

AXIOM STAFFING GROUP
SUMMARY OF MATERIAL MODIFICATIONS AMENDMENT NUMBER 1

Axiom Staffing Group Welfare Benefits Plan is hereby amended effective December 1, 2016 as follows:

Item 1: Eligibility (*this section is added as follows after "Other Summary Plan Descriptions"*):

ELIGIBILITY

1. When can I become a participant in the Plan?

Before you become a Plan member (referred to in this Summary Plan Description as a "Participant"), there are certain rules which you must satisfy. First, you must meet the eligibility requirements for the Plan, meet the healthcare reform guidelines for required number of hours worked (for the medical benefit), be an active employee, and satisfy the waiting period. After that, the next step is to actually join the Plan on the "entry date" that has been established for all employees.

2. What must I do to enroll in the Plan?

You will become a Participant in this Plan once you have satisfied the requirements and formally elect benefits. If you do not want any or all of the benefits offered under the Plan, you may elect not to receive such benefits in accordance with the procedures established by the Employer.

Your eligibility will be determined by the following procedures:

MEDICAL ELIGIBILITY

The following provisions apply only with respect to eligibility for medical benefits under the Plan. To the extent that this section conflicts with any provision in the Plan or a subsidiary Contract, the terms of this section shall control.

Applicable Definitions

"Eligible Employee" is an Employee who is reasonably expected to work, on average, at least 30 hours per week.

"Initial Administrative Period" means the time during which new variable hour employees who have completed the Initial Measurement Period and have been determined to be Eligible Employees can enroll in or waive medical coverage. This period may not exceed ninety (90) days and may include a partial month prior to the beginning of the Initial Measurement Period. The Initial Administrative Period, or its second part, begins the next day after the end of the Initial Measurement Period.

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"Initial Measurement Period" means the period of time during which a new Variable Hour Employee's hours of service are measured to determine whether the employee will become an Eligible Employee.

"Initial Stability Period" means the minimum period of time during which medical coverage must be offered to an employee who was previously a Variable Hour Employee and has been determined to be an Eligible Employee. The Initial Stability Period may not be shorter in duration than the Initial Measurement Period.

"Ongoing Employee" means an employee who has been employed by the Company for at least one complete Standard Measurement Period.

"Seasonal Employee" means an employee who is hired into a position for which the customary annual employment period is six (6) months or less and which begins at approximately the same time of each calendar year.

"Standard Administrative Period" means the time during which ongoing employees who have completed the Standard Measurement Period can enroll in or disenroll from medical coverage. This period occurs between the Standard Measurement Period and the Standard Stability Period and may neither reduce nor lengthen the Measurement Period or the Stability Period.

"Standard Measurement Period" means the period during which the Company counts an employee's hours of service; however, such period cannot be less than three (3) months nor more than twelve (12) months.

"Standard Stability Period" means the period of time during which an employee is eligible for medical coverage under the Plan. The Standard Stability Period may not be shorter in duration than the Standard Measurement Period.

"Variable Hour Employee" means an employee for whom the Company cannot determine, at the employee's hire date, whether the employee is reasonably expected to work an average of at least 30 hours per week.

Eligibility

The Company offers medical benefits coverage to Eligible Employees, their dependent children and/or spouses. The term "spouse" refers to an individual who is lawfully married under any state law or currently recognized under prevailing Federal law. The term "dependent children" includes dependents who have been adopted or placed for adoption with a participant.

The Company intends to follow IRS regulations and any subsequent guidance when administering the Look-Back Measurement Period.

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Ongoing Employees

For Ongoing Employees, the Company will determine whether an individual is an Eligible Employee by determining the hours that the employee is reasonably expected to work going forward. If the employee is a Variable Hour Employee, his eligibility will be determined by looking at the employee's hours of service during the Standard Measurement Period. If a Variable Hour Employee is an Eligible Employee during the Standard Measurement Period, he or she will be eligible for medical benefits under the Plan during the entire Stability Period. The employee will remain eligible for medical benefits during the entire Stability Period, regardless of the employee's actual number of hours of service during the Stability Period, as long as he remains an employee of the Company unless that employee is transferred to a known part-time position. The final IRS regulations include an exception for certain employees who have been continuously offered Plan coverage and who transfer to part-time positions during the stability period. If certain conditions are met, Plan eligibility for these transferred employees may end during a stability period. Similarly, if an employee is not an Eligible Employee during the Standard Measurement Period, he will not be eligible for medical benefits during the entire Stability Period.

New Employees Expected to Be Eligible Employees

If the Company reasonably expects a new, salaried employee (who is not a Seasonal Employee) to be an Eligible Employee as of the employee's hire date, the employee will be offered medical benefits coverage under the Plan as of the first of the month following the date of hire.

If the Company reasonably expects a new, hourly employee (who is not a Seasonal Employee) to be an Eligible Employee as of the employee's hire date, the employee will be offered medical benefits coverage under the Plan as of the first of the month following 30 days from the date of hire.

Seasonal Employees

A Seasonal Employee will be treated as a Variable Hour Employee with respect to eligibility.

All Other Employees

All other newly hired Employees must first complete an Initial Measurement Period during which they are not eligible to enroll in medical benefits under the Plan. At the end of the Initial Measurement Period, if the employee is determined to be an Eligible Employee, that employee will be eligible for medical benefits under the Plan.

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Enrollment

The Company will use the Administrative Period to determine whether an employee is an Eligible Employee and to offer coverage to those Eligible Employees during an open enrollment period. Medical benefits coverage will be effective during the Stability Period.

ALL OTHER BENEFITS ELIGIBILITY

Unless otherwise here stated, the eligibility requirements of each separate welfare benefit can be found in the applicable Subsidiary Contract. To the extent that this Section conflicts with any provision in the Plan or a subsidiary Contract, the terms of this Section shall control.

Item 2: Claims: Medical Loss Rebates *(this section is added as follows after “Third Party Recovery” and before “Claim Procedures-In General”):*

Medical Loss Rebates

Under the Patient Protection and Affordable Care Act (ACA), the law requires insurers to issue Medical Loss Ratio (MLR) rebates in certain circumstances. MLR rebates are based upon aggregated market data in each state and not upon a particular group health plan’s experience. The portion of the rebate attributable to Participant contributions may be distributed to you, applied towards future premiums or held in trust for the benefit of Plan Participants. This section applies only for fully insured medical plans.

Item 3: Claims: Legal Action with Respect to Denied Claims *(this section is added as follows after “Notice of Denied Appeal Review”):*

Legal Action with Respect to Denied Claims

You have the right to bring a legal action against the Plan for benefits you believe are otherwise due to you. Any legal action cannot be brought until you have exhausted your appeal rights under the Plan. In addition, any legal action cannot be brought more than one year after the final determination of your claim under the Plan’s claims rules.

Item 4: Continuation Rights: FMLA *(this section is amended as follows):*

If your Employer is subject to the Family and Medical Leave Act (FMLA), you may qualify to take up to 12 weeks of FMLA leave in a 12 month period each year for any of the following reasons:

- for the birth of your child and to bond with the newborn child within one year of birth;
- for placement of a child for adoption or foster care in your home and to bond with the newly placed child within one year of placement;
- to care for an immediate family member (spouse, child, or parent) with a serious health condition;

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- to take medical leave when you are unable to work because of a serious health condition; or
- for any qualifying exigency arising out the fact that a spouse, son, daughter, or parent is a military member on covered active duty or call to covered active duty status.

You may also qualify to take up to 26 weeks of FMLA leave in a single 12 month period:

- to care for a covered servicemember with a serious injury or illness if the employee is the spouse, child, parent or next of kin of the servicemember (military caregiver leave).

You are eligible for leave if you have worked for your Employer at least 12 months, at least 1,250 hours over the past 12 months, and work at a location where your Company (or Division) employs 50 or more employees within 75 miles. If your division employs less than 50 employees within the 75-mile radius, you may not be eligible for medical leave.

Time taken off work due to pregnancy complications can be counted against the 12 weeks of family and medical leave.

COBRA continuation coverage is available upon the expiration of the 12-week period of FMLA leave, if desired. If you fail to return to active employment following the expiration of the 12-week FMLA period, you will be eligible for COBRA coverage up to 18-months starting from the date of your qualifying event (termination of employment or reduction of hours worked).

Your Employer will establish a payment method, should you wish to continue coverage while on FMLA leave, as prescribed for all such FMLA events which will be consistent with every new request for leave.

Item 5: Miscellaneous: Medicaid (*this section is added as follows after “Loss of Benefit” and before “Amendment and Termination”*):

Medicaid

State Medicaid agencies might mistakenly pay claims for which a third party may be liable, because they are not aware of the existence of other coverage. If you are participating in an employer-sponsored health plan for which that health plan is responsible for making benefit payment, and Medicaid has rendered such benefit payment instead for the same service, the state Medicaid agency has the right under an assignment of benefits to recoup such payment from the employer-sponsored health plan.

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Item 6: Miscellaneous: Privacy (*this section is amended as follows*):

HIPAA Privacy

The Plan is required under federal law to take sufficient steps to protect any individually identifiable health information to the extent that such information must be kept confidential. The Plan Administrator will provide you with more information about the Plan's privacy practices.

Will my health information be kept confidential?

Under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), group health plans and the third party service providers (where applicable) are required to take steps to ensure that certain "protected health information" is kept confidential.

NOTICE OF PRIVACY PRACTICES

This notice describes how medical information about you may be used and disclosed and how you can get access to this information. Please review it carefully.

Your Rights

When it comes to your health information, you have certain rights. This section explains your rights and some of our responsibilities to help you.

Get a copy of health and claims records

- You can ask to see or get a copy of your health and claims records and other health information we have about you. Ask us how to do this.
- We will provide a copy or a summary of your health and claims records, usually within 30 days of your request. We may charge a reasonable, cost-based fee.

Ask us to correct health and claims records

- You can ask us to correct your health and claims records if you think they are incorrect or incomplete. Ask us how to do this.
- We may say "no" to your request, but we'll tell you why in writing within 60 days.

Request confidential communications

- You can ask us to contact you in a specific way (for example, home or office phone) or to send mail to a different address.
- We will consider all reasonable requests, and must say "yes" if you tell us you would be in danger if we do not.

Ask us to limit what we use or share

- You can ask us not to use or share certain health information for treatment, payment, or our operations.

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- We are not required to agree to your request, and we may say “no” if it would affect your care.

Get a list of those with whom we’ve shared information

- You can ask for a list (accounting) of the times we’ve shared your health information for six years prior to the date you ask, who we shared it with, and why.
- We will include all the disclosures except for those about treatment, payment, and health care operations, and certain other disclosures (such as any you asked us to make). We’ll provide one accounting a year for free but will charge a reasonable, cost-based fee if you ask for another one within 12 months.

Get a copy of this privacy notice

- You can ask for a paper copy of this notice at any time, even if you have agreed to receive the notice electronically. We will provide you with a paper copy promptly.

Choose someone to act for you

- If you have given someone medical power of attorney or if someone is your legal guardian, that person can exercise your rights and make choices about your health information.
- We will make sure the person has this authority and can act for you before we take any action.

File a complaint if you feel your rights are violated

- If you feel we have violated your rights, you can complain by contacting the Plan Administrator or HIPAA Privacy Officer.
- You can file a complaint with the U.S. Department of Health and Human Services Office for Civil Rights by sending a letter to 200 Independence Avenue, S.W., Washington, D.C. 20201, calling 1-877-696-6775, or visiting www.hhs.gov/ocr/privacy/hipaa/complaints/.
- We will not retaliate against you for filing a complaint.

Your Choices

For certain health information, you can tell us your choices about what we share. If you have a clear preference for how we share your information in the situations described below, talk to us. Tell us what you want us to do, and we will follow your instructions.

In these cases, you have both the right and choice to tell us to:

- Share information with your family, close friends, or others involved in payment for your care
- Share information in a disaster relief situation

If you are not able to tell us your preference, for example if you are unconscious, we may go ahead and share your information if we believe it is in your best interest. We may also share your information when needed to lessen a serious and imminent threat to health or safety.

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In these cases, we *never* share your information unless you give us written permission:

- Marketing purposes
- Sale of your information

Our Uses and Disclosures

How do we typically use or share your health information?

We typically use or share your health information in the following ways:

Help manage the health care treatment you receive

- We can use your health information and share it with professionals who are treating you.
- *Example: A doctor sends us information about your diagnosis and treatment plan so we can arrange additional services.*

Run our organization

- We can use and disclose your information to run our organization and contact you when necessary.
- We are not allowed to use genetic information to decide whether we will give you coverage and the price of that coverage. This does not apply to long term care plans.
- *Example: We use health information about you to develop better services for you.*

Pay for your health services

- We can use and disclose your health information as we pay for your health services.
- *Example: We share information about you with your dental plan to coordinate payment for your dental work.*

Administer your plan

- We may disclose your health information to your health plan sponsor for plan administration.
- *Example: Your company contracts with us to provide a health plan, and we provide your company with certain statistics to explain the premiums we charge.*

How else can we use or share your health information?

- We are allowed or required to share your information in other ways – usually in ways that contribute to the public good, such as public health and research. We have to meet many conditions in the law before we can share your information for these purposes. For more information see: www.hhs.gov/ocr/privacy/hipaa/understanding/consumers/index.html.

Help with public health and safety issues

We can share health information about you for certain situations such as:

- Preventing disease
- Helping with product recalls
- Reporting adverse reactions to medications
- Reporting suspected abuse, neglect, or domestic violence

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- Preventing or reducing a serious threat to anyone's health or safety

Do research

- We can use or share your information for health research.

Comply with the law

- We will share information about you if state or federal laws require it, including with the Department of Health and Human Services if it wants to see that we're complying with federal privacy law.

Respond to organ and tissue donation requests and work with a medical examiner or funeral director

- We can share health information about you with organ procurement organizations.
- We can share health information with a coroner, medical examiner, or funeral director when an individual dies.

Address workers' compensation, law enforcement, and other government requests

We can use or share health information about you:

- For workers' compensation claims
- For law enforcement purposes or with a law enforcement official
- With health oversight agencies for activities authorized by law
- For special government functions such as military, national security, and presidential protective services

Respond to lawsuits and legal actions

- We can share health information about you in response to a court or administrative order, or in response to a subpoena.

Our responsibilities

- We are required by law to maintain the privacy and security of your protected health information.
- We will let you know promptly if a breach occurs that may have compromised the privacy or security of your information.
- We must follow the duties and privacy practices described in this notice and give you a copy of it.
- We will not use or share your information other than as described here unless you tell us we can in writing. If you tell us we can, you may change your mind at any time. Let us know in writing if you change your mind.

For more information see:

www.hhs.gov/ocr/privacy/hipaa/understanding/consumers/noticepp.html.

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Changes to the Terms of this Notice

We can change the terms of this notice, and the changes will apply to all information we have about you. The new notice will be available upon request, on our web site, and we will mail a copy to you.

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Item 7: Appendix A Welfare Benefit Plans *(this Appendix is amended as follows):*

APPENDIX A
WELFARE BENEFIT PLANS

The following employer sponsored welfare benefits of the plan sponsor are subject to ERISA and are covered by the Plan:

- Medical - 2 separate carriers
- Dental
- Vision
- Basic Life
- Supplemental life
- Short Term Disability
- Long Term Disability
- Healthcare Flexible Spending Account
- Telemedicine
- Hospital Indemnity - only offered to temp population

Except as stated above, all Plan provisions remain the same.

This Amendment has been approved and adopted by the Plan. It supersedes and/ or changes any previous Amendment(s) in regards to the Plan provisions specified in the Plan Document that governs this Plan. After you review this Amendment, please place a copy of it with your Summary Plan Description for future reference. This Amendment shall be attached to and form a part of the Summary Plan Description on the above stated Effective Date