SIMPLE IRA

Participation Notice and Summary Description

IMPORTANT: *Carefully read and consider the information contained in this notice before you decide whether to start, continue, or change your Salary Reduction Agreement.*

Section A. General Information

Employer Information

Name of Adopting Employer DRAW architecture + urban design LLC

Address 1400 W 13th St

City Kansas City State MO Zip 64102

Telephone 816-531-8303

Trustee/Custodian/Issuer Information (for plans electing to use a Designated Financial Institution)

Name of Trustee, Custodian, or Issuer Ascensus Trust

Address PO Box 10068

City Fargo State ND Zip 58106

Telephone (833) 889-9878

Section B. Eligibility Requirements

Opportunity to Participate

This form is intended, in part, to notify you of your right to choose, during the Election Period, to make Elective Deferrals under the savings incentive match plan for employees of small employers (SIMPLE) IRA Plan established by your Employer. The Election Period is generally the 60-day period before the beginning of each Year and the 60-day period before the first day you become eligible to participate. This notice includes a Summary Description of your Employer's SIMPLE IRA Plan.

Eligible Employees

You may become eligible to participate in the Plan unless you are:

☐ covered by the terms of a collective bargaining agreement where retirement benefits were negotiated

☐ a nonresident alien with no United States earned income from your Employer

☐ an Employee on account of an acquisition or similar transaction involving your Employer

Compensation and Service

To become eligible to participate in the Plan, you must have earned $5,000 during any two preceding years and you must be reasonably expected to earn such amount during the current year, unless otherwise specified below.

You are required to earn at least $ 5,000 *(may not exceed $5,000)* during any 1 *(may not exceed 2)* preceding years to be eligible to participate in the Plan. You must also be reasonably expected to earn at least $ 5,000 *(may not exceed $5,000)* during the current Year.

Section C. Plan Contributions

Financial Institution

Your Employer ☒ has ☐ has not elected to make all contributions to a Designated Financial Institution.

If contributions are not required to be made to a Designated Financial Institution, you must select the financial organization that will serve as trustee, custodian, or issuer of your SIMPLE IRA and notify your Employer by providing a completed Salary Reduction Agreement.

If contributions are required to be made to a Designated Financial Institution, you may transfer the balance in your SIMPLE IRA, without cost or penalty, from the Designated Financial Institution to a SIMPLE IRA at the financial organization of your choice. To do so, you must request a transfer during the Election Period or during any other period as allowed by the Designated Financial Institution. Upon request, the Designated Financial Institution will periodically transfer your balance.

Elective Deferrals

By completing a Salary Reduction Agreement, you agree to make Elective Deferrals to this Plan. Your Compensation will be reduced each pay period by an amount equal to the percentage of your Compensation you specify on the Salary Reduction Agreement. Generally, your Elective Deferrals (excluding Catch-Up Contributions) may not exceed $16,000 for 2024 (after 2024 this limit is subject to cost-of-living adjustments).

Catch-Up Contributions ☒ will ☐ will not be permitted under the Plan.

If Catch-Up Contributions are available under the Plan and you will attain age 50 on or before the end of the Year, you are eligible to make Catch-Up Contributions. Your Catch-Up Contributions may not exceed $3,500 for 2024 (after 2024 this amount is subject to cost-of-living adjustments).

Beginning in 2025, the Catch-Up Contribution limit for Participants age 60, 61, 62, or 63, is the greater of $5,000 or 150 percent of the 2025 Catch-Up Contribution limit. For years beginning after December 31, 2025, these amounts may be adjusted annually for cost-of-living adjustments.

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Mandatory Increased Elective Deferral and Catch-Up Contribution Limits

If your Employer employed no more than 25 Employees who received at least $5,000 in Compensation in the previous calendar year and did not offer a retirement plan under Internal Revenue Code (IRC) Section 401(a), 403(a), or 403(b) to the same employees during a three-taxable-year period preceding the year that they established the SIMPLE plan, you may defer up to 110 percent of the 2024 Elective Deferral and Catch-Up Contribution Limits. For years beginning after December 31, 2024, this amount may be adjusted annually for cost-of-living adjustments.

Optional Increased Elective Deferral and Catch-Up Contribution Limit

If your Employer employed 26-100 employees who earned $5,000 or more in the previous calendar year and did not offer a retirement plan under IRC section 401(a), 403(a), or 403(b) to the same Employees during a three-taxable-year period preceding the year the SIMPLE plan was established, your Employer may allow you to defer up to 110 percent of the 2024 Elective Deferral Limit and Catch-Up Contribution Limit. For years beginning after December 31, 2024, this amount may be adjusted annually for cost-of-living adjustments. If your Employer chooses to allow the increased Elective Deferral and Catch-Up Contribution limit, the Matching Contribution or Nonelective Contribution must also be increased.

Increased Elective Deferrals and Catch-Up Contributions ☐ will ☐ will not be permitted under the Plan.

You may change the amount of your Elective Deferrals by completing and signing a revised Salary Reduction Agreement during the Election Period or any other period specified below.

You may discontinue making Elective Deferrals at any time during the Year by completing and signing a revised Salary Reduction Agreement. You are allowed to commence making Elective Deferrals the first day of the Year following the Year you cease deferring unless specified otherwise below.

Employer Contributions

For calendar Year 2025, your Employer will make Matching Contributions equal to 100 percent of your Elective Deferrals which do not exceed three percent of your Compensation unless your Employer elects to make either the alternative Matching Contribution or the Nonelective Contribution described in Options 1 and 2 below.

☐ **Option 1:** Matching Contributions in an amount equal to your Elective Deferrals which do not exceed ________% *(must not be less than 1%)*. The Matching Contribution will be increased to four percent of your Compensation if your Employer has chosen to allow for the optional increased Elective Deferral limit.

☐ **Option 2:** Nonelective Contributions equal to two percent of Compensation on behalf of each Participant who earns at least $5,000 during the year unless a different dollar amount is specified below. The Nonelective Contribution will be equal to three percent of your Compensation if your Employer has chosen to allow the optional increased Elective Deferral limit.

You are required to earn at least $________________ *(may not exceed $5,000)* during the year to be eligible to receive Nonelective Contributions.

Pre-tax/Roth Contribution Designation *(Employer must indicate whether Participants may designate Elective Deferrals and Employer Contributions as Roth SIMPLE IRA contributions under the Plan.)*

If permitted by the Employer, you may choose to treat all or a portion of Elective Deferrals or employer contributions as Roth Elective Deferrals. Roth Elective Deferrals are taxable to you in the year you would have otherwise received them as wages. Roth Matching and Nonelective Contributions are taxable to you in the year they are deposited to your Roth SIMPLE IRA.

The ability to designate Elective Deferrals as Roth Elective Deferrals ☐ will ☒ will not be permitted under the Plan.

The ability to designate Matching Contributions or Nonelective Contributions as Roth SIMPLE contributions ☐ will ☒ will not be permitted under the Plan.

Additional Nonelective Contributions *(Employer must indicate if additional Nonelective Contributions will be made under the Plan.)*

Your Employer may choose to make additional nonelective contributions of up to the lesser of 10 percent of Compensation or $5,000 on behalf of each Participant.

☒ **Option 1:** Additional Nonelective Contributions will not be made under the Plan.

☐ **Option 2:** Additional Nonelective Contributions in the amount of __________% *(must not exceed 10%)* of Compensation will be made to Participants under the Plan.

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Section D. Distributions

The following is a summary of the rules applicable to distributions from SIMPLE IRAs. You are advised to refer to your SIMPLE IRA documents and/or seek the assistance of a qualified tax advisor if you have additional questions.

Procedures

SIMPLE IRA assets are fully vested and may be withdrawn at any time subject to taxes and penalties as explained below. The trustee, custodian, or issuer of your SIMPLE IRA, and not your Employer, is responsible for making distributions to you upon your request.

Federal Income Tax

Distributions from SIMPLE IRAs are generally taxed as ordinary income in the year in which you receive them. In addition, federal income tax withholding will be applied to your distribution at a rate of 10 percent unless you specify a different rate or waive your right to withholding. Qualified Roth SIMPLE IRA distributions are not subject to taxation.

Penalties

A 25 percent early distribution penalty tax generally applies to SIMPLE IRA distributions and nonqualified distributions of Roth SIMPLE IRA earnings taken within two years of your initial participation in the Plan, unless you are age 59½ or older or can claim an exemption from the early distribution penalty described in Internal Revenue Code (IRC) Sec. 72(t)(6). If you are under age 59½, have satisfied the two-year requirement and receive a distribution, you will be subject to a 10 percent early distribution penalty tax.

Rollovers

SIMPLE IRA distributions may be rolled over to other SIMPLE IRAs. If a SIMPLE IRA distribution is properly rolled over, your rollover amount will be excluded when determining the amount of your federal income tax or early distribution penalty tax. You may roll over SIMPLE IRA distributions to Traditional IRAs, qualified retirement plans, tax-sheltered annuities, and governmental 457(b) deferred compensation plans. However, you must wait two years from the date you become a participant before doing so.

Required Minimum Distributions

You are required to begin taking minimum distributions from your SIMPLE IRA upon attainment of age 73 in accordance with IRS regulations.

Procedures For Withdrawals

If you wish to take a distribution from your SIMPLE IRA, you must complete a withdrawal authorization provided by the trustee, custodian, or issuer of your SIMPLE IRA. In addition, the following procedures apply to you upon requesting a distribution.

You may request a withdrawal online at https://myaccount.ascensus.com or by calling Ascensus Trust at 833-889-9878.

Procedures Regarding Transfers

The following additional rules and procedures apply to transfers of your balance in your SIMPLE IRA.

If a balance transfer is requested during the 60-day election period that begins each year on November 2, Ascensus Trust will transfer balances accordingly on a monthly basis with no cost or penalty to you. However, from the time Ascensus Trust receives a contribution until the date of its transfer to another financial institution, it must be placed in an investment of which there is no sales charge. Any other amounts in the SIMPLE IRA that you do not require to be transferred may be invested without this restriction.