

# SRI INTERNATIONAL 401(k) PLAN

## Participant Loan Program

The SRI International 401(k) Plan (the “Plan”) permits loans to be made to Participants and authorizes the SRI International Retirement Plans Committee (“Committee”) to establish a loan policy to govern all Participant loans. This Participant Loan Program is established to set forth the rules and guidelines for making Participant loans under the Plan, effective as of January 1, 2023. In addition, the Committee may use this document to serve as, or supplement, any required notice of the loan program to Participants. All references to the “Trustee” in this Participant Loan Program mean TIAA, FSB, a federal savings bank, the Trustee of the Plan.

- 1) The Committee is authorized to administer the loan program and is the fiduciary responsible for administering the loan program. You can model a loan and/or request a loan by contacting TIAA at 1-800-842-2252 or logging onto the Plan’s website at <https://www.tiaa.org/public/tcm/sriinternational/home>. The Participant may be required to provide supporting documentation deemed necessary by Committee or its delegates to establish the loan.
- 2) All references to “Participants” in this Participant Loan Program will include Participants who are actively employed.
- 3) The Committee or its delegate will consider all loan applications within a reasonable time after the Participant makes an application for a Participant loan. If a Participant’s application for a loan is denied or the Participant otherwise has a dispute relating to a loan, the Participant may file a claim under the Plan’s claims procedures.
- 4) Loans will be available to all Participants on a reasonably equivalent basis.
- 5) The Committee or its delegate will determine whether a Participant qualifies for a loan based on the value of his account balance and the outstanding balance if any, of the Participant's current loans.
- 6) The Plan will consider a Participant’s vested account balance under the Plan to be adequate security. In no event will more than 45% of a Participant’s vested account balance under the Plan (determined immediately after origination of the loan) be used as security for the loan. The Plan will not make loans that require security other than the Participant’s vested interest in the Plan.
- 7) Upon the Participant's satisfaction of the criteria established for granting a loan, the Committee, Trustee or their delegates may require that the Participant supply any documents deemed necessary to establish the loan and provide the Plan with adequate security. The Participant's (i) account authentication and (ii) electronic acceptance of the terms of the loan and/or endorsement of the loan check will be required.
- 8) If a Participant terminates employment with the Employer and its affiliates for any reason before a loan outstanding to the Participant has been fully repaid, the Participant may continue to repay the loan monthly by ACH direct debit transfer as long as the Participant has an account balance under the Plan. If the Participant does not continue to repay the loan and the loan goes into default, or the Participant takes a distribution of the Participant’s entire Plan account balance, the remaining balance of the loan will be treated as a taxable distribution.

9) The following rule(s) and limitation(s) will apply to any loan made pursuant to this Program, in addition to such other requirements set forth in the Plan:

- (i) The minimum amount of a loan granted to any Participant from the Plan will be \$1,000.
- (ii) The maximum amount of a loan granted to any Participant from the Plan, when added to the outstanding balance of all other loans from the Plan, will be the lesser of:
  - (a) \$50,000, reduced by the excess (if any) of the highest outstanding balance of the Participant's loans from the Plan during the 1-year period ending the day before the new loan is made, over the outstanding balance of the Participant's loans from the Plan on the day the loan is made; or
  - (b) fifty percent (50%) of the Participant's vested account balance in the Plan.

Note that for purposes of applying these limits, all plans maintained by the Employer or by an Affiliated Employer will be treated as one plan.

- (iii) Subject to any restrictions on withdrawals from a particular investment fund, loan proceeds will be taken pro rata from the investment fund or funds in which the Participant's account balance is invested. As a loan is repaid, a Participant's payments will be allocated to the investments he or she has selected under the Plan (or, where appropriate, investments that are considered the Plan's default investment fund(s)) on a pro-rata basis, based on the investment election in effect on the date a payment is deposited to the Plan.
- (iv) The loan application must include the written consent of the Participant's spouse. Such written consent must be witnessed by a Plan representative or a notary public and sent to TIAA in advance of releasing the loan proceeds. Spousal consent will not be required if it is established to the satisfaction of the Committee that there is no spouse or that the spouse cannot be located.
- (v) A Participant may have only two outstanding loans at the same time under this Plan and the other retirement plans sponsored by the Employer or by an Affiliated Employer.
- (vi) All expenses associated with the establishment of the loan (currently, \$75 per non-residential loan and \$125 per residential loan) and administration of the loan (currently, \$0) will be charged to the Participant's account unless otherwise stated in the services agreement as entered into between TIAA and/or its affiliates and SRI International or the Committee (as such agreement may be amended from time to time).
- (vii) All loans must be repaid in substantially equal payments not less frequently than quarterly. Currently, loans must be repaid through ACH direct debit transfer. The Committee may, but is not required, to establish alternate means of repayment. Loan repayments will be applied to principal and interest over the term of the loan.
- (viii) Loans may be prepaid in their entirety at any time. Any prepayment must be made by money order or cashier's check or any other method agreed to by the Committee and TIAA. Such prepayments should be made payable to SRI International 401(k) Plan and submitted directly to TIAA. Partial prepayments are not permitted.
- (ix) Loans are available exclusively from a Participant's vested account balance.

- (x) Loans must be repaid over a period of time not to exceed five years. However, loans that are used to purchase a Participant's principal residence may be repaid over a period of time not to exceed ten years. To obtain a loan to purchase a principal residence, a Participant must certify that the loan proceeds will be used to purchase a principal residence and present supporting documentation to the satisfaction of the Committee.
  - (xi) All loans will be subject to a reasonable interest rate that is determined at the time the loan is initiated to be determined based on current interest rates charged by persons in the business of lending money for similar loans at the time the loan is made. The interest rate will remain fixed for the term of the loan and will not be renegotiated. Participants may contact TIAA to obtain the current interest rate.
- 10) A default will occur upon the failure of a Participant to timely remit payments under the loan when due. A default may be cured by making up missed loan payments no later than the last day of the calendar quarter immediately following the calendar quarter in which the missed payment was originally due (the "Cure Period"). The Committee and the Trustee will treat a loan that has been defaulted upon and not corrected within the Cure Period as a deemed distribution from the Plan, unless the Committee authorizes any other corrective action pursuant to any Employee Plans Compliance Resolution System issued by the Internal Revenue Service, any asset management or fiduciary conduct error correction program issued by the Department of Labor, or any other correction program issued by any governmental agency.
  - 11) Following a deemed distribution, the loan will remain outstanding until it is fully repaid or the loan is offset from the Participant's account. Upon the Participant's termination of employment with SRI International and all affiliates, the Participant's death, or another distributable event, the entire outstanding amount of the loan (including interest accrued after the default) will be offset against the Participant's account.
  - 12) If a Participant is on a bona fide leave of absence (either a leave without pay or a leave at a rate of pay that is less than the amount of the loan installment payments) that is one year or less, the Committee may suspend any payments on the loan during such leave of absence. When the leave ends, the loan (including any interest that accrues during the leave of absence) must be repaid by the latest date permitted under Internal Revenue Code §72(p)(2)(B). The amount of the loan installment payments due after the leave ends must not be less than the amount required under the terms of the original loan.
  - 13) Notwithstanding any provision of the Plan to the contrary, loan repayments for Participants performing military service will be suspended as permitted under Internal Revenue Code §414(u)(4). The amount and frequency of the loan installment payments due after the military service ends must not be less than the amount and frequency under the terms of the original loan. The loan (including any interest that accrues during the military service) must be repaid by the end of the period which equals the original term of the loan plus the period of the military service.
  - 14) Refinancing of loans may be permitted in limited circumstances at the discretion of the Committee. Refinancing will not be available to correct a defaulted loan that has exceeded its cure period. All refinancing of loans will comply with the provisions of Internal Revenue Code §72(p) and corresponding Treasury Regulations. A Participant must execute new documentation for a refinanced loan.

This Participant Loan Program is designed to meet the requirements specified under Department of Labor Regulation §2550.408-1, as modified by Department of Labor Advisory Opinion 89-30A, regarding written loan programs.