

**FLEXIBLE BENEFIT PLAN
AMENDMENT**

WHEREAS, (the "Company") maintains the Flexible Benefit Plan (the "Plan") for the benefit of certain of its employees; and

WHEREAS, Pursuant to Section 8.01 of the Plan, the Company desires to amend the Plan;

NOW, THEREFORE, the Plan is hereby amended as follows, effective as provided therein:

Provisions

1. Permit Participants to revoke an election of coverage under a group health plan:
 - a. due to reduction in hours of service (Section 4.07(c))
 - b. due to enrollment in a qualified health plan offered through a marketplace established under Code section 1311 (Section 4.07(d))

NOTE: The group health plan may not be a health FSA and must provide minimum essential coverage (as defined in Code section 5000A(f)(1)).

- 3a. **Carryover.** Indicate whether the Plan will carryover unused Health Care Reimbursement Account balances at the end of the Plan Year as permitted in IRS Notice 2013-71.
 - i. Yes - balances up to \$500 may be carried over (may not exceed \$500)
 - ii. No

- 3b. Effective date of the carryover option: 12/31/2013.

BASIC PLAN DOCUMENT
Standard Provisions

1. Section 4.05 of the Basic Plan Document is removed and replaced with the following:

- (a) Forfeitures. Any balance remaining in a Participant's Account at the end of any Plan Year that is above the carryover amount limit to the extent a carryover applies to the Plan (or after the grace period if Subsection (c) applies) shall be forfeited and shall remain the property of the Company. Except as expressly provided herein, any balance remaining in a Participant's Account on his date of Termination shall be forfeited and shall remain the property of the Company. However, no forfeiture shall occur until all payments and reimbursements hereunder have been made on claims submitted within the time period specified in Section 6.01(b).
- (b) Transfers. Amounts may not be transferred between Accounts.
- (c) Grace Period. If the Adoption Agreement provides for a 2-1/2 month grace period, effective for grace periods beginning on or after the date specified in the Adoption Agreement and notwithstanding anything to the contrary in the Plan, the unused contributions that remain in a Participant's Account at the end of a Plan Year may be used to reimburse expenses that are incurred during the grace period. The grace period shall commence on the first day of the subsequent Plan Year and shall end on the fifteenth day of the third calendar month of the subsequent Plan Year. Unless otherwise provided in the Adoption Agreement, the grace period shall apply to all Accounts in which the Participant is eligible to Participate. Payment or reimbursement of unused benefits shall be subject to the following terms and conditions:
- (1) Same Account. Unused contributions remaining at the end of a Plan Year relating to a particular Account may only be used to reimburse expenses incurred with respect to that Account.
- (2) No Cash Out. Unused contributions remaining at the end of a Plan Year may not be cashed-out or converted to any other taxable or nontaxable benefit.
- (3) No Carryforward. Except as provided in Section 4.05(d), any unused contributions remaining at the end of a Plan Year that exceed the expenses for a particular Account that are incurred during the grace period may not be carried forward to any subsequent period (including any subsequent Plan Year) and shall be forfeited.
- (4) Construction. This Section 4.05(c) is to be construed in accordance with IRS Notice 2005-42 and any superseding guidance.
- (d) Carryovers. To the extent selected in the Adoption Agreement, the Plan will carry over to the immediately following Plan Year up to \$500 of any amount remaining unused as of the end of the Plan Year in a Participant's Health Care Reimbursement Account. The amount remaining unused as of the end of the Plan Year is the amount unused in the

Health Care Reimbursement Account after all eligible Health Care Reimbursement Account expenses have been reimbursed and the claims deadline for the Plan Year has passed. The carryover amount may be used to pay or reimburse eligible Health Care Reimbursement Account expenses incurred during the entire Plan Year to which it is carried over. Any unused amount remaining in the Health Care Reimbursement Account in excess of \$500 (or a lower amount specified in the Adoption Agreement) is forfeited.

2. Section 4.07 of the Basic Plan Document shall be modified as described below:

(a) By Participant. Any election made under this Article 4 shall be irrevocable by the Participant during the Plan Year unless revocation is required by the provisions of the Federal Family and Medical Leave Act or other applicable law and is permitted under Treas. Reg. 1.125-4, IRS Notice 2014-55 and the provisions of the Adoption Agreement.

(b) If the Adoption Agreement provides that elections may be modified at any time permitted under Treas. Reg. section 1.125-4, elections may be modified upon the occurrence of any of the following events:

[Paragraphs (1) - (6) are not modified]

(c) If the Adoption Agreement permits Participants to revoke an election of coverage under a group health plan due to reduction in hours of service, the following conditions must be met:

(1) The Participant must have been in an employment status under which the Participant was reasonably expected to average at least 30 hours of service per week and there is a change in the Participant's status so that the employee will reasonably be expected to average less than 30 hours of service per week after the change, even if that reduction does not result in the Participant ceasing to be eligible under a group health plan; and

(2) The revocation of the election of coverage under the group health plan corresponds to the intended enrollment of the Participant, and any related individuals who cease coverage due to the revocation, in another plan that provides minimum essential coverage with the new coverage effective no later than the first day of the second month following the month that includes the date the original coverage is revoked. The Plan Administrator may rely on the reasonable representation of the Participant that the Participant has enrolled or intends to enroll in the other plan.

This Section shall be interpreted consistent with IRS Notice 2014-55 and any superseding guidance.

(c) If the Adoption Agreement permits Participants to revoke an election of coverage under a group health plan due to enrollment in a qualified health plan offered through a marketplace established under Code section 1311, the following conditions must be met:

(1) The Participant is eligible for a special enrollment period to enroll in a qualified health plan through the marketplace pursuant to guidance issued by the Department of Health and Human Services and any other applicable guidance, or the Participant seeks to enroll in a qualified health plan through a marketplace during the marketplace's annual enrollment period; and

(2) The revocation of the election of coverage under the group health plan corresponds to the intended enrollment of the Participant and any related individuals who cease coverage due to the revocation in a qualified health plan through a marketplace for new coverage that is effective no later than the day immediately following the last day of the original coverage that is revoked. The Plan Administrator may rely on the reasonable representation of the Participant that the Participant has enrolled or intends to enroll in the other qualified health plan.

This Section shall be interpreted consistent with IRS Notice 2014-55 and any superseding guidance.

[Paragraphs (b) - (d) shall be renumbered (d) - (f) but shall otherwise remain unmodified]

3. Non-calendar Year Revocation/Changes in Election with Respect to the Accident and Health Plan

To the extent the optional provisions allow revocation/changes in election with respect to the accident and health plan once during the 2014 Plan Year and allow a prospective salary reduction election for accident and health coverage and to the extent not limited by the optional provisions, the following shall apply:

(a) A Participant who elected to salary reduce through the Plan for accident and health coverage with a non-calendar plan year beginning in 2013 is allowed to prospectively revoke or change his or her election with respect to the accident and health plan once during that plan year; and

(b) A Participant who failed to make a salary reduction election through the Plan for accident and health plan coverage with a non-calendar year beginning in 2013 before the deadline in Prop. Treas. Reg. section 1.125-2 for making elections for the Plan year beginning in 2013 is allowed to make a prospective salary reduction election for accident and health coverage on or after the first day of the 2013 plan year of this Plan.