JOHNSON SERVICE GROUP, INC.
401(k) RETIREMENT SAVINGS PLAN
FREQUENTLY ASKED QUESTIONS

Johnson Service Group, Inc wants to help its employees to save for retirement. When you participate in the Johnson Service Group, Inc. 401(k) Retirement Savings Plan you can save on a tax-favored basis and help provide for your retirement and future security.

Your participation results in contributing a portion of your wages in long-term savings – investment options. Participating means your contributions are invested with the goal of growing over the years to provide you with funds for your future. Participants receive benefits based upon the value of their share of the plan assets.

Plan FAQ's

The following information provides answers to the most frequently asked questions about the 401(k) Plan.

Q. Who is eligible to participate in the Plan?

A. All employees are eligible to participate in the Plan.

Q. When can I begin making contributions to the Plan?

A. Once you are eligible, you may make a contribution to the Plan that is deducted from your wages. You may begin making 401(k) contributions to the Plan on the first day of the month coincident with or next following the date on which you attain age 21 and complete 30 days of employment.

Q. How much can I contribute to the Plan?

A. The law limits the amount of 401(k) contributions you can make to the Plan during each year. This limit is based on the calendar year. The dollar limit is adjusted each calendar year by the government for changes in the cost of living.

Also, if you are age 50 or older by December 31 of a year, you can make an additional contribution called a "catch-up contribution." If you contribute more than the maximum amount, the excess amount will be refunded to you.

Q. Am I required to make 401(k) contributions to the Plan?

A. You are not required to make any contributions to the Plan.

Q. Can I elect to characterize my contributions to the Plan as a Roth contribution?

A. You may elect to characterize all or a portion of your 401(k) contribution, and catch-up contribution, if any, as a Roth contribution. Your Roth contributions to the Plan will be credited to a separate Roth contributions account. You will pay federal and state income taxes on your Roth contribution (unlike your regular 401(k) contribution) but if you satisfy the rules described below, you will pay no federal income taxes on the income earned by the Plan on your Roth contributions account when you withdraw the income from the Plan. All income paid from the Plan from your 401(k) contributions account will continue to be subject to federal income taxes. Since you will have paid income taxes on your Roth contributions, you will not pay income taxes on these contributions when you withdraw them from the Plan.

Distributions from your Roth contributions account attributable to income (or other gains) earned by the Plan are not subject to federal income taxes when you withdraw them provided you satisfy both of the following rules:

1. The distribution is made at least five calendar years after the first year you elected to make a Roth contribution to the Plan.

2. The distribution is made after you attain age 59-1/2 or because you died or became disabled.

Any employee who is eligible to make a 401(k) contribution to the Plan is eligible to make a Roth contribution to the Plan. There are no limitations based on your federal adjusted gross income that apply as there are with contributions made to a Roth IRA.

You should consider carefully whether you wish to make a Roth contribution to the Plan. Any amount that is credited to your Roth contributions account cannot later be transferred to your 401(k) contributions account. You can, of course, stop making Roth contributions and resume making your contributions as regular 401(k) contributions. You can switch back and forth between making your contributions as regular 401(k) contributions or Roth contributions under the Plan's normal rules for changing your contributions to the Plan.

If you wish to characterize all or a portion of your 401(k) and catch-up contribution as a Roth contribution, you must complete a new election form..

Q. How often can I change my contributions?

A. You may increase or decrease the amount of your 401(k) contributions at any time during the plan year. You may also suspend your 401(k) contributions at any time. The change will be effective for payroll periods beginning on or after the date written notice is received by the Employer.

Q. Can I contribute a distribution I am entitled to receive from a previous employer retirement plan?

A. This kind of contribution is called a "rollover" contribution and is not deducted from your wages. There is generally no limit on the amount of a rollover contribution you can make to the Plan.

Q. If I terminate employment with my Employer and I am later rehired, when can I resume participation in the Plan?

A. If your employment with your Employer terminates and you are later rehired, the date on which you will resume participation in the Plan depends upon whether you were participating in the Plan on the date you terminated employment. For example, if you are participating in the Plan on the date you terminate employment with your Employer, you will resume participation on the date you are rehired. Alternatively, if you are not participating in the Plan on the date you terminate employment with your Employer and you are later rehired, your participation in the Plan will be determined by reference to your original date of hire if you are rehired before you incur a break in service. If you are not participating in the Plan on the date you terminate employment with your Employer and you are later rehired, you will be treated as a new employee for purposes of participating in the Plan if you are rehired after you incur a break in service. In general, you incur a break in service with respect to any plan year in which you fail to earn more than 500 hours of service.

Q. How does the Plan keep track of contributions to the Plan?

A. A separate account will be established to account for contributions that are made to the Plan on your behalf. Your account is credited with interest and dividends earned on your selected investments. If you are not paid your vested account when you terminate employment, your account remains in the trust fund, shares in interest and dividends, and is revalued along with the rest of the trust fund.

Q. What happens to money that is contributed to the Plan?

A. Contributions to the Plan are paid into a trust fund. You are required to direct how contributions to the Plan on your behalf are invested. A financial professional will explain to you the general investment goals of the investment options offered in the Plan.

The trust fund is managed this way:

- Your Employer's managers choose the trustee.

- Your Employer selects a group of mutual funds (or other investments) that are offered in the Plan.

- You are required to select among the funds in which your account will be invested. When your account is initially established, you will be furnished log-in instructions for accessing your account and making investment changes.

- If you do not log in to your account and select which mutual funds you want your account invested, your account will automatically be invested for you. The fund company will furnish you with information about which mutual fund this will be. You may still access your account at any time and select one or more of the other mutual funds offered in the Plan.

- The trustee holds the assets of the trust fund and pays out benefits. As provided by U.S. tax laws, the trustee legally owns the assets of the trust fund until they are distributed. This is necessary so participating employees do not pay taxes on their accounts until they are distributed.

- After each plan year, the trustee makes a complete financial report to your Employer. Your Employer then files an annual financial report for the Plan with the government. A summary of this report is available to you.

Q. Is the Plan a "404(c) plan" and what does that mean?

A. The Plan is intended to be a plan described in Section 404(c) of the Employee Retirement Income Security Act of 1974 (ERISA). This means that the trustee and other fiduciaries of the Plan are relieved of liability for any losses your account incurs as a result of the mutual funds you select. Before you make your investment selections, you should carefully consider your investment goals. A fund representative will provide you with information that summarizes the general investment goals and the past performance of the mutual funds as they exist from time to time. In addition, you may request copies of prospectuses, financial statements and other materials relating to the mutual funds, and a description of the annual operating expenses of each fund, such as investment management fees, administration fees and transaction costs. Remember, the investment decision is yours. No employee or officer of your Employer is permitted to give you investment advice. You should consider all of the available mutual funds carefully before making your selections. You should also remember, as stated earlier, that all investments have some element of risk. Therefore, you should select your mutual funds based on your own financial and retirement needs. It is important to remember that, like the stock market, mutual funds can go down as well as up. If that should happen, as it probably will from time to time, the dollar value of amounts invested in these funds will decrease.

Q. What does vesting mean?

A. You are entitled to that portion of your account that is vested. Vesting refers to your right to receive some or all of your account if you were to immediately terminate employment.

You are always fully vested in your entire account balance.

Q. When will my vested account balance in the Plan be paid?

A. Your benefits will be paid to you within 60 days after the end of the plan year in which you retire on or after attaining age 65. If you terminate employment before age 65, you may elect to receive your benefits within 60 days after the end of the plan year in which you terminate or, if you elect, within 60 days after the end of the plan year in which you attain age 65.

The date you retire or terminate employment will be determined under your Employer's normal personnel policies.

If you die before receiving all of your benefits, your unpaid account will be paid to your beneficiary. If you are married on the date of your death, your spouse will be your beneficiary unless you and your spouse designated an alternate beneficiary in writing on a form provided by the plan administrator.

Q. How will my vested account balance in the Plan be paid?

A. Your benefits will generally be paid in a single lump sum in cash. Certain individuals may have to begin receiving their benefits when they attain age 70-1/2 if they continue working. The plan administrator will notify you if you are subject to this special rule.

Q. How will my vested account balance be paid if I die?

A. In the event you die before your benefits have been paid, your beneficiary will receive your unpaid account in a single lump sum. Your beneficiary may elect to receive your unpaid account at any time within five years of your death.

Q. Can I leave my account balance in the Plan after I terminate?

A. After you terminate employment with your Employer, if you do not elect to receive or roll over your account balance, and your account is not more than $5,000, your account will be automatically rolled over to an individual retirement account (IRA). The IRA provider will invest the rollover funds in an investment designed to preserve the principal amount and provide a reasonable rate of return and liquidity (such as an interest bearing account, a certificate of deposit or a money market fund). The IRA provider will charge your IRA for any expenses associated with the establishment and maintenance of your IRA and with the IRA investments. You may transfer your IRA funds at any time to another IRA provider of your choice.

Q. Can I take money out of the Plan while I am employed?

A. You are permitted to make withdrawals in two situations.

<u>Hardship Withdrawals</u>

Employees are permitted to make hardship withdrawals from the Plan under certain circumstances. In order to apply for a hardship withdrawal, you must complete a written application and submit it to the plan administrator for approval.

Hardship withdrawals can only be approved in connection with (1) the purchase of your home, (2) the post-secondary education for yourself, your spouse, or your children, (3) medical expenses for yourself, your spouse or your children, (4) preventing your eviction from your home or residence (or foreclosure on your home mortgage), (5) burial expenses for your deceased spouse, child, dependent or parent, or (6) repairing damage to your home or residence. Not more than one hardship withdrawal is permitted in any 24-month period.

The amount of your hardship withdrawal is limited to (1) your need for funds, (2) the amount that is not reasonably available to you from other resources, (3) your aggregate 401(k) contributions to the Plan (reduced by your earlier withdrawals on your 401(k)contributions), or (4) the net value of your 401(k) contributions account. The minimum hardship withdrawal is $1,000, or your entire 401(k) contributions account balance, if less.

If you make a hardship withdrawal, you must discontinue 401(k) contributions for at least six months.

Post Age 59-1/2 Withdrawals

You may withdraw any or all of your 401(k) and rollover contributions anytime after you attain age 59-1/2.

Q. Are income taxes withheld from any of my benefits from the Plan?

A. Congress has enacted very complex rules that, in most cases, will require up to 20% of your benefits to be withheld unless you direct the trustee to transfer your benefits directly to another retirement plan or IRA.

Mandatory withholding applies to any taxable benefit paid from the Plan to you or your surviving spouse that is paid in a lump sum or in periodic payments that continue for a pre-determined period that is less than either (A) 10 years, or (B) your life expectancy or the joint life expectancy of you and your beneficiary.

If you are terminating employment and accepting employment with another employer who maintains a retirement plan that accepts benefits from the Plan, you may elect to have your benefits transferred directly to your new employer's plan. Alternatively, you may establish an IRA and elect to have your benefits transferred to your IRA. In either event, you must furnish the plan administrator with any forms and documents that your new employer or your IRA custodian requires as a condition to accepting benefits from the Plan.

You will receive additional information when you are entitled to receive a distribution that is subject to mandatory withholding.

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