

Summary Plan Description

Prepared for

**Kimball Electronics Retirement
Plan**

INTRODUCTION

Your Employer established the Plan by signing a complex legal agreement - the Plan document - which contains all of the provisions that the Internal Revenue Service (IRS) requires. The Plan document must follow certain federal laws and regulations that apply to retirement plans. The Plan document may change as new or revised laws or regulations take effect. Your Employer also has the right to modify certain features of the Plan from time to time. You will be notified of changes affecting your rights under the Plan.

This Summary Plan Description (SPD) summarizes the important features of the Plan document, including your benefits and obligations under the Plan. If you want more detailed information regarding certain plan features or have questions about the information contained in this SPD, you should contact your Employer. You may also examine a copy of the plan document by making arrangements with your Employer. Certain terms in the SPD have a special meaning when used in the Plan. These terms are capitalized throughout the SPD and are defined in more detail in the DEFINITIONS section of the SPD. If any information in this SPD conflicts with the terms of the Plan document adopted by your Employer, the terms of the Plan document - not this SPD - will govern.

This SPD summarized features of your Employer's current Plan document. Some provisions from prior versions of your Employer's Plan document will continue to apply to some of the assets under the Plan. A summary of the prior plan provisions is provided in the section titled ADMINISTRATIVE INFORMATION AND RIGHTS UNDER ERISA.

TABLE OF CONTENTS

ELIGIBILITY

- Am I eligible to participate in the Plan?
- What requirements do I have to meet before I am eligible to participate in the Plan?
- When can I enter the Plan?
- What happens to my Plan eligibility if I terminate my employment and am later rehired?

CONTRIBUTIONS (& VESTING)

- What amount can I contribute to the Plan?
- How do I start making contributions?
- What if I don't make a specific election to contribute some of my Compensation into the Plan?
- Can I change my contribution rate or stop making Deferrals after I start Participating in the Plan?
- What if I contribute too much to the Plan?
- Will my Employer make Profit Sharing Contributions to the Plan?
- Will my Employer make any other types of contributions to the Plan on my behalf?
- If I have money in other retirement plans, can I combine them with my dollars under this plan?
- Are there any limits on how much can be contributed for me?
- If I die or become disabled during military service, will it affect my benefit accruals?
- Will contributions be made for me if I am called to military service?
- Will I be able to keep my Employer contributions if I terminate employment or am no longer eligible to participate in the Plan?
- What happens to my nonvested percentage if I terminate employment?

INVESTING YOUR PLAN ACCOUNT

WITHDRAWING MONEY FROM THE PLAN (& LOANS)

- Can I withdraw from the Plan while I am still employed?
- What money is available once I terminate my employment?
- How do I request a payout?
- If I am married, does my spouse have to approve my distributions from the Plan?
- How will my money be distributed to me if I request a payout from the Plan?
- Do any penalties or restrictions apply to my payouts?
- Can I take a loan from the Plan?
- What if I die before receiving all of my money from the Plan?

- What happens to my benefits if I die?
- How long can I leave the money in my Plan?
What if the Plan is terminated?

ADMINISTRATIVE INFORMATION & RIGHTS UNDER ERISA

- Who established the Plan?
- When did the Plan become effective?
- Who is responsible for the day-to-day operations of the Plan?
- Who pays the expenses associated with operating the Plan?
- Does my Employer have the right to change the Plan?
- Does participation in the Plan provide any legal rights regarding my employment?
- Can creditors or other individuals request a payout from my Plan balance?
- How do I file a claim?
- What if my claim is denied?
- May I appeal the decision of the Employer?
- If I need to take legal action with respect to the Plan, who is the agent for service of legal process?
- If the Plan terminates, does the federal government insure my benefits under the Plan?
- What are my legal rights and protections with respect to the Plan?

DEFINITIONS

APPENDIX

- Investments
- Fees
- Special Tax Notice

ELIGIBILITY

Am I eligible to participate in the Plan?

You will be eligible to participate in the Plan, unless you fall into one of the following categories:

You are a nonresident alien and you received no earned income from within the U.S.

- You are a leased employee.
- You are an independent contractor or other individual not considered to be an actual employee, even if you are subsequently determined to be an employee.
- You are an employee who is employed in a Category, division or specified job classification (such as special projects employee) designated by specific action of the Employers Board of Directors as being so excluded from the Plan. Please note, if your employment classification is directly or indirectly based on the hours you work (for example, part-time or seasonal), you may be eligible for the Plan upon completing 1000 hours during your eligibility computation period.

What requirements do I have to meet before I am eligible to participate in the Plan?

Unless you fall into one of the categories of excluded employees, you will be immediately eligible to participate in the plan.

When can I enter the Plan?

You will enter the Plan The first day of each payroll period.

You will enter the plan on the first day of the above identified period that is coincident with or next following the date you satisfy the eligibility conditions, if any.

What happens to my Plan eligibility if I terminate my employment and am later rehired?

If you terminate employment and are later rehired, you will be eligible to participate in the Plan on the next Plan entry date.

CONTRIBUTIONS (& VESTING)

What amount can I contribute to the Plan?

Employee Deferrals

You will be able to contribute a portion of your Compensation as a pre-tax Deferral and/or as a Roth Deferral once you have met the eligibility requirements and enter the Plan. You can contribute from 1 percent to 50 percent of your Compensation in 1 percent increments.

The maximum dollar amount that you can contribute to the Plan each year is \$17,500 (for 2014) and includes contributions you make to other deferral plans (e.g., other 401(k) plans, salary deferral SEP plans, 403(b) tax-sheltered annuity plans, etc.). This amount will increase as the cost of living increases. Your Employer may further limit the amount that you can contribute to the Plan to help the Plan satisfy certain nondiscrimination requirements. Your Employer will notify you if you are a Highly Compensated Employee, subject to any additional limits. Deferrals (and the related earnings) are always fully vested and cannot be forfeited. So if you were to leave your Employer, you would be entitled to the full Deferral balance (plus earnings).

If you are a Highly Compensated Employee, your Employer has further limited the amount that you can contribute to the Plan to 1 percent to 7 percent of your Compensation in whole percentage increments of 1.

The amount of your Compensation that you decide to defer into the Plan generally will be contributed on a pre-tax basis (except Roth Deferrals; see below). That means that, unlike the compensation that you actually receive, the pre-tax contribution (and all of the earnings accumulated while it is invested in the Plan) will not be taxed at the time it is paid by your Employer. Instead, it will be taxable to you when you take a payout from the Plan. These contributions will reduce your taxable income each year you make a contribution but will be treated as compensation for Social Security taxes.

EXAMPLE: Assume your Compensation is \$25,000 per year. You decide to contribute five percent of your Compensation into the Plan. Your Employer will pay you \$23,750 as gross taxable income and will deposit \$1,250 (five percent) into the Plan. You will not pay taxes on the \$1,250 (plus earnings on the \$1,250) until you withdraw it from the Plan.

You also have the choice of treating your Deferrals as Roth Deferrals rather than pre-tax Deferrals. Roth Deferrals are contributed to the Plan from amounts that have already been treated as taxable income. Roth Deferrals will not reduce your taxable income in the year in which you contribute a portion of your Compensation into the Plan. The benefit of making Roth contributions comes when you take a payout from the Plan - when both the original contributions and your earnings on those contributions are paid out tax free so long as you meet certain requirements for a qualified payout.

EXAMPLE: Your Compensation is \$25,000 per year. You decide to contribute five percent of your Compensation into the Plan. Your Employer will pay you \$23,750 as income and will deposit \$1,250 (five percent) into the Plan. You will include the entire \$25,000 in your income for the year it was earned even though you only received \$23,750. When you withdraw the \$1,250 contribution from the Plan, it will be tax free (along with all of the earnings that have accumulated on that contribution) if you take a qualified payout. (For more information regarding qualified payouts from Roth Deferrals, please refer to the section of the Summary Plan Description describing Plan distributions.) The earnings will never be taxed if you take a qualified distribution.

Catch-up Contributions

If you are eligible to make Deferrals and you turn age 50 before the end of any calendar year, you may contribute up to an extra \$5,500 each year (for 2014) into the Plan as a Deferral once you meet certain Plan limits. The maximum catch-up amount may increase as the cost of living increases.

These catch-up contributions will not be eligible for Matching Contributions from your employer. Catch-up Contributions (and the related earnings) are considered Deferrals and are always fully vested. So if you were to leave your Employer, you would be entitled to the full Catch-up balance (plus earnings).

Nondeductible Employee Contributions

Once you have met the Plan's eligibility requirements, you may contribute a portion of your Compensation into the Plan as a Nondeductible Employee Contribution.

Nondeductible Employee Contributions are contributed to the Plan from amounts that have already been treated as taxable income. These contributions will not reduce your taxable income in the year in which you contribute a portion of your Compensation into the Plan but will be tax-free when distributed from the Plan. Earnings on Nondeductible Employee Contributions will not be taxed until you take a distribution from the Plan.

EXAMPLE: Your Compensation is \$25,000 per year. You decide to contribute 5% of your Compensation into the Plan as a Nondeductible Employee Contribution. Your Employer will pay you \$23,750 as income and will deposit \$1,250 (5%) into the Plan. You will pay taxes on the entire \$25,000. When you withdraw the \$1,250 contribution plus earnings from the Plan, only the earnings portion will be taxable to you.

Nondeductible Employee Contributions (and the related earnings) are always fully vested and cannot be forfeited. So if you were to leave your Employer, you would be entitled to the full Nondeductible Employee Contribution balance (plus earnings). You may also request a distribution of Nondeductible Employee Contributions (and the related earnings) while you are still employed.

How do I start making contributions?

To begin deferring a portion of your Compensation into the Plan, you must follow the procedures established by your Employer.

What if I don't make a specific election to contribute some of my Compensation into the Plan?

If you are a new employee and have satisfied the eligibility requirements, your Employer will automatically contribute 3% of your Compensation into the Plan.

These contributions will be treated as pre-tax Deferrals. This amount will be increased each year by 1% up to a maximum rate of 15%. The automatic increase will occur on the first day of each Plan Year.

The amount will automatically be deferred from your Compensation and contributed to the Plan on your behalf. You are not required to participate in the Plan and may instruct your Employer to stop Deferrals or to defer a different percentage by following the procedures established by your Employer.

Can I change my contribution rate or stop making Deferrals after I start participating in the Plan?

You may change the amount you are deferring into the Plan or stop making Deferrals altogether at the times determined by your Employer.

If you decide to stop making Deferrals to the Plan, you may choose to begin deferring again at the times determined by your Employer.

You may also change the amount of your Deferrals that are characterized as pre-tax versus Roth Deferrals at the times determined by your Employer. This change will apply only to new Deferrals and will not apply to Deferrals already contributed to the Plan.

What if I contribute too much to the Plan?

If you contribute too much to the Plan as a Deferral, you must take the excess amount (plus any earnings on the excess) out of the Plan by April 15 of the year following the year the money was contributed to the Plan. You must notify your Employer, in writing, of the excess amount by March 1 and request that it be removed. The excess amount is taxable to you in the year you contributed it to the Plan. If you do not remove it by the deadline, additional taxes will apply.

If you are a Highly Compensated Employee, the Deferrals that you and all other Highly Compensated Employees contribute to the Plan will be compared with the Deferrals of employees who are not highly compensated. If Deferrals of the Highly Compensated Employees exceed certain limits, a portion of your Deferrals may be returned to you. Your Employer will notify you if you are affected by these rules.

Will my Employer make Profit Sharing Contributions to the Plan?

The Employer may make Profit Sharing Contributions to the Plan in the years and in the amounts determined each year by the managing body of your Employer.

To qualify to receive a Profit Sharing Contribution, you must satisfy the eligibility requirements for Profit Sharing Contributions and must also be employed on the last day of the Plan Year.

The last day requirement will not apply, however, if any of the following occur.

- You die.
- You terminate employment after becoming Disabled.
- You terminate employment after reaching age 65.
- You terminate employment after reaching age 55 and completing 5 Years of Vesting Service.

The Profit Sharing Contribution made by the Employer will be allocated using a pro rata formula. Under this formula, the Employer's contribution is divided among all eligible Plan Participants based on their Compensation as compared to all eligible Participants' Compensation.

Will my Employer make any other types of contributions to the Plan on my behalf?
Qualified Nonelective Contributions

Your Employer may decide to make Qualified Nonelective Contributions to the Plan to satisfy special nondiscrimination rules which apply to the Plan. The amount of the Qualified Nonelective Contribution, if any, will be determined each year by your Employer's governing body. To qualify for a Qualified Nonelective Contribution, you must satisfy the eligibility requirements for pre-tax Deferrals.

You will not receive Qualified Nonelective Contributions if you are a Highly Compensated Employee.

Qualified Matching Contributions

Your Employer may decide to make Qualified Matching Contributions to the Plan to satisfy special nondiscrimination rules which apply to the Plan. The amount of the Qualified Matching Contribution, if any, will be determined each year by your Employer's governing body. To qualify for a Qualified Matching Contribution, you must satisfy the eligibility requirements for a Matching Contribution and you must make pre-tax Deferrals and/or Nondeductible Employee Contributions to the Plan.

You will not receive Qualified Matching Contributions if you are a Highly Compensated Employee.

Top-Heavy Contributions

If more than 60 percent of the assets in the Plan are held by employees who are considered Key Employees, your Employer may need to make an additional contribution to this Plan for Participants who are not Key Employees.

If I have money in other retirement plans, can I combine them with my dollars under this Plan?

Rollovers

Your Employer may allow you to roll over dollars you have saved in other retirement arrangements into this Plan unless you are in the group of excluded Employees. Your Employer will provide you with the information to determine whether your prior plan balance is qualified to be rolled into this Plan.

The Plan will accept amounts directly rolled over from the prior plan to this Plan excluding Nondeductible Employee Contributions if the prior plan was a:

- qualified retirement plan (e.g., 401(k) plan, profit sharing plan, money purchase pension plan, target benefit plan)
- government 457(b) plan

- Traditional IRA
- 403(b) annuity plan

Regardless of the above provisions, Roth Deferrals may be rolled into this Plan from 403(b) annuity plans and Nondeductible Employee Contributions may not.

The Plan will accept amounts indirectly rolled over from the prior plan to this Plan excluding Roth Deferrals if the prior plan was a:

- qualified retirement plan (e.g., 401(k) plan, profit sharing plan, money purchase pension plan, target benefit plan)
- 403(b) annuity plan
- government 457(b) plan
- Traditional IRA

Transfers

Your Employer may allow you to transfer dollars you have saved in other retirement arrangements into this Plan unless you are in the group of excluded employees.

Your Employer will provide you with the information to determine whether your prior plan balance is eligible to be transferred.

Rollover and Transfer contributions are always 100 percent vested and nonforfeitable.

Are there any limits on how much can be contributed for me?

In addition to the Deferral limit described previously, you may not have total contributions of more than \$52,000 each year (for 2014) or an amount equal to 100% of your Compensation, whichever is less, allocated to the Plan for your benefit each year. The \$52,000 limit will be increased as the cost of living increases.

Will contributions be made for me if I am called to military service?

The Plan is operated in compliance with the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). Under the provisions of USERRA, if you return to work from a qualified military leave, you may be permitted to "make up" Elective Deferrals, Catch-up Contributions and Nondeductible Employee Contributions, which you could have otherwise made during the period of qualified military service.

In addition, you are eligible to receive Profit Sharing Contributions you would have received had you not been serving in qualified military service. For purposes of determining Profit Sharing Contributions, you will be deemed to earn Compensation at the same rate you were earning prior to your commencement of qualified military service.

Upon returning from qualified military service within the specified time frame, as outlined under USERRA, your period of military service counts for all purposes under this Plan. You will not be treated as having had a break in service; therefore, there is no waiting period to resume participation in the Plan.

Employees covered under USERRA include: all members of the "uniformed services" who serve voluntarily or involuntarily, including those in the reserves, as well as any other individuals designated by the President. The uniformed services include the Army, Navy, Marine Corps, Air Force, Coast Guard, and Public Health commissioned corps.

If I die or become disabled during military service, will it affect my benefit accruals?

Effective 10/31/2014, if you die or become disabled during military service, your Employer will treat you as if you had been reemployed on the date preceding your death or disability and terminated on the actual date of death or disability for purposes of determining your benefit accruals.

Will I be able to keep my Employer contributions if I terminate employment or am no longer eligible to participate in the Plan?

Employer Profit Sharing Contributions are subject to a vesting schedule and could be forfeited if you terminate your employment. You will earn the right to a greater portion of your Employer Profit Sharing Contributions the longer you work for your Employer. Generally, all of your years of service with the Employer count toward determining your vested percentage.

If you are paid or entitled to pay from the Employer during the 12-month period beginning with your date of hire and each anniversary of your date of hire, you will be credited with a year of service.

The following vesting schedule applies to Profit Sharing Contributions.

YEARS OF VESTING SERVICE	VESTED PERCENTAGE
Less than One	0%
1	10%
2	20%
3	40%
4	60%
5	100%
6	100%

Example: You have worked for your Employer four years and have received Profit Sharing Contributions of \$1,000. You terminate employment and request a distribution of your Employer Profit Sharing Contributions. Because you have four years of vesting service, you will receive 60% or \$600.

Please note participants who did not complete one (1) Hour of Service on or after July 1, 2007 will remain on the following vesting schedule for Employer Profit Sharing Contributions: 1 yr. - 10%, 2 yrs. - 20%, 3 yrs. - 30%, 4 yrs. - 40%, 5 yrs. - 100%.

Although your Employer has adopted a vesting schedule, your balance will become 100 percent vested when:

- you reach age 65
- the Plan is terminated or contributions to the Plan are discontinued
- you die
- you incur a disability
- you reach age 55 and have 5 years of vesting service with your Employer

Like the amounts that you contribute to the Plan as Deferrals, Qualified Nonelective Contributions and Qualified Matching Contributions that you receive from your Employer will always be 100 percent vested and cannot be forfeited, even if you terminate employment or become ineligible to participate in the Plan.

For Plan Years beginning after December 31, 2006 until the vesting schedule was amended to reflect the current vesting described above, Profit Sharing Contributions are subject to a vesting schedule and could be forfeited if you terminate your employment. You will earn the right to a greater portion of your Profit Sharing Contributions the longer you work for your Employer.

The vesting percentage(s) applicable to Profit Sharing Contributions for Plan Years beginning after December 31, 2006 and in effect until the vesting schedule was amended to reflect the current vesting, may not apply to you if you did not have any Hours of Service in a Plan Year beginning after December 31, 2006 or you did not receive any Profit Sharing Contributions for Plan Years beginning after December 31, 2006. Contact your Plan Administrator for information regarding the prior vesting schedules that apply to your Plan balance.

What happens to my nonvested percentage if I terminate employment?

If you terminate employment, you will always retain the right to the vested portion of your Plan balance. To avoid a break in vesting service, you must have worked at least one hour of service during the 12-month period following the date of your termination of employment. If you decide to take a payout of the entire vested portion of your balance, your nonvested portion will be forfeited and may be used to pay the Plan's administrative expenses.

Forfeitures may also be used to reduce future Employer contributions to the Plan.

If you are rehired before five breaks in vesting service occur, your forfeited amount will be restored if you repay to the Plan the full amount of your payout.

INVESTING YOUR PLAN ACCOUNT

The Employer will establish uniform and nondiscriminatory policies describing how and when you may provide investment directions. You will be responsible for any expenses and losses resulting from your choice of investments.

All contributions to the Plan on your behalf will be credited to one or more separate accounts established in your name. Plan contributions are held in trust by the Trustee for the exclusive benefit of participating employees and their beneficiaries.

You are permitted to direct the investment of the contributions to the Plan on your behalf among the investment options contained in the Appendix.

Rules Regarding Voting Rights for the Funds in My Individual Account

In the event of a mutual fund proxy, shares of mutual funds held in your individual account under the Plan will be voted by the Trustee on your behalf as directed by the Employer. In making voting decisions on the fund shares, the Employer will direct the Trustee to vote the mutual fund shares in the long-term, economic best interests of Plan Participants.

If your Plan contains Employer Common Stock, as a Participant, you will be given the right to instruct the trustee how to vote, and generally exercise all other rights which a shareholder of record has, for the shares of Common Stock invested in your individual accounts. In the event of a proxy, if you fail to give the trustee specific instructions, the trustee will treat you as having directed the trustee to vote your shares in the same proportion as the shares for which the trustee has received voting instructions from other Participants in the Plan. In the event of a tender or similar offer, if you fail to give the trustee specific instructions, the trustee will not tender your stock shares.

As a responsible Participant, you should exercise your rights or vote your shares. The instructions that you provide to the trustee for the shares of Common Stock are held in the strictest confidence.

Information About the Investment Options Available in the Plan

When you are eligible to participate in the Plan, you will be provided with comprehensive information about the investment options available in the Plan, including an explanation of the investment objectives and policies, risk and return characteristics, past and current investment performance (net of expenses), operating expenses, and the type and diversification of assets comprising the portfolio of each fund. You will also receive ongoing updates of this information in the form of prospectuses and shareholder reports for each of the investment options that you have selected for the investment of your Plan contributions. If you have any questions or require more detailed information concerning any investment option, you should call Vanguard® Participant Services or the 24-hour

Vanguard VOICE® Network by dialing 1-800-523-1188.

Vanguard Participant Services provides registered associates to answer investment-related questions from 8:30 a.m. to 9 p.m. Eastern time. These associates can help you understand available investment options and basic retirement investment planning concepts. Additionally, the associates are able to execute transactions such as fund exchanges, and contribution allocation changes.

If you prefer the flexibility and convenience of an automated network, the Vanguard VOICE® Network is available 24 hours a day, 7 days a week to accommodate and confirm your transactions. (You must use a touch-tone telephone and the personal identification number provided to you upon enrollment to access the VOICE® Network.) During normal business hours you may transfer directly to a Vanguard Participant Services associate should you wish to discuss Plan or investment-related questions.

Additionally, if you have a computer and a modem, Vanguard's website at www.vanguard.com allows you to tap into a variety of investment information from retirement plan guidance to specific fund information to tax-planning tips.

How to Change Investment Directions

The general rule is that you may change your investment directions with respect to your future Plan contributions or existing individual account balances at any time as long as you act in accordance with the investment fund's prospectus.

You are permitted to redeem shares from one fund to purchase shares of another fund under the Plan. Although every effort is made to maintain this exchange privilege, mutual fund companies reserve the right to revise or terminate this privilege, limit the amount of an exchange, or reject any exchange, at any time, without notice. Because excessive exchanges can potentially disrupt the management of a fund and increase its transaction costs, certain limitations are placed on participant exchange activity. Note also, that certain investment options, particularly funds made up of company stock or investment contracts, may be subject to unique restrictions. Please see the prospectus for the funds you have selected for more details.

If you wish to make a change in investment directions, you should:

- Access Vanguard's website at www.vanguard.com.
- Call the 24-hour Vanguard VOICE® Network, using a touch-tone telephone and the PIN provided to you by dialing 1-800-523-1188.
- Call Vanguard Participant Services, by dialing 1-800-523-1188 (8:30 a.m. to 9 p.m. Eastern time Monday through Friday).

The transfer of existing balances will generally be made the same day if your transaction is received in complete and good order before the close of the New York Stock Exchange, (generally 4 p.m., Eastern time), or the earliest cut-off time of the funds

involved. Vanguard will send a confirmation of your change to the address on file for you with Vanguard.

Keeping Track of Individual accounts Under The Plan

Quarterly statements will be delivered to you showing the total amounts credited to your individual account under the Plan as of the end of each calendar quarter. These statements will reflect all Plan activities including contributions, earnings, investment exchanges, and distributions occurring within your individual account during the most recent calendar quarter. As mentioned previously, you may also call Vanguard Participant Services to discuss Plan or investment-related questions or access Vanguard's website at www.vanguard.com.

Responsibility for Investment Losses

The Plan is intended to comply with Section 404(c) of ERISA (the Employee Retirement Income Security Act of 1974). If the Plan complies with Section 404(c), then the fiduciaries of the Plan, including the Employer, the Administrator and the trustee, will be relieved of any legal liability for any losses which are the direct and necessary result of the investment directions that you give. Because your Plan allows and encourages you to direct your investments and to have access to all pertinent information concerning your investments, the fiduciaries of the plan will be relieved of liability for the results of your investment decisions, as provided under Section 404(c) of ERISA.

When you direct investments, your accounts are segregated for purposes of determining the gains, earnings or losses on these investments. Your account does not share in the investment performance for other Participants who have directed their own investments.

You should remember that the amount of your benefits under the Plan will depend in part upon your choice of investments. Gains as well as losses can occur. There are no guarantees of performance, and neither the Employer, the Administrator, the trustee, nor any of their representatives provide investment advice or insure or otherwise guarantee the value or performance of any investment you choose.

WITHDRAWING MONEY FROM THE PLAN (& LOANS)

Can I withdraw from the Plan while I am still employed?

In-Service Distributions

You may request a distribution at any time from the following accounts within your Plan.

- Employee Nondeductible Contributions
- Transfer Contributions
- Rollover Contributions

You may take a payout of your pre-tax and Roth Deferrals while you are still employed but only after you reach age 59½.

You may request a distribution of Profit Sharing Contributions as indicated below, even if you are still employed by the Employer.

- When you reach age 59½.
- When you reach age 65.
- After you have participated in the Plan for at least 5 year(s) and reach age 55.

Hardship

If you have a financial hardship, you may take a distribution from your pre-tax and Roth Deferrals.

The types of expenses that would qualify for a hardship distribution include

- medical expenses for you, your spouse or your dependents,
- payment to purchase your principal residence,
- tuition and education-related expenses for you, your spouse or your dependents,
- payments to prevent eviction from your principal residence,
- funeral expenses for your parent, your spouse or your dependents,
- payments to repair your principal residence that would qualify for a casualty loss deduction.

Before you take a hardship distribution, you must take all other distributions and all nontaxable loans available to you under the Plan. If you take a hardship distribution of Deferrals, you will not be eligible to make Deferrals for the next six months. If you are under age 59½, the amount you take out of the Plan as a hardship distribution will be subject to a 10 percent penalty.

What money is available once I terminate my employment?

Once you are no longer working for the Employer, you may take a payout of the vested portion of all of the following types of contributions to the Plan.

- Deferrals
- Qualified Nonelective Contributions
- Qualified Matching Contributions
- Profit Sharing Contributions
- Transfers
- Rollovers
- Nondeductible Employee Contributions

In addition to other listed distribution options, you may request a distribution of the vested portion of your employer contributions when you reach age 55 if you terminate employment after completing 5 years of service.

How do I request a payout?

You must follow the procedures established by your Employer.

If you are taking a hardship distribution, you must provide documents to verify that you have a hardship event that qualifies for a Plan distribution.

If you die, become Disabled, or reach age 65 and you qualify for and request a distribution, your distribution will begin as soon as administratively feasible after the date you (or your beneficiary in the case of your death) request a distribution.

If you terminate your employment and you qualify for and request a distribution, your distribution will begin as soon as administratively feasible after the date you (or your beneficiary in the case of your death) request a distribution.

If I am married, does my spouse have the right to approve my distributions from the Plan?

You are not required to get consent from your spouse in order to take a payout or loan from the Plan. In addition, if your employer previously maintained a money purchase plan, you may be entitled to additional benefits (see the *Administrative Information & Rights under ERISA* section in the SPD, if applicable). Your Employer will provide you with more information regarding your annuity options when it comes time for you to make a decision. Follow the procedures established by your Employer to obtain the forms that contain the consent provisions that will enable you and your spouse to waive the annuity and take the payment in some other form permitted by the Plan.

How will my money be distributed to me if I request a payout from the Plan?

If your vested account balance is more than \$1,000, you may choose from the following options for your payout.

- Lump sum
- Installment payments

If your balance is less than \$1,000, and you do not tell your Employer what to do with your Plan balance (e.g. roll it over to an individual retirement account (IRA)), you must take your payout in the form of a lump sum.

Do any penalties or restrictions apply to my payouts?

Generally, if you take a payout from the Plan before you are age 59½, a 10 percent early distribution penalty will apply to the taxable portion of your payout. There are some exceptions to the 10 percent penalty. Your tax adviser can assist you in determining whether you qualify for a penalty exception.

If your payout is eligible to be rolled over and you choose to take the payout rather than roll over the amount, 20 percent of the payout will be withheld and remitted to the IRS as a credit toward the taxes you will owe on the payout amount.

EXAMPLE: You request a \$10,000 payout from your Plan balance. If the amount is eligible to be rolled over to another plan, but you choose not to roll it over, you will receive \$8,000 and \$2,000 will be remitted to the IRS.

Can I take a loan from the Plan?

As a Participant in this Plan, you may be permitted to borrow a portion of your vested Individual Account balance. The loan program adopted by the Employer is available on a uniform basis to all parties in interest to the Plan who meet loan qualification requirements. Please refer to the Participant Loan Policy for details about your loan program. You may request a copy of the Participant Loan Policy from your Employer at any time.

What if I die before receiving all of my money from the Plan?

If you die before taking all of your assets from the Plan, the remaining balance will be paid to your designated beneficiary. If you do not name a beneficiary and you are married, your spouse will be your beneficiary. If you do not name a beneficiary and you are not married, your remaining balance in the Plan will be paid to your estate.

To designate your beneficiary, you must follow the procedures established by your Employer. If you are married and decide to name someone other than your spouse as your beneficiary, your spouse must consent in writing to your designation. It is important to review your designation from time to time and update it if your circumstances change (e.g., a divorce, death of a named beneficiary).

What happens to my benefits if I die?

The Plan will permit your beneficiary to directly roll over their portion of the individual account to an inherited individual retirement arrangement (IRA). Such a distribution must otherwise qualify as a distribution that is eligible to roll over.

How long can I leave the money in my Plan?

How long you can leave your money in the Plan varies depending on your Plan balance and whether you are still employed.

The Plan provides that if you terminate employment and your vested account balance is more than \$1,000 and not more than \$5,000, and after receiving all required notices, you do not make an affirmative distribution election, the distribution will be automatically rolled over by the Plan to an individual retirement account (IRA) with Vanguard as soon as practicable after you terminate employment. Your account will be automatically invested in Vanguard® Prime Money Market Fund, a fund designed to preserve principal and provide a reasonable rate of return consistent with liquidity. You will be responsible for paying all fees and expenses assessed against your automatic rollover IRA. The fees and expenses will be comparable to the fees and expenses charged by Vanguard for other IRAs. After your automatic rollover IRA is established, you can transfer the assets to an IRA at another financial institution or roll them over to another employer's eligible plan (if the plan permits). For additional information on a Vanguard IRA® and the fees and

expenses associated with a Vanguard IRA, call Vanguard® Participant Services at 1-800-523-1188 or your Benefits Office.

If the amount of your vested account balance is \$1,000 or less, and after receiving all required notices, you do not affirmatively elect a distribution, your Employer will distribute your Plan account as a lump-sum as soon as practicable after you terminate employment.

Rollover Contributions will be included in determining your balance for these purposes.

Age 70½ Required Distributions

When you reach age 70½ and separate from service, you will need to begin taking a portion of your balance out of the Plan each year. If you are more than a 5% owner of the Employer, you will need to begin taking payments at age 70½ even if you are still employed.

What if the Plan is terminated?

If the Plan is terminated, you will be required to take your entire account balance from the Plan.

ADMINISTRATIVE INFORMATION & RIGHTS UNDER ERISA

Who established the Plan?

The official name of the Plan is Kimball Electronics Retirement Plan

The Employer who adopted the Plan is:

Kimball Electronics, Inc.

1205 Kimball Blvd.

Jasper, IN 47549

812-634-4000

Federal Tax Identification Number: 35-2047713

Fiscal Year End: 06/30 Your Employer has assigned Number 001 to the Plan.

Additional Employers that share common ownership with your Employer will be included in the Plan unless they are listed among the classes of excluded employees in the ELIGIBILITY section of this Summary Plan Description (SPD). You may obtain a complete list of other Employers adopting the Plan by submitting a written request to your Employer. The Plan trustee is:

Vanguard Fiduciary Trust Company

P.O. Box 2900, Valley Forge, PA 19482

(800) 523-1188

The Plan is a 401(k) defined contribution plan, which means that contributions to the Plan made on your behalf (and earnings) will be separately accounted for within the Plan.

When did the Plan become effective?

Your Employer has adopted Kimball Electronics Retirement Plan, effective 10/31/2014.

Although the Plan is generally effective on 10/31/2014, you may contribute a portion of your Compensation into the Plan on the next payroll date matching or following 10/31/2014 or the signature date of the Plan Adoption Agreement, whichever is later, as Deferrals.

Who is responsible for the day-to-day operations of the Plan?

Your Employer is responsible for the day-to-day administration of the Plan. To assist in operating the Plan efficiently and accurately, your Employer may appoint others to act on its behalf or to perform certain functions.

Who pays the expenses associated with operating the Plan?

All reasonable Plan administration expenses including those involved in retaining necessary professional assistance, may be paid from the assets of the Plan. These expenses may be allocated among you and all other Plan Participants or, for expenses directly related to you, charged against your account balance. Examples of expenses that may be directly related to you include, general recordkeeping fees and expenses related to processing your distributions or loans (if applicable), qualified domestic relations orders, and your ability to direct the investment of your Plan balance, if applicable. Finally, the Employer may, in its discretion, pay any or all of these expenses. For example, the Employer may pay expenses for current employees, but may deduct the expenses of former employees directly from their accounts. Your Employer will provide you with a summary of all Plan expenses and the method of payment of the expenses upon request.

Does my Employer have the right to change the Plan?

The Plan will be amended from time to time to incorporate changes required by the law and regulations governing retirement plans. Your Employer also has the right to amend the Plan to add new features or to change or eliminate various provisions. The Employer cannot amend the Plan to take away or reduce protected benefits under the Plan (e.g., the Employer cannot reduce the vesting percentage that applies to your current balance in the Plan).

Your Employer has elected to retain the following provisions from prior versions of the Plan for certain plan assets.

- Vesting Schedule for former Reptron Employees' Employer Matching Contributions: Years of Vesting Service less than 1 = 0%, 1 = 20%, 2 = 40%, 3 = 60%, 4 = 80% and 5 or more = 100%. Additionally, actively employed participants of the former Reptron Electronics, Inc. Retirement Savings Plan will be 100% vested at all times in their assets accrued prior to January 1, 2008.

Vesting Schedule for former Hibbing Employees' Employer Matching Contributions: Years of Vesting Service less than 1 = 0%, 1 = 25%, 2 = 50%, 3 = 75%, 4 or more = 100%.

- Assets accrued in the Repron Electronics, Inc. Retirement Savings Plan prior to January 1, 2008 are distributable upon the following circumstances; (1) An Employee may request a distribution of his or her rollover contributions at any time. (2) An Employee may request a distribution of his or her account attributable to Elective Deferrals on account of hardship pursuant to Section 5.01(A)(5) of the Plan. (3) An Employee may request a distribution of his or her account attributable to Matching Contributions during service pursuant to Section 5.01(A)(4) of the Plan, but only with respect to a Participant who has participated in the plan for 5 years and has attained age 55.

Does participation in the Plan provide any legal rights regarding my employment?

The Plan does not intend to, and does not provide, any additional rights to employment or constitute a contract for employment. This purpose of the Summary Plan Description is to help you understand how the Plan operates and the benefits available to you under the Plan. The Plan document is the controlling legal document with respect to the operation of and rights granted under the Plan and if there are any inconsistencies between this Summary Plan Description and the Plan document, the Plan document will be followed.

Can creditors or other individuals request a payout from my Plan balance?

Creditors (other than the IRS) and others generally may not request a distribution from your Plan balance. One major exception to this rule is that your Employer may distribute or reallocate your benefits in response to a qualified domestic relations order. A qualified domestic relations order is an order or decree issued by a court that requires you to pay child support or alimony or to give a portion of your Plan account to an ex-spouse or legally separated spouse. Your Employer will review the order to ensure that it meets certain criteria before any money is paid from your account. You (or your beneficiary) may obtain, at no charge, a copy of the procedures your Employer will use for reviewing and qualifying domestic relations orders.

How do I file a claim?

To claim a benefit that you are entitled to under the Plan, you must file a written request with your Employer. The claim must set forth the reasons you believe you are eligible to receive benefits and you must authorize the Employer to conduct any necessary examinations and take the steps to evaluate the claim.

What if my claim is denied?

Except as described below, if your claim is denied, your Employer will provide you (or your beneficiary) with a written notice of the denial within 90 days of the date your claim was filed. This notice will give you the specific reasons for the denial, the specific provisions of the Plan upon which the denial is based, and an explanation of the procedures for appeal.

In the case of a claim for disability benefits, if the Employer is making a determination of whether you are Disabled, you will be notified of a denial of your claim within a reasonable amount of time, but not later than 45 days after the Plan receives your claim. The 45-day time period may be extended by the Plan for up to 30 days if the Employer determines that an extension is necessary due to matters beyond the control of the Plan. The Employer will notify you, before the end of the 45-day period, of the reason(s) for the extension and the date by which the Plan expects to make a decision regarding your claim.

If, before the end of the 30-day extension, your Employer determines that, due to matters beyond the control of the Plan, a decision regarding your claim cannot be made within the 30-day extension, the period for making the decision may be extended for an additional 30 days, provided that your Employer notifies you, before the end of the first 30-day extension, of the circumstances requiring the additional extension and the date as of which the Plan expects to make a decision. The notice will specifically explain the standards on which the approval of your claim will be based, the unresolved issues that prevent a decision on your claim, and the additional information needed to resolve those issues. You will have at least 45 days within which to provide the specified information.

The period of time within which approval or denial of your claim is required to be made generally begins at the time your claim is filed. If the period of time is extended because you fail to submit information necessary to decide your claim, the period for approving or denying your claim will not include the period of time between the date on which the notification of the extension is sent to you and the date on which you provide the additional information.

Your Employer will provide you with written or electronic notification if your claim is denied. The notification will provide the following:

- i. The specific reason or reasons for the denial;
- ii. Reference to the specific section of the Plan on which the denial is based;
- iii. A description of any additional information that you must provide before the claim may continue to be processed and an explanation of why such information is necessary;
- iv. A description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act (ERISA) following a claim denial on review; and
- v. In the case of a Plan providing disability benefits, if your Employer used an internal rule or guideline in denying your claim, either 1) the specific rule or guideline, or a statement that the rule or guideline was relied upon in denying your claim, and that 2) a

copy of the rule or guideline will be provided free of charge to you upon request.

If the claim denial is based on a medical necessity, experimental treatment, or similar situation, either an explanation of the scientific or clinical basis for the denial, applying the terms of the Plan to your medical circumstances, or a statement that an explanation will be provided free of charge upon request.

May I appeal the decision of the Employer?

You or your beneficiary will have 60 days from the date you receive the notice of claim denial in which to appeal your Employer's decision. You may request that the review be in the nature of a hearing and an attorney may represent you.

However, in the case of a claim for disability benefits, if your Employer is deciding whether you are Disabled under the terms of the Plan, you will have at least 180 days following receipt of notification of a claim denial within which to appeal your Employer's decision.

You may submit written comments, documents, records, and other information relating to your claim. In addition, you will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information pertaining to your claim.

Your appeal will take into account all comments, documents, records, and other information submitted by you relating to the claim, even if the information was not included originally.

If the claim is for disability benefits:

- i. Your claim will be reviewed independent of your original claim and will be conducted by a named fiduciary of the Plan other than the individual who denied your original claim or any of his or her employees.
- ii. In deciding an appeal of a claim denial that is based in whole or in part on a medical judgment, the appropriate named fiduciary will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment;
- iii. Your Employer will provide you with the name(s) of the health care professional(s) who was consulted in connection with your original claim, even if the claim denial was not based on his or her advice. The health care professional consulted for purposes of your appeal will not be the same person or any of his or her employees.
- iv. You will be notified of the outcome of your appeal no later than 45 days after receipt of your request for the appeal, unless the Employer determines that special circumstances require an extension of time for processing the claim. If your Employer determines that an

extension is required, written notice of the extension will be provided to you before the end of the initial 45-day period. The notice will identify the special circumstances requiring an extension and the date by which the Plan expects to make a decision regarding your claim.

Your Employer will provide you with written or electronic notification of the final outcome of your claim. The notification will include:

- i. A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim;
- ii. A statement describing any additional voluntary appeal procedures offered by the Plan, your right to obtain the information about such procedures, and a statement of your right to bring an action under Section 502(a) of ERISA; and
- iii. If the Employer used an internal rule or guideline in denying your claim, either 1) the specific rule or guideline, or a statement that the rule or guideline was relied upon in denying your claim, and 2) that a copy of the rule or guideline will be provided free of charge to you upon request.

If the claim denial is based on a medical necessity, experimental treatment, or similar situation, either an explanation of the scientific or clinical basis for the denial, applying the terms of the Plan to your medical circumstances, or a statement that an explanation will be provided free of charge upon request.

If I need to take legal action with respect to the Plan, who is the agent for service of legal process?

The person who can be served with legal papers regarding the Plan is:

Kimball Electronics, Inc.
1600 Royal Street., Jasper, IN 47549

Your Employer and the Plan trustee are also agents for service of legal process.

If the Plan terminates, does the federal government insure my benefits under the plan?

If the Plan terminates, you will become fully vested in your entire balance under the Plan, even though you would not otherwise have a sufficient number of years of vesting service to be 100 percent vested in your balance. You will be entitled to take your entire balance from the Plan following termination.

The type of plan in which you participate is not insured by the Pension Benefit Guaranty Corporation, the government agency that insures certain pension plan benefits upon plan termination.

What are my legal rights and protections with respect to the Plan?

As a Participant in this Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan Participants shall be entitled to do the following:

Receive Information About Your Plan and Benefits

1. Examine, without charge, at the Employer's office and at other specified locations, such as worksites and union halls, all Plan documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
2. Obtain, upon request to the Employer, copies of documents governing the operations of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description (SPD). The Employer may charge a reasonable fee for the copies.
3. Receive a summary of the Plan's annual financial report. The Employer is required by law to furnish each Participant with a copy of this Summary Annual Report.
4. Obtain, once a year, a statement of the total pension benefits accrued and the vested pension benefits (if any) or the earliest date on which benefits will become vested. The Plan may require a written request for this statement, but it must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including your Employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. Under ERISA, there are steps you may take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Employer to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Employer. If you have a claim for benefits which is denied, or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations

order or a medical child support order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay the costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if the court finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Employer. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Employer, you should contact the nearest area office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Further, if this Plan is maintained by more than one Employer, you may obtain a complete list of all such Employers by making a written request to your Employer.

DEFINITIONS

Compensation – The definition of Compensation under the Plan can vary depending upon the purpose (e.g., allocations, nondiscrimination testing, deductions).

The Plan uses a definition of Compensation referred to as 3401(a) wages. In general, the amount of your wages from your Employer used to calculate income tax withholding will be considered Compensation under the Plan. Certain amounts reflected on your Form W-2 may not be included in Compensation under the Plan (e.g., term life insurance PS58 costs). Compensation will include amounts that are not included in your taxable income that were deferred under a cafeteria plan, a 401(k) plan, a salary deferral SEP plan, a 403(b) tax-sheltered annuity plan, a 457(b) deferred compensation plan of a state or local government or tax-exempt employer, or transportation fringe benefits that you receive.

The definition of Compensation used under the Plan has been further adjusted to exclude the following amounts.

- For purposes of all contribution types, the retirement-eligible compensation of an employee shall be reduced by certain exclusions allowed under Section 414(s) safe harbor. These exclusions include, but are not limited to, non-cash benefits, reimbursements, expense allowances, cash automobile allowances (with exception of qualified transportation fringe benefits), disability payments, relocation payments, group-term life insurance, taxable stock option income, payments under

deferred compensation plans, income from the use of employer-owned property, and certain other taxable fringes.

- Amounts deemed to be compensation that relate to an automatic enrollment cafeteria plan where you fail to provide proof of insurance will be excluded when determining your Compensation.

If you receive payments from your Employer within 2 ½ months after severing your employment, any regular pay for services you performed prior to severance will be included in Compensation. Other post-severance payments will affect your Compensation as described below.

- Unused accrued sick, vacation or other leave that you are entitled to cash out will be included in Compensation.
- Amounts received under a nonqualified unfunded deferred compensation program will be excluded from Compensation.

Effective January 1, 2009, or, if later, the Effective Date of the Plan, if your Employer chooses to provide differential pay to you while you are on active duty with the uniformed services for a period of more than 30 days, the pay will not be considered additional Compensation paid to you for purposes of determining Plan contributions. See your Plan Administrator to determine if your Employer provides differential pay.

The measuring period for Compensation will be the Plan Year.

The maximum amount of Compensation that will be taken into account under the Plan is \$260,000 (for 2014). This amount increases as the cost of living rises.

Deferrals – Deferrals are the dollars you choose to contribute to the Plan through payroll deduction on a pre-tax basis or as a Roth Deferral.

Disabled – You will be considered Disabled if you cannot engage in any substantial, gainful activity in the trade or profession which you are best qualified for through training or experience or as defined under your Employer’s long term disability program.

Employer – The Employer is Kimball Electronics, Inc. as well as any other companies sharing common ownership unless they have been specifically excluded from participation. Your Employer will also serve as the Plan Administrator, as defined in ERISA, who is responsible for the day to day operations and decisions regarding the Plan, unless a separate Plan Administrator is appointed for all or some of the plan responsibilities. The term Employer, as used in this Summary Plan Description, will also mean Plan Administrator, as that term is used in ERISA.

Highly Compensated Employee – A Highly Compensated Employee is any employee who

1. was a five percent owner at any time during the year or the previous year, or

2. for the previous year had Compensation from the Employer greater than \$115,000 (for 2014).

The \$115,000 threshold is increased as the cost of living rises.

Hour of Service – An Hour of Service, for purposes of determining Plan eligibility, vesting and eligibility to receive Employer contributions will be based on elapsed time.

Key Employees – Any employee in the current year or previous year who is

1. an officer of the Employer whose annual Compensation is greater than \$170,000 (for 2014),
2. a five percent owner of the Employer, or
3. a one-percent owner of the Employer who has Compensation of more than \$150,000

will be classified as a Key Employee. The \$170,000 threshold for officers increases periodically as the cost of living rises.

Nondeductible Employee Contributions – Nondeductible Employee Contributions are amounts you contribute to the Plan on an after-tax basis. The earnings on these contributions accumulate tax-free until paid out of the Plan.

Participant – An employee of the Employer who has satisfied the eligibility requirements and entered the Plan.

Plan – Kimball Electronics Retirement Plan is the Plan described in this Summary Plan Description.

Plan Administrator – Your Employer is responsible for the day-to-day administration of the Plan. To assist in operating the Plan efficiently and accurately, your Employer may appoint others to act on its behalf or to perform certain functions.

Plan Year – A 12-month period ending on 06/30 will serve as the Plan Year.

Profit Sharing Contribution – Your Employer may choose to make Profit Sharing Contributions for Participants who meet the Profit Sharing Contribution eligibility requirements. Your eligibility to receive Profit Sharing Contributions is not dependent upon whether you make Deferrals.

Qualified Matching Contribution – Your Employer may make Qualified Matching Contributions to satisfy certain nondiscrimination tests that apply to the Plan. These contributions are discretionary and are 100 percent vested when made.

Qualified Nonelective Contribution – Your Employer may make Qualified Nonelective Contributions to satisfy certain nondiscrimination tests that apply to the Plan. These contributions are discretionary and are 100 percent vested when made.

APPENDIX