

HARDSHIP WITHDRAWAL APPROVAL SERVICE

If elected in the Services Agreement, the following Hardship Withdrawal Approval Services Agreement (“Agreement”) sets forth the procedures for the administration and distribution of hardship withdrawals, and is established by the Plan Sponsor as “Administrator” (as defined in Section 3(16)(A) of the Employee Retirement Income Security Act of 1974, as amended “ERISA”) of the Plan(s). At the direction of the Plan Sponsor, this Agreement for Hardship Withdrawal Approval Service will be followed and applied by Massachusetts Mutual Life Insurance Company (“MassMutual”) in making hardship distributions from the Participant’s Account (as defined in the Plan Document). This Agreement is adopted for the purpose of compliance with Treasury Regulation Section 1.401(k)-1(d)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). For purposes of this Agreement, capitalized words will have the same definition as in the Plan, unless otherwise defined in this Procedure.

1. **Hardship Distribution:** Hardship distributions are only permitted if the distribution is made on account of an immediate and heavy financial need of the employee and the distribution is necessary to satisfy the financial need.
2. **Amount of Distribution:** MassMutual is authorized, pursuant to this uniform, nondiscriminatory policy, to permit a Participant to make a hardship withdrawal from his or her account, up to the lesser of:
 - a. 100% of the Participant’s vested account balance, excluding safe harbor 401(k) employer contributions, QNECs and QMACs, and earnings on employee elective deferrals incurred after December 31, 1988 (or the end of the last plan year ending before July 1, 1989); or
 - b. The amount necessary to satisfy the immediate and heavy financial need of the Participant.
3. **Hierarchy of Withdrawal:** Subject to any restrictions on withdrawals from any investment option, amounts shall be withdrawn on a pro rata basis from the investment options in which the applicable participants’ account is invested, based on the terms of the Plan document.
4. **Immediate and Heavy Financial Need:** A distribution shall be deemed to be made on account of an immediate and heavy financial need under this Agreement only if it is made on account of one of the following expenses:
 - a. **Expenses for medical care described in Code Section 213(d) for the Participant, the Participant’s spouse, or any of the Participant’s dependents (as defined section 4(i) of this agreement), or is necessary for the above persons to obtain medical care described in Code Section 213(d).**

Medical care expenses include amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any part or function of the body under the care of a physician, as defined by Section 1861(r) of the Social Security Act, in a licensed hospital (or related or equivalent medical care facility). The expenses must be primarily to alleviate or prevent a physical or mental defect or illness. Expenses for solely cosmetic reasons generally are not expenses for medical care. Also, expenses that are merely beneficial to one’s general health (for example, vacations) are not expenses for medical care.

Medical care expenses include the premiums paid by the Participant for insurance that covers the expenses of medical care, and the amounts the Participant pays for transportation essential to receiving medical care. Medical care expenses include amounts within certain limits prescribed by Code Section 213(d), for any qualified long-term care insurance contract, as defined in Code Section 7702B (c).

The Plan Sponsor authorizes MassMutual to make hardship distributions for only those expenses acknowledged by the IRS as qualifying as Internal Revenue Code Section 213(d) medical care expenses. MassMutual shall not exercise discretionary authority in determining which services shall be considered Internal Revenue Code Section 213(d) medical care but shall rely upon IRS guidelines and the authority delegated to MassMutual by the Plan Sponsor to make such hardship distributions.

Documentation: The participant shall provide the following documentation:

For the payment of unreimbursed qualifying medical care expenses, the Participant shall forward to MassMutual the bill for services and a corresponding Explanation of Benefits for each bill submitted. The Explanation of Benefits must indicate the service rendered that qualifies as an Internal Revenue Code Section 213(d) medical care expense, the date of such service, the amount of coverage paid and the amount currently owed by the Participant. If the Participant cannot produce an Explanation of Benefits, the Participant must obtain a copy from the insurance carrier. If the carrier cannot provide a copy, the Participant may obtain a copy of the medical history with respect to the service rendered, including any amount paid by the insurance carrier.

For qualifying medical expenses for a treatment not covered by the Participant's insurance policy, the Participant must submit either an Explanation of Benefits evidencing a denial of coverage or a letter from the insurance carrier stating that no Explanation of Benefits is available.

If prepayment or payment at the time of service is required, the Participant must obtain an estimate of the cost for the procedure from the insurance carrier and a letter from the medical professional stating that payment is required either in advance or at the time of the procedure.

If payments are to be made in installments, the Participant must submit an Explanation of Benefits evidencing the service rendered and that the lifetime maximum permitted by the insurance carrier has been reached. In addition, the Participant must submit a current bill showing the remaining amount to be paid.

b. Costs directly relating to the purchase (excluding mortgage payments) of a principal residence for the Participant.

Documentation: The participant shall provide the following documentation:

For the purchase of a principal residence, the Participant must submit to MassMutual a Good Faith Estimate or Contract. The Good Faith Estimate must be issued by a bank or mortgage company, and shall include the estimated total closing costs, any down payments and prepaid expenses from the Participant and excluding any contributions from the seller. The Good Faith Estimate cannot be issued by a realty company. The Contract must state that it is for the purchase of a principal residence for the Participant, include a closing date (or, alternatively, written certification from the mortgage company of the closing date), be issued no more than sixty (60) days prior to the closing date, and signed by the Participant and seller.

A hardship distribution for the purchase of land must include documentation from the contractor evidencing the immediate building of the principal residence. For the construction of a principal residence, the Participant must provide MassMutual with an executed Contract between the Participant and the seller (which may include dates and amounts of periodic disbursements to the builder), a copy of the construction loan and a commitment letter from a bank or mortgage company.

c. Payment of tuition, related educational fees, and room and board expenses for the next twelve (12) months of post-secondary education from an accredited college or university, vocational or technical school for the Participant, the Participant's spouse, children or dependents.

The accredited college or university must be either a state-sponsored or private university, college, vocational school or technical school, must require a high school diploma or recognized equivalent for admission, and must award a bachelors, graduate or professional degree or minimum two-year academic credits toward a bachelors degree.

Hardships are permitted to cover academic-related fees approved by the Plan Sponsor. Hardships shall not be permitted for non-academic-related expenses, for courses designed to sell products or for programs that have been conducting classes for less than two years.

Documentation: The participant shall provide the following documentation:

To obtain a hardship distribution for tuition and related educational fees, the Participant must submit a current tuition bill indicating the name of the student, the courses in which the student is enrolled, and stating whether expenses for room and board are included in the hardship request. The tuition bill may also be used to calculate anticipated financial need for the remainder of the academic year. For initial enrollment, in lieu of a current tuition bill, the Participant may submit a letter from the Office of the Registrar as proof of acceptance to the institution and listing tuition charges. For summer sessions, the Participant must provide MassMutual with a current tuition bill.

d. **Payments for burial or funeral expenses for the employee's deceased parent, spouse, children or dependents.**

Documentation: The participant shall provide the following documentation:

To obtain a hardship for burial and/or funeral related expenses, the Participant must submit a current bill for the goods and services incurred as part of the funeral and/or burial process. The bill shall be issued by the funeral home, mortuary, crematorium, cemetery, monument company, religious establishment (i.e., church, synagogue, chapel or other such similar place of worship) and should include the name of the spouse, child or other dependent on whose behalf the burial and/or funeral services were furnished. If the decedent's name is not included in the bill for service, additionally, the participant must provide a death certificate indicating the decedent's name.

e. **Expenses for the repair of damage to the participant's principal residence that would qualify for the casualty deduction under IRC §165 (determined without regard to whether the loss exceeds 10% of adjusted gross income).**

Damage to, or destruction of, a participant's principal residence shall include damage arising from fire, storm, shipwreck or other casualty. A detailed list of approved casualty losses is set forth in Appendix IV. In addition, any loss attributable to a disaster occurring in an area subsequently determined by the President of the United States to warrant assistance by the Federal Government under the Disaster Relief and Emergency Assistance Act shall also be eligible for hardship relief.

Determining the amount eligible for a hardship withdrawal for the repair of damage to a principal residence:

The amount of hardship shall be limited to the unreimbursed costs of repairs. If the principal residence is destroyed as a result of the casualty, the amount eligible for a hardship shall be the reasonable unreimbursed costs of rebuilding the principal residence. The "reasonable" cost shall be the cost incurred to build the principal residence in a manner and design substantially similar to that of the principal residence prior to the casualty.

Example: Prior to the casualty, the participant's home was a 4 room, 3 bedroom, two bathroom Colonial-style house, and was approximately 2,000 square feet. The amount of the hardship distribution available would be the amount to rebuild a substantially similar home. The rebuilt home need not be the same style of home as the original principal residence; the cost of rebuilding need only be substantially similar to the cost of rebuilding the original principal residence. The cost of a rebuilding a principal residence shall be "substantially similar" if it is within 10% of the cost to rebuild the original style of the principal residence.

If the principal residence is destroyed as a result of the casualty and the participant purchases a new home, rather than rebuilding a substantially similar home, the participant may take a hardship for the purchase of a principal residence as described in subsection (a) above, and subject to the hardship distribution limits in Section 2, above.

Timing of the Hardship Distribution: The participant applying for the hardship withdrawal must certify that the funds from such withdrawal will be used for the repair of the principal residence within one year from the date of the hardship distribution. A hardship request for the reconstruction of a principal residence destroyed by a casualty must include documentation from the contractor evidencing the building of the principal residence within one year from the date of the hardship distribution.

Documentation: The participant shall provide the following documentation:

To qualify for a hardship distribution for casualties sustained to the Participant's principal residence, the Participant must be able to show that there was a casualty and the amount of such casualty. The amount of the hardship does not include amounts unreimbursed through the Participant's insurance carrier.

For the payment of unreimbursed costs of qualifying casualties to repair a damaged principal resident, the Participant shall forward to MassMutual the bill for services from the contractor(s) performing the repairs and a statement from the insurance carrier evidencing a denial of coverage of the repair/construction costs in an amount not greater than the amount of the hardship request.

For the payment of unreimbursed costs to rebuild a principal resident destroyed by a qualifying casualty, the Participant shall forward to MassMutual an estimate from the contractor(s) performing the construction and a statement from the insurance carrier evidencing denial of coverage of all or part of the construction costs in an amount not greater than the amount of the hardship request.

If prepayment or payment at the time of service is required, the Participant must obtain an estimate of the cost for the repairs/construction from the contractor(s) stating that payment is required either in advance or at the time of the repairs/construction. In addition, the Participant shall provide to MassMutual a statement from the insurance carrier evidencing a denial of coverage for all or a portion of the repair/construction costs.

f. **Payments necessary to prevent the eviction of the Participant from the Participant's primary residence or to prevent foreclosure on the mortgage on that residence.**

Documentation: The participant shall provide the following documentation:

To prevent eviction from the Participant's primary residence, the Participant must submit an eviction notice to MassMutual. The eviction notice shall be issued by the landlord, apartment complex, court, or any other authorized entity and shall state the amount to be paid to prevent eviction and that such payments are past due. If the eviction notice is issued by an individual rather than a rental organization, the Participant shall also supply MassMutual with a copy of the lease agreement and a signed statement from the landlord.

To prevent foreclosure, the Participant shall submit a notice of foreclosure or other similar written notification indicating that foreclosure proceedings have commenced or will commence immediately or on a date specified in the written notice. Such notice shall be issued by a bank, mortgage company, or other qualified lending institution, state the amount due to bring the mortgage current, and that foreclosure proceedings will commence immediately or on a specified date if the amounts owed are not paid. The amount of the hardship shall be sufficient to bring all payments current as of the date such funds are received.

g. **Other**

Any other immediate and heavy financial need that the Commissioner of the IRS prescribes through the publication of revenue rulings, notices, and other documents of general applicability.

h. **Plan Beneficiary**

Hardship Withdrawal for the expenses of a plan beneficiary is allowed only for the following three circumstances, if elected in the amendment to the services agreement:

- Medical Expenses determination and documentation as outlined in 4.a. will apply
- Tuition Expenses determination and documentation as outlined in 4.c. will apply
- Funeral Expenses determination and documentation as outlined in 4.d. will apply

The Hardship Withdrawal described in this section is only allowed for the primary beneficiary or beneficiaries, which excludes contingent or secondary beneficiaries.

- i. **Dependents:** "Dependent," as defined by Sections 152(c) and 152(d) of the Internal Revenue Code, shall mean with respect to a participant:

A qualifying child: An individual who (i) is a child of the participant (or a descendent of such a child), a brother, sister, stepbrother, or stepsister of the participant or any such descendent of any such relative; (ii) who has not attached age 19 as of the close of the calendar year in which the taxable year of the participant (taxpayer) begins or is a student who has not attained age 24 as of the close of such calendar year. The age requirement in (ii) shall be treated as met in the case of a dependent who is permanently and totally disabled at any time during such calendar year.

A qualifying relative: An individual (i) who is a child (or a descendant of a child), brother, sister, stepbrother, stepsister, father, mother (or ancestor of **father or mother**), stepfather, stepmother, son or daughter of a brother or sister of the participant, brother or sister of the father or mother of the taxpayer, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, sister-in-law, or an individual who, for the taxable year of the participant, has the same principal place of the abode as the participant and is a member of the participant's household; (ii) with respect to whom the taxpayer provides over one-half of the individual's support for the calendar year taxable year begins; and (iii) who is not a qualifying child of such participant or of any other taxpayer for any taxable year beginning in the calendar year in which such taxable year begins.

5. **Distribution Standards for Financial Need:** No distribution shall be made pursuant to this Procedure unless MassMutual determines that all of the following conditions are satisfied:

- a. The distribution is not in excess of the amount of the immediate and heavy financial need of the Participant, including amounts necessary to pay federal, state or local income taxes, or penalties reasonably anticipated to result from the distribution;
- b. The Participant has obtained all distributions, other than hardship distributions, and all nontaxable loans reasonably available under the plans maintained by the Plan Sponsor. However, a loan will not be treated as reasonably available to satisfy the need if the loan itself will increase the need. For example, for the purchase of a primary residence, a plan loan that could jeopardize the participant's ability to obtain financing shall not be considered to be reasonably available. Upon MassMutual's request, issues of reasonableness shall be determined by the Plan Administrator and communicated to MassMutual. MassMutual shall rely upon the determination of the Plan Administrator;
- c. The Plan, and all other qualified and non-qualified plans maintained by the Plan Sponsor provide that the Participant's contributions will be suspended for at least six (6) months after receipt of the hardship distribution. Company contributions shall not be subject to suspension; and
- d. **Other.** The Commissioner of the Internal Revenue Service may prescribe additional methods for distributions to be deemed necessary to satisfy an immediate and heavy financial need.

6. **Payment of Distribution:** The distribution shall be paid in a single cash payment to the Participant as soon as administratively feasible after the Valuation Date which next follows the date of approval of the Participant's request for a hardship distribution. The account(s) from which the distribution is made shall be reduced accordingly as of the Valuation Date of the distribution.

7. **Application Process:** A Participant may initiate a hardship withdrawal by contacting MassMutual for an Application for Hardship Withdrawal, which shall be sent directly to the Participant. The Participant must return all completed forms and necessary documentation to MassMutual for approval and processing.

MassMutual is directed by the Plan Sponsor to approve hardships based upon a properly completed Application for Hardship Withdrawal. If such substantiating documentation cannot be produced by the Participant, MassMutual is directed by the Plan Sponsor to deny the hardship request. Likewise, if the Plan Sponsor has actual knowledge that the Participant is requesting the distribution for a reason other than one of the expenses permitted herein, or if the Plan Sponsor is aware of other extenuating circumstances for denying the request, the Plan Sponsor shall notify MassMutual. Upon such notification, MassMutual shall deny the request.

If the Participant does not qualify for a hardship distribution, MassMutual will notify the Participant in writing or by telephone (on a recorded line) of the denial of his/her request, including an explanation of such denial. If the Participant meets the criteria for a hardship distribution, MassMutual will mail the check directly to the participant upon approval.

8. **Suspension of Contributions:** The Participant will be suspended from making contributions for six (6) months after receipt of the hardship distribution from all plans sponsored by the Plan Sponsor. Upon approval of a hardship distribution, MassMutual shall provide a feedback file to the Plan Administrator consistent with the client's payroll cycle notifying the Plan Administrator of the hardship distribution. Shortly before the date the suspension is lifted, MassMutual shall send written notice to the Participant indicating that the suspension has been lifted and the previous contribution percentage will be reinstated. Participants can reenroll by calling 1-800-743-5274 or by logging on to the participant website at www.massmutual.com/retiresmart. Changes will be effective as soon as administratively feasible once the suspension period is over.
9. **Federal, State and Local Taxes:** MassMutual shall send the Participant the "Special Tax Notice" which informs the Participant of the tax consequences of taking a hardship distribution. Taxable money withdrawn from the Participant's account is subject to 10% mandatory federal income tax withholding and any state and/or local income taxes. The Participant may elect to increase, reduce or opt out of Federal Tax Withholding by making an election on the withdrawal form. Withdrawal amounts may also be subject to a 10% additional tax as an early distribution from the plan if withdrawn prior to attaining age 59 ½, and the hardship withdrawal is not used for the payment of certain medical expenses.

MassMutual withholds federal and state (where applicable) income tax. MassMutual, however, does not withhold the 10% additional tax or any other applicable taxes. MassMutual shall issue an IRS Form 1099-R reporting whether the distribution is subject to the 10% additional tax.

A Participant taking a hardship distribution may be able to withdraw additional amounts to pay federal, state and local income tax withholding and additional taxes, not to exceed amounts eligible for withdrawal.

10. **Limitations:** To the extent that MassMutual approves a hardship withdrawal in accordance with this Agreement that does not qualify as a hardship withdrawal under Treasury Regulation Section 1.401(k)-1(d)(3): (1) the distribution may be an impermissible distribution from the Plan and may result in Plan disqualification and (2) the Plan Sponsor, Plan Administrator, and/or MassMutual may be sued by the Participant or the Plan (or both) for approving the distribution. If MassMutual complies with the terms of this Agreement and the Plan, but nevertheless approves a distribution as a hardship distribution even though the distribution does not comply with Treasury Regulation Section 1.401(k)-1(d)(3) and the terms of the Plan due to the provision of inaccurate or incomplete information by a Participant, the Plan Administrator, or the Plan Sponsor, the Plan Sponsor shall release MassMutual from any and all claims, causes of action, obligations or liabilities of any kind or nature whatsoever, which the Plan, the Plan Sponsor, the Plan on behalf of its Participants, or the Participants may have, now or in the future, attributable to such error.

Such release shall not apply, however, to errors which result from the gross negligence or willful malfeasance of MassMutual in performing its obligations under this Agreement.