

SUMMARY OF MATERIAL MODIFICATIONS #1 CFNI Retirement Plan (“Plan”)

Due to the recent amendment of the above-referenced Plan, changes have been made that could affect your rights under the Plan. This Summary of Material Modifications (SMM) describes the recent Plan amendment and how that amendment may affect you. This SMM overrides any inconsistent information included in the Plan’s Summary Plan Description (SPD) or other Plan forms.

The modifications described in this SMM are effective as of January 1, 2023. All other provisions are effective as described in the SPD.

GENERAL INFORMATION AND DEFINITIONS

Article 2 of the SPD describes general information and definitions applicable to the Plan. The Plan has been amended to change certain general information or definitions. This section describes the changes that were made to the information contained in Article 2 of the SPD.

Compensation: The definition of “compensation” under the Plan has been amended. Unless designated otherwise, the new definition of compensation under the Plan includes your total taxable wages or salary increased to include any pre-tax salary reduction contributions you make under any other plans we maintain (including any pre-tax contributions you make under a medical reimbursement plan (i.e., a cafeteria plan)). Plan Compensation also generally includes compensation for services that is paid after termination of employment, as long as such amounts are paid by the end of the year or within 2½ months following termination of employment, if later. However, in determining the amount of compensation taken into account under the Plan, the following types of compensation are excluded from the definition of compensation:

- All fringe benefits (cash and noncash), reimbursements or other expense allowances, moving expenses, deferred compensation, and welfare benefits
- Bonuses
- Any wages or salary you receive from a “related employer,” unless that “related employer” adopts this Plan
- Payments for unused leave, such as unused sick leave, vacation, or other leave that is paid after severance of employment. Also, certain amounts paid pursuant to a nonqualified unfunded deferred compensation plan
- Continuation payments to disabled Participants paid after severance of employment

ELIGIBLE EMPLOYEES

The Plan excludes certain Employees from participating in the Plan. The definition of who is eligible to participate in the Plan has been amended. Under the current Plan provisions, as amended, the following Employees are excluded from participating in the Plan. Thus, the following Employees may not participate under the Plan until such time as they fall into a covered class of Employees and satisfy the Plan’s minimum age and service requirements. See Article 4 of your SPD for a description of the Plan’s minimum age and service requirements.

- Non-resident aliens who do not receive any compensation from U.S. sources
- Leased employees

MINIMUM AGE AND SERVICE REQUIREMENTS

Article 4 of the SPD describes the minimum age and/or service requirements that you must satisfy to be eligible for contributions under the Plan. The Plan has been amended to modify the minimum age and/or service requirements under the Plan. This section describes the new minimum age and/or service requirements under the Plan, as amended.

- **Minimum age requirement.** There is no minimum age requirement for participation in the Plan.
- **Minimum service requirement.** In order to participate under the Plan, you must complete a Year of Service with us. For this purpose, you will earn a Year of Service if you work at least 1000 hours for us during the 12-month period immediately following your date of hire. If you do not work at least 1000 hours during the 12-month period immediately following your date of hire, you will earn a Year of Service for purposes of Plan participation if you work at least 1000 hours during any Plan Year beginning after your date of hire.

You will be eligible to participate in the Plan as of the first Entry Date based on when you satisfy any minimum age and service requirements under the Plan.

Eligibility Break in Service rules. Under the Plan as amended, there are no Break in Service rules that will cause you to “lose” credit for eligibility service due solely to your termination of employment.

Special eligibility provisions. The following special rules apply in determining eligibility under the Plan: If an Eligible Employee does not complete 1,000 Hours of Service by the end of the first Eligibility Computation Period (the first 12-month period of employment), subsequent Eligibility Computation Periods will be the Plan Year, provided however, Eligible Employees will enter the Plan on the Entry Date coinciding with or next following the completion of 1,000 Hours of Service during the subsequent Eligibility Computation Period instead of waiting until the end of the Eligibility Computation Period.

PLAN CONTRIBUTIONS

Article 5 of the SPD describes the types of contributions authorized under the Plan. The Plan has been amended to modify the types or amount of contributions that may be made under the Plan. This section describes the changes that were made to the information contained in Article 5 of the SPD. Any contributions described in this section are subject to the eligibility conditions under the Plan, as described in Article 4 of the SPD.

Protected Benefits

The Plan has been amended to provide for certain “protected benefits”. Under the Plan as amended, the following additional protected benefits are available: This Plan contains assets attributable to a target benefit plan transferred into this Plan. The distribution restrictions applicable to such transferred target benefit assets continue to apply under this Plan. These assets may not be distributed for reasons other than death, disability, attainment of Normal Retirement Age (age 65), or termination of employment. Moreover, these transferred target benefit assets continue to be subject to the Qualified Joint and Survivor Annuity requirements. Additional distribution options for the target benefit assets are: (1) annuities, (2) installment payments, or (3) Lump Sum payments.

DETERMINATION OF VESTED BENEFIT

Vested Account Balance. When you take a distribution of your benefits under the Plan you are only entitled to withdraw your *vested* account balance. For this purpose, your *vested* account balance is the amount held under the Plan on your behalf for which you have earned an ownership interest. You earn an ownership interest in your Plan benefits if you have earned enough service with us to become *vested* based on the Plan’s vesting schedule. Article 7 of the SPD describes how to determine your vested benefit under the Plan. Article 8 of the

SPD describes when you are eligible to withdraw your benefit from the Plan. Even if you become vested in your benefit, you can only take a distribution from the Plan when authorized.

The Plan has been amended to modify the vesting provisions under the Plan. This Section describes the vesting provisions, as amended. The vesting provisions described in this Section override any contrary provisions in the SPD.

Vesting Years of Service. To calculate your vested benefit under the Plan, your vesting years of service are determined and those years are then used to determine where you are on the vesting schedule. The Plan has been amended to modify how vesting years of service are determined. You will be credited with a Year of Vesting Service for each year in which you work at least 1,000 hours. The Plan Administrator will track your service and will calculate your years of service in accordance with the Plan requirements.

Under the Plan, as amended, in calculating your years of service for vesting purposes, all of your service with us is taken into account, including service you may have earned before the Plan was adopted.

PLAN DISTRIBUTIONS

The Plan contains detailed rules regarding when you can receive a distribution of your benefits from the Plan. Article 8 of the SPD describes when you may receive a distribution and the tax effects of such a distribution. The Plan has been amended to modify the distributions provisions under the Plan. This Section describes the distribution provisions under the Plan, as amended.

Distribution options. You may elect to take your distribution in any of the following forms. Upon your termination of employment, you will receive a distribution package that will describe the distribution options that are available to you. If you have any questions regarding your distribution options under the Plan, please contact the Plan Administrator.

- **Lump sum.** If you take your distribution in the form of a lump sum, you may elect to receive your distribution in cash or you may elect to rollover your distribution to an IRA or to another qualified plan.
- **Partial lump sums.** You also may elect to take a partial lump sum of less than your entire vested benefit. However, you may not take a partial lump sum distribution of less than \$1,000.
- **Installment payments.** If you elect to receive a distribution in the form of a series of installment payments, your vested benefit will be paid out in equal annual installments over a set number of years. If the installment period is 10 years or greater, you may not rollover any of the installment payments into an IRA or into another qualified plan.

Additional Information

If you have any questions about the modifications described in this SMM or about the Plan in general, or if you would like a copy of the SPD or other Plan documents, you may contact:

Community Foundation of Northwest Indiana, Inc.
905 Ridge Road
Munster, IN 46321-1773
219-703-1265