



Oak Harbor Freight Lines, Inc.

401(k) Plan and Trust Information and Details

Eligibility Requirements:

All Employees who have reached 18 years of age are eligible to enroll in a 401 account. You are able to enroll as of your first day of hire; or anytime thereafter.

What is the difference between a Traditional 401(k) and a Roth 401(k)?

The basic difference between these two types is that the Roth is funded with after-tax (or post-tax) dollars while the traditional option is funded with pre-tax dollars. In general, the earnings on your Roth contributions will be tax-free as long as the distribution is made 5 years after the first Roth contribution.

Starting January 1, 2021; the plan allows for In-Plan Roth conversions. This allows you to re-classify eligible balances from Pre-Tax to Roth. Please connect with a Brighton Jones advisor (contact information is below) to see if this strategy is best for you.

Employee Contributions:

For 2021, the maximum salary deferral that you may contribute is \$19,500. You have the choice of deferring into the Traditional, Roth or both 401(k) accounts.

If you are age 50 or older at the end of the plan year, you are eligible to contribute an additional \$6,500 catch-up provision.

If you are considered a highly compensated employee, your ability to contribute the maximum will be based on the annual discrimination testing.

Company Match Contributions:

To be eligible for the match, you must be employed a minimum of 3 months. Oak Harbor Freight Lines will match 50% of every dollar you contribute to your 401(k) plan up to a maximum of 10%. Thus, the company contribution may provide you an additional 5% in wages. Your participation in a traditional tax deferred 401(k) or Roth 401(k) will automatically trigger the match. However, the match will be placed in a traditional account such that income taxes will be paid upon withdrawal of the monies. The match will be made on a per paycheck basis. For you to get the most benefit from the match you will need to contribute throughout the year.

Examples:

- If you contribute 4% of your wages you will be matched 2% providing a 6% contribution to your 401(k) account.
- If you contribute 6% of your wages you will be matched 3% providing a 9% contribution to your 401(k) account.
- If you contribute 10% of your wages you will be matched 5% providing a 15% contribution to your 401(k) account

Vesting:

You are always 100% "vested" in any money you contribute. You will be vested in the Oak Harbor Freight Lines match contribution in accordance with the following schedule. Vested money is ours to keep upon separation of employment. (By law, unvested money is return to Oak Harbor Freight Lines.) You have to have worked over 1,000 hours in the first 2 years to qualify.

You will be vested on the company matched portion of your 401(k) contribution based on your hire date according to the schedule below:

Years of Service	Vesting Percentage
0-2	0%
2-3	20%
3-4	40%
4-5	60%
5-6	800%
6	100%

Loans:

You may take a loan from your Traditional or Roth account with certain restrictions. The loan cannot exceed 50% of our vested account balance. The minimum loan amount is \$1,000 and the maximum amount is \$50,000. There is a one time \$150 loan fee that will be applied. Please also refer to the "Loan Procedures Document" for more information.

Withdrawals:

The plan allows you to withdraw money from your account under the following circumstances:

- Termination of Employment
- Attainment of age 59 ½ (may be limited to employee contributions only)
- Disability or Death (a spousal consent is required on all distributions)

Hardship Withdrawals:

You may be eligible for a hardship withdrawal if you have an immediate financial need. This must be a need due to only the following reasons:

- Purchase of primary residence
- Educational expenses
- Deductible for medical expenses
- Prevent eviction or foreclosure from your primary residence.

Hardship withdrawals are subject to income tax, a 10% penalty may apply and you may not contribute to your plan for six (6) months.

Rollover of existing funds:

You may rollover money from another Qualified Plan, 403(b), 457 or Taxable IRA into this plan.

Definition of Compensation:

Total pay received during the plan year, as reflected on your W-2

Investments:

You can allocate your contributions and Company match contributions to any or all available investment accounts, as long as the total allocations equal 100%. Please refer to the “Investment Lineup & Model Allocations” form for more information on the investment options available to you. If no option is made, you will be defaulted into a Vanguard Target Date fund, specific to your age.

Oak Harbor offers financial wellbeing support through the plan’s investment advisor – Brighton Jones. Brighton Jones is your first point of contact for financial planning and investment allocation guidance. They offer comprehensive, relevant and education resources.

Brighton Jones serves as a fiduciary advisor, giving advice in the best interest of their clients and does not sell any products.

Please reach out to Brighton Jones with any questions about financial planning or investment options through email at AdvisorSupport@brightonjones.com or call direct at 206-258-5137 and ask for an advisor. You can also set up a phone appointment by going to <https://go.oncehub.com/AdvisorSupport>

Access to your Account:

You may access your account online with Northwest Plan Services (NWPS) anytime and make changes to your investment options <https://www.yourplanaccessnet/nwps/> NWPS is the Third-Party Administrator and Recordkeeper for the Oak Harbor 401(k) accounts.



OAK HARBOR FREIGHT LINES, INC.

401(K) PLAN AND TRUST LOAN PROCEDURES

This document contains important information about the procedures for obtaining a loan from the Plan. The following rules shall apply to the loan program:

Procedure for Applying for a Loan:

If you are an active Participant in the Oak Harbor Freight Lines, Inc. 401(k) Plan and Trust, you may apply for a loan from the Plan. You must complete an Online Application and supporting materials provided by the Plan Administrator. All loan applications will be reviewed on a uniform and nondiscriminatory basis and your loan will be approved if the Plan Administrator determines you have the ability to repay the loan, the loan is adequately secured and the loan meets the other requirements set out below.

Administration of the Plan Loan Program:

The Plan loan program is administered by the Plan Administrator.

Promissory Note:

If your loan is approved, you will be required to sign a promissory note.

Type and Amount of Loan:

The Plan does not restrict the purposes for which loans may be made. However, the Plan does set maximum and minimum limits on the amount of a loan.

Maximum Amount of Loan:

A loan cannot be greater than 50% of the vested account balance under the Plan. Additionally, the loan cannot exceed \$50,000 minus the difference between the highest outstanding balance of loans in the past 12 months and the outstanding balance of loans from the Plan on the date the loan is made.

Roth Contribution Account:

The Plan Administrator will determine whether you may receive a loan from your Roth Contribution Account. If the Plan Administrator allows loans from your Roth Contribution Account, the Plan Administrator may specify an ordering rule for loans. The ordering rule will determine whether loans will be made first or last from your Roth Contribution Account or in any combination of your Roth Contribution Account and any other Account.

Repayment:

Loans must be repaid over a period not extending beyond five years from the date of the loan, unless such loan is used to acquire a dwelling unit which within a reasonable time (determined at the time the loan is made) will be used as your principal residence. The maximum loan term for a principal residence loan is 30 years.

If you go on a leave of absence you may be able to suspend loan repayments. Please contact the Plan Administrator to determine whether your leave of absence qualifies. You must repay a loan in accordance with the repayment schedule or you may make a full or partial prepayment. Loan repayments shall be made each pay period. You may not refinance your loan. The loan will become payable in full on your termination of employment.

Maximum Number of Loans:

The maximum number of loans outstanding at any one time is 1.

Minimum Loan Amount:

The minimum loan amount is \$1,000.

Interest Rate:

According to U.S. Department of Labor Regulations, the interest rate for a participant loan from a retirement plan must be comparable to the current interest rates charged by financial institutions for similar loans. The interest that will apply on your loan will be Prime Rate plus 2% per year. However, you may qualify for a lower interest rate if you are on active duty in the military. If you are on active duty, please contact the Plan Administrator to determine whether you qualify for the lower interest rate.

Collateral:

Your vested account balance under the Plan will serve as collateral for the loan. However, a maximum of 50% of your vested account balance may be used as collateral.

Payroll Deduction:

Payments will be made through payroll deduction every pay period.

Fees:

The Plan charges an initial loan processing fee of \$150. Any fee will be charged to your account.

Default:

Your loan will be in default if a scheduled payment is not made by the end of the "cure period." The "cure period" is the repayment period allowed by the Plan Administrator which will not extend beyond the last day of the calendar quarter following the calendar quarter during which the last scheduled installment payment was due and not paid. To fully understand the potential tax consequences in the event of a loan default, you are encouraged to seek professional tax advice before requesting a loan.

Coordination with Qualified Domestic Relations Orders ("QDROs"):

No loan will be approved if the Plan Administrator is reviewing a domestic relations order that may affect your benefit under the Plan.

Special Rules for Military Leave:

If you are called into or volunteer for military service, special provisions may apply. You may request a loan suspension during your leave and choose from the following repayment methods upon your return to employment: (a) re-amortize the remaining loan balance; (b) repay all suspended loan payments at the end of your leave; or (c) continue payments under the prior rate and make a balloon payment at the end of the term. If you refinance the loan, you may extend the repayment period to the date that includes the latest date the loan repayment period could have been scheduled for (if the original term was less than five years) plus the period during which the loan was suspended. (See the note above regarding interest rates.)

Investment Lineup & Model Allocations

OAK HARBOR FREIGHT LINES, INC. 401(K) PLAN AND TRUST

INVESTMENT LINEUP

Capital Preservation Managers	Ticker	Exp.	Global Equity Managers	Ticker	Exp.	Allocation Strategies	Ticker	Exp.
Money Market			Domestic Core Equity			Dynamic Asset Allocation Strategies		
Schwab Retirement Government Money Fund	SNRXX	0.19	Fidelity Total Market Index Instl Prem	FSKAX	0.02	Vanguard Target Retirement 2065 Inv	VLXVX	0.15
Short-term Investment Grade			DFA US Core Equity 1 I	DFEOX	0.17	Vanguard Target Retirement 2060 Inv	VTISX	0.15
Vanguard Short-Term Bond Index Adm	VBIRX	0.07	DFA US Core Equity 2 I	DFQTX	0.20	Vanguard Target Retirement 2055 Inv	VFFVX	0.15
Intermediate-Term Investment Grade			Domestic Style Equity			Vanguard Target Retirement 2050 Inv	VFIIX	0.15
Vanguard Total Bond Market Index Adm	VBTLX	0.05	Vanguard 500 Index Admiral	VFIAX	0.04	Vanguard Target Retirement 2045 Inv	VTIVX	0.15
High Income Managers			Vanguard Value Index Adm	VVIAX	0.05	Vanguard Target Retirement 2040 Inv	VFORX	0.15
High Income			Vanguard Growth Index Adm	VIGAX	0.05	Vanguard Target Retirement 2035 Inv	VTTHX	0.14
Fidelity Inflation-Protected Bd Idx Instl Prem	FIPDX	0.05	Vanguard Mid-Cap Index Adm	VIMAX	0.05	Vanguard Target Retirement 2030 Inv	VTHRX	0.14
Fidelity Floating Rate High Income	FFRHX	0.68	Vanguard Mid-Cap Value Index Adm	VMVAX	0.07	Vanguard Target Retirement 2025 Inv	VTTVX	0.14
PIMCO Income Instl	PIMIX	1.05	Vanguard Mid-Cap Growth Index Adm	VMGMX	0.07	Vanguard Target Retirement 2020 Inv	VTWNX	0.13
PIMCO High Yield Instl	PHIYX	0.59	Vanguard Small Cap Index Adm	VSMAX	0.05	Vanguard Target Retirement Income Inv	VTINX	0.12
Nuveen Preferred Securities I	NPSRX	0.78	Vanguard Small Cap Value Index Adm	VSIAX	0.07	Asset Allocation Strategies (Model Portfolios)		
			Vanguard Small Cap Growth Index Adm	VSGAX	0.07	Brighton Jones Aggressive Allocation		0.30
			Foreign Equity			Brighton Jones Moderate Allocation		0.27
			Vanguard Developed Markets Idx Admiral	VTMGX	0.07	Brighton Jones Balanced Allocation		0.27
			DFA International Core Equity I	DFIEX	0.28	Brighton Jones Conservative Allocation		0.23
			DFA Emerging Markets Core Equity I	DFCEX	0.48			
			Global Equity					
			DFA Global Equity 1	DGEIX	0.28			
			Real Return					
			DFA Global Real Estate Securities I	DFGEX	0.24			

MODEL ALLOCATIONS

Capital Preservation Managers	Ticker	Aggressive 10%	Moderate 25%	Balanced 35%	Conservative 50%
Short-term Investment Grade					
Vanguard Short-Term Bond Index Adm	VBIRX	5.0%	10.0%	15.0%	20.0%
Intermediate-Term Investment Grade					
Vanguard Total Bond Market Index Adm	VBTLX	5.0%	15.0%	20.0%	30.0%
High Income Managers					
High Income					
Fidelity Inflation-Protected Bd Idx Instl Prem	FIPDX	4.0%	4.0%	5.0%	5.0%
Fidelity Floating Rate High Income	FFRHX	4.0%	4.0%	5.0%	5.0%
PIMCO Income Instl	PIMIX	4.0%	4.0%	5.0%	5.0%
PIMCO High Yield Instl	PHIYX	4.0%	4.0%	5.0%	5.0%
Nuveen Preferred Securities I	NPSRX	4.0%	4.0%	5.0%	5.0%
Global Equity Managers					
Domestic Equity					
Vanguard Total Stock Market	VTSAI	0.0%	0.0%	0.0%	7.0%
DFA US Core Equity 1 I	DFEOX	17.0%	20.0%	22.0%	7.0%
DFA US Core Equity 2 I	DFQTX	25.0%	11.0%	0.0%	0.0%
Foreign Equity					
DFA International Core Equity I	DFIEX	18.0%	15.0%	11.0%	7.0%
DFA Emerging Markets Core Equity I	DFCEX	5.0%	4.0%	3.0%	2.0%
Real Return					
DFA Global Real Estate Securities I	DFGEX	5.0%	5.0%	4.0%	2.0%

Disclosure: Please remember that past performance is not a guarantee of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product made reference to directly or indirectly in this article, will be profitable, equal any corresponding indicated historical performance level(s), or be suitable for your portfolio. Due to various factors, including changing market conditions, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this article serves as the receipt of, or as a substitute for, personalized investment advice from Brighton Jones, LLC. To the extent that a reader has any questions regarding the applicability of any specific issue discussed above to his/her individual situation, he/she is encouraged to consult with his/her advisor. A copy of our current written disclosure statement discussing our advisory services and fees is available for review upon request.