

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

**DISTRIBUTION POLICY**

**January 1, 2024**

The intent of the following Distribution Policy, adopted by the Committee for the Penmac Staffing Services, Inc. Employee Stock Ownership Plan (“Plan”), is to interpret the distribution provisions of the Plan and to provide for a policy regarding such benefit distributions from the Plan. It is the intent of this Distribution Policy to be applied in a nondiscriminatory manner to similarly situated Participants and Beneficiaries in both design and application. Capitalized terms not defined herein have the meanings set forth in the Plan.

1. Timing for Commencement of Distribution

In the event of death, Total and Permanent Disability, termination after attaining Normal Retirement Age (later of age 65 or fifth anniversary of commencement of participation) (“Retirement”), distribution of the Participant’s vested Account balance will begin *no later than* the following Plan Year, subject to the Participant’s consent, if required. In the event of termination of employment for reasons other than death, Total and Permanent Disability, or Retirement, distribution of the Participant’s vested Account balance will begin *no later than* during the sixth Plan Year following the Plan Year of termination of employment, subject to the Participant’s consent, if required.

2. Consent Requirement

If the Participant’s vested Account balance exceeds \$7,000, a distribution will not be made before Normal Retirement Age or death without the Participant’s consent, except as otherwise required by law. If the Participant’s vested Account balance is \$7,000 or less, a distribution will be made to the Participant without the Participant’s consent. Such Participant will be given the opportunity to elect a direct rollover. If the Participant’s vested account balance is \$7,000 or less and the Participant fails to elect to receive a distribution, the Participant’s vested Account balance will be rolled over to an individual retirement account (IRA) selected by the Committee for the benefit of the Participant.

3. Form: Cash or Stock

Distributions will be made in cash from the Plan to the extent there is cash available within the Trust. If cash is not available within the Trust or made available to the Trust, distributions will be made in shares of Company Stock or deemed to be made in shares of Company Stock, subject to a requirement that they be sold to the Company immediately upon distribution.

4. Method: Single sum or Installments

a. General: If the Committee has not set a “single sum threshold” in accordance with Section 4.b, or if the Participant’s vested Account balance does not exceed the single sum threshold, the vested Account balance will be distributed in a single sum. If the vested Account balance exceeds the single sum threshold, distribution will be made in substantially equal annual installments over a period of *no longer than* five years (except that such period may be extended for large balances as provided for under Code Section 409(o)(1)(C)(ii)).

- b. Single sum threshold: Based on the financial position of the Company, the Committee may set distinct single sum thresholds for each reason for distribution (death, Total and Permanent Disability, Retirement, and other termination), provided that the Committee is not required to set any single sum threshold.
- c. Minimum annual installments: Based on the financial position of the Company, the Committee may set distinct minimum annual installment amounts in a nondiscriminatory manner for each reason for distribution (death, Total and Permanent Disability, Retirement, and other termination), provided that the Committee is not required to set any minimum annual installment amount. If the minimum annual installment amount is not met, the Participant's remaining vested Account balance will be paid in a single sum.

5. Required Minimum Distributions

Notwithstanding any other provision herein to the contrary, distributions from the Plan must begin by April 1 of the calendar year following the later of the calendar year in which the Participant attains age 73 (as adjusted by law) or terminates employment.

6. Exempt Loan

In the case of a distribution not due to death, Total and Permanent Disability, or Retirement, except as provided in the selections under this Distribution Policy, a Participant's vested and nonforfeitable Account shall not include any shares of Company Stock acquired with the proceeds of a loan until the close of the Plan Year in which the loan is repaid in full; provided, however, that the foregoing shall not in any case apply to cash-out distributions of accounts of \$7,000 or less as provided for in Section 1.

7. Exchange

Any portion of a Participant's vested Account that has been exchanged as described in Section 13.3 of the Plan and not transferred to another qualified plan of the Company shall be distributed in accordance with the Plan and this Distribution Policy. Any portion of a Participant's vested Account that has been exchanged as described in Section 13.3 of the Plan and transferred to another qualified plan of the Company shall be distributed in accordance with the terms of such other plan.

The power to establish and interpret this Distribution Policy is within the powers granted the Committee under the Plan. This Distribution Policy may be revised from time to time by the Committee.

This policy has been adopted by the Committee effective as of the date first written above.

Committee for the Penmac Staffing Services, Inc. Employee Stock Ownership Plan

By: Paula Adams

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

**SELECTION OF TIMING FOR COMMENCEMENT OF DISTRIBUTIONS, SINGLE  
SUM THRESHOLD, AND MINIMUM ANNUAL INSTALLMENTS**

This selection is effective for distributions made on or after **January 1, 2024**. This selection will remain in effect until modified by any subsequent selection.

The Committee hereby sets the timing for distributions, application of exempt loan delay, single sum threshold amounts, number of installments, and any minimum annual installment amounts for distributions as follows:

<b>Distribution Type</b>	<b>Timing for Distributions</b>	<b>Exempt Loan Delay<sup>1</sup></b>	<b>Single Sum Threshold Amounts<sup>2</sup></b>	<b>Number of Installments<sup>3</sup></b>	<b>Minimum Annual Installment Amounts</b>
Death	Beginning in the Plan Year following death	N/A	\$300,000	5	\$300,000
Total and Permanent Disability	Beginning in the Plan Year following Total and Permanent Disability	N/A	\$300,000	5	\$300,000
Retirement	Beginning in the Plan Year following Retirement	N/A	\$20,000	5	\$20,000
Other Termination	Beginning in the sixth Plan Year following other termination	Yes	\$20,000	5	\$20,000

Notwithstanding the above, amounts that are exchanged under Section 13.3 X will or \_\_\_ will not be distributed as soon as practicable following the exchange, subject to consent requirements.

This selection has been adopted by the Committee effective as of the date set forth above.

Committee for the Penmac Staffing Services, Inc. Employee Stock Ownership Plan

By: Paula Adams

<sup>1</sup> Does not apply to death, Total and Permanent Disability, Retirement, and accounts not exceeding single sum threshold.

<sup>2</sup> Single sum threshold should be greater than \$7,000. If no single sum threshold is selected, the cash-out provisions for accounts of \$7,000 or less will still apply.

<sup>3</sup> If greater than single sum threshold. Installments cannot exceed 5, except as provided in the Distribution Policy for certain large account balances.