401(k) Plan
Automatic Enrollment Contribution Notice

The Society Of The Four Arts is pleased to offer its employees an automatic enrollment feature, making saving for retirement under your 401(k) Plan even easier.

IMPORTANT: This notice gives you important information about some Plan rules including these points:
- Whether the Plan’s automatic enrollment feature applies to you;
- What amounts will be automatically taken from your pay and contributed to the Plan;
- What other amounts the Company will contribute to your Plan account;
- How your Plan account will be invested;
- When your Plan account will be vested (that is, not lost when you leave your job), and when you can get your Plan account; and
- How you can change your contributions.

*More detailed information can be found in the Plan’s Summary Plan Description (SPD) which you may request a copy by contacting your Plan Administrator.

Section One: Plan Information
Name of Adopting Employer: The Society Of The Four Arts
Notice Date: ___/___/____
Plan Name: The Society Of The Four Arts 401(k) Profit Sharing Plan and Trust
Plan Sequence Number: 003
Plan Year End: December 31, _________

Section Two: Employee Deferral Information
Unless your Employer indicates otherwise, the contribution described below will be made to the Plan identified above, and will be determined based on the definition of Compensation described in the SPD your Employer has provided to you. Generally, this is your Compensation reported on your IRS Form W-2.

Part A: Automatic Elective Deferrals
If you fail to complete an Enrollment Form (that is, you have not elected a contribution level), you will be enrolled in the Plan starting with your first paycheck on or after ___/___/____ at the Automatic Elective Deferral Amount specified below. This means money will be automatically taken from your pay and contributed to your Plan account. If you do not want to participate in the Plan, you must enroll at 0%.

Automatic Elective Deferral Amount: 10%

You have a minimum of 30 days from the date you receive this notice to either enroll at a different salary deferral rate, or to instruct that no salary deferral be made from your per-pay-period Compensation. Please refer to your SPD for additional rules regarding how and when you may make or change a deferral election. You may also make a salary deferral change by accessing the Paychex Online Retirement Services website at https://benefits.paychex.com or by calling Paychex Employee Services at 877-244-1771.

Reminder: If you do nothing, the Automatic Elective Deferral Amount listed above will be taken out of your pay.

Note: In the event you have failed to complete an Enrollment Form and your plan has been amended to require a minimum automatic enrollment percentage greater than your current default percentage, your deferral contribution will increase as of the date specified above.

1 PLEASE NOTE - PLAN DOCUMENTS GOVERN: The information above is intended to provide guidance about your employer’s 401(k) Plan. If there is any difference between this notice guidance and the terms of the official plan documents (ie. SPD), the terms of the plan documents will govern. The Plan Sponsor has reserved the right to amend, modify, merge or terminate the Plan, in its discretion subject to applicable ERISA rules and regulations.
Part B: Default Investment of Plan Contributions

You have the right to select and direct the investment option(s) for the contributions made to the Plan on your behalf. However, if you fail to provide investment direction (that is, you do not provide a valid instruction as to how the contributions should be invested), the contributions will be invested in a Qualified Default Investment Alternative (QDIA). A QDIA is an investment option under the Plan which is intended to promote the long-term capital growth of your account balance in order to achieve meaningful retirement savings. If a Plan contribution is invested in the QDIA, you still have the right to transfer the contribution from the QDIA to any other investment option available under the Plan. Prior to requesting any movement of funds, please review the fund prospectus for policies regarding frequent trading and market timing. If you may contact the Plan Administrator to obtain information regarding the specific investment(s) that will serve as the QDIA, fees and expenses that may be associated with the QDIA, and alternative investments available under the Plan.

All amounts contributed to the Plan for which you have provided no direction on how they should be invested will be invested in the following default investment:

T. ROBE PRICE RETIREMENT 2020

Name of Default Investment

Does the Plan use a Target Date Investment Series as its primary default fund (specified above)?

☐ Yes  ☑ No

If yes, contributions will be allocated to the applicable fund within the Target Date Investment Series based on your age. If information necessary to select a target date fund is unavailable, all amounts contributed to the Plan for which you have not provided investment direction will be invested in the following default fund:

Name of Secondary Default Investment

Part C: Default Investment of Plan Contributions for Initial 90 Days

Does the Plan use a default fund (identified below) that applies only to the first 90 days that the contributions are held in the Plan?  ☐ Yes  ☑ No

If yes, the contributions will be automatically transferred after the initial 90 days to the default fund identified in Part B.

Name of 90 Day Default Investment

Part D: Automatic Elective Deferral Increase

If you fail to complete an Enrollment Form, and you are enrolled in this Plan due to the Automatic Elective Deferral provision, your elective deferral amount will increase once a year in the amount and on the date determined by your Employer and listed below.

1. Does the Elective Deferral increase provision apply to this Plan?  ☐ Yes  ☑ No
2. If the Elective Deferral will increase, the amount that the Elective Deferral will increase by is_____%.
3. After the initial 12-month period, the Elective Deferral will increase every year on the first pay period that begins on or after the increase date. Such increases will occur on the following dates:

4. The maximum amount of your Compensation that may be deducted as an Automatic Elective Deferral is_____%.

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Section Three:
Employer Contributions

Part A: Safe Harbor Automatic Enrollment (QACA)

Does this Plan intend to comply with the Safe Harbor Automatic Enrollment Requirements of the Internal Revenue Code?

☐ Yes ☑ No

If “No”, skip to Part B and continue. If “Yes”, Employer will make contributions to each participant as described below in this Part A. Your Employer will make contributions to each participant as described below:

☐ **Option 1: A Matching Contribution in an amount equal to:**

☐ the sum of 100% of the portion of your Employee 401(k) Contributions which do not exceed 1% of your Compensation, plus 50% of the portion of your Employee 401(k) Contributions of the next 2% through 6% of your Compensation. No additional Matching Contributions will be made to the Plan on your behalf.

☐ the sum of

(i) 100% of your Employee 401(k) Contributions that do not exceed ___% of your Compensation for the year plus

(ii) ___% of your 401(k) Contributions that exceed ______% of your Compensation for the Plan Year and that do not exceed ______% of your Compensation for the Plan Year.

☐ **Option 2: A Non-elective Contribution in an amount equal to at least 3% of your Compensation.**

☐ WILL BE contributed if you are eligible to make Employee 401(k) Contributions.

☐ MAY BE contributed if you are eligible to make Employee 401(k) Contributions. You will receive a supplemental notice no later than December 1 of this Plan Year if the Plan is amended to include the contribution.

☐ This notice satisfies the supplemental notice requirement. This Plan has been amended. A Safe Harbor non-elective contribution of at least 3% of your Compensation will be contributed if you are eligible to make Employee 401(k) Contributions.

☐ **Option 3: Automatic Elective Deferral Increase**

If you fail to complete an Enrollment Form, and you are enrolled in this Plan due to the Safe Harbor Automatic Enrollment provision, your elective deferral amount will increase once a year in the amount and on the date determined by your Employer and listed below.

* Your Elective Deferral will increase by ________%.

* After an initial 12-month period, the Elective Deferral will increase every year on the first pay period that begins on or after January 1. The maximum amount of your Compensation that may be deducted as an Automatic Elective Deferral is _________%.

☐ **Option 4: Safe Harbor Contribution Elimination**

This plan has been amended during the Plan Year to eliminate the Safe Harbor Matching or Non-elective Contribution. You have 30 days following receipt of this notice to change your Employee 401(k) Contribution election. The Matching/Non-elective Contribution will no longer be made as of ____________

(this date is no earlier than 30 days from the date of this notice).

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Part B: Other

Employer Contributions

In addition to the contributions identified above, your Employer may be permitted to make additional contributions to the Plan. Refer to your SPD to determine if additional contributions will be made and, if so, whether you are entitled to receive a portion of such contributions.

Section Four:

Rehired Employees

A. If a former employee is rehired after 1 plan year from their termination date, the initial period for determining your automatic contribution amount will be reset if no portion of your deferrals has been automatically contributed to the plan for an entire plan year. This is called the "reset rule" per the Basic Plan Document.

**EXAMPLE 1:** You were automatically enrolled at 3% of your Compensation in 2013. You terminated your employment late in 2013 and were rehired during the 2015 Plan Year. Because you did not work for the Employer during the 2014 Plan Year, in 2015 you will be treated as a new employee for purposes of the automatic enrollment provision and you will be automatically enrolled at 3% again.

**EXAMPLE 2:** You were hired in 2013 and affirmatively elected to have 5% withheld from your pay. You terminated your employment late in 2013 and were rehired during the 2015 Plan Year. Because you did not work for the Employer during the 2014 Plan Year, in 2015 you will be treated as a new employee for purposes of the automatic enrollment provision and you will be automatically enrolled at the initial automatic enrollment percentage unless a new affirmative election is made.

**NOTE:** Your Plan Administrator will automatically increase the amount of your Deferrals as indicated in Section 2 if applicable.

B. If a former eligible employee is rehired less than 1 plan year from their termination date, the following Automatic Enrollment action will apply:

**EXAMPLE 1:** Employee was never automatically enrolled in plan before termination, the rehired employee is treated as a new employee for purposes of the automatic enrollment process.

**EXAMPLE 2:** Employee was automatically enrolled when terminated, the rehired employee will be re-enrolled at the same deferral percentage it was previously upon rehire. If the plan has Automatic Elective Deferral Increase, employee’s deferral percentage will start back up at the new percentage they would have been automatically increased to.

**EXAMPLE 3:** Employee made an affirmative action to take control of their elected deferrals (make or changed deferral election, requested a Permissible Withdrawal), the rehired employee is treated as a new employee for purposes of automatic enrollment process.

Section Five:

Vesting of Contributions

You will always be fully vested in all contributions derived from Elective Deferrals.

Your rollover and transfer contributions, if allowed, are 100% vested immediately. The vesting schedules below apply to your Safe Harbor Basic Matching Contributions (if any), Safe Harbor Non-elective Contributions (if any), Employer Matching Contributions (if any), and Employer Profit Sharing Contributions (if any). A vesting year of service is a 12-month Plan year in which you work 1,000 hours for your Employer.

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Section Six:
Distributions

Part A: Permissible Withdrawals

Even if you are vested in your Plan account, there are limits on when you may withdraw your funds. These limits may be important to you in deciding how much, if any, to contribute to the Plan. Generally you may only withdraw vested money after you leave your job, reach age 59½, or become disabled. Also, there is generally an extra 10% tax on distributions taken before age 59½.

Unless one of the situations listed above exists, you cannot withdraw your Individual Account attributable to Employer Profit Sharing and Matching Contributions, rollover contributions, or transfer contributions while you are still employed. You may request a distribution of the vested portion of your Individual Account in the form of a Lump Sum, installment Payment, or Annuity Contracts.

If you are enrolled in this Plan due to the Automatic Elective Deferral provision, you are permitted to request a distribution of the elective deferral contributions that were deducted from your per-pay-period Compensation. This type of distribution is called a Permissible Withdrawal.

The following restrictions apply to the Permissible Withdrawal:

1. The Permissible Withdrawal request must be made within 90 days of the initial elective deferral deducted from your Compensation (a Permissible Withdrawal may not be processed for any request received after the 90 days has expired);
2. The elective deferral contributions and any Employer matching contributions will stop;
3. The distribution will consist only of your elective deferral contribution amounts adjusted for any gains or losses that the contributions may have experienced while they were in the Plan. This means that the dollar amount of the distribution may be less than, or more than, the amount actually deducted from your Compensation; and
4. Employer matching contributions made to the Plan as a result of the Automatic Elective Deferral provision will be forfeited to the Plan. This means you will not receive any portion of the matching contributions that you may otherwise have been entitled to if you had not requested a Permissible Withdrawal.
1. Can you borrow amounts through a Plan loan?  □  ☑

2. Can you withdraw your Elective Deferrals on account of hardship?  □ Yes  ☑ No

**Involuntary Cashout**
If your account balance exceeds $1,000, but is less than $5,000, the Plan Administrator may instruct that you receive your distribution in the form of a single sum payment. When determining the value of the account, rollover contributions will not be included.

**REA Safe Harbor/Qualified Joint and Survivor Annuity**
The REA Safe Harbor provisions of the Plan do apply.

**Section Seven:**
**Contact Information**
If you have questions or require further information, please contact the following:

Plan Administrator: Philip B Rylands
Address: 100 Four Arts Plaza
City: Palm Beach  State FL  ZIP: 33480
Telephone: 561-659-8508

**Section Eight:**
**Additional Information**
Paychex Employee Services Website: https://benefits.paychex.com
Paychex Employee Benefit Service (Call) Center: 877-244-1771
(Representatives are available from 8 a.m. to 8 p.m. ET, Monday through Friday, except Federal Bank holidays.)

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