

LOAN PROCEDURES FOR THE LOAN ADMINISTRATOR UNDER THE AGFINANCIAL 403(b) RETIREMENT PLAN

Loan Rules

Each active participant should receive a copy of the Loan Rules. These rules are effective for loans made on or after January 1, 2021.

Loan Application

A loan from the Plan can be obtained for any reason.

To determine the amount available for a loan or to request a loan, the participant will log in to Online Access at www.agfinancial.org, select the retirement account link, "Manage my Retirement," "Loan Services," and "Loan Modeling/Request." After determining the desired loan options, select "Apply for Loan" to request the loan application material.

A participant requesting a loan should complete the loan checklist by selecting the "Loan Modeling/Request" option on the website. The Loan Application, Payment Authorization, Promissory Note and Security Agreement, and Amortization Schedule will be generated electronically after the participant completes the questions on the website. The participant then reviews the documents and approves the processing of the loan via electronic signature.

A loan application fee is charged against the participant's account when the loan is approved and processed. The fee amount will be stated in the electronic loan documents.

A participant may have a maximum of two loans outstanding at any time.

Acknowledgment of Receipt

A direct deposit will be made to the account designated by the participant for the amount of the loan. The deposit to the participant's bank account will serve as acknowledgment of the receipt of the loan proceeds.

Loan Term

The maximum term of a loan is 59 months.

Default

Upon occurrence of one of the events listed in the section of the Loan Rules titled "In Case of Default," the plan administrator should issue the Call Letter to the participant as soon as administratively feasible. If the participant requests a distribution prior to the issuance of the Call Letter, he will be deemed to have defaulted and waived the cure period.

If the participant fails to repay the loan within the period described in the Call Letter, the loan will be reclassified. The total amount due will be a taxable distribution to the participant. If the participant is age 59½ or older, the account balance will be offset by the total amount then due under the loan. If not, the offset will only occur when the participant reaches age 59½ or terminates employment and requests a distribution, whichever occurs first. In either case, a Form 1099-R should be issued to the participant showing the taxable income that results because of the default.

LOAN RULES FOR AGFINANCIAL 403(b) RETIREMENT PLAN

Loans are available from the AGFinancial 403(b) Retirement Plan ("Plan") to all participants when allowed by the employer's written plan and have vested account balances under the Plan. The following is a summary of the rules used to administer the loan program. These rules are effective for loans made on or after January 1, 2021.

You should keep in mind that you will be borrowing from your own retirement savings. If you do choose to take advantage of this Plan feature, each payment you make on your loan will be used to replace the borrowed portion of your retirement savings. The interest you pay, less administrative fees of 2% (annualized), will also be credited to your account.

The administrator of the loan program is Assemblies of God Ministers Benefit Association ("Loan Administrator"). If you have any questions, contact the Loan Administrator.

Application Procedures

To determine the amount available for a loan or to request a loan, the participant will log in to Online Access, select the retirement account link, "Manage my Retirement," "Loan Services," and "Loan Modeling/Request." After determining the desired loan options, select "Apply for Loan" to request the loan application material. The Loan Application, Payment Authorization, Promissory Note and Security Agreement, and Amortization Schedule will be generated after you complete the questions on the website. You will then review the documents and approve the processing of the loan via electronic signature. You should retain a printed copy of the documents that are generated for your records.

A loan application fee will be charged against your account when the loan is approved and processed. The current fee amount will be stated in the electronic loan documents.

Upon receipt of the complete set of your loan documents and approval by the Loan Administrator, loan proceeds will be available as soon as possible. The necessary funds to provide your loan will be obtained by liquidating a portion of your vested accounts ("Allowable Account Balance") pro rata among the investment funds in which those accounts are invested.

Types and Amounts of Loans

A loan from the Plan can be obtained for any reason.

The requested loan amount cannot be less than \$1,500. The eligible maximum amount borrowed and outstanding cannot exceed the following (1) 100% of the vested balance if that balance is under \$10,000 (2) \$10,000 if the vested balance is above \$10,000 but below \$20,000 (3) 50% of the vested balance if it's over \$20,000, with a maximum of \$50,000. The \$50,000 maximum loan amount is reduced by the highest outstanding balance of all of the participant's loans during the prior 12 months.

The maximum eligible amount available for loans will be determined based on the current account balances established under the daily valuation system.

You may only have two loans outstanding at a time.

Rate of Interest for Loans

The interest rate for Plan loans will be fixed for the life of the loan at 2.0% above the MBA Income Fund's rate as approved by the Loan Administrator's Board of Directors and in effect at the time of the loan application.

Collateral for Loans

Generally, the only collateral that will be accepted for your loan is your Allowable Account Balance. In order to obtain a loan, you must give the Plan a security interest in your Allowable Account Balance equal to the total outstanding balance of your Plan loans.

Acknowledgment of Receipt

The deposit to your bank account will serve as acknowledgment that you have received the loan proceeds.

Repayment of Your Loan

The standard procedure will be to repay the loan by electronic funds transfer (EFT). Payments will be made using the instructions provided at application in level amounts monthly, except for the last loan payment which may be a slightly higher or lower amount.

All loans must be repaid to the Plan within 59 months.

The Loan Administrator does not accept partial or extra repayments.

You may make full prepayment of your loan without penalty. If you want to pay off your loan early, check with the Loan Administrator for procedures to make the full prepayment. Early payoffs must be made by cashier's check, wire or AGFinancial Investment Certificate transfer.

Items Returned Unpaid

If a payment is returned unpaid, the Participant's retirement account will be charged a fee for processing the return. The fee will be due even if the Participant defaults on their loan. Currently, the fee for returned items is \$25, but is subject to change by Loan Administrator without notice to Participant.

Your account will be debited for two payments if a prior month's payment is returned unpaid.

Upon failure of the second attempt to draft the missed and current payments, AGFinancial will temporarily suspend this authorization and you will be required to bring the loan current by cashier's check. Upon receipt of the missed payments, the EFT instructions will be reinstated. A cashier's check that does not include all missed and current payments will not be accepted.

Loan Payments During a Period of Military Leave

Loan payments will be suspended during any leave of absence that is treated as "service in the uniformed services" under the Uniformed Services Employment and Reemployment Rights Act ("USERRA") if you comply with the notice requirements of the Act. The Servicemembers Civil Relief Act of 2003 allows you to elect to cap your loan interest rate along with any other loan related charges at 6% during your period of military service. This election must be made no later than 180 days after the end of military service. If you make the election, your loan interest rate and any other loan related charges will be capped at 6% for your entire length of military service.

If you elect to suspend loan repayments, they will recommence the earlier of:

1. The date you return to active employment with your employer (if the date of return is within the time limits described by USERRA), or
2. The date which is five years from the date the period of qualified military service began.

Upon return to active employment with your employer following a period of service in the uniformed services, the repayment period for the loan will be extended for the time spent in military service. The

amount due will also include accrued interest during that period. You may elect a new amortization schedule that will amortize the new amount due over the new remaining time, or continue making the payments you made prior to your service with a balloon payment due at the end for any remaining balance.

If you fail to return to active employment with your employer following a period of service in the uniformed services within the time limits specified in USERRA, the amount of the outstanding loan balance will be treated as being in default and the default procedures below will be followed

Recordkeeping

Loan repayments, less applicable fees, will be deposited in the sources used to fund the loan and in the investment funds in each source according to your current directed investment election for contributions. The outstanding balance on your loan will be determined on the Plan's daily accounting system. Your payments of principal and interest will be recorded after receipt by the Plan's trustee/custodian. You can check on the principal amount due by calling the Loan Administrator or accessing the website. Periodically, you will also receive statements regarding your account. These statements will also show the balance due on your loan as of the statement date.

In Case of Default

Your loan may be declared in default if one of the following occurs:

1. Any scheduled installment or a portion of a loan installment remains due and unpaid.
2. A proceeding in bankruptcy, receivership or insolvency is commenced by or against you.
3. A qualified domestic relations order (as that term is defined in Section 414(p) of the Internal Revenue Code) is received by the Employer with respect to your account and exceeds the amount of your account balance remaining in the Plan.
4. You cancel your EFT payment authorization for the loan payment.
5. Upon your death. Beneficiaries may not assume your plan loan.

Whether a loan is declared to be in default will depend on the facts and circumstances of each individual case. All participants will be treated in a nondiscriminatory manner. A cure period will be permitted. See the discussion of cure period in the next section.

If you request a distribution of your account before the loan is called and you are under 59½ or prior to the end of the cure period, you will be deemed to have defaulted on your loan and elected to waive the cure period in order to receive your distribution. If you would rather pay off the loan in full using your own funds or have any questions about this process, contact the Loan Administrator.

Cure Period

Before your loan is declared to be in default, it will be "called," which means that you will be notified in writing and be given the opportunity to either (1) make one payment equivalent to all missed payments, or (2) repay the entire loan balance. If the loan or installment is not paid within 30 days after it is called, the loan will be declared in default, and the appropriate remedies described below will be applied. All cure period payments or payoffs must be made by cashier's check, wire or AGFinancial Investment Certificate transfer. Payment made by cashier's check must be postmarked no later than the last date of the 30-day cure period.

Failure to Repay

If you default on a loan, the outstanding balance (plus continuing interest) will limit the available amount for a future Plan loan.

Remedies upon Default

The following steps will be taken in the event of a default:

1. As required by law, the remaining unpaid balance of your loan which is in default will be treated as a taxable distribution to you. You will be given the appropriate IRS information (Form 1099-R) and you will be liable for regular income tax as well as potentially a 10% penalty tax on your unpaid loan.
2. If you are age 59½ or older, are totally and permanently disabled, terminate your employment with your employer, or die, your account may be offset by the unpaid balance of your loan (plus accrued interest).
3. If you are not age 59½, are not totally and permanently disabled, or have not terminated employment or died, your account cannot be offset until you meet one of those criteria.

Under no circumstances will the offset associated with a defaulted loan be treated as Ministers' Housing Allowance or any other tax-exempt purpose. A defaulted loan cannot be repaid.

Modification of Loan Program

Any change in these Loan Rules except for changes to fees as set forth above will apply only to loans approved after the date of the change unless the change is required by federal or state law to be applied retroactively to outstanding loans.

Controlling Law

Rules relating to participant loans from tax-qualified plans are found in the Internal Revenue Code of 1986, as amended ("Code"), and in rulings and regulations issued by the Internal Revenue Service. The Code reflects the fact that participant loans evidence a genuine debtor/creditor relationship between the borrower and the lending institution (in this case, the Plan) that should be generally similar to the relationship that would exist if the borrower sought the same loan from an unrelated lending institution operating in a conventional commercial context.

Other federal laws may also apply. Certain state laws may also be applicable to the extent that they are not superseded by the Code or other federal law. It is intended that this loan program will comply with all applicable federal and state rules and regulations regarding loans from qualified plans.

Interest Deduction

The Internal Revenue Code denies any deduction for the interest paid on your Plan loan. We encourage you to seek the advice of a tax professional who can advise you based on the facts of your individual situation.

This information is not tax advice. Information is from sources deemed reliable. Information is subject to error, omission, withdrawal, or change. Contact your own tax advisor before taking any action that would have a tax consequence.

AGFinancial is a DBA of Assemblies of God Ministers Benefit Association.

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