

## **ADOPTION AGREEMENT #001**

### **401(k)/PROFIT SHARING NON-STANDARDIZED PLAN**

The undersigned adopting employer hereby adopts this Plan. The Plan is intended to qualify as a tax-exempt profit sharing plan under Code Section 401(a), and the cash or deferred arrangement forming part of the Plan (to the extent provided in this Adoption Agreement) is intended to qualify under Code Section 401(k).

The Plan shall consist of:

- This Adoption Agreement,
- The related Basic Plan Document #01, and
- Any Addendum or Amendment adopted hereunder.

Unless otherwise indicated, all Section references are to Sections of the Basic Plan Document.

## TABLE OF CONTENTS

|  |    |
|--|----|
| EMPLOYER INFORMATION .....   | 1  |
| PLAN INFORMATION .....   | 1  |
| SECTION A. GENERAL INFORMATION .....                                       | 1  |
| Plan Name / Effective Date .....   | 1  |
| Plan Features .....  | 2  |
| Compensation .....   | 3  |
| Definitions .....  | 4  |
| SECTION B. ELIGIBILITY .....   | 4  |
| Exclusions .....   | 4  |
| Eligibility Service Rules .....  | 5  |
| Eligibility for Plan Participation .....                                   | 5  |
| SECTION C. CONTRIBUTIONS – ELECTIVE DEFERRALS AND SAFE HARBOR ..           | 8  |
| Elective Deferrals .....   | 8  |
| Automatic Enrollment .....   | 8  |
| Voluntary Contributions .....  | 10 |
| Safe Harbor Contributions .....  | 10 |
| Testing Elections .....  | 12 |
| SECTION D. CONTRIBUTIONS – EMPLOYER MATCHING, NON-ELECTIVE AND OTHER ..... | 13 |
| SECTION E. VESTING .....   | 21 |
| SECTION F. DISTRIBUTIONS .....   | 23 |
| SECTION G. IN-SERVICE WITHDRAWALS .....                                    | 26 |
| SECTION H. PLAN OPERATIONS AND TOP-HEAVY .....                             | 30 |
| SECTION I. MISCELLANEOUS .....   | 32 |
| SECTION J. EXECUTION PAGE .....  | 33 |
| HARDSHIP DISTRIBUTION ADDENDUM .....                                       | 34 |
| SECURE / CARES / CAA ADDENDUM .....  | 36 |

## EMPLOYER INFORMATION

- |  |                              |
|--|------------------------------|
| 1. Name of adopting employer (Plan Sponsor): | Apex Industrial Supply, Inc. |
| 2. Address:                                  | 1450 Meridian Parkway        |
| 3. City, State, Zip:                         | Charlotte, NC 28202          |
| 4. Phone Number:                             | (704) 555-1922               |
| 5. Plan Sponsor EIN:                         | 12-9876543                   |
| 6. Plan Sponsor Fiscal Year End:             | 06/30                        |

### Entity Type

C Corporation

S Corporation

Partnership

Limited Liability Company

Non-Profit Organization

Other: \_\_\_\_\_

State of Organization: Delaware

### Affiliated Service Group

The Plan Sponsor is a member of an affiliated service group. If yes, list all members:  
\_\_\_\_\_

### Controlled Group

The Plan Sponsor is a member of a controlled group. If yes, list all members: \_\_\_\_\_

## SECTION A. GENERAL INFORMATION

### Plan Name / Effective Date

Plan Number: 001

Plan Name: Apex Industrial Supply, Inc. 401(k) Plan

Original Effective Date: January 1, 2022

[ ] This is a restatement of a previously adopted plan. If yes, restatement effective date:

---

### Plan Year

Plan Year means each consecutive 12-month period ending on December 31.

[X] The Plan has a Short Plan Year. Short Plan Year begins January 1, 2022 and ends December 31, 2022.

Service conditions during a Short Plan Year apply for:

None

X All purposes (eligibility, allocation, vesting)

Other: \_\_\_\_\_

### Limitation Year

X Plan Year

Calendar Year

Tax Year of Plan Sponsor

Other: \_\_\_\_\_

### Plan Features

|   |                |
|---|----------------|
| Elective Deferrals permitted              | [X] Yes [ ] No |
| Roth Elective Deferrals permitted         | [X] Yes [ ] No |
| Voluntary Contributions permitted         | [ ] Yes [X] No |
| Employer Matching Contributions permitted | [X] Yes [ ] No |
| Non-Elective Contributions permitted      | [X] Yes [ ] No |
| Safe Harbor Contributions permitted       | [X] Yes [ ] No |

## Plan Feature Effective Dates

Elective Deferrals and Roth Contributions effective: August 15, 2022

## Compensation

Statutory Compensation Definition:

Section 415 Compensation

X W-2 Compensation

Withholding Compensation

Section 415 Safe Harbor Option

Included in Compensation:

X Code Section 125 Compensation

X Post-Severance Compensation

Post-Year End Compensation

Excluded from Plan Compensation:

- Bonuses
- Fringe Benefits
- Moving Expenses
- Deferred Compensation

## Definitions

Highly Compensated Employee determination:

Top-paid group election

X Prior calendar year compensation test

Definition of Disability:

X Medically determinable physical or mental impairment lasting 12 months or resulting in death

Social Security Act definition

Employer-sponsored disability plan

Choice of Law: North Carolina

## **SECTION B. ELIGIBILITY**

### **Exclusions**

The term “Eligible Employee” shall not include:

- Union Employees
- Leased Employees
- Non-Resident Aliens

### **Eligibility Requirements**

Minimum Age: 21

Service Requirements:

- Elective Deferrals: No minimum service
- Employer Match: 1 Year of Eligibility Service (1,000 Hours)
- Non-Elective Contributions: 1 Year of Eligibility Service

### **Entry Dates**

Entry into the Plan occurs on:

Immediate

First day of calendar month

First day of Plan Quarter

### **Eligibility Service Computation**

Hours of Service Method:

None

Actual hours worked

Hours equivalency method

## **SECTION C. CONTRIBUTIONS – ELECTIVE DEFERRALS AND SAFE HARBOR**

### **Elective Deferrals**

Participants may elect to defer compensation on a pre-tax or Roth basis, subject to Code Section 402(g) limits.

### **Automatic Enrollment**

The Plan includes a Qualified Automatic Contribution Arrangement (QACA).

|                             |      |
|-----------------------------|------|
| Initial Deferral Percentage | 4%   |
| Annual Increase             | 1%   |
| Maximum Deferral            | 10%  |
| Default Contribution Type   | Roth |

### **Catch-Up Contributions**

[X] Participants age 50 or older may make Catch-Up Contributions.

### **Safe Harbor Contributions**

[X] Safe Harbor Matching Contribution [ ] Safe Harbor Non-Elective Contribution  
Safe Harbor Matching Formula:

- 100% of deferrals up to 3% of compensation, plus
- 50% of deferrals on the next 2%

### **Testing Elections**

ADP Test:

X Current Year

Prior Year

ACP Test:

X Current Year

Prior Year

## **SECTION D. CONTRIBUTIONS – EMPLOYER MATCHING, NON-ELECTIVE AND OTHER**

### **Employer Matching Allocation Service**

No allocation service requirements apply for Safe Harbor Matching Contributions.

### **Employer Matching Formula**

Employer Matching Contributions are made according to the Safe Harbor formula described in Section C.

### **Roth Match**

Employer Matching Contributions attributable to Roth Elective Deferrals shall be allocated to a Roth Match Account.

### **True-Up Contribution**

[X] A year-end true-up contribution shall be made.

### **Non-Elective Contributions**

Non-Elective Contributions are discretionary and allocated using a pro-rata allocation formula.

## **SECTION E. VESTING**

Employer Matching Contributions: 100% vested immediately.

Non-Elective Contributions vest according to the following schedule:

Years of Service    Vested Percentage

|   |      |
|---|------|
| 1 | 20%  |
| 2 | 40%  |
| 3 | 60%  |
| 4 | 80%  |
| 5 | 100% |

## **SECTION F. DISTRIBUTIONS**

Normal Retirement Age: 65

### **Form of Payment**

Distributions shall be made in cash unless otherwise elected.

### **Payments on Death**

Benefits are payable to the designated beneficiary.

### **Force-Out Provisions**

Accounts under \$5,000 may be distributed without participant consent.

### **Required Beginning Date**

As required under Code Section 401(a)(9).

## **SECTION G. IN-SERVICE WITHDRAWALS**

- Hardship Withdrawals permitted
- In-Service Withdrawals after age  $59\frac{1}{2}$  permitted
- Other withdrawals subject to Plan Administrator approval

## **SECTION H. PLAN OPERATIONS AND TOP-HEAVY**

Top-Heavy determination shall be made in accordance with Code Section 416.

Top-Heavy minimum contributions shall apply when required.

## **EXECUTION PAGE**

IN WITNESS WHEREOF, the Employer has caused this Adoption Agreement to be executed.

Employer Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

## **HARDSHIP DISTRIBUTION ADDENDUM**

Hardship distributions shall be determined in accordance with Treasury Regulations and IRS guidance.

## **SECURE / CARES / CAA ADDENDUM**

This Plan incorporates:

- SECURE Act long-term part-time employee provisions
- CARES Act distribution and loan relief
- CAA required minimum distribution changes