



benefits  
connection

## Publicis Benefits Connection 401(k) Plan Loan Policy

1. **AUTHORIZATION:** The Publicis Benefits Connection 401(k) Plan allows certain eligible Participants to borrow against their interest in the Plan. Pursuant to the terms of the Plan, the Company or its designee is authorized to establish rules and regulations regarding the ability of Participants to borrow against the value of their accounts in the Plan and to use such forms as it considers necessary or appropriate in administering loans. The Company has adopted the following rules with respect to loans to Participants that are applied for and issued after May 1, 2015.
2. **ELIGIBILITY FOR LOANS:** A Participant who is eligible to receive a loan must be actively employed with a participating Employer on the date the loan application is properly submitted. To be considered actively employed, the Participant must be receiving wages for services performed. Participants with a pending QDRO or who are receiving short-term disability, severance or salary continuation payments are not eligible to take out a new loan. A Participant will be ineligible to take out a new loan for 45 days following the date that the balance of an outstanding loan under the Plan is paid.
3. **TERM OF LOAN:** The minimum period for which a loan must be outstanding is one year and the maximum period that a loan may be outstanding is five years. If the loan is defined as a primary residence loan, the maximum period may be extended up to 10 years.
4. **LOAN AMOUNT:** The maximum amount that may be borrowed by any Participant will be equal to the lesser of: (a) 50% of the vested portion of the value of the Participant's Account on the date the loan application is properly submitted or (b) \$50,000; minus the highest outstanding balance of loans from the Plan to the Participant during the one year period ending on the date that the current loan is issued.
5. **AGREEMENT:** All Participant loans from the Plan must be evidenced by a Participant Loan Agreement and Truth In Lending Disclosure Statement that provides for equal payments each payroll period during the period of the loan.
6. **RATE OF INTEREST ON LOANS:** As determined by the Administrative Committee, the interest rate charge to the Participant on a loan from the Plan will be the Prime Rate on the last business day of the quarter as listed in the Wall Street Journal preceding the date the loan is applied for plus 1%. The interest rate will remain fixed throughout the duration of the loan.
7. **MINIMUM LOAN AMOUNT:** The minimum amount that may be borrowed from the Plan is \$1,000.
8. **SALARY DEFERRAL CONTRIBUTIONS:** A Participant who borrows from his or her Account will not be suspended from continuing to make Salary Deferral Contributions to the Plan.
9. **MAXIMUM NUMBER OF LOANS/MULTIPLE BORROWING:** A Participant may have only two outstanding loans at any time. Existing loans under a prior plan that has been merged with the Publicis Benefits Connection 401(k) Plan will move to the new Plan and will be counted against this limit. Participants with more than 2 loans as of January 1, 2005 may continue to repay these loans.

10. **LOAN DEFAULT:** A Participant who fails to make any scheduled loan payment when due will cause the loan payment to be delinquent. A loan delinquency may occur for a variety of reasons, including a leave of absence, layoff or insufficient pay to cover the loan payment. The Participant will receive written notice of his or her right to resolve this delinquency. In accordance with IRS rules, if all delinquent loan payments are not paid within 90 days from the day on which the first delinquent payment was due, the loan will be in default.

In the event of a default, the entire outstanding loan balance will be deemed a taxable distribution to the Participant and the outstanding amount will continue to be treated as an outstanding loan for purposes of item 9 above, until paid in full. An IRS form 1099-R reporting the taxable distribution will be issued by the January 31<sup>st</sup> following the year in which the default occurred.

If a Participant is on an approved leave of absence, loan payments will be suspended for a period of up to 12 months while the Participant is on the approved leave of absence. The Participant must resume loan payments upon the earlier of his or her return from the approved leave of absence or the end of the 12 month period. The loan will be reamortized over the remaining period of the loan with loan payments adjusted accordingly.

11. **PLAN ACCOUNTING:** The unpaid principal balance of a loan will be reflected as a receivable for the Participant's Account.
12. **DISBURSEMENT/REPAYMENT OF LOAN PROCEEDS:** Loan funds will be disbursed pro rata from a Participant's Account according to source of contributions and then based upon the relative values in each investment fund. Any loan repayment (principal and/or interest) will be made to the Participant's Account in the same proportion, according to source, as when disbursed and will be invested in accordance with the Participant's current investment election.
13. **SECURITY:** Each loan will be secured by the assignment of up to 50% of the vested Account balance not to exceed the balance of the loan. No other security will be required or accepted.
14. **REPAYMENT:** Repayment will be made via payroll deduction each payroll period. Loans will be amortized according to the Participant's payroll frequency.
15. **TERMINATION OF EMPLOYMENT:** If a Participant terminates employment with an outstanding loan, he or she will be permitted to continue making loan payments as scheduled. Individuals receiving severance or salary continuation pay must begin to submit payments directly to Fidelity in order to continue their loans. Fidelity will provide each Participant who wants to continue making loan payments after termination of employment with a coupon book. A certified check or money order payable to Fidelity for the full amount of each payment due must be remitted to Fidelity at the address listed in item 19.
16. **APPLICATION PROCEDURE:** Participants may contact Fidelity at 1-800-835-5095 or through the Internet at [www.publicisbenefitsconnection.com](http://www.publicisbenefitsconnection.com) to request a loan. Customer Service Representatives are available Monday through Friday, from 8:30 a.m. to 8:00 p.m. A representative will indicate the maximum amount the Participant may borrow, the interest rate that will apply and the amount and number of payroll deductions required to repay the loan based on its term. If the Participant directs the representative to distribute a loan from the Plan on the terms described, the Participant will be mailed a Truth In Lending Disclosure Statement explaining the financial terms of the loan, along with

a check for the amount of the loan. Loan checks and the Truth in Lending Disclosure Statement will be mailed to the Participant within 5-7 business days.

By cashing or depositing the check for the loan, the Participant is agreeing to repay the loan in accordance with the terms of the Truth In Lending Disclosure Statement and this Loan Policy. Without limiting the foregoing, the Participant's agreement to repay the loan in accordance with the Truth In Lending Disclosure Statement and Loan Policy will mean that:

- a. The Participant agrees that loan payments (including interest and other finance charges) will be made by payroll deduction as provided in the payment schedule of the Truth In Lending Disclosure Statement.
- b. The Participant assigns and grants to the Plan as security interest of up to 50% of the vested Account balance, not to exceed the balance of the loan immediately after it is made, as security for prompt and full repayment of the loan.

If for any reason the Participant does not wish to accept the loan on the terms under this Loan Policy and as shown in the Truth In Lending Disclosing Statement, he or she should not cash or deposit the check. The Participant must then mark the front of the check "VOID" and return it immediately to Fidelity at the address listed in item 19. Upon receipt of the check, Fidelity will allocate the loan amount to the Participant's Account using the procedure in item 12 above.

Participants requesting a primary residence loan will be required to provide documentation before the loan is approved.

17. STATEMENTS: The Participant will receive the regular Participant Statement on a quarterly basis. The statement will show how much he or she has repaid on the loan, and how it has been reinvested. The loan amount is reflected as a balance in the Loan Fund and repayments will be reflected in the Loan Activity section of the statement.
18. APPROVAL OR DENIAL: A Participant's loan application will be approved only to the extent that the loan as requested complies with the requirements of this Loan Policy. A Participant who requests a primary residence loan will be required to provide documentation before the loan is approved. The Participant will be notified if the documentation for the primary residence loan is not in good order.
19. PARTIAL REPAYMENT / REPAYMENT IN FULL: The balance of the loan or any portion thereof may be paid off at any time without penalty or service fee by sending a certified check, cashier's check, or money order payable to FIIOC fbo Publicis Benefits Connection 401(k) plan. The Participant must reference his or her name and social security number on the check and mail it to the following address:

Fidelity Investments  
P.O. Box 770001  
100 Crosby Parkway  
Cincinnati, OH 45277

One-time payments may also be made via electronic payment through Fidelity.

20. LOAN REFINANCE: Loans may not be refinanced by the Participant.

21. AMENDMENT OR TERMINATION OF PROGRAM: The Company or its designee may amend or terminate the Loan Policy at any time.
  
22. ADMINISTRATION: The Company or its designee is responsible for the rules and regulations concerning Participant loans and has the authority to amend, revoke, add or modify the procedures as deemed necessary to properly administer Participant loans. Fidelity is responsible for the administration of loans pursuant to procedures established by the Company or its designee. Fidelity has the authority to take loan applications and to issue loans to Participants. Fidelity may prescribe additional administrative requirements as may be necessary to administer Participant loans.