1. **Introduction**

The purpose of this policy is to describe how we determine which of our contract employees are eligible to participate in the BANKW Staffing Medical Plan – Health Plans Inc HSA Network Plan or Health Plans Inc HSA PPO Plan (the "Medical Plan"). We classify an employee as a "contract employee" if we cannot determine, as of the date of hire, if the employee is reasonably expected to be employed on average at least 30 hours of service per week during the employee's Initial Measurement Period (described below) because the employee's hours are variable or otherwise uncertain.

2. **General**

A contract employee will be eligible to participate in the Medical Plan if the employee is a common law employee of BANKW Staffing, LLC (the "Company"), and its affiliated companies, KBW Financial Staffing & Recruiting, Alexander Technology Group, The Nagler Group, Sales Search Partners and/or KNF&T (together with the Company, the Companies") and is considered to be "full-time". We determine whether a contract employee is full-time using the rules set forth in this policy.

3. **Key Definitions**

   a. **Administrative Period:** A 78-day period each year beginning on October 15 and ending on the following December 31.

   b. **Initial Measurement Period:** With respect to a contract employee, the 12-month period beginning on the first day of the month following a contract employee's date of hire.

   c. **Initial Stability Period:** With respect to a contract employee, the 12-month period beginning on the first day of the next month following the end of the Initial Measurement Period (*i.e.*, 13-and-a-fraction months after the employee's hire date).

   d. **Medical Plan:** The BANKW Staffing Medical Plan – Health Plans Inc HSA Network Plan or Health Plans Inc HSA PPO Plan (the "Medical Plan")

   e. **Ongoing Employee:** A contract employee who has been employed with the Companies continuously for one Standard Measurement Period.

   f. **Standard Measurement Period:** An annual 12-month period running October 15 to October 14.

   g. **Standard Stability Period**: An annual 12-month period running from January 1 to December 31, which coincides with the Medical Plan's plan year.

4. **Standards for Medical Plan Eligibility and Enrollment**

   a. **New Hires – Initial Measurement Period**

   Although not required to do so, we apply the eligibility and enrollment standards in this Section 4(a) to new contract employees during the Initial Measurement Period.

   At the time of hire, we will provide each contract employee electronically, with a notice describing the coverage available under our Medical Plan, as well as enrollment instructions. Contract employees must notify the Company **within 30 calendar days of the original date-of-hire (whether or not the employee is employed with the Company for the entire 30-day period)** as to whether or not the contract employee will choose to enroll in or waive coverage under our Medical Plan for the Initial Measurement Period. If the contract employee does not respond within that period, the Company will assume the contract employee has chosen to waive coverage for the Initial Measurement Period. If the contract employee elects coverage under our Medical Plan within the 30-calendar day period, the coverage will begin on the 90th day following the commencement of employment, so long as the employee is determined be a full-time employee as of the 90th day, and will continue for the duration of the Initial Measurement Period, provided the employee remains employed at the Companies. A contract employee who is not determined to be "full time" as of the 90th day following commencement of employment will not be eligible for coverage during the employee's Initial Measurement Period.

For purposes of this Section 4(a), a contract employee will be considered to be a "full-time" employee as of the 90th day following the commencement of employment if the employee was regularly scheduled to work at least 30 hours of service per week for one or more of the Companies, determined on a monthly basis, throughout the 90-day period following commencement of employment. The measured month will contain either the week that includes the first day of the month or the week that includes the last day of the month. For a four-week calendar month, an employee is considered to be full-time if the employee works at least 120 hours of service for the Companies; for a five-week calendar month, an employee is considered to be full-time if the employee works at least 150 hours of service for the Companies.

b. New Hires – Initial Stability Period

New contract employees are determined to be eligible to participate in our Medical Plan during the employee's Initial Stability Period under the look-back measurement method for new hires. Under the look-back measurement method for new hires, contract employees must first complete an Initial Measurement Period during which, unless they meet the eligibility requirements described in Section 4(a) above, they are not eligible to participate in the Medical Plan. At the completion of the Initial Measurement Period, a contract employee who has worked on average at least 30 hours of service per week during that period will be eligible to participate in our Medical Plan during the Initial Stability Period irrespective of their hours during the Initial Stability Period, provided the employee remains employed with the Companies. An employee who fails to work on average at least 30 hours per week during the employee's Initial Measurement Period is not eligible for coverage during the Initial Stability Period (subject to the transition rules described in Section 5 below). If a full-time contract employee is determined to be "full time" at the end of the employee's Initial Measurement Period, we will provide the employee, electronically, with a notice describing the coverage available under our Medical Plan during the employee's Initial Stability Period, as well as enrollment instructions, including deadlines for electing coverage.

c. Ongoing Employees

Ongoing Employees are determined to be eligible to participate in our Medical Plan during each Standard Stability Period under the look-back measurement method for Ongoing Employees. Under the look-back measurement method for Ongoing Employees, an Ongoing Employee who works on average at least 30 hours of service per week during a Standard Measurement Period will be eligible to participate in the Medical Plan during the next following Standard Stability Period, provided the employee remains employed with the Companies**.** An Ongoing Employee who fails to work on average at least 30 hours per week during a Standard Measurement Period is not eligible for coverage during the next following Standard Stability Period. We review hours worked during the Standard Measurement Period and determine which contract employees will receive offers of coverage for the next Standard Stability Period, during the applicable Administrative Period.

If a full-time contract employee is determined to be eligible to participate in the Medical Plan during a Standard Stability Period, the employee will have an opportunity to elect coverage or change elections for the Standard Stability Period during a 2-week period in November immediately prior to that Standard Stability Period called "open enrollment." During open enrollment, we will provide each eligible full-time contract employee, electronically, with a notice describing the coverage available under our Medical Plan during the next stability period, as well as enrollment instructions, including deadlines for electing coverage.

5. <u>Transition from New to Ongoing Employee Status</u>

The following rules govern the transition from a new hire to an Ongoing Employee:

a. If a contract employee is determined to be "full-time" during the Initial Measurement Period, the employee remains eligible to participate in the Medical Plan for the entire Initial Stability Period associated with the Initial Measurement Period.

b. If, however, a contract employee is determined to be not "full-time" during the Initial Measurement Period but is considered "full-time" during the overlapping Standard Measurement Period, the "not full-time" stability period is cut short, and the employee is eligible to participate in the Medical Plan for the entire Standard Stability Period associated with the overlapping Standard Measurement Period.

6. <u>How We Count Hours of Service</u>

Hours of service include each hour for which an employee is paid, or entitled to payment, by the Companies for the performance of duties for the Companies, as well as each hour for which an employee is paid, or entitled to payment, by the Companies on account of a period of time during which no duties are performed due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, or leave of absence. Hours of service

performed for certain affiliates of the Companies may be considered to be hours of service for the Companies in some cases. The Companies count hours of service from records of hours worked and hours for which payment is made or due.

For purposes of the look-back measurement method, unpaid leave that is (1) subject to the Family and Medical Leave Act of 1993, (2) subject to the Uniformed Services Employment and Reemployment Rights Act of 1994, or (3) jury duty is excluded from both the numerator and the denominator in determining an employee's average hours during a measurement period.

7. Termination and Rehire

If a contract employee terminates employment with the Companies, the employee will no longer be eligible to participate in the Medical Plan, and coverage will end on the last physical day of work. If the contract employee was participating in the Medical Plan prior to the employee's termination, the employee will be offered the opportunity to continue coverage under COBRA (subject to the requirements of COBRA). If an employee terminates employment with the Company and is rehired by the Company, the following rules apply:

a. Employees who are terminated and rehired during an Initial Stability Period or Standard Stability Period will retain, upon resumption of services, the eligibility status that the employee had with respect to the application of such stability period. If the employee returns during a stability period with respect to which the employee had elected coverage, the coverage will resume beginning on the first day of the month *following the date of rehire*. If the employee returns during a stability period with respect to which the employee had waived coverage, the Companies will not make another offer of coverage with respect to that stability period.

b. Employees who are terminated and rehired during an Initial Measurement Period and who had elected coverage for that period in accordance with this policy will resume or commence coverage either (1) beginning on the first day of the month *following the date the employee resumes services or (2) the 90th day following the first day of his or her employment, whichever is later, and provided in either case that the employee is or was considered to be "full time" as of the 90th day following commencement of employment as determined under this policy*. If the employee returns during an Initial Measurement Period with respect to which the employee had waived coverage, the Companies will not make another offer of coverage with respect to that period.

8. Miscellaneous

Participation in the Medical Plan is subject to the terms of the Medical Plan (including, without limitation, the BANKW Staffing, LLC Health and Welfare Benefits Plan (Contract Employees)). Employees should refer to the actual plan document and summary plan description for specific questions regarding the Medical Plan rather than relying on other written materials or anyone's unauthorized interpretation of the Medical Plan. The plan documents are controlling. In the event the information presented in this policy conflicts with information in any applicable plan documents, the plan documents will control.

We require our eligible contract employees to contribute towards Medical Plan premiums. Coverage costs may vary depending on position, location, hours worked and/or rate of pay. For more information, see the BANKW Staffing, LLC Health and Welfare Benefits Plan (Contract Employees).

Nothing contained in this Policy shall be construed as a contract of employment or as giving any employee of the Companies any right to be retained in the employment of the Companies. Absent any specific written contract to the contrary, all employment with the Companies is at-will, meaning either the Companies or the employee can terminate employment at any time, with or without notice, for any or no reason.

The Companies have the sole and absolute discretion to determine whether an employee is eligible to participate in the Medical Plan, including by interpreting this policy. The Companies reserve the right to enhance, modify, discontinue, or otherwise change this policy and/or the Medical Plan at any time for any reason. Any interpretation, determination or change made by the Companies will be final, conclusive and binding on all parties. Except as set forth in Section 8 above, this policy supersedes all prior versions of this policy.