**<u>FIRST SUMMARY OF MATERIAL MODIFICATION OF
THE 2020 SUMMARY PLAN DESCRIPTION OF THE
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
LOCAL NO. 38 401(k) RETIREMENT PLAN</u>**

<u>January 2026</u>

I. <u>INTRODUCTION</u>.

This document is designed to describe modifications to the International Brotherhood of Electrical Workers Local No. 38 401(k) Retirement Plan (hereinafter "Plan"). This document should be read in conjunction with the Summary Plan Description (hereinafter "SPD") which was provided to you previously in January 2020. Information contained in this Summary of Material Modification (hereinafter "Summary Description") supersedes what is contained in the SPD. However, this Summary Description changes only the provisions to which it specifically refers and any other provisions in the SPD have not been materially modified.

II. <u>Designated Roth Contributions</u>.

Effective January 1, 2026, Roth elective contributions are available to all participants. That means, in addition to pre-tax contributions, you can also elect to make Roth after-tax deferrals. Like pre-tax elective deferrals, Roth after-tax contributions will be withheld from your regular pay and contributed to the Plan on your behalf. The difference is that Roth salary deferrals are taxed at the time you make the contributions whereas pre-tax contributions are not taxed until they are distributed to you. However, Roth contributions and the earnings attributable to them are not taxed when they are distributed to you if meet certain requirements (i.e., the distribution is a "qualified distribution"). Under the terms of the Plan, you can change your deferral election (i.e., both percentage amount and taxable nature) at each job referral or one time per month.

Any Roth contributions that you make will be tracked separately from your pre-tax elective deferrals. However, the investment options and allocation percentages you currently have in place for your pre-tax contributions will also apply to your Roth contributions. You can change your investment elections by logging onto TransAmerica's website. Finally, please keep in mind that Federal tax law limits how much you can contribute each year, and the limit includes both pre-tax and Roth contributions.

Also, effective January 1, 2026, the Plan will permit "In-Plan Roth conversions." Under an "In-Plan Roth conversion," you can convert all, or a portion, of your existing vested pre-tax contribution account to a Roth account within the Plan. Please be aware that you can only convert contributions that are fully vested and cannot convert any outstanding loan balance. Further, you can only engage in one (1) "In-Plan Roth conversion" per Plan Year. If you elect to convert any portion of your non-Roth contributions to a Roth account, you will have to include those amounts in gross income for the year of the conversion. Since no actual distribution is being made to you from the Plan, no withholding will apply to the In-Plan conversation. If you elect to convert Roth contribution, you should ensure that you have adequately withheld amounts based on the additional taxes you will owe as a result of the "In-Plan Conversion."

Converting non-Roth contributions to Roth contributions can be a complicated decision that completely depends on your personal financial situation. Please be aware that you cannot reverse an "In-Plan conversion." Therefore, you should consult with your individual tax advisor before making any decision to convert non-Roth contributions.

III. <u>Catch-up Contribution Rule Changes</u>.

Additionally, the Plan has been amended to adopt two changes to the catch-up contributions introduced by the IRS. First, and effective January 1, 2026, any Participant whose income from a single employer in the previous year exceeds the annual IRS limit (i.e., $145,000 for 2025) may only make catch-up contributions on a Roth basis. All other Participant can continue to make catchup contributions on a pre-tax basis or may choose to contribute them on a designated Roth basis. Second, the Plan will also adopt the increased catch-up contribution limit for employees attaining age 60 to 63 (e.g., the "super" catch-up contribution).

Accordingly, effective January 1, 2026, the following provisions of the SPD are hereby amended or changed to read as follows:

7. What kind of contributions can be made to the Plan?

(b) <u>Wage Deferral</u>.

As a Participant, you can enter into a Participant Election Agreement (by filing a form which will be provided to you by the Administrative Manager's Office when you first become enrolled) which allow you to reduce your pay in whole percentages of your total annual compensation. Federal tax law also limits your contributions to a dollar amount each year. (This dollar amount may be adjusted by the federal government each year for cost-of-living increases effective January 1 of each calendar year thereafter.) The amount withheld from your pay pursuant to a Participant Election Agreement will be deposited by your employer with the Plan's Trustee. These contributions can be made as either pre-tax contributions or after-tax Roth contributions. Additionally, see (c) below for a description of additional "Catch-Up Contributions" which some Participants are qualified to make.

You may stop making contributions to the Plan, resume making contributions, or change the amount that is withheld from your pay by revising your Participant Election Agreement on a form that will be provided to you by your employer, the Union Hall, or the Administrative Manager. You should complete your form and give it to your employer. Generally, an election to suspend or stop contributions, resume contributions, or change the amount to be withheld from your pay will be effective as of the first payroll period after the date you return the form to your employer, provided your employer has sufficient time to effect the revision. If your employer does not have sufficient time to effect the revision, the suspension, cessation, resumption, or change in contributions will be effective as of the second payroll period after the form is completed and returned to your employer. Changes may be made no more frequently than once per month.

Contributions will be suspended automatically upon your termination of covered employment or upon any unpaid leave of absence or temporary layoff. Any contributions so automatically suspended can be resumed upon your return to covered employment. If you cease employment with one employer and resume covered employment with another employer, you will need to execute a new Participant Election Agreement in order to resume making contributions.

(c) Catch-Up Contributions.

If you are age 50 (or will be age 50 by the end of the current calendar year), you may make compensation deferral elections in excess of the dollar limits set forth for other employees. This additional contribution is known as a "Catch-Up Contribution." Further, if you are between age 60 to 63, you can contribute an additional amount that is above the normal catch-up limit (i.e., the "super" catch-up contribution). You do not need to contact the Plan to make a Catch-Up Contribution. If you qualify (i.e., are age 50) then any contributions above the annual dollar limits will be treated as a Catch-Up Contribution.

The maximum amount of Catch-Up Contributions that are permitted is subject to change each year. The applicable dollar amount is $7,500 for 2025 and $8,000 for 2026. The "Super" Catch-up limit (i.e., for participants age 60 to 63) is $11,250 and did not change between 2025 and 2026. At the end of each Plan Year, the Plan Administrator must measure and test all amounts that you contributed and will make the final and official determination as to how much of your contribution was regular wage deferrals or Catch-Up Contributions.

Finally, and effective January 1, 2026, any Participant that earns more than the IRS limit from a single employer in the previous year (i.e., $145,000 for 2025) who wishes to make catch-up contributions must make those contributions was designed Roth contributions (e.g., after-tax).

17. What benefits are payable, and how will I receive my benefits?

(b) Commencement of Distributions.

Distributions will be made or commence within the month following the month in which you (or your beneficiary) request a distribution after the occurrence of one of the distribution-triggering events described above and in the answer to Question #18 below. To apply for a distribution, contact Transamerica to request distribution forms. Return the completed forms to the Administrative Manager.

Please be aware that if your account includes both pre-tax contributions and designated Roth contributions (i.e., post-tax contributions), current IRS rules do not allow you to elect a distribution for one of the two accounts. Instead, any distribution will include a pro-rata mix of both pre-tax and after-tax contributions.

24. What are some of the important tax consequence of participation in the Plan?

The Plan is a "401(k) plan," that includes a Roth feature. That means you can contribute the Plan through "elective deferrals," which are contributions you make from your normal payroll. Under this plan, you can choose to make your contributions on a pre-tax or post-tax basis. If you make your elective deferrals on a pre-tax basis, you will not be subject to either federal or state income taxes when contributing but will be subject to Social Security taxes and possibly local income taxes. You will then pay income taxes on both the contributions and earnings when the amount is distributed to you. On the other hand, if you make your elective deferrals on a Roth basis (i.e., post-tax), you will be subject to federal and state income taxes, Social Security taxes, and local income taxes when the money is contributed to the Plan. However, if you later receive a "qualified distribution" from your Roth account, neither the contributions nor the earnings will be subject to income tax.

Further, there are also special tax rules that apply to distributions you receive from the Plan, including potential excise taxes if benefits are distributed in a lump sum before your age 59 ½ and not rolled over into an IRA, or in equal installments before your Early Retirement Date (age 55). Additional rules apply to distributions from a Roth account. Transamerica will provide you with certain tax information at the time you request a distribution from the Plan. You should review carefully the tax rules before applying for any distribution. In addition, you may wish to check with your tax advisor or the Internal Revenue Service to learn how participation in or distributions from the Plan will affect your tax liability.

Finally, and as explained in Question #34 below, you can choose to "convert" all or a portion of your vested pretax balance to a Roth account within the Plan. However, you cannot convert any amounts that unvested or part of an outstanding loan balance. Please be aware that any amounts you elect to convert will be taxable to you in the year of the conversion.

34. Can I transfer my pre-tax account to a designated Roth account under the Plan?

Yes, effective January 1, 2026, you may elect to transfer (or "convert") all or a portion of your vested pre-tax account to a Roth account. Please note that you cannot convert any part of an outstanding loan balance or any amounts that are unvested. Additionally, an "In-Plan Roth conversion" does not result in a distribution to you, but you will need to report and pay the additional taxes that are due at the end of the year. Finally, you can only engage in one (1) "In-Plan Roth conversion" per Plan Year and under current IRS rules, you cannot reverse a conversion. Any amounts that are converted to a Roth account and later distributed as a "qualified distribution" will be not be subject to income taxes. Please consult your person tax advisor before engaging in any conversion.

III. CONCLUSION.

As stated in the Introduction, this Summary Description should be read in conjunction with the SPD. Information contained in this Summary Description supersedes what is contained in the SPD. However, this Summary Description changes only the provisions to which it specifically refers and any other provisions in the SPD have not been materially modified.

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