ADP TotalSource® Retirement Savings Plan Loan Policy

Effective as of July 1, 2018

The ADP TotalSource Retirement Savings Plan (the "Plan") permits loans to be made to participants. However before any loan is made, the Plan provides that a written loan policy may be established which sets forth the rules and guidelines for obtaining a Plan loan. This document is considered a part of the Plan.

The Plan Administrator is authorized to administer the Loan Policy and reserves the right to make any changes to the Loan Policy that it deems appropriate. Any changes that the Plan Administrator makes will not affect participant loans that are outstanding at the time of the change, except as specifically provided in the change and required or permitted by applicable law. Terms that are not defined herein shall have the meaning set forth in the Plan.

Additional terms not contained herein may be imposed by the loan service provider, to the extent that such terms do not conflict with this Loan Policy, the Plan or applicable law.

Eligibility

Only a participant in the Plan that is actively employed by an Adopting Employer of the Plan may request a loan. Former Employees are not eligible to take loans. In addition, participants who have defaulted or are deemed defaulted on a prior loan from the Plan are not eligible for a new loan until the defaulted or deemed defaulted loan (including taxable interest) is paid in full. New loans are unavailable during the period of time that a participant is on a Leave of Absence.

If the Plan Administrator receives credible written notice that a qualified domestic relations order affecting a participant's account is being sought, it shall prohibit that participant from taking a loan for a reasonable period of time to permit the participant and/or alternate payee to obtain a domestic relations order (or a determination has been made that the order will not be submitted within a reasonable period of time after the Plan Administrator was notified about the order). If the Plan Administrator is in receipt of a domestic relations order with respect to any participant's account, as soon as practicable after receipt the Plan Administrator shall freeze the relevant participant's account for a period of up to 18 months to allow for a determination of whether the domestic relations order meets the requirements of a qualified domestic relations order. To the extent that a participant's accounts are frozen, no loans are permitted from such accounts. A domestic relations order will not be qualified if it attempts to assign to an alternate payee an amount greater than the non-loaned portion of any participant's account. Alternate payees may not take loans from their alternate payee accounts.

Purpose

A participant may use a Plan loan for any purpose, and there are no restrictions. The maximum repayment period for a general purpose loan is five years. However, if a participant requests a loan for the purpose of the construction of or purchase of a primary residence and wishes to have a repayment period longer than five years, the maximum repayment period is 10 years. A participant may be asked to provide evidence of the purchase or construction.

Loan Terms

By taking out a loan, a participant is in effect borrowing from himself or herself and paying himself or herself back without paying taxes on the borrowed money. The interest and principal that is repaid goes back into the participant's account on an after tax basis. Upon withdrawal from the participant's account under the Plan at a later date, the money will become taxable to the participant. Effective July 1, 2018, the interest charged on the loan is equal to one percent above the prime rate, determined as of the 1st of the month prior to the loan origination date and is generally not tax deductible. The source for the prime rate will be the Wall Street Journal.

A participant may have a maximum of two outstanding loans at a time. The minimum amount of a loan is $1,000. The maximum amount (when added to the outstanding balance of any other loan under the Plan) is the lesser of:

1. $50,000 reduced by the highest outstanding loan balance from the Plan during the one-year period ending the day before the date on which the current loan is made over the outstanding balance of loans from the Plan on the date the loan is made, or
2. 50% of the present value of the vested account balance in the Plan.

Notwithstanding the foregoing, no loan proceeds may be taken from a participant's Money Purchase Account, Safe Harbor Employer or Qualified Non-Elective Contribution Account balances. The calculation of the 50% limitation or lien will not include a participant's Money Purchase Account.

Plan loans cannot have a repayment period that exceeds five years from the date of the loan. However, if the loan is to be used for the purchase or construction of a primary residence, the repayment period for the loan may be up to 10 years. In addition, the repayment period may be extended for Leaves of Absence due to qualified military service as described more fully below. Loan repayments by Self Employed Individuals (SEIs) paid through Schedule C or K-1 earnings only, Leave of Absence and Commission only employees may be made only through ACH transfer. Loan repayments by all other participants may be made through ADP TotalSource payroll deductions or ACH transfer according to a schedule of substantially level payments; however, all repayments must be made via the method elected (i.e., payroll deduction or ACH transfer, as the case may be). These repayments are allocated to the participant's account based on current investment elections and pro-rata to the loan distribution source(s). A participant can prepay the loan at any time without penalty, although prepaying only a portion of the loan is not permitted. If a participant elects to make loan repayments via ACH transfer and, for any scheduled payment, the ACH transfer account contains insufficient funds, the loan repayment will automatically be made via payroll deduction. If the participant's compensation is insufficient to permit such payroll deduction, the entire loan balance will become immediately due and payable, and if not paid in a lump sum by the last day of the calendar quarter following the calendar quarter in which the payment(s) were missed, shall be deemed defaulted. participants shall execute an agreement permitting payroll deductions in the event of an insufficient ACH transfer account balance as described above.

Loan refinancing is not permitted.

If a loan is paid off via ACH or check and not via payroll deduction, a new loan may not be made to a participant sooner than 15 days after the outstanding loan balance of a prior loan was repaid.

Self-Employed Individual (SEI) and Commission-Only Employee Loans

Loans may be made to participants that are paid through Schedule C or K-1 earnings only and commission-only Employees.

Approved Leave of Absences

A participant on a paid Leave of Absence with an outstanding loan will be treated as an Active Employee. Loan repayments will not be suspended and will continue according to the initial amortization schedule. However, participants may not take new loans while on a Leave of Absence.

A participant on a non-paid Leave of Absence may suspend loan repayments for a period of up to six months for an approved Leave of Absence. However, interest will continue to accrue during the non-paid Leave of Absence. A participant on a non-paid Leave of Absence with an outstanding loan will also be given an opportunity to make payments directly to Voya Financial, the Plan recordkeeper. During the non-paid Leave of Absence outstanding loans may be re-amortized to a monthly pay frequency to accommodate a monthly ACH payment. If a participant does not make the full payments during the period of Leave, upon returning from Leave the outstanding loan maybe re-amortized to be repaid by the original maturity date and loan repayments will be reinstated through payroll deduction or ACH payment, as applicable, according to a schedule of substantially level payments. In all cases it is the participant's responsibility to ensure the loan is repaid.

Special rules apply if the participant is on a non-paid Leave of Absence because he or she is performing service in the uniformed services of the United States. In that case, loan repayments will be suspended for the entire period of time a participant is absent and performing military duties. Such suspension shall not cause the loan to be deemed distributed even if the suspension exceeds the six-month suspension period generally applicable to suspensions for other types of leaves of absence and even if the term of the current loan is extended. A participant on a non-paid Military Leave of Absence with an outstanding loan will also be given an opportunity to make payments. During such period of military service, outstanding loans may be re-amortized to a monthly pay frequency to accommodate a monthly ACH payment. If the participant does not make the full payments during the Military Leave of Absence, upon the completion of the Military Leave of Absence the outstanding loan will be re-amortized and loan repayments will be reinstated through payroll deduction, or ACH payment, as applicable, according to a schedule of substantially level payments over a period that ends not later than the latest permissible term of the original loan (plus the qualifying military service). While a participant is performing service in the uniformed services of the United States, the interest rate on the loan will not exceed six percent, compounded annually.

Termination of Employment

Upon termination of employment, full repayment of the outstanding loan balance is immediately required. If full repayment does not occur by the end of the calendar quarter following the calendar quarter in which termination occurred, the loan will default, and the outstanding loan balance plus accrued interest will become a taxable distribution.

A participant may not request a Direct Rollover of a loan note to another qualified plan.

Loan Default

A loan will be deemed to be in default if one or more missed payments are not made up by the last day of the calendar quarter following the calendar quarter in which the payment(s) were missed. At that time, the remaining outstanding balance will be deemed to be a distribution. In accordance with IRS rules, taxes must be paid on the outstanding balance plus accrued interest. A 10% penalty may also apply to participants under the age of 59½ . If a loan defaults, a participant can no longer take a new loan from the Plan until the defaulted loan is repaid in full, plus accrued interest.

Immediate repayment is required for loans that have not been repaid within the normal loan period. Any loan with an outstanding balance due 60 days following the loan's maturity date will be defaulted.

Merger Loans

When another qualified plan with outstanding loans merges into the Plan, the following will occur:

1. The original terms of the loans will be honored;
2. A participant with more than two outstanding loans in the merging plan will be permitted to retain the multiple loans. This is the only case in which more than two outstanding loans in the Plan are permitted. A new loan is not permitted until a participant has fewer than two outstanding loans.
3. Loan payments set up on payroll or ACH transfer that are received after the effective date of the adoption of the Plan and prior to merger completion will be placed in a non-interest bearing loan holding account pending the completion of the merger.

Delinquent loans (not in default) as the result of the plan merger into the Plan may be re-amortized to bring them current (i.e., to pay off any delinquent amounts using the original rate of interest and original loan maturity date). If the original term of the loan may be extended, but in no event will the maturity date exceed five years from the original loan initiation date. Loans for the purchase of a primary residence may be re-amortized to the original maturity date, but in no event will the maturity date of the home loan extend beyond 10 years. The Plan will permit a merger loan for the purchase of a principal residence to extend beyond 10 years to the original maturity date.

Loan repayments by SEIs paid through Schedule C or K-1 earnings only, Leave of Absence and Commission only employees may be made only through ACH transfer.

As noted above, all other participants may elect to submit loan repayments via ACH payment or payroll deduction. The participant is responsible for monitoring the amount due and the due date of each loan payment. In the case of ACH payments, the Participant must agree to provide the loan payments directly to Voya via electronic ACH payment from a specified bank account.

If a participant defaults on a loan in the prior plan, that default will carry over into the Plan. A new loan will not be permitted until the defaulted loan has been paid in full under the Plan.

Loan Fees

Currently, the Plan charges the following fees for obtaining loans: $50 Loan Origination Fee (online or toll free call center) or $100 Residential Loan Fee.

Application Procedure

A participant may apply for a loan online or by phone as follows:

Online: https://adptotalsource.voyaplans.com

Phone: 855-646-7549 to speak with a Voya Customer Service Representative

Loan modeling is available.

This document is prepared pursuant to DOL Reg. §2550.408b-1(d) and the relevant provisions of the Plan. The Plan Administrator reserves the right to amend or suspend this policy at any time.

Adopted by the ADP TotalSource Retirement Savings Plan Committee. The loan program may be amended from time to time.