

Notice of 401(k) Safe-Harbor Contribution

This is an annual notice and applies to the Plan Year beginning on 1/1.

This notice covers the following points:

- How much you can contribute to the Plan;
- What other amounts the Employer will contribute to the Plan for you;
- When your Plan account will be vested (that is, not lost when you leave your job); and
- When you can receive a distribution of your Plan account.

You can find out more information about the Plan in the Plan's Summary Plan Description (SPD). You can obtain a copy of the SPD from the Plan Administrator.

Employee deferral contributions

You are allowed to defer a portion of your compensation to the Plan. These amounts are referred to as deferrals and are held in an account for you. When you are permitted to take a distribution from the Plan, you will be entitled to all of your deferrals, as adjusted for any gains or losses. The type of compensation that may be deferred under the Plan is explained in the Summary Plan Description.

You may make the above contributions as either pre-tax contributions or after-tax Roth Elective Deferrals or a combination of both pre-tax and after-tax contributions. Both pre-tax and after-tax contributions shall be referred to as "deferrals" throughout this Notice. You may elect to defer a percentage of your compensation each year instead of receiving that amount in cash. However, your total deferrals in any taxable year may not exceed a dollar limit which is set by law. The dollar limit may increase each year as the result of cost-of-living adjustments. The Plan Administrator will notify you of the maximum percentage you may defer subject to the dollar limit in effect for the year. The amount you elect to defer on a

pre-tax basis, and any earnings on that amount, will not be subject to income tax until it is actually distributed to you. However, the amount you defer is counted as compensation for Social Security taxes.

If you are age 50 or older (or will attain age 50 during a calendar year), you may elect to defer additional amounts (called "catch-up contributions") to the Plan. These additional deferrals are also subject to an annual limit imposed by law, regardless of any other limits imposed by the Plan. The Plan Administrator will notify you of the maximum catch-up contribution you may defer to the Plan during the Plan Year.

Procedures for making salary deferral elections

The amount you elect to defer will be deducted from your pay in accordance with a procedure established by the Plan Administrator. The procedure will require that you enter into a written salary deferral agreement after you satisfy the Plan's eligibility requirements. You may elect to commence deferring your salary as of your entry date. Such election will become effective as soon as administratively feasible. Your election will remain in effect until you modify or terminate it.

You are permitted to revoke your salary deferral election anytime. You may make any other modification anytime or in accordance with any other procedure your Employer provides. Any modification will become effective as soon as administratively feasible after received by the Plan Administrator.

In addition to any other election periods provided above, you may make or modify a salary deferral election during the 30-day period immediately preceding the Plan Year for which this notice is being provided. For the Plan Year you become eligible to make deferrals, you may complete a salary deferral agreement during a 30-day period that includes the date you become eligible.

If you decide to start or change your salary deferral, you must complete a salary deferral agreement and return it to the Plan Administrator.

Employer Safe Harbor Contribution Election

To help you make an informed decision on the level of your salary deferral contributions you decide to make, your Employer must inform you about the contributions it will make to the Plan on your behalf. Your Employer has elected the following contribution formula.

Safe Harbor Matching Contribution. In order to maintain "safe harbor" status, your Employer will make a safe harbor matching contribution equal to 100% of your salary deferrals that do not exceed 3% of your compensation plus 50% of your salary deferrals between 3% and 5% of your compensation.

The safe harbor matching contribution is 100% vested.

Other Employer Contributions. In addition to the above, other employer contributions may be made to the Plan. You should review the SPD for details regarding these other contributions.

Suspension or reduction of safe harbor matching contribution. The Employer retains the right to reduce or suspend the safe harbor matching contribution under the Plan. If the Employer chooses to do so, you will receive a supplemental notice explaining the reduction or suspension of the safe harbor matching contributions at least 30 days before the change is effective. The Employer will contribute any safe harbor matching contribution you have earned up to that point and it will be 100% vested. At this time, the Employer has no such intention to suspend or reduce the safe harbor contribution.

Vesting

The following is a general explanation of the vesting provisions of the Plan. Please refer to the SPD for more detailed information.

100% vested contributions. You are always 100% vested (which means that you are entitled to all of the amounts) in your accounts attributable to the following contributions:

- salary deferrals, including catch-up contributions
- rollover contributions
- safe harbor contributions

Vesting schedule. Employer contributions that are not safe-harbored will be subject to a vesting schedule. Your "vested percentage" is based on the number of Years of Service you have completed for vesting purposes at the time you stop working. The total of the amount of vested contributions subject to a vesting schedule plus the 100% vested contribution as shown above is your vested interest in the Plan. This is what you actually will receive from the Plan.

Your "vested percentage" in your account attributable to all employer contributions that are not safe-harbored is determined under the following schedule. However, you will always be 100% vested in these contributions if you are employed on or after your Normal Retirement Age or if you die or if you become disabled.

Years of Vesting Service	Vesting Percentage
Less than 3	0%
3 or more	100%

Distribution provisions

Plan provisions and federal law impose restrictions on when you may receive a distribution from the Plan. The following is a general description of when distributions may be made under the Plan. See the SPD for more detailed information, including a description of how benefits are paid. Also, at the time you are entitled to receive a distribution, the Plan Administrator will provide you with a notice explaining the rules regarding the taxation of the distribution.

The following distribution option(s) are available to you from the Plan:

- Single lump-sum payment

You may elect to have your vested account balance distributed to you for reasons other than death, disability or retirement as soon as administratively feasible following the date on which a distribution is requested or otherwise payable. You may elect to have your vested account balance distributed to you as a result of termination for death, disability or retirement as soon as administratively feasible following the date on which a distribution is requested or otherwise payable. See your SPD for more information regarding distributions from the Plan.

Hardship withdrawals are permitted from this Plan. You may take a hardship withdrawal from your account.

Investments

Right to direct investment. You have the right to direct the investment of your "directed accounts" in any of the investment choices explained in the investment information materials provided to you.

We encourage you to make an investment election to ensure that amounts in the Plan are invested in accordance with your long-term investment and retirement plans.

Employer's right to terminate Plan

Pursuant to the terms of the Plan, your Employer has the right, at any time, to terminate the Plan. Termination of the Plan will result in the discontinuation of all contributions to the Plan (including the safe harbor 401(k) contribution) with respect to any compensation you receive after the effective date of the termination. Termination of the Plan will not affect your right to receive any contributions you have accrued as of the effective date of the termination.

Additional information

This notice is not a substitute for the Summary Plan Description. The provisions of the Plan are very complex and you should always look at the Summary Plan Description if you have any questions about the Plan. If, after reading the Summary Plan Description, you still have questions, contact the Plan Administrator.

You may contact the Plan Administrator at:

ABC Company
17 Corporate Circle
Suite 17
Karner Park
Albany, NY 12203
518-555-1212

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