

## Annual Notice to Eligible Participants of the The Broaster Company 401(k) Profit Sharing Plan (“the 401(k) Plan”)

November 21, 2022

This IRS-required Notice provides important information relating to your participation in the 401(k) Plan for the plan year that begins January 1, 2023 (called the “2023 plan year” in this Notice). You should consider this information as you decide how much (if any) of your compensation you wish to deduct from your paychecks as your employee tax-deferred contribution into the Plan for the 2023 plan year.

**Safe Harbor Matching Contribution:** For the 2023 plan year, Broaster will provide you with a so-called Safe Harbor matching contribution. The Safe Harbor matching contribution will be a dollar-for-dollar matching contribution based upon your salary deferrals (your 401(k) payroll-deduction contributions) up to 3% of your compensation and then a 50¢-on-the-dollar matching contribution on your salary deferrals from 3% to 5% of your compensation. This formula results in a maximum matching contribution from Broaster Company of 4% of your compensation on an employee contribution rate of 5%.

**Example:** Assume John's per-paycheck compensation is \$1,461.38. He elects to contribute 5% (\$73.07) of his paycheck compensation into his 401(k) Plan account. Broaster will provide him with a total Safe Harbor matching contribution of \$58.45 (computed as a dollar-for-dollar match on his first 3% deferral = \$43.84 PLUS a 50¢-per-dollar match on his next 2% deferral = \$14.61.)

**Eligibility for Safe Harbor matching contribution:** Broaster employees are eligible to make tax-deferred contributions into the Plan beginning effective the first day of the first calendar quarter after attaining age 21 and working at least 1,000 hours within their first twelve months of employment.

**Salary Deferrals:** You may contribute to the Plan on your own behalf. Your 401(k) Salary Deferral Contributions will be withheld from your pay and deposited to the Plan on or closely proximate to each bi-weekly paycheck date. (Weekly pay employees' contributions are accumulated for the prior week then deposited with the bi-weekly employees' contributions.) Your contributions reduce your taxable income by the amount you contribute. Your contributions are limited in dollar amount by law and the Plan document. You may contribute a maximum of 100% of your compensation, but not in excess of the 2023 calendar year dollar limit of \$22,500. Participants reaching age 50 any time during 2023 may contribute an additional \$7,500 “Catch-Up” Salary Deferral on their own behalf. Broaster will base the calculation of your matching contributions on the salary deferrals you make for each payroll period. It's therefore important that you contribute in relatively equal amounts throughout the calendar year to maximize your matching contribution. Your Safe Harbor matching contribution will be deposited to the 401(k) Plan's Trust investments along with your salary deferral contribution shortly after each bi-weekly paycheck date.

**Compensation:** Broaster will consider the “Compensation” (as defined by the Plan Document) paid to you each payroll period in determining the amount of your Safe Harbor matching contribution.

**Your Right to Benefits:** Your accounts accumulated under the Profit Sharing Plan and the previous Employer Matching Contributions and investment earnings thereon are subject to a vesting schedule as follows:

<u>Completed Years Of Service</u>	<u>Percentage To be Paid</u>
One	0%
Two	20%
Three	40%
Four	60%
Five	80%
Six or more	100%

However, you are always fully vested in the 401(k) payroll deduction contributions, rollover contributions you make to the 401(k) Profit Sharing Plan and Safe Harbor matching contributions and investment returns thereon.

**Withdrawal:** Your vested account balance is payable to you in a lump sum following the date your employment terminates.

In addition, even while you are still employed, you may withdraw your account balance after you reach age 59-1/2.

Finally, you may make a withdrawal from the 401(k) Profit Sharing Plan if you suffer a hardship. This type of in-service withdrawal is limited to the portion of your Plan account attributable to your 401(k) employee contributions and rollover contributions including accumulated investment earnings thereon. A hardship withdrawal may be made if the withdrawal is on account of an immediate and heavy financial need, such as unpaid medical expenses of you,

your spouse or your dependents, costs directly related to the purchase of your principal residence, college tuition for you, your spouse or your dependents, prevention of eviction from or foreclosure on your principal residence, funeral or burial expenses for a deceased parent, spouse or dependent, expenses for the repair of damage to principal residence and expenses incurred (including loss of income) with a primary residence or place of employment in a federal disaster area. A hardship withdrawal cannot exceed the amount necessary to satisfy the immediate and heavy financial need.

Generally, any Safe Harbor matching contributions, Profit Sharing contributions and previous matching contributions made on your behalf may not be withdrawn until your employment with Broaster Company terminates, or you attain age 59½, become totally disabled, or die.

**Modification of Safe Harbor matching contribution:** If Broaster Company decides to modify or cease making the Safe Harbor matching contribution during the 2023 plan year, Broaster must (to maintain the Plan's legal compliance) notify you at least 30 days before the effective date of that change and continue the Safe Harbor matching through that effective date.

**Administrative procedures:** If you are currently contributing and wish to continue that contribution without modification, no further action is required at this time. You may start or change your deferral (401(k) payroll deduction contribution) election for the 2023 plan year by completing a *Participant's Original Deferral Agreement* or a *Future Contributions – Deferral Rate and / or Investment Mix Change Request*. You may change your deferral election at any time thereafter by completing a new Form.

**Please refer to the Plan's *Summary Plan Description* available at [www.planspecs.com/broaster](http://www.planspecs.com/broaster) for additional information on other Plan features.**

**Contact Lindsey Herrera for further information.**