

**SUMMARY PLAN DESCRIPTION**  
**FOR THE**  
**PENMAC STAFFING SERVICES, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**Amended and Restated**

**Effective January 1, 2014, as amended  
by Amendments One through Four**

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**SUMMARY PLAN DESCRIPTION**  
**FOR THE**  
**PENMAC STAFFING SERVICES, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**INTRODUCTION.**

The Penmac Staffing Services, Inc. Employee Stock Ownership Plan (the **Plan**) is an employee stock ownership plan (an **ESOP**) that has been adopted to provide benefits for the eligible employees of Penmac Staffing Services, Inc. (the **Company**) by investing primarily in the common stock of the Company (**Company Stock**). The Plan is designed to meet the requirements for an ESOP under the Internal Revenue Code (the **Code**), and the trust that holds Plan assets (the **Trust**) is designed to be exempt from taxation. The Plan provides benefits upon a participant's retirement, death, disability or, if a participant is vested, as a result of a termination of employment.

The benefits that you may receive from the Plan depend, to a great extent, on your length of employment with the Company, the amount the Company contributes each year to the Plan and the extent to which the value of the Company Stock increases (or decreases) before your Account (see **WHAT ACCOUNT WILL I HAVE UNDER THE PLAN?**) is distributed to you. Your Account will be adjusted periodically to reflect your share of the increases (or decreases) in the value of the Company Stock. The Company intends that your beneficial ownership interest in Company Stock will give you a greater personal interest in the success of the Company.

**HOW DOES THE PLAN WORK?**

For each Plan Year, the Company expects to make contributions to the Plan in cash, in Company Stock, or in a combination of the two. The contributions are invested by the Plan exclusively for the benefit of eligible Company employees, primarily in Company Stock.

The Plan may purchase Company Stock, but only at prices which do not exceed the stock's fair market value as determined based on the report of an independent appraiser. The Plan is designed to borrow money to do this. If the Plan borrows money to purchase Company Stock, the Company expects to make contributions to the Plan each calendar year sufficient to make the scheduled loan repayments for the loan incurred to purchase the stock. As an employee, you are not personally obligated to repay this loan.

It is important that you understand how the Plan works. The following questions and answers are a nontechnical summary of some of the more important features of the Plan. Please remember that, first, these questions and answers are intended to provide a general understanding of the features addressed and, second, that the questions and answers do not address all of the features of this Plan. Further, the actual Plan document and Trust agreement, instead of this summary plan description, will be used by the person(s) administering the Plan (the **Committee**) in determining all claims and in resolving Plan questions.

If, after reading this Summary Plan Description, you still have questions, the Committee will be available to try to answer them. In addition, all Plan documents will be made available for inspection if you contact the Committee.

The laws relating to ESOPs change from time to time. In any case in which a Plan provision is inconsistent with any new law, regulation, or ruling, the Plan will be administered in accordance with the new law, regulation, or ruling, regardless of the terms of the Plan or of this summary.

Neither the Plan nor this summary plan description constitutes a contract or term of employment for you or any other Participant.

Important names, addresses and telephone numbers are located in the last section of this summary, which is called **IS THERE ANY OTHER INFORMATION I SHOULD KNOW?**

### **WHY IS STOCK OWNERSHIP IMPORTANT?**

The Plan is designed to provide beneficial ownership of Company Stock for eligible Company employees, the people who are primarily responsible for the success of the Company. Thus you will have a stake in the success of the Company. While there is never any guarantee that the value of any investment will increase, here, by working efficiently and effectively for the Company, you may help increase the profitability of the Company, which in turn should increase the value of your Account in the Plan.

### **SOME IMPORTANT DEFINITIONS.**

Throughout this summary, several important terms will reappear. These terms are capitalized and are defined below:

- **Account.** A separate bookkeeping Account is maintained for you in the Plan that shows your total interest in the Plan.
- **Accounting Date.** The last day of each Plan Year (December 31) and each other date that the Company declares as an Accounting Date for the Plan or for any Account or category of Accounts or shares of Company Stock.
- **Beneficiary.** Each person who will receive your Plan benefits if you die with an Account balance. If you are married, your spouse is automatically your Beneficiary, unless you designate another Beneficiary with your spouse's written consent on a form that is witnessed by a Plan representative or a notary public. The Beneficiary Designation form is available from the Committee. If you are not married and you do not designate a Beneficiary, your entire interest will be paid to your estate if you die before receiving a full distribution of your Account. **If you and all of your Beneficiaries die, any remaining Account balance will be paid to the estate of the last to die of you or your Beneficiaries.**

- **Code.** The Internal Revenue Code of 1986, as amended.
- **Committee.** The person or persons, if any, appointed by the Board of Directors of the Company to be responsible for administering the Plan and, if no one is so appointed, the Company. Inquiries about the Plan and requests for forms should be addressed to the Plan Administrator at the address shown at the end of this summary plan description.
- **Company Stock.** The common stock issued by the Company.
- **Covered Employee.** An individual employed by an Employer and classified as a common law employee (thus excluding, for example, an independent contractor, a leased employee or other individual employed through a temporary help, technical help, employee leasing firm or professional employer organization regardless whether such individual is later determined to be a common law employee). The term a "covered employee" also does not include (a) a non-resident alien receiving no earned income from within the United States, or (b) an employee covered by a collective bargaining agreement that does not provide for participation in the Plan.
- **Effective Date.** The original effective date of the Plan was January 1, 2010. The effective date of the amended and restated Plan is January 1, 2014.
- **Employer.** Any affiliate (as defined under the Code) that adopts the Plan for the benefit of its employees with the Company's consent.
- **ERISA.** The Employee Retirement Income Security Act of 1974, as amended.
- **Hour of Service.** Generally, any hour for which you receive any amount that is considered part of your Total Compensation from an Employer, including, but not limited to, up to a maximum of 501 hours per computation period for which you are paid by an Employer but do not provide any services (such as vacation, holiday, illness, disability, or paid leave of absence.) Hours of Service may also include up to a maximum of 501 hours per computation period of unpaid maternity or paternity leave.
- **Normal Retirement Age.** The later of the day you reach age 65 or the fifth anniversary of the date you commenced participation in the Plan.
- **One-Year Break in Service.** A Plan Year in which you perform fewer than 501 Hours of Service.
- **Plan Year.** The 12 month period beginning on January 1 and ending on the following December 31.

- **Suspense Account.** The account under the Plan that holds Company Stock in the Plan that has not yet been allocated the any Participant's Account.
- **Total and Permanent Disability.** Your termination of employment from an Employer as result of a disability that qualifies you for permanent disability benefits under the Social Security Act or under a long-term disability plan in which you participate and which is maintained by the Company.
- **Total Compensation.** The total amount paid to you by an Employer for services rendered while a Covered Employee for a year, as reported in the "Wages, Tips and Other Compensation" box on your federal wage and tax statement (Form W-2). Total Compensation includes your pre-tax contributions to certain retirement and welfare plans, as well as amounts earned during a Plan Year but not paid during that Plan Year solely because of the timing of pay periods and pay dates, and amounts paid within the later of (i) 2½ months following your termination of employment, or (ii) the end of the Plan Year in which you terminated employment, provided, the amounts paid are regular compensation such as base pay, overtime or shift differentials, commissions, bonuses, accrued sick, vacation or paid time off ("PTO"), or other similar payments that would have been paid to you if you had continued your employment with an Employer. Total Compensation in excess of a limitation amount under the Code (as adjusted from time to time) may not be taken into account for purposes of the Plan. For 2017, the limitation amount is \$270,000. This annual limit is adjusted for a period of fewer than 12 months if you are not a participant for the full year and will be raised periodically in accordance with the Code. Your Total Compensation for the entire Plan Year in which you are eligible to participate will be taken into account for purposes of allocating contributions even if you commence or resume participating in the Plan on any date other than January 1.

Further, if you are receiving differential wage payments (for more than 30 days) with respect to qualifying military service from the Employer, you will be treated as an employee, and such payments will be treated as Total Compensation under the Plan.

- **Year of Service for Participation Purposes.** Subject to certain rules, Years of Service for Participation Purposes means (i) the 12 consecutive month period commencing on the date you first perform an Hour of Service in which you are credited with at least 1,000 Hours of Service, or if you fail to complete at least 1,000 Hours of Service in such period, (ii) the Plan Year thereafter (beginning with the Plan Year which includes the first anniversary date of the date you first perform an Hour of Service) in which you complete at least 1,000 Hours of Service.

- **Year of Service for Vesting Purposes.** Subject to certain rules, Years of Service for Vesting Purposes means the sum of Plan Years beginning on or after the original effective date of the Plan (January 1, 2010) in which you have attained age 18 and have been credited with at least 1,000 Hours of Service.

### **WHEN CAN I PARTICIPATE IN THE PLAN?**

You are eligible to participate in the Plan on the January 1 or the July 1 coinciding with or next following the day you complete one Year of Service for Participation Purposes, provided you are a Covered Employee. Once you become a participant, you will remain a participant until you retire, die, or otherwise terminate employment and your entire vested interest in your Account has been distributed to you.

If you were a participant in the Plan prior to January 1, 2015, you terminate employment and you are rehired, you may again participate in the Plan on the date on which you are reemployed by the Company or an Employer provided you are a Covered Employee. If you become a participant after December 31, 2014, special rules will apply to employees who satisfy the Year of Service for Participation Purposes rules to participate in the Plan. If you terminate employment before you have a vested interest in your Account and your reemployment occurs after you have five consecutive One-Year Breaks in Service, you will not receive credit for your prior Years of Service for Participation Purposes. Thus, you will be treated as a new employee. If you have any questions on these service rules, please contact the Committee.

### **WHAT CONTRIBUTIONS ARE MADE TO THE PLAN?**

The Company's Board of Directors will determine each year whether the Company will make a contribution to the Plan and the amount of the contribution. The Company's contribution is expected to equal at least the current installments of principal and interest due on any "exempt loan" secured by Company Stock held in the Trust (see **WHAT IS AN EXEMPT LOAN?**).

Contributions may be made in cash, in Company Stock, or in a combination of the two. If the Company contribution exceeds the amount of the current installments of principal and interest on the loan, then the excess will also be allocated to the Account of each participant who is eligible to share in an allocation of the contribution and may be used to purchase Company Stock when available.

Participants are not required or permitted to make contributions to the Plan. Participants are not permitted to roll over amounts from other eligible plans into this Plan. See **HOW ARE ALLOCATIONS MADE?** For more information on which participants are eligible to receive an allocation of Company contributions to the Plan.

### **WHAT IS AN EXEMPT LOAN?**

The term **exempt loan**, as used in this summary, refers to a loan made to the trustee of the Trust (the **Trustee**) from the Company or another lender. The Plan permits the Trustee to

borrow money from the Company or another lender and use the proceeds of the loan to purchase Company Stock.

Any exempt loan must meet certain Code requirements, including:

- The proceeds of the loan must be used primarily for the benefit of Plan participants;
- The proceeds of an exempt loan must be used, within a reasonable time after the loan is obtained, exclusively to purchase Company Stock, to repay the loan, or to repay a prior loan;
- The only assets of the Plan that may be given as collateral on an exempt loan are shares of Company Stock acquired with the proceeds of the loan and shares of Company Stock that were used as collateral on a prior loan repaid with the proceeds of the current loan; and
- Neither the Company nor another lender that provides the exempt loan has any right to Plan assets other than Company Stock pledged as collateral for the loan and held in a "suspense account", Company contributions (other than contributions of Company Stock) that are made to the Plan to enable the Plan to meet its obligations under the loan, and earnings on these amounts.

Company contributions to the Plan are used to pay the principal and interest of the loan as payments become due. Company Stock acquired with the proceeds of a loan will be held in a Suspense Account. As the loan is repaid, Company Stock will be released from the pledge (and thus the Suspense Account) and allocated to each Participant's Account based on a formula contained in the Plan.

### **WHAT ACCOUNT WILL I HAVE UNDER THE PLAN?**

An Account will be maintained for your benefit that will show your share of any Company Stock, cash, and other investments. If you are eligible, Company contributions and earnings will be allocated to your Account.

### **HOW ARE ALLOCATIONS MADE?**

As a participant in the Plan, you are eligible to share in the Company's contribution, if any, made for each Plan Year if (i) you are a Covered Employee and are credited with at least 1,000 or more Hours of Service during that Plan Year or (ii) you are a Covered Employee and you terminate employment during the Plan Year after reaching Normal Retirement Age, or due to death or Total and Permanent Disability.

The Company's contribution, if any, for the Plan Year is allocated as of each December 31. If you are eligible to share in the allocation, your Account will be credited with a portion of the Company's contribution or the stock released from the Suspense Account, based on the



proportion that your Total Compensation for the Plan Year bears to the sum of the Total Compensation of all Plan participants eligible to receive an allocation of such contribution.

For any Plan Year in which the Plan is **top heavy**, the Account of each participant who is employed on the last day of the Plan Year will be credited with a minimum allocation of up to 3% of his Total Compensation, regardless of whether the participant performed at least 1,000 Hours of Service during the Plan Year. This amount may be adjusted if you are also covered by another retirement plan maintained by the Company. A Plan is **top heavy** if the sum of the Accounts of key employees is more than 60% of the sum of all of the Accounts. Key employees generally are employees serving as officers of the Company and other employees who are among the most highly paid of the Company and who have the highest percentage of ownership in the Company.

Limitations on Allocations. The Code imposes limits on the amount of annual contributions and forfeitures that may be allocated to your Plan Account. These limits may require that the Committee reduce the amount that is allocated to your Plan Account.

### **HOW IS MY ACCOUNT INVESTED?**

The Plan assets are held in the Trust. Reliance Trust Company is the Trustee. See **IS THERE ANY OTHER INFORMATION THAT I SHOULD KNOW?** for contact information for the Trustee.

The Plan assets will be invested primarily in Company Stock. All other investments may be used to acquire shares of Company Stock from Company shareholders or from the Company.

All purchases of Company Stock must be made by the Plan at prices that do not exceed the fair market value of the stock, as determined, after the initial acquisition of Company Stock, by the Trustee based on a report prepared by an independent disinterested appraiser.

### **WHAT SPECIAL INVESTMENT DIVERSIFICATION RULES APPLY TO ESOPS?**

Each participant who has completed at least ten years of participation in the Plan and who has reached at least age 55 has the right to take responsibility for the diversification of the investment of 25% of the shares of Company Stock allocated to his Account. You may exercise this right for each Plan Year in the five-Plan Year-period described below by filing a direction notice with the Committee to distribute a portion of your Account, usually to you or to an individual retirement account to then invest at your discretion. For the sixth Plan Year in which you are entitled to direct this distribution, you may direct the Plan to distribute a total of 50% of the shares of Company Stock allocated to your Account.

When determining the number of shares of Company Stock allocated to your Account, any shares you previously distributed are added back to your Account balance and then subtracted from the number of shares you may elect to receive. In other words, the percentage of the shares that you may diversify is “rolling”. If you maximize your distribution right each year, you will be able to diversify only the increase in the number of shares of Common Stock

allocated to your Account each year – until the sixth year, when the percentage of your Account that you may elect to receive is increased to 50%.

The five-Plan Year-period is the five-year period beginning with the Plan Year following the Plan Year in which you complete ten years of participation and reach age 55. These rules apply only if the value of the Company Stock allocated to your Account is greater than \$500. The Committee will supply you with the necessary forms on your request.

For more information concerning this investment direction election, please contact the Committee.

**WHAT ARE MY RETIREMENT, DISABILITY, DEATH AND TERMINATION BENEFITS?**

*Normal Retirement.* You will be 100% vested in the balance credited to your Account if you retire on or after the date you reach Normal Retirement Age.

*Total and Permanent Disability.* If you were hired before January 1, 2015, you will be 100% vested in the balance credited to your Account if you terminate employment with the Employer as a result of your Total and Permanent Disability. If you are hired on or after January 1, 2015, you will be vested in accordance with the schedule in the *Termination* section below.

*Death.* If you die while you are employed by the Employer, your Beneficiary or beneficiaries will be eligible to receive a benefit equal to 100% of the balance credited to your Account at the time of your death.

*Termination.* If you terminate employment with the Employer for a reason other than reaching Normal Retirement Age, or on account of your death (or Total and Permanent Disability if you were hired before January 1, 2015), you may be entitled to receive a percentage of your Account determined according to your Years of Service for Vesting Purposes. The percentage to which you are entitled is called your **vested interest**. Your vested interest represents that portion of your Account under the Plan in which you have a full entitlement or a non-forfeitable interest.

The following schedule shows the vested interest of your Account according to your Years of Service for Vesting Purposes. To calculate your vested interest, multiply your Account balance by the vested percentage.

<b>Completed Years of Service for Vesting Purposes</b>	<b>Vested Percentage</b>
less than 3 years	0%
3 or more years	100%

You will not receive any credit for vesting purposes under the Plan for any period of employment prior to the original effective date of the Plan.

Special rules apply for computing the Years of Service for Vesting Purposes of a participant who terminates employment and then is reemployed by the Company (see Reemployment below).

*Forfeitures.* If you terminate employment and you are not 100% vested in your Account when your employment terminates, the non-vested portion of your Account will be forfeited on the December 31 Accounting Date of the Plan Year in which you terminate employment unless you are eligible to receive an allocation of a Company contribution in such year. If so, your Account will be forfeited on the December 31 Accounting Date of the following Plan Year, unless you have been reemployed. Generally, forfeitures are added to Company contributions for the current Plan Year but are first used to restore forfeitures to participant's Accounts who are subsequently re-employed. If you have a zero vested percentage in your Account at the time of your termination of employment, you will be deemed to have been paid a vested benefit at the time of your termination of employment. If your Account balance is forfeited in accordance with the above, any Company Stock allocated to your Account will be forfeited only after any cash or other assets other than Company Stock that have been allocated to your Account are forfeited.

*Reemployment.* If you terminate employment when you have a vested interest in your Account and you are reemployed by the Company, your pre-break and post-break Years of Service for Vesting Purposes will be combined. If you terminate employment before you have a vested interest in your Account and you are reemployed before you have 5 consecutive One-Year Breaks in Service, the Company will restore the dollar amount of the forfeiture to your Account as of the date of the forfeiture. If you terminate employment before you have a vested interest in your Account and your reemployment occurs after you have five consecutive One-Year Breaks in Service, the forfeiture will not be restored to your Account and you will not receive credit for your prior Years of Service for Vesting Purposes.

## **WHEN AND HOW WILL MY BENEFITS BE PAID?**

*Time of Payment of Benefits.* The general rule is that no vested Account will be distributed before the ESOP loan has been repaid in full unless you retire after reaching Normal Retirement Age under the Plan, die or become Totally and Permanently Disabled. After the ESOP loan has been repaid in full, you may elect that your vested Account begin to be distributed no later than one year after the end of the Plan Year (1) in which your employment with the Company and all affiliates of the Company terminates after reaching Normal Retirement Age, or as a result of your death or your Total and Permanent Disability, or (2) which is the fifth Plan Year following the Plan Year in which your employment with the Company and all affiliates of the Company terminates for any other reason.

*Special Rule for Small Accounts.* Notwithstanding the foregoing, if you terminate with the Company and all affiliates and your vested balance in your Account does not exceed \$1,000, then the vested balance will be paid in a lump sum payment as soon as administratively

practicable after the Plan Year in which your employment terminates. If your vested balance in your Account exceeds \$1,000 but does not exceed \$5,000 and if you do not elect to have the distribution paid to another "eligible retirement plan" or to receive the distribution directly, then the distribution will be paid in a lump sum in a direct rollover to an individual retirement plan designated by the Committee as soon as administratively practicable after the Plan Year in which your employment terminates.

Effective as of January 1, 2017, if your vested Account balance exceeds \$5,000 but does not exceed \$10,000 on the date the payment is to be made and if you have not reached Normal Retirement Age and you consent to the distribution, your vested Account will be distributed to you in a lump sum as soon as administratively practicable in the 2017 Plan Year or, if you terminate employment after December 31, 2016, in the first Plan Year following the Plan Year of your termination of employment. If your vested Account exceeds \$10,000 on the date payment is to be made or commence and if you have not reached Normal Retirement Age and you consent to the distribution, your vested Account will be distributed in the first Plan Year following the end of the fifth Plan Year after the Plan Year in which you terminate employment, subject to the status of the ESOP loan.

Method of Payment of Benefits. Generally, if your vested Account balance exceeds \$10,000, the distribution will be in substantially equal annual payments over a period of:

- Five years; or
- If your vested balance is greater than \$1,080,000, then 5 years plus 1 additional year for each \$210,000 or fraction thereof over \$1,080,000 (but not more than 5 additional years). These dollar amounts, which are effective through 2017, may be raised periodically in accordance with the Code.

Form of Benefits. Distributions will be made in cash or in shares of Company Stock, at the discretion of the Committee. If you receive a distribution of Company Stock, your distribution will be made in the form of whole shares of Stock with the value of any fractional shares paid in cash. However, if the Company is an S corporation, any Stock distributed to you must be immediately repurchased by the Company at its fair market value. For purposes of this paragraph, fair market value shall be based upon the appraised fair market value determined by an independent appraiser as of the most recent Accounting Date. You may also request that the Trustee make the distribution to an individual retirement account in your name or to another retirement plan that is willing and able to accept the distribution.

Internal Revenue Code Restrictions: In any event, your vested Account balance must begin to be distributed generally not later than the later of:

- April 1 following the later of the calendar year in which you reach age 70 ½, or
- The calendar year in which you retire.

If you are a 5% owner of the Company, your vested Account balance must begin to be distributed not later than the April 1 following the calendar year in which you reach age 70 ½, even if you are still employed by the Company. If any part of your Account balance is distributed to you before you reach age 59 ½, there may be a penalty tax on the amount of your distribution.

Federal income tax will be withheld from cash distributions made to you from the Plan, unless you elect not to have tax withheld.

### **WHAT HAPPENS IF I DIE?**

If you die while you are a participant in the Plan, your Account or the remaining balance of your Account will be payable to your Beneficiary.

If you die after your retirement benefits from the Plan have begun to be paid, any remaining installments will be paid to your Beneficiary.

Your death benefit will begin to be paid as soon as is practicable after the end of the Plan Year in which you die. However, if your surviving spouse is your sole Beneficiary, your spouse may elect to postpone the commencement of distributions until the April 1 following the calendar year in which you would have reached age 70 ½.

Further, if you die while performing qualified military service (as defined in the Code) and you would have had reemployment rights under federal law had you lived, your Beneficiary will be entitled to vesting service credit and any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if you had resumed employment and then terminated employment on account of death.

### **MAY I ROLL OVER MY BALANCE IN THE PLAN?**

You may elect to have all or part of your distribution that is considered an “eligible rollover distribution” directly transferred from the Trust to an “eligible retirement plan.” An “eligible retirement plan” is an individual retirement account (“IRA”) other than an endowment contract, or a retirement plan considered eligible under the Code. You should contact the Plan Administrator for additional information.

### **MAY I TAKE A LOAN FROM MY ESOP ACCOUNT?**

No.

### **DO I HAVE ANY VOTING RIGHTS?**

Yes, in certain circumstances. You (or your Beneficiary after your death) are entitled to under the Code direct the Trustee how to vote shares of Company Stock allocated to your Account with respect to any substantial corporate matter. A substantial corporate matter is a major corporate transaction such as a corporate merger, consolidation, recapitalization,

reclassification, liquidation, dissolution, sale of substantially all the Company's assets of a trade or business or a similar transaction. The Company will provide you with the appropriate notices and information concerning your voting rights within a reasonable period of time before your rights are to be exercised. To the extent that you do not have these rights under the Code, the Trustee will vote all shares of Company Stock.

### **WHAT IS A QUALIFIED DOMESTIC RELATIONS ORDER?**

A qualified domestic relations order is a court order that creates or recognizes the right of an alternate payee (e.g., spouse, former spouse, or child) to part or all of your Plan benefits. Although ERISA, a federal pension law, generally protects Plan benefits against creditors, qualified domestic relations orders are an exception. Such an order can force payment of benefits even though the Plan prohibits distributions earlier than retirement, termination, death, or disability. However, a spouse, former spouse or child will not be entitled to any rights not afforded you under the Plan. The Committee must notify you if the Plan receives a domestic relations order that affects your Account balance and must also determine, within a reasonable time, if the order is qualified. You and each alternate payee will be notified of the decision. You and your beneficiaries may obtain, without charge, a copy of the Plan's procedures regarding qualified domestic relations orders.

*If you are involved in a divorce proceeding* in which your Plan benefits will be divided, your attorney or your spouse's attorney should contact the Committee before presenting a final order to the court. By doing so, the Committee can notify the attorney of any deficiencies in the proposed order.

### **ARE MY BENEFITS INSURED?**

No, the benefits under the Plan are based solely on contributions to your Account and the investment experience of the Trust. Consequently, your benefits are not insured by the Pension Benefit Guaranty Corporation.

### **WHAT'S THE PROCEDURE I NEED TO FOLLOW IF I HAVE A CLAIM THAT INVOLVES THE PLAN?**

*Administrative Claims Procedure.* All claims for benefits under the Plan must be submitted in writing to the Committee, which will make all determinations as to rights to benefits under the Plan. If the Committee denies, in whole or in part, a claim for benefits by you or your Beneficiary (a "Benefit Claimant"), the Committee will furnish notice of the denial to the Benefit Claimant, setting forth: the specific reasons for the denial, specific reference to the pertinent Plan provisions on which the denial is based, a description of any additional information necessary for the Benefit Claimant to perfect the claim for benefits and an explanation of why such information is necessary, appropriate information as to the steps to be taken if the Benefit Claimant wishes to submit his claim for review, and a statement of the Benefit Claimant's right to arbitration following an adverse benefit determination on review.

The notice described above will be forwarded to the Benefit Claimant within 90 days of the Committee's receipt of the claim; provided, however, that in special circumstances the

Committee may extend the response period for up to an additional 90 days, in which event it will notify the Benefit Claimant in writing of the extension and will specify the reason(s) for the extension.

Within 60 days of receipt of a notice of claim denial, a Benefit Claimant or the Benefit Claimant's duly authorized representative may petition the Committee in writing for a full and fair review of the denial pursuant to this administrative claims procedure. The Benefit Claimant or the Benefit Claimant's duly authorized representative will have the opportunity to review pertinent documents and to submit issues and comments in writing to the Committee. The Benefit Claimant will be provided, on request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to the claim for benefits.

The Committee will review the denial and will communicate its decision and the reasons for the decision to the Benefit Claimant in writing within 60 days of receipt of the petition; provided, however, that in special circumstances the Committee may extend the response period for up to an additional 60 days, in which event it will notify the Benefit Claimant in writing prior to the commencement of the extension.

If the Committee makes an adverse benefit determination on review, it will provide the Benefit Claimant with the information described in the original denial.

The response periods described above will be tolled for periods during which the Benefit Claimant is responding to a request for additional information that the Committee has determined is necessary to process the Benefit Claimant's claim. The Benefit Claimant will have not less than 45 days to provide the requested information. The response periods will recommence when the Benefit Claimant provides the requested information.

If the Committee determines that there is a dispute concerning the payment of benefits to a Beneficiary or Beneficiaries, the Committee may delay any payment that would otherwise be made under the Plan until the Committee, in its discretion, determines that the dispute has been resolved.

The Benefit Claimant may pursue arbitration only after exhausting the administrative claims procedure described in this section of the summary plan description. However, all administrative remedies must be exhausted with respect to every issue that the Benefit Claimant deems to be relevant to the claim for benefits before the Benefit Claimant may pursue arbitration. The Benefit Claimant may not raise new issues in the arbitration with regard to the claim for benefits which the Benefit Claimant had failed to raise in this administrative claims procedure.

If the Benefit Claimant decides to pursue arbitration, the Benefit Claimant must file for arbitration in accordance with the arbitration procedure described below promptly. For this purpose, "promptly" means filing within twelve (12) months of the date on which the denial of the claim appeal is issued by the Committee under the this administrative claims procedure. This twelve (12) month limit overrides all state and federal statutes that establish provisions relating to limitations on actions.

Committee decisions on benefit claims (where no review is requested) and decisions on the review of benefit claims (where review is requested) will be final, binding, and conclusive on all interested parties subject to the following arbitration requirement and arbitration procedure.

*Arbitration Requirement and Arbitration Procedure.* Subject to and without waiver of full compliance with the Plan's administrative claims procedures as described above which, to the extent applicable, must be exhausted with respect to any claim before a Benefit Claimant may pursue arbitration pursuant to this procedure, all Covered Claims (as defined below) must be resolved exclusively pursuant to the "Arbitration Procedure" described in this section of the summary plan description. Note that this Arbitration Procedure applies to all claims, not just claims for benefits.

(a) *Covered Claims.* Any claim made by or on behalf of a Covered Employee, participant or Beneficiary (a "Claimant") which arises out of, relates to, or concerns this Plan, the Trust Agreement, or the Trust, including without limitation, any claim for benefits under the Plan, Trust Agreement, or Trust; any claim asserting a breach of, or failure to follow, the Plan or Trust Agreement or Trust; and any claim asserting a breach of, or failure to follow, any provision of ERISA or the Code, including without limitation claims for breach of fiduciary duty, ERISA § 510 claims, and claims for failure to timely provide notices or information required by ERISA or the Code (collectively, "Covered Claims"), shall be resolved exclusively by binding arbitration administered in accordance with the National Rules for the Resolution of Employment Disputes (the "Rules") of the American Arbitration Association ("AAA") then in effect. Under no circumstances are the AAA Supplementary Rules for Class Arbitrations to be used. If the Covered Claims solely involve (i) claims under ERISA § 502(a)(1)(B) to recover benefits due to the Claimant under the terms of the Plan, to enforce the Claimant's rights under the terms of the Plan, or to clarify the Claimant's rights to future benefits under the terms of the Plan, and/or (ii) claims for penalties under ERISA § 502(c), the Covered Claims shall be submitted to and decided by only one (1) arbitrator. For all other disputes, the Covered Claims shall be submitted to and decided by three (3) arbitrators. Claimant shall assert all Covered Claims in the same arbitration and shall not split Covered Claims. If, for example, a Claimant wishes to pursue both a claim for benefits under ERISA § 502(a)(1)(B) and a claim for breach of fiduciary duty under ERISA § 502(a)(2) and/or ERISA § 502(a)(3), the Claimant shall first exhaust the administrative claims procedure described above to the extent the administrative claims procedure is applicable and then shall assert both claims in one arbitration demand. The judgment on the final award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof and shall be res judicata as to all Covered Claims that the Claimant asserted or could have asserted in the arbitration demand.

(b) *No Group, Class, or Representative Arbitrations.* All Covered Claims must be brought solely in the Claimant's individual capacity and not in a representative capacity or on a class, collective, or group basis. Each arbitration shall be limited solely to one Claimant's Covered Claims, and that Claimant may not seek or receive any remedy which has the purpose or effect of providing additional benefits or monetary or other relief to any Covered Employee, participant or Beneficiary other than the Claimant. For instance, with respect to any claim brought under ERISA § 502(a)(2) to seek appropriate



relief under ERISA § 409, the Claimant's remedy, if any, shall be limited to (i) the alleged losses to the Claimant's individual Account resulting from the alleged breach of fiduciary duty, (ii) a pro-rated portion of any profits allegedly made by a fiduciary through the use of Plan assets where such pro-rated amount is intended to provide a remedy solely to Claimant's individual Account, and/or (iii) such other remedial or equitable relief as the arbitrator(s) deems proper so long as such remedial or equitable relief does not include or result in the provision of additional benefits or monetary relief to any Covered Employee, participant or Beneficiary other than the Claimant, and is not binding on the Committee or Trustee with respect to any Covered Employee, participant or Beneficiary other than the Claimant. The requirement that (x) all Covered Claims be brought solely in a Claimant's individual capacity and not in a purported group, class, collective, or representative capacity, and (y) that no Claimant shall be entitled to receive, and shall not be awarded, any relief other than individual relief, shall govern irrespective of any AAA rule or decision to the contrary and is a material and non-severable term of this Arbitration Procedure. The arbitrator(s) shall consequently have no jurisdiction or authority to compel or permit any class, collective, or representative action in arbitration, to consolidate different arbitration proceedings, or to join any other party to any arbitration. Any dispute or issue as to the applicability or validity of this Arbitration Procedure (the "Class Action Waiver") shall be determined by a court of competent jurisdiction. Moreover, nothing in this Arbitration Procedure shall preclude seeking interim or provisional relief or remedies in aid of arbitration from a court of competent jurisdiction. In the event a court of competent jurisdiction were to find these requirements to be unenforceable or invalid, then the entire Arbitration Procedure described in this section of the summary plan description shall be rendered null and void in all respects.

(c) *Selection of Arbitrator.* The arbitrator(s) shall be mutually acceptable to all parties to the dispute and must be attorney(s) with prior experience with ERISA claims. The arbitrator(s) need not be selected from the AAA's panel of arbitrators if the parties to the dispute can reach agreement on the selection of the arbitrator(s). If, however, the parties cannot agree on the selection of the arbitrator(s) within twenty-one (21) days of the demand for arbitration, then the arbitrator(s) shall be selected pursuant to the AAA's National Rules for the Resolution of Employment Disputes; provided, however, that (i) the list of potential arbitrators provided by the AAA shall be limited to attorneys with prior ERISA experience; (ii) for an arbitration to be heard by one arbitrator, the AAA shall provide a list of names of seven (7) potential arbitrators from which the two sides (Claimant on one side and all Respondents on the other side) shall alternatively strike names until only one name remains, with the Claimant striking first; and (iii) for an arbitration to be heard by three (3) arbitrators, the AAA shall provide a list of names of eleven (11) potential arbitrators from which the two sides shall alternatively strike names until only one name remains, with the Claimant striking first.

(d) *Location and Administration of Arbitration.* The arbitration proceedings shall be held in Springfield, Missouri, or at such other place as may be selected by mutual agreement of the parties. A Claimant may initiate arbitration by serving a demand for arbitration on the Committee and, if applicable, the Trustee and by filing such demand for

arbitration with the appropriate office of the AAA. In order to save time and expenses, the parties may agree to have the arbitrator(s), and not the AAA, administer the arbitration. In the absence of such an agreement, however, the AAA will administer the arbitration. Any Covered Claim must be submitted to arbitration within the earlier of the applicable statutory period of limitations or three (3) years of the date on which it accrued or shall be barred as untimely; provided, however, any Covered Claim under ERISA § 502(a)(1)(B) for a denial of benefits shall be deemed to have accrued on the date the Committee's final denial is issued under the Plan's administrative claims procedure, and any demand for arbitration involving such a claim shall be served on the Committee and, if applicable, Trustee, and filed with the AAA within twelve (12) months of the date on which the denial of the appeal of the claim is issued by the Committee.

(e) *Rules of Arbitration.* The arbitrator(s)'s review of the Committee's claim denial shall be limited to a review of the administrative record as submitted to the Committee, and the Committee's determination may only be overturned if the arbitrator(s) determines that the Committee's decision was arbitrary and capricious. Subject to that limitation, the arbitrator(s) shall have the discretion to order such discovery as permitted under the National Rules for the Resolution of Employment Disputes of the AAA. All disputes regarding discovery shall be decided by the arbitrator(s).

(f) *Arbitration Award.* The arbitration award shall be in writing. In rendering the award, the arbitrator(s) shall determine the respective rights and obligations of the parties under federal law, or, if federal law is not applicable, the laws of the State of Missouri. The arbitration award shall be binding on all parties solely with respect to the Claimant's individual claims, and it shall have no effect with respect to claims of any other Covered Employee, participant or Beneficiary. To the fullest extent permitted by law, no application or appeal to any court of competent jurisdiction may be made in connection with any question of law arising in the course of arbitration pursuant to this arbitration agreement or with respect to any award, except as to the Class Action Waiver or for actions relating to enforcement of this Arbitration Procedure or any award seeking interim or other provisional relief or remedies in aid of arbitration.

(g) *Fees and Expenses.* Except as may be awarded by the arbitrator(s) in a final award: (i) the fees and expenses of the arbitrator(s) and arbitration shall be advanced by the Company; and (ii) each party shall bear the expense of his, her or its own counsel, experts, witnesses, and preparation and presentation of evidence. The arbitrator(s) may include in his, her, or their final award an award of arbitration fees and expenses and/or attorneys' fees and expenses to the extent allowed under ERISA. However, if any party prevails on a statutory claim that entitles the prevailing party to attorneys' fees and costs, or if there is a written agreement between the parties providing for attorneys' fees and costs, the arbitrator(s) may award reasonable attorneys' fees and costs in accordance with the applicable statute or written agreement. In that event, the arbitrator(s) shall resolve any dispute as to the reasonableness of any fee or cost that may be awarded.

(h) *Confidentiality.* Neither the Claimant nor the arbitrator(s) may disclose the existence, content, subject matter, or results of any arbitration without the prior written

consent of the Company. This nondisclosure provision shall apply to all aspects of the arbitration proceeding, including without limitation, discovery, testimony, other evidence, briefs, and the award. In the event of a breach or threatened breach of this confidentiality provision, the Company may seek temporary, preliminary and/or permanent injunctive relief to prevent such breach or threatened breach, as well as any damages suffered by the Company, the Committee, or Trustee. In the event the Company brings an action to enforce this confidentiality provision and receives any remedy (whether temporary or permanent), the Claimant or arbitrator responsible for the breach or threatened breach shall pay the Company's attorneys' fees and expenses. In any action to confirm or set aside the arbitration award, the parties shall cooperatively seek to file the arbitration award under seal or for an *in camera* inspection by the court without the award being filed in the public record.

(i) *Arbitrator Independence.* The parties intend that the arbitrator(s) be independent and impartial. To this end, the arbitrator(s) shall disclose to the parties, both before and during the arbitration proceedings, any professional, family, or social relationships, past or present, with any party or counsel.

(j) *Applicable Law.* This Arbitration Procedure shall be governed and enforced under ERISA, the Federal Arbitration Act ("FAA"), 9 U.S.C. § 1, et seq., and, to the extent that it does not conflict with ERISA or the FAA, applicable state law. The final award rendered by the arbitrator(s) shall be final and binding on the parties to the arbitration with respect to the Claimant's individual claims only.

(k) *Covered Claims Against Non-Fiduciaries.* This Arbitration Procedure shall apply to all Covered Claims asserted by a Claimant, whether such Covered Claims are asserted solely against one or more of the Plan's fiduciaries or are also asserted against the Company or any other non-fiduciary (e.g., a Plan service provider).

(l) *Restriction on Venue.* If a Claimant wishes to pursue any Covered Claim, that Claimant shall comply with the Arbitration Procedure set forth in this section of the summary plan description and shall not file any such claim in state or federal court. The extent, however, any Claimant fails or refuses to comply with this Arbitration Procedure, wishes to challenge the legal enforceability of this Arbitration Procedure, or to the extent this Arbitration Procedure is invalidated, such action or challenge shall be filed exclusively in the United States District Court for the Western District of Missouri (Southern Division), which is where the Plan is administered. In the event a Claimant makes an unsuccessful challenge to the validity, enforceability or scope of this Arbitration Procedure in any court, the Claimant shall, to the maximum extent permitted by law, reimburse the defendants in that action for all attorneys' fees, costs and expenses incurred by them in defending against Claimant's unsuccessful court challenge.

*ERISA Rights.* As a participant in the Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

- Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor.
- Obtain, upon written request to the plan administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you whether you are vested and whether you have a right to receive your account balance when you reach Normal Retirement Age and if so, the amount of the vested balance credited to your account based on the most recent valuation. If you are not invested, the statement will tell you how many more years you have to work to become fully vested. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA. If your claim for a pension benefit is denied in whole or in part you must receive a written explanation of the reason for the denial. You have the right to have the Committee review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file for arbitration. In such a case, the arbitrator may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file for arbitration. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file for arbitration. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file for arbitration. The arbitrator(s) will decide who should pay costs and legal fees. If you are successful, the arbitrators may order the person you have sued to pay these costs and fees. If you lose, the arbitrator(s) may order you to pay these costs and fees, for example, if the arbitrator(s) find that your claim is frivolous.

**If you have any questions about your Plan, you should contact the plan administrator, which is the Committee (at the address provided below). If you have any questions about this statement or about your rights under ERISA, you should contact the**

nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

**CAN THE PLAN BE AMENDED OR TERMINATED?**

*The Plan may be amended or terminated by the Company at any time.* In the event of Plan termination, you will be fully vested in your Account balance regardless of your Years of Service. Your vested Account balance will be paid to you in accordance with the distribution provisions of the Plan as soon as is practicable after the termination.

**IS THERE ANY OTHER INFORMATION I SHOULD KNOW?**

Company Name, Address and Telephone Number:

Penmac Staffing Services, Inc.  
447 South Avenue  
Springfield, MO 65806  
(417) 831-9100

The Company is the Plan Sponsor.

Name, Address and Telephone Number of the Plan Administrator:

Benefits Committee  
Penmac Staffing Services, Inc.  
447 South Avenue  
Springfield, MO 65806  
(417) 831-9100

Name, Address and Telephone Number of Trustee:

Reliance Trust Company  
Northpark Building 500  
Suite 400  
110 Abernathy Road NE  
Atlanta, GA 30328  
Attn: Stephen A. Martin  
Senior Vice President

Legal process may be served on the Committee or the Trustee.

The Company's Identification Number is 43-1625388

The Plan Number is 002.