

WAYNE COUNTY DEFINED CONTRIBUTION PLAN
PARTICIPANT LOAN PROGRAM
February 4, 2024

The Wayne County Defined Contribution Plan permits loans to be made to Participants. However, before any loan is made, the Plan requires that a written loan program be established which sets forth the rules and guidelines for making Participant loans. This document shall serve as the required written loan program. In addition, the Plan Administrator may use this document to serve as, or supplement, any required notice of the loan program to Participants. All references to Participants in this loan program shall only include Participants with respect to the Plan. Loans will not be made to Participants whose employment has terminated.

The Plan Administrator is authorized to administer the Participant loan program.

1. **LOAN APPLICATION.** All loan applications will be considered by the Plan Administrator within a reasonable time after the Participant makes formal application in accordance with elections made by the Plan Sponsor in the Administrative Services Agreement between the Plan Sponsor and the service provider ("Empower") as follows:

- For Outsourced Loans, a Participant may apply for a loan by submitting a loan application ("Application"), in a form prescribed by Empower and consistent with the terms of this Loan Policy as authorized by the Plan Administrator, to Empower by authorized electronic means. The date and time of receipt will be appropriately recorded.
- For Automated Loans, a Participant may apply for a loan by submitting a loan application ("Application"), in a form prescribed by Empower and consistent with the terms of this Loan Policy as authorized by the Plan Administrator, to Empower by authorized electronic means. The request will be reviewed and approved and/or denied by an authorized representative of the Employer by electronic means. The date and time of the receipt will be appropriately recorded.
- For Non-Automated Loans, a Participant may apply for a loan by submitting a duly completed loan application ("Application") to the Plan Administrator or authorized plan representative that has been signed by the Participant, within the 90-day period prior to the making of the loan. If spousal consent is required, the application must be signed by the spouse and witnessed by a notary public or an authorized plan representative. An authorized plan representative must approve the loan.

2. **LOAN LIMITATIONS.** The Plan Administrator will not approve any loan to a Participant in an amount which exceeds 50% of his or her nonforfeitable Account balance. The maximum aggregate dollar amount of loans outstanding to any Participant may not exceed \$50,000, reduced by the excess (if any) of (i) the Participant's highest outstanding balance of loans during the one year period ending on the day before the date on which a loan is made over (ii) the Participant's outstanding balance of loans on the date on which such loan is made.

With regard to any loan made pursuant to this program, the following rule(s) and limitation(s) shall apply, in addition to such other requirements set forth in the Plan:

- The minimum loan available from the Plan is \$1,000.
- Subject to a Participant's Collective Bargaining Agreement, or benefit plan document, a Participant may only have 2 loans outstanding from the Plan. A Participant with 2 outstanding loans may not apply for another loan until all but one of the existing loans is repaid in full or offset and may not refinance an existing loan or obtain a third loan for the purpose of paying off an existing loan. Note that a loan in default, including a loan that is deemed distributed, is treated as an outstanding loan for purposes of determining the number of loans outstanding to a Participant until it is repaid or actually offset against the Participant's Account balance.

- All loans made pursuant to this program will be considered a directed investment of the Participant's Account under the Plan. As such, all payments of principal and interest made by the Participant will be credited only to the Account of such Participant. The Plan also will charge the Participant's Account with expenses directly-related to the origination, maintenance and collection of the note.

3. **LOAN FEES/SOURCES.** Please refer to the Administrative Services Agreement for applicable loan initiation and maintenance fees. The Plan Administrator, as to new loans, may increase these fees by notice to or agreement with the record keeper or other party administering loans and repayments.

- The loan will be processed from all Sub-Accounts, as prescribed by the Plan Administrator.

4. **TERMS OF LOAN.** In accordance with the Plan Sponsor's direction in the Plan Criteria Guidelines submitted to Empower, Empower will make any necessary rate changes based upon the "bank prime rate" (plus 1%) reported by the Wall Street Journal on the last business day of a calendar month effective for loans made on and after the first business day of the subsequent month. The source for the rate will be www.wsj.com or other websites that may provide the same information.

The Plan Administrator will require that the Participant repay the loan by agreeing to payroll deduction.

The Plan Administrator will fix the term for repayment of any loan. Generally, the term of repayment may not be greater than 5 years. However, if the loan qualifies as a Primary Residence loan, the term may be longer than 5 years. The term of repayment of a "Primary Residence loan" may not be greater than 15 years.

- Note that the amount of any loan (other than a "Primary Residence loan") not repaid within 5 years may be treated as a taxable distribution on the last day of the 5 year period, including any available cure period or if sooner, at the time the loan is in default. If a Participant extends a non-Primary Residence loan having a 5 year or less repayment term beyond 5 years, the balance of the loan at the time of the extension is deemed to be a taxable distribution to the Participant.

Loans may be prepaid in whole or in part at any time. Any such prepayment shall be made in any form approved by the Plan Administrator. Participants may contact the recordkeeper in order to obtain a payoff quote that is valid for 14 calendar days.

Partial prepayments of principal only will not change the amount or timing of subsequent payments due prior to pay-off of the loan, but will simply reduce the total number of payments to be made. In order to be processed as a prepayment of principal only, the Participant or authorized representative of the Employer must notify Empower that the partial prepayment should be processed as a principal only payment, and the amount should be sent as a separate payment, not with payments made in accordance with the amortization schedule. Unless otherwise directed by the Participant or an authorized representative of the Employer within a reasonable timeframe from the date of receipt, payments made as required by the loan amortization schedule will be allocated to principal and interest in accordance with the amortization schedule.

A loan, if not otherwise due and payable, is due and payable on termination of the Plan, notwithstanding any contrary provision in the promissory note. Nothing in this loan policy restricts the Employer's right to terminate the Plan at any time.

5. **SECURITY FOR LOAN.** The Plan will require that adequate security be provided by the Participant before a loan is granted. For this purpose, the Plan will consider a Participant's interest under the Plan to be adequate security. However, in no event will more than 50% of a Participant's vested interest in the Plan (determined immediately after origination of the loan) be used as security for the loan. The Plan will not make loans which require security other than the Participant's vested interest in the Plan. The Plan Administrator will evaluate the Participant's account to determine whether loan repayments can be made before approving or denying the Participant's loan request.

The 50% limit is based on the Participant's full Account.

6. **FORM OF PLEDGE.** The pledge and assignment of a Participant's Account balances will be made in the manner prescribed by the Plan Administrator.

7. **MILITARY SERVICE.** If a Participant takes a leave of absence from the Employer because of service in the military and does not receive a distribution of his or her Account balances, the Plan may suspend loan repayments until the Participant's completion of military service. While the Participant is on active duty in the United States military, the interest rate on any loan in existence before such leave shall not exceed 6%, compounded annually.

8. **LEAVE OF ABSENCE/SUSPENSION OF PAYMENT.** The Plan Administrator may suspend loan repayments for a period not exceeding one year which occurs during an approved leave of absence, either without pay from the Employer or at a rate of pay (after applicable employment tax withholdings) that is less than the amount of the installment payments required under the terms of the loan. The Plan Administrator will provide the Participant with a written explanation of the effect of the leave of absence upon his or her Plan loan.

9. **PAYMENTS AFTER LEAVE OF ABSENCE.** When payments resume following a payment suspension in connection with a leave of absence authorized in 7 or 8 above, the Participant shall increase the amount of the required installments to an amount sufficient to amortize the remaining balance of the loan, over the remaining term of the loan. Further, if the Participant's loan term was not the maximum permissible, then he may extend the maturity date of the loan and re-amortize the payments over the remaining time of the new term. If the leave of absence was due to a Qualified Military Leave of Absence described in item 7 above, the revised term of the loan shall not exceed the maximum term permitted in item 4 above, augmented by the time the Participant was actually in United States Military Service.

10. **DEFAULT.** The Plan Administrator will treat a loan in default if any scheduled payment remains unpaid beyond 90 days following the date on which the scheduled payment was due. The Plan Administrator may extend the grace period so deemed distribution of the loan amount does not occur until the quarter following the quarter in which the payment was due. After termination of employment, whether the Participant chooses to continue to repay the loan or chooses not to repay the loan, the remaining loan balance will be offset against the Participant's Account upon the earlier of (1) any distribution from the Account to the Participant, or (2) expiration of the grace period. Loans may continue to be paid if a Participant transfers to another entity covered under this Multiple Employer Plan.

If a Participant is still employed upon default, a deemed distribution will be declared. The amount of loan outstanding upon default will be treated as a deemed distribution and will be taxable to the Participant in the year of the default, which will result in a Form 1099-R being issued to the Participant.

A Participant who is currently in default on a Plan loan may receive a further loan from the Plan if all the requirements of the loan program are met, provided that there is a legally enforceable arrangement among the Participant, the Plan, and the Participant's employer that repayment of such loan shall be made primarily by payroll withholding.

A Participant who is currently in default on a Plan loan shall not receive a further loan from the Plan unless the defaulted loan is fully paid.

A Participant who continues employment following default may (i) repay the full amount of the loan, with interest, (ii) resume current status of the loan by paying any missed payment plus interest, or (iii) if distribution is available under the Plan, request distribution of the promissory note. If the loan remains in default, when the Participant's Account is distributed, the Plan Administrator will offset the Participant's vested Account balance by the outstanding balance of the loan to the extent permitted by law. The Plan Administrator will treat the note as repaid to the extent of any permissible offset. Pending final disposition of the note, the Participant remains obligated for any unpaid principal and accrued interest.

11. MEANING OF TERMS. Generally, capitalized terms have the meaning provided in the Summary Plan Description. The following terms, which are not defined in the Summary Plan Description, have the following meanings:

- "Participant" means an individual on whose behalf contributions were made to the Plan and who retains an Account under the Plan.
- "Primary Residence loan" means a loan used to acquire a dwelling unit that will, within a reasonable period of time, be used as the Participant's principal residence.
- "Sub-Account" means a sub-account maintained under a Participant's Account.

This loan program is designed to meet the requirements specified under Department of Labor Regulation §2550.408b-1, as modified by Department of Labor Advisory Opinion 89-30A, regarding written loan programs. This loan program may be amended from time to time, but only by a written instrument.