## 401(K) SALARY SAVINGS PLAN

## POLICY AND PROVISION

# This plan is more completely described in the 401(k) Plan Summary Description. Below is general information regarding eligibility and options for participation in the plan.

**Eligibility and Entry:**

\* You must reach age 21 before you are eligible to defer a portion of your pay to the Plan.

\* You must work at least 1,000 hours within a 12-month measurement period .

\* You will be credited with a year of service if you work 1,000 hours during your initial eligibility measuring period. Your initial eligibility measuring period will be the 12-month period beginning with your hire date. If you do not satisfy the hours

requirements during that first measuring period, you will be credited with a year of service if you work 1,000 hours during the Plan Year. The plan year is defined as including the pay periods paid in the calendar year each year beginning January 1 and ending December 31.

\*You will be able to defer a portion of your pay into the Plan on the first day of the quarter on or after the day you have met all the age and service requirements.

\* If you are rehired and previously met the requirements, you are eligible to participate immediately upon rehire.

### Salary Deferral Contributions

You may elect to defer a percentage of your pay each pay period. This plan allows you to defer up to 100% of your pay.

In the absence of a salary deferral election form you will be automatically enrolled in the plan at the salary deferral percentage specified below after you have met the eligibility and entry requirements.

The automatic salary deferral percentage is 2% of pay, escalating 1% at the beginning of each plan year until you reach 6% salary deferral.

If you do not wish to be automatically enrolled, you may elect not to defer or to defer another percentage. If you affirmatively elect to make salary deferral contributions or if you are automatically enrolled and you do not provide direction as to how contributions made on your behalf should be directed, then the contributions will be directed to the default investment options specified in the Summary Plan Description in accordance with the plan.

You can enter into an agreement to change your salary deferral contribution on any date. You will need to complete and sign the salary deferral agreement or complete an election online, if applicable, before the date on which it is effective. Once an

agreement (affirmative or automatic) is in effect, salary deferrals will be payroll deducted from your future paychecks. You can terminate your agreement at any time.

Internal Revenue Service (IRS) regulations or the retirement plan may limit the annual amount of your salary deferral contributions. If you meet a salary deferral contribution limit, you may continue to defer up to the catch-up contribution limit if you are eligible to defer catch-up contributions (you must be age 50 or older by the end of the current calendar year*).*

### Salary Deferral Options:

You can elect to have your contributions treated as traditional pre-tax contributions, or you can elect to have the contributions made as Roth deferrals in which case they are not treated as per-tax contributions. You should consult your personal tax advisor for help determining which option would work best for you.

**Pay**

Pay is defined under the plan as follows: Wages, Tips and Other Compensation Box on Form W-2, excluding safe harbor fringe benefits.

Safe harbor fringe benefits are reimbursements or other expense allowances, fringe benefits (cash or non-cash) moving expenses, deferred compensation (other than elective contributions), and welfare benefits.

#### Discretionary Contributions

1. Matching Contribution

ISAAC’S DELI, INC. may make a discretionary matching contribution for you as of each pay period if you are an eligible employee. Discretionary means we choose the amount of the contribution and whether or not it will be made. You are an eligible employee if you are active at any time during the plan year.

1. Additional Contribution

ISAAC’S DELI, INC. may make a discretionary contribution for you at the end of the plan year if you are an eligible employee. Discretionary means we choose the amount of the contribution and whether or not it will be made. You are an eligible employee if you are active on the last day of the plan year.

**Vesting**

You are always 100% vested in the part of the account resulting from the following:

* Salary Deferral Contributions

The schedule below determines your vesting percentage of the account the plan holds for your benefit for the following contributions:

* Matching Contributions
* Discretionary Contributions

|  |  |
| --- | --- |
| Years of Vesting Service | Vesting Percentage |
| Less than 1 | 0% |
| 1 | 0% |
| 2 | 20% |
| 3 | 40% |
| 4 | 60% |
| 5 | 80% |
| 6 | 100% |

#### Withdrawal Provisions

If you have a financial hardship, you may be able to withdraw all or any part of the vested account resulting from the following:

* Salary Deferral Contributions (but none of the income earned on such contributions [since December 31, 1988])
* Matching Contributions
* Discretionary Contributions

Note: Salary deferral contributions are suspended for 6 months after a hardship withdrawal is processed.

You may withdraw any part of your vested account resulting from Rollover Contributions.

#### Additional Information

For additional information about the retirement plan, please contact:

Benefits Supervisor

Isaac’s Deli, Inc.

354 North Prince Street, Suite 220

Lancaster, PA 17603-3085

(717)394-0623

An additional copy of the Summary Plan Description can also be obtained from the above stated person.