HARDWICK ELECTRIC DEPARTMENT BOARD OF COMMISSIONERS REGULAR MEETING

MINUTES

Tuesday, August 19, 2025 (6:00 PM)

Attendees
Commissioner Michael Ambrosino, Chair
Commissioner Roger Prevot
Commissioner Jake Lester
HED General Manager, Sarah Braese

Virtual (via Zoom)
Commissioner Myles Kamisher-Koch, Vice Chair
Eric Remick, Town of Hardwick Select Board
David Upson, Town of Hardwick
HED Controller & Business Off Supervisor, Beth Essary
Attorney Liam Murphy

- Commissioner Ambrosino called the meeting to order at 6:04 pm.
- Commissioner Ambrosino made a motion to approve the Agenda. GM Braese requested Other/New Business be moved to prior to the Executive Sessions. GM Braese requested the addition to the agenda the issue of Vermont Transco LLC reoffering of shares.
- Commissioner Prevot made a motion to approve the minutes of the July 22, 2025 regular meeting. Commissioner Lester seconded the motion. Motion passed.
- The financial reports and audit update were reviewed.
- Controller Essary presented documents provided by NRECA to modify the 401k contribution plan per the ratified IBEW contract. Commissioner Prevot made a motion to approve the 401k plan of adoption as documented in the packet for this meeting dated August 19, 2025 as presented in writing. Commissioner Ambrosino seconded the motion. Motion passed.
- GM Braese presented information regarding governance, management and staffing. No action was taken. The board will discuss further at a separately warned meeting.
- GM Braese provided information regarding the Vermont Transco LLC reoffering of shares. Commissioner Kamisher-Koch made a motion to enter into the documents circulated to the commission in order to purchase HED's proportional share of the expected issuance by Transco with a cap not to exceed $899,000. Commissioner Lester seconded the motion. Motion passed.
- Commissioner Lester made a motion to agree to defer up to three years to acquire the shares in order to enable VPPSA to optimize the borrowing or financing of the shares. Commissioner Ambrosino seconded the motion. Motion passed.
- GM Braese provided an update on Wolcott Hydro repairs, and a FEMA update.
- GM Braese reviewed briefly the General Manager's Report.
- There was no other business presented.
- Commissioner Kamisher-Koch made a motion to move into Executive Session to discuss a confidential legal matter the premature disclosure of which could be detrimental to the interest of Hardwick Electric. Commissioner Lester seconded the motion. Motion passed. The board entered Executive Session at 6:46 pm with invitation to GM Braese, CBOS Essary, David Upson and Eric Remick to attend.
- The Board came out of Executive Session at 7:33 pm. No action was taken.
- Commissioner Ambrosino made a motion to move into Executive Session to discuss the VTDEC Site Investigation Workplan. Commissioner Kamisher-Koch seconded the motion. Motion passed. The board entered Executive Session at 7:34 pm with invitation to GM Braese and CBOS Essary to attend.
- The Board came out of Executive Session at 7:35 pm. No action was taken.
- Commissioner Ambrosino made a motion to move into Executive Session to discuss non-tax grievance issues. Commissioner Lester seconded the motion. Motion passed. The board entered Executive Session at 7:35 pm with invitation to GM Braese and CBOS Essary to attend.

- The Board came out of Executive Session at 7:55 pm. No Board action was taken.
- Commissioner Lester made a motion to adjourn. Commissioner Prevot seconded the motion. The meeting was adjourned at 7:55 pm.

Beth Essary
Recorder

9/17/25
Date

Commissioner

9/16/25
Date

RESOLUTION
AUTHORIZING THE AMENDMENT OF THE
401(k) PENSION PLAN
Adoption Agreement "A"
RUS#: 46190-001, 46190-002

WHEREAS, Hardwick Electric Department is participating in the 401(k) Pension Plan (the "401(k) Plan"), and;

WHEREAS, The Board of Commissioners of Hardwick Electric Department ("the Board") now desires to amend these plans pursuant to Section 18.2 of the 401(k) Plan pension documents, and does hereby authorize the amendment effective October 1, 2025, by executing the appropriate Adoption Agreements;

BE IT RESOLVED, that the amendment to the 401(k) Plan for 46190-001 is as follows:

The eligible and excluded classifications of Employees shall be amended to reflect the following:

- Eligible Employees are Employees with eighteen (18) or more continuous years of service with Hardwick Electric Department as of July 1, 2025.
- Excluded Employees are Employees with less than eighteen (18) continuous years of service with Hardwick Electric Department as of July 1, 2025.

BE IT FURTHER RESOLVED that effective October 1, 2025, a new 401(k) plan is established as subgroup 46190-002 and it shall mirror the 401(k) Plan provisions of 46190-001 in effect through September 30, 2025, except as follows:

- Eligible Employees are Employees with less than eighteen (18) continuous years of service with Hardwick Electric Department as of July 1, 2025.
- Eligible Employees are Employees hired, rehired, or transferred to Hardwick Electric Department on or after October 1, 2025.
- Excluded Employees are Employees eighteen (18) or more continuous years of service with Hardwick Electric Department as of July 1, 2025.
- <u>ER Base</u>
  The Employer Base Contribution shall be equal to 2% of a Participant's Base Salary. The Participant is not required to make a contribution in order to receive the Employer Base Contribution.

BE IT FURTHER RESOLVED, that the Board does hereby authorize and direct the General Manager to execute all necessary documents and to take any and all further actions necessary to carry out the intentions of the Board as indicated in this resolution.

CERTIFICATE OF CHAIRPERSON

I, Michael Ambrose, certify that I am the Chairperson of the Hardwick Electric Department Board of Commissioners and that the above is a true excerpt from the minutes of a regular board meeting of the Board of Commissioners of Hardwick Electric Department, held on the 19th day of August 2025 at which a quorum was present and that the above portion of the minutes has not been modified nor rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of Hardwick Electric Department this 19th day of August 2025.

(Seal)

(Signature of the Chair)

RUS NO. 46190-001
Plan No. 002
E.I.N. 036000500

National Rural Electric Cooperative Association
Adoption Agreement "A"
401(k) Pension Plan
For Use Only by Rural Electric Cooperatives

HARDWICK ELECTRIC DEPARTMENT (hereinafter referred to as the Participating System) hereby adopts for its Employees the 401(k) Pension Plan (Plan) and the Trust under which it is administered, sponsored by the National Rural Electric Cooperative Association (NRECA), effective the first day of July, 1988, and amended effective the first day of October, 2025. The Participating System is bound by all terms and conditions included herein, which are construed in accordance with the Plan and any amendments thereto. The Participating System adopts the following elective Plan provisions:

1. Eligibility Requirements

A. Employer Contributions

An Employee shall become a Participant in the Plan on the first day of the month coincident with or next following (only **one** applies):

a. ☒ The date on which the Employee completes ___ one/ ___ three/ X six Full Month(s) of Employment or, if earlier, a Year of Eligibility Service.

b. ☐ The date on which the Employee completes a Year of Eligibility Service.

c. ☐ The date on which the Employee completes ___ one/___ three/ ___ six Full Month(s) of Employment or, if earlier, a Year of Eligibility Service and attains age 21.

d. ☐ The date on which the Employee completes a Year of Eligibility Service and attains age 21.

e. ☐ No Employer Contributions.

B. Employee Contributions

An Employee shall become a Participant in the Plan on the first day of the month coincident with or next following (only **one** applies):

a. ☒ The date on which the Employee completes ___ one/___ three / X six Full Month(s) of Employment or, if earlier, a Year of Eligibility Service.

b. ☐ The date on which the Employee completes a Year of Eligibility Service.

c. ☐ The date on which the Employee completes ___ one/___ three /___ six Full Month(s) of Employment or, if earlier, a Year of Eligibility Service, and attains age 21.

d. ☐ The date on which the Employee completes a Year of Eligibility Service and attains age 21.

For purposes of Sections A. and B., an Employee completes the Full Month of Employment requirement when he or she works 84 hours in each month during a one, three or six full calendar month(s) period, as elected, **which do not need to be consecutive**. An Employee completes a Year of Eligibility Service when he or she works 1,000 hours for a Participating System or a related Employer (as defined in Paragraph 5.4 of the Plan) during the first 12 months of employment (or subsequent Calendar Year).

For purposes of Section B., a Long-term Part-time Employee (as defined under the SECURE Act of 2019) who works 500 or more (but less than 1,000) hours for a Participating System in each of three consecutive years that begin on or after January 1, 2021, becomes a Participant in the Plan on the first of the year coincident with or next following the date on which the Employee completes such years of service. Long-term Part-time Employees who become eligible to participate under this provision are not eligible for Employer Contributions.

An Employee who was a Participant in the Plan upon termination of employment shall become a Participant on the date of his or her reemployment with the same or another Participating System adopting the Plan if the employee meets the Eligibility Requirements and is part of an Eligible Class of Employees as defined by the same or subsequent Participating System's Plan Adoption Agreement.

2. Eligible Class of Employees

The provisions of the Plan and the Adoption Agreement are applicable to the following class of Employees of the Participating System (only **one** applies):

a. ☐ All Employees of the Participating System.

b. ☐ Employees of the Participating System covered by an agreement which is the subject of good faith bargaining between the Participating System and _____ Union which makes the Plan and any amendments thereto available to such Employees.

c. ☐ Employees of the Participating System not covered by a collective bargaining agreement.

d. ☒ Other:

• Employees with eighteen (18) or more continuous years of service with Hardwick Electric Department as of July 1, 2025.

An Employee who transfers from the class of Employees specified above to another class of Employees within the Participating System shall, as of the date of transfer, become subject to the provisions of the Adoption Agreement applicable to such other class.

3. Excluded Class of Employees

Employees of the Participating System described in the following classification(s) shall **not** be eligible to participate in the Plan (**one or more** options may apply):

a. ☐ Part-time, Temporary, Seasonal Employees who have not completed a Year of Eligibility Service (permitted only if option a. or c. under Section 1.A. or 1.B. is elected).

b. ☐ Part-time, Temporary, Seasonal Employees who have not completed a Year of Eligibility Service and attained age 21 (permitted only if option a. or c. under Section 1.A. or 1.B. is elected).

c. ☒ Other job classifications. The excluded classifications must be clearly defined and should not be based on age or length of service.

• Employees with less than eighteen (18) continuous years of service with Hardwick Electric Department as of July 1, 2025.

d. ☐ Highly Compensated Employees are excluded from receiving the following contributions (**one** or **both** options may apply):

i. ☐ Employer Base contributions
ii. ☐ Employer Matching contributions

For purposes of 3.a. and 3.b. (pursuant to the SECURE Act of 2019), Long-term Part-time Employees who work 500 hours in three consecutive years but who are otherwise excluded from participation may become eligible to make Employee contributions pursuant to Section 1.B. Long-term Part-time Employees who become eligible to participate under this provision are not eligible for Employer Contributions.

4. Years of Eligibility Service Relating to a Merger, Consolidation or Acquisition

If Paragraph 5.4(e) of the Plan **applies**, an Employee

a. ☐ Shall
b. ☐ Shall **Not**

receive credit for any period the Employee is employed by any entity merged, consolidated or liquidated into a System or any entity, substantially all of the assets of which have been acquired by a System, or which is otherwise considered a predecessor employer under Section 414(a) of the Internal Revenue Code of 1986 (the Code).

5. Normal Retirement Date

Normal Retirement Date under the Plan shall be (only **one** applies):

a. ☒ Age 65: The first day of the month coincident with or next following a Participant's attainment of age 65.

b. ☐ Age 62: The first day of the month coincident with or next following a Participant's attainment of age 62.

c. ☐ Age 60: The first day of the month coincident with or next following a Participant's attainment of age 60.

d. ☐ 30-Year: The first day of the month coincident with or next following the earlier of Participant's attainment of age 62 or the completion of 30 years of service. In conjunction with this option, contributions will be discontinued on (only **one** applies):

i. ☐ All Employer and all Employee Contributions shall be discontinued on the last day of the month in which the Participant completes 30 years of service under this Plan.

ii. ☐ All Employer and all Employee Contributions shall be discontinued on the first day of the month in which a Participant's actual retirement date occurs.

iii. ☐ All Employee Contributions shall be discontinued on the last day of the month in which the Participant completes 30 years of service under this Plan.

iv. ☐ All Employee Contributions shall be discontinued on the first day of the month in which a Participant's actual retirement date occurs.

v. ☐ All Employer Contributions shall be discontinued on the last day of the month in which the Participant completes 30 years of service under this Plan. Under this option, all Employee Contributions may continue until the first day of the month in which a Participant's actual retirement date occurs.

For purposes of Section 5, Employer and Employee Contributions for a Participant who postpones retirement beyond his or her Normal Retirement Date shall not be discontinued because of attainment of any age.

6. Compensation

The Compensation on which Employer Contributions and Employee Contributions to this Plan are based shall be the Participant's **Full Salary** or **Base Salary** as limited under Paragraph 2.8 of the Plan.

Under both Full and Base Salary, only amounts that are actually paid to the Participant during periods while eligible to participate within the Calendar Year shall be taken into account.

A. Employer Contributions (only **one** applies):

a. ☐ Full Salary
b. ☒ Base Salary
c. ☐ No Employer Contributions

B. Employee Elective Contributions and/or Roth Elective Contributions (only **one** applies):

a. ☐ Full Salary
b. ☒ Base Salary

C. After-tax Voluntary Employee Contributions (only **one** applies):

a. ☐ Full Salary
b. ☒ Base Salary
c. ☐ No Voluntary Employee Contributions

7. Contributions (one or more options may apply):

A. Safe Harbor Provision

☐ The Participating System has adopted the Safe Harbor provision (only **one** matching formula applies):

a. ☐ Employer Base Contribution Formula: _____% (at least 3%).

b. ☐ Basic Employer Matching Contribution Formula.

i. The Participating System shall contribute to each Participant's account an Employer Matching Contribution equal to 100% of Employee Elective Contributions of 0% to 3% of the Participant's Compensation; **and**

ii. The Participating System shall contribute to each Participant's account an Employer Matching Contribution equal to 50% of Employee Elective Contributions in excess of 3% and no greater than 5% of the Participant's Compensation.

c. ☐ Enhanced Employer Matching Contribution Formula.

i. The Participating System shall contribute to each Participant's account an Employer Matching Contribution equal to _____% of Employee Elective Contributions from 0% to _____% (cannot exceed 6%) of the Participant's Compensation; **and** if applicable

ii. The Participating System shall contribute to each Participant's account an Employer Matching Contribution equal to _____% of Employee Elective Contributions from _____% to _____% (cannot exceed 6% total for i and ii) of the Participant's Compensation.

B. Employer Base Contribution

a. ☒ The Participating System shall contribute to each Participant's account an Employer Base Contribution equal to 1.5% of the Participant's Compensation.

b. ☐ The Participating System shall contribute to each Participant's account an Employer Base Contribution equal to ____% of the Participant's Compensation. A Participant shall be required to contribute an Employee Elective Contribution equal to ____% of his or her Compensation in order to receive the Employer Base Contribution.

C. Employer Matching Contribution

a. ☐ The Participating System shall contribute to each Participant's account an Employer Matching Contribution equal to ____% (up to 500%) of Employee Elective Contributions from ____% to ___% of the Participant's Compensation.

b. ☐ In addition to the Employer Contribution(s) specified in B.b. and C.a., the Participating System shall further contribute to each Participant's account an Employer Contribution equal to _____% (up to 500%) of Employee Elective Contributions from ____% to ______% of the Participant's Compensation **above** the Employee Elective Contributions in B.b. and C.a.

c. ☐ The Participating System shall contribute to each Participant's account an Employer Matching Contribution equal to ____% (up to 500%) of Employee Elective Contributions from ____ % to ____ % of the Participant's Compensation, in an amount:

i. ☐ not more than $______
ii. ☐ not less than $______

D. ☐ Other – See Addendum

E. ☐ Enhanced Employer Contribution

The Participating System shall contribute to each participant's account an Employer Contribution equal to a percentage of Employee Elective Contributions up to___ of the Participant's Compensation. The Contribution is ______

F. ☐ There shall be **no** Employer Base Contribution or Employer Matching Contribution.

G. Voluntary Employee Contributions (only **one** applies):

a. ☒ A Participant may elect to make after-tax Voluntary Employee Contributions (VEC) to his or her account, subject to the limitations and conditions provided in Sections 6 and 8 of the Plan. A Participant's VECs are not eligible for any Employer Base or Employer Matching Contributions specified above.

b. ☐ There shall be no VEC.

8. Participant Loans (only **one** applies)

a. ☒ Participant loans are allowed, subject to the terms and conditions of the loan provisions in Section 15 of the Plan. A Participant may have a maximum of ☐ one, ☐ two, ☐ three, ☒ four loans.

b. ☐ The Participating System elects **not** to allow Participant loans.

9. In-Service Withdrawals

a. ☐ In-service Withdrawals following Normal Retirement Date (NRD) and age 59½: Withdrawals upon attainment of the later of age 59½ or a Participant's NRD (as defined in Paragraph 13.1 of the Plan) shall be available to a Participant prior to retirement or other termination of employment.

b. ☒ In-service Withdrawals upon Financial Hardship of the Participant: Withdrawal upon financial hardship (as defined in Paragraph 14.17 of the Plan) shall be available to a Participant prior to actual retirement or other termination of employment.

c. ☐ There shall be **no** In-service Withdrawals.

10. Contributions During Short-term Disability

A Participant who is receiving Compensation from a Participating System and making any Required Employee Contributions shall receive Employer Contributions (as provided in Paragraph 6.8 of the Plan) for the period elected by the Participating System only from the onset of the disability period. Notwithstanding this, a Participant who is receiving

Compensation from a Participating System may continue to make Employee Elective Contributions and Required Employee Contributions until the Participant begins to receive payments due to disability. The number of weeks in this election must not be greater than the Participating System's Long-term Disability elimination period (only **one** applies):

a. ☒ For 13 weeks
b. ☐ For 26 weeks
c. ☐ For ____ weeks (from 1 to 25)
d. ☐ No Employer Contributions

11. Investment of Contributions

The Participant shall designate the Investment Fund or Funds in which Employee Contributions and Employer Contributions allocated to the Participant shall be invested. Employee Contributions and Employer Contributions, if any, shall be invested in the same Investment Fund or Funds and in the same proportions. Participants shall be permitted to invest the contributions on a daily basis only by telephone or internet notice to the I&FS Committee or its authorized agent in accordance with procedures established by the I&FS Committee. The Investment Funds are described in the Participant Fees Annual Disclosure Notice provided to Participants upon enrollment and once a year thereafter.

SELF-DIRECTED BROKERAGE ACCOUNT

☐ The Self-Directed Brokerage Account is an additional investment option in the Plan, specifically acting as a discount brokerage account within the Plan. All investments are made upon the direction of the Participant at the Participant's risk. Securities purchased through the Self-Directed Brokerage Account, including mutual funds, are not bank deposits and are not insured by the FDIC or guaranteed by the Self-Directed Brokerage Account Trustee. Upon adopting the Self-Directed Brokerage Account, a Participant must be permitted to invest contributions on a daily basis by telephone or internet notice to the I&FS Committee or its authorized agent in accordance with procedures established by the I&FS Committee.

12. Non-Discrimination Testing Elections

A. Top Paid Group

Highly Compensated Employees are defined in Paragraph 2.14 of the Plan. If the Participating System has multiple Highly Compensated Employees, the Participating System may limit the number of employees considered to be Highly Compensated Employees to those employees in the top paid group. This group consists of the top 20% of the Participating System's and its Affiliate's Employees, when ranked on the basis of compensation for the preceding Calendar Year.

☐ Elect Top Paid Group

B. Prior/Current Year Election

Code sections 401(k) and 401(m) plan testing may be performed using either prior year or current year data. A prior year election may be changed to a current year election for any Calendar Year. However, once elected, a current year election must remain in effect for five Calendar Years (except under certain circumstances). Only **one** applies.

a. ☒ Prior Year
b. ☐ Current Year

13. Top-Heavy Adjustment

If the Participating System's Plan is determined to be top-heavy due to the required aggregation of multiple plans, Section 416 of the Code and Section 22 of the Plan will apply.

14. Limitations on Annual Additions

If the Participating System maintains one or more qualified defined contribution plans in addition to this Plan, Annual Additions that may be credited to any Participant's account under this Plan for any Limitation Year shall be limited in accordance with Section 11 of the Plan.

15. Hold Harmless, Limitation on Liability, and Indemnification Obligation

This section applies **to all** Participating Systems in the Plan, including those Systems that participated in another Internal Revenue Code (Code) Section 401(a) qualified plan (the Prior Plan) and assets and liabilities of the Prior Plan are transferred to the Plan pursuant to the merger of the Prior Plan into the Plan.

Upon the effective date of the merger or renewal, the Participating System agrees to: (1) comply with all federal and state laws applicable to the Plan, including but not limited to the Employee Retirement Income Security Act of 1974 (ERISA) and the Code, as determined by NRECA in its sole discretion; and (2) indemnify, defend, and hold NRECA and its affiliates, and their officers, directors, and employees, the Plan, and fiduciaries of the Plan, including but not limited to the I&FS Committee (each, an "Indemnitee" and collectively, the "Indemnitees") harmless from and against any and all judgments, demands, liabilities, fines, penalties, losses, claims, damages or expenses, (collectively "Claims") including all attorneys' fees, costs and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from any Indemnitee by reason of any Claim arising out of or relating to any act, error, or omission or misconduct of the Participating System, its officers, directors, agents, employees, or contractors, during the performance of this Adoption Agreement, including without limitation, Claims arising out of or relating to: (a) correcting any disqualifying defect or practice; (b) violations of the Code prior to a merger as a separate plan, as a result of the merger into the Plan, and following the merger as a Participating System; (c) violations of ERISA; (d) a violation of applicable federal, state, local, or other laws applicable to the Participating System in the jurisdiction (or jurisdictions) in which the System is situated or headquartered; or (e) breaches of any obligations under this Adoption Agreement. The Participating System shall be financially responsible for any funding requirement, Plan qualification defect, benefit deficiency, benefit cost, or related charges relating to the Plan, including making any employer contributions necessary to ensure satisfaction of the funding requirements of ERISA, the Code, and the Plan.

To the extent not prohibited by applicable law, including but not limited to ERISA, and notwithstanding any provision of this Adoption Agreement or the Plan document applicable thereto, in no event shall Indemnitees be liable for any indirect, incidental, consequential, special, punitive, exemplary, or enhanced damages of any kind or nature whatsoever (including loss of profit, goodwill, reputation, business opportunity or anticipated savings, or losses arising from any special circumstance of the Plan or any other person) arising under the terms of the Plan or Adoption Agreement or under law or otherwise in connection with, or in any way related to, this Adoption Agreement or the subject matter hereof (including the provision of the services, and the performance, non-performance, or breach of any obligation or duty) whether or not Indemnitees have been advised of, or otherwise might or should have anticipated the possibility or likelihood of such damages.

This Hold Harmless, Limitation on Liability, and Indemnification section shall continue in full force and effect without regard to changes or modifications by the Participating System to its Adoption Agreement in the Plan and without regard to the Participating System's termination of participation in the Plan. This Agreement shall inure to the benefit of the Indemnitees and their respective assignees. This Adoption Agreement incorporates any Merger Agreement or other arrangement between the Plan and the Participating System.

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia and the federal laws of the United States of America. The parties hereby consent and submit to the jurisdiction and forum of the federal courts in the Commonwealth of Virginia in all questions and controversies arising out of this Agreement. This Section shall supersede prior versions of the Adoption Agreement and shall survive the expiration or termination of this Adoption Agreement.

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16. Signatures

IN WITNESS WHEREOF, the Participating System, by its duly authorized officers, has caused this Agreement to be executed as of the date below.

HARDWICK ELECTRIC DEPARTMENT
(Name of Participating System)

By: ______________________
(Signature of Authorized Officer)

Chair Commissioner
(Title of Officer)

Date: 8/19/25

NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

By: Carole R Barnes

Date: 9/11/2025

RESOLUTION
AUTHORIZING THE AMENDMENT OF THE
401(k) PENSION PLAN
Adoption Agreement "A"
RUS#: 46190-001, 46190-002

WHEREAS, Hardwick Electric Department is participating in the 401(k) Pension Plan (the "401(k) Plan"), and;

WHEREAS, The Board of Commissioners of Hardwick Electric Department ("the Board") now desires to amend these plans pursuant to Section 18.2 of the 401(k) Plan pension documents, and does hereby authorize the amendment effective October 1, 2025, by executing the appropriate Adoption Agreements;

BE IT RESOLVED, that the amendment to the 401(k) Plan for 46190-001 is as follows:

The eligible and excluded classifications of Employees shall be amended to reflect the following:

- Eligible Employees are Employees with eighteen (18) or more continuous years of service with Hardwick Electric Department as of July 1, 2025.
- Excluded Employees are Employees with less than eighteen (18) continuous years of service with Hardwick Electric Department as of July 1, 2025.

BE IT FURTHER RESOLVED that effective October 1, 2025, a new 401(k) plan is established as subgroup 46190-002 and it shall mirror the 401(k) Plan provisions of 46190-001 in effect through September 30, 2025, except as follows:

- Eligible Employees are Employees with less than eighteen (18) continuous years of service with Hardwick Electric Department as of July 1, 2025.
- Eligible Employees are Employees hired, rehired, or transferred to Hardwick Electric Department on or after October 1, 2025.
- Excluded Employees are Employees eighteen (18) or more continuous years of service with Hardwick Electric Department as of July 1, 2025.
- <u>ER Base</u>
  The Employer Base Contribution shall be equal to 2% of a Participant's Base Salary. The Participant is not required to make a contribution in order to receive the Employer Base Contribution.

BE IT FURTHER RESOLVED, that the Board does hereby authorize and direct the General Manager to execute all necessary documents and to take any and all further actions necessary to carry out the intentions of the Board as indicated in this resolution.

CERTIFICATE OF CHAIRPERSON

I, Michael Ambrosino, certify that I am the Chairperson of the Hardwick Electric Department Board of Commissioners and that the above is a true excerpt from the minutes of a regular board meeting of the Board of Commissioners of Hardwick Electric Department, held on the 19th day of August 2025 at which a quorum was present and that the above portion of the minutes has not been modified nor rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of Hardwick Electric Department this 19th day of August 2025.

(Seal)

(Signature of the Chair)

RUS NO. 46190-002
Plan No. 002
E.I.N. 036000500

National Rural Electric Cooperative Association
Adoption Agreement "A"
401(k) Pension Plan
For Use Only by Rural Electric Cooperatives

HARDWICK ELECTRIC DEPARTMENT (hereinafter referred to as the Participating System) hereby adopts for its Employees the 401(k) Pension Plan (Plan) and the Trust under which it is administered, sponsored by the National Rural Electric Cooperative Association (NRECA), effective the first day of July, 1988, and amended effective the first day of October, 2025. The Participating System is bound by all terms and conditions included herein, which are construed in accordance with the Plan and any amendments thereto. The Participating System adopts the following elective Plan provisions:

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A. Employer Contributions

An Employee shall become a Participant in the Plan on the first day of the month coincident with or next following (only **one** applies):

a. ☒ The date on which the Employee completes ___ one/ ___ three/ X six Full Month(s) of Employment or, if earlier, a Year of Eligibility Service.

b. ☐ The date on which the Employee completes a Year of Eligibility Service.

c. ☐ The date on which the Employee completes ___ one/___ three/ ___ six Full Month(s) of Employment or, if earlier, a Year of Eligibility Service and attains age 21.

d. ☐ The date on which the Employee completes a Year of Eligibility Service and attains age 21.

e. ☐ No Employer Contributions.

B. Employee Contributions

An Employee shall become a Participant in the Plan on the first day of the month coincident with or next following (only **one** applies):

a. ☒ The date on which the Employee completes ___ one/___ three / X six Full Month(s) of Employment or, if earlier, a Year of Eligibility Service.

b. ☐ The date on which the Employee completes a Year of Eligibility Service.

c. ☐ The date on which the Employee completes ___ one/___ three /___ six Full Month(s) of Employment or, if earlier, a Year of Eligibility Service, and attains age 21.

d. ☐ The date on which the Employee completes a Year of Eligibility Service and attains age 21.

For purposes of Sections A. and B., an Employee completes the Full Month of Employment requirement when he or she works 84 hours in each month during a one, three or six full calendar month(s) period, as elected, **which do not need to be consecutive**. An Employee completes a Year of Eligibility Service when he or she works 1,000 hours for a Participating System or a related Employer (as defined in Paragraph 5.4 of the Plan) during the first 12 months of employment (or subsequent Calendar Year).

For purposes of Section B., a Long-term Part-time Employee (as defined under the SECURE Act of 2019) who works 500 or more (but less than 1,000) hours for a Participating System in each of three consecutive years that begin on or after January 1, 2021, becomes a Participant in the Plan on the first of the year coincident with or next following the date on which the Employee completes such years of service. Long-term Part-time Employees who become eligible to participate under this provision are not eligible for Employer Contributions.

An Employee who was a Participant in the Plan upon termination of employment shall become a Participant on the date of his or her reemployment with the same or another Participating System adopting the Plan if the employee meets the Eligibility Requirements and is part of an Eligible Class of Employees as defined by the same or subsequent Participating System's Plan Adoption Agreement.

2. Eligible Class of Employees

The provisions of the Plan and the Adoption Agreement are applicable to the following class of Employees of the Participating System (only **one** applies):

a. ☐ All Employees of the Participating System.

b. ☐ Employees of the Participating System covered by an agreement which is the subject of good faith bargaining between the Participating System and _____ Union which makes the Plan and any amendments thereto available to such Employees.

c. ☐ Employees of the Participating System not covered by a collective bargaining agreement.

d. ☒ Other:

• Employees with less than eighteen (18) continuous years of service with Hardwick Electric Department as of July 1, 2025.
• Employees hired, rehired, or transferred to Hardwick Electric Department on or after October 1, 2025.

An Employee who transfers from the class of Employees specified above to another class of Employees within the Participating System shall, as of the date of transfer, become subject to the provisions of the Adoption Agreement applicable to such other class.

3. Excluded Class of Employees

Employees of the Participating System described in the following classification(s) shall **not** be eligible to participate in the Plan (**one or more** options may apply):

a. ☐ Part-time, Temporary, Seasonal Employees who have not completed a Year of Eligibility Service (permitted only if option a. or c. under Section 1.A. or 1.B. is elected).

b. ☐ Part-time, Temporary, Seasonal Employees who have not completed a Year of Eligibility Service and attained age 21 (permitted only if option a. or c. under Section 1.A. or 1.B. is elected).

c. ☒ Other job classifications. The excluded classifications must be clearly defined and should not be based on age or length of service.

• Employees with eighteen (18) or more continuous years of service with Hardwick Electric Department as of July 1, 2025.

d. ☐ Highly Compensated Employees are excluded from receiving the following contributions (**one** or **both** options may apply):

i. ☐ Employer Base contributions
ii. ☐ Employer Matching contributions

For purposes of 3.a. and 3.b. (pursuant to the SECURE Act of 2019), Long-term Part-time Employees who work 500 hours in three consecutive years but who are otherwise excluded from participation may become eligible to make Employee contributions pursuant to Section 1.B. Long-term Part-time Employees who become eligible to participate under this provision are not eligible for Employer Contributions.

4. Years of Eligibility Service Relating to a Merger, Consolidation or Acquisition

If Paragraph 5.4(e) of the Plan **applies**, an Employee

a. ☐ Shall
b. ☐ Shall **Not**

receive credit for any period the Employee is employed by any entity merged, consolidated or liquidated into a System or any entity, substantially all of the assets of which have been acquired by a System, or which is otherwise considered a predecessor employer under Section 414(a) of the Internal Revenue Code of 1986 (the Code).

5. Normal Retirement Date

Normal Retirement Date under the Plan shall be (only **one** applies):

a. ☒ Age 65: The first day of the month coincident with or next following a Participant's attainment of age 65.

b. ☐ Age 62: The first day of the month coincident with or next following a Participant's attainment of age 62.

c. ☐ Age 60: The first day of the month coincident with or next following a Participant's attainment of age 60.

d. ☐ 30-Year: The first day of the month coincident with or next following the earlier of Participant's attainment of age 62 or the completion of 30 years of service. In conjunction with this option, contributions will be discontinued on (only **one** applies):

i. ☐ All Employer and all Employee Contributions shall be discontinued on the last day of the month in which the Participant completes 30 years of service under this Plan.

ii. ☐ All Employer and all Employee Contributions shall be discontinued on the first day of the month in which a Participant's actual retirement date occurs.

iii. ☐ All Employee Contributions shall be discontinued on the last day of the month in which the Participant completes 30 years of service under this Plan.

iv. ☐ All Employee Contributions shall be discontinued on the first day of the month in which a Participant's actual retirement date occurs.

v. ☐ All Employer Contributions shall be discontinued on the last day of the month in which the Participant completes 30 years of service under this Plan. Under this option, all Employee Contributions may continue until the first day of the month in which a Participant's actual retirement date occurs.

For purposes of Section 5, Employer and Employee Contributions for a Participant who postpones retirement beyond his or her Normal Retirement Date shall not be discontinued because of attainment of any age.

6. Compensation

The Compensation on which Employer Contributions and Employee Contributions to this Plan are based shall be the Participant's **Full Salary** or **Base Salary** as limited under Paragraph 2.8 of the Plan.

Under both Full and Base Salary, only amounts that are actually paid to the Participant during periods while eligible to participate within the Calendar Year shall be taken into account.

A. Employer Contributions (only **one** applies):

a. ☐ Full Salary
b. ☒ Base Salary
c. ☐ No Employer Contributions

B. Employee Elective Contributions and/or Roth Elective Contributions (only **one** applies):

a. ☐ Full Salary
b. ☒ Base Salary

C. After-tax Voluntary Employee Contributions (only **one** applies):

a. ☐ Full Salary
b. ☒ Base Salary
c. ☐ No Voluntary Employee Contributions

7. Contributions (one or more options may apply):

A. Safe Harbor Provision

☐ The Participating System has adopted the Safe Harbor provision (only **one** matching formula applies):

a. ☐ Employer Base Contribution Formula: _____% (at least 3%).

b. ☐ Basic Employer Matching Contribution Formula.

i. The Participating System shall contribute to each Participant's account an Employer Matching Contribution equal to 100% of Employee Elective Contributions of 0% to 3% of the Participant's Compensation; **and**

ii. The Participating System shall contribute to each Participant's account an Employer Matching Contribution equal to 50% of Employee Elective Contributions in excess of 3% and no greater than 5% of the Participant's Compensation.

c. ☐ Enhanced Employer Matching Contribution Formula.

i. The Participating System shall contribute to each Participant's account an Employer Matching Contribution equal to _____% of Employee Elective Contributions from 0% to _____% (cannot exceed 6%) of the Participant's Compensation; **and** if applicable

ii. The Participating System shall contribute to each Participant's account an Employer Matching Contribution equal to _____% of Employee Elective Contributions from _____% to _____% (cannot exceed 6% total for i and ii) of the Participant's Compensation.

B. Employer Base Contribution

a. ☒ The Participating System shall contribute to each Participant's account an Employer Base Contribution equal to 2.0% of the Participant's Compensation.

b. ☐ The Participating System shall contribute to each Participant's account an Employer Base Contribution equal to ____% of the Participant's Compensation. A Participant shall be required to contribute an Employee Elective Contribution equal to ____% of his or her Compensation in order to receive the Employer Base Contribution.

C. Employer Matching Contribution

a. ☐ The Participating System shall contribute to each Participant's account an Employer Matching Contribution equal to ____% (up to 500%) of Employee Elective Contributions from ____% to __% of the Participant's Compensation.

b. ☐ In addition to the Employer Contribution(s) specified in B.b. and C.a., the Participating System shall further contribute to each Participant's account an Employer Contribution equal to _____% (up to 500%) of Employee Elective Contributions from ____% to ______% of the Participant's Compensation **above** the Employee Elective Contributions in B.b. and C.a.

c. ☐ The Participating System shall contribute to each Participant's account an Employer Matching Contribution equal to ____% (up to 500%) of Employee Elective Contributions from ____ % to ____ % of the Participant's Compensation, in an amount:

i. ☐ not more than $______
ii. ☐ not less than $______

D. ☐ Other – See Addendum

E. ☐ Enhanced Employer Contribution

The Participating System shall contribute to each participant's account an Employer Contribution equal to a percentage of Employee Elective Contributions up to___ of the Participant's Compensation. The Contribution is _______

F. ☐ There shall be **no** Employer Base Contribution or Employer Matching Contribution.

G. Voluntary Employee Contributions (only **one** applies):

a. ☒ A Participant may elect to make after-tax Voluntary Employee Contributions (VEC) to his or her account, subject to the limitations and conditions provided in Sections 6 and 8 of the Plan. A Participant's VECs are not eligible for any Employer Base or Employer Matching Contributions specified above.

b. ☐ There shall be no VEC.

8. Participant Loans (only **one** applies)

a. ☒ Participant loans are allowed, subject to the terms and conditions of the loan provisions in Section 15 of the Plan. A Participant may have a maximum of ☐ one, ☐ two, ☐ three, ☒ four loans.

b. ☐ The Participating System elects **not** to allow Participant loans.

9. In-Service Withdrawals

a. ☐ In-service Withdrawals following Normal Retirement Date (NRD) and age 59½: Withdrawals upon attainment of the later of age 59½ or a Participant's NRD (as defined in Paragraph 13.1 of the Plan) shall be available to a Participant prior to retirement or other termination of employment.

b. ☒ In-service Withdrawals upon Financial Hardship of the Participant: Withdrawal upon financial hardship (as defined in Paragraph 14.17 of the Plan) shall be available to a Participant prior to actual retirement or other termination of employment.

c. ☐ There shall be **no** In-service Withdrawals.

10. Contributions During Short-term Disability

A Participant who is receiving Compensation from a Participating System and making any Required Employee Contributions shall receive Employer Contributions (as provided in Paragraph 6.8 of the Plan) for the period elected by the Participating System only from the onset of the disability period. Notwithstanding this, a Participant who is receiving

Compensation from a Participating System may continue to make Employee Elective Contributions and Required Employee Contributions until the Participant begins to receive payments due to disability. The number of weeks in this election must not be greater than the Participating System's Long-term Disability elimination period (only **one** applies):

a. ☒ For 13 weeks
b. ☐ For 26 weeks
c. ☐ For ____ weeks (from 1 to 25)
d. ☐ No Employer Contributions

11. Investment of Contributions

The Participant shall designate the Investment Fund or Funds in which Employee Contributions and Employer Contributions allocated to the Participant shall be invested. Employee Contributions and Employer Contributions, if any, shall be invested in the same Investment Fund or Funds and in the same proportions. Participants shall be permitted to invest the contributions on a daily basis only by telephone or internet notice to the I&FS Committee or its authorized agent in accordance with procedures established by the I&FS Committee. The Investment Funds are described in the Participant Fees Annual Disclosure Notice provided to Participants upon enrollment and once a year thereafter.

SELF-DIRECTED BROKERAGE ACCOUNT

☐ The Self-Directed Brokerage Account is an additional investment option in the Plan, specifically acting as a discount brokerage account within the Plan. All investments are made upon the direction of the Participant at the Participant's risk. Securities purchased through the Self-Directed Brokerage Account, including mutual funds, are not bank deposits and are not insured by the FDIC or guaranteed by the Self-Directed Brokerage Account Trustee. Upon adopting the Self-Directed Brokerage Account, a Participant must be permitted to invest contributions on a daily basis by telephone or internet notice to the I&FS Committee or its authorized agent in accordance with procedures established by the I&FS Committee.

12. Non-Discrimination Testing Elections

A. Top Paid Group

Highly Compensated Employees are defined in Paragraph 2.14 of the Plan. If the Participating System has multiple Highly Compensated Employees, the Participating System may limit the number of employees considered to be Highly Compensated Employees to those employees in the top paid group. This group consists of the top 20% of the Participating System's and its Affiliate's Employees, when ranked on the basis of compensation for the preceding Calendar Year.

☐ Elect Top Paid Group

B. Prior/Current Year Election

Code sections 401(k) and 401(m) plan testing may be performed using either prior year or current year data. A prior year election may be changed to a current year election for any Calendar Year. However, once elected, a current year election must remain in effect for five Calendar Years (except under certain circumstances). Only **one** applies.

a. ☒ Prior Year
b. ☐ Current Year

13. Top-Heavy Adjustment

If the Participating System's Plan is determined to be top-heavy due to the required aggregation of multiple plans, Section 416 of the Code and Section 22 of the Plan will apply.

14. Limitations on Annual Additions

If the Participating System maintains one or more qualified defined contribution plans in addition to this Plan, Annual Additions that may be credited to any Participant's account under this Plan for any Limitation Year shall be limited in accordance with Section 11 of the Plan.

15. Hold Harmless, Limitation on Liability, and Indemnification Obligation

This section applies **to all** Participating Systems in the Plan, including those Systems that participated in another Internal Revenue Code (Code) Section 401(a) qualified plan (the Prior Plan) and assets and liabilities of the Prior Plan are transferred to the Plan pursuant to the merger of the Prior Plan into the Plan.

Upon the effective date of the merger or renewal, the Participating System agrees to: (1) comply with all federal and state laws applicable to the Plan, including but not limited to the Employee Retirement Income Security Act of 1974 (ERISA) and the Code, as determined by NRECA in its sole discretion; and (2) indemnify, defend, and hold NRECA and its affiliates, and their officers, directors, and employees, the Plan, and fiduciaries of the Plan, including but not limited to the I&FS Committee (each, an "Indemnitee" and collectively, the "Indemnitees") harmless from and against any and all judgments, demands, liabilities, fines, penalties, losses, claims, damages or expenses, (collectively "Claims") including all attorneys' fees, costs and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from any Indemnitee by reason of any Claim arising out of or relating to any act, error, or omission or misconduct of the Participating System, its officers, directors, agents, employees, or contractors, during the performance of this Adoption Agreement, including without limitation, Claims arising out of or relating to: (a) correcting any disqualifying defect or practice; (b) violations of the Code prior to a merger as a separate plan, as a result of the merger into the Plan, and following the merger as a Participating System; (c) violations of ERISA; (d) a violation of applicable federal, state, local, or other laws applicable to the Participating System in the jurisdiction (or jurisdictions) in which the System is situated or headquartered; or (e) breaches of any obligations under this Adoption Agreement. The Participating System shall be financially responsible for any funding requirement, Plan qualification defect, benefit deficiency, benefit cost, or related charges relating to the Plan, including making any employer contributions necessary to ensure satisfaction of the funding requirements of ERISA, the Code, and the Plan.

To the extent not prohibited by applicable law, including but not limited to ERISA, and notwithstanding any provision of this Adoption Agreement or the Plan document applicable thereto, in no event shall Indemnitees be liable for any indirect, incidental, consequential, special, punitive, exemplary, or enhanced damages of any kind or nature whatsoever (including loss of profit, goodwill, reputation, business opportunity or anticipated savings, or losses arising from any special circumstance of the Plan or any other person) arising under the terms of the Plan or Adoption Agreement or under law or otherwise in connection with, or in any way related to, this Adoption Agreement or the subject matter hereof (including the provision of the services, and the performance, non-performance, or breach of any obligation or duty) whether or not Indemnitees have been advised of, or otherwise might or should have anticipated the possibility or likelihood of such damages.

This Hold Harmless, Limitation on Liability, and Indemnification section shall continue in full force and effect without regard to changes or modifications by the Participating System to its Adoption Agreement in the Plan and without regard to the Participating System's termination of participation in the Plan. This Agreement shall inure to the benefit of the Indemnitees and their respective assignees. This Adoption Agreement incorporates any Merger Agreement or other arrangement between the Plan and the Participating System.

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia and the federal laws of the United States of America. The parties hereby consent and submit to the jurisdiction and forum of the federal courts in the Commonwealth of Virginia in all questions and controversies arising out of this Agreement. This Section shall supersede prior versions of the Adoption Agreement and shall survive the expiration or termination of this Adoption Agreement.

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16. Signatures

IN WITNESS WHEREOF, the Participating System, by its duly authorized officers, has caused this Agreement to be executed as of the date below.

HARDWICK ELECTRIC DEPARTMENT
(Name of Participating System)

By: ______________________
(Signature of Authorized Officer)

CHAIR COMMISSIONER
(Title of Officer)

Date: 8/19/25

NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

By: Carol B Barnes

Date: 9/11/2025