

## **DESCRIPTION OF PARTICIPANT LOAN PROCEDURES CBIZ, INC. RETIREMENT SAVINGS PLAN (the “PLAN”)**

The above-referenced Plan permits Participants to take a loan from their vested Account Balance pursuant to specific rules set forth under the Plan. This Description sets forth the general provisions applicable to Participant loans, including the limits on available loans, repayment requirements, and the procedures if a Participant defaults on a Participant loan under the Plan. This Description is designed to describe the loan procedures under the Plan in a non-technical manner. These loan provisions shall be administered in accordance with the Participant loan provisions under the Plan and the requirements of Internal Revenue Code §72(p). If the non-technical language under this Description conflicts with the loan provisions described under the Plan or Loan Policy, the Plan document or Loan Policy always governs.

**Availability of Participant Loans.** Participant loans are generally available on a reasonably equivalent basis to all active Employees with a vested Account Balance under the Plan. Except in rare circumstances, Participant loans are not available to former Employees or Beneficiaries (including alternate payees under a qualified domestic relations order). However, an officer or director of the Employer may not request a loan from the Plan. Any reference to “Participant” under this Loan Policy is a reference to Participants or Beneficiaries (as applicable) who are eligible to receive a Participant loan under the Plan.

To receive a Participant loan, a Participant must sign a promissory note along with a pledge or assignment of the portion of the Account Balance used for security on the loan. The loan will be evidenced by a legally enforceable agreement which specifies the amount and term of the loan, and the repayment schedule. A Participant may request the applicable loan forms from the Plan Administrator.

**Loan Limitations.** A Participant may not request a Participant loan to the extent such loan (when added to the outstanding balance of all other Participant loans) exceeds 50% of the Participant’s vested Account Balance. However, in no case may a Participant take out total loans during any 12-month period that exceed \$50,000. For example, if a Participant has a vested Account Balance of \$40,000, the total amount of Participant loans the Participant may have outstanding at any time may not exceed \$20,000 [50% x \$40,000]. For this purpose, all Participant loans under any plan maintained by the Employer are included.

**Minimum Loan Amount.** To receive a Participant loan, a Participant must request a loan of at least \$1,000. No loans will be made for less than \$1,000.

**Limit on Number of Loans.** A Participant may not have more than one Participant loan outstanding at any time. The Plan Administrator also may refuse to make a loan to any Participant who is determined to be not creditworthy due to a prior default on a loan.

**Reasonable Rate of Interest.** All Participant loans will be charged a reasonable rate of interest. For this purpose, the interest rate charged on a Participant loan will be Prime interest rate plus 1 percentage point. The Plan Administrator will periodically review its interest rate assumptions to ensure the interest rate charged on Participant loans is reasonable.

If a Participant is in “military service” while he/she has an outstanding Participant loan, the applicable interest charged on such loan during the period while the Participant is in “military service” will not exceed 6% per year provided the Participant provides written notice and a copy of his/her call-up or extension orders to the Plan Administrator within 180 days following the Participant’s termination or release from “military service.”

**Adequate Security.** All Participant loans must be adequately secured. The Participant’s vested Account Balance shall be used as security for a Participant loan provided the outstanding balance of all Participant loans made to such Participant does not exceed 50% of the Participant’s vested Account Balance, determined immediately after the origination of each loan. Participants may be required to provide additional collateral to receive a Participant loan if the Plan Administrator determines such additional

collateral is required to protect the interests of Plan Participants. If required under the terms of the Plan, a Participant also may be required to obtain consent of his/her spouse prior to receiving a loan from the Plan.

**Periodic Repayment.** A Participant loan must provide for level amortization with payments to be made not less frequently than quarterly. A Participant loan must be payable within a period not exceeding five (5) years from the date the Participant receives the loan from the Plan, unless the loan is for the purchase of the Participant's principal residence, in which case the loan must be payable over a period not to exceed 15 years.

Loan repayments must be made through payroll withholding, except to the extent the Plan Administrator determines payroll withholding is not practical given the level of a Participant's wages, the frequency with which the Participant is paid, or other circumstances.

- (a) **Unpaid leave of absence.** A Participant with an outstanding Participant loan may suspend loan payments to the Plan for up to 12 months for any period during which the Participant is on an unpaid leave of absence. Upon the Participant's return to employment (or after the end of the 12-month period, if earlier), the Participant will be obligated to make up any missed payments and accrued interest. Upon return from leave of absence, a Participant loan may be reamortized or subject to a balloon payment to ensure the loan is repaid within the appropriate repayment period.
- (b) **Military leave.** A Participant with an outstanding Participant loan also may suspend loan payments for any period such Participant is on military leave. Upon the Participant's return from military leave, the Participant will be obligated to make up any missed payments and accrued interest. The loan repayment period may be extended for any period while the Participant is on military leave.

**Loan Default.** A Participant will be considered to be in default with respect to a loan if any scheduled repayment with respect to such loan is not made by the end of the calendar quarter following the calendar quarter in which the missed payment was due. If a Participant defaults on a Participant loan, the Participant will be treated as receiving a distribution of the entire outstanding value of the loan, plus accrued interest. The Plan will issue a Form 1099-R designating the amount as a taxable distribution to the Participant for the year of the default.

**Termination of Employment.** A Participant loan becomes due and payable in full upon a Participant's termination of employment. Upon a Participant's termination, the Participant may repay the entire outstanding balance of the loan (including any accrued interest) within a reasonable period following termination of employment. If the Participant does not repay the entire outstanding loan balance, the Participant's vested Account Balance will be reduced by the remaining outstanding balance of the loan. The Plan will issue a Form 1099-R designating the amount as a taxable distribution from the Plan.

Upon termination of employment, a Participant may request a direct rollover of the loan note (provided the distribution is an eligible rollover distribution) to another qualified plan which agrees to accept a direct rollover of the loan note. A Participant should contact the Plan Administrator to determine if the loan note is eligible to be directly rolled over to another qualified plan.

For questions regarding the availability of Participant Loans, please contact the CBIZ ESC. Contact information for the CBIZ ESC may be found in the Summary Plan Description.