, starting with your Contributions.

DISTRIBUTIONS

KEY POINTS

- *Your vested account balance is available for Distribution following your Termination of Employment.*
- *Whether a Distribution is available to you and the amount available depends on the sources of money in your account.*

Timing of Distributions

You may request a distribution of your vested account balance after your Termination of Employment (a "Distribution"). The amount distributed is based on the value of your account:

- **If the value of your account is \$1,000 or less**, it is paid to you in a lump sum, unless you tell the Plan to roll it over.
- **If the value of your account is more than \$1,000**, it remains in the Plan until you choose to receive it or roll it over.

Types of Distributions

Full Lump Sum Distribution

You may elect to have your account distributed in a full lump sum payment. The payment will be made as soon as practicable after you have made the election.

Partial Distribution

You may take up to eight partial Distributions each year. You may elect partial Distributions even if you also elect annual installments. You may elect a partial Distribution solely out of before-tax money (Contributions not originally subject to tax when the Contributions were made to the Plan). Even when you elect this before-tax partial Distribution, the pre-1987 After-tax Contributions will be distributed prior to the before-tax money. The automatic election for partial Distributions will remain a Distribution from all money sources.

Monthly, Quarterly, and Annual Installments

You may elect to have your account distributed in monthly, quarterly, or annual installments. You may elect installments over your life expectancy, a Distribution period defined by your election, or a Distribution amount defined by your election. Installments are paid only in cash. You may revoke your installment election at any time, and you are not required to distribute the remaining account balance in a single lump sum. If you are rehired by a Participating Company and become eligible to participate in the Plan before your vested account balance has been fully distributed, payment of the installments will cease, and your undistributed vested account balance will be restored to active status under the Plan.

Deferred Distribution

If you elect to defer the Distribution of your vested account balance, then:

- Your account will continue to grow on a tax-deferred basis;

- Any unvested amounts that would be forfeited upon Termination of Employment will be forfeited five years following Termination of Employment;
- You may exchange fund balances, excluding the DFA, between any investment funds offered under the Plan;
- You may **not** make a Withdrawal or request a loan; and
- Your vested account balances will remain in the Plan and will not be distributed until: (a) you request a full lump sum Distribution, (b) you request a partial Distribution, (c) you request monthly, quarterly, or annual installments, (d) you receive a required Distribution, or (e) your death.

Roth In-Plan Rollover Distribution

- You may convert eligible before-tax and after-tax money to Roth after-tax money within the Plan using the Roth In-Plan Rollover feature. Converting to a Roth is not right for everyone, as it depends on your individual circumstances, including your current and estimated future tax rates. An election to convert eligible money to Roth after-tax money within the Plan is irrevocable and cannot be undone even if the value of the Roth account falls after the Roth In-Plan Rollover. **We recommend that you consult with a tax adviser before taking any action.**

IMPORTANT: An election to convert eligible money to Roth after-tax within the Plan is irrevocable and cannot be undone even if the value of the Roth account falls after the Roth In-Plan Rollover. **Please consult with a tax advisor before taking any action.**

Enhancements for Employees Called to Military Service

Effective January 1, 2009, if you are called to military service for more than 30 days, you may request a Distribution of your entire account from the Plan on or after the 31st day of the military leave of absence. Taking this Distribution suspends your Contributions and Company Match for six months, and you cannot make up these Contributions after your military leave of absence ends. If you are called to military service for 180 days or longer, no 10 percent tax penalty applies to your Distribution.

How to Elect a Distribution

You should contact the Recordkeeper to receive a Distribution of your Plan account. Payment of your Distribution will be made as soon as practicable after the Distribution election is made. Payment will be made from each investment fund in proportion to how the money is invested on the Valuation Date.

IMPORTANT: A Distribution from the AT&T Shares Fund will be paid in whole AT&T Shares (with cash paid for fractional shares), unless you elect a Distribution in cash. Units representing an investment in the other investment funds will be paid only in cash.

You are responsible for maintaining a current address with the Recordkeeper. If the value of your account is \$1,000 or less and the Plan Administrator does not have a current address for you, your Distribution will be held in your account and invested in the funds you previously selected until a valid address is available.

IMPORTANT: For security purposes and regardless of the value of your account, your account cannot be distributed for at least 15 days after you change your address. After that time, you may request that your Distribution be paid to you.

Other Events That Trigger a Distribution

Minimum Required Distributions

When you reach age 70½ and your employment has ended, IRS rules require a “Minimum Required Distribution.” Under the Minimum Required Distribution, the Plan begins payments to you starting no later than April 1 of the year after you reach age 70½.

IRS actuarial tables determine your Minimum Required Distribution amount. Any payments you receive throughout the year apply toward the required amount.

- **Special Rule If You Were Age 70½ Before January 1, 1999, and Are Still an Active Employee of a Participating Company**

You may elect to receive a payment equal to a Minimum Required Distribution each year you continue working. When your employment ends, you may take your benefit in any form the Plan offers.

Death

If you die before you must receive Minimum Required Distributions, your Designated Beneficiary(ies) will be paid as explained below:

- **If your Spouse is your sole Designated Beneficiary**, your Spouse may take a Distribution in any form the Plan offers, or he or she can leave the account balance in the Plan. Rules on minimum account balances and Minimum Required Distributions still apply.
- If someone other than your Spouse is your Designated Beneficiary (or your Spouse is a co-Designated Beneficiary), Distributions are made in a full lump sum as soon as administratively practicable upon request.

If you die on or after the date you begin receiving Minimum Required Distributions, payments may continue to your Designated Beneficiary, subject to the Minimum Required Distributions rules.

Qualified Domestic Relations Orders (QDROs)

The Plan Administrator complies with all Distributions required by a QDRO as defined under ERISA. Distributions made to an alternate payee will be according to the terms of the QDRO and consistent with Plan provisions. The Plan Administrator may charge expenses related to a QDRO. Contact the Recordkeeper for information on QDRO processing fees.

TAX EFFECTS

KEY POINTS

- *Your vested account balance is subject to taxation upon distribution to you.*
- *Certain types of Distributions are eligible to be rolled over to a qualified individual retirement account or qualified savings plan.*

Applicable Tax Rules

The Plan is a profit sharing plan with a cash or deferred arrangement. It is intended to qualify under Section 401(a) of the United States Income Tax Code of 1986, as amended (the "Code"). The related Trust is exempt from income tax under Section 501(a) of the Code. When Participating Companies contribute to the Plan, they receive current federal income tax deductions for After-tax, Before-tax and Company Match Contributions.

This section briefly summarizes the effect of current federal income taxes when you participate in a "qualified plan." It cannot cover all tax aspects of your participation. Because tax laws and regulations often change, and because interpretations of tax rules change, this information may need updating after the date of this SPD/prospectus.

IMPORTANT: Consult a qualified tax adviser for current information about how the Plan affects you, including the effects of Distributions (in cash or shares), Withdrawals, loans, or any other payments you receive from the Plan.

Before-tax Contributions

Before-tax Contributions reduce your taxable compensation. You receive payments only upon your Disability, Termination of Employment, reaching age 59½, death, or financial hardship as defined by the IRS. These Contributions and their earnings are taxable when distributed to you from the Plan.

After-tax Contributions

Your After-tax Contributions are taxable income (including Social Security) in the year you make them, but earnings on those After-tax Contributions grow tax deferred in the Plan. You pay taxes only on the earnings from your After-tax Contributions when you receive them from the Plan.

Different tax rules apply to your pre-1987 After-tax Contributions. When you receive after-tax money from the Plan, your pre-1987 After-tax Contributions are paid first.

Thereafter, each Plan payment is a pro rata portion of post-1986 After-tax Contributions and earnings on all After-tax Contributions.

Roth Contributions are not taxed if the payment is "qualified." To be qualified, it must be made:

- After the amount has accrued in your Roth account for at least five years; and
- You are the age of 59½, Disabled, or deceased.

The five-year period generally begins on the first day of the tax year you make Roth Contributions, and ends at the conclusion of five consecutive tax years. (Special rules may apply to rollovers from a Roth account under another plan.)

If the Plan payment is not qualified, you pay taxes on the earnings you receive from your Roth account.

Company Match

You will not be subject to federal income tax on the Company Match or its earnings until distributed.

Dividend Fund Account

Cash Distribution

The cash payment will be subject to income tax, may not be rolled over to an IRA and must be reported on your income tax return. However, the payment will not be subject to the 10 percent early distribution penalty tax.

Reinvestment

AT&T Shares purchased with reinvested dividends will not be subject to income tax until they are distributed from your AT&T Shares Fund account.

Loans

You do not pay federal income tax on a Plan loan. However, if you do not repay the loan, it is considered a Distribution and will be taxed. Interest you pay on a Plan loan does not qualify for a tax deduction if the loan is secured with Before-tax Contributions, the interest is not deductible based on tax rules for interest on consumer loans or you are an officer of a Participating Company. Interest accrued as of the date of a default is reported to the IRS as taxable income.

IMPORTANT: If you do not repay the loan, it is considered a Distribution and will be taxed as income.

Contribution Limits/Discrimination Tests

If you contribute more than the legal limit, or if you are classified as a “highly compensated employee,” the Plan may reduce, recharacterize, or refund your Contributions, making them taxable to you in the year they are paid. The Plan notifies you if these changes are necessary.

Withdrawals While Employed

You pay taxes when you Withdraw earnings, Before-tax Contributions, and Company Match while you are employed.

Distributions After Termination of Employment

Lump Sum Distributions

A lump sum Distribution is a Plan payment, made within one calendar year, of your entire Plan balance. It is payable when you reach age 59½ or terminate employment.

When a lump sum Distribution includes AT&T Shares, or the AT&T Shares came from After-tax Contributions, the increase in share price (“net unrealized appreciation”) is not taxable until you sell the shares.

Suppose AT&T Shares are worth \$1,000 when they are contributed to your account. If they are worth \$1,200 when you receive them in a Plan payment, the \$200 increase in value is not taxable until you sell the shares.

Annual Installments

Distribution of your account in annual installments after Termination of Employment is generally taxed upon receipt as ordinary income. In addition, you cannot roll over installment or periodic payments made over your lifetime, your lifetime and your Designated Beneficiary's lifetime, or a period of 10 years or more (and certain other types of installment payments).

Additional rules apply with respect to installment Distributions of After-tax Contributions.

Rollovers

You may defer taxes on a lump sum Distribution by rolling it over into a traditional IRA or other qualified retirement plan. You may roll over a Plan payment to a retirement plan that qualifies under Section 403(b) or 457 of the Code. You make a rollover to an inherited IRA with a direct trustee-to-trustee rollover. Direct Rollovers and Regular Rollovers are described below. In some cases, you may also roll over After-tax Contributions. You may roll over Roth Contributions to a Roth IRA or other qualified plan that permits Roth Contributions.

IMPORTANT: Under current Code interpretations, Hardship Withdrawals are not eligible for rollover.

Direct Rollover

If you make a rollover directly to a traditional IRA or other qualified retirement plan, no federal income tax withholding applies. You pay taxes when you take money from the IRA or other qualified retirement plan. You cannot change your rollover choices once you make them.

Regular Rollover

If you receive payment directly, federal income taxes are automatically withheld (generally 20 percent) on the taxable amount of the Plan payment. This withholding occurs regardless of whether or not you transfer the Plan payment to a traditional IRA or other qualified retirement plan.

You have 60 days to roll over the Plan payment to a traditional IRA or other qualified retirement plan without paying taxes. However, if you want to roll over 100 percent of your Plan payment, you must use other funds to contribute the 20 percent withheld for taxes. If you do not, that 20 percent amount is taxable, and the additional 10 percent tax may apply.

For example, you directly receive a \$10,000 Plan payment. You receive \$8,000, and 20 percent (or \$2,000) is sent to the IRS as federal income tax withholding. Within 60 days after receiving the \$8,000, you decide to roll over 100 percent of the Plan payment (or \$10,000) to a traditional IRA or other qualified retirement plan. To do this, you roll over the \$8,000 you received, plus an additional \$2,000 from another source. The entire \$10,000 is not taxed until you take it from the IRA or other qualified retirement plan. When you file your income tax return, you may get a refund of the \$2,000 withheld.

If you decide to roll over only the \$8,000 you received, you pay taxes on the \$2,000 you did not roll over. When you file your income tax return, you include the \$2,000 in your total tax payments for the year.

Also, if you do not roll over a Plan payment before age 59½, an additional 10 percent federal income tax applies unless your Plan payment includes:

- Amounts paid due to your Disability or death;
- Amounts in a series of installments for your life expectancy;

- Payments made because your employment ended, or during or after the year you reach age 55;
- Payments for tax-deductible medical expenses, even if you do not deduct them; or
- Payments to an alternate payee under a QDRO.

Rollover by Beneficiaries

Your Designated Beneficiary may defer taxes on a lump sum Distribution paid after you die by making a Regular Rollover. He or she may also ask the Trustee to make a Direct Rollover.

If You Receive a Plan Payment in AT&T Shares

When your Plan payment includes AT&T Shares, special rules determine the taxable value of those shares. If the Plan payment is a lump sum Distribution, or if the AT&T Shares came from After-tax Contributions, then the taxable value is the Trust's cost of the shares. This amount is your basis in the AT&T Shares to figure your taxable gain when you sell the shares. Any growth in the shares' value above your basis is not taxed until you sell the shares. To qualify as a lump sum Distribution, you must receive a Plan payment in the same year of all AT&T Shares held on your behalf in any similar AT&T plan.

IMPORTANT: If you participated in the LESOP Fund prior to August 1, 2012, your basis in AT&T Shares transferred from your former LESOP Fund account is maintained separately. Contact the Recordkeeper for more information.

WHEN A TRANSACTION TAKES EFFECT

KEY POINTS

- *You may request a transaction by contacting the Recordkeeper.*
- *Different transactions have different effective dates.*

How to Request a Transaction

To request a transaction, contact the Recordkeeper. See the [“Contact Information”](#) section for more information on how to contact the Recordkeeper.

IMPORTANT: Once a transaction has been completed by the Recordkeeper, it is irrevocable. You should make your transaction request as early in the day as possible in order to increase the possibility that your transaction will be processed on that day.

Retroactive adjustments will not be made if your transaction is not completed in time to be effective that day, regardless of the reason.

Types of Transactions

Enrollment or Change, Suspend, or Reinstate a Contribution Amount

When you enroll in the Plan, or when you stop, start, or change your Contribution, your transaction generally takes place with the next payroll period.

Fund Exchanges or Rebalancing Your Account

If your change or rebalance of an investment fund is confirmed by the Recordkeeper by 3 p.m. Central time, your transaction takes place at the end of the same Business Day (i.e., that Business Day's closing price is used in processing the transaction). Closing prices on a given Business Day are generally provided by the investment fund's investment manager(s) and/or Trustee, but are subject to the guidelines, policies, and agreements in place between the Plan, Trustee, and Recordkeeper, which may provide for alternative pricing and pricing methods under certain circumstances. In addition, with respect to international investments, the fund managers may make additional adjustments to closing prices as described in the applicable investment fund descriptions in the ["Investment Options"](#) section.

Loans, Withdrawals or Distributions

If your loan, Withdrawal, or Distribution request is confirmed by 3 p.m. Central time, your transaction takes place at the end of the same Business Day.

IMPORTANT: A principal residence loan and a Hardship Withdrawal will be processed following receipt of proper documentation.

Change Your Election for the Distribution of Your Dividend Fund Account

If you want to change your election for the Distribution of your Dividend Fund Account, generally, your transaction will become effective at the end of the same Business Day.

IMPORTANT: Your election must be made by the end of the Business Day before an ex-dividend date.

Automatic Annual Increase in Contributions

If you want to request an automatic annual increase of your Contributions, generally your transaction will become effective with the first payroll period beginning on or after the specified annual increase date.

Changing the Investment Direction of Your Future Contributions

If you want to change the investment direction of your future Contributions, generally your transaction will become effective at the end of the same Business Day that you make the request.

EFFECT OF REHIRE WITHIN THE AT&T CONTROLLED GROUP

If you were previously eligible to participate or were a participant in another AT&T plan and you elect to participate in the Plan, your participation will begin on the date you enroll, but you will not be allowed to make Contributions to the Plan for Compensation earned before your enrollment date. You do not have the option to transfer the account balance in the other plan to the Plan.

MOVING BETWEEN MEMBERS OF THE AT&T CONTROLLED GROUP

If you become eligible to participate in another plan sponsored by AT&T, your account will remain in the Plan, but no further Contributions or Company Match will be made to your Plan account.

However, you will still be able to access your account in accordance with the Plan (for example, to obtain a loan* or make a Withdrawal).

**Note: Loan limits apply across all plans in the AT&T Controlled Group. The Recordkeeper will combine your vested account balances and outstanding loan balances across related plans identified by the Employer and records kept by Fidelity. In addition, all loans across all such designated plans will be aggregated in determining the highest loan balance over the past 12 months.*

CLAIMS PROCEDURES

KEY POINTS

- *You do not have to file a claim for your vested account under the Plan.*
- *If you think you are entitled to a benefit or a greater benefit than what the Recordkeeper determines that you are eligible for, you may file a claim for benefits in writing.*

There is no need to file a claim to begin payment of your vested account. See the [“Distributions”](#) section.

If you or your Spouse, Legally Recognized Partner or Designated Beneficiary (“Claimant(s)”) believes that you are entitled to a benefit or a greater Plan benefit, you may file a written claim with the Plan. An authorized representative may also file a claim on your behalf. All claims for Plan benefits must be made in writing and sent to the Recordkeeper. See the [“Contact Information”](#) section for information on how to file a written claim for benefits.

If the Plan Administrator determines that a benefit or an additional benefit is owed under the Plan, payment will be made (or started, as applicable) as soon as administratively practicable after that determination. Those payments, however, will not begin before any limitation provided under the Plan.

Note: Contact the Beneficiary Designation Administrator to report a death. See the [“Contact Information”](#) section for information on how to contact the Beneficiary Designation Administrator.

NOTIFICATION OF BENEFIT DENIAL

KEY POINTS

- *The Recordkeeper will notify you in writing (generally within 90 days) if your claim for benefits is denied.*
- *You have 60 days after receipt of the Benefit Denial to submit a written appeal of the decision.*
- *Generally, you will receive a final decision on your appeal within 60 days after the Recordkeeper receives your appeal.*
- *You may not file a lawsuit against the Plan until you complete the appeal process.*

You will receive notice from the Recordkeeper if you are not entitled to a Plan benefit or entitled to a lesser amount than you sought. This is considered a Benefit Denial. The notice is provided

within 90 calendar days of receipt by the Recordkeeper, unless an extension is needed. If proof of Disability is needed, the Recordkeeper will provide the notice within 45 calendar days. In some circumstances, an extension is necessary. If so, the 90-day period is extended by up to 90 calendar days. (The 45-day period for Disability-related claims may be extended by up to 30 days, with an additional 30 days if necessary because of matters beyond the Recordkeeper's control.) Any notice of extension will be provided before the initial notice period ends. The extension notice will state why more time is needed and the date by which a decision will be made.

If the Recordkeeper needs more information from you to process your claim, you will have at least 45 calendar days to provide that information. The Recordkeeper's decision deadline is suspended during that 45-day period. If you do not provide the requested information within that 45-day period, the Recordkeeper may make a decision on your claim without the information.

If your claim is denied, you will receive a written notice that contains:

- The specific reason(s) for the Benefit Denial.
- The specific Plan provisions on which the Benefit Denial is based.
- Any information needed for you to perfect the claim and an explanation of why it is needed.
- A statement that you may receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relating to your claim benefits.
- A description of the Plan's review procedures and time limits for the Benefit Denial and your right to bring an action under Section 502(a) of the Employee Retirement Income Security Act of 1974 (ERISA) after the end of the review.
- If you must provide proof of Disability, the Benefit Denial also includes:
 - Any internal rule, guideline, protocol or other similar criterion used in the Benefit Denial decision. (Or the notice may state that the rule, guideline, protocol or other criterion will be provided free of charge on request.)
 - An explanation of the scientific or clinical judgment for the determination and how the terms of the Plan were applied to your medical circumstances if the Benefit Denial is based on medical necessity, experimental treatment, or a similar exclusion or limit. (Or the notice may state that an explanation will be provided free of charge on request.)

How to Appeal a Benefit Denial

A Claimant who receives a Benefit Denial notice is entitled to appeal the decision. The Claimant may have the decision fully reviewed by the Benefit Plan Committee if the appeal is timely and properly submitted. To appeal, the Claimant must submit a written request for review, which must include all reasons why the Claimant believes the claim should be reconsidered. The written request must be sent to the Recordkeeper. See the ["Contact Information"](#) section for information on how to appeal a Benefit Denial.

The Claimant must request the appeal in writing no later than 60 calendar days after receiving the notice of Benefit Denial. If the Claimant has not received a notice of Benefit Denial, the Claimant must request the appeal in writing no later than 60 calendar days after the last date that a notice of Benefit Denial should have been sent by the Recordkeeper. If the benefit claim is

conditioned upon proof of Disability, this 60-day period is extended to 180 calendar days. See the ["Notification of Benefit Denial"](#) section for information about the notification.

If an appeal is submitted after this 60-day (or 180-day) deadline, the appealed claim will not be eligible for review by the Benefit Plan Committee. In addition, the Claimant will have failed to exhaust his administrative remedies under the Plan. See the ["Importance of Exhausting Administrative Remedies"](#) section for more information.

As part of the review process, the Claimant may have access to all administrative files generated during the claim and copies of those files free of charge. The Claimant may also submit written comments, documents, records, and other information relating to the claim. All of this information will be taken into account in the review.

If the benefit claimed is conditioned upon proof of Disability, the following provisions also apply to the review of the initial Benefit Denial:

- Deference will not be given to the initial Benefit Denial.
- The reviewer on appeal will not be the same person who made the initial Benefit Denial or someone who reports to that person.
- If the initial Benefit Denial was based on a medical judgment, the reviewer will consult with a qualified health care professional who has appropriate training and experience in the field. The health care professional will not be someone who was involved in the initial Benefit Denial or someone who reports to that person.

In making the final decision on review of the initial Benefit Denial, the Plan Administrator has full and complete discretion to (a) interpret all Plan terms, and (b) make all factual determinations associated with the review.

Notice of Final Determination on Appeal

Unless the time period is extended as described below, written notice of the final benefit determination under review will be given to the Claimant within 60 calendar days after the Recordkeeper receives the appeal request. However, in some circumstances, an extension of this notice period is necessary. If so, the 60-day period may be extended for 60 more calendar days. The Claimant will receive notice of any extension before the initial notice period ends. The extension notice will state why more time is needed and the date by which a decision will be rendered.

If the benefit claimed is conditioned upon proof of Disability and if an extension is needed because the Claimant did not submit information necessary for the review of the claim, the Claimant will be given at least 45 calendar days to provide that information. The deadline to provide notice of the decision will be temporarily suspended during that 45-day period. If the Claimant fails to provide the requested information within that 45-day period, the Benefit Plan Committee's decision will be made without regard to the requested information.

If the Benefit Plan Committee determines that a benefit or an additional benefit is owed under the Plan, payment will be made (or started, as applicable) as soon as administratively practicable after that determination (or, if later, as provided under the Plan).

If the appeal is denied, the written notice provided to the Claimant will contain all of the following information:

- The specific reason or reasons for the appeal denial.

- The specific Plan provisions on which the appeal denial is based.
- A statement that the Claimant may request and receive (a) reasonable access to all administrative files generated during the appeal, and (b) copies of those files free of charge.
- A statement indicating that there are no additional voluntary appeal procedures offered by the Plan.
- A statement of the Claimant's right to bring an action under Section 502(a) of ERISA.
- If proof of Disability was required for the benefit claimed, the appeal denial will also contain the following additional information:
 - Any internal rule, guideline, protocol, or other similar criterion relied upon in making the Benefit Denial decision. (Alternatively, the notice may state that the rule, guideline, protocol, or other criterion will be provided free of charge upon the Claimant's request.)
 - An explanation of the scientific or clinical judgment for the determination and how the terms of the Plan were applied to the Claimant's medical circumstances if the Benefit Denial is based on medical necessity, experimental treatment, or a similar exclusion or limit. (Alternatively, the notice may state that an explanation will be provided free of charge upon the Claimant's request.)

Plan Administrator Discretion and Authority

The Plan Administrator and its delegates, including the Benefit Plan Committee and its delegated committees and individuals, have exclusive authority and discretion to grant and deny claims, to make all decisions under the Plan (including how to interpret the Plan and whether an individual is eligible to participate in and receive benefits under the Plan), and to determine any facts.

All determinations by the Plan Administrator and its delegates, including the decisions reached by the Benefit Plan Committee and its delegated committees and individuals, under the claim and appeal procedures are final, conclusive, binding, and not subject to further review. The Plan Administrator and its delegates are afforded the fullest discretion provided by law.

Importance of Exhausting Administrative Remedies

Timely completion of the claims procedures described in this ["Notification of Benefit Denial"](#) section is very important. If a Claimant fails to comply with the claims procedures set forth in this section (for example, the Claimant does not appeal a Benefit Denial or fails to appeal within the specified time limits), the Claimant may not try to appeal the claim at a later time. The Claimant also may not bring a lawsuit based on the claim.

No lawsuit may be brought with respect to Plan benefits until all claims procedures have been exhausted.

Time to File Suit

You have one year from the date your claim is denied to file a lawsuit.

ADMINISTRATION OF THE PLAN

KEY POINTS

- *The Benefit Plan Committee is responsible for Plan claim appeals.*
- *The Plan Administrator is responsible for all other Plan administration.*
- *The Benefit Plan Investment Committee has authority and responsibility for functions related to the investment funds and Trusts associated with the Plan.*

Plan Administrator

The Plan Administrator is responsible for:

- Determining (a) your eligibility to participate in the Plan, (b) the right of a person to a benefit under the Plan, (c) the amount of any Plan benefit, and (d) the final decision on all appeals of Benefit Denials. See the [“Claims Procedures”](#) section for more information about Benefit Denials. The authority to hear and decide appeals is currently delegated to the Benefit Plan Committee.
- All other Plan administration purposes.

The Plan Administrator has all powers necessary to accomplish its Plan duties. This includes the complete and absolute discretion to interpret the Plan and all matters of fact with respect to its particular duties. The Plan Administrator is identified in the [“Other Plan Information”](#) section.

Delegation of Duties

The Plan Administrator may delegate any of its powers or duties, including claims administration and benefit payments.

The Benefit Plan Investment Committee or its delegates (which may include committees or individuals) chooses the Plan’s investment funds, investment managers, and Trustees, and is responsible for certain other related functions.

Committee members are not paid for their service.

AMENDMENT OR TERMINATION OF THE PLAN

The Plan Sponsor may end or change the Plan at any time and for any reason. If the Plan ends, is changed or a Participating Company stops participating or providing benefits, you may not be eligible to receive the benefits described in this SPD. In addition, you may lose future benefits. However, no Plan termination or amendment will affect your right to any benefit to which you are already entitled. This does not mean that you have a lifetime right to any particular Plan benefit now or in the future, to eligibility for Plan coverage, or to Plan continuation just because the Plan was in effect while you were employed or when you received Plan benefits.

The Plan Sponsor may at any time stop making Contributions and the Company Match, if any, by your Participating Company. If the Plan ends or Contributions or the Company Match by your Participating Company stop, you are 100 percent vested in your account balance. Distribution of your account is made according to Plan provisions and applicable law.

Merger/Consolidation

If the Plan merges or consolidates with another plan, your benefit is protected. Your new Plan benefit will not be less than the benefit you could have received immediately before the Plan change.

Participating Company Ceases to Participate in the Plan

If your Participating Company ceases to participate in the Plan and begins to participate in another tax-qualified defined contribution plan sponsored by AT&T or any of its Employers, your account will not be transferred; all account balances will remain in and be governed by the Plan. However, no further Contributions will be made to your account except for amounts reinvested in the Plan.

GENERAL PLAN INFORMATION

KEY POINTS

- *Generally, Plan assets may only be used to pay benefits to you and your beneficiaries and reasonable administrative expenses of the Plan and Trust.*
- *If you get divorced or are legally separated, the Plan must pay your Spouse or former Spouse all or a portion of your Plan benefit if required by a Qualified Domestic Relations Order (QDRO).*
- *You must keep a current mailing address for you, your Spouse, and your Designated Beneficiary on file with the Plan.*

No Assignment of Benefits

Plan assets are for the exclusive benefit of you and your beneficiaries and for the payment of reasonable administrative expenses of the Plan and Trust. Except as required by law or by a "Qualified Domestic Relations Order" (QDRO), as described below, your benefits under the Plan may not be claimed by any person to whom you owe a debt, and your beneficiary cannot transfer any rights to these benefits to any person. This means that you may not sell, assign, pledge, or otherwise transfer your Plan benefit before you receive it, nor is your Plan benefit subject to most attachments, garnishments, executions, or encumbrances before it is distributed to you.

If you are involved in a divorce, legal separation, custody, or support case, a state court may issue a domestic relations order (DRO) transferring all or part of your Plan benefit to an "alternate payee." The alternate payee may be your Spouse, former Spouse, child, or another dependent. If you receive a DRO, you or your attorney should notify the Recordkeeper and ask for a free copy of the Plan's QDRO procedures. The Plan will review the DRO to determine if it is "qualified" (that is, it meets IRS and ERISA requirements); if the DRO is qualified, the Plan will pay benefits in compliance with the order.

Missing Participants and Beneficiaries

You must keep your current mailing address and the current mailing addresses of your Spouse and Designated Beneficiary on file with the Plan. See the ["Information Changes and Other Common Resources"](#) section for more information about how to keep your mailing addresses current. If you do not provide the Plan with current mailing addresses, the Recordkeeper, the Plan Administrator, the Trustee, the Participating Companies, and any fiduciary under the Plan will not be responsible for late or lost benefit payments or for failing to provide any timely notice under

the terms of the Program. If the Plan Administrator is unable to locate you, your Spouse, or a Designated Beneficiary after a Plan benefit becomes payable to such person, the benefit will remain in the Trust and will not revert to any state or to any other party. After satisfying all requirements imposed by law, any unclaimed amount will be forfeited. If, after the forfeiture of a benefit, you, your Spouse, or a Designated Beneficiary later makes a valid claim for the forfeited benefit, the amount will be paid under terms of the Plan.

Designation of Beneficiaries

You can designate a Beneficiary to receive your vested account. You must designate a Beneficiary using the form and process established by the Beneficiary Designation Administrator. The Beneficiary Designation Form can be found on the Beneficiary Designation Administrator's website. For information on contacting the Beneficiary Designation Administrator, see the ["Contact Information"](#) section.

IMPORTANT: To update your beneficiary designation, you can go online through netbenefits.fidelity.com and click on the "Profile" link in the upper right hand corner of the home page, or you can call **800-416-2363** to obtain a paper form.

Participants can also provide their Beneficiary Designations with the assistance of an online tool, the Fidelity Online Beneficiary Service, available on NetBenefits. Previous paper Beneficiary Designations remain valid until a new form is submitted or an online designation is made. However, existing paper forms will not be uploaded to this online tool. Therefore, when Participants initially access the online tool, the Beneficiary information will be blank. After submitting Beneficiary information through this tool, Participants can maintain designations online. Please note that some Beneficiary Designations will still require written Spousal consent. Make sure you follow the steps provided in the online tool to print out necessary documents for signature and return them as instructed in order for your Beneficiary Designation to be valid. For information on contacting the Beneficiary Designation Administrator, see the ["Contact Information"](#) section for contact information.

You may name a Beneficiary(ies) to receive your vested account in the event of your death:

- If you are married, your Spouse must be your Designated Beneficiary. In order to choose another person or trust, you must have the written consent of your Spouse to choose someone else to receive all or part of your vested account as a Beneficiary.
- If you are single, or your Spouse has given written consent, you may designate a person or trust to receive all or part of your vested account.

Note: Special rules apply if you want to designate a minor or an estate to receive your Program benefits. Contact the Beneficiary Designation Administrator for further information.

Note: Special rules also apply if you remarry or divorce or if a Beneficiary caused your death. Contact the Beneficiary Designation Administrator for further information. If you remarry or divorce, you should change your Beneficiary Designation. As a part of a divorce you may be required to give up a portion of your vested account to your former Spouse based on a qualified domestic relations order. See the ["General Plan Information"](#) section for more information on qualified domestic relations orders.

Information Requests

Upon your death, your Spouse, a Beneficiary, the executor of your will, the administrator of your estate, or another personal representative should call the Beneficiary Designation Administrator to report your death to AT&T. See the [“Contact Information”](#) section for contact information.

After reporting a Participant’s death, you will be asked to provide proof of death. You may also be asked to provide other information related to a Designated Beneficiary (for example, a Social Security Number (SSN), Taxpayer Identification Number (TIN), or current address).

The following may be used as proof of death:

- A certified copy of a death certificate issued by an official or agency at which the death occurred that shows the place of death, cause of death, date and time of death, and the identity of the deceased individual
- A certified copy of any report or record of a governmental agency, domestic or foreign, showing that a person is missing, detained, or dead, and the dates, circumstances, and places disclosed by the report

If a Designated Beneficiary cannot be found, the Beneficiary Designation Administrator will follow its procedures for locating the Beneficiary. If your missing Beneficiary’s portion is not claimed by the missing Beneficiary within one year of your death, the Program Administrator, in its sole discretion, will distribute that Beneficiary’s share as if your missing Beneficiary had died before you.

Although you are not required to update your Beneficiary Designation, it is recommended that you do so when certain life events occur (for example, getting married or divorced, having or adopting a child, or losing a loved one).

Release of Liability for Payment of Survivor Benefits

The receipt by a trustee or custodian of your account balance in accordance with your Beneficiary Designation fully discharges the Plan Administrator and the Beneficiary Designation Administrator from all liability.

If there is doubt as to a Beneficiary’s rights to a distribution by any claimant, the Plan Administrator has a right, in its sole discretion, to require an indemnity bond protecting the Plan Administrator and Beneficiary Designation Administrator for the distribution and to deposit the amount in question with a court of law, which will then handle the distribution, or to ask that the parties adjudicate their respective rights.

If the Plan Administrator distributes your account in accordance with your Beneficiary Designation, and if the distribution is done in good faith and in reliance on the information provided, then the Plan Administrator and Beneficiary Designation Administrator, any person to whom authority has been delegated to make any determinations of fact or eligibility for benefits under the Plan, and all Participating Companies will be released from all claims arising from the distribution and will be discharged from any and all claims and liabilities arising from the distribution.

In particular, the release and discharge will occur even if information supplied by your Beneficiaries or others that is relied on in good faith by the Plan Administrator or Beneficiary Designation Administrator later turns out to have been inaccurate or incomplete.

The Plan Administrator or Beneficiary Designation Administrator may discharge any such liability as to any claimant by sending a notice by registered or certified mail to the claimant and the

persons named in a request for execution of Beneficiary Designation at the addresses given in the notice of claim and request for execution of Beneficiary Designation, containing the following:

- The amount to be distributed
- The persons to whom the distribution will be made
- The respective amounts payable to the persons to whom the distribution will be made
- A statement that the distribution will be made in 30 days from the date of mailing unless the distribution is restrained by a court order

The protections for the Plan Administrator and Beneficiary Designation Administrator by the Plan have no bearing on the rights of persons in dispute among themselves or their successors concerning the beneficial ownership of your account balance, as affected by your death.

Beneficiary Hierarchy

If you do not name a Beneficiary, or do not have your Beneficiary Designation Form approved by the Beneficiary Designation Administrator prior to your date of death, your benefits will be paid in accordance with the following table:

If ...	Then Plan Proceeds Will Be Distributed to...
You are married ...	Your Spouse
You have a Legally Recognized Partner ...	Your Legally Recognized Partner
You are not survived* by a Spouse or Legally Recognized Partner ...	Your surviving* child** or children** in equal amounts***
You are not survived* by a Spouse, Legally Recognized Partner or a child** ...	Your surviving* parent** or parents** in equal amounts***
You are not survived* by a Spouse, Legally Recognized Partner, child** or parent** ...	Your surviving* sibling** or siblings** (including half-blood) in equal amounts***
You are not survived* by a Spouse, Legally Recognized Partner, child**, parent** or sibling** ...	Your estate in accordance with the applicable laws of the state in which you resided immediately before your death that govern succession to property owned by you at death, unless the Program Administrator determines, in its sole discretion, that it is more appropriate to apply similar law of another state under the circumstances

**Your Beneficiary must survive for at least 120 hours after your death to be entitled to your vested account. A Beneficiary not meeting the survival requirement is treated as if he or she died before your death. If the time of your death or the death of your Beneficiary cannot be determined, or if it cannot be established that a Beneficiary survived you by 120 hours, it will be deemed that the Beneficiary failed to survive you, and the Plan proceeds will be distributed as if the Beneficiary had predeceased you.*

***The terms "child," "children," "parent" or "sibling" refer to individuals who are related by birth or by adoption and not through marriage.*

****Benefits will be distributed on a per capita basis and not on a per stirpes basis, which means that all surviving individuals in one of the groups listed in this table will share your account on an equal basis, and no Plan proceeds will pass to the descendants of a deceased member of the group.*

Special Circumstances

The effect that certain special circumstances have on your Beneficiary Designation is detailed as described in the table below:

If ...	Then ...
Your Beneficiary is your Spouse and if you get divorced or have your marriage annulled ...	Your Beneficiary Designation for your Spouse is revoked as of the date of the dissolution or annulment of your marriage. Your ex-Spouse's share or right to a share will be distributed as if he or she died before you.
You want to make your ex-Spouse a valid Beneficiary ...	You must complete a new Beneficiary Designation Form(s) after the date your marriage was dissolved or annulled and, if you remarried, have the written consent of your new Spouse.
Your surviving* Beneficiary disclaims or waives part or all of his or her rights to your Proceeds ...	That person's waived portion will be distributed as if that Beneficiary died before you.
You are single (including widows and widowers), have a form on file, and later marry or remarry ...	All previous Beneficiary Designation Form(s) will be revoked. Your new Spouse will be the sole Beneficiary of your Program benefits unless your new Spouse consents in writing to your designation(s) of another Beneficiary(ies).
Your Beneficiary Designation was made under duress, undue influence or by reason of fraud, or your Beneficiary caused or participated in causing your death ...	<p>The Plan Administrator, in its sole discretion, will determine, on the basis of all the facts and circumstances, whether it is likely that a civil jury would disqualify that Beneficiary from receiving any part of your Plan benefits. If a Plan Administrator makes this determination, that Beneficiary's portion will be deposited with the court for distribution in accordance with the Plan.</p> <p>The Plan Administrator will have no further liability to anyone with respect to those Plan proceeds.</p> <p>The decision of the Plan Administrator is binding upon all Persons.</p>
<p><i>*Your Beneficiary must survive for at least 120 hours after your death to be entitled to your vested account. A Beneficiary not meeting the survival requirement is treated as if he or she died before your death. If the time of your death or the death of your Beneficiary cannot be determined, or if it cannot be established that a Beneficiary survived you by 120 hours, it will be deemed that the Beneficiary failed to survive you, and the Plan proceeds will be distributed as if the Beneficiary had predeceased you.</i></p>	

Mandatory Cash-Out/Rollover Rules

If you die or terminate employment with the AT&T Controlled Group and the present value of your Plan account is \$1,000 or less, the benefit, if payable, will automatically be paid. It will be paid in a single lump sum payment as soon as administratively practicable after your death or Termination of Employment. No other time or form of payment is allowed. However, an election may be made to have the amount paid as a Direct Rollover.

Direct Rollover

If you were in a former employer's qualified plan, you may roll over money from that plan, in cash, into this Plan once you are an Eligible Employee. You may roll over:

- Before-tax funds from a retirement plan — Sections 401(a), 403(b), or 457(b) (Governmental);

- Amounts from any qualified pension or savings plan or qualified Roth 401(k) or 403(b) plan; and
- Amounts from an IRA Conduit, IRA Non-Conduit, or After-tax account.

You may not roll over funds held in a plan or an individual retirement arrangement qualified under laws of the Commonwealth of Puerto Rico.

Military Leave of Absence

When you return to active employment from a military leave of absence, you may make up the Contributions that you could have made during your leave. You must make up the Contributions during a time period of three times your length of military service, up to five years. See the ["Loans"](#) section for information on outstanding loan balances.

Restorative Contributions

AT&T and/or any Participating Company may contribute to the Plan to make up a loss due to any action by a fiduciary.

Short-Term Disability

AT&T's eLink payroll system continues to take your Contributions while you receive short-term disability benefits. You may suspend, decrease, or increase your Contributions while you are Disabled.

Statement of Account

You will be able to access a statement of your account online at NetBenefits, the Recordkeeper's website. If you prefer to have quarterly statements mailed to you, please contact the Recordkeeper to elect paper statements. A fee may be charged to your account to cover the expense of mailing quarterly statements. You may request a confirmation of your transactions in the mail. Any discrepancies in your account should be reported immediately to the Recordkeeper.

Voting

At each AT&T stockholders meeting, you have the right to instruct the Trustee or its designee how to vote the portion of the AT&T Shares represented by Units credited to your account. Before each meeting, you will be sent a copy of the proxy soliciting material for the meeting, together with a form requesting instructions on how to vote your AT&T Shares. The AT&T Shares will be voted as instructed. The Trustee will not vote AT&T Shares for which it does not receive voting instructions, subject to the requirements of ERISA. The Trustee will vote AT&T Shares not allocated to participants' accounts in the same proportions as it votes AT&T Shares for which it does receive instructions, to the extent the proportionate vote is consistent with the Trustee's fiduciary duty under ERISA.

The independent fiduciary has no authority or responsibility for voting of AT&T Shares.

ERISA RIGHTS OF PARTICIPANTS

KEY POINTS

- *ERISA is a federal law that provides certain rights and protection to all participants.*
- *The persons who are responsible for the operation of the Plan have a duty to act prudently and in the interest of the Plan and their beneficiaries.*
- *No one may fire or discriminate against you for exercising your rights under ERISA.*

Your ERISA Rights as a Participant

As a participant in the Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that you will be entitled to all the following rights:

- To examine without charge, at the Plan Administrator's office and at other specified locations, all documents governing the Plan, including insurance contracts, collective bargaining agreements and a copy of the latest annual report (Form 5500 Series) filed by the Plan Administrator with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration. See the ["How to Obtain Information"](#) section.
- To obtain copies of documents governing the operation of the Plan, including insurance contracts, collective bargaining agreements, copies of the latest annual report (Form 5500 Series), and an updated summary plan description (the Plan Administrator may make a reasonable charge for the copies); **however, you must make a written request** to the following address:

AT&T Services, Inc.
P.O. Box 132160
Dallas, TX 75313-2160

Plan Fiduciaries

In addition to creating rights for you as a participant, ERISA imposes duties upon the persons responsible for operation of the Plan. These persons who operate the Plan, called fiduciaries of the Plan, have a duty to act prudently and in the interest of you and your beneficiaries. No one, including your Employer, any union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a Plan benefit or exercising your rights under ERISA.

Enforcing Participants' Rights

Under ERISA, there are steps you can take to enforce your rights. For instance, if you request a copy of the Plan documents or the latest annual report and do not receive the information within 30 days, you may file suit in federal court. In such case, the court may require the Plan Administrator to provide the requested materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits under the Plan that is denied or ignored, in whole or in part, you have the right to know why this was done, to obtain without charge copies of documents relating to the decision and to appeal any denial (see the ["Claims Procedures"](#) section for more information on how to make a claim for benefits) all within certain time schedules. In addition, if

you disagree with the Plan Administrator's final decision (or lack thereof), including any final decision concerning the qualified status of a domestic relations order, you may file suit in federal court.

If it should happen that the Plan fiduciaries misuse the Plan's assets, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person whom you sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees (for example, if the court finds that your claim is frivolous).

How to Obtain Information

If you have any questions about the Plan, you should contact the Recordkeeper for assistance. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest area office of the Employee Benefits Security Administration (EBSA), U.S. Department of Labor as listed in the telephone directory or at:

Division of Technical Assistance and Inquiries
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Ave., N.W.
Washington, D.C. 20210

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

OTHER PLAN INFORMATION

Other Plan Information	
Plan Name	AT&T Retirement Savings Plan
Plan Number	009
Plan Sponsor/Employer Identification Number (EIN)	AT&T Inc. P.O. Box 132160 Dallas, TX 75313-2160 210-351-3333 EIN 43-1301883
Plan Administrator	AT&T Services, Inc. P.O. Box 132160 Dallas, TX 75313-2160 210-351-3333
Name and Address of Employer	Affiliates of AT&T Inc. P.O. Box 132160 Dallas, TX 75313-2160 210-351-3333

Other Plan Information	
Agent for Service of Legal Process	<p>Process in legal actions in which the Plan is a party should be served on the Plan at the following Address CT Corporation System 1999 Bryan Street, Suite 900 Dallas, TX 75201-3136</p> <p>Service of legal process also may be made upon a Trustee.</p>
Type of Plan	The Plan is a defined contribution (savings) plan.
Plan Year	Jan. 1 through Dec. 31
Trustee	<p>The Bank of New York Mellon 135 Santilli Highway Everett, MA 02149 Attn: AT&T Client Service Officer</p>
Plan Funding and Contributions	The Plan is funded solely through a trust fund. The trust fund exists for the exclusive benefit of all participating employees and their beneficiaries.
Plan Records	All Plan records are kept on a calendar year basis beginning on Jan. 1 and ending on Dec. 31.
Collectively Bargained Plan	With respect to certain Eligible Employees, the Plan is maintained pursuant to one or more collective bargaining agreements. A copy of the collective bargaining agreement may be obtained by participants and beneficiaries whose rights are governed by such collective bargaining agreement upon written request to the Plan Administrator and also is available for examination by participants and beneficiaries as specified under Department of Labor Regulations Section 2520.104b-30.

DEFINITIONS

After-tax Contributions. Your After-tax Contributions are deducted from your paycheck after withholding applicable income taxes and are included in your taxable income. The earnings on the Contributions will be taxable when they are paid to you, but your After-tax Contributions will not be taxable when distributed to you from the Plan. See the [“Employee Contributions”](#) section for more information.

AT&T Controlled Group. AT&T Inc. and each of its subsidiaries and affiliates that are required to be aggregated under Section 414(b) or Section 414(c) of the Code.

Basic Contribution. Your Contribution amount that is eligible to receive Company Match. See the [“Employee Contributions”](#) section for more information.

Bargaining Unit Employee. An employee whose job title and classification are included in a collective bargaining agreement with a Participating Company. See the [“Eligibility”](#) section for more information.

Before-tax Contributions. Your Before-tax Contributions are deducted from your paycheck before applicable income taxes are withheld, and are included in your taxable income when they are distributed to you from the Plan. See the [“Employee Contributions”](#) section for more information.

Break in Service. Generally, a period of at least 12 consecutive months during which you are not employed by an Employer; this does not include certain leaves of absence. The Plan text contains a complete description and additional rules and requirements regarding the determination of a Break in Service.

Business Day. Any day the NYSE is open for business.

Catch-Up Contributions. Means certain types of Before-tax Contributions. See the [“Employee Contributions”](#) section for more information. Catch-Up Contributions are not matched.

Code. The Internal Revenue Code of 1986, as amended.

Company Match. Amounts contributed to your Plan account by your Employer; matches a specified percentage of your Basic Contribution.

Compensation. Generally, Compensation means your actual pay for hours worked, including your base pay, certain group incentive compensation (such as a team award or similar award), nondiscretionary incentive compensation (such as commissions), certain individual discretionary awards, a lump sum special payment, and short-term disability benefits. Overtime and other categories of pay are excluded. For Transferred LTSP Participants, Compensation means, generally, your basic wage (plus any applicable wage protection allowances), certain lump sum awards, and most incentive compensation, as determined by your Employer, and excludes the following:

- Overtime
- Differential or other premium pay (except military differentials)
- Worker’s compensation payments
- Payments received after retirement or termination
- Payments received while on transitional leave of absence
- Income from stock option exercises
- Allowances for cost-of-living adjustments and quarters allowance

The Plan text contains a complete description of Compensation for all participants and additional rules and requirements regarding the determination of your Compensation.

Contribution. Amounts contributed to your Plan account, either by you or your Employer.

Designated Beneficiary. An Eligible Employee’s beneficiary designated in accordance with the provisions of the Plan and the process described in the Designation of Beneficiaries section herein.

DFA. Dividend Fund Account; an account established to receive dividends earned on AT&T Shares held in the AT&T Shares Fund.

Disability (or Disabled). Total disability for short-term disability benefit eligibility purposes as defined in and determined under the short-term disability plan of the participant’s Employer. If the

participant's Employer does not participate in a short-term disability plan, total disability as defined in the AT&T Disability Income Plan.

Eligible Employee. An active employee who is eligible to make deferrals under the Plan. See the ["Eligibility"](#) section for more information.

Employer. The Participating Company that employs the Eligible Employee.

Government Solutions Employee. An individual who is a Participant employed by one of the following Participating Companies: AT&T Government Solutions, Inc.; AT&T Technical Services Company, Inc.; or AT&T World Personnel Services, Inc. With respect to AT&T World Personnel Services, Inc., the term "Government Solutions Employee" shall include only employees reporting to AT&T Government Solutions, Inc. and AT&T Technical Services Company, Inc.

IRS. U.S. Internal Revenue Service.

Legally Recognized Partner. An individual who is (i) a Registered Domestic Partner, or (ii) an individual with whom you have entered into a same-gender relationship in accordance with state or local law, such as a civil union or other legally recognized arrangement, that provides similar benefits, protections, and responsibilities under state law as those afforded to a Spouse. For purposes of this definition, a "Registered Domestic Partner" is an individual with whom you have entered into a domestic partnership that has been registered with a governmental body pursuant to a state or local law authorizing such registration. An individual who has a Spouse will not be permitted to designate a Legally Recognized Partner. No individual will be permitted to designate more than one Legally Recognized Partner during the same period nor will any individual be permitted to designate different Legally Recognized Partners for different plans or programs during the same period.

Management Employee. An employee who is classified as management on the records of the Company.

NYSE. New York Stock Exchange.

Participating Company. An employing company of an AT&T Controlled Group member participating in the Plan. See ["Attachment 1" Participating Companies](#) for a list of Participating Companies.

Plan Year. The calendar year.

Recordkeeper. The entity that maintains account information and performs other recordkeeping functions for the Plan. See the ["Contact Information"](#) section for more information.

Roth Contributions. Certain types of After-tax Contributions. See the ["Employee Contributions"](#) section for more information.

Spouse. Your "spouse" as recognized under applicable state law.

Supplementary Contribution. Your Contribution amount that is **not** eligible to receive Company Match. See the ["Employee Contributions"](#) section for more information.

Termination of Employment. The date you terminate employment (for any reason) with all members of the AT&T Controlled Group.

Transfer Account. An account holding amounts transferred to the Plan from another qualified plan in accordance with the Plan or in connection with a plan merger, and which is separately accounted for under the Plan. A separate Transfer Account is maintained, as necessary, for each transfer transaction and/or for each type of account transferred.

Unit. Represents your undivided interest in the assets held in an investment fund.

Valuation Date. Any Business Day.

Year of Service. Generally, a continuous period of employment with one or more Employers equal to 12 months that is not interrupted by a Break in Service. The Plan text contains a complete description and additional rules and requirements regarding the determination of a Year of Service.

CONTACT INFORMATION

Contact Information	
Vendor	
Name	Fidelity Service Center
Type	Savings
Services Provided	Recordkeeper, Beneficiary Designation Administrator
Vendor Contact Numbers	
Domestic Telephone Number	800-416-2363
International Telephone Number	Dial your country's toll-free AT&T Direct-Access Number and then 800-416-2363 (international)
Hearing Impaired Telephone Number	888-343-0860
Vendor Hours of Operation	
Hours of Operation	<p>Fidelity Service Center: Monday through Friday from 7:30 a.m. to 11 p.m. Central time</p> <p>Interactive Voice Response (IVR) System: The IVR system is available 24 hours a day, seven days a week</p>
Vendor Website	
Website Access Information	IMPORTANT: You will need your Fidelity Service Center PIN and customer ID when you access the Fidelity NetBenefits website or IVR or call to speak to a service associate.
Website	netbenefits.com/att
Vendor Mailing Address	
General Mailing Address	
Mailing Address Information	General questions about the Plan may be sent to:

Contact Information	
Domestic	Fidelity Service Center P.O. Box 770003 Cincinnati, OH 45277-0065
Claims	
Claims Information	Written claims for benefits or an appeal of a denied claim for benefits under the Plan must be sent to:
Claims Regular	Fidelity Service Center Claims and Appeals P.O. Box 770003 Cincinnati, OH 45277-0065
Claims Overnight	Fidelity Service Center Claims and Appeals 100 Crosby Parkway, KC1F-D Covington, KY 41015
Appeals	
Appeals Information	Written claims for benefits or an appeal of a denied claim for benefits under the Plan must be sent to:
Appeals Regular	Fidelity Service Center Personnel Center P.O. Box 770003 Cincinnati, OH 45277-0072
Appeals Overnight	Fidelity Service Center Claims and Appeals 100 Crosby Parkway, KC1F-D Covington, KY 41015

Contact Information	
Vendor	
Name	Financial Engines
Type	Savings
Services Provided	Investment Advice
Vendor Contact Numbers	
Domestic Telephone Number	877-401-5762
Vendor Hours of Operation	
Hours of Operation	Financial Engines Advisors: Monday through Friday from 7:30 a.m. to 7:30 p.m. Central time, except some holidays.

Contact Information	
Vendor Mailing Address	
General Mailing Address	
Mailing Address Information	General questions about investment advice:
Domestic	Financial Engines Advisors 4742 N. 24th St., Suite 270 Phoenix, AZ 85016

INFORMATION CHANGES AND OTHER COMMON RESOURCES

It's important to keep your work and home addresses current because the majority of your benefits, payroll, or similar information is sent to them. Please include any room, cubicle number, or workspace floor that will help make mail-routing more efficient.

Active Employee Address and Telephone Number Changes
<p>For employees with access to the employee intranet:</p> <p>Home and work address updates:</p> <ul style="list-style-type: none"> Click on OneStop (onestop.att.com) and select eLink (eCORP) in the right navigation bar. Enter your AT&T user ID and password for the AT&T Global Logon. (If you do not know your password, please follow the instructions on the screen.) Once logged on, click OK. On the eCORP home page, click on Employee Services. Note: Please be sure the far right-hand scroll bar is all the way to the top. To update your home address, select Edit at the top of the Permanent Residence box, make any necessary changes and click Save. To update your work address, select Edit at the top of the Cubicle/Office box, make any necessary changes and click Save. <p>For employees without access to the employee intranet:</p> <p>Contact your supervisor or eLink assistant.</p>

Retired and Inactive Employee Home Address Changes

You must change your address for both pension and savings. To change your address for both purposes, contact the Fidelity Service Center at the information below.

Fidelity Service Center

netbenefits.fidelity.com

800-416-2363

888-343-0860 (hearing-impaired)

Dial your country's toll-free AT&T Direct Access Number, then enter **800-416-2363** (International)

Hours of operation:

Monday through Friday from 7:30 a.m. to 11 p.m. Central time

You will need your Fidelity Service Center PIN and Social Security number/customer ID to access the Fidelity NetBenefits website, use the IVR service or to speak to a service associate.

IMPORTANT: These instructions are also for recipients of long-term disability benefits and employees on a leave of absence, as well as COBRA participants, alternate payees and survivors who have a pension benefit (including a retiree death benefit) or Plan benefit that has yet to be paid to you.

If you are not eligible to receive a pension or savings plan benefit or have already received your entire pension and savings plan benefits in a lump sum and are not eligible for a retiree death benefit from your pension plan, call the AT&T Benefits Center at **877-722-0020** to update your home address.

AT&T Benefits Intranet and Internet Access

Your Benefits section of access.att.com (employees and retirees from home)

Go to the *Your Benefits* section of access.att.com (AT&T's secure Internet site) for benefits information at home. Just go to access.att.com and follow the login instructions.

ATTACHMENT 1

Participating Companies

Participating Company Name
Alascom, Inc.
AT&T Billing Southeast, LLC
AT&T Corp.
AT&T Customer Services, Inc.
AT&T Digital Life, Inc.
AT&T Global Communication Services, Inc.
AT&T Government Solutions, Inc.
AT&T Management Services, L.P.
AT&T Mobility Services LLC
AT&T of Puerto Rico, Inc.
AT&T Services, Inc.
AT&T Technical Services Company, Inc.
AT&T of the Virgin Islands, Inc.
AT&T World Personnel Services, Inc.
BellSouth Telecommunications, LLC
Cricket Wireless, LLC
DIRECTV, LLC
DIRECTV Enterprises, LLC
Illinois Bell Telephone Company

Participating Company Name
Indiana Bell Telephone Company, Incorporated
Michigan Bell Telephone Company
Nevada Bell Telephone Company
Pacific Bell Telephone Company
SBC Global Services, Inc.
Southwestern Bell Telephone Company
Teleport Communications America, LLC
The Ohio Bell Telephone Company
Wisconsin Bell, Inc.

ATTACHMENT 2

Investment Fund Returns and Fee Disclosure

General Plan Information

The information contained in this *Attachment 2* and the referenced sections of the SPD are intended to comply with the participant fee disclosure requirements. See the [“Investment Options”](#) section for information about how you may invest your account. This section includes a categorization of the available investment funds. You should also see the [“Changing Your Investments”](#) section and the [“When a Transaction Takes Effect”](#) section for information on how to change the investment of your account and certain limitations that may apply to your ability to change your investments. See the [“Valuation of Your Account”](#) section to understand how your account is valued in general. Also, see the [“Voting”](#) subsection in the [“General Plan Information”](#) section for particular voting information related to any portion of your account invested in AT&T Shares.

Investment Information

See the [“Investment Options”](#) section for the name of each investment fund available under the Plan. In addition, this section also includes information about each investment fund, including the type or category of the investment, its objective (benchmark), its strategy, and certain risks associated with each investment. The investment fund descriptions also identify the current investment manager or managers for each investment fund.

For investment returns for each investment fund, please see the [“Investment Fund Return”](#) chart in this “Attachment 2.”

This chart provides the average annual total return (percentage) of the investment for the following periods, if available: 1-year, 5-years, and 10-years. If a particular investment has not been available for all of these periods, then a life of the fund return is shown. Please note that an investment’s past performance is not necessarily an indication of how the investment will perform in the future. Your investments could lose money.

Fees and Expenses

An explanation of the types of operating and administrative expenses that may be charged to your account or to an investment fund in general or the Plan as a whole are set forth in the [“Operating Expenses and Other Fees”](#) section. In addition, actual fees that are charged to your account will be reflected in your quarterly account statement. Visit the Recordkeeper’s website for more information about your quarterly account statement. See the [“Contact Information”](#) section for information on how to contact the Recordkeeper and its website address. In addition, certain investment funds carry additional fees. See the [“Investment Options”](#) section for information about each investment fund and whether additional fees apply.

Plan fees and expenses are only one of several factors that participants and beneficiaries should consider when making investment decisions. However, please note that the cumulative effect of fees and expenses can substantially reduce the growth of your account. You may visit the website of the Department of Labor’s Employee Benefits Security Administration for information and an example demonstrating the long-term effect of fees and expenses on investment returns.

For Plan fee and expense ratios for each investment fund, please see the [“Annual Operating Expenses Charged to the Plan/Trust for Plan Year 2017”](#) chart in this “Attachment 2.”

Additional Investment Related Information

Please contact the Recordkeeper, or access its website, for any of the following:

- Copies of any prospectuses, financial statements, or reports (including the investments portfolio turnover rate) related to SEC-registered 40 Act funds to the extent that such items have been made available to the Plan (and please note that these documents are provided by the investment fund manager and are not reviewed by the Plan Administrator, the Plan Sponsor, any other AT&T entity, or the Recordkeeper).
- The current Unit value of any investment fund.
- A general glossary of terms to assist you in understanding the terminology used in the [“Investment Options”](#) section.

See the [“Contact Information”](#) section for information on how to contact the Recordkeeper and its website address.

For additional information, you can also visit the Department of Labor’s Employee Benefits Security Administration website for general information on investing for retirement. See dol.gov/agencies/ebsa.

Importance of a Diversified Portfolio

To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading your assets among different types of investments can help you achieve a favorable rate of return while minimizing your overall risk of losing money. This is because market or other economic conditions that cause one category of assets, or one particular security, to perform very well often cause another asset category, or another particular security, to perform poorly. If you invest more than 20 percent of your retirement savings in any one company or industry, your savings may not be properly diversified. Although diversification is not a guarantee against loss, it is an effective strategy to help you manage investment risk.

The preceding information regarding diversification comes from the Department of Labor’s website. For this and other general information on investing for retirement, you can visit the website referenced above.

Investment Fund Returns as of December 31, 2017

Listed below are rates of return, which are net of investment management fees and other related investment fees (e.g., brokerage commissions, trade costs, etc.) that are charged directly to the fund, but do not take into account any operating and administrative expenses for the Plan (e.g., recordkeeping fees, trustee fees, legal fees, etc.).

Investment Fund Return

	Average Annual Total Return 2015	Average Annual Total Return 2016	Average Annual Total Return 1 yr.	Average Annual Total Return 5 yr.	Average Annual Total Return 10 yr.	Average Annual Total Return Since Inception Date/ Benchmark Adoption Date
Investment Name Benchmark						
Total U.S. Stock Market Index Fund	0.61%	12.80%	21.12%	15.61%	8.76%	n/a
Total U.S. Stock Market Index Fund - Benchmark: Dow Jones US Total Stock Market Index	0.44%	12.62%	21.16%	15.52%	8.66%	n/a
International Stock Index Fund	-5.45%	5.36%	27.65%	6.89%	2.24%	n/a
International Stock Index Fund - Benchmark: MSCI ACWI ex US Net	-5.66%	4.50%	27.19%	6.80%	1.84%	n/a
Large Cap U.S. Stock Index Fund	1.45%	11.98%	21.86%	15.83%	8.60%	n/a
Large Cap U.S. Stock Index Fund - Benchmark: S&P 500® -- Total Return Index	1.38%	11.96%	21.83%	15.79%	8.50%	n/a
Small and Mid-Size U.S. Stock Index Fund	-3.15%	16.19%	18.23%	14.63%	9.28%	n/a
Small and Mid-Size U.S. Stock Index Fund - Benchmark: Dow Jones US Completion Total Stock Market Index	-3.42%	15.75%	18.12%	14.43%	9.15%	n/a
AT&T Stable Value Fund	2.48%	2.36%	2.28%	2.43%	3.04%	n/a
AT&T Stable Value Fund - Benchmark: Barclays 3-month Bellwether	0.07%	0.35%	0.87%	0.28%	0.43%	n/a
AT&T Total Return Bond Fund	0.95%	3.35%	5.14%	2.86%	5.43%	n/a
AT&T Total Return Bond Fund - Benchmark: Barclay Aggregate Bond	0.55%	2.65%	3.54%	2.10%	4.01%	n/a
AT&T U.S. Stock Fund	0.40%	11.86%	20.99%	14.91%	8.01%	n/a

	Average Annual Total Return 2015	Average Annual Total Return 2016	Average Annual Total Return 1 yr.	Average Annual Total Return 5 yr.	Average Annual Total Return 10 yr.	Average Annual Total Return Since Inception Date/ Benchmark Adoption Date
AT&T U.S. Stock Fund - Benchmark: Russell 3000	0.48%	12.74%	21.13%	15.58%	8.63%	n/a
AT&T International Stock Fund	-2.99%	4.13%	28.89%	8.13%	1.28%	n/a
AT&T International Stock Fund - Benchmark: MSCI ACWI ex US Net	-5.66%	4.50%	27.19%	6.80%	1.67%	n/a
AT&T Shares Fund	8.04%	29.55%	-3.79%	8.24%	4.71%	n/a
AT&T Shares Fund - Benchmark: S&P 500® -- Total Return Index	1.38%	11.96%	21.83%	15.79%	8.50%	n/a
AT&T Age-Based Asset Allocation Retirement Fund	-0.32%	5.33%	7.89%	4.61%	3.53%	n/a
AT&T Age-Based Asset Allocation Retirement Fund - Benchmark: Allocation Retirement Benchmark	0.11%	3.86%	7.07%	4.03%	3.29%	n/a
AT&T Age-Based Asset Allocation Fund -- 2005	-0.31%	6.20%	10.06%	5.97%	4.32%	n/a
AT&T Age-Based Asset Allocation Fund -- 2005 - Benchmark: Allocation 2005 Benchmark	-0.01%	4.93%	9.22%	5.42%	4.13%	n/a
AT&T Age-Based Asset Allocation Fund -- 2010	-0.29%	6.84%	11.84%	7.15%	5.21%	n/a
AT&T Age-Based Asset Allocation Fund -- 2010 - Benchmark: Allocation 2010 Benchmark	-0.18%	5.74%	11.04%	6.59%	5.04%	n/a
AT&T Age-Based Asset Allocation Fund -- 2015	-0.36%	7.39%	13.69%	7.85%	5.41%	n/a
AT&T Age-Based Asset Allocation Fund -- 2015 - Benchmark: Allocation 2015 Benchmark	-0.31%	6.55%	12.94%	7.31%	5.25%	n/a
AT&T Age-Based Asset Allocation Fund -- 2020	-0.30%	7.66%	14.92%	8.44%	5.33%	n/a

	Average Annual Total Return 2015	Average Annual Total Return 2016	Average Annual Total Return 1 yr.	Average Annual Total Return 5 yr.	Average Annual Total Return 10 yr.	Average Annual Total Return Since Inception Date/ Benchmark Adoption Date
AT&T Age-Based Asset Allocation Fund -- 2020 - Benchmark: Allocation 2020 Benchmark	-0.42%	7.08%	14.27%	7.96%	5.34%	n/a
AT&T Age-Based Asset Allocation Fund -- 2025	-0.36%	7.94%	16.13%	9.37%	5.80%	n/a
AT&T Age-Based Asset Allocation Fund -- 2025 - Benchmark: Allocation 2025 Benchmark	-0.53%	7.58%	15.52%	9.03%	5.95%	n/a
AT&T Age-Based Asset Allocation Fund -- 2030	-0.38%	8.62%	18.85%	10.37%	5.77%	n/a
AT&T Age-Based Asset Allocation Fund -- 2030 - Benchmark: Allocation 2030 Benchmark	-0.87%	8.76%	18.35%	10.05%	6.01%	n/a
AT&T Age-Based Asset Allocation Fund -- 2035	-0.44%	9.04%	21.00%	11.35%	6.23%	n/a
AT&T Age-Based Asset Allocation Fund -- 2035 - Benchmark: Allocation 2035 Benchmark	-1.06%	9.55%	20.65%	11.13%	6.56%	n/a
AT&T Age-Based Asset Allocation Fund -- 2040	-0.45%	9.08%	21.12%	11.46%	6.12%	n/a
AT&T Age-Based Asset Allocation Fund -- 2040 - Benchmark: Allocation 2040 Benchmark	-1.06%	9.56%	20.88%	11.26%	6.54%	n/a
AT&T Age-Based Asset Allocation Fund -- 2045	-0.52%	9.13%	21.17%	11.58%	6.18%	n/a
AT&T Age-Based Asset Allocation Fund -- 2045 - Benchmark: Allocation 2045 Benchmark	-1.06%	9.56%	20.88%	11.39%	6.62%	n/a
AT&T Age-Based Asset Allocation Fund -- 2050	-0.45%	9.11%	21.15%	11.62%	6.02%	n/a
AT&T Age-Based Asset Allocation Fund -- 2050 - Benchmark: Allocation 2050 Benchmark	-1.06%	9.56%	20.88%	11.43%	6.50%	n/a
AT&T Age-Based Asset Allocation Fund -- 2055	-0.42%	9.03%	21.19%	11.79%	n/a	11.47%

	Average Annual Total Return 2015	Average Annual Total Return 2016	Average Annual Total Return 1 yr.	Average Annual Total Return 5 yr.	Average Annual Total Return 10 yr.	Average Annual Total Return Since Inception Date/ Benchmark Adoption Date
AT&T Age-Based Asset Allocation Fund -- 2055 - Benchmark: Allocation 2055 Benchmark	-1.06%	9.56%	20.88%	11.62%	n/a	11.29%
AT&T Age-Based Asset Allocation Fund -- 2060	n/a	n/a	21.14%	n/a	n/a	21.46%
AT&T Age-Based Asset Allocation Fund -- 2060 - Benchmark: Allocation 2060 Benchmark	n/a	n/a	20.88%	n/a	n/a	21.60%

Annual Operating Expenses Charged to the Plan/Trust for Plan Year 2017*

Investment Manager Fees and Administrative Expenses

	Investment Manager Fees As a %	Administrative, Trustee, and Recordkeeping Fees As a %	Total Operating Expenses As a %	Estimated Total Operating Expenses Incurred on a \$1,000 Investment in 2017
Investment Name				
Total U.S. Stock Market Index Fund	0.01%	0.01%	0.02%	\$0.20
International Stock Index Fund	0.02%	0.01%	0.03%	\$0.30
Large Cap U.S. Stock Index Fund	0.01%	0.01%	0.02%	\$0.20
Small and Mid-Size U.S. Stock Index Fund	0.02%	0.01%	0.03%	\$0.30
AT&T Stable Value Fund	0.31%	0.01%	0.32%	\$3.20
AT&T Total Return Bond Fund	0.19%	0.01%	0.20%	\$2.00
AT&T U.S. Stock Fund	0.07%	0.01%	0.08%	\$0.80
AT&T International Stock Fund	0.39%	0.01%	0.40%	\$4.00
AT&T Shares Fund	0.01%	0.01%	0.02%	\$0.20
AT&T Age-Based Asset Allocation Retirement Fund	0.18%	0.01%	0.19%	\$1.90
AT&T Age-Based Asset Allocation Fund -- 2005	0.18%	0.01%	0.19%	\$1.90
AT&T Age-Based Asset Allocation Fund -- 2010	0.18%	0.01%	0.19%	\$1.90
AT&T Age-Based Asset Allocation Fund -- 2015	0.18%	0.01%	0.19%	\$1.90

	Investment Manager Fees As a %	Administrative, Trustee, and Recordkeeping Fees As a %	Total Operating Expenses As a %	Estimated Total Operating Expenses Incurred on a \$1,000 Investment in 2017
AT&T Age-Based Asset Allocation Fund -- 2020	0.18%	0.01%	0.19%	\$1.90
AT&T Age-Based Asset Allocation Fund -- 2025	0.18%	0.01%	0.19%	\$1.90
AT&T Age-Based Asset Allocation Fund -- 2030	0.18%	0.01%	0.19%	\$1.90
AT&T Age-Based Asset Allocation Fund -- 2035	0.18%	0.01%	0.19%	\$1.90
AT&T Age-Based Asset Allocation Fund -- 2040	0.18%	0.01%	0.19%	\$1.90
AT&T Age-Based Asset Allocation Fund -- 2045	0.18%	0.01%	0.19%	\$1.90
AT&T Age-Based Asset Allocation Fund -- 2050	0.18%	0.01%	0.19%	\$1.90
AT&T Age-Based Asset Allocation Fund -- 2055	0.18%	0.01%	0.19%	\$1.90
AT&T Age-Based Asset Allocation Fund -- 2060	0.18%	0.01%	0.19%	\$1.90

* The fees and expenses displayed and summarized in this table do not include (i) trade costs, broker fees and commissions, and similar fees, and (ii) any fees, charges, or expenses charged directly to participant accounts (e.g., recordkeeping fees, maintenance fees, QDRO fees, loan processing fee, etc.). You should refer to your individual participant statements or contact the Recordkeeper to determine the amounts of these types of fees and charges.

ATTACHMENT 3

Investment Advisory Services

Participants with an account balance of at least \$5 will have access to online investment services (or "[Online Service](#)") and investment advisory services (or "[Professional Management](#)") from Financial Engines Advisors L.L.C. ("Financial Engines"), a federally registered investment advisor.

Online Service

The Online Service offered by Financial Engines provides additional web-based tools to assist Participants with savings plan asset allocation and retirement planning projections. **Financial Engines does not sell investments or receive commissions.** The Online Service is available to you as a Participant in the Plan. If you choose to use the Online Service, Financial Engines will provide guidance and suggestions for your account (and other retirement accounts you elect to include) when you visit the website for advice. There is no additional charge to your account for the Online Service.

Professional Management

You may also elect to enroll in Professional Management, which allows Financial Engines to professionally manage your account(s).

Enrollment in Professional Management is completely voluntary. If you choose to enroll in the Professional Management Program, then you elect to participate and your Plan investments will be monitored and managed for you on a discretionary basis by Financial Engines, with transactions handled through Fidelity. In addition, you will be assessed a quarterly fee based on your account balance. That fee will be deducted from your account.

With respect to the Professional Management program, Financial Engines is a designated investment manager for the Plan. A designated investment manager means an investment manager as that term is defined under section 3(38) of ERISA, and that is designated by your Plan fiduciary and made available to you and your Beneficiaries to manage all or a portion of the assets held in, or contributed to, your account.

For more information about Financial Engines:

- Login to www.netbenefits.com/att and select the Financial Engines tile midway down the page
- Call **1-877-401-5762** and ask to speak with Financial Engines.