

Banner Health Employees 401(k) Plan (“Plan”)

Summary of Material Modifications

Relating to the 1st and 2nd Amendments to the Plan

July 2017

This Summary of Material Modifications (“SMM”) is intended to notify you of recent changes to the Plan by Banner Health (“Banner”), as described below. Please file this notice with your copy of the Summary Plan Description (“SPD”) for the Plan.

Compensation Limit. Plan contributions are based on the specific definition of compensation set forth in the Plan. Effective January 1, 2017, Banner amended the Plan to clarify that the annual Internal Revenue Code limit on compensation (\$270,000 for 2017) shall be applied to the first compensation that a participant earns for a plan year, regardless of whether the participant is making deferral contributions to the Plan for a particular payroll.

Death Benefits during Military Service. The Plan provides special rules for participants during qualified military service, which is defined under Internal Revenue Code rules. Effective January 1, 2016, Banner amended the Plan to clarify that, for any participant who dies while performing qualified military service, such participant’s beneficiary may be entitled to additional benefits provided under the Plan, determined as if the participant had resumed employment and then terminated employment on account of death.

Other Important Information

The official documents for the Plan (i.e., the Plan documents, including any amendments) control the actual payment of benefits and administration of the Plan. This notice simply highlights recent changes to the Plan, but does not replace the official Plan documents. Capitalized terms that are not defined in this SMM have the same meaning as provided under the Plan or SPD. If there is any discrepancy between the SMM or the SPD and the official Plan documents, the terms of the official Plan documents will apply.

If you have any questions regarding this notice or other Plan documents, you may contact the Plan Administrator at 602-747-6309.

Banner Health Employees 401(k) Plan (“Plan”)

Summary of Material Modifications

Relating to the 3rd and 4th Amendment to the Plan

July 2018

This Summary of Materials Modifications (“SMM”) is intended to notify you of recent changes to the Plan by Banner Health (“Banner”), as described below. Please file this notice with your copy of the Summary Plan Description (“SPD”) for the Plan.

Small Balance Cash-out. The Plan provides rules for the distribution of Participant Accounts after a Participant’s termination from employment. Effective September 1, 2018, Banner is changing the Plan to allow for the automatic distribution of Account balances that are less than or equal to \$5,000, without Participant consent, following a Participant’s termination from employment. Participant Accounts that are less than or equal to \$1,000 will be distributed in a single lump sum as soon as reasonably practicable after termination of employment, unless the Participant elects a rollover or a distribution in accordance with the Plan Administrator’s procedures. Participant Accounts that are more than \$1,000, but not greater than \$5,000, will be distributed as a direct rollover to an individual retirement plan designated by the Plan Administrator as soon as reasonably practicable following termination of employment, if the Participant does not make a distribution election.

True-Up Contribution. The Plan provides Matching Contributions on behalf of eligible Participants who meet certain requirements. Matching Contributions are made for each payroll period during which an eligible employee makes pre-tax deferrals to the Plan and equal 100% of pre-tax deferrals, up to 4% of Compensation during that pay period. Effective for the Plan Year beginning on January 1, 2018, Participants may be entitled to an additional “true-up” Matching Contribution for the Plan Year (payable shortly after the end of the applicable Plan Year). The amount of the true-up contribution, if any, will be equal to the amount of Matching Contributions under the Plan’s formula based on a Participant’s pre-tax deferrals for the entire Plan Year (up to the legal and Plan limits), less the total amount of Matching Contributions that were already contributed to the Participant’s Account for that Plan Year on a per pay period basis.

Other Important Information

The official documents for the Plan (i.e., the Plan documents, including any amendments) control the actual payment of benefits and administration of the Plan. This notice simply highlights recent changes to the Plan, but does not replace the official Plan documents. Capitalized terms that are not defined in this SMM have the same meaning as provided under the Plan or SPD. If there is any discrepancy between the SMM or the SPD and the official Plan documents, the terms of the official Plan documents will apply.

If you have any questions regarding this notice or other Plan documents, you may contact Banner Health at (602)747-6947.

Banner Health Employees 401(k) Plan (“Plan”)

Summary of Material Modifications Relating to the 5th Amendment to the Plan

July 2019

This Summary of Material Modifications (“SMM”) is intended to notify you of recent changes to the Plan by Banner Health (“Banner”), as described below. Please file this notice with your copy of the Summary Plan Description (“SPD”) for the Plan.

Compensation Limit. Plan contributions are based on the specific definition of compensation set forth in the Plan document. However, the Internal Revenue Service (“IRS”) limits the annual amount of compensation that may be considered in determining each participant’s Plan contributions for the applicable plan year (\$280,000 for 2019). Effective January 1, 2019, Banner amended the Plan to clarify that the IRS annual compensation limit will be applied beginning with a participant’s first elective deferral for the Plan year.

Hardship Withdrawals. The Plan permits the in-service withdrawal of elective deferrals upon a participant’s request in order to satisfy an immediate and heavy financial hardship. Effective February 1, 2019, the following changes were made to the Plan’s hardship distribution provisions in accordance with recent IRS guidance:

- Hardship withdrawals are available from the following sources, in addition to elective deferrals, if applicable: qualified nonelective contributions (QNECs) and earnings on elective deferrals and QNECs;
- You are no longer required, before requesting a hardship distribution, to obtain all available nontaxable loans from the Plan or any other plan sponsored by Banner, and your contributions to the Plan will no longer be suspended for six months after receipt of any hardship withdrawal;
- You are required to make a representation, pursuant to procedures established by Banner, that you have insufficient funds to meet your financial need;
- Expenses for the repair of your principal residence that would qualify for the casualty deduction under Code Section 165 will be determined without regard to whether the loss is attributable to a federally declared disaster or exceeds ten percent (10%) of your adjusted gross income; and
- You may obtain a hardship withdrawal for expenses and losses incurred due to a federally declared disaster, provided that your principal residence or place of employment is located within the disaster area.

Other Important Information

The official documents for the Plan (i.e., the Plan documents, including any amendments) control the actual payment of benefits and administration of the Plan. This notice simply

highlights recent changes to the Plan, but does not replace the official Plan documents. Capitalized terms that are not defined in this SMM have the same meaning as provided under the Plan or SPD. If there is any discrepancy between the SMM or the SPD and the official Plan documents, the terms of the official Plan documents will apply.

If you have any questions regarding this notice or other Plan documents, you may contact the Banner Health MyHR Resource Center at (602) 747-6947.

Banner Health Employees 401(k) Plan

Summary of Material Modifications

Relating to the 6th Amendment to the Plan

July 2020

This summary of material modifications (“SMM”) is intended to notify you of recent changes to the Banner Health Employees 401(k) Plan (the “Plan”) by Banner Health (“Banner”), as described below. This SMM updates the Summary Plan Description (“SPD”) for the Plan and explains the changes. Please file this notice with your copy of the Summary Plan Description (“SPD”) for the Plan.

Summary of Changes

Eligibility. Effective January 1, 2020, you will no longer be required to be at least age eighteen (18) to be eligible to participate in the Plan. Note that you must still satisfy certain other requirements to be considered an eligible Employee under the Plan. Please refer to the SPD for more information.

Hardship Withdrawals. The Plan permits the in-service withdrawal of elective deferrals upon a participant’s request in order to satisfy an immediate and heavy financial hardship. Effective February 1, 2019, the following changes were made to the Plan’s hardship distribution provisions in accordance with recent IRS guidance:

- Hardship withdrawals are available from the following sources, in addition to elective deferrals, if applicable: qualified nonelective contributions (QNECs) and earnings on elective deferrals and QNECs;
- You are no longer required, before requesting a hardship distribution, to obtain all available nontaxable loans from the Plan or any other plan sponsored by Banner, and your contributions to the Plan will no longer be suspended for six months after receipt of any hardship withdrawal;
- You are required to make a representation, pursuant to procedures established by Banner, that you have insufficient funds to meet your financial need;
- Expenses for the repair of your principal residence that would qualify for the casualty deduction under Code Section 165 will be determined without regard to whether the loss is attributable to a federally declared disaster or exceeds ten percent (10%) of your adjusted gross income; and
- You may obtain a hardship withdrawal for expenses and losses incurred due to a federally-declared disaster, provided that your principal residence or place of employment is located within the disaster area.

Plan Loans. The Plan permits you to take a loan from your account under certain circumstances. Effective January 1, 2020, the following changes were made to the Plan and the Plan's loan procedures:

- Only **one loan** may be outstanding at any one time, in total, from the Plan and the Banner Health Employees 403(b) Plan. If you have more than one loan outstanding as of January 1, 2020, you may continue to have such loans outstanding until repaid in accordance with the original terms of the loans. However, once repaid, you will be subject to the one loan limit;
- Loans are only available for active employees. Prior to January 1, 2020, loans were also available for a Plan participant who had terminated employment with Banner or a related employer. If such a terminated participant had a loan that originated (or, in some cases, was initiated) on or before December 31, 2019, then the loan may remain outstanding until repaid in accordance with the terms of the loan;
- Upon severance from employment with Banner or a related employer, the Plan administrator will treat the loan as being in default if it is not repaid in full within the cure period. For a terminated employment, the cure period is ninety (90) days after termination from employment. Please refer to your SPD for more information on loan defaults;
- The Plan will no longer accept rollovers of an outstanding (unpaid) loan balance from a prior 401(k) or other qualified retirement plan;
- All loans must be repaid via ACH withdrawal from your checking or savings account. For any loan that originated prior to January 1, 2020, payment through payroll deduction will be permitted to continue in accordance with the terms of that loan; and
- During a leave of absence, loan repayments are automatically suspended if made via payroll deduction (and are suspended upon request if the loan is being repaid by ACH). During a leave of absence that is not on account of military service, the repayment schedule is reamortized to take into account the suspension period, but the end date for the loan is not adjusted (i.e., larger payments throughout the remaining term).

Service Credit. Effective April 27, 2019, the Plan's definition of "Hours of Service" (which tracks employment for eligibility for employer matching contributions) was amended to provide prior service credit for employees hired directly from Southwest Diagnostic Imaging, Ltd. The definition of Hours of Service was also amended to grant prior service credit to the extent agreed upon in connection with a corporate acquisition.

Other Important Information

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If you have any questions regarding this notice or other Plan documents, you may contact the Banner Health MyHR Resource Center at (602) 747-6947.

If you received this summary electronically, you may receive a written paper copy of this summary (at no charge) by contacting the Banner Health MyHR Resource Center at (602) 747-6947.

The information contained herein has been provided by Banner Health and is solely the responsibility of Banner Health.