



The Lincoln National Life Insurance Company, Lincoln Life & Annuity Company of New York and/or Lincoln Retirement Services Company, LLC, are herein separately and collectively referred to as ("Lincoln").

AUTOMATIC ENROLLMENT NOTICE GUIDELINES

Your plan contains an automatic enrollment arrangement. These guidelines and the corresponding automatic enrollment notice are a tool to assist you in meeting the notice requirements that apply to automatic enrollment arrangements.

Treasury regulations have established timeframes for providing the notice. The timing requirements are deemed to be satisfied if the notice is distributed in accordance with the guidelines provided in this document.

Note: The Department of Labor is permitted to levy a penalty of up to \$1,100 per day, per participant, for the failure to provide timely notice.

Ongoing distribution requirements

Annual distribution requirement

This notice must be distributed to all affected participants on an annual basis. The notice timing requirement is deemed satisfied if the notice is provided not less than 30 days or more than 90 days before the beginning of the plan year. For example, if the plan year begins on January 1, the notice must be given no earlier than October 3 and no later than December 2.

Distribution to new hires

If an individual becomes eligible to participate in the plan during the plan year, he or she must receive the notice during the 90-day period that ends on their first eligible entry date.

If the plan has no eligibility requirements, give this notice to your employee upon their date of hire. If it is not practical to provide the notice before an employee becomes eligible, the plan can still meet the notice timing requirement by:

- Giving notice to the employee before the pay date for the pay period in which the employee becomes eligible
- Allowing the employee to make deferrals from any compensation he or she received after becoming eligible

Content

Modifying the notice

The enclosed notice is in accordance with your plan document. The plan sponsor may modify the notice; however, any change or deletion should be carefully reviewed to ensure it matches the provisions of the current plan document. An incorrect notice could provide participants additional rights that could be adverse to the plan sponsor.

If you decide to modify the wording in the notice, please be sure to keep records of all changes. These changes may be needed for future updates. Subsequent notices prepared by Lincoln will not contain such modifications.

Required information that may not be removed

Certain information must be included in the notice and may not be deleted. Examples of items that may not be deleted include:

- The plan's default percentage rate for automatic enrollment contributions
- The right to not participate
- How to elect to not participate
- How to elect to contribute an amount different from the plan's default percentage rate for automatic enrollment contributions
- How to make an investment election, if permitted by the plan
- How automatic enrollment contributions will be invested in the absence of an employee's investment election, if the plan permits employees to elect investments
- How and when to withdraw any automatic enrollment contributions, if allowed by the plan

Delivery methods

The notice may be distributed either in written form or through an electronic medium. The Department of Labor disclosure requirements state that an employer must use a reasonable delivery method to ensure receipt.

Acceptable written forms of distribution include:

- In-hand delivery at the workplace
- An insert in a periodical distributed to employees, such as a company publication or union newsletter
- First class mailing

If distributing via an electronic medium, the following requirements must be satisfied:

- The electronic medium is "reasonably accessible" to eligible employees
- The system for providing the electronic notice is "reasonably designed" to provide the notice in a manner no less understandable than a written paper document
- Employees are advised that they can request, at no cost, a copy of the notice on paper
- A paper version of the notice is, in fact, provided at no cost upon request

Notice preparation

Distribution of this notice is an annual requirement. Prior to the start of each plan year, Lincoln will prepare and send an updated notice for distribution.