

**The Gates Matchmaker Plan
Loan Rules
(Effective January 2016)**

Eligibility and Loan Application Processing. Loans from The Gates Matchmaker Plan (the "Plan") are available only to Members who are in active employment with The Gates Corporation ("Gates") or any related company and, as required by federal law, to former employees who are parties-in-interest. Applications may be obtained by calling Participant Services at 1-800-401-5866 or by accessing the Plan's website at www.gatesretirement.com. Loan applications will be approved or disapproved in accordance with the Plan, these Loan Rules, and uniform and nondiscriminatory procedures established by the Gates Retirement Board (the "Retirement Board") or its designee. Loan applications must be complete, and must include spousal consent for Members who are married and covered by The Gates Group Retirement Plan. Loan proceeds will be issued as soon as practicable after receipt of the completed loan application, generally within three business days.

Types of Loans. A Member may request a general purpose loan for any reason.

Fees. A loan origination fee of \$50 will be deducted from the Member's account as well as any fees for wire transfer or overnight delivery, if elected.

Number and Frequency. A Member may only have one loan at a time outstanding under the Plan. A Member who has defaulted on a loan may not obtain another loan from the Plan until the defaulted loan plus accrued interest has been repaid in full.

Minimum Amount. Each loan must be for at least \$1,000 and the initial amount must be a whole dollar increment.

Maximum Amount. The maximum amount of all outstanding loans a Member may have from the Plan and any other qualified plans sponsored by Gates, or a related company is the lowest of the following three amounts:

- (a) 50% of the Member's total vested account balances in the Plan;
- (b) \$50,000 minus the highest outstanding balance of loans to the Member during the 12-month period ending on the day before the loan is processed (including all loans from the Plan and any other qualified plans sponsored by a related company and including any interest accrued on defaulted loans); or
- (c) Rollover, Before-tax and Roth 401(k) account sources.

In the Member's loan application, the Member shall certify to the existence and amount of any outstanding loans (including loans deemed distributed) from any qualified plans maintained by Gates or a related company.

Term. The loan term may be any period of whole calendar months from 12 to 54 months. Principal and interest will be amortized over the period of the loan based on the borrower's pay schedule and payments will be scheduled each payday.

Interest Rate. The interest rate on a loan will be 1% over the lowest prime rate offered by the Trustee on the date the loan is requested. Such rate will apply for the duration of the loan (except as otherwise provided for certain Members who enter the uniformed service).

Source and Application of Funds. Loan amounts will be taken pro-rata from the Member's Rollover Account, Before-tax Account and Roth 401(k) Account. Loan amounts will be taken pro-rata from the Member's investment funds, as invested on the valuation date on which the loan is processed. Loan payments will be invested in accordance with the Member's current investment election.

Security. Each loan will be secured by the Member's promise to repay the loan and by the Member's pledge of the Member's account balances in the Plan up to the amount of the loan.

Repayment. Except as otherwise provided, loan payments will be deducted from the Member's paychecks and deposited in the Plan as soon as administratively practicable after each pay period, and in no event, later than the 15th business day of the following month. If a Member's payroll cycle changes, the Member's payroll deduction and frequency will be adjusted accordingly.

Repayment Schedule. The Member will be provided with a repayment schedule showing the amount of each loan payment. These amounts will be equal, except that the last amount may be different if necessary to pay off the total remaining balance. This schedule will also show for each payment the allocation between principal and interest.

Principal and Interest on Payments. Interest on each loan will begin to accrue on the date of disbursement. The repayment schedule for all loans will be determined assuming periodic payments based on the Member's payroll frequency.

Prepayments. A prepayment in full of the outstanding loan principal and the accrued interest may be made without penalty. A partial prepayment is not permitted (unless required by state law). A Member may arrange to prepay a loan by calling Participant Services or accessing the Plan's website. The Member will be furnished with a payoff quote. Prepayments must be made by cashier's check, certified check or money order payable to "The Gates Matchmaker Plan." Personal checks will not be accepted. Prepayment amounts will be calculated based on the assumption that payroll deductions will continue until the effective date of the prepayment.

Periods with Insufficient Pay. If a Member is not receiving pay from Gates or if a Member's pay is insufficient to cover loan payments, the Member should continue the scheduled loan payments at least monthly through Automated Clearing House (ACH). The Member is responsible for calling Participant Services to set up loan payments through ACH. Upon the Member's return to sufficient pay status, the loan will be re-amortized using the original loan maturity date and the amount of the loan payments will be increased in order to pay the loan in full under the original terms of the loan.

If the Member does not make loan payments or prepay the loan in full by the last day of the calendar quarter following the calendar quarter in which the last loan payment was made, the loan will be defaulted as of such date and the following shall apply:

- (a) To the extent the Member is eligible for an in-service withdrawal, as soon as administratively practicable after the loan goes into default, an offset distribution of the unpaid loan balance plus interest will be processed as an in-service withdrawal and the outstanding loan balance plus interest will be deducted from the Member's accounts and treated as a distribution for tax purposes.
- (b) To the extent the Member is not eligible for an in-service withdrawal, as soon as administratively practicable after the loan goes into default, a deemed distribution of the unpaid loan balance plus interest will be processed.

Offset and deemed distributions will constitute taxable events and a Form 1099-R will be issued to the IRS and the Member.

Leaves of Absence. If a borrowing Member goes on a leave of absence the Member has the following options regarding loan payments:

- (a) The Member may continue to make the scheduled loan payments at least monthly through ACH. The Member is responsible for calling Participant Services to set up loan payments through ACH.
- (b) Loan payments may be suspended for a period on leave of absence up to a maximum of one year. If a Member does not arrange to make payments using ACH, as described in (a) above, he will be deemed to have elected to suspend payments for up to one year. Upon returning to work, the Member may elect, in accordance with procedures established by the Retirement Board, to either re-amortize the loan to reflect the missed payments and additional interest that accrued during the period of suspension or extend the repayment period, provided that the repayment period does not extend beyond a date that is five years from the date the loan proceeds were disbursed. If the Member elects to extend the term of the loan, the loan will be re-amortized to reflect the new maturity date and include any accrued interest. The Member's loan repayment amount may increase slightly. If a Member's loan is re-amortized using the original loan maturity date, the amount of the loan payments will increase in order to pay the loan in full under the original terms of the loan. If a Member's leave of absence lasts for longer than one year, the Member must make the scheduled loan payments at least monthly through Automated Clearing House (ACH). The Member is responsible for calling Participant Services to set up loan payments through ACH.

Absence for Uniformed Service. If a borrowing Member enters the uniformed service of the United States, the Member has the following options regarding loan payments:

- (a) The Member may continue to make the scheduled loan payments at least monthly through ACH. The Member is responsible for calling Participant Services to set up loan payments through ACH.
- (b) Loan payments may be suspended for the period of uniformed service. If a Member does not arrange to make payments using ACH, as described in (a) above, the Member will be deemed to have elected to suspend payments. When a Member who has suspended loan payments during uniformed service returns to work, the Member's loan will be reamortized to include the missed payments and the additional interest that accrued during the period of suspension. In addition, the repayment period will be extended by the number of months spent in the uniformed service.

A Member with an outstanding loan who enters the uniformed service may request (by calling Participant Services at (800)-401-5866) that the interest rate on his or her loan be reduced to 6% during the period spent in the uniformed service, in accordance with the provisions of the Service members Civil Relief Act of 2003.

Termination of Employment. If, prior to a loan being repaid, a Member terminates employment; the Member has the following options:

- (a) The Member may continue to make the scheduled loan payments at least monthly through ACH. The Member is responsible for calling Participant Services to set up loan payments through ACH.

- (b) The Member may prepay the loan in full no later than the last day of the calendar quarter following the calendar quarter in which the last loan payment was made. The Member may arrange to prepay a loan by calling Participant Services or accessing the Plan's website. The Member will be furnished with a notice to pay off their outstanding loan amount. Prepayments must be made by cashier's check, certified check or money order payable to "The Gates Matchmaker Plan." Personal checks will not be accepted for prepayments. Prepayment amounts will be calculated based on the assumption that payroll deductions ceased as of the last full pay period of the Member's employment.
- (c) If the Member does not make loan payments or prepay the loan in full by the last day of the calendar quarter following the calendar quarter in which the last loan payment was made, the loan will be defaulted as of such date. As soon as administratively practicable, an offset distribution will be processed and the outstanding loan amount will be deducted from the Member's accounts and treated as a distribution for tax purposes, and a Form 1099-R will be issued to the IRS and the Member.

If the Member dies prior to a loan being repaid and the Member's beneficiary is his spouse, his spouse may continue to make scheduled loan payments or prepay the loan in full, as described in (a) or (b) above. If the Member's beneficiary is someone other than a spouse, the Member's loan will be defaulted as described in (c) above.

Defaults and Remedies. No default will occur if a Member fails to make any scheduled loan payment(s), provided that the delinquency is cured by the Member making the missed loan payment(s) by the last day of the calendar quarter following the quarter in which the payment(s) was missed. A loan will be in default as of the last day of the calendar quarter following the calendar quarter in which a loan payment is missed if the delinquency has not been cured. The Retirement Board, in its sole discretion, may take the following steps, or any other action it considers appropriate, to collect the unpaid balance of a loan in default, including interest accrued to the date of default:

- (a) If the Member is still employed by Gates or a related company and accordingly is not entitled to a distribution as a result of termination of employment, the following shall apply:
 - (1) To the extent the Member is eligible for an in-service withdrawal, as soon as administratively practicable after the loan goes into default, an offset distribution of the unpaid loan balance plus interest will be processed as an in-service withdrawal and the outstanding loan balance plus interest will be deducted from the Member's accounts and treated as a distribution for tax purposes.
 - (2) To the extent the Member is not eligible for an in-service withdrawal, as soon as administratively practicable after the loan goes into default, a deemed distribution of the unpaid loan balance plus interest will be processed.

Offset and deemed distributions will constitute taxable events and a Form 1099-R will be issued to the IRS and the Member. The Member will be subject to federal income taxes and, if applicable, the early withdrawal penalty tax on the offset or deemed distribution. The unpaid loan balance will be considered in default and will be subject to collection pursuant to appropriate legal remedies employed by persons or entities in the business of making personal loans.

- (b) The unpaid principal balance of a defaulted loan, unadjusted for interest that accrues after the date of the default, will continue to be reflected as part of the Member's account balance until such time as it can be treated as an offset distribution following termination of employment. The interest that accrues after a loan is defaulted does not have to be repaid but will be taken into account in determining the highest outstanding loan balance during the 12-consecutive months prior to the date a subsequent loan is requested. A Member may not receive a subsequent loan until a defaulted loan balance has been repaid in full.
- (c) Upon the Member's termination of employment from Gates and all related companies, the unpaid principal balance shall be treated as an offset distribution.

Spousal Rights. The outstanding balance of a loan shall be included as part of the Member's balance in the Plan when calculating the amount payable to an alternate payee under a qualified domestic relations order ("QDRO"). However, a QDRO may not assign any portion of an outstanding loan to an alternate payee.

Authority of the Retirement Board. The Gates Retirement Board reserves the right at any time and from time to time, and retroactively if deemed necessary or appropriate, to conform with government regulations or other policies and, further, for any reason, to modify, amend, or terminate in whole or in part any or all of the Loan Rules. The Retirement Board may delegate to other persons and/or subcommittees all or any portion of its duties relating to these Loan Rules, as it, in its sole discretion, decides. The Retirement Board has discretionary authority to determine eligibility for loans, construe the terms of the Plan and these Loan Rules, and decide disputed claims in accordance with its interpretation of the terms of the Plan and these Loan Rules. The determination of the Retirement Board as to any disputed question or claim is conclusive and final.