

North Pacific Holdings Employees' 401(k) Plan
Summary Plan Description

About This Booklet

This booklet is the summary plan description. It explains how the plan works, when you qualify for benefits, and other information.

If any part of this summary plan description (booklet) conflicts with the terms of the plan, the terms of the plan will be followed.

The terms “in writing” and “written” generally refer to paper documents. These terms may also refer to an electronic means of sending or receiving information that is acceptable to the Plan Administrator and is allowable by law.

Some terms used in this booklet are capitalized. The Helpful Terms in Part 6 provides more detail of these terms.

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HELPFUL TERMS.....PART 6

PART 1 CONTRIBUTIONS TO THE PLAN

Plan contributions create an account for you and that account holds your money. Contributions share in investment earnings or losses.

401(k) Elective Deferral Contributions

Eligibility Requirements for 401(k) Elective Deferral Contributions

You may join the plan as an active participant for purposes of 401(k) elective deferral contributions on the first day of the month on or after you meet these requirements:

- You are an eligible employee.
- You have 1,000 Hours of Service in a specified 12-month period. The first 12-month period begins on your date of hire.
- You are age 20 or older.

This date is your entry date for purposes of 401(k) elective deferral contributions.

You are an eligible employee for purposes of 401(k) elective deferral contributions unless you are any of the following:

- Represented by a bargaining unit that has bargained with us in good faith on the subject of retirement benefits
- A nonresident alien with no U.S. income or all such income is exempt from U.S. income tax

If you are an acquired employee, you may be excluded from the plan for a period of time, as determined by us and in accordance with requirements of the Internal Revenue Code.

Making 401(k) Elective Deferral Contributions

If you are an eligible employee, you are automatically enrolled to defer a percentage of your Pay, unless you choose a different amount. You may choose to defer a different amount (including zero) by enrolling online at www.principal.com. Once you are logged in, you will see a welcome screen with directions on how to enroll in this plan online.

You are automatically enrolled to defer 3% of your Pay as of the date you become a participant in the plan, unless you choose a different amount or you choose not to defer. If you do not choose a different amount (including zero), the percentage will be automatically increased each January 1 by 1% up to a maximum percentage of 10%.

If the plan is amended to increase or decrease the automatic deferral percentage, the increased or decreased automatic deferral percentage will apply to you if you enter or reenter the plan on or after the effective date of the change or you are already automatically enrolled as of such date.

If you choose not to defer and 401(k) elective deferral contributions have been automatically withheld from your Pay, you may request that these amounts be paid directly to you by completing the proper form. If you request a withdrawal of the automatic deferrals, your elective deferral contributions will stop, unless you complete an elective deferral agreement to make future deferrals. You must request the withdrawal within 90 days after the first automatic 401(k) elective deferral contribution is made to your account. Any matching contributions that may have been made to your account because of the automatic deferrals will be removed from your account and will be treated as a forfeiture.

You may defer as much as 40% of your Pay.

Your 401(k) elective deferral contributions will begin or change as soon as administratively feasible following your entry date or any following date. Your agreement to stop your deferrals may be made on any date and will be effective as soon as administratively feasible following that date.

Your 401(k) elective deferral contributions are pre-tax elective deferral contributions. These contributions reduce your total taxable income which reduces your current taxes. These contributions and any earnings will be taxed later when received as a benefit.

You can make up missed 401(k) elective deferral contributions when you return to work for us after a period of qualified military service as required by law.

You may make catch-up contributions in a taxable year if you will be at least age 50 by the end of that year. Catch-up contributions are 401(k) elective deferral contributions in excess of any limit on such contributions under the plan. For 2022, the maximum catch-up contribution is \$6,500. For years after 2022, the maximum is subject to change each year for cost of living changes. Your 401(k) elective deferral contributions, including catch-up contributions, will be limited to the sum of the stated plan limit and the maximum catch-up contribution.

Federal law limits the amount you can defer under all plans. You can find information about the limits at the end of Part 1.

Vesting for 401(k) Elective Deferral Contributions

You are always 100% vested in the part of your account resulting from 401(k) elective deferral contributions.

Matching Contributions

Eligibility Requirements for Matching Contributions

You may join the plan as an active participant for purposes of matching contributions on the first day of the month on or after you meet these requirements:

- You are an eligible employee.
- You have 1,000 Hours of Service in a specified 12-month period. The first 12-month period begins on your date of hire.
- You are age 20 or older.

This date is your entry date for purposes of matching contributions.

You are an eligible employee for purposes of matching contributions unless you are any of the following:

- Represented by a bargaining unit that has bargained with us in good faith on the subject of retirement benefits
- A nonresident alien with no U.S. income or all such income is exempt from U.S. income tax

If you are an acquired employee, you may be excluded from the plan for a period of time, as determined by us and in accordance with requirements of the Internal Revenue Code.

Determining Our Matching Contributions

Our matching contributions give you an additional return on the amount you defer. We will make a matching contribution equal to 25% of your 401(k) elective deferral contributions. 401(k) elective deferrals over 8% of your Pay are not matched.

Matching contributions are calculated based on your Pay and 401(k) elective deferrals for the payroll period.

You are eligible to receive a matching contribution if you were an active participant at any time during the period in which the matching contribution is calculated.

Your catch-up contributions won't be matched.

Our matching contributions for you for the Plan Year will not be more than \$500.

If you make up 401(k) elective deferral contributions after a period of qualified military service, we will make any matching contributions that apply.

Vesting for Matching Contributions

You have a right to a percentage of your account resulting from our matching contributions. This is your vesting percentage.

The schedule below determines your vesting percentage for matching contributions:

Years of Vesting Service	Vesting Percentage
Less than 3	0
3 or more	100

Your vesting percentage will also be 100% if you are working for us:

- on or after the date you reach normal retirement age.
- on the date you become totally disabled, as defined in the plan.
- on the date you die.

If the plan is amended to change vesting and you are a participant when the plan is amended, your vesting percentage won't be less than it would have been had the plan continued unchanged.

Discretionary Contributions

Eligibility Requirements for Discretionary Contributions

You may join the plan as an active participant for purposes of discretionary contributions on the first day of the month on or after you meet these requirements:

- You are an eligible employee.
- You have 1,000 Hours of Service in a specified 12-month period. The first 12-month period begins on your date of hire.
- You are age 20 or older.

This date is your entry date for purposes of discretionary contributions.

You are an eligible employee for purposes of discretionary contributions unless you are any of the following:

- Represented by a bargaining unit that has bargained with us in good faith on the subject of retirement benefits
- A nonresident alien with no U.S. income or all such income is exempt from U.S. income tax

If you are an acquired employee, you may be excluded from the plan for a period of time, as determined by us and in accordance with requirements of the Internal Revenue Code.

Determining Our Discretionary Contributions

“Discretionary” means we choose the amount of the contribution and whether or not it will be made. If a discretionary contribution is made, we divide this contribution among participants who are eligible on the last day of the Plan Year.

To determine your amount, we multiply our discretionary contribution by this fraction:

- (a) your Annual Pay divided by
- (b) the total Annual Pay of all participants receiving a contribution.

If our plan is top-heavy (see Part 5) and a minimum is to be provided under this plan, our discretionary contribution will be allocated using the formula above. If the allocation provides less than the minimum needed for any person eligible for the minimum, that person will be allocated the minimum and what's left will be allocated to the other participants receiving an amount using the formula above.

You are eligible to receive a discretionary contribution if you are an active participant on the last day of the Plan Year or you were an active participant at any time during the Plan Year and you have more than 500 Hours of Service in the Plan Year.

Vesting for Discretionary Contributions

You have a right to a percentage of your account resulting from our discretionary contributions. This is your vesting percentage.

The schedule below determines your vesting percentage for discretionary contributions:

Years of Vesting Service	Vesting Percentage
Less than 3	0
3 or more	100

Your vesting percentage will also be 100% if you are working for us:

- on or after the date you reach normal retirement age.
- on the date you become totally disabled, as defined in the plan.
- on the date you die.

If the plan is amended to change vesting and you are a participant when the plan is amended, your vesting percentage won't be less than it would have been had the plan continued unchanged.

Limits

401(k) Elective Deferral Limits

The law limits the amount you may defer in any tax year. For 2022, the limit is \$20,500. The limit is subject to change each year for cost of living changes. If you are also a participant in other 401(k) plans, this limit applies to the total amount you defer under all plans. The limit is increased if you will be at least age 50 by the end of the year. For 2022, the increase will be \$6,500 for a combined limit of \$27,000. The increase is subject to change each year for cost of living changes. If you are over the limit, you should request the plan(s) to pay any excess to you. Only amounts over the limit may be paid to you, but you may choose whether it is paid from one or more plan(s). If you don't have the excess paid to you, it is taxable to you, but stays in the plans to be taxed again later when you receive it. Under our plan, you must tell the Plan Administrator by March 1 of the following year if you want any excess paid to you. If excess 401(k) elective deferral contributions are paid to you, any matching contributions made because of those 401(k) elective deferral contributions will be forfeited.

If you are a highly paid employee, the law may limit your contributions and our matching contributions. Because of the limit, we will either restrict the amount you can contribute in the future, or return your contributions over the limit. Your returned 401(k) elective deferral contributions will be treated as regular taxable income. If 401(k) elective deferral contributions are paid to you, any matching contributions made because of these 401(k) elective deferral contributions will be forfeited. Other vested contributions over the limit will be paid to you. The amount paid to you will include any earnings. Matching contributions that are not vested and are over the limit will be forfeited.

Pay Limits

The law limits the amount of Pay that may be used to determine contributions each year. The 2022 limit is \$305,000. This limit is subject to change each year for cost of living changes. You may defer on Pay over this limit provided your 401(k) elective deferral contributions otherwise satisfy any applicable limit.

415 Limits

The law also limits the amount of contributions that can be made for or by you to the plan in a year to the lesser of 100% of Pay or a dollar limit. The dollar amount for years beginning after December 31, 2021, is \$61,000. This amount is subject to change each year for cost of living changes. This limit applies to all defined contribution plans of ours and any related employers.

Ask the Plan Administrator if you want to know more about these limits.

PART 2 YOUR ACCOUNT: INVESTING AND GENERAL INFORMATION

Your Account

Your account refers to the account that has been set up for you under the plan. This account includes the amounts contributed to the plan on your behalf and any investment gains or losses.

Investing Your Account

Contributions made to your account are invested to provide benefits under the plan. We decide which investment options are available for your account.

Many investment options have charges and restrictions that apply when you remove money or transfer funds. The dollar amount that can be removed or transferred may be restricted along with the dates on which such transactions can be made.

You decide how to direct the investment options for your contributions and the contributions we make for you.

From time to time we may add, remove, or change the investment options available to you. If this happens, you will be notified of the changes and the investment options available to you at that time. You must then tell us how you want your account invested based on the available investment options. If you do not provide us with your choices, or if you do not provide them in the time frame required, we will invest the applicable portion of your account according to the investment documents related to the plan.

The Plan Administrator will tell you more about the investment options.

Forfeitures

An amount you lose the right to is called a forfeiture. We may use forfeitures to pay plan expenses, offset our next contributions, or reallocate the amounts to participants' accounts. Forfeitures from other participants may increase your account. Each time our discretionary contributions are divided among employees, those forfeitures which have not been used to pay plan expenses or offset our next contribution are added to our discretionary contributions and divided in the same manner as discretionary contributions. Part 1 explains how this works. If you are eligible for a share, you receive part of those forfeitures.

If you have a forfeiture date, you forfeit (lose the right to) any part of your account that is not vested. You have a forfeiture date on the last day of five consecutive one-year breaks

in service. You do not forfeit anything if your vesting percentage for all contributions to your account is 100%.

If you stop working for us before your vesting percentage is 100% and then die, your vesting percentage does not change and the part of your account that is not vested becomes a forfeiture.

You may restore your forfeited account by repaying your vested account (including your 401(k) elective deferral contributions, but excluding the portion resulting from rollover contributions) if you come back to work as an eligible employee. The repayment must be made before the earlier of:

- The date five years after the date you come back to work as an eligible employee.
- The end of the first period of five consecutive one-year breaks in service beginning after you receive the payment.

If there is no amount to repay because your vesting percentage for all our contributions was zero and any amount paid to you was only the value of your rollover contributions, your forfeited account will be restored if you come back to work as an eligible employee before a forfeiture date.

PART 3 WHEN THE PLAN PAYS BENEFITS

Your vested account will be used to provide benefits. See Part 4 for how the plan pays benefits.

At Termination

You may choose to have all or any part of your vested account paid to you at any time after you stop working for us.

At Retirement

Benefits will start on or after your normal retirement date if you are not working for us, you have a vested account under the plan, and you have elected the form of benefit to be paid to you. You may choose to have benefits paid on or after your normal retirement date even if you are still working for us.

Normal retirement date means the earliest first day of the month on or after the date you reach age 65.

At Death

If you die before benefits start, your vested account will be paid to your spouse or beneficiary under one or more of the forms under the plan. If you die after you start receiving benefits, death benefits will be paid according to the form you chose. Not all forms have death benefits.

Required Beginning Date

Under the law you must begin receiving benefits by your required beginning date. Your required beginning date is the April 1 following the later of the calendar year in which you reach age 72 or stop working for us. However, if you are a 5% owner, your benefits must begin by the April 1 following the calendar year in which you reach age 72.

In-Service Withdrawals From Your Account

Withdrawals may be requested online or by form. You may also call Principal Financial Group® at this toll-free number for answers on your options: 1-800-547-7754.

A charge or restriction might apply if you make a withdrawal from certain investment options. The Plan Administrator can tell you if such a charge or restriction applies.

If you are age 59 1/2 or older, you may withdraw all or any part of your vested account resulting from:

- 401(k) elective deferral contributions
- matching contributions
- discretionary contributions

You may make such a withdrawal at any time.

If you are a member of a reserve unit of the United States Armed Forces and were called to active duty for a period of time that exceeds 179 days, you may withdraw all or any part of your vested account resulting from 401(k) elective deferral contributions during your period of active duty.

If you have a Financial Hardship, you may be able to withdraw all or any part of your vested account resulting from:

- 401(k) elective deferral contributions

Tax Considerations

Benefits you receive are generally subject to income taxes. You may be able to postpone or reduce the taxes that would otherwise be due. In addition, benefits you receive before age 59 1/2 may be subject to a 10% penalty tax.

Each person's tax situation differs. Your tax advisor can help you decide the best way for you to receive benefits.

PART 4 HOW THE PLAN PAYS BENEFITS

You make an important choice when you decide how to receive your benefit. One thing to consider is your tax situation.

The amount of the payments will depend on the amount of your vested account and the optional form chosen.

At Termination or Retirement

If your vested account is more than \$5,000, you may choose from the forms of benefit described in Forms to Choose below. You may change or cancel your choice at any time before benefits start.

If you don't choose a form, your vested account will be paid to you in a single sum.

At Death

You may name a beneficiary at any time. You need your spouse's written consent to choose someone other than your spouse as your beneficiary. If you marry after naming a beneficiary who is not the person you marry, the beneficiary you had named will no longer be your beneficiary, unless your current spouse's written consent is obtained. See A Spouse's Rights below.

If your vested account is more than \$5,000, you may choose an optional form of death benefit for a beneficiary. If you don't choose, that beneficiary may choose an optional form. Generally, a beneficiary can elect a single sum or any income payment that is available to you at retirement. Any choice of the form of payment by your beneficiary must be made before benefits begin.

If an optional form of death benefit is not chosen, your vested account will be paid to your beneficiary in a single sum.

Because of federal rules regarding when death benefits must begin and how death benefits can be paid, your beneficiary should contact the Plan Administrator to determine what options are available and when elections must be made.

Forms to Choose

If your vested account is more than \$5,000, you may choose to have your vested account paid under any of the following optional forms of benefit:

- A single sum payment.
- Partial payments.

- A monthly income paid to you for a fixed period of time (not less than 60 months). If you die before the end of the fixed period, payments continue to your beneficiary until that period ends.
- A series of substantially equal annual payments over a fixed period of whole years. You can choose to receive the payment on an annual, semi-annual, quarterly, or monthly basis. You may also request extra payments. Your payments in the calendar year in which you reach age 72 and later calendar years will be increased to the extent necessary to satisfy the minimum payment required by law.
- A specified dollar amount each year. You can choose the amount and can choose to receive the payment on an annual, semi-annual, quarterly, or monthly basis. You may also request extra payments. Your payments in the calendar year in which you reach age 72 and later calendar years will be increased to the extent necessary to satisfy the minimum payment required by law.

A charge or restriction might apply for some investment options if you take all or any part of your account in a single sum. The Plan Administrator or your tax advisor can help you make your choice. You may also call Principal Financial Group® at this toll-free number for answers to your benefit questions: 1-800-547-7754.

A Spouse's Rights

You will need your spouse's written consent to change the beneficiary you name for death benefits that are payable if you die before your benefit payments start.

Your spouse may also agree to let you make future changes without his or her consent. If not, you will need a new consent to make a new choice. You do not need your spouse's consent to cancel a choice.

Your spouse may revoke consent at any time before your death. A spouse's consent is not valid for a former or a future spouse of yours.

Cash-Outs of Small Amounts

If your vested account is \$5,000 or less, your vested account will automatically be distributed from the plan. Federal law requires the plan to automatically roll your vested account to an IRA in a direct rollover if:

- your vested account is more than \$1,000
- you have not reached age 65
- you do not elect to have your vested account paid to you in a single sum or rolled to another retirement plan or an IRA of your choice in a direct rollover

If your vested account is \$1,000 or less, your vested account will automatically be paid to you in a single sum.

The IRA designated for automatic rollovers is an interest-bearing savings account. Fees and expenses will be paid by you. For more information about the designated IRA and related fees, contact:

Tim Smyer
Secretary / Treasurer
North Pacific Holdings Co
2510 W CASINO RD STE B
EVERETT, WA 98204

(206) 323-3200

PART 5 IMPORTANT INFORMATION FOR YOU

Your Rights

As a participant, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants are entitled to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and, if applicable, collective bargaining agreements that include provisions to establish, operate, or govern the plan, 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.
- Obtain, upon written request to the Plan Administrator, copies of all documents governing the plan, including insurance contracts and, if applicable, collective bargaining agreements that include provisions to establish, operate, or govern the plan, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.
- Receive a summary of the plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement of your account values and what part of these values would be yours if you stop working under the plan now. If you do not have a right to these values, the statement will tell you how many more years you have to work to get a right to all or a part of these values. This statement will be provided to you in writing at least once each calendar year quarter. The plan 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 employee benefit plan. The people who operate the 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 (if applicable), or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a pension 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 can 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 Plan Administrator 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 administrator. 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, 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 these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance With Your Questions

If you have any questions about the plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, contact the nearest office of the Employee Benefits Security Administration (EBSA), a division of the U.S. Department of Labor, by calling 1-866-444-3272 or by going to www.dol.gov/ebsa. You can also contact the EBSA by writing to the following address:

U.S. Department of Labor
Employee Benefits Security Administration
EBSA Public Disclosure Room
200 Constitution Avenue, NW, Room N-1515
Washington, DC 20210

To help locate your plan documents, please provide enough information to assist EBSA in identifying the document, such as plan name and EIN, and the city and state in which it is located, the name of the multiple employer welfare arrangement, the approximate date of the hearing, etc., as relevant to the document.

Qualified Domestic Relations Order (QDRO)

A domestic relations order is a judgment, decree, or order that provides child support, alimony payments, or marital property rights. A domestic relations order may give all or

part of your plan benefits to an alternate payee if it is determined to be a qualified domestic relations order (QDRO). An alternate payee is your spouse, former spouse, child or dependent. In order to be a QDRO, the domestic relations order must include certain information and meet certain other requirements.

The Plan Administrator is required to set up detailed procedures for determining if a domestic relations order is a QDRO. You and the alternate payee may get a copy of these procedures, without charge, from the Plan Administrator.

Processing Distributions and Other Transactions

Distributions, investment directions, trades, and similar transactions will be completed as soon as administratively possible once the information needed to complete such transaction has been received. The time it takes to complete a transaction is not guaranteed by the plan, Plan Administrator, trustee, insurer, or us. While it is anticipated that most transactions will be completed in a short period of time, in no event will the time needed to process a transaction be deemed to be less than 14 days. The processing date of a transaction will be binding for all purposes under the plan and considered the applicable valuation date for any transaction.

We, the Plan Administrator, or the trustee reserve the right not to value an investment option on any given valuation date for any reason deemed appropriate by us, the Plan Administrator, or the trustee.

Factors such as failure of systems or computer programs, failure of transmission of data, forces that can't be controlled or anticipated, failure of a service provider to timely receive values or prices, and corrections of errors will be used to determine how soon it is possible to complete a transaction.

Direct Rollovers

Certain benefits that are payable to you may be paid directly to another retirement plan or IRA. The Plan Administrator will give you more specific information about this option when it applies.

Rollovers From Other Plans

Under certain circumstances, you may roll over an amount from another plan to this plan. This amount may include an outstanding plan loan balance if you are affected by a business event that results in a change of employer. This is a rollover contribution and it becomes a part of your vested account in the plan.

A direct rollover (a distribution paid directly to the plan from another plan) may come from:

- other qualified plans (including after-tax employee contributions and excluding any portion of a designated Roth account)
- tax sheltered annuity plans (including after-tax employee contributions and excluding any portion of a designated Roth account)
- governmental 457 plans (excluding any portion of a designated Roth account)

A direct rollover may include an outstanding plan loan balance if you are affected by a business event that results in a change of employer.

A participant rollover (a distribution first paid to you) may come from:

- other qualified plans (excluding after-tax employee contributions and any portion of a designated Roth account)
- tax sheltered annuity plans (excluding after-tax employee contributions and any portion of a designated Roth account)
- governmental 457 plans (excluding any portion of a designated Roth account)
- traditional IRAs if the amounts would be included in gross income

A participant rollover may include the repayment of a loan that became due and payable within your current taxable year.

Rollover contributions must meet federal rules (including timing requirements) so ask the Plan Administrator if you are interested in knowing more about them.

Top-heavy Plans

A retirement plan that primarily benefits “key employees” is called a “top-heavy plan.” Key employees are certain owners or officers of the Employer. A plan is generally top heavy when more than 60% of the plan assets are attributable to key employees. For any year in which a plan is top-heavy, there are minimum requirements for contributions.

The Plan Administrator can tell you if the plan is top-heavy and if the minimums apply.

Assigning Your Benefits

Benefits under the plan cannot be assigned, transferred, or pledged to someone else. The plan does make the following exceptions:

- Qualified domestic relations orders such as alimony payments or marital property rights to a spouse or former spouse.
- Any offset to your benefit per a judgment, order, decree, or settlement agreement because of a conviction of a crime against the plan or a violation of ERISA.

The Plan Administrator will tell you if either of these exceptions applies to you.

Your Social Security Benefits

Your benefits from this plan are in addition to your benefits from Social Security. You should make your application for Social Security (and Medicare) benefits three months before you wish Social Security payments to begin.

Claiming Benefits Under the Plan

When you apply for benefits to the Plan Administrator, you will need to complete all necessary forms and supply needed information, such as the address where you will get your checks.

Your claim will be reviewed and a decision made within 90 days. In some cases the decision may be delayed for an additional 90 days. If so, you will be notified in writing before the end of the initial 90-day period. The notice will include the reason for the delay and the date when the decision is expected to be made.

If you make a claim and all or part of it is refused, you will be notified in writing. You will be told:

- the specific reason or reasons why your claim was refused,
- references to specific provisions of the plan governing the decision,
- what additional information is needed, if any, and why it is needed, and
- what steps you should take to have your claim reviewed, including time limits on requesting a review, and that you have a right to sue if upon review your claim is refused.

You have 60 days after you receive written notice your claim is refused to make a written appeal to the Plan Administrator. If you appeal, you may also submit written comments, documents, records, and other information relating to the claim. You may request free of charge, access to, and copies of, all documents, records, and other information on which the determination was based. The Plan Administrator will review the claim taking into account all comments, documents, records, and other information submitted by you

relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

A decision will be made on your appeal within 60 days. In some cases the decision may be delayed for an additional 60 days. If so, you will be notified in writing before the end of the initial 60-day period. The notice will include the reason for the delay and the date when the decision will be made.

If you make an appeal and all or part of your claim is refused, you will be notified in writing. You will be told:

- the specific reason or reasons why your claim was refused,
- references to specific provisions of the plan governing the decision,
- you may request and receive free copies of all documents, records, and other information on which the determination was based, and
- you have a right to sue.

Any civil action must be filed no later than one year after the date listed on the latest notice you received that your claim was refused.

You may authorize a representative to act on your behalf with respect to a benefit claim or an appeal. You will have to complete the necessary forms to designate an authorized representative to act on your behalf. In that case, all information and notices will be given to the representative unless you direct otherwise.

The Plan Administrator will perform periodic examinations, reviews, or audits of benefit claims to determine whether determinations have been made in accordance with plan documents and plan provisions have been consistently applied.

Plan Expenses

ERISA allows certain expenses directly related to operating the plan may be paid from your account. Also, specific fees may be charged directly to your account in response to transactions that you request under the plan. Plan expenses could include any of the following:

- Investment management fees and other expenses that apply to specific investments in which your account and the accounts of other plan participants are invested. These are expenses related to the operation of the plan and are adjustments to the investment rate that is credited to that specific investment.
- Plan expenses for the general administration and recordkeeping of the plan. These can be charged to your account and the accounts of all other plan participants. The

expenses that can be paid from your account have to meet certain requirements and must be paid from all accounts in a fair manner. Your share of these plan expenses is paid by a portion of the investment management fees and other expenses that apply to each specific investment in your account.

- Per-use fees include, but may not be limited to:
 - Withdrawal processing fees – fees associated with an in-service withdrawal (that may or may not apply to a hardship withdrawal).
 - Distribution processing fees – fees associated with taking a distribution from the plan.
 - QDRO qualification fees – fees charged to process a “qualified domestic relations order” if a portion of your account is assigned to an alternate payee. Typically, this is an assignment to a former spouse in the context of a divorce.

You may contact the Plan Administrator for more information on plan expenses.

Changing or Stopping the Plan

The plan can be changed at any time. We will notify you of any changes that affect your benefits.

Benefits you have earned as of the date the plan is changed may not be reduced except as required by law. If the plan is changed, the Plan Administrator can tell you which benefits are preserved for you.

An earlier version of the plan may continue to apply in certain situations. For example, participants who stop working for us have their eligibility for benefits determined under the version in effect when they stopped working.

The plan can be terminated (stopped). If the plan is terminated, your account will be 100% vested and nonforfeitable. Your account will be held under the plan and continue to be credited with investment earnings until it is paid to you.

The Plan and the Pension Benefit Guaranty Corporation (PBGC)

Because the plan is a defined contribution plan, we keep individual accounts for all participants. ERISA excludes plans like this one from insurance provided through the PBGC.

Military Service

You may be entitled to certain benefits under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). The benefits you are entitled to will be

determined at the time you return to work for us based on your period of military service and whether or not you returned to work during the period of time in which you have reemployment rights.

You or your survivor may be entitled to additional benefits under the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act). You may choose to have all or any part of your vested account resulting from 401(k) elective deferral contributions paid to you while you are on active military duty for more than thirty days. After you receive such contributions, you may not make 401(k) elective deferrals or other contributions to our plan(s) for six months. If you die or become disabled during your period of military service and you would have been entitled to reemployment rights under USERRA, your account will be 100% vested. You may also be eligible for employer contributions made for the Plan Year in which you die or become disabled.

PART 6 HELPFUL TERMS

Annual Pay means your Pay for the year ending on the last day of the Plan Year. Only Pay while you are an active participant is counted.

Financial Hardship means hardship due to immediate and heavy financial need. Federal rules allow hardship withdrawals for these reasons:

- To pay medical expenses that would be tax deductible (without regard to whether the expenses exceed the stated limit on adjusted gross income), and that may also apply to your primary beneficiary.
- To purchase your primary home, stop your eviction from your primary home, or stop foreclosure on such home.
- To pay tuition, related educational fees, and room and board expenses, for up to the next 12 months of post-secondary education for you, your spouse, your children, your primary beneficiary, or your dependents (as defined in the plan).
- To pay funeral or burial expenses for your parents, your spouse, your children, your primary beneficiary, or your dependents (as defined in the plan).
- To pay expenses to repair damage to your primary home that would be tax deductible (without regard to whether the expenses exceed 10% of adjusted gross income).

Hour of Service means each hour of paid working time. In addition, it includes up to 501 hours during any one period of paid nonworking time, such as paid vacation. If we do not maintain hourly records for you, your actual hours are not used. Instead, 190 hours will be credited for each month in which you work at least one hour.

Pay means your total pay.

Plan Administrator is:

North Pacific Holdings Co.
2510 West Casino Road
Suite B
Everett, WA 98204-1419

Telephone: (206) 323-3200

The Plan Administrator has the full power to decide what the plan provisions mean, to answer all questions about the plan (including those about eligibility and benefits), and to supervise the administration of the plan. The Plan Administrator's decisions are final.

Plan Year is:

January 1 through December 31

Vesting Service means the sum of your years of service. You have one year of service for each service period in which you have 1,000 or more Hours of Service.

A service period is a one-year period ending on December 31.

Break in service means you have 500 or fewer Hours of Service in a service period.

Federal law delays a break in service for your pregnancy, birth of your child, placement of a child with you by reason of your adoption of such child, or you caring for such child following such birth or placement.

PART 7 GENERAL INFORMATION

Plan Sponsor and Identification Number

North Pacific Holdings Co.
2510 West Casino Road
Suite B
Everett, WA 98204-1419

EIN: 26-3326099

You may request information as to whether a particular employer is a sponsor of this plan, and if the employer is a plan sponsor, the sponsor's address.

Plan Name and Plan Number

North Pacific Holdings Employees' 401(k) Plan

PN: 001

Type of Plan

Defined Contribution 401(k) Profit Sharing Plan

ERISA 404(c) compliant

Type of Administration

Employer

Funding Medium(s)

Contributions may be held under a trust fund or an annuity contract for purposes of providing benefits for participants of the plan.

The annuity contract is issued by:

Principal Life Insurance Company
711 High Street
Des Moines, IA 50392-0001

Trustee(s) of the Plan

Delaware Charter Guarantee & Trust Company d/b/a Principal Trust Companysm
1013 Centre Road
Wilmington, DE 19805-1265

Agent for Legal Process of the Plan

Tim Smyer
Secretary / Treasurer
North Pacific Holdings Co
2510 W CASINO RD STE B
EVERETT, WA 98204

Service of legal process may also be made on the Plan Administrator or a plan trustee.

Legal action may not be brought more than two years following the date such cause of action or proceeding arose.

Additional Information

For more information about the Principal Financial Group® or the plan, you may access The Principal® website at www.principal.com or call the interactive voice response system at 1-800-547-7754.

The following are member companies of the Principal Financial Group®:

- Principal Life Insurance Company
- Delaware Charter Guarantee & Trust Company d/b/a Principal Trust Companysm