

## SMITTY'S SUPPLY, INC. 401(K) PLAN

### ANNUAL NOTICE

#### **INTRODUCTION**

This Notice contains information related to the Smitty's Supply, Inc. 401(k) Plan (the "Plan") for the plan year beginning on 01/01/2023. The plan year is each 12-month period ending on 12/31.

The safe harbor and qualified default investment alternative (QDIA) features apply to the Plan. This Notice gives you important information about these Plan features and how they will affect you. For further information about the Plan, please see your copy of the Plan's Summary Plan Description (SPD). If you need a copy of the SPD, would like a copy of other Plan documents, or if you have any further questions on the information contained in this Notice, please contact the Plan Administrator at:

Smitty's Supply, Inc.

Address: 63399 Highway 51 North, Roseland, Louisiana 70456

Phone number: 985-748-9687

Email: jayecollura@smittysinc.net

#### **ELECTIVE DEFERRALS**

Your elective deferrals are amounts that you choose to (or are assumed to have chosen to) have withheld from your paycheck and contributed to the Plan in your name. Please see the section of your SPD titled "Eligibility" to determine if you are eligible to make elective deferrals and "Compensation" for the definition of compensation you may defer into the Plan.

#### **How do I make or change my deferral election?**

You may make or change your deferral election by returning a deferral election form to the Plan Administrator.

#### **Once I make a deferral election, how often can I change, stop, or re-start the election?**

You may change or re-start your deferral election once a quarter. You may stop your deferrals at any time.

#### **If I make a deferral election is the amount withheld from my paychecks taxed?**

You will have the option to decide if the amount you elect to defer into the Plan is taxed or not. If you choose to have your elective deferrals go into the Plan as pre-tax elective deferrals, you will not be taxed until you take the money out of the Plan. If you choose to have your elective deferrals go into the Plan as Roth elective deferrals, you will be taxed on

that money when it is taken out of your paycheck, but it will not be taxed again when you take it out of the Plan. The earnings on those Roth elective deferrals may be taken out tax-free if certain conditions are met. Please see the SPD for more information on Roth elective deferrals.

### **Are there any limits to how much I can defer into the Plan?**

Your elective deferrals are subject to the following limits:

- Your total amount of deferrals cannot be more than \$20,500 (for 2022).
- If you are age 50 or over, you may defer an additional amount, called a "catch-up contribution," of up to \$6,500 (for 2022).

The Plan Administrator may establish additional rules you will need to follow when making your deferral election. Your deferral election is only effective for compensation you have not received yet. The Plan Administrator may also reduce or totally suspend your election if they determine that your election may cause the Plan to fail to satisfy any of the requirements of the Internal Revenue Code.

## **SAFE HARBOR CONTRIBUTIONS**

The Plan Administrator intends the Plan to be a safe harbor plan. In a safe harbor plan, if certain requirements are met, the Plan will be deemed to automatically pass certain IRS required non-discrimination testing (ADP, ACP, and top-heavy). One of these requirements is a minimum level of employer contributions referred to as "safe harbor contributions". Please see the section of your SPD titled "Compensation" for the definition of compensation used to determine safe harbor contributions. The Plan may be amended during the plan year to reduce or suspend the safe harbor contributions. The reduction or suspension will not apply until at least 30 days after you are provided notice of the reduction or suspension.

### **Am I eligible to receive safe harbor contributions?**

Once you meet the eligibility requirements below, you will be eligible to receive safe harbor contributions unless you fall into one of the following categories:

- You are an employee covered by a collective bargaining agreement where retirement benefits were the subject of good faith bargaining.
- You are a leased employee.
- You are a non-resident alien with no U.S. sourced income.
- You are: Employees hired through work release program..

### **What eligibility requirements do I have to meet to receive safe harbor contributions?**

You will be eligible to receive safe harbor contributions on the first day of each plan quarter coincident with or next following the day you meet the following requirement(s):

- You attain age 21.
- You complete 1000 hours of service in a 12-month period.

**Will safe harbor contributions be made to my account under the Plan?**

Yes, as long as you are eligible to receive safe harbor contributions, a safe harbor matching contribution will be made to your account according to the following formula:

- 100% of your deferrals up to 3% of your compensation; plus
- 50% of your deferrals over 3% but that do not exceed 5% of your compensation.

**Will any safe harbor contributions I receive offset other possible employer contributions under the Plan?**

Yes, the safe harbor contributions you receive will offset other employer contributions you may receive under the Plan.

**Will any additional contributions be made to my account under the Plan?**

Additional contributions may be made to your account under the Plan. Please see the section of your SPD titled "Contributions" for information on any further contributions.

**VESTING**

Vesting refers to the amount of money you have in the Plan that you have a non-forfeitable right to receive. You may be required to work a certain amount of time to earn certain contributions to the Plan. Please see your SPD section titled "Vesting" for more information about vesting and how it is calculated.

**Do I need to work a certain amount of time to keep my elective deferrals and safe harbor matching contributions?**

No, you will always be immediately 100% vested in your elective deferrals and safe harbor matching contributions.

**Do I need to work a certain amount of time to keep my matching contributions and non-elective contributions?**

Yes, your matching contributions and non-elective contributions will vest as specified below:

- Less than two years of vesting service - 0%
- Two years but less than three years of vesting service - 20%
- Three years but less than four years of vesting service - 40%
- Four years but less than five years of vesting service - 60%
- Five years but less than six years of vesting service - 80%
- Six or more years of vesting service - 100%

## **DISTRIBUTIONS**

### **Can I take a distribution of my account balance after my employment terminates?**

Yes, you can take a distribution of your account balance immediately after your employment terminates.

### **Can I take a distribution of my account balance when I reach age 59 1/2?**

Yes, you can take a distribution of the following fully vested accounts when you reach age 59 1/2:

- elective deferrals
- Roth elective deferrals
- rollover contributions
- transfer contributions

### **Can I take a distribution of my account balance while still working when I have participated in the Plan for 5 years?**

Yes, you can take a distribution of your fully vested non-elective contribution and matching contribution account balances when you have participated in the Plan for 5 years.

### **Can I take a distribution of my account balance while still working at any time?**

Yes, you can take a distribution of your rollover contribution account balances at any time.

### **Can I take a distribution of my account balance while still working if I incur a hardship?**

Yes, you can take a hardship distribution of the following fully vested account balances while still working if you incur a hardship:

- elective deferrals
- matching contributions
- non-elective contributions
- Roth elective deferrals

### **Can I take a loan from the plan?**

Yes, you may be able to take a loan secured by your assets in the plan.

Please see the SPD section titled "Distributions" for further information on your distribution options.

## **PLAN INVESTMENTS**

**Can I direct how my account balances will be invested?**

Yes, you can direct how your entire account balance will be invested from among the different investments offered under the Plan.

You may make or change your investment elections by returning an investment election form to the Plan Administrator.

**How often can I change my investment election?**

Subject to any additional restrictions placed on investment timing by the actual investment, you may change your investment elections daily.

**How will my account balances be invested if I do not make an investment election?**

The Plan's default investments are intended to meet the requirements to be a qualified default investment alternative (QDIA).

Default Investment Information

TIAA-CREF Lifecycle Index Target Date Funds

Right to Self-Direct

There are no additional fees and expenses.

Additional Information

Via the Transamerica website at TA-Retirement.com or the participant 800 number at 1-800-401-8726.

**Does the Plan have a financial advisor that I can contact for more information about Plan investments?**

Yes, you may contact the Plan's financial advisor at:

Name: Michael Miller

Address: 1131 N. Causeway Boulevard Suite 206, Mandeville, Louisiana 70471

Phone number: 205-244-8681

Fax: 205-383-4965

Email: [mmiller@financialguide.com](mailto:mmiller@financialguide.com)

**Smitty's Supply, Inc. 401(k) Plan ("Plan")**  
**IMPORTANT NOTICE TO PARTICIPANTS FOR THE 2023 PLAN YEAR**

**If I do not make an investment election, how will my contributions be invested?**

**Qualified Default Investment Alternative (QDIA):** The Plan Fiduciary has decided to include a Qualified Default Investment Alternative (QDIA) under the Plan. This decision will not change any investment elections you have already made. This notice will explain more about what this may mean to you.

**Your Right to Direct Investments:** Your Plan allows you to direct the investment of some or all of the contributions made on your behalf in a number of investment choices. If you fail to provide investment direction, your Plan's Fiduciary will invest Plan contributions in a QDIA established under the Plan. The Plan Fiduciary has chosen the TIAA-CREF Lifecycle Index - Instl Target Maturity Series issued by TIAA-CREF Mutual Funds as the QDIA for contributions made to your Plan account(s). Contributions invested in the QDIA are subject to gains or losses like other investment choices available under your Plan including losses near and following retirement, and there is no guarantee that the investment will provide adequate retirement income.

**Your Right to Transfer Out of the Default Alternative Without Penalty:** Subject to your Plan's distribution rules, you may withdraw defaulted contributions invested on your behalf by your Plan's Fiduciary in the QDIA. You may also make transfers from the QDIA to any other investment choice offered under the Plan on any business day without any penalties or fees, such as redemption or liquidation fees. However, the QDIA will be assessed an investment management fee and Contract Asset Charges, if applicable, and the Expense Ratio will be as noted below. In addition, Plan service fees may be charged on any withdrawal or distribution of your account balance from the QDIA.

**Consequences of Your Failure to Make an Investment Election:** When you fail to give investment direction after having been provided the opportunity to do so and the Plan's Fiduciary invests contributions on your behalf in the QDIA, you are considered to have exercised control over the investment of assets in your account(s). Neither the Trustees of your Plan nor your Employer or the Plan's Fiduciary will be liable to you for any loss that is the result of such investments.

**Description of the Default Alternative:** The TIAA-CREF Lifecycle Index - Instl Target Maturity Series allow participants to invest for retirement in one single step, into a fund that automatically adjusts to a more conservative allocation as retirement grows near. Default allocations are based on a projected retirement age of 65. If you have already turned 65, your contributions will be allocated to the most conservative fund available. A detailed description of the allocations by year of birth is listed next to each investment choice below:

If you were born:	Your applicable TIAA-CREF Lifecycle Index - Instl Fund is:
On or before 1948	TIAA-CREF Lifecycle Index 2010 Inst
01/01/1949 - 12/31/1953	TIAA-CREF Lifecycle Index 2015 Inst
01/01/1954 - 12/31/1958	TIAA-CREF Lifecycle Index 2020 Inst
01/01/1959 - 12/31/1963	TIAA-CREF Lifecycle Index 2025 Inst
01/01/1964 - 12/31/1968	TIAA-CREF Lifecycle Index 2030 Inst
01/01/1969 - 12/31/1973	TIAA-CREF Lifecycle Index 2035 Inst
01/01/1974 - 12/31/1978	TIAA-CREF Lifecycle Index 2040 Inst
01/01/1979 - 12/31/1983	TIAA-CREF Lifecycle Index 2045 Inst
01/01/1984 - 12/31/1988	TIAA-CREF Lifecycle Index 2050 Inst
01/01/1989 - 12/31/1993	TIAA-CREF Lifecycle Index 2055 Instl
01/01/1994 - 12/31/1998	TIAA-CREF Lifecycle Index 2060 Instl
1999 and later	TIAA-CREF Lifecycle Index 2065 Instl

For example: Find your birth year in the chart above. Your Plan's Fiduciary will invest contributions made on your behalf to the investment choice listed in the column immediately to the right of your birth year. As described in the table below, the investment strategy for the investment choice corresponding to your birth year will periodically adjust to become more conservative as you approach retirement age.

**Risk and Return Characteristics:**

The investment choice(s) listed invest in a combination of domestic and foreign stocks, bonds, U.S. treasuries and money market securities.

**Investment Risk:**

The values of stock change in response to general market and economic conditions and the circumstances of individual issuers. The values of bonds change in response to changes in economic conditions, interest rates and the creditworthiness of individual issues.

Name of Fund:	Investment Strategy:	Expense Ratio:
TIAA-CREF Lifecycle Index 2010 Inst	The investment seeks high total return over time through a combination of capital appreciation and income. The fund is a "fund of funds" that invests in Institutional Class shares of other funds of the Trust and potentially in other investment pools or investment products. It has a policy of investing at least 80% of its assets (net assets, plus the amount of any borrowings for investment purposes) in underlying funds that are managed to seek investment returns that track particular market indices. The managers expect to allocate approximately 45.00% of its assets to equity underlying funds and 55.00% of its assets to fixed-income underlying funds.	0.10
TIAA-CREF Lifecycle Index 2015 Inst	The investment seeks high total return over time through a combination of capital appreciation and income. The fund is a "fund of funds" that invests in Institutional Class shares of other funds of the Trust and potentially in other investment pools or investment products. It has a policy of investing at least 80% of its assets (net assets, plus the amount of any borrowings for investment purposes) in underlying funds that are managed to seek investment returns that track particular market indices. The managers expect to allocate approximately 50.00% of its assets to equity underlying funds and 50.00% of its assets to fixed-income underlying funds.	0.10
TIAA-CREF Lifecycle Index 2020 Inst	The investment seeks high total return over time through a combination of capital appreciation and income. The fund is a "fund of funds" that invests in Institutional Class shares of other funds of the Trust and potentially in other investment pools or investment products. It has a policy of investing at least 80% of its assets (net assets, plus the amount of any borrowings for investment purposes) in underlying funds that are managed to seek investment returns that track particular market indices. The managers expect to allocate approximately 58.00% of its assets to equity underlying funds and 42.00% of its assets to fixed-income underlying funds.	0.10
TIAA-CREF Lifecycle Index 2025 Inst	The investment seeks high total return over time through a combination of capital appreciation and income. The fund is a "fund of funds" that invests in Institutional Class shares of other funds of the Trust and potentially in other investment pools or investment products. It has a policy of investing at least 80% of its assets (net assets, plus the amount of any borrowings for investment purposes) in underlying funds that are managed to seek investment returns that track particular market indices. The managers expect to allocate approximately 66.00% of its assets to equity underlying funds and 34.00% of its assets to fixed-income underlying funds.	0.10
TIAA-CREF Lifecycle Index 2030 Inst	The investment seeks high total return over time through a combination of capital appreciation and income. The fund is a "fund of funds" that invests in Institutional Class shares of other funds of the Trust and potentially in other investment pools or investment products. It has a policy of investing at least 80% of its assets (net assets, plus the amount of any borrowings for investment purposes) in underlying funds that are managed to seek investment returns that track particular market indices. The managers expect to allocate approximately 74.00% of its assets to equity underlying funds and 26.00% of its assets to fixed-income underlying funds.	0.10

TIAA-CREF Lifecycle Index 2035 Inst	The investment seeks high total return over time through a combination of capital appreciation and income. The fund is a "fund of funds" that invests in Institutional Class shares of other funds of the Trust and potentially in other investment pools or investment products. It has a policy of investing at least 80% of its assets (net assets, plus the amount of any borrowings for investment purposes) in underlying funds that are managed to seek investment returns that track particular market indices. The managers expect to allocate approximately 82.00% of its assets to equity underlying funds and 18.00% of its assets to fixed-income underlying funds.	0.10
TIAA-CREF Lifecycle Index 2040 Inst	The investment seeks high total return over time through a combination of capital appreciation and income. The fund is a "fund of funds" that invests in Institutional Class shares of other funds of the Trust and potentially in other investment pools or investment products. It has a policy of investing at least 80% of its assets (net assets, plus the amount of any borrowings for investment purposes) in underlying funds that are managed to seek investment returns that track particular market indices. The managers expect to allocate approximately 90.00% of its assets to equity underlying funds and 10.00% of its assets to fixed-income underlying funds.	0.10
TIAA-CREF Lifecycle Index 2045 Inst	The investment seeks high total return over time through a combination of capital appreciation and income. The fund is a "fund of funds" that invests in Institutional Class shares of other funds of the Trust and potentially in other investment pools or investment products. It has a policy of investing at least 80% of its assets (net assets, plus the amount of any borrowings for investment purposes) in underlying funds that are managed to seek investment returns that track particular market indices. The managers expect to allocate approximately 90.00% of its assets to equity underlying funds and 10.00% of its assets to fixed-income underlying funds.	0.10
TIAA-CREF Lifecycle Index 2050 Inst	The investment seeks high total return over time through a combination of capital appreciation and income. The fund is a "fund of funds" that invests in Institutional Class shares of other funds of the Trust and potentially in other investment pools or investment products. It has a policy of investing at least 80% of its assets (net assets, plus the amount of any borrowings for investment purposes) in underlying funds that are managed to seek investment returns that track particular market indices. The managers expect to allocate approximately 90.00% of its assets to equity underlying funds and 10.00% of its assets to fixed-income underlying funds.	0.10
TIAA-CREF Lifecycle Index 2055 Instl	The investment seeks high total return over time through a combination of capital appreciation and income. The fund is a "fund of funds" that invests in Institutional Class shares of other funds of the Trust and potentially in other investment pools or investment products. It has a policy of investing at least 80% of its assets (net assets, plus the amount of any borrowings for investment purposes) in underlying funds that are managed to seek investment returns that track particular market indices. The managers expect to allocate approximately 90.00% of its assets to equity underlying funds and 10.00% of its assets to fixed-income underlying funds.	0.10
TIAA-CREF Lifecycle Index 2060 Instl	The investment seeks high total return over time through a combination of capital appreciation and income. The fund is a "fund of funds" that invests in Institutional Class shares of other funds of the Trust and potentially in other investment pools or investment products (collectively, the "underlying funds"). Its investment adviser, Teachers Advisors, Inc. ("Advisors"), expects to allocate approximately 90.00% of the fund's assets to equity underlying funds and 10.00% of the fund's assets to fixed-income underlying funds.	0.10



TIAA-CREF Lifecycle Index 2065 Instl	The investment seeks high total return over time through a combination of capital appreciation and income. The fund is a "fund of funds" that invests in Class W shares of other funds of the Trust and potentially in other investment pools or investment products. It has a policy of investing at least 80% of its assets (net assets, plus the amount of any borrowings for investment purposes) in underlying funds that are managed to seek investment returns that track particular market indices. Advisors currently expects to allocate approximately 94.75% of the fund's assets to equity underlying funds and 5.25% of its assets to fixed-income underlying funds.	0.10
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**How to Make an Affirmative Investment Election:** The investment fact sheet will provide you more information about the investment objectives, risk and return characteristics, and fees and expenses of the QDIA and the other investment choices available to you. To view the investment fact sheet, to make your own investment choices, or to move funds previously invested on your behalf, you may go online at [transamerica.com/portal/home](http://transamerica.com/portal/home), or call (877) 234-9293.

**HOW TO OBTAIN ADDITIONAL INFORMATION:**

If you need a copy of the SPD or have any additional questions, please contact Jaye Collura who may be reached at (985) 748-8214, 63415 Hwy 51 N, Roseland, LA 70456

Plan recordkeeping and administration services are provided by Transamerica Retirement Solutions LLC ("Transamerica" or "Transamerica Retirement Solutions"), which is headquartered in Cedar Rapids, IA. The investment choices are available through a contract issued by Transamerica Financial Life Insurance Company ("TFLIC"), TA-AP-2001-CONT, or Transamerica Life Insurance Company ("TLIC"), TGP-439-194, TGP-416-192/194, TGP-430-192/194, CNT-TALIAC 05-02, or CNT-TLIC 10-05. Transamerica is an affiliate of TFLIC and TLIC. TFLIC is not authorized and does not do business in the following jurisdictions: Guam, Puerto Rico, and the U.S. Virgin Islands. TLIC is not authorized in New York and does not do business in New York. Contract form and number may vary, and these investment choices may not be available in all jurisdictions. Fees and charges may apply. Certain limitations on the number of investment choices for your plan will still apply. For complete information, contact your Transamerica representative.

## **SUMMARY ANNUAL REPORT FOR SMITTY'S SUPPLY, INC. 401(K) PLAN**

This is a summary of the annual report for the Smitty's Supply, Inc. 401(k) Plan (Employer Identification Number 72-1000182, Plan Number 001) for the plan year 01/01/2021 through 12/31/2021. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

### **Basic Financial Statement**

Benefits under the plan are provided by insurance contracts and a trust fund. Plan expenses were \$1,136,399. These expenses included \$77,214 in administrative expenses and \$975,905 in benefits paid to participants and beneficiaries, and \$83,280 in other expenses. A total of 396 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was \$11,849,598 as of the end of the plan year, compared to \$10,356,705 as of the beginning of the plan year. During the plan year the plan experienced a change in its net assets of \$1,492,893. This change includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of \$2,629,292, including employer contributions of \$473,977, employee contributions of \$819,718, and earnings from investments of \$1,332,147.

### **Your Rights to Additional Information**

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An accountant's report.
2. Financial information and information on payments to service providers.
3. Assets held for investment.
4. Insurance information, including sales commissions paid by insurance carriers.

To obtain a copy of the full annual report, or any part thereof, write or call the office of HR Department, who is a representative of the plan administrator, at 63399 Highway 51 North, Roseland, LA 70456 and phone number, 985-748-9687. The charge to cover copying costs will be \$10.00 for the full annual report, or \$1.00 per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan: 63399 Highway 51 North, Roseland, LA 70456, and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

### **Paperwork Reduction Act Statement**

According to the Paperwork Reduction Act of 1995 (Pub. L. 104-13) (PRA), no persons are required to respond to a collection of information unless such collection displays a valid Office of Management and Budget (OMB) control number. The Department notes that a Federal agency cannot conduct or sponsor a collection of information unless it is approved by OMB under the PRA, and displays a currently valid OMB control number, and the public is not required to respond to a collection of information unless it displays a currently valid OMB control number. See 44 U.S.C. 3507. Also, notwithstanding any other provisions of law, no person shall be subject to penalty for failing to comply with a collection of information if the collection of information does not display a currently valid OMB control number. See 44 U.S.C. 3512.

The public reporting burden for this collection of information is estimated to average less than one minute per notice (approximately 3 hours and 11 minutes per plan). Interested parties are encouraged to send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Office of the Chief Information Officer, Attention: Departmental Clearance Officer, 200 Constitution Avenue, N.W., Room N-1301, Washington, DC 20210 or email [DOL\\_PRA\\_PUBLIC@dol.gov](mailto:DOL_PRA_PUBLIC@dol.gov) and reference the OMB Control Number 1210-0040.

OMB Control Number 1210-0040 (expires 07/31/2023)