

# 401(K) PLAN

**WE HAVE A PLAN FOR YOUR FUTURE.**

## **AT A GLANCE**

**JOHN HANCOCK 401(K)**

### **WHAT IS A 401(K) PLAN?**

One of the most powerful ways an individual can save for retirement and prepare for a financially confident future is through periodic investment plans offered at work. A 401(k) plan, the most common employer-sponsored retirement plan, enables employees to make contributions, which receive special tax considerations, from every paycheck. Contributions to a 401(k) plan are most commonly made through pretax payroll deductions. 401(k) pretax contributions reduce taxable income and grow tax free until they're withdrawn, typically at retirement.

# 401 (K) SUMMARY PLAN DESCRIPTION

## INTRODUCTION

The Sponsor has established this Plan for the purpose of helping you save additional funds for your retirement. The Plan may also provide benefits in the event of your death or disability or in the event of your termination of employment prior to normal retirement. This document provides you with a summary of the more important provisions of the Plan. If there is any conflict between a statement in this summary and the actual Plan document itself, then the terms of the official Plan will control.

The Plan is commonly known as a "401(k) plan." Under the Plan, there is no fixed dollar amount of benefits. Your actual benefit will depend on the amount of your account balance at the time of retirement or termination of employment. Your account balance will reflect the amount of your contributions, the period of time you participate in the Plan and your success in investing and re-investing the assets credited to your account.

If you have any questions after reading this summary or have questions regarding the terms of the Plan, please contact the Plan Administrator.

## ELIGIBILITY TO PARTICIPATE

To become a participant, you must be an eligible employee. An "eligible employee" means any employee of the Sponsor and its participating affiliates other than a leased employee, union employee, non-resident alien with no U.S. source income or individual classified as an independent contractor.

If you are employed in an eligible employment classification, you will begin participation in the Plan on any business day following your employment commencement date. If you are not an eligible employee on your employment commencement date, you may commence participation in the Plan on the first business day following the date you become an eligible employee.

If you terminate employment after becoming a participant in the Plan and later return to employment as an eligible employee, you may re-enter the plan on your reemployment date.

## CONTRIBUTIONS

**Employee Elective Contributions.** Under the terms of the Plan, you may enter into an elective deferral agreement with your Employer pursuant to which a portion of your base salary will be contributed to the Plan as a "401(k) contribution." You may also elect to contribute a portion of your bonus pay to the Plan but you must enter into a separate bonus deferral agreement to do so. If you fail to make a separate bonus deferral election, then you will be deemed to have elected to defer zero percent of your bonus for that plan year. You must make a new bonus deferral election for each plan year.

You should carefully review each payroll statement to make sure that your contributions are consistent with your salary reduction agreement. If you notice any error, please contact the Plan Administrator immediately. If you fail to do so within 30 days of the date of the first payroll statement you receive confirming the elective amount you have chosen to contribute to the Plan, you will be deemed to have consented to the rate contributions then in effect.

Your 401(k) contributions may be designate as either non-Roth contributions, Roth contributions, or a combination of both. Non-Roth contributions will be contributed to the Plan before any income taxes that would normally apply are withheld. Roth contributions on the other hand will be contributed to the Plan on an after-tax basis. In either case, earnings on your 401(k) employee contributions will grow on a tax-deferred basis. At the time you receive a distribution from the Plan, the portion of your account attributable to non-Roth contributions will be taxed as ordinary income unless you elect a tax-free rollover to an IRA or new employer's plan, and the portion of your account attributable to Roth contributions will not be taxed regardless of whether you elect a tax-free rollover to an IRA or new employer's plan.

**Employee "Catch-Up" Contributions.** If you reach age 50 before the close of a calendar year, you will be eligible to make a "catch-up" contribution. A catch-up contribution is an amount you may choose to contribute in excess of the IRS limits otherwise applicable to your employee contributions.

**Limits on Employee Elective Contributions.** The Plan Administrator reserves the right to limit the amount or percentage of your salary that you actually contribute to the Plan and to establish such other rules and procedures as it determines are necessary for the proper administration of the Plan. For example, the Plan Administrator will specify the manner and time(s) with respect to which you may increase or decrease (or suspend) your rate of elective contributions to the Plan. Any such rules and procedures will be separately communicated to you.

In addition to any limitations imposed by the Plan Administrator, your employee contributions under this Plan (and any other plan in which you participate) may not exceed a specific dollar amount determined by the Internal Revenue Service for each calendar year.

If your elective contributions for a particular calendar year exceed the applicable contribution limitation in effect for that year, the Plan's trustee will refund the excess amount to you, plus any earnings (or loss) allocated to that excess amount.

If you participate in another employer's 401(k) plan and your total 401(k) contributions under this Plan and your other employer's plan exceed the applicable contribution limitation for any calendar year, then you must decide which plan you wish to designate as the plan with the excess amount. If you designate this Plan as holding the excess amount for a calendar year, you must notify the Plan Administrator of that designation by March 1 of the following calendar year. The Plan's trustee will then distribute the excess amount to you, plus earnings (or loss) allocated to that excess amount.

**Employer Matching Contributions.** For each plan year, the Employer may make a matching contribution on your behalf equal to a specified percentage of your employee contributions for the plan year, up to a certain limit. For example, the Employer may match 100% of your 401(k) contributions up to a certain dollar amount or percentage of your compensation. The actual rate of match (if any) for each plan year will be determined by the Employer in its sole discretion.

**Employer Discretionary Contributions.** In addition to (or in lieu of) Employer matching contributions, the Employer may make a discretionary profit sharing contribution for a plan year. If the Employer makes a discretionary profit sharing contribution, the contribution will be allocated among eligible participants in the ratio that each participant's compensation plus excess compensation for the plan year bears to the compensation plus excess compensation of all eligible participants. "Excess compensation" means compensation in excess of the Social Security taxable wage base for the year.

To be eligible for an allocation of a discretionary profit sharing contribution, a participant must be (i) credited with at least 1,000 hours of service during the plan year and (ii) employed on the last day of the plan year. However, the last day of the year requirement (but not the 1,000 hours of service requirement) will be waived if you separate from service due to death, disability or retirement after attaining the later of age 65 or your fifth anniversary of participation in the Plan.

See "Hours of Service" under BENEFITS UPON SEPARATION FROM SERVICE below.

**Rollover Contributions.** Subject to the Plan Administrator's approval, you may make rollover contributions to this Plan by a transfer or rollover of an "eligible rollover distribution" from another employer's plan or from your individual retirement account, including any designated Roth contributions under another employer's plan or a Roth individual retirement account. Please contact the Plan Administrator for additional information regarding rollover contributions.

**Limit on Contributions.** The law limits the amount of "additions" (other than trust earnings) which may be allocated to your account for each plan year under this Plan and any other Employer sponsored qualified plan in which you participate. In general, your additions may never exceed the lesser of: (1) 100% of your compensation for a particular plan year, but may be less if 100% of your compensation exceeds a dollar amount announced by the Internal Revenue Service each year or (2) the maximum dollar amount announced by the Internal Revenue Service each year. The Plan may need to reduce this limitation if you participate (or have participated) in any other plans maintained by your Employer. If you are a highly compensated employee, the Plan may also impose limitations on the amount of your 401(k) and matching contributions in order to satisfy applicable non-discrimination rules under the Internal Revenue Code.

## BENEFITS UPON SEPARATION FROM SERVICE

The benefit you are entitled to receive upon termination of employment depends upon your vested interest in your account balance at that time. The term "vesting" refers to the portion of your account balance that is non-forfeitable. You are always 100% vested in your 401(k) and rollover contributions.

You will be 100% vested in your Employer matching and discretionary contributions account upon your termination of employment on or after attaining Normal Retirement Age (i.e., age 65 or the fifth Anniversary of the date you commenced participation, if later), or if you terminate employment due to your death or permanent disability (as defined under the Plan). If you terminate employment for any other reason, your vested interest in your matching and discretionary contributions account will be determined based on the following schedule:

YEARS OF SERVICE FOR VESTING	VESTED (NON-FORFEITABLE PERCENTAGE)
LESS THAN 2	0%
2	20%
3	40%
4	60%
5	80%
6 OR MORE	100%

If you were a former participant in the Swift Construction Company, Inc. Employee Savings Trust, your accounts under that plan were merged with the Emery Sapp Plan effective December 31, 2013. Your Swift Construction accounts are fully vested at all times.

**Year of Vesting Service.** A "year of vesting service" means each plan year during which you are credited with at least 1,000 hours of service. If you complete at least 1,000 hours during a plan year, you will receive credit for a year of service even though you are not employed by the Employer on the last day of that plan year. Additional vesting rules are set forth in the Plan document.

**Hours of Service.** You will receive credit for an "hour of service" for each hour that you are entitled to payment from your Employer for services performed. You will also receive credit for periods of time that you do not actually perform services but are entitled to payment, such as during vacations, holidays, sickness or paid leaves of absence; however, the maximum number of hours of service credited for such periods may not exceed 501 hours.

**Forfeiture of non-vested amounts.** In general, the portion of your matching and discretionary contributions account balance that is not vested upon your termination of employment will be forfeited and applied to reduce the amount of Plan expenses and Employer contributions that would otherwise be made for the plan year in which the forfeiture occurs.

## INVESTMENT OF YOUR ACCOUNT BALANCES

The Plan permits you to direct the investment of your account balance in accordance with section 404(c) of the Employee Retirement Income Security Act of 1974 and Title 29 of the Code of Federal Regulations, section 2550.404c-1. For this reason, you are solely responsible for your investment decisions. Neither your Employer, the Plan trustee nor any other Plan fiduciary will be liable for any investment losses you incur as a result of your investment decisions. Your investment elections must be made in accordance with the rules and procedures established by the Plan Administrator, which will be separately communicated to you along with the investment funds offered under the Plan. Once made, your most recent investment elections will remain in effect until modified by you. If you do not provide any instructions, the trustee will automatically invest your account balance in the fund

designated by the Plan Administrator.

In accordance with Section 404(c) of ERISA, you have the right to receive the following information upon request to the Plan Administrator or its designee.

- A narrative of the annual operating expenses of each investment alternative under the Plan, including investment manager fees, administrative fees, and transaction costs, which reduce the rate of return to the participant.
- Copies of prospectuses, financial statements and reports, and other materials related to the investment alternatives to the extent the information is provided to the Plan.
- With respect to each investment alternative under the Plan, a list of assets comprising the portfolio of the alternative that includes Plan assets and the value of the assets; and if the asset is a fixed rate investment contract, the name of the issuer of the contract, the term of the contract, and the rate of return on the contract.
- The value of shares or units and past and current investment performance of each available alternative, net of expenses.
- The value of the shares or units held in the particular participant's account.

## PAYMENT OF BENEFITS

### PAYMENT OF BENEFITS AFTER TERMINATION OF EMPLOYMENT.

After you terminate employment for reasons other than death, disability or attainment of Normal Retirement Age, the Plan will commence distribution to you in accordance with the following.

If your vested account balance does not exceed \$5,000, the Plan may distribute your benefit, without your consent, as soon as administratively practicable following your termination of employment. If your total vested account balance does not exceed \$1,000, the Plan may distributed your vested account in one lump sum payment without your consent unless you make an election for a direct rollover of your account to the qualified plan of another employer or an individual retirement account. If your total vested account balance is more than \$1,000 but does not exceed \$5,000, the Plan may distribute your vested account to an individual retirement account selected by the Plan Administrator unless you choose to have it paid to you in a single sum or paid in a direct rollover to the qualified plan of another employer or an individual retirement account of your choice.

If your vested account balance exceeds \$5,000, then the Plan will only commence distribution upon your election. You may elect to receive a distribution of your benefit as of any date during a plan year; however, the Plan has an administratively reasonable period of time following a particular distribution date to make actual distribution to a participant. Therefore, you may not actually receive distribution on the distribution that you elect.

If your vested account balance exceeds \$5,000 and you do not elect to receive your benefit as of an earlier distribution date, the Plan will automatically commence distribution to you following the close of the plan year in which the latest of the following occurs:

- You attain Normal Retirement Age;
- You terminate employment; or
- Ten years have elapsed from the time you commenced participation in the Plan.

**Valuation of Account Balance.** For purposes of making a distribution of any portion of your vested account balance, the Plan refers to the latest valuation of your account balance. The Plan requires valuation of the trust fund, and adjustment of participant accounts, as of the last day of each plan year. The Plan Administrator may also require more frequent valuations. In general, the Plan allocates trust fund earnings, gains or losses for a valuation period on the basis of each participant's opening account balance at the beginning of the valuation period, less any distributions and charges to each participant's account during the valuation period.

**Forms of Benefit Payment.** All distributions will be made in a single lump sum cash payment.

**Direct Rollover.** A payment from the Plan that is eligible for "rollover" can be taken in two ways. You can have all or any portion of your distribution either (i) paid in a "direct rollover" or (ii) paid directly to you. A rollover is a payment of your account balance to your individual retirement arrangement (IRA) or to another qualified retirement plan that accepts your rollover. This choice will affect the tax you owe.

If you choose a direct rollover, then your payment will not be taxed in the current year and no income tax will be withheld; your payment will be made directly to your IRA or to another employer plan that accepts your rollover; and your payment will be taxed later when you take it out of the IRA or the employer plan.

If you choose to have your account balance paid directly to you, then the following will apply:

- You will receive only 80% of the payment, because the Plan administrator is required to withhold 20% of your payment and send it to the IRS as income tax withholding to be credited against your taxes. Additional state tax withholding may apply.
- Your payment will be taxed in the current year unless you roll it over. You may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59½, you may also be subject to an additional 10% tax.
- You can roll over the payment by paying it to your IRA or to another employer plan that accepts your rollover within 60 days of receiving the payment. The amount rolled over will not be taxed until you take it out of the IRA or employer plan.
- If you want to roll over 100% of the payment to an IRA or an employer plan, you must find other money to replace the 20% that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

**Example:** Your eligible rollover distribution is \$10,000, and you choose to have it paid directly to you. You will receive \$8,000, and \$2,000 will be sent to the IRS as income tax withholding. Additional state tax withholding may apply. Within 60 days after receiving the \$8,000, you may roll over the entire \$10,000 to an IRA or qualified retirement plan. To do this, you roll over the \$8,000 you received from the Plan, and you will have to find \$2,000 from other sources (your savings, a loan, etc.). In this case, the entire \$10,000 is not taxed until you take it out of the IRA or employer plan. If you roll over the entire \$10,000, when you file your income tax return you may get a refund of the \$2,000 withheld.

If, on the other hand, you roll over only \$8,000, the \$2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the \$2,000 withheld. (However, any refund is likely to be larger if you roll over the entire \$10,000.)

The benefit payment rules described above reflect the current Plan provisions. If the Sponsor amends the Plan to change benefit payment options, some options may continue for those participants or beneficiaries who have account balances at the time of the change. If an eliminated option continues to apply to you, the information you receive from the Plan Administrator at the time you first are eligible for distribution from the Plan will include an explanation of that option.

**Penalty for Early Distribution.** If you receive a direct distribution from the Plan before you attain age 59½, the law may impose a 10% penalty on the amount of the distribution you must include in your gross income, unless you qualify for an exception from this penalty. You should consult a tax advisor regarding this 10% penalty.

### PAYMENT OF BENEFITS PRIOR TO TERMINATION OF EMPLOYMENT.

**In-service Withdrawals.** Once you have reached the age of 59½, you may elect to receive payment of all or any part of your vested account balance even though you have not terminated employment. The Plan also allows you to choose to withdraw all or any portion of your rollover contributions at any time or to withdraw all or a portion of your employer matching and discretionary contributions once you have completed five years of participation. Please contact the Plan Administrator for more information.

**Hardship Distributions.** You may withdraw your employee contributions, but not earnings on those contributions, if the Plan Administrator determines that you have an immediate and heavy financial need due to:

- Medical expenses incurred by you, your spouse, your dependents or your designated beneficiary under the Plan;
- Purchase (excluding mortgage payments) of your principal residence;
- Payment of tuition and related educational fees for the next twelve (12) months for post-secondary education for you, your spouse, any of your dependents or your designated beneficiary under the Plan;
- The need to prevent your eviction from, or foreclosure on the mortgage of, your principal residence;
- Payment of funeral expenses for you, your spouse, any of your dependents or your designated beneficiary under the Plan;
- Payments for expenses related to the repair of damages to your principal residence.

Application must be made in writing on a form suitable to the Plan Administrator, and the Plan Administrator's determination of whether a hardship withdrawal shall be granted is final.

The amount of a hardship distribution may not exceed the lesser of the amount necessary to satisfy your immediate financial need, or the balance in your employee contributions account. You must designate which assets in your account are to be liquidated to furnish funds for the distribution.

If you receive a hardship distribution, you may not make any further employee contributions to the Plan (or any other plan sponsored by the Sponsor) for at least six months after you receive the distribution. Other plans sponsored by the Sponsor, for this purpose, include all qualified and nonqualified plans of deferred compensation, and employee stock purchase or similar plans, but excludes Section 125 cafeteria or flexible benefits plans.

**Qualified Reservist Distribution.** You may receive a qualified reservist distribution of your employee contributions if you are a member of a reserve component of the armed forces and you are ordered or called to active duty for 180 days or more or for an indefinite period. The date of payment of any qualified reservist distribution must be after you are ordered or called to active duty and on or before the close of your active duty period. To request a qualified reservist distribution please contact the Plan Administrator.

**Payment of Benefits Following Disability.** If you become permanently disabled (as defined in the Plan), the Plan will pay your account balance to you in same manner as though you had attained Normal Retirement Age.

**Payment of Benefits upon Death.** If you die prior to receiving all of your benefits under the Plan, the Plan will pay the balance of your account to your designated beneficiary in a single lump sum. If you are married, your spouse must consent to the designation of any non-spouse beneficiary. A spouse beneficiary may (but is not required to) elect to delay distribution until the date the Participant would have attained age 70½.

**Federal Income Taxation of Benefits Paid.** Existing Federal income tax laws do not require you to report as income the portion of the annual Employer contribution allocated to your account. However, when the Plan later distributes your account balance to you, such as upon your retirement, you must report as income the Plan distributions you receive. It may be possible for you to defer Federal income taxation of a distribution by making a "rollover" contribution to your own rollover individual retirement account or to another qualified plan as described above. You are strongly encouraged to consult your own tax adviser with respect to the proper method of reporting any distribution you receive from the Plan.

**Lost Participants.** If your Plan benefits become payable after termination of employment the Plan Administrator is unable to locate you at your last address of record, you may forfeit your benefits under the Plan. Therefore, it is very important that you keep the Plan Administrator apprised of your mailing address even after you have terminated employment. Finally, if the Sponsor terminates the Plan, which it has the right to do, you would receive benefits under the Plan based on your account balance accumulated to the date of the termination of the Plan. Termination of the Plan could occur before you attain Normal Retirement Age.

## PARTICIPANT LOANS

The Plan authorizes participants to borrow from the vested portion of their existing account balances under the Plan. Any such loan will be considered an investment of the participant's account and will be subject to the loan policy adopted by the Plan Administrator. Among other requirements, a participant loan must bear a reasonable rate of interest; be repaid by payroll deduction over a period generally not in excess of five years; be less than 50% of the participant's account balance or \$50,000; and exceed the minimum loan amount specified by the Plan Administrator. A participant may be charged a loan processing and on-going administrative fee. Further information regarding participant loans is available from the Plan Administrator.

## ASSIGNMENT OF ACCOUNT BALANCES

As required by law, the Plan contains a "spendthrift clause" which prevents you

from assigning, borrowing against, pledging or otherwise encumbering your interest in the Plan. In addition, your creditors (except in the case of alimony or child support payments) cannot reach your interest in the Plan to satisfy your debts. An exception to this rule is that the Plan Administrator must honor a "qualified domestic relations order" which is a decree or order issued by a court that obligates you to pay child support or alimony or otherwise allocates a portion of your assets in the Plan to your spouse, former spouse, child or other dependent. You may obtain, free of charge, the Plan's qualified domestic relations order procedures.

## PLAN AMENDMENT OR TERMINATION

The Sponsor reserves the right to amend, suspend or terminate the Plan at any time and in any manner that it deems expedient or proper without prior notice to participants. However, no amendment may vest or re-vest in your Employer any interest in, or ownership or control of, any part of the Plan's assets, or make possible the diversion of any part of the Plan's assets or the use thereof for any purpose other than the exclusive purpose of providing benefits to participants under the Plan and incurring the reasonable expenses of Plan administration.

## PLAN INTERPRETATION

The Plan grants the Plan Administrator the exclusive power and authority to interpret and construe all provisions of the Plan and to decide all questions that may arise in connection with the administration of the Plan. The Plan Administrator's determination shall be binding and conclusive on all persons.

## CLAIMS PROCEDURES

You need not file a formal claim with the Plan Administrator in order to receive your benefits under the Plan. When an event occurs which entitles you to a distribution of your benefits under the Plan, the Plan Administrator automatically will notify you regarding your distribution rights. However, if you disagree with the Plan Administrator's determination of the amount of your benefits or with any other decision the Plan Administrator or its designee may make regarding your interest in the Plan, the Plan contains the appeal procedure you should follow.

If at any time you believe you or your beneficiary are entitled to any benefits under the Plan, you (or your authorized representative) must follow the claims procedures described below.

**Claims Procedure:** Any claim for benefits under the Plan must be filed with the claims representative (which means the person or persons designated by the Plan Administrator) in writing to decide the claim. Within 90 days after the filing of such a claim, the Plan Administrator will notify you in writing whether the claim is upheld or denied in whole or in part, or will furnish you a written notice describing special circumstances which require a specified amount of additional time (but not more than 180 days from the date the claim was filed) to reach a decision on the claim.

If the claim is denied in whole or in part, the Plan Administrator will state in writing:

- The specific reason for the denial;
- The specific references to the pertinent provisions of the Plan on which the denial is based;
- A description of any additional material or information necessary for the claimant to perfect the claim and explanation of why such material or information is necessary; and
- An explanation of the claims review procedure.

**Claims Review Procedure:** Within 60 days after receipt of notice that the claim has been denied in whole or in part, you may file with the Plan Administrator (which shall not include the claims representative for this purpose) a written request for a review and may submit written issues and comments. You may also request or copy documents pertinent to the claim. Within 60 days after the filing of such a request for a review, the Plan Administrator will notify you in writing whether, upon review, the claim was upheld or denied in whole or in part or will furnish you a written notice describing special circumstances which require a specified amount of additional time (but not more than 120 days from the date the request for review was filed) to reach a decision on the request for review.

You or your beneficiary may bring a legal action with respect to a claim under the Plan only if: (a) all of the procedures described above are exhausted, and (b) the legal action is commenced within 1 year after a decision on review is furnished or is deemed furnished as applicable.

## A PARTICIPANT'S RIGHTS UNDER ERISA

As a participant in the Plan, you are entitled to certain information and have certain rights and protections under ERISA. ERISA provides that you are entitled to:

- Examine, without charge (by contacting the Plan Administrator) all Plan documents and copies of all documents filed by the Plan with the U.S. Department of Labor, including a copy of the latest annual report (Form 5500 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 copies of all Plan documents and other Plan information upon written request to the Plan Administrator, including copies of the latest annual report (Form 5500 Series) and updated summary plan description. A reasonable fee may be charged for these copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required to furnish each participant with a copy of this summary annual report.
- Obtain a statement showing your account balance. This statement will be provided once a year, and will be furnished without charge.

In addition to creating rights for Plan participants, ERISA imposes duties upon the persons who are responsible for the operation of the Plan. The persons who operate the Plan are called "fiduciaries" and have a duty to operate the Plan prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA. If your claim for a benefit is denied in whole or in part you must receive a written explanation of the reason for the denial. You have the right to have the Plan Administrator review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request any of the materials listed above 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 a day until you receive the materials, unless the materials were not provided because of reasons beyond the control of the Plan Administrator.

If your claim for benefits is denied or ignored, either in whole or in part, you may file suit in a state or federal court. In the event that Plan fiduciaries misuse the Plan's funds, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or file suit in a federal court. 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 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. But if you lose, the court may order you to pay these costs and fees if, for example, it finds your claim is frivolous.

Any questions concerning the Plan should be directed to the Plan Administrator. Additional information about this statement or your rights under ERISA may be obtained from the nearest Office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, 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.

## GENERAL PLAN INFORMATION

<b>PLAN NAME AND NUMBER</b>	Emery Sapp & Sons, Inc. 401(k) Savings Plan (001)
<b>TYPE OF PLAN</b>	Profit Sharing Plan with Cash or Deferred Arrangement. Plan benefits are not insured by the Title IV of the Employee Retirement Income Security Act of 1974.
<b>SPONSOR &amp; FEDERAL EMPLOYEE IDENTIFICATION NUMBER</b>	Emery Sapp Construction, Inc. (EIN: 52-2144296) 2301 I-70 Drive NW Columbia, MO 65202 (573) 445-8331
<b>PLAN ADMINISTRATOR</b>	Emery Sapp Construction, Inc.
<b>NAME AND ADDRESS OF PERSON FOR SERVICE OF LEGAL PROCESS</b>	Emery Sapp Construction, Inc. 2301 I-70 Drive NW Columbia, MO 65202
<b>TRUSTEE</b>	Billy Sapp, Keith Bennett, Dan Hoover 2301 I-70 Drive NW Columbia, MO 65202
<b>PLAN YEAR</b>	January 1 to December 31

## LOAN POLICY FOR THE EMERY SAPP & SONS, INC.

### 401 (K) PLAN

This Loan Policy is adopted effective as of January 1, 2010. Additional terms and conditions for each participant loan are set forth in the Loan Agreement and Promissory Note. This Loan Policy may be modified by the Plan Administrator in its discretion at any time, provided that no such modification may adversely affect the terms of any outstanding participant loan at the time of such modification.

#### **A Minimum and Maximum Loan Amount**

The minimum loan amount is \$1,000.

The maximum loan amount is the lesser of: (1) 50% of the balance of a participant's available loan accounts (defined under paragraph B below) minus the outstanding balance of any loan from this Plan on the date a new loan is made, or (2) \$50,000 reduced by the participant's highest loan balance from the Plan that existed during the one year period ending on the day before the date a new loan is made.

For purposes of determining the maximum loan amount all plans of the Employer shall be treated as one plan.

#### **B Source of Loans**

A participant may borrow from his total vested account balance under the Plan.

#### **C Maximum Term**

Except for home loans used to acquire a participant's principal residence, all loans under the Plan will have a maximum term of five (5) years. Home loans will have a maximum term of thirty (30) years. The participant must provide the Plan Administrator with all documentation reasonably requested by the Plan Administrator to support a loan in excess of five (5) years.

#### **D Repayment**

Loan payments (principal and interest) shall be amortized in level payments not less frequently than quarterly, and are to be made by payroll deduction with after-tax dollars. In the event any loan payment may not for any reason be deducted from a participant's payroll, either (1) the participant must make the loan payment on or before the due date of such payment by money order, certified check, personal or cashier's check or (2) the loan will be in default. All loans shall be considered a directed investment from the participant's account. As such, all payments of principal and interest made by the participant shall be credited only to the participant's account in accordance with the participant's current investment election (or deemed election).

#### **E Leaves of Absence**

If a participant with an outstanding loan goes on an unpaid leave of absence, loan payments may be suspended for up to 12 months (or for the length of a military service leave of absence). However, interest shall continue to accrue during the leave of absence (except to the extent prohibited by applicable law). Upon return to active employment, missed loan payments and interest must be repaid.

If a participant with an outstanding loan goes on a military service leave of absence, interest shall continue to accrue on the loan but at a rate not in excess of 6% (or other maximum rate established by applicable law) and the loan must be repaid by the end of the period that is five years from the date of the loan plus the period of the military service (unless a loan for a primary residence).

To account for the additional interest that accrues during the leave of absence upon return to work, a participant may: (1) pay the interest; (2) increase installment payments; or (3) continue repayments at the pre-leave level and pay the interest at the end of the repayment period. In any case, the amount of the installment payments due after the participant returns to work cannot be less than the amount required prior to the leave of absence.

#### **F Early Prepayment**

A participant may prepay the entire outstanding principal balance without penalty at any given time. Partial prepayments are not allowed.

#### **G Interest Rate**

Any loan granted under this program shall bear a reasonable rate of interest. In determining such rate of interest, the Plan shall require a rate of return commensurate with the prevailing interest rate charged on similar commercial loans under like circumstances by persons in the business of lending money. The interest rate shall be equal to prime rate plus 1%.

#### **H Processing Fee**

The participant's account may be charged a loan application fee for every loan required. The fee will be determined by the Plan Administrator and applied consistently on a uniform and nondiscriminatory basis.

#### **I Security for Repayment**

As a condition to a loan, a participant must pledge to the Plan, as collateral security for the full payment of all unpaid principal and accrued interest on the loan, fifty percent (50%) of his available loan accounts under the Plan as valued on the valuation date coinciding with or immediately preceding the date the loan is funded.

#### **J Default/Termination of Employment**

In the event a loan payment is not made when due or a participant terminates employment with the employer before his loan is paid in full, the entire unpaid principal and interest will be due and payable. If the unpaid principal and accrued interest due is not thereafter paid in full by the earlier of:

- (a) the date the participant's account is distributed by the Plan or
- (b) the last day of the grace period authorized by the Plan Administrator (which such grace period shall not extend beyond the last day of the calendar quarter following the calendar quarter in which the payment is due and payable),

the note will be deemed to be in default. Upon such default, the entire unpaid balance of the note, including interest accrued before and after such default, will be reported as a taxable distribution for the year of default. In addition, such amount, to the extent of the security given, will be deducted from or offset against a participant's vested account balances under the Plan at such time or whenever the participant receives or is entitled to receive any distribution with respect to such account balances under the terms of the Plan.

#### **K Ineligible Class**

Loans are not available for terminated participants, beneficiaries, alternate payees and participants on leave of absence.