

**ADOPTION AGREEMENT #001
NONSTANDARDIZED 401(K)/PROFIT SHARING PLAN**

A. GENERAL INFORMATION

1. **Plan Number:** _____
2. **Plan name:** a. _____
b. _____
3. **Effective Date:**
- 3a. Original effective date of Plan: _____
- 3b. Is this a restatement of a previously-adopted plan?
 Yes No
- 3c. If **A.3b** is "Yes", effective date of Plan restatement: _____
NOTE: If **A.3b** is "No", the Effective Date shall be the date specified in **A.3a**, otherwise the date specified in **A.3c**; provided, however, that when a provision of the Plan states another effective date, such stated specific effective date shall apply as to that provision.
4. **Plan Year** means each 12-consecutive month period ending on _____(e.g. December 31). If the Plan Year changes, any special provisions regarding a short Plan Year should be placed in the Addendum to the Adoption Agreement.
5. **Limitation Year** means:
- i. Plan Year
- ii. calendar year
- iii. tax year of the Plan Sponsor

Plan Features

- NOTE:** If the Plan is a profit sharing plan only, check **A.10** through **A.12** "No" and **A.13** "Yes".
10. **Elective Deferrals.** Elective Deferrals are permitted (Section 4.01) (If "No", questions regarding Elective Deferrals, Voluntary Contributions, Matching Contributions and 401(k) safe harbor contributions are disregarded and no Voluntary Contributions, Matching Contributions or 401(k) safe harbor contributions shall be permitted - **A.11** and **A.12** shall be deemed to be "No".):
 Yes No
11. **Voluntary Contributions.** Voluntary (after-tax) Contributions are permitted (Section 4.01) (If "No", questions regarding Voluntary Contributions are disregarded.):
- i. Yes
- ii. No
- iii. Formerly Allowed
12. **Matching Contributions.** Matching Contributions are permitted (Section 4.02) (If "No", questions regarding Matching Contributions are disregarded.):
 Yes No
13. **Profit Sharing Contributions.** Profit Sharing Contributions are permitted. (Section 4.03) (If "No", questions regarding Profit Sharing Contributions are disregarded.):
 Yes No

Compensation

20. Definition of Compensation:
- i. **W-2.** Wages within the meaning of Code section 3401(a) and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code sections 6041(d), 6051(a)(3), and 6052.
- ii. **Withholding.** Wages within the meaning of Code section 3401(a) for the purposes of income tax withholding at the source.
- iii. **415 Safe Harbor.** Only those items specified in Treas. Reg. section 1.415-2(d)(2)(i) and excluding all of those items listed in Treas. Reg. section 1.415-2(d)(3).
21. Include deferrals in definition of Compensation?
 Yes No
Unless "No" is checked, Compensation shall also include any amount which is contributed by the Company pursuant to a salary reduction agreement and which is not includable in the gross income of the Employee under Code sections 125, 402(e)(3), 402(h) or 403(b).
NOTE: See **A.27** for effective date of inclusion of elective amounts that are not includable in the gross income of the Participant under Code section 132(f).

Compensation Exclusions

22. Exclude pay earned before participation in Plan from definition of Compensation and, for purposes of determining Actual Contribution Percentages and Actual Deferral Percentages, the definition of Testing Compensation:
 Yes No

Unless "No" is checked, Compensation shall include only that compensation which is actually paid to the Participant by the Company during that part of the Plan Year the Participant is eligible to participate in the Plan. Otherwise, Compensation shall include that compensation which is actually paid to the Participant by the Company during the Plan Year.

23. Exclude certain fringe benefits from definition of Compensation:

Yes No

If "Yes" is checked, Compensation shall exclude all of the following items (even if includable in gross income): reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation, and welfare benefits.

24a. Exclude other pay from definition of Compensation for the following Participants:

i. None

ii. Highly Compensated Employees only

iii. All Participants

A.24a.iii (All Participants) may not be selected if the Plan uses an integrated formula or if the Plan is a Safe Harbor 401(k) Plan.

24b. If A.24a.ii or iii is selected, describe other pay excluded from definition of Compensation:

25. Exclude all extraordinary pay from Compensation from which Elective Deferrals are made:

Yes No

If "Yes" is checked, solely for purposes of determining compensation from which Elective Deferrals/Voluntary Contributions may be made, Compensation shall exclude bonuses, moving expenses, disability pay and any other extraordinary remuneration.

Testing Compensation

26. Definition of Testing Compensation:

i. **W-2.** Wages within the meaning of Code section 3401(a) and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code sections 6041(d), 6051(a)(3), and 6052.

ii. **Withholding.** Wages within the meaning of Code section 3401(a) for the purposes of income tax withholding at the source.

27. For Plan Years beginning on or after _____, elective amounts that are not includable in the gross income of the Participant under Code section 132(f) shall be taken into account to the extent that other deferrals are taken into account in determining compensation for any purpose in the Plan.

28. When determining Actual Contribution Percentages and Actual Deferral Percentages include elective amounts that are not includable in the gross income of the Participant:

Yes No

Unless "No" is checked, when determining Actual Contribution Percentages and Actual Deferral Percentages, Testing Compensation shall also include any amount which is contributed by the Company pursuant to a salary reduction agreement and which is not includable in the gross income of the Employee under Code sections 125, 402(e)(3), 402(h) or 403(b).

Highly Compensated Employee

29. Use top-paid group election in determining Highly Compensated Employees:

Yes No

30. Use calendar year beginning with or within the preceding Plan Year in determining Highly Compensated Employees for any year other than that described in A.31:

Yes No

31. Use calendar year election for 1997 Plan Year:

Yes No

If "Yes" is checked, for the Plan Year beginning between January 1, 1997 and December 31, 1997 the determination of a Highly Compensated Employee shall be made with regard to Testing Compensation paid for the calendar year ending within such Plan Year.

Other Definitions

32. Definition of Disability:

i. The Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The permanence and degree of such impairment shall be supported by medical evidence.

ii. The determination by the Social Security Administration that the Participant is eligible to receive disability benefits under the Social Security Act.

iii. The Participant suffers from a physical or mental impairment that results in his inability to engage in any occupation comparable to that in which the Participant was engaged at the time of his disability. The permanence and degree of such impairment shall be supported by medical evidence.

- iv. The Participant is eligible to receive benefits under a Company-sponsored disability plan.
- v. The Participant is mentally or physically disabled under uniform rules consistently applied to all Participants in like circumstances.

33. Name of state or commonwealth for choice of law (Section 14.06): _____