

Dechert-Hampe & Company Employees Savings and Profit Sharing Plan
Department of Labor – Required Benefit Statement – First Quarter, 2017
Pension Protection Act of 2006

The Pension Protection Act of 2006 (the “PPA”) imposed requirements on all retirement plans including the form, content, and timing of plan benefit statements. This memo, in combination with the monthly, quarterly and annual account statements described below, is intended to fulfill the Plan’s communications obligations under the PPA. Recurring account statements are distributed directly to each participant from two separate sources: 1) quarterly investment account statements generated by Compensation & Capital, the Plan’s Third-Party Administrator (“the TPA”) and 2) monthly investment account statements generated by Schwab depending upon each participant’s individual direction of account balances to this investing venue.

- *Participant’s total account balance:* The calendar quarter-end market value of each of the investments comprising your total account balance is detailed in the individual account statements generated and mailed to your home by the TPA and/or Schwab. Plan assets (other than those specifically directed to Schwab) are custodialized at Vanguard Mutual Funds and participant-directed as to investments across Trustee-approved SEC-registered Vanguard Investments no-load mutual funds.
- *Vested portion of participant’s total account balance:* Participants are always 100% vested in all Employee contributions, Rollover contributions and Employer Non-Elective contributions plus investment earnings thereon. Employer Discretionary contributions and investment earnings thereon are subject to a graduated 6-year vesting schedule. Former Pension Plan and Former Profit Sharing Plan contributions plus investment earnings thereon are also subject to the graduated 6-year vesting schedule. Generally speaking, participants become 100% vested upon disability, death, retirement or completion of the minimum (6 years) required service. Section XI of the Plan’s Summary Plan Description (SPD) details these vesting requirements. Our TPA applies the Plan’s vesting provisions to each participant’s total account balance each calendar quarter-end and reports that vested balance to each participant on their quarterly account statement. The TPA also computes vested account balance in conjunction with interim participant requests for distributions, withdrawals or loans.
- *Limitations or restrictions on your rights to make investment directions:* The Plans’ Trustee establishes mutual fund and brokerage accounts as the Trustee considers appropriate to facilitate the execution of your investment directions. You may direct the TPA or Schwab to revise your investment directions on a daily basis, subject to any administrative restrictions imposed by the Trustee or the Plan Administrator. Any change can apply as you choose to your existing accounts or to your future contributions.
- *Information about the importance of diversifying investments:* [The following narrative has been prepared by the U.S. Department of Labor (DoL).] To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading your assets among different types of investments can help you achieve a favorable rate of return, while minimizing your overall risk of losing money. This is because market or other economic conditions that cause one category of assets, or one particular security, to perform very well often cause another asset category, or another particular security, to perform poorly. If you invest more than 20% of your retirement savings in any one company or industry, your savings may not be properly diversified. Although diversification is not a guarantee against loss, it is an effective strategy to help you manage investment risk. In deciding how to invest your retirement savings, you should take into account all of your assets, including any retirement savings outside of the Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different tolerances for risk. It is also important to periodically review your investment portfolio, your investment objectives, and the investment options under the Plan to help ensure that your retirement savings will meet your retirement goals.
- *Online source for investment information from the Department of Labor:* The PPA requires that this benefit statement include direction to the DoL’s website for information on individual investing and diversification at: <http://www.dol.gov/ebsa/investing.html>