This is your opportunity. The decision to save today can shape your future. You'll thank yourself later.

Join your retirement plan today!

Enroll online in minutes:
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Account Representative
Laura Serenil
C: 210-262-4031
lserenil@frostbank.com

For more information about any fund, including investment objectives, risks, charges, and expenses, call Vanguard at 800-523-1188 to obtain a prospectus or, if available, a summary prospectus. The prospectus contains this and other important information about the fund. Read and consider the pospectus information carefully before you invest. You can also download Vanguard fund prospectuses at vanguard.com.

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Plan highlights

Eligibility requirements

To begin contributing to the plan, you must meet the following requirements. Continue reading for more details on the types of contributions available.

Your deferral contributions

All contribution requirements

- You must be at least 21 years of age.

Enrollment period (entry date)

If you meet eligibility requirements, you may enroll in the plan on 01/01/2023.

Your deferral contributions

Pretax deferrals

Pretax deferrals are contributed into the plan on a pretax basis. Unlike the compensation you actually receive, pretax deferrals will not be taxed at the time they are paid by your employer. Instead, these deferrals and any earnings accumulated while invested in the plan will be taxable to you when withdrawn from the plan. This will reduce your taxable income for each year that you make a contribution. Through payroll deduction, you can contribute from 1% up to 100% of your salary pretax as long as the amount does not exceed $22,500, which is the maximum limit for 2023 set by the Internal Revenue Service (IRS).

Roth deferrals

Roth deferrals are contributed to the plan from amounts that have already been treated as taxable income. Roth deferrals will not reduce your taxable income in the year in which you contribute a portion of your compensation into the plan. You may contribute from 1% up to 100% of your salary as a Roth deferral as long as the total amount, when combined with any pretax deferrals, does not exceed the IRS contribution limit of $22,500 for 2023.

When Roth deferrals are withdrawn, distributions—including contributions and any earnings—are tax free as long as certain requirements are met. In order to receive tax-free withdrawals, generally your money must remain in the account for five years and you must have reached age 59½, die, or become disabled.

Catch-up contributions

If you are age 50 or older, you are entitled to contribute an additional "catch-up contribution" beyond the maximum IRS limit of $22,500 for 2023. This is intended to help employees boost their savings prior to retirement. The maximum catch-up contribution is $7,500 for 2023.

Employer contributions

Profit sharing contributions

Your employer may make profit sharing contributions on your behalf.

Rollovers

You are allowed to roll over money from other qualifying retirement accounts into this account using the form on page 19.

There are important factors to consider when rolling over assets from an IRA or an employer retirement plan account. These factors include, but are not limited to, investment options in each type of account, fees and expenses, available services, potential withdrawal penalties, protection from creditors and legal judgments, required minimum distributions, and tax consequences of rolling over employer stock.

Vesting

Vesting refers to the amount of your retirement account savings that belongs to you.

- The money that you contribute from your salary and the money it earns are always 100% vested.
- Any rollover contributions you make are always 100% vested.
- The money contributed on your behalf by your employer becomes vested based on the schedule (s) below:

Plan highlights

Profit sharing contribution vesting schedule

Years of employment	Vesting %
0	0%
1	20%
2	40%
3	60%
4	80%
5	100%

Contribution changes

As you review and refine your savings strategy over time, you may choose to change the amount you save or how you invest your money. You may stop making or change contributions by going online or by contacting your employer. Once stopped, you have the option to begin contributing again in accordance with your plan's policy.

Withdrawals

Money can be withdrawn from your account if:

- You are age 59½ or older.
- You have reached the normal retirement age of 65.
- You request an in-service withdrawal as defined by your plan.
- You no longer work for SJRC Texas Inc.
- Death
- Disability
- You experience a qualifying financial hardship, which, in general, can include the following:
  - the purchase of your primary residence
- payment of tuition and related costs for you, your spouse, dependents, or children who are no longer your dependents for post-secondary education
- payment of certain medical expenses
- prevention of eviction from or foreclosure on your primary residence
- funeral/burial expenses for a parent, spouse, child, or dependent
- repair of qualifying damages to your primary residence

Note: Withdrawals of certain types of elected deferrals and employer contributions may be subject to restrictions.

There are certain penalties and tax implications you should consider before making a withdrawal. In general, if you take a distribution from the plan before you are age 59½, a 10% early distribution penalty will apply to the taxable portion of your distribution. There are some exceptions to the 10% penalty.

In addition, if your distribution is eligible to be rolled over into another qualifying retirement account (e.g., an individual retirement account or IRA) and you choose to take the distribution rather than roll over the amount, 20% of the distribution must be withheld and remitted to the IRS as a credit toward the taxes you will owe on the distribution amount.

Your tax professional can provide guidance on potential outcomes of withdrawing money from your account.

Loans

While your retirement account is designed to be used when you retire, you can take a loan if a need arises. Loans may be taken from vested employer and applicable employee contributions.

Loans must follow these guidelines:

- You can only have 1 loan(s) outstanding at a time.
- The amount you may borrow is limited by tax laws. In general, all loans will be limited to the lesser of one-half of your vested account balance or $50,000.
- The minimum loan amount is $1,000.
- Generally, all loans must be repaid within 60 months.
- Other requirements, limits, and certain fees may apply.
- The one-time cost of taking a loan is $150.

Summary Plan Description

This enrollment guide offers an overview of The SJRC TEXAS 401(K) PLAN. Greater detail and other important information about the plan's features and benefits are available in the Summary Plan Description (SPD), which will be provided to you separately. You are encouraged to review the SPD carefully and contact your employer with any questions. You may also examine a copy of the plan document, which contains all of the provisions that the IRS requires, by making arrangements with your employer. If there are any inconsistencies between this enrollment guide, the SPD, and the plan document, the plan document will be followed.

What's next?

Enrollment is only the first step in getting the most from your plan. Use this checklist to make sure you take advantage of all that is available to you. To access a wide range of planning resources designed to help you succeed, register online at https://my.vanguardplan.com.

Your retirement account checklist

- ☐ **Join the plan quickly and conveniently** – Just go to **https://my.vanguardplan.com**.
- ☐ **Download the READYSAVE™ mobile app** – Access your retirement account, manage contributions, and stay on track for retirement – whenever, wherever.
- ☐ **Review** – Decide if you want to consolidate your investments by rolling over outside retirement assets into this account.
- ☐ **Learn more** – Go to your plan website for easy access to planning tools, investment information, and details on how your plan works.
- ☐ **Consider professional support** – Get the backing of the experts at Morningstar, a leading and trusted source for investment guidance and expertise. Through *Morningstar Retirement Manager,* you can:
  - use Morningstar's resources to create a personalized investment strategy recommended for you at no cost.
- ☐ **Track your progress** – Review your retirement outlook regularly via the READY**SAVE**™ app, where you can check your balance, see activity history, and adjust your savings rate.
- ☐ **Stay informed** – Get account updates through our online Message Center.
- ☐ **Update your strategy** – At least once a year, make sure your personal goals, savings rate, and account settings are in line with your retirement strategy. Do this more frequently if a major life event occurs, such as a raise, marriage, a change in your beneficiaries, or the birth of a child.

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