



Oak Harbor Freight Lines, Inc. 401k Plan and Trust

Eligibility Requirements

All employees who have reached 21 years of age are immediately eligible for the plan; you will enter the plan immediately after eligibility requirements have been met.

There is a 90 day wait period from the date of hire to receive a company match.

Investment Options:

You have the ability to choose your investment options, if no investment option is chosen, your money will be invested into the **JP Morgan Target Dated Default Fund**.

Contributions

Employee Savings Contributions

For 2020, the maximum salary deferral that you may contribute is \$19,500. You have the choice of deferring into a pre-tax and/or post-tax (ROTH) account. Employees that are age 50 or older at the end of the plan year are eligible to make an additional \$6,500 catch-up provision.

If you are considered a highly compensated employee, your ability to contribute the maximum will be based on the annual discrimination testing.

Company Matching Contributions

Oak Harbor Freight Lines will match 50% of every dollar you contribute to your 401(k) Plan up a maximum match of 5%.

Example: If you contribute 10% of your wages, you will be matched 5% providing a total contribution of 15%.

You are eligible to receive company match after 90 days from your date of employment.

What is the difference between a ROTH and traditional 401(k) deferral?

The basic difference between a Roth 401(k) and a traditional 401(k) is that the Roth is funded with after-tax dollars while the traditional 401(k) is funded with pre-tax dollars. In general, the earnings on your Roth contributions will be tax-free as long as the distribution is made 5 years after the first Roth contribution.

Rollovers

You may rollover money from another Qualified Plan, 403(b), 457 or Taxable IRA into this Plan.

Definition of Compensation

Total pay received during the plan year (W-2 pay).

Vesting

YOU ARE ALWAYS 100% VESTED IN YOUR SAVINGS CONTRIBUTIONS.

COMPANY CONTRIBUTIONS ARE VESTED AS FOLLOWS:

<u>Years of Service</u>	<u>Vesting Percentage</u>
0-2 years	0%
2-3 years	20%
3-4 years	40%
4-5 years	60%
5-6 years	80%
6 years	100%

(A year of service is credited once the employee works 1,000 within the applicable plan year.)

Loans

You may take a loan from your 401(k) fund with certain restrictions. The loan cannot exceed 50% of your vested account balance. The minimum loan amount is \$1,000; the maximum amount is \$50,000.

There will be a one-time \$150 loan fee.

Withdrawals

The plan allows you to withdraw money from your account under the following circumstances: Termination of Employment, Attainment of age 59 ½ (*may be limited to employee contributions only*), or Disability/Death. *A spousal Consent is required on all distributions.*

Hardship Withdrawal

You *may* be eligible for a hardship withdrawal if you have an immediate financial need due to only the following reasons: purchase of primary residence; educational expenses; deductible medical expenses; or to prevent eviction/foreclosure from your principal residence. Hardship withdrawals are subject to income tax, a 10% penalty may apply and you may not contribute to the Plan for six months.

Access to your Account

You may access your account online
<https://myaccount.ascensus.com>

Paradigm Financial Corporation is the Third Party Administrators for the Oak Harbor 401(k) Account.

For questions or assistance with your 401(k) Account, please contact Cammie Hembree or Jaime Dellachiara at 800-527-4560.

If you need investment advice, please contact Travis Rus at 425-451-9502.

Investments

You can allocate your contributions and Company matching contributions to any or all of the following investment accounts as long as the total allocations equal 100%.

- **American Funds American Mutual**
- **American Funds New Perspective**
- **Columbia Small Cap Index**
- **Columbia Mid Cap Index**
- **Columbia Global Energy & Natural Res**
- **Diamond Hill Small-Mid Cap**
- **Franklin DynaTech**
- **Goldman Sachs Financial Square Gov**
- **Hartford MidCap**
- **iShares US Aggregate Bond Index**
- **iShares S&P 500 Index**
- **iShares MSCI EAFE Intl Index**
- **Invesco Oppenheimer Dev Market**
- **Lazard International Strategic Equity**
- **PIMCO Total Return**
- **Nuveen Real Estate Secs A**

Professionally Managed Portfolios:

- **JP Morgan Smart Retirement 2020 A**
- **JP Morgan Smart Retirement 2025 A**
- **JP Morgan Smart Retirement 2030 A**
- **JP Morgan Smart Retirement 2035 A**
- **JP Morgan Smart Retirement 2040 A**
- **JP Morgan Smart Retirement 2045 A**
- **JP Morgan Smart Retirement 2050 A**
- **JP Morgan Smart Retirement 2055 A**
- **JP Morgan Smart Retirement 2060 A**
- **JP Morgan Smart Retirement Income**

Oak Harbor Freight Lines, Inc 401(k) Company Match and Vesting Rules

Company Match

To be eligible for the match, you must be employed a minimum of 3 months. Oak Harbor Freight Lines will match 50% of every dollar you contribute to your 401k plan up to a maximum of 10%. Thus the company contribution may provide you an additional 5% in wages. Your participation in a traditional tax deferred 401k or Roth 401k will automatically trigger the match. However, the match will be placed in a traditional account such that income taxes will be paid upon withdrawal of the monies. The match will be made on a pay check per pay basis. For you to get the most benefit from the match you will need to contribute throughout the year.

Examples:

- If you contribute 4% of your wages you will be matched 2% providing a 6% contribution to your 401k account.
- If you contribute 6% of your wages you will be matched 3% providing a 9% contribution to your 401k account.
- If you contribute 10% of your wages you will be matched 5% providing a 15% contribution to your 401K account

Vesting

You are always 100% “vested” in any money you contribute. You will be vested in the Oak Harbor Freight Lines match contribution in accordance with the following schedule. Vested money is ours to keep upon separation of employment. (By law, unvested money is return to Oak Harbor Freight Lines.) You have to have worked over 1,000 hours in the first 2 years to qualify.

You will be vested on the company matched portion of your 401(k) contribution based on your hire date according to the schedule below:

0-2 years	0%
2-3 years	20%
3-4 years	40%
4-5 years	60%
5-6 years	80%
6 years	100%