

**SUMMARY PLAN DESCRIPTION
OF THE
NHCA AND AFFILIATES
RETIREMENT AND SAVINGS PLAN**

Effective January 1, 2020

INTRODUCTION

The NHCA and Affiliates Retirement and Savings Plan (referred to as the "PLAN") provides a way for you to "convert" dollars that would otherwise have been currently taxable to you into contributions to the Plan that are not taxed to you until distributed. Please refer to the attached Addendum for your Employer for specific information that may apply to you. The Plan may include a Money Purchase Pension Plan section, depending on the Employer ("referred to as the EMPLOYER") for whom you work and the date you began to participate in a plan that merged into this Plan. See the attached supplement ("referred to as the ADDENDUM") for your Employer to see if this applies to you.

The Plan is sponsored by the Trustees of the Plan (called the "PLAN SPONSOR"). As allowed by law, the Plan allocates reasonable Plan expenses among your and other Participants' Accounts. This Summary Plan Description (called the "SPD") incorporates the current amendment and restatement effective January 1, 2020.

You should read this entire booklet and Addendum carefully. To anticipate questions you may have, the description of the Plan is in question and answer form.

As you read, you will notice that some of the terms are defined when they first appear in quotes, capitalized and underlined. This is done in each case where a term is defined.

NOTE: If there are any differences between the information provided in this booklet and the terms of the official Plan documents, the terms of the official Plan documents (as applicable) will govern.

From time to time, application is made to the Internal Revenue Service for a ruling that the Plan is qualified under the Internal Revenue Code of 1986, as amended ("CODE"). Changes to the Plan may be required by the Internal Revenue Service or may be made by Plan Sponsor at any time in its sole discretion. You will be informed of important changes.

A. PARTICIPATION

1. WHO IS ELIGIBLE TO PARTICIPATE IN THE PLAN?

In general, all employees of the Employer are eligible to participate in the Plan. However, employees covered by a collective bargaining agreement where retirement benefits were a subject of good faith bargaining, nonresident aliens, leased employees and independent contractors are not eligible to participate. Notwithstanding the foregoing, Employees included in a bargaining unit covered by a collective bargaining agreement with the Employer that provides for participation in the Plan are eligible to participate.

You become a Participant in the Plan on the first payroll date following the date on which you meet the eligibility requirements listed below and you file your Participant 401(k) Election with the Record Keeper to make Participant 401(k) Contributions.

For Participant 401(k) Contributions:

- You complete one (1) Hour of Service with the Employer.
- You attain age twenty-one (21).

For Discretionary Employer Matching Contributions:

- You must complete one (1) Year of Service with the Employer.

For Discretionary Employer Contributions:

- You must complete one (1) Year of Service with the Employer.

2. WHAT IS SERVICE?

Your period of service with the Employer is important because it determines: (a) when you are eligible for Discretionary Employer Contributions, if any, and Discretionary Employer Matching Contributions, if any, (see Part I, Section A) and (b) determines the portion of your benefit in which you are vested. (See Part I, Section C.) Your service is measured in "HOURS OF SERVICE" and "YEARS OF SERVICE."

Hour of Service means each hour that you work for the Employer or each hour for which you are paid or entitled to be paid by the Employer. Certain periods when you are paid other than for the performance of duties, such as paid vacation or paid sick leave, incapacity (including disability), layoff, jury duty, military duty or paid leave of absence, will count as Hours of Service.

For purposes of eligibility, you are credited with a Year of Service if you complete 1,000 or more Hours of Service in the twelve (12) consecutive month period after you first work one hour for the Employer. You will enter the Plan for purposes of receiving an Employer Discretionary Matching Contributions and/or Employer Discretionary Contributions on the first payroll date following the day you have completed the Year of Service requirement. Therefore, you will receive the contribution for your second year of employment, assuming you complete a Year of Service in which you work 1,000 hours during your first twelve months of employment.

If you have not been credited with 1,000 Hours of Service by the end of your first twelve consecutive month period, you will complete a Year of Service once you complete the required 1,000 Hours of Service during any subsequent twelve month period that begins on the anniversary of your employment date.

For purpose of vesting, you are credited with a Year of Service if you complete 1,000 or more Hours of Service in a Plan Year. A "PLAN YEAR" means a twelve-month period from January 1 to December 31.

3. DOES SERVICE WITH ANOTHER EMPLOYER COUNT AS SERVICE IN THIS PLAN?

In general, your employment with another employer does not count as service under the Plan unless you worked for a "PARTICIPATING EMPLOYER" For purposes of determining who is an Eligible Employee, a Year of Service includes all Hours of Service with a Participating Employer. Service with a Participating Employer before or after being an employee of your Employer can be important for purposes of eligibility and vesting under the rules of the Plan. For a list of PARTICIPATING EMPLOYERS see Appendix A. Specific rules relating to the crediting of vesting service for the Plan can be found in Section C of this Part I.

If you have any questions about whether you are entitled to any credit for service with any other employer for which you have worked, check with the Record Keeper.

4. WHAT IS MY COMPENSATION FOR PURPOSES OF THE PLAN?

"COMPENSATION" has two meanings under the Plan.

For purposes of Participant 401(k) Contributions and Employer Discretionary Matching Contributions, "Compensation" means the total compensation paid to you by the Employer that is included in gross income and required to be reported as wages on your W-2 Form for the Plan Year, including your Participant 401(k) Contributions, Catch-Up Contributions, plus any pre-tax contributions to a "cafeteria plan" under Code Section 125 or to a transportation plan sponsored by the Employer under Code Section 132(f)(4).

For purposes of Employer Discretionary Contributions, "Compensation" means your pay for the calendar year ending within the Plan Year including your Participant 401(k) Contributions, Catch-Up Contributions, plus any pre-tax contributions to a "cafeteria plan" under Code Section 125 or to a transportation plan sponsored by the Employer under Code Section 132(f)(4) but excluding overtime, bonus, shift differential, commissions, cash outs of unused sick time, severance pay and amounts received as deferred compensation and any other special reimbursements or remuneration.

By law the Plan can recognize Compensation up to \$285,000 in 2020. This limit may be adjusted by the Internal Revenue Service for cost of living increases.

B. CONTRIBUTIONS

1. WHAT CONTRIBUTIONS MAY BE MADE TO THE PLAN?

There are several types of contributions to the Plan:

- "PARTICIPANT 401(k) CONTRIBUTIONS".
- "CATCH-UP CONTRIBUTIONS".
- "EMPLOYER DISCRETIONARY MATCHING CONTRIBUTIONS".
- "EMPLOYER DISCRETIONARY CONTRIBUTIONS".

2. WHAT DO I NEED TO DO TO MAKE 401(k) CONTRIBUTIONS?

You may elect to defer a portion of your salary and have that amount contributed by the Employer to the Plan on your behalf. To do so, you must make a Participant 401(k) Election by completing the necessary election forms "PARTICIPANT 401(k) ELECTION" that will be provided to you by the Record Keeper.

3. HOW MUCH CAN MY PARTICIPANT 401(k) CONTRIBUTION BE?

The IRS 401(k) dollar limit is \$19,500 in 2020. This limit may be adjusted by the IRS for cost of living increases. Generally, you may elect to contribute a flat dollar amount or a percentage that is at least 1% but no more than 100% of your Compensation, which may not exceed the 401(k) dollar limit. If the plan administrator determines that the limit has been exceeded, the plan administrator will notify you and adjust the amount so that it does not exceed the limit or will return the excess, as the case may be.

Because of rules under the Code, it is possible that certain "HIGHLY-COMPENSATED EMPLOYEES" who elect to contribute a large amount will have to reduce their contribution or receive a refund to meet a test which assures a fair mix of contributions from Participants at a wide range of earnings levels. For 2020, a Highly-Compensated Employee is generally someone who received Compensation in excess of \$125,000 in the 2019 Plan Year.

4. HOW DOES THE CATCH-UP CONTRIBUTION WORK?

If you are at least age fifty (50) or will reach age fifty (50) during the Plan Year and your Participant 401(k) Contributions will exceed either the 401(k) dollar limit (see Question 3 of this Part B) you may elect to defer an additional amount up to a specific dollar limit (\$6,500 in 2020) (called a "Catch-Up Contribution"). This limit may be adjusted each year by the Internal Revenue Service for cost of living increases. The Catch-Up Contribution will be deposited into your Participant 401(k) Account. Catch-Up Contributions will not be matched. If the plan administrator determines that the limit has been exceeded, the plan administrator will notify you and adjust the amount so that it does not exceed the limit or will return the excess, as the case may be.

5. HOW ARE PARTICIPANT CONTRIBUTIONS MADE?

The Participant 401(k) and Catch-Up Contributions are made by regular deductions from each paycheck.

6. CAN I STOP PARTICIPANT CONTRIBUTIONS?

You can stop Participant 401(k) Contributions or Catch-Up Contributions at any time. You can later resume your participation, provided that you file the election form with the Record Keeper.

7. WHAT ARE THE ADVANTAGES OF PARTICIPANT CONTRIBUTIONS?

One advantage is that you do not pay any current Federal (and in most areas any state or local) income tax on the Participant 401(k) Contribution or Catch-Up Contribution. However, contributions are subject to social security taxes (FICA) and unemployment taxes (FUTA). Another advantage is that you defer paying taxes on the earnings credited to your Participant 401(k) Contributions Account.

No tax is payable on your contributions and the earnings until you receive a distribution from the Plan. Even then, you may be able to defer the tax further by "rolling over" your distribution to an Individual Retirement Account ("IRA") or other qualified plan. If you receive a payment and you do not roll it over, you will be subject to income tax on the payment. (See Question 16 of Part D for more information on rollovers.)

8. WHAT ARE THE DISADVANTAGES OF PARTICIPANT 401(k) CONTRIBUTIONS?

Under the law, there are limits on when you can withdraw amounts in your Accounts under the Plan. (See Question 6 of Part D for more information on withdrawals.)

9. CAN I INCREASE OR DECREASE MY PARTICIPANT 401(k) CONTRIBUTIONS?

Yes. You can elect to change the amount of your Participant 401(k) Contributions as of the first payroll date following your election, provided you have submitted your election form to the Record Keeper.

10. WILL I RECEIVE EMPLOYER DISCRETIONARY MATCHING CONTRIBUTIONS?

The amount of the Employer Discretionary Matching Contribution for the Plan Year, if any, is determined by the Trustees in their sole discretion each year. If an Employer Discretionary Matching Contribution is made, you may only receive an allocation if you are:

- employed on the last day of the Plan Year;
- complete 1,000 Hours of Service with the Employer during the Plan Year (special rules for counting 1,000 hours apply if you are transferred to a Related Employer during the Plan Year); and
- made Participant 401(k) Contributions during the Plan Year.

The Employer Discretionary Matching Contribution, if any, will be made to your Employer Discretionary Matching Contributions Account following the end of the Plan Year.

11. DO I HAVE TO MAKE PARTICIPANT 401(k) CONTRIBUTIONS IN ORDER TO GET THE ADDITIONAL EMPLOYER DISCRETIONARY MATCHING CONTRIBUTIONS?

Yes. You do not get an Employer Discretionary Matching Contribution unless you have made Participant 401(k) Contributions.

12. WILL I RECEIVE EMPLOYER DISCRETIONARY CONTRIBUTIONS?

The amount of the Employer Discretionary Contribution for the Plan Year, if any, is determined by the Trustees in their sole discretion each year. If a contribution is made, you may receive an allocation if:

- you are employed on the last day of the Plan Year; and
- you completed 1,000 Hours of Service with the Employer during the Plan Year (special rules for counting 1,000 hours apply if you are transferred to a Related Employer during the Plan Year).

The Employer Discretionary Contribution, if any, will be made to your Employer Discretionary Contributions Account in the calendar year following the end of the applicable Plan Year.

13. IS THERE A LIMIT ON THE TOTAL CONTRIBUTIONS TO THE PLAN?

Yes. The total amount of contributions (401(k) Contributions, Employer Discretionary Matching Contributions and Employer Discretionary Contributions) made to the Plan on your behalf for any Plan Year may not exceed the limits imposed by the Internal Revenue Service. The amount allocated to you for a Plan Year cannot exceed the lesser of 100% of your total compensation for the Plan Year or \$57,000 in 2020. This limit may be adjusted from time to time by the Internal Revenue Service for increases in cost of living. If the plan administrator determines that the limit has been exceeded, the plan administrator will notify you and adjust the amount so that it does not exceed the limit or will return the excess, as the case may be.

14. IS THERE ANY CIRCUMSTANCE THAT MAY AFFECT THE AMOUNT OF EMPLOYER CONTRIBUTIONS?

Yes. If the Plan is "TOP-HEAVY", the law requires that certain rules will take effect only for the period of time that the Plan remains Top-Heavy. The Plan becomes Top-Heavy if, in any Plan Year, the Account balances of "KEY EMPLOYEES" of the Employer equal more than 60% of the value of all the Plan's assets. Key Employees generally include employees who (i) are officers

earning more than \$185,000 in 2020, (ii) own 5% or more of an employer, or (iii) own 1% of an employer and receive Compensation in excess of \$150,000. If the Plan becomes Top-Heavy in any Plan Year, a minimum contribution amount will be guaranteed for any Participant who is not a Key Employee. The minimum contribution amount will be the lesser of 3% of your total Compensation; or the highest percentage of Compensation that is contributed to the Plan for a Key Employee.

15. IF I LEAVE TO PERFORM MILITARY SERVICE, AM I ENTITLED TO MAKE UP CONTRIBUTIONS WHEN I RETURN TO EMPLOYMENT?

Under the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA"), you may be entitled to make up certain contributions (and receive certain make-up contributions from the Employer) when you return from USERRA-compliant leave. First, the Employer will contribute to your Employer Discretionary Contributions Account amounts it would have contributed to the Employer Discretionary Contributions Account had you been employed by the Employer during your period of your military service. In addition, you may choose to make any Participant 401(k) Contributions or Catch-Up Contributions you would have made had you remained actively employed. However, your Participant 401(k) Contributions and Catch-Up Contributions will be subject to the limits on contributions which were in place during your period of service. If you do not make up your Participant 401(k) Contributions, you will not be entitled to receive the Employer Discretionary Matching Contributions (if any) attributable to your period of service.

If you choose to make-up your Participation 401(k) Contributions or Catch-Up Contributions, these contributions must be made within certain timeframes. In particular, the repayment period starts on the date of re-employment and continues until the earliest of: (a) the end of the period that is three times the length of your immediate past period of military service, (b) five years or (c) the date that you terminate employment. Contact the Record Keeper for more detailed rules regarding make-up contributions.

16. CAN I ROLLOVER BENEFITS FROM ANOTHER PLAN INTO THIS PLAN?

Yes. At any time after your date of hire with the Employer you may transfer (or "ROLLOVER" as it is sometimes called) a benefit from a qualified retirement plan of another employer or an individual retirement account into the Plan. The Record Keeper will establish a "ROLLOVER CONTRIBUTIONS ACCOUNT" for you that will contain any Rollover Contributions made by you to the Plan. If you were previously employed by another employer that participates in this Plan, you will not need to rollover your Account. If your account with your previous employer included any Roth contributions, such amounts are not eligible to be rolled into this Plan.

C. VESTING

1. DOES THE MONEY IN MY ACCOUNTS ALWAYS BELONG TO ME?

The money in your Participant 401(k) Contributions Account (including your Catch-Up Contributions) and Rollover Contributions Account always belongs to you and it cannot be forfeited.

Refer to the attached Addendum for your Employer for the vesting schedule of all other Accounts. A Participant's Vested Percentage will be determined based on all Hours of Service with any Participating Employer.

For vesting purposes, you will have a One-Year Break in Service if you complete less than 501 Hours of Service during a Plan Year. If you are absent from work for certain approved unpaid

leaves, such as maternity or paternity leave or unpaid leave covered by the Family and Medical Leave Act of 1993, you may be credited with up to 501 Hours of Service to prevent a One-Year Break in Service.

You will always become 100% vested in your Employer Discretionary Contributions Account and Employer Discretionary Matching Contributions Account if (i) you terminate on or after your normal retirement age (65), (ii) you die while you are still employed, (iii) you become Disabled while you are still employed or (iv) the Plan is terminated.

If the vesting schedule is amended, Participants who have completed at least three (3) Years of Service will have the right to elect to have their vesting percentage determined under the previous vesting schedule.

2. WHAT HAPPENS IF I LEAVE BEFORE I AM 100% VESTED IN MY ACCOUNTS?

If you stop working for the Employer before you are 100% vested in your Employer Discretionary Contributions Account and Employer Discretionary Matching Contributions Account, you are only entitled to receive your vested percentage in those Accounts. Any amounts remaining in those Accounts which are not vested following FIVE (5) consecutive "ONE-YEAR BREAKS IN SERVICE" will be forfeited on the earlier of:

- (a) the date you receive a distribution of your entire vested Accounts; or
- (b) the date you incur five consecutive One-Year Breaks in Service.

If you received a distribution of your entire vested Accounts, and are reemployed prior to incurring five consecutive One-Year Breaks in Service, you may repay this distribution to the Plan within five years from your date of reemployment, or, if earlier, before you incur five consecutive One-Year Breaks in Service. If you repay the entire amount of the distribution, the Employer will restore your Accounts with the amounts that were forfeited.

All forfeitures in a Plan Year may be used to pay Plan administrative expenses, be used as a Qualified Non-Elective Contribution, or be used to reduce future Employer Contributions in the year in which they occurred or the immediately succeeding Plan Year, as determined by the Trustees.

3. WHAT HAPPENS IF I LEAVE TO PERFORM SERVICE IN THE MILITARY?

If you leave employment to perform USERRA-compliant service in the uniform services, the period of time in which you served in the military may be counted for purposes of your eligibility to participate in the Plan, vesting and contributions. In order to receive credit for the period of time in which you served, you generally must return to work within the following timeframes:

- (a) If the period of your service was less than 31 days, you must report back to work not later than the beginning of the first day following the completion of your service;
- (b) If the period of your service was more than 30 days but less than 181 days, you must submit an application for reemployment within 14 days after completing service; or
- (c) If the period of your service was more than 180 days, you must submit an application for reemployment within 90 days after completing service.

(See Question 15 of Part B for more information regarding your rights after your return from the military.)

D. PAYMENT OF PLAN BENEFITS

1. WHAT IS MY BENEFIT UNDER THE PLAN?

Your benefit under the Plan will depend upon the value of your Accounts on the "VALUATION DATE" coincident with or immediately preceding the date of distribution. Accounts are valued each day the financial markets are open.

2. HOW WILL MY BENEFIT BE PAID?

Your Plan benefit will be paid to you in the form of a lump sum payment upon your application and consent. A "LUMP SUM PAYMENT" means that you receive your entire Plan benefit in a single cash payment. However, you may roll over your lump sum payment. (See Question 16 of this Part D for more information regarding your rollover option.)

3. WHEN MAY I RECEIVE A DISTRIBUTION FROM THE PLAN?

You may receive a distribution from the Plan as soon as practicable after the date of your termination of employment with the Employer and any other employer that participates in the Plan. You (or your beneficiary in the event of your death) may also receive a distribution from the Plan upon your attainment of age 59½, death, disability or financial hardship. Each of these distribution events are discussed more fully below.

4. WHAT HAPPENS IF I DIE?

If you die before you receive your benefit, the amount in your Plan Accounts is then payable in a Lump Sum to your "BENEFICIARY".

If you are not married, you may name anyone as your Beneficiary, or change your Beneficiary at any time on a form provided for that purpose. If you are married, you must name your spouse as Beneficiary unless your spouse consents before a notary public in writing to the selection of another Beneficiary. If you die without having named a Beneficiary, or if you named a Beneficiary but he or she predeceased you, the Beneficiary will be your spouse, if then living or, if you have no surviving spouse, distribution will be made to your surviving children in equal shares. If you have no children, your Beneficiary will be your estate.

5. WHAT HAPPENS IF I BECOME DISABLED?

If you become disabled, you will become 100% vested in your Plan Accounts and you will have a right to receive a distribution from the Plan. You are considered "DISABLED" if you have a medically determinable physical or mental condition or injury that results in your being qualified for benefits under the Federal Social Security Act, (whether or not you actually receive such benefits).

6. WHEN MAY I WITHDRAW FUNDS FROM MY ACCOUNTS WHILE I AM EMPLOYED?

Prior to age fifty-nine and one half (59½), you may withdraw money from your Rollover Contributions Account on the Valuation Date following a written request to the Record Keeper. In addition, prior to age fifty-nine and one half (59½), you may withdraw all or a portion of your Participant 401(k) Contributions Account while you are still working only if you are Disabled or you suffer a financial hardship. However, no income that has been earned in your Participant 401(k) Contributions Account may be withdrawn. You will owe ordinary income tax on the amount of the withdrawal. In addition, you may also owe a 10% penalty on an early distribution if you are under 59½ when you file your annual income tax return.

After age 59½, you may withdraw all or part of your Participant 401(k) Contributions Account and the vested portion of

your Employer Discretionary Contributions Account and Employer Discretionary Matching Contributions Account, regardless of your employment status.

If you would like to make a withdrawal, please contact the Record Keeper for more information.

7. MAY I RECEIVE A LOAN FROM THE PLAN?

Yes. If you are employed by the Employer, you may borrow an amount not exceeding one-half of the sum of the balances in your Rollover Contributions Account and your Participant 401(k) Contributions Account (including Catch-Up Contributions) plus, one-half of the vested portion of your Employer Discretionary Contributions Account and Employer Discretionary Matching Contributions Account (not including the Employer Pension Contributions Account), but no more than \$50,000, (reduced by the excess, if any, of the highest outstanding balance of the loans from the Plan during the one year period ending on the day before the date of the loan, over the outstanding balance of loans from the Plan to the Participant on the date of the loan). If you have an outstanding loan with your previous employer and if such loan was taken in whole or in part from Roth contributions, then such outstanding loan is not eligible to be rolled into this Plan.

You may only have one loan outstanding at a time and you will not be granted more than one loan per Plan Year. The minimum loan amount is \$1,000. Loans must be repaid in equal installments at least quarterly. However, loan payments will be suspended during military service for such period as may apply under applicable rules. The loan will bear a reasonable rate of interest which will not be less than the prevailing prime lending rate in effect at a commercial bank selected by the Trustees. Any loan, other than a loan used to acquire your principal residence, must be repaid within five years. The loan will become due upon your termination of employment. A Participant may prepay a loan in full at any time without penalty. However, if you default on a loan you will be deemed to receive an early distribution and you may incur a 10% penalty in addition to ordinary income tax. You should consult your financial/tax adviser with specific questions about your personal situation if you are considering a loan. Please contact the Record Keeper for more information.

There is a one-time \$75 set up fee and a \$12.00 quarterly maintenance fee (subject to change), which will be deducted from your Account for the loan.

8. CAN I MAKE A HARDSHIP WITHDRAWAL?

You may make a hardship withdrawal from your Participant 401(k) Contributions Account Election including earnings thereon and Qualified Nonelective Contribution Account. To make a hardship withdrawal, you must be able to show that you are suffering an immediate and heavy financial hardship. Circumstances that qualify as an immediate and heavy financial hardship are:

- (a) expenses for medical care that would be deductible under Section 213 of the Code that is incurred by you, your spouse, tax dependent, or your primary beneficiary under the plan;
- (b) costs related to the purchase of your principal residence (does not include mortgage payments);
- (c) tuition, educational fees, and room and board expenses for up to the next twelve months of post-secondary education for you, your spouse, tax-dependent or your primary beneficiary under the plan;
- (d) payments necessary to prevent your eviction from your principal residence or foreclosure on the mortgage of your principal residence;

- (e) payments for burial or funeral expenses for your deceased parent, spouse, child or tax-dependent, or primary beneficiary under the plan;
- (f) expenses for the repair of damage to your principal residence that would qualify for the casualty deduction under Section 165 of the Code (determined without regard to whether the loss exceeds 10% of adjusted gross income and even if the loss is not incurred from a federally declared disaster area);
- (g) expenses and losses (including loss of income) incurred by you on account of a disaster declared by FEMA if your principal residence or your principal place of employment at the time of the disaster was located in an area designated by FEMA for assistance; or
- (h) such other immediate and heavy financial emergency as determined under the Code.

In addition, the hardship distribution must be necessary to satisfy your immediate and heavy financial hardship, which will be deemed satisfied if you have (i) withdrawn all available distributions under plan maintained by your employer, (ii) the amount of the hardship distribution is not greater than the amount of your financial hardship (including amounts necessary to pay any taxes or penalties reasonably anticipated to result from the withdrawal) and (iii) you represent in writing to the Administrator that you have insufficient cash or liquid assets to satisfy your financial need. Prior to 2019, you were subject to a six (6) months' salary deferral suspension following a hardship withdrawal and you were required to first obtain all distributions or loans available under the Plan.

There is a fee that will be deducted from your Account for the hardship withdrawal –it is currently \$80 for the hardship withdrawal service and \$50 for the distribution (subject to change). You should consult your financial/tax adviser with specific questions about your personal situation if you are considering a withdrawal from your Participant 401(k) Contributions Account. Please contact the Record Keeper for more information.

9. WHAT IS A MANDATORY SMALL SUM CASH OUT AND WHAT IS AN AUTOMATIC ROLLOVER IRA?

If your vested portion of your Account is valued at \$5,000 or less on your termination date, your Account will be "cashed out" by distributing the vested portion of your Account through a direct rollover to an IRA as soon as reasonably practicable following the date you terminate employment. The Administrator will notify you of the cashout rules and give you the opportunity to elect whether to (1) receive payment directly by check or (2) have the payment rolled over directly to the IRA or other eligible plan that you select. If you do not make an election within the period prescribed by the Administrator, tax rules require that your Account be rolled over directly to an IRA maintained by a provider selected by your Employer (an "automatic rollover IRA"). You are the beneficial owner of any automatic rollover IRA established for you. The automatic rollover IRA must initially be invested in products that are designed to preserve principal (the amount of the initial investment) and provide a reasonable rate of return, consistent with retaining liquidity (so that you can change investments readily). Examples of this kind of investment product are money market funds and certificates of deposit. As the IRA owner, you will be able to change your future investments. All fees and expenses of maintaining the automatic rollover IRA will be paid directly from your IRA. For more information regarding automatic rollover IRAs, contact the Administrator at the telephone number and address shown at the beginning of this booklet.

If the vested portion of your Account is \$1,000 or less, your Account will be "cashed out" by distributing the vested portion of

your Account in a check to you as soon as reasonably practicable following the date you terminate employment, even if you do not consent to the distribution.

If the vested portion of your Account is more than \$5,000 on your termination date, distribution of your Account cannot be made before your Normal Retirement Date without your written consent.

10. WHEN AM I REQUIRED TO RECEIVE DISTRIBUTIONS FROM THE PLAN?

There are rules which require that certain minimum distributions be made from the Plan if you continue to work for the Employer after your normal retirement age (65). Distributions are required to begin no later than the later of the (i) April 1st following the end of the calendar year in which you reach age 70½ or (ii) April 1st following the calendar year in which you retire. Distributions to a 5% owner are required to begin no later than the April 1st following the end of the year in which he or she reaches age 70½, regardless of continued employment. If you commence payments after the deadline, federal tax law imposes a 50 percent excise tax on the difference between the amount of benefit payments required by law to be distributed and the amount actually distributed if the distributed amount is less than the required minimum amount. You have an obligation to request your distributions timely.

11. AM I ENTITLED TO A DISTRIBUTION IF I TRANSFER TO A PARTICIPATING EMPLOYER?

No. If you terminate your employment with the Employer and immediately go to work for another employer that is a Participating Employer (see Appendix A), you may not receive a distribution of your vested benefits from the Plan.

12. WHAT ARE THE TAX CONSEQUENCES OF A PLAN DISTRIBUTION?

Generally, distributions are subject to ordinary income tax.

Please keep in mind that under current tax law, withdrawals received before you are age 59½ are generally subject to a 10 percent penalty tax, in addition to ordinary income tax. The additional 10% tax does not apply to your payment under certain circumstances such as if it is (i) paid to you after reaching age fifty-nine and one half (59½); (ii) paid to you because you separate from service with the Employer on or after you reach age fifty-five (55); (iii) paid because you retire due to disability or death; (iv) paid to you as equal (or almost equal) payments over your life or life expectancy (and, if appropriate, your beneficiary's life or life expectancy); (v) paid directly to the government to satisfy a federal tax levy; (vi) paid to an alternate payee under a Qualified Domestic Relations Order; or (vii) used to pay medical expenses which would otherwise be deductible. There are other exceptions to the penalty so check with the Record Keeper if you have any questions.

In the event you receive a single lump sum distribution or installment payments for a period of less than ten (10) years, all or a part of your distribution is eligible for "DIRECT ROLLOVER". This means that your distribution can be paid directly from the Plan to the qualified retirement plan of another employer that accepts rollovers, an IRA, a Roth IRA, an individual retirement annuity, a Section 403(b) tax-sheltered annuity or a governmental Section 457 plan. This also applies in the case of a distribution to a surviving spouse or to a spouse or former spouse who is an alternate payee under a Qualified Domestic Relations Order. A non-spouse beneficiary may roll an eligible rollover distribution in a direct trustee-to-trustee transfer into an IRA or Roth IRA that is established on behalf of the non-spouse beneficiary and treated as an inherited IRA. Single lump sum distributions or installment payments for a period of less than ten (10) years which do not amount to \$200 or more in a single year cannot be paid in a Direct Rollover and are

generally subject to automatic Federal income tax withholding of 20%.

You should check with your accountant or tax advisor for advice regarding distributions and specific transactions that best suit your situation.

E. INVESTMENTS

1. HOW ARE THE ASSETS OF THE PLAN INVESTED?

The Plan is intended to be an individually directed account plan under Section 404(c) of ERISA. If the requirements of Section 404(c) of ERISA are satisfied, then the Trustees of the Plan will not have any liability to you under ERISA for any investment losses that are the direct and necessary result of instructions given by you.

Amounts contributed to the Plan are held by the "TRUSTEES" in the trust established under the Plan. Assets attributable to Employer Discretionary Contributions, Employer Pension Contributions, Participant 401(k) Contributions, Catch-Up Contributions, Employer Discretionary Matching Contributions and Rollover Contributions are invested by each Participant. You will have a choice from among a number of different investment funds in which to invest your Accounts. The investment funds each have different investment objectives. You will be given additional information on the funds available under the Plan by the Record Keeper. You will be given an investment election form that allows you to direct the allocation of contributions to these Accounts. You can transfer your previously invested money between the funds and change how your future contributions are invested at any time. The Record Keeper will provide you with additional information on how and when these changes can be made.

If you do not make an investment election, contributions will be automatically directed to the qualified default investment account (QDIA) as established by the Plan in accordance with legal requirements under Section 404(a)(5) of ERISA and the regulations thereunder. Presently, the QDIA fund under the Plan is the Vanguard Target Retirement Fund, that applies based on your current age and when you will reach your Normal Retirement Date. The QDIA fund is subject to change. Please refer to the fund fact sheets for performance and fee information.

You will be provided with the details of the various investment alternatives available to you. In addition, you have the right to be provided with the following information upon your request:

- (a) a description of the annual operating expenses borne by investment alternatives, such as investment management fees;
- (b) copies of any prospectuses, financial statements and reports and other information furnished to the Plan relating to an investment alternative;
- (c) a listing of the assets comprising the portfolio of an investment alternative that holds "Plan assets," the value of such assets, and, in the case of fixed-rate investment contracts issued by a bank, the name of the issuer of the contract, the term of the contract and the rate of return on the contract;
- (d) information concerning the value of shares or units in the investment alternatives available to Participants, as well as information concerning the past and current investment performance of the alternatives; and
- (e) information concerning the value of shares or units in investment alternatives held in your Accounts. The frequency of requests pertaining to Account balance information will be determined by the Trustees.

You may address your requests for any information to the Trustees or the Record Keeper. If you are not provided with the information, contact the Record Keeper.

2. HOW IS THE VALUE OF MY ACCOUNTS DETERMINED?

The value of your Accounts under the Plan can change depending on several factors which include:

- (a) contributions made to the Accounts;
- (b) increases or decreases in the market value of your Accounts based on investment performance; and
- (c) reductions to pay for reasonable Plan expenses.

The value of different investments may go down as well as up and the value of your Accounts will vary accordingly.

You will receive quarterly statements about the value of all your Accounts.

F. BENEFIT CLAIMS PROCEDURE

At some time you, your Beneficiary or some other person may not agree about a benefit under the Plan. The person who disagrees about the benefit is called the "CLAIMANT". In that case, the Plan allows the Claimant to file an application for review of the issue with the Plan, on a form provided for that purpose.

If a claim for benefits is denied in whole or in part, the Claimant will be given notice of this decision, either in writing or electronically, within a reasonable period of time following such denial. In no event will such notice be provided later than 90 days after receipt of the claim by the Plan, unless special circumstances exist which require an extension of the time limit. (In the event that special circumstances require more time, this 90-day period may be extended an additional 90 days. In such case, the Plan will so notify the Claimant in writing before the expiration of the original 90-day period, will explain the special circumstances and will indicate the date by which he or she expects to render a final decision.)

The notice that the claim has been denied in whole or in part will inform the Claimant of the following:

1. the specific reasons for denial of the claim;
2. reference to the particular provisions of the Plan upon which denial of the claim is based;
3. a description of any additional material or information necessary to perfect the claim and an explanation as to why such material or information is necessary;
4. the necessary steps to appeal the decision; and
5. the right of the Claimant to bring a civil action under Section 502(a) of ERISA following an adverse determination on appeal.

If a claim is denied, in whole or in part, and the Claimant disagrees with the decision, the Claimant (or the Claimant's authorized representative) may appeal the denial. A request for review must be made in writing to the Plan within 60 days after receipt by the Claimant of written notification of the denial by first class mail.

On review, the Claimant (or the Claimant's authorized representative) may submit written comments, documents, records and other information relating to your claim. In addition, the Claimant will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim for benefits. The review will take

into account all comments, documents, records and other information the Claimant submits relating to his or her claim.

The Claimant will receive the decision in writing within 60 days of the request for review. In special cases, the Claimant may not receive a decision for an additional 60 days if a decision will be delayed. The extension notice will set forth the special circumstances requiring the extension of time and the date by which the plan administrator expects to render a determination on review. If the period for review is extended because the Claimant fails to provide necessary information, the period for review will not continue to run from the date the notice of extension is sent to the Claimant until the Claimant responds to the request for additional information.

The review will take into account all comments, documents, records and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial determination. The Plan will provide the Claimant with a written notice of the decision on review. If the claim is denied, in whole or in part, this notice will set forth:

1. the specific reason for the denial;
2. specific references to the Plan provisions upon which the denial is based;
3. a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all relevant documents; and
4. a statement describing any voluntary appeal procedures, including a statement of your right to bring an action under Section 502(a) of ERISA.

The Claimant may appoint a representative to act on his or her behalf with respect to a claim under the Plan.

Prior to the decision on review of the claim, any adverse decision on the claim may not be considered final and binding. Therefore, a claim cannot be considered denied and may not be subject to challenge in court until the claim is denied upon review. In addition, under no circumstances may any legal action be commenced or maintained against the Plan, the Employer or the Plan more than two (2) years after the Plan's written decision on review of the claim is furnished.

G. ELECTRONIC COMMUNICATIONS

This Summary Plan Description and other important Plan information may be delivered to you through electronic means. This Summary Plan Description contains important information concerning the rights and benefits of your Plan. If you receive this Summary Plan Description (or any other Plan information) through electronic means you are entitled to request a paper copy of this document, free of charge, from the plan administrator. The electronic version of this document contains substantially the same style, format and content as the paper version.

H. CONTACT INFORMATION

You have an obligation to keep your contact information up to date at any time while employed or thereafter. If you change your name, or change your address, you must inform the Human Resources Department of your new contact information.

I. PENSION BENEFIT GUARANTY CORPORATION

Benefits under the Plan are not insured by the Pension Benefit Guaranty Corporation. The Pension Benefit Guaranty Corporation does not insure individual account plans, such as the Plan.

J. ERISA RIGHTS

Each Participant in the Plan is entitled to certain rights and protections under ERISA. ERISA provides that all Plan Participants are entitled to the following rights:

1. You may examine, without charge, all plan documents at the office of the Employer. These plan documents are the Plan itself, the Summary Plan Description and investment advisory contracts, if any. In addition, you may also examine copies of all documents filed by the Plan with the United States Department of Labor, including a copy of the latest annual report (Form 5500 Series).

2. You may obtain upon written request to the Plan, copies of documents governing the operation of the Plan, including copies of the latest annual report (Form 5500 Series) and summary plan description. A reasonable charge may be made for these copies.

3. You will 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 without charge.

4. You are entitled to obtain a statement telling you whether you have a right to receive benefits under the Plan and if so, what benefits would be at normal retirement age (65) if you stop working under the Plan now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to get a right to a benefit. This statement is not required to be given more than once a year. It will be distributed automatically and free of charge.

In addition to creating rights for Participants, ERISA imposes obligations upon the persons who are responsible for the operation of the Plan. These persons are referred to as "fiduciaries" in the law. Fiduciaries must act solely in the interest of the Participants and must exercise prudence in the performance of their Plan duties.

You may not be fired or discriminated against to prevent you from obtaining you benefits under the Plan or from exercising your rights under ERISA.

If your claim for a benefit under the Plan 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 claim reviewed and reconsidered. (See Part A above.)

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you requests materials from the Plan in writing, and if you do not receive them within thirty (30) days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and to pay up to \$110 a day until you receive the materials, unless they were not sent because of reasons beyond the control of the plan administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a Federal or state court. 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 United States Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person he or she has sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees.

If you have any questions about the Plan, you should contact the plan administrator. If you have any questions about this statement or your rights under ERISA, you should contact the Administrator of the nearest office of the Employee Benefits Security Administration, United States Department of Labor, listed in the telephone directory, or the Division of Technical Assistance

and Inquiries, Employee Benefits Security Administration, United States 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 Publication hotline of the Employee Benefits Security Administration.

K. MAXIMUM CONTRIBUTIONS AND BENEFITS

Certain limitations on the amount of contributions under the Plan are imposed under the Code. These limitations normally would apply only to the highest paid employees of the Employer. They are subject to periodic changes by the Internal Revenue Service. Specific information about these limitations is available from the Plan.

L. LOSS OR DENIAL OF BENEFITS

You cannot lose your right to the vested amounts in your Plan Accounts.

M. NON-ASSIGNMENT OF BENEFITS

You may not assign the benefits provided for you by the Plan, nor are these benefits subject to the claims of any creditor, unless otherwise provided by law. One exception to this rule is the "QUALIFIED DOMESTIC RELATIONS ORDER". A Qualified Domestic Relation Order is defined as a judgment, decree or court order (including approval of a property settlement agreement), which relates to child support, alimony payments or marital property rights of a spouse, former spouse, child or other dependent of a Participant. To be binding, a Qualified Domestic Relations Order must specify certain required legal information and cannot alter the amount or form of Plan benefits. You may obtain at no charge, a copy of the Plan's QDRO Procedures by contacting the Record Keeper. There are fees applied to your Account for reviewing and processing a QDRO.

N. RIGHTS TO EMPLOYMENT

Please note that nothing in this booklet implies a contract of employment. The existence of the Plan does not affect the employment rights of any employee or the rights of the Employer to discharge an employee.

O. FUTURE OF THE PLAN

While the Plan Sponsor hopes and expects to continue the Plan indefinitely, it reserves the right to terminate, discontinue making contributions to, amend or modify the Plan at any time. The Employer may terminate the Plan with respect to its employees at any time or discontinue its contributions to the Plan at any time.

P. ADMINISTRATION

The Plan shall be administered by the Trustees. The Trustees have overall responsibility for the administration of the Plan. This includes keeping Plan records, calculating Plan benefits, directing benefit payments, interpreting the Plan in its sole discretion, and issuing rules and forms. The Trustees may delegate certain of their functions.

The Trustees have the exclusive right, power and authority, in its sole and absolute discretion, to administer, apply and interpret the Plan and any other Plan documents and to decide all matters arising in connection with the operation, administration or application of the Plan. This includes, but is not limited to, the following:

- Take all actions and make all decisions with respect to eligibility for, and the amount of, benefits payable under the Plan;

- Formulate, interpret and apply rules, regulations and policies necessary to administer the Plan in accordance with its terms;
- Decide questions, including legal or factual questions, relating to the calculation and payment of benefits under the Plan;
- Resolve and/or clarify any ambiguities, inconsistencies and omissions arising under the Plan or other Plan documents; and
- Process, and approve or deny, benefit claims and rule on any benefit exclusions and determine the standard of proof in any case.

20 East Sunrise Highway
Valley Stream, NY 11581
516-705-4800

Plan Sponsor E.I.N.: 80-0211177

Type of Plan: Section 404(c) Defined Contribution 401(k) Profit Sharing Plan with a Money Purchase Component

Plan Year: January 1 to December 31

Record Keeper: Principal Life Insurance Company
711 High Street
Des Moines, IA 50392-0001
800-547-7754
www.principal.com

Directed Trustee: Principal Trust Company
1013 Centre Road
Wilmington, DE 19805-1265

Service of Process of Plan: Service of Process may be made upon the Trustees.

All determinations and interpretations made by the Trustees with respect to any matter arising under the Plan including factual determinations and any other Plan documents shall be final, conclusive and binding on all affected individuals claiming benefits under the Plan. The Trustees may delegate any other such duties or powers as it deems necessary to carry out the administration of the Plan.

Q. WHO PAYS FOR THE PLAN?

Your Employer pays for all contributions to your Employer Contributions under the Plan. Each investment alternative incurs management fees and expenses. These fees and expenses are deducted from the investment return of each investment alternative. The fees and expenses associated with an investment option are only one of several factors that you should consider when making investment decisions for your Account. The cumulative effect of fees and expenses can substantially reduce the growth, if any, of a retirement account, or increase the losses, if any, of a retirement account. For an example demonstrating the long-term effect of fees and expenses on a retirement account, you can visit the Employee Benefit Security Administration's website at http://www.dol.gov/ebsa/publications/401k_employee.html.

Recordkeeping and other administrative costs and expenses of the Plan are paid by the Plan from your individual participant Accounts. These expenses will be allocated either proportionally based on the value of the account balances or as an equal dollar amount based on the number of participants in the Plan. The method of allocating the expenses depends on the nature of the expense itself. For example, certain administrative (or recordkeeping) expenses would typically be allocated proportionally to each participant. If the Plan pays \$1,000 in expenses and there are 100 participants, your account would be charged \$10 (\$1,000 /100) of the expense.

There are also certain expenses that will be paid just from your account. These are expenses that are specifically incurred by, or attributable to, you. For example, if you are married and get divorced, the Plan may incur additional expenses if a court mandates that a portion of your account be paid to your ex-spouse under a court order. These additional expenses will be paid directly from your account (and not the accounts of other participants) because they are directly attributable to your benefit under the Plan.

R. MISCELLANEOUS ITEMS

Plan Name: NHCA and Affiliates Retirement and Savings Plan

Plan Number: 001

Plan Sponsor: Plan Trustees:
Marvin Ostreicher and Barry Bokow

APPENDIX A (amended through January 1, 2020)

PARTICIPATING EMPLOYERS

- 1) AGMA, Inc. (d/b/a Sands Point Nursing Home)
- 2) Belair Care Center, Inc.
- 3) Bethel Health & Rehabilitation Center, LLC
- 4) Bloomfield Health Care Center of CT., LLC
- 5) Brattleboro Crossings LLC (d/b/a Pine Heights at Brattleboro, Center for Nursing & Rehabilitation)
- 6) Bristol Crossings, LLC (d/b/a The Pines at Bristol Center for Health & Rehabilitation)
- 7) Cambridge Manor of Fairfield, LLC
- 8) Catskill Crossings LLC (d/b/a The Pines at Catskill, Center for Nursing & Rehabilitation)
- 9) Constellation Health Services, LLC
- 10) Constellation Home Care, LLC
- 11) Constellation Hospice MA, LLC
- 12) East Northport Residential Health Care Facility, Inc. (d/b/a Huntington Hills Center for Health & Rehabilitation)
- 13) Glen Falls Crossings LLC (d/b/a The Pines at Glen Falls, Center for Nursing & Rehabilitation)
- 14) Harbor Hill Health Care Center, Inc. (d/b/a Water's Edge Center for Health & Rehabilitation)
- 15) Hebrew Home for Health and Rehabilitation, LLC
- 16) Ludlowe Center for Health & Rehabilitation LLC
- 17) Maple View Manor of CT., LLC
- 18) Marlborough Health Care Center, Inc.
- 19) NOA Diagnostics of CT, LLC
- 20) NOA Diagnostics of MA, LLC
- 21) NOA Diagnostics of NJ, LLC
- 22) NOA Diagnostics of NY, LLC
- 23) Milford Health Care Center, Inc.
- 24) National Health Care Associates, Inc.
- 25) New Milford Crossings, LLC (d/b/a Village Crest Center for Health & Rehabilitation)
- 26) Poughkeepsie Crossings LLC(d/b/a The Pines at Poughkeepsie, Center for Nursing & Rehabilitation)
- 27) Preferred Therapy Solutions, LLC
- 28) Regency House of Wallingford, Inc.
- 29) Riverside Health Care Center, Inc.
- 30) Rutland Crossings LLC (d/b/a The Pines at Rutland, Center for Nursing & Rehabilitation)
- 31) Troy Crossings, LLC d/b/a The Pines at Heartwood
- 32) Utica Crossings LLC (d/b/a The Pines at Utica, Center for Nursing & Rehabilitation)
- 33) VK Abington, LLC (d/b/a Colony Center for Health & Rehabilitation)
- 34) VK Augusta, LLC (d/b/a Augusta Center for Health & Rehabilitation)
- 35) VK Bangor, LLC (d/b/a Eastside Center for Health & Rehabilitation)
- 36) VK Bath, LLC (d/b/a Winship Green Center for Health & Rehabilitation)
- 37) VK Brewer, LLC (d/b/a Brewer Center for Health & Rehabilitation)
- 38) VK Dover, LLC (d/b/a Dover Center for Health & Rehabilitation)
- 39) VK East Bridgewater, LLC (d/b/a Sachem Center for Health & Rehabilitation)
- 40) VK Kennebunk, LLC (d/b/a Kennebunk Center for Health & Rehabilitation)
- 41) VK Marlborough, LLC (d/b/a The Reservoir Center for Health & Rehabilitation)
- 42) VK Natick, LLC (d/b/a Eliot Center for Health & Rehabilitation)
- 43) VK Newburyport, LLC (d/b/a Country Center for Health & Rehabilitation)
- 44) VK Norway, LLC (d/b/a Norway Center for Health & Rehabilitation)
- 45) VK Wellesley, LLC (d/b/a Newton Wellesley Center for Alzheimer's Care)
- 46) VK Yarmouth, LLC (d/b/a Brentwood Center for Health & Rehabilitation)
- 47) Westgate Center for Health & Rehabilitation LLC (d/b/a Westgate Center for Health & Rehabilitation and d/b/a Westgate Center for Rehabilitation and Alzheimer's Care)
- 48) Yom Tov Convalescent Center, Inc. (d/b/a Maywood Center for Health and Rehabilitation (d/b/a Maywood Center for Health & Rehabilitation)

ADDENDUM OF PLAN BENEFITS FOR YOUR FACILITY

Please request a copy of the Addendum for your Employer from your Employer's Human Resources Department. The Addendum adds specific information that may apply to you.