# Pyramid Consulting International

# BASIC PLAN DOCUMENT FOR THE

# CODE SECTION 125 – CAFETERIA PLAN

(Restated Effective for the Plan Year Beginning On and After January 1, 2015 )

MBPA
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***Michigan Business & Professional Association cannot guarantee that this Basic Plan Document for a Code Section 125 - Cafeteria Plan and accompanying Adoption Agreement (the "Plan") accurately reflect your particular benefit program or unique plan design. Nor can Michigan Business & Professional Association make any representations as to the legality or sufficiency of this Plan document, particularly if you modify it in any way. As a result, you are strongly recommended to consult with legal counsel before using this Plan document.***

## General Information

1. Sponsoring Employer's Name, Address and Telephone Number [Note: the Sponsoring Employer also is the Plan Administrator]:

*Pyramid Consulting International*
*Pyramid Consulting International*
*Sherif Farghal*
*2350 Green Rd, Suite 175C*
*7343698127*

2. Sponsoring Employer's Federal Employer Identification Number

*208567787*

3. Original Effective Date of the Plan

*03/01/2013*

4. Effective Date of the Amendment and Restatement of the Plan

*11/01/2015*

5. Plan Year

Plan Year:

*03/01* (MM/DD) - *02/28* (MM/DD)

*Calendar*

## Benefit Plan Options

6. The Employer hereby elects that the following Qualified Benefits are available to Plan Participants (check all that apply):

*X* The Employee's pre-tax premium payment for coverage under the Employer's Medical Plan.

*X* The Employee's pre-tax premium payment for COBRA continuation coverage offered under a group health plan sponsored by the Employer.

*X* The Employee's pre-tax premium payment for Employer's Dental Plan.

*X* The Employee's pre-tax premium payment for Employer's Vision Plan.

*X* The Employee's pre-tax premium payment for coverage under the Employer's Group Term Life Insurance Plan.

*X* The Employee's choice between pre-tax or after-tax premium payment for coverage under the Employer's Long Term Disability Plan.

_X_ The Employee's choice between pre-tax or after-tax premium payment for coverage under the Employer's Short Term Disability Plan.

## Benefit Plan Options

7. The Employer hereby offers an Opt-Out Cash Payment to any Employee who waives coverage under one or all of the following plans (check all that apply):

_X_ No Opt-Out Cash Payment is available.

8. If a newly eligible Participant fails to timely elect benefits under this Plan, he or she will be deemed to have elected the following benefit elections (check all that apply):

_X_ No default elections apply for newly eligible Participants (i.e. he or she will not participate in Employer's benefit programs for the remainder of the Plan Year).

9. If Participants fail to timely elect benefits under the Plan during an annual Open Enrollment Period in accordance with the elections procedures set forth by the Employer, the following will apply (check one):

_X_ The Employee will be deemed as electing to continue his/her benefit elections from the previous Plan Year for the subsequent Plan Year.

## Payment During Leave Options

10. The Employer hereby elects the following additional payment methods to be offered to an Employee during his FMLA, USERRA or Employer-Approved Leave of Absence (Note that the Pay-As-You Go Payment Method will always be offered to Employees) [the Employer may elect just one, both or neither of the following additional options]:

## Participating Employers

11. The following Participating Employers (and its eligible Employees) are authorized by the Sponsoring Employer to participatein the Plan (only employers who are related entities of the Sponsoring Employer can participate in the Plan)

This Employer hereby establishes a Code Section 125 - Cafeteria Plan under Internal Revenue Code Section 125. This Adoption Agreement is incorporated by reference and is made part of the Basic Plan Document attached hereto. Nothing in this Adoption Agreement shall be intended to override the terms of the Basic Plan Document to which this Adoption Agreement is attached.

Signature: *Sherif Farghal*

Adopting Employer: *Pyramid Consulting International* Title *President & CEO*

Completed by: *Versie Shupp* Date *10/12/2015*

## Consent Resolutions of the Board of Directors

The undersigned, being all of the directors of *Pyramid Consulting International* (the "Company"), hereby consent to the adoption of the following rsolutions.

Option 1: Use for a new established POP:WHEREAS, the Company desires to adopt the Basic Plan Document for the Premium Only Plan an accompanying Adoption Agreement (the "Plan") to allow eligible employees to select among certain taxable and nontaxable benefits.NOW THEREFORE, BE IT RESOLVED, that the Plan is approved and adopted effective as of *03/01/2013* .RESOLVED FURTHER, that the President of the Company is authorized and directed to execute the Adoption Agreement for the Plan, and to take such other action as may be necessary or appropriate to implement these resolutions.

Option 2: Use for an amended and restated POP:WHEREAS, the Company desires to amend and restate its Premium Only Plan by adopting, in the form submitted to the Directors, the Basic Plan Documentand accompanying Adoption Agreement (the "Plan").NOW THEREFORE, BE IT RESOLVED, that the restated Plan, in the form presented to the Directors, is approved and adopted effective as of *11/01/2015* .RESOLVED FURTHER, that the President of the Company is authorized and directed to execute the Plan, and to take such other action as may be necessary or appropriate to implement these resolutions.

Name: *Sherif Farghal* Title *Presiden & CEO*

Name: ___ Title ___

Name: ___ Title ___

Name: ___ Title ___

Dated: *10/12/2015*

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## ARTICLE I
## PREAMBLES

**Section 1.01 Adoption of Plan.** Effective as of the date set forth in the Adoption Agreement, the Employer specified in the Adoption Agreement has established a Code Section 125 – Cafeteria Plan (the "Plan") for its Employees. The Adoption Agreement is incorporated by reference and made part of this Plan document.

**Section 1.02 Purpose.** The purpose of the Plan is to provide eligible Employees with the opportunity to select among various combinations of taxable and non-taxable Benefits and taxable compensation. Specifically, the Plan allows a Participant to pay for the Participant's share of the premium payments under certain Benefit Plans on a pre-tax basis. The Employer, in its sole discretion, also may adopt an Opt-Out Cash Payment feature under which a Participant would be allowed to elect, in writing, to waive coverage under certain Benefit Plans and, in lieu thereof, receive a taxable opt-out cash payment. The Employer will determine the amount of this Opt-Out Cash Payment, if any, and Participants will be informed of such availability and amount during their initial enrollment period or during the Open Enrollment Period.

This Plan document also is intended to wrap and join together each of the Benefit Plans to constitute a single employee welfare benefit plan for ERISA and annual reporting purposes. However, the specific rights, terms and conditions for each Benefit Plan are solely described in the applicable Plan Documents, Summary Plan Descriptions and/or insurance contracts, all of which shall be incorporated herein by reference.

**Section 1.03 Interpretation and Law.** The Plan is intended to comply with Section 125 of the Internal Revenue Code of 1986, as amended, and with the regulations promulgated thereunder. Where not governed or preempted by federal law, the Plan shall be administered and construed in accordance with Michigan law. The Plan is not intended to nor shall it be construed to be an amendment or interpretation of the provisions of any benefit plan maintained by the Employer, except to the extent that this Plan permits Employees who participate in this Plan to elect to participate in any such benefit plan. It is the intention of the Employer that the Plan be maintained for the exclusive benefit of eligible Employees.

## ARTICLE II
## DEFINITIONS

Throughout the Plan, various terms are used repeatedly. These terms have specific and definite meanings when capitalized in the text. For convenience, capitalized terms are collected and defined in this Article. Whenever capitalized terms appear in the Plan, they shall have the meanings specified in this Article. Where necessary or appropriate to the context, the masculine shall include the feminine, the singular shall include the plural and vice versa.

**Section 2.01** "**Adoption Agreement**" means the agreement under which the Employer duly adopts this plan document, which agreement is incorporated by reference herein.

**Section 2.02** "**Affiliated Employer**" means any entity who is considered with the Employer to be a single employer in accordance with Code Section 414(t).

**Section 2.03 "Benefit"** means the Permitted Taxable Benefits (e.g. cash) and nontaxable Qualified Benefits made available to Participants from time to time under this Plan. Such Benefits shall be determined by the Plan Administrator each Plan Year, a list of which will be provided to Participants during each Open Enrollment Period (see the Adoption Agreement). The specific provisions of Qualified Benefits shall be set forth in separate plan documents, agreements, or contracts, which may include Employees' substantiated individual health insurance policies, and are incorporated by reference into this Plan (referred to as "**Benefit Plan(s)**").

**Section 2.04 "Code"** means the Internal Revenue Code of 1986, as amended, together with its related rules and regulations. References to any Section of the Code shall include any successor provision.

**Section 2.05 "Dependent"** means any individual who is deemed a "Dependent" under the terms of the applicable Benefit Plan. However, a Participant can pay premiums on a pre-tax basis under this Plan only for the Participant's Spouse or for the Participant's Dependents who meet the Code Section 152 definition of "dependent" (without regard to the earnings limit under §152(d)(1)(B); the special exclusions under §152(b)(1) or (2); or the age or student status requirements under §152(c)(3), provided that such qualifying child is age 26 or under during the entire Plan Year), even if a Benefit Plan allows coverage for individuals who do not qualify as such.

**Section 2.06** "**Effective Date**" of the Plan means the original effective date specified in the Adoption Agreement on which this Plan was first established and adopted by the Employer.

**Section 2.07 "Employee"** means any individual who is a common law employee directly and actively employed in the regular business of, and compensated for services by, the Employer. However, the term "Employee" will **not** include:

- any self-employed individual (e.g. a sole proprietor, partner or 2% shareholder of an S corporation);

- any individual whose employment is covered under and subject to a collective bargaining agreement, unless such agreement expressly requires and provides for coverage under this Plan; and/or

- any individual for whom the Employer designates as an independent contractor, leased or contract employee, or casual or temporary employee (regardless of the finding by any third party as to the common law employment status of any such person).

**Section 2.08 "Employer"** means the Employer identified in the Adoption Agreement as the sponsoring employer and any Affiliated Employer who adopts the Plan pursuant to authorization provided by the sponsoring Employer. However, whenever the Plan indicates that

the Employer may or shall take any action under the Plan, the Employer identified in the Adoption Agreement as the sponsoring Employer shall have sole authority to take such action for itself and as agent for any such Affiliated Employer. The Adoption Agreement identifies a current listing of Participating Employers.

**Section 2.09** "**Employer-Approved Leave of Absence**" shall include any leave of absence of the Employee that the Employer has, in writing, approved and agreed to continue the coverage of such Employee under the applicable Benefits Plan during such leave period.

**Section 2.10** **"ERISA"** means the Employee Retirement Income Security Act of 1974, as presently enacted and as it may be amended from time to time, together with its related rules and regulations.

**Section 2.11** "**Health Savings Account ("HSA")**" means the health savings account established in accordance with Code Section 223 and related regulations and IRS guidance.

**Section 2.12** **Open Enrollment Period** means a period during which a Participant may enroll in or change coverage under the Plan. The Open Enrollment Period will begin and end on dates determined by the Plan Administrator, which will be prior to the beginning of the next Plan Year.

**Section 2.13** **Opt-Out Cash Payment** means the taxable cash payment benefit available to a Participant if he or she declines and waives in writing coverage under certain Benefit Plans for a Plan Year. The Plan Administrator shall annually determine, in its sole discretion, which Benefit Plans will offer an Opt-Out Cash Payment and the amount of any such Opt-Out Cash Payment, which may be zero. A Participant is eligible for the Opt-Out Cash Payment only if he or she is eligible to participate in the particular Benefit Plan that offers such an Opt-Out Cash Payment.

**Section 2.14** **"Participant"** means an Employee who has met the eligibility requirements specified in Article III, who has commenced participation in the Plan pursuant to Article IV, and whose participation has not terminated under other applicable provisions of the Plan.

**Section 2.15** "**Permitted Taxable Benefits**" mean cash and certain other taxable benefits treated as cash for purposes of Code Section 125, including any Opt-Out Cash Payments and any other benefits attributable to Employer contributions that are currently taxable to the Employee upon receipt and benefits purchased with after-tax employee contributions.

**Section 2.16** **"Plan"** means this Cafeteria Plan, as set forth in this plan document.

**Section 2.17** **"Plan Administrator"** means the person(s) or organization(s) specifically designated by Article X as the administrator of the Plan.

**Section 2.18** **"Plan Year"** means the 12-month period set forth in the Adoption Agreement.

**Section 2.19** "**Qualified Benefit**" means any benefit excluded from the Employee's taxable income pursuant to an express provision of the Code which is specifically recognized as a "qualified benefit" under Code Section 125 and related Treasury Regulations. Generally, qualified benefits include group term life insurance benefits (Code Section 79), accident and health plan benefits, including through a Participant's substantiated individual health insurance policy, (Code Sections 105 and 106); premiums for COBRA continuation coverage under the Employer's group health plan or under a group health plan sponsored by a different employer; accidental death and dismemberment insurance benefits (Code Section 106); long-term or short-term disability benefits (Code Section 106); dependent care assistance benefits (Code Section 129); adoption assistance benefits (Code Section 137); qualified cash or deferred arrangement that is part of a qualified defined contribution (401(k)) plan; and contributions to a Health Savings Accounts.

Notwithstanding the foregoing, Qualified Benefits do not include and thus cannot be offered under the Plan the following: scholarship benefits (Code Section 117); employer-provided meals and lodging benefits (Code Section 119); educational assistance benefits (Code Section 127); fringe benefits (Code Section 132); long-term care insurance benefits or services (Code section 106); group-term life insurance benefits on the life of any individual other than an employee; health reimbursement arrangement benefits; contributions to Archer MSA (Code Section 106(b) and 220); elective deferrals to a section 403(b) plan; or group-term life insurance benefits that offer a permanent benefit, or any other benefits prohibited by treasury regulations or other IRS guidance.

**Section 2.20** **"Spouse"** means an Employee's Spouse by legal marriage, but specifically excluding any common law marriages even if recognized under the laws of the Employee's state of domicile. However, the legal married status between the Employee and Spouse must have existed at the time that the expense was incurred for which reimbursement is claimed, but shall not include an individual who is legally divorced from the Employee, or subject to a decree of legal separation or separate maintenance.

## ARTICLE III
## ELIGIBILITY

An Employee who has properly enrolled in coverage under one or more of the Benefit Plans will be eligible to participate in this Plan. Each Benefit Plan will set forth its own eligibility requirements for participation.

## ARTICLE IV
## PARTICIPATION

**Section 4.01** **Commencement of Participation.** An Employee shall commence participation in the Plan as of the first payroll period following the date he or she has met the eligibility requirements of Article III above, provided such Employee timely elects Benefits for the remainder of the Plan Year pursuant to Article VI below. In no event may participation in the Plan commence as of a date prior to the Effective Date of this Plan.

**Section 4.02 Meaning of Participation.** Participation entitles a Participant to elect among the Benefits made available by the Employer under the Plan for each Plan Year. Each of the Benefit Plans incorporated in this Plan may have its own eligibility requirements for participation which differ from those set forth in this Plan. The eligibility and participation requirements set forth in this Plan relate only to participation in this Plan and shall have no effect on any eligibility or participation requirements set forth under the applicable Benefit Plan.

**Section 4.03 Spouses and Beneficiaries.** The Participant's Dependents may not participate actively in the Plan (i.e., a Dependent may not be given the opportunity to select or purchase Benefits offered under the Plan), but the Participant's Dependent may benefit from the Participant's election of Benefits. Further, upon the Participant's termination of Plan participation under Section 5.01 below, no rights under the Plan will inure to a Dependent, except as provided under a specific Benefit Plan.

## ARTICLE V
## TERMINATION OF PARTICIPATION

**Section 5.01 Termination of Participation.** Except as provided in Section 5.02 (COBRA Coverage) and Article IX (Leave of Absence), participation in the Plan shall terminate upon the earliest of:

(a) termination of the Plan;

(b) termination of a Participant's employment with the Employer (including voluntary or involuntary termination of employment, layoffs, death, retirement, or unapproved leave of absence);

(c) failure to meet the eligibility requirements of Article III;

(d) failure to timely pay required contributions under the Plan;

(e) failure by a Participant to return to work after an approved leave of absence period; or

(f) any other event causing termination as described in the Plan.

A Participant who terminates participation in the Plan may be able to continue coverage under a Benefit Plan to the extent that the terms and conditions of such Benefit permit continued coverage.

**Section 5.02 COBRA Continuation Coverage.** Notwithstanding the provisions of Section 5.01, continuation coverage under any Benefit Plan which is a "group health plan" as that term is defined in Code Section 5000 shall be provided under the group health plan to Participants, their covered spouses and dependents to the extent required under ERISA Sections 601 through 608, and Code Section 4980B ("COBRA"). The terms of such COBRA continuation coverage, if any, shall be described in the group health plan or plans identified in the Adoption Agreement. If a Participant elects COBRA coverage under an applicable Benefit

Plan, the Participant may continue participation under this Plan to pay for required contributions under such Benefit Plan.

## ARTICLE VI
## ELECTION OF BENEFITS

**Section 6.01 Available Benefits.** Prior to the beginning of each Plan Year, the Employer shall designate the Benefits, including any Opt-Out Cash Payments, that are available for Participant election under the Plan for the following Plan Year and the cost to Participants of each such Benefit and the amount of each such Opt-Out Cash Payments (available Benefits will be specified in the Employer's Adoption Agreement). In determining such costs or amounts, the Employer shall consider all relevant data including, but not limited to, the cost of insurance to fund the benefit, the direct and indirect expense to the Employer if the benefit is paid directly from the general assets of the Employer, and the value of the coverage to the Participant. Further, the Employer may consider the age, pay, length of service, employment status, coverage status, and number of dependents of a Participant in determining the cost of a Benefit or the amount of an Opt-Out Cash Payment to each Participant, provided the Employer makes such determination on an equitable and nondiscriminatory basis.

The Employer may impose such conditions on allowing a Participant to decline Benefits coverage as it determines are appropriate, in its discretion; including, but not limited to, requiring that a Participant provide proof of other, comparable coverage that is then in effect with respect to the Participant (e.g., through a spouse's employer, etc.).

**Section 6.02 Notification.** Prior to the beginning of each Plan Year, the Employer will notify (electronically or otherwise) each Employee who is eligible for participation in the Plan for the following Plan Year of the Benefits available for selection under the Plan for such following Plan Year. The notice may include:

(a) A description of each Benefit available under the Plan for the Plan Year and whether the Benefit is taxable or non-taxable;

(b) The maximum amount of salary reduction that a Participant may direct to be used on his or her behalf to provide Benefits;

(c) The available minimum and maximum levels of coverage under each Benefit; and

(d) The cost to the Participant of each Benefit provided under the Plan for the Plan Year.

**Section 6.03 Election of Benefits.** Prior to the beginning of each Plan Year, and in conjunction with the notice materials as provided in Section 6.02, the Employer will provide enrollment instructions to each Employee who is eligible for participation in the Plan for the following Plan Year. For new Participants, the Employer shall provide the enrollment instructions as soon as practicable before an Employee becomes a Participant.

The Employee must complete the enrollment process with the Employer in a manner designated by the Employer and at any time up to and including a date specified by the Employer, but, in any event, prior to the beginning of the following Plan Year or, for newly eligible Participants, within 30 days of first becoming eligible to participate in the Plan. The completed enrollment process will specify the amount which the Employer will reduce the Employee's salary in order to pay for Benefits for the following Plan Year. See Section 6.05 with regard to the failure to timely elect benefits.

A Participant may not revoke or modify any election under this Section 6.03 for the Plan Year, except as provided in Section 6.07.

**Section 6.04 Minimum Benefits.** Section 6.03 notwithstanding, the Employer may require Employees to elect, with respect to a specified Benefit, a minimum level of such Benefit for the Plan Year. Minimum benefits shall be determined by the Employer from the Benefits available under the Plan for the Plan Year, and each Employee shall be notified in writing of the identity and amount of minimum benefits for the Plan Year. Such notification will be in conjunction with the notification of available Benefits pursuant to Section 6.02 and will be given prior to the beginning of the Plan Year or participation. If a Participant fails to elect at least the minimum amount of a specified Benefit, he or she will not be permitted to elect that Benefit or will be deemed to have elected the minimum default elections as described in this Plan or as established by the Plan Administrator and described in open enrollment materials.

**Section 6.05 Failure to Elect.** Faiure of a newly hired Employee to timely complete the enrollment process shall be administered in accordance with the election(s) made in Section 8 of the accompanying Adoption Agreement. The treatment of elections in the event a a Participant fails to timely complete the enrollment process with the Plan Administrator during the annual Open Enrollment Period on or before the specified due date for the Plan Year shall be administered in accordance with the election(s) made in Section 9 of the accompanying Adoption Agreement.

If the Plan Administrator decides to implement such a default election procedure or is otherwise required by law to do so, the Plan Administrator will notify Participants in writing (e.g. in the initial or open enrollment materials) of such default election procedures, including a description of the default elections, the amount of the salary reduction, the period of time for which the election is effective, the procedures to decline coverage and the deadline for making elections.

**Section 6.06 Involuntary Election Modifications.** At any time prior to or during the Plan Year, the Employer may require some or all Participants to modify their Benefit elections under the Plan if the Employer determines to its satisfaction that such modifications are necessary in order to preserve the tax-preferred status of this Plan under Code Section 125 or of any Benefit available under the Plan under any other applicable provision of the Code. Specifically, such modifications may be required in order to enable the Plan or any Benefit available under the Plan to satisfy the nondiscrimination requirements of applicable provisions of the Code. The Employer shall adopt and follow uniform and nondiscriminatory rules for

purposes of this section and its decisions regarding involuntary election modifications shall be final and binding.

**Section 6.07 Other Election Modifications.** Under the circumstances specified below, the Employer may permit or require a Participant to revoke a Benefit election under the Plan during a Plan Year, and, in some cases, to make a new election with respect to the remainder of the Plan Year. All such election modifications shall be consistent with Code Section 125 and applicable Treasury Regulations.

(a) **Cost or Coverage Changes**. This Section 6.07(a)(1) through (4) explains the circumstances under which a Participant's election may be modified as a result of certain cost or coverage changes to a Benefit or a benefit package option available under the applicable Benefit Plan (other than a flexible medical spending account plan):

(1) *Cost Changes*. In the event that the cost of a Benefit increases or decreases during a Plan Year, the Plan automatically may increase or decrease, as applicable, all affected Participants' salary reduction contributions for such Benefits on a reasonable and consistent basis.

If the cost charged to an Employee for a Benefit significantly increases or decreases during the Plan Year, the Participant may make a corresponding change in his or her salary reduction contributions under the Plan. Changes that may be made include electing to participate in the Plan with respect to the Benefit with the decreased cost or in the case of an increase in cost, revoking an election for that coverage and, in lieu thereof, either receiving similar coverage or dropping coverage if no other benefit package option providing similar coverage is available. The Plan Administrator in its sole discretion shall determine if the increase or decrease is significant.

A cost increase or decrease refers to an increase or decrease in the amount of salary contributions under the Plan, whether the increase or decrease results from an action taken by the employee (such as switching from full-time to part-time) or from action taken by the Employer (such as increasing or decreasing the amount of employer contributions for Employees).

(2) *Coverage Changes*. If an Employee (or his or her dependents) has a significant curtailment of coverage (i.e. an overall reduction in coverage) under a Benefit which does not result in a loss of coverage (as defined below) (e.g. a significant increase in the deductible, co-pay or out-of-pocket cost sharing limit), an Employee receiving such coverage may revoke his or her election for such coverage and, in lieu thereof, elect to receive on a prospective basis coverage under another benefit package option with respect to the applicable Benefit which provides similar coverage. The Plan Administrator in its sole discretion shall determine if the curtailment is significant.

If an Employee (or his or her dependents) has a significant curtailment of coverage under a Benefit that is a loss of coverage, the Employee may revoke his or her election for such coverage and, in lieu thereof, elect to receive on a prospective basis coverage under another benefit package option with respect to the applicable Benefit which provides similar coverage or completely drop coverage if no other benefit package option providing similar coverage is available. A loss of coverage means a complete loss of coverage under the benefit package option with respect to a Benefit, a substantial decrease in medical providers available under a benefit package option or a reduction in benefits for a specific type of medical condition or treatment with respect to which the Employee (or his or her dependents) is currently in a course of treatment.

If the Plan adds a new Benefit Plan or benefit package option, or an existing benefit package option is significantly improved during the Plan Year, an Employee may revoke his or her election under the Plan and, in lieu thereof, make an election on a prospective basis for coverage under the new or improved Benefit or benefit package option.

(3) *Change In Coverage Under Another Employer Plan*. An Employee may make a prospective election change that is on account of and corresponds with a change made under another employer plan (including a plan of the same employer or of another employer), if the other employer plan permits participants to make an election change under the same circumstances described under this Section 6.07.

(4) *Loss Of Coverage Under Another Group Health Plan*. If an Employee (or his or her Dependents) loses coverage under any group health coverage sponsored by a governmental or educational institution, the Employee may make a corresponding election change under this Plan to add coverage for himself or herself (or for his or her Dependents), on a prospective basis, under the applicable Benefit plan.

(b) **Special Enrollment Events of HIPAA.** If the Benefit is a "group health plan" subject to the Health Insurance Portability and Accountability Act ("HIPAA") (as codified under Code Section 9801 and related regulations) and to the extent permitted by the applicable plan document or insurance policy for such Benefit, a Participant may revoke an election during a period of coverage and make a new election that corresponds with the special enrollment rights provided in Code Section 9801(f) and related regulations.

Under Code Section 9801(f) and related regulations, special enrollment rights allow an Employee to enroll in group health plan coverage, upon the occurrence of an "Enrollment Event." For example, an Employee and/or his or her Dependent will have an Enrollment Event if, when the Employee declined coverage under the applicable group health plan, he or she certified that he or she was covered by another group health plan or health coverage and he or she (his or her spouse or child) loses eligibility for

coverage under that other health plan for reasons such as legal separation, divorce, annulment of marriage, death, termination of employment, reduction in number of hours of employment (e.g., leave of absence, transfer from full-time to part-time status, strike), change in place of residence or work, failure to elect COBRA coverage on termination of employment, cessation of the other employer's contributions for health coverage, or exhaustion of COBRA coverage. The Employee will not be considered to have lost coverage under this provision if he or she failed to pay the required premiums for such other coverage or such other coverage was terminated for cause. An Employee and/or his Dependent also may experience an Enrollment Event if he or she loses coverage under Medicaid or a State's Child Health Insurance Program (CHIP). Finally, an Employee may experience an Enrollment Event under HIPAA upon acquiring a new Dependent through marriage, birth or adoption.

(c) **Change in Status**. To the extent permitted by the Employer and the applicable plan document or insurance policy for the Benefit, an Employee may revoke a benefit election during a Plan Year and make a new election with respect to the remainder of the Plan Year provided that both the revocation and new election are on account of and correspond with a change in status that affects eligibility for coverage under a Benefit (i.e. the new election is consistent with the reason that such change is permitted). The following events are permissible "changes in status" for purposes of this subsection:

(1) *Legal Marital Status*. Events that change an Employee's legal marital status, including marriage, death of a spouse, divorce, legal separation or annulment.

(2) *Number of Dependents*. Events that change an Employee's number of Dependents, including birth, adoption, placement for adoption (as defined in regulations under Code Section 9801), or death of a Dependent.

(3) *Employment Status*. A termination or commencement of employment by the Employee, spouse, or Dependent.

(4) *Work Schedule*. A reduction or increase in hours of employment by the Employee, spouse, or Dependent, including a switch between part-time and full-time employment, a strike or lockout, or commencement or return from an unpaid leave of absence.

(5) *Dependent Satisfies or Ceases to Satisfy the Requirements for Unmarried Dependents*. An event that causes an Employee's Dependent to satisfy or cease to satisfy the requirements for coverage due to attainment of age, student status, or any similar circumstance as provided under the applicable Benefit.

(6) *Residence or Worksite*. A change in the place of residence or work of the Employee, spouse or Dependent resulting in his or her becoming covered under another plan which provides the applicable Benefit.

(7) *Reduction in Hours.* If an Employee experiences a change in employment status resulting in a reduction in work hours to less than 30 hours per week, the employee may revoke coverage under the Plan if he or she plans to enroll in coverage through the Marketplace and such Marketplace coverage is effective by the first day of the second month following the month in which the Plan coverage is terminated.

(8) *Enrollment in Marketplace Coverage during Marketplace Open Enrollment.* Employees may enroll in Marketplace coverage during the Marketplace annual open enrollment or special enrollment period and such coverage must be effective immediately following loss of coverage from the Plan

(d) **QMCSO**. If a Qualified Medical Child Support Order requires coverage for a child under the applicable Benefit Plan, the Employee's election under the Plan may be revised to provide coverage to such child. If a Qualified Medical Child Support Order requires a former spouse to provide coverage and such coverage is in fact provided, the Employee's election may be revised to cancel coverage for the child.

(e) **Entitlement to Medicare or Medicaid.** If an Employee (or his or her Dependent) is enrolled in a Benefit which is a group health plan and he or she becomes enrolled in coverage under Part A or B of Medicare or Medicaid (other than a program for distribution of pediatric vaccines), the Employee may make a prospective election change to cancel or reduce coverage of that Employee (or Dependent) under such Benefit Plan. In addition, if an Employee (or Dependent) who has been entitled to such Medicare or Medicaid coverage loses eligibility for such coverage, the Employee may make a prospective election to commence or increase coverage of that Employee (or Dependent) under the Benefit which is a group health plan.

(f) **Automatic Termination of Election.** Except as provided in Section 5.02 (COBRA Continuation Coverage), a Participant's elections under this Plan shall automatically terminate on the date the Participant ceases to be a Participant in this Plan or in one of the Benefit Plans.

(g) **Failure to Make Contribution.** In the event a Participant fails to make the required contributions with respect to a Benefit elected under the Plan, his or her receipt of such Benefit under the Plan for the remainder of the Plan Year shall be terminated and he or she shall not be permitted to make a new benefit election under the Plan during the remainder of that Plan Year.

(h) **Election Changes for HSA Contributions**. If the Employer indicates in the Adoption Agreement that a Participant may make pre-tax contributions to his or her Health Savings Account, the Participant may prospectively elect to increase, decrease or completely revoke the amount of his or her salary reduction election for such HSA contribution with respect only to salary that has not become currently available to the Participant.

Any change in election permitted under Section 6.07(a), (b), (c) and (e) above must be made no later than the last business day falling on or before 31 days following the date on which one of the events described in such paragraph occurs.

Notwithstanding the foregoing, a Participant shall not revoke an election and make a new election that would cause him or her to maintain less than the minimum benefits, if any, required with respect to any Benefit for a Plan Year. The Employer shall adopt and follow uniform and nondiscriminatory rules for purposes of this Section and its decisions regarding voluntary election modifications shall be final and binding.

## ARTICLE VII
## SALARY REDUCTION CONTRIBUTIONS

**Section 7.01 Salary Reduction.** The Participant may direct the Employer to reduce his or her compensation each pay period over the Plan Year in an amount equal to the cost of his or her elected Qualified Benefits. Such salary reduction amounts shall be designated and authorized by each Participant on his or her benefit election form and such form shall constitute a salary reduction agreement between the Participant and the Employer. The amount of salary reduction available to a Participant under the Plan for a Plan Year shall be equal to a portion of the cost necessary for the Employer to purchase the elected Qualified Benefit. Such amount shall be determined by the Employer prior to the beginning of each Plan Year. In the event of increases or decreases in the cost of providing Qualified Benefits during a Plan Year, a Participant's salary reduction amount may be automatically adjusted to reflect such increase or decrease.

**Section 7.02 Substantiation of Claims.** A Participant must satisfy the substantiation requirements set forth in this section and in Treasury Regulations §1.125-6(b) before the Plan can pay or reimburse a Participant for the expense of Qualified Benefits listed in the Employer's Adoption Agreement (e.g. before the Plan can reimburse a Participant for the cost of his or her individual health insurance premiums). Expenses must be substantiated by information from a third-party that is independent of the Participant and his or her spouse or dependents. The independent third-party must provide information describing the service or product, the date of service or sale and the amount.

**Section 7.03 Payments to Insurer.** The Employer shall maintain separate bookkeeping records of a Participant's salary reduction amounts and shall apply such amounts on behalf of a Participant for the sole purpose of paying premiums or reimbursements to the appropriate party in accordance with a Participant's Benefit elections.

**Section 7.04 Funding Benefits.** All Participant salary reduction amounts contributed to the Plan shall be used to provide Benefits in accordance with Participants' Benefit elections pursuant to Section 6.03. Benefits shall be funded from the general assets of the Employer or, alternatively, through the direct payment of insurance premiums to an insurer from the general assets of the Employer. The Plan shall not utilize a trust fund or other separately maintained fund for accumulation of Plan assets or the provisions of other benefits, unless required by law.

## ARTICLE VIII
## CLAIMS FOR BENEFITS

**Section 8.01 Insurance.** To the extent that a Benefit is provided through insurance, a Participant's right to receive benefits will be governed by the terms and conditions of the applicable insurance contract, and the amount of such benefits will be limited to the amount payable under such Insurance Contract. The Employer will have no obligation or duty to provide Benefits to Participants to the extent such benefits are provided through insurance.

**Section 8.02 Claims for Benefits.** In the event of a dispute regarding eligibility for participation in a Benefit Plan, the right to receive a Benefit or the amount of benefit payable with respect to a claim, the Participant must submit claims for Benefits in accordance with the rules and procedures established under and applicable to each particular Benefit Plan. There will be no liability for the payment of Benefits imposed upon the officers, directors, employees, or stockholders of the Employer.

However, the claim procedures that are described in the remaining sections of this Article VIII will apply in the event that the claim relates to the administration of this Plan (e.g. those issues germane to electing between taxable or nontaxable benefits under this Plan, such as change in status, change in costs or other eligibility determinations made under this Plan).

**Section 8.03 Initial Claims.** A claimant may file a claim, either in writing or electronically, which claim must include the following information:

(a) The name and address of the claimant;

(b) The specific basis for the claim;

(c) A specific reference to the applicable Benefit Plan and pertinent plan provision upon which the claim is based; and

(d) Any additional material or information which the claimant desires to submit in justification of the claim.

**Section 8.04 Claim Administrator's Initial Determination**. The Plan Administrator, or its designated claims administrator, (collectively referred throughout this Article as "Claims Administrator") will notify a claimant of its claim determination within **90 calendar days** after receipt of the claim, unless an extension is required. The 90-day period may be extended once up to 90 calendar days, provided the Claims Administrator determines that special circumstances require an extension of time for processing the claim. A claimant will be notified of the

extension before the expiration of the initial 90-day period. The extension notice will explain the circumstances requiring an extension and the date by which the Claims Administrator expects to make the benefit determination.

**Section 8.05** **Claimant's Deadline for Filing an Appeal of a Denied Claim**. A claimant may request, either in writing or electronically, a full and fair review of an initial decision denying his or her claim generally within **60 days** following receipt of such denial.

**Section 8.06** **Appeal Procedures**. On appeal, the following procedures will apply:

(a) During the review, a claimant may represent himself or herself or will have the right to appoint a representative, provided that the claimant is responsible for all of fees and expenses of such representative.

(b) A claimant will have reasonable access (free of charge and upon request) to copies of all documents, records and other information relevant to his or her claim for benefits.

(c) A claimant will be provided the opportunity to submit, and any review will take into account, all comments, documents, records, and other information relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

**Section 8.07** **Claims Administrator's Deadline for Deciding an Appeal**. The Claims Administrator will notify the claimant of its decision regarding the claimant's appeal within a reasonable period of time, but not later than **60 calendar days** after receipt of the claim for review, unless the Claims Administrator determines that special circumstances require an extension of time for processing the claim. If the Claims Administrator determines that an extension of time for processing is required, a claimant will receive written notice of the extension prior to the expiration of the initial 60 day period. In no event will the extension exceed a period of 60 days from the end of the initial period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Claims Administrator expects to render the determination of a claimant's appeal.

**Section 8.08** **Notice of Adverse Benefit Determinations**. Any notice of a denied claim by the Claims Administrator will set forth:

(a) the specific reasons for the Administrator's decision;

(b) references to specific Benefit Plan and provisions of the Plan upon which the decision is based; and

(c) for a notice involving the Claims Administrator's initial decision on a claim -- a description of any additional material or information necessary for the claimant to perfect his or her claim along with an explanation of why such material or information is necessary, and an explanation of claim review procedures under the plan and the time limits applicable to such procedures.

**Section 8.09 General Claim Provisions**. Notwithstanding anything to the contrary, the following provisions will apply to all claims:

(a) Finality of Decisions. The Claims Administrator has full discretion in determining any matter regarding a claim for Benefits or other claims involving the Plan. The decision of the Claims Administrator upon review of any claim shall be binding upon a claimant, his or her heirs and assigns, and all other persons claiming by, through or under a claimant.

(b) Limitation of Claims Procedure. Any claim under this claims procedure must be submitted within 12 months from the earlier of:

(1) the date on which the claimant learned of facts sufficient to enable him to formulate such claim, or

(2) the date on which the claimant reasonably should have been expected to learn of facts sufficient to enable him to formulate such claim.

(c) Limitation on Court Action. Any suit brought to contest or set aside a decision of the Claims Administrator is to be filed in a court of competent jurisdiction within one year from the date of the receipt of written or electronic notice of the Claims Administrator's final decision. Service of legal process shall be made upon the Plan by service upon the agent for service of legal process or upon the Claims Administrator.

(d) Legal Action. No legal action to recover Plan benefits or to enforce or clarify rights under the Plan shall be commenced under any federal or state provision of law, whether or not statutory, until a claimant first exhausts the claims and review procedures available to him or her hereunder.

(e) Special Rulings. In order to resolve problems concerning the Plan and to apply the Plan in unusual factual circumstances, the Claims Administrator may make special rulings. Such special rulings will be in writing on a form to be developed by the Claims Administrator. In making its rulings, the Claims Administrator may consult with third party administrators, legal, accounting, investment, and other counsel or advisers. Once made, special rulings shall be applied uniformly, except that the Claims Administrator will not be bound by such rulings in future cases unless the factual situation of a particular case is identical to that involved in the special ruling. Special rulings shall be made in accordance with all applicable law and in accordance with the Plan. It is not intended that the special ruling procedure will be a frequently used device, but that it should be followed only in extraordinary situations. The Claims Administrator at all times will have the final decision as to whether resort will be made to this special ruling feature.

## ARTICLE IX
## LEAVE OF ABSENCE

**Section 9.01 In General**. Except as otherwise provided in a Benefit Plan, if a Participant is absent from work due to (i) an approved medical or family leave of absence which is covered under the Family and Medical Leave Act of 1993 ("FMLA") (to the extent FMLA applies to the Employer); (ii) a military leave of absence which is covered under the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA"), or (iii) an Employer-Approved Leave of Absence, the Participant shall have the following rights:

(a) To revoke his or her election with respect to any Benefit under the Plan for the remainder of the Plan Year.

(b) To continue, in accordance with Section 9.02 below, his or her election of Benefit coverage during the leave period, but only to the extent permitted by the Employer and under a Benefit Plan.

(c) To suspend his or her election during the leave period with respect to any Benefit Plan and to reinstate such election upon his or her return to work with the Employer in accordance with Section 9.04 below.

**Section 9.02 Payment for Coverage**. If the Participant elects to continue his or her election of coverage during an FMLA leave, a USERRA leave or an Employer-Approved Leave (to the extent permitted by the Employer and under a Benefit Plan), the Participant's share of the cost of continued coverage for such Benefit will be paid as follows:

(a) **Paid Leave**. If the leave is a paid leave, the Participant's share of the cost of coverage shall be paid by a reduction in the Participant's cash compensation under this Plan.

(b) **Unpaid Leave**. If the leave is unpaid, the Participant may elect to pay his or her share of the cost of coverage due during the leave pursuant to any of the payment methods made available to him or her by the Employer as indicated in the Adoption Agreement. The Employer may elect one or more of the following payment options:

(1) *Pay-As-You Go Option*. The Participant may elect to make payments to the Employer on an after-tax basis on the same schedule as if the Participant were not on a leave;

(2) *Pre-Payment Option*. If elected by the Employer in the Adoption Agreement, the Participant may elect to make payments to the Employer on a pre-payment basis from any taxable compensation payable to the Participant (including the cashing out of sick days or vacation days); provided, however, that no pre-payment may be made in a manner that will permit a pre-tax payment to be made in one taxable year of the Participant that will be applied to a subsequent taxable year of the Participant.

(3) *Catch-Up Payment*. If elected by the Employer in the Adoption Agreement, the Employer may agree to permit the Participant to make payments

to the Employer on a catch-up basis from compensation payable to the Participant upon his or her return to work with the Employer from leave; provided, however, that the Employer and the Participant agree in advance of the leave that:

(A) The Participant elects to continue coverage while on an unpaid leave;

(B) The Employer will assume responsibility for advancing payment of the Participant's contributions during the leave; and

(C) The advance amounts must be paid by the Participant when he returns from the leave.

**Section 9.03 Cessation of Coverage**. If a Participant fails to timely make any scheduled payments, coverage under the Plan during a leave will cease retroactively to the date the required payment was due, provided the Employer has given the Participant at least 15 days advance written notice that if payment is not received by the 30th day after the required due date, coverage will be dropped on the that date retroactive to the date the required payment is due. If the notice is not timely sent, coverage will cease 15 days after the required notice is given or the date specified in the notice, if later, unless the payment has been received by that date.

**Section 9.04 Restoration**. If a Participant suspends his or her election under the Plan during a leave and then returns to work with the Employer within the same Plan Year the leave commenced, he or she automatically will resume participation in the Plan without any change in his or her prior elections under the Plan for such Plan Year, except as otherwise permitted under Section 6.07 (Voluntary Election Modifications) above. The Participant's cash compensation will be reduced to the rate in effect on the day before the leave commenced and an amount equal to the reduction will be credited by the Employer in accordance with the Benefit Plan.

If the Participant elected to discontinue or suspend his or her coverage during, or fails to pay the required premiums for, a leave period, the Participant is not entitled (i) to reimbursement for claims incurred during the period when his or her coverage was terminated, nor (ii) to greater benefits upon restoration for the remainder of the Plan Year relative to premiums or contributions paid by an Employee who is continuously employed during the Plan Year.

A Participant who returns from a leave in a Plan Year subsequent to the year the leave commenced will be required to complete and submit a new election form as specified in Section 6.03 if he or she is to resume participation in the Plan. Participation in this Plan shall commence as of the first pay period immediately following receipt of a Participant's completed election form by the Employer.

## ARTICLE X
## PROVISIONS RELATING TO ADMINISTRATION AND FIDUCIARIES

**Section 10.01 Plan Administration.** The Employer (or such person or entity as it shall designate) shall be the Plan Administrator and shall administer the Plan in accordance with its terms. The Plan Administrator shall have such powers and duties as may be necessary to discharge its functions under the Plan, including, but not limited to the following:

(a) Construction. To have full discretionary and binding authority to construe and interpret the Plan and decide all questions of eligibility to participate in and for benefit under the Plan;

(b) Forms. To require Participants (1) to complete and file with it such forms as the Plan Administrator finds necessary or desirable for the administration of the Plan, and (2) to furnish all pertinent information requested by the Plan Administrator, and to rely upon all such forms and information furnished, including each Participant's mailing address;

(c) Procedures. To prescribe procedures to be followed by Participants in electing Benefits and filing claims for Benefits;

(d) Rules. To promulgate uniform rules and regulations whenever in the opinion of the Plan Administrator such rules and regulations are required by the terms of the Plan or would facilitate the effective operation of the Plan;

(e) Information. To prepare and distribute, in such manner as the Plan Administrator determines to be appropriate, information explaining the Plan, and to receive from Participants such information as shall be necessary for the proper administration of the Plan;

(f) Annual Reports. To prepare, furnish, and file such annual reports with respect to the administration of the Plan as are required by law or as are reasonable and appropriate;

(g) Insurers. To appoint and remove insurance carriers;

(h) Records. To prepare, receive, review, and keep on file (as it deems convenient and proper) records of benefit payments and disbursements for expenses; and

(i) Appointments. To appoint and remove fiduciaries, fix their compensation, if any, and exercise general supervisory authority over them.

Notwithstanding any provision of this Plan to the contrary, the Plan Administrator in its sole discretion may enroll Participants in the Plan over the telephone, may furnish notices and other disclosures via electronic transmission and may otherwise administer the Plan in a paperless manner.

**Section 10.02 Finality of Decisions.** All determinations of the Plan Administrator or the Employer or any of its delegates shall be final and binding on all persons except as otherwise expressly provided herein.

**Section 10.03 Fiduciaries and Other Duties.** The Employer shall be a "named fiduciary" of this Plan and of any Benefit Plan available under the Plan only to the extent they are considered "employee welfare benefit plans," as those terms are described in ERISA. The Employer shall have only those duties, responsibilities, and obligations (referred to collectively

as "fiduciary duties") as specifically are given it under the Plan, under any Benefit Plan available under the Plan, or as otherwise are imposed by applicable law. The Employer shall have the sole responsibility for making contributions or purchasing insurance in order to provide the Benefits available under the Plan. The Employer may allocate or delegate its fiduciary duties under the Plan to other Plan fiduciaries by written agreement between the Employer and such other fiduciaries.

**Section 10.04 Employment of Advisers.** The Employer shall have the authority to employ such legal, accounting, and financial counsel and advisers as it shall deem necessary in connection with the performance of its duties under the Plan, and to act in accordance with the advice of such counsel and advisers. In administering the Plan and to the extent permitted by law, the Employer may rely conclusively on all tables, valuations, certificates, opinions and reports which are furnished by accountants, counsel or other experts employed or engaged by the Employer.

**Section 10.05 Delegation to Officers or Employees.** The Employer shall have the power to delegate its fiduciary duties under the Plan or under any Benefit available under the Plan to officers or employees of the Employer and to other persons, all of whom, if employees of the Employer, shall serve without compensation other than their regular remuneration from the Employer. The Employer agrees to indemnify and to defend to the fullest extent permitted by law any delegated employee or officer against all liabilities, damages, costs and expenses (including attorneys' fees and amounts paid in settlement of any claims approved by the Employer), occasioned by any act or omission to act in connection with the Plan, if such act or omission is in good faith.

**Section 10.06 Fees and Expenses.** All expenses incurred in the operation and administration of the Plan, including the fees and expenses of counsel and other advisors and the compensation, if any, of the fiduciaries, agents, and administrators shall be paid or reimbursed by the Employer unless the Employer shall determine that such fees and expenses shall be paid in whole or in part by the Plan or by Participants.

## ARTICLE XI
## GENERAL

**Section 11.01 Amendment and Termination.** The Plan and all Benefits available under the Plan shall be subject to alteration, amendment, or termination in whole or in part, at any time by action by the Board of Directors of the Employer (which power may be delegated, through resolutions of the Board of Directors, to another person or organization selected by the Employer).

**Section 11.02 Non-Alienation of Benefits.** No right or benefit provided for under the Plan or under any Benefit available under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge the same shall be void.

**Section 11.03 Employer's Rights.** While the Employer believes in the benefits, policies and procedures described in the Plan, the language used in the Plan is not intended to create, nor is it to be construed to constitute, a contract of employment between the Employer and any of its Employees. The Employer retains all of its rights to discipline or discharge Employees or to exercise its rights as to incidents and tenure of employment. Employees retain the right to terminate their employment at any time and for any reason, and the Employer retains a similar right.

**Section 11.04 Construction.** Whenever any words are used in the Plan in the masculine gender, they shall be construed as though they are also used in the feminine gender, where applicable. Similarly, words used in the single form shall be construed as though they are also in the plural form, where applicable. Headings of sections and paragraphs of this document are inserted for convenience of reference. They constitute no part of the Plan and are not to be considered in the construction of the Plan.

**Section 11.05 Tax Consequences.** Neither the Employer nor the Plan makes any representations or warranties regarding the federal, state, local or other tax treatment of benefits provided pursuant to the Plan and a Participant shall have no rights against the Employer or the Plan if any tax consequences contemplated by any Participant are not achieved.

**Section 11.06 Law Governing.** This Plan is made pursuant to, and shall be governed by, construed under and enforced in accordance with federal law and, to the extent not preempted, the laws of the State of Michigan.

**Section 11.07 Exclusive Benefit.** All contributions made under this Plan and all benefits received shall inure to the exclusive benefit of the Participants and their beneficiaries, and such contributions and benefits shall not be used for nor diverted to purposes other than for the exclusive benefit of the Participant and their beneficiaries (including the costs of maintaining and administering the Plan).

**Section 11.08 Binding Effect**. The Employer hereby adopts the Plan (and amendments thereto) through the proper execution of the Adoption Agreement. The Plan and such Adoption Agreement (including any amendments thereto), and all actions and decisions hereunder, shall be binding on the Employer and any and all Participants, present and future.