

**ON-LINE SYSTEMS, INC. 401(K) Plan
Automatic Contribution Arrangement
(Including Default Investment)**

To: Plan Participants

From: Plan Sponsor

Re: Notice of Rights under Automatic Contribution Arrangement

Date: February 22, 2016

1. Automatic contributions (“deferrals”). This notice advises you that your Plan includes an Automatic Contribution Arrangement (“ACA”).

- a. **Automatic withholding.** If you are an existing participant and do not have in effect a Salary Reduction Agreement on April 1, 2016 or if you are a newly eligible employee and if you do not inform us, as described below, we will automatically withhold from your compensation 3% pre-tax per pay period. We will transmit the withheld amount to the Plan as your elective deferral. You are not required to have this amount withheld.
- b. **Your ability to change automatic withholding.** If you want to contribute an amount different from the above percentage (either more, less or zero), you must instruct us within a reasonable time before the automatic deferral occurs. If you do so, your instructions remain effective until you change them. If you do not instruct us, the automatic arrangement remains in effect until you change it.

2. Qualified Default Investment Notice:

- a. **Right to direct investment.** You have the right to direct the investment of contributions (defined as deferrals, and if applicable, company match, profit sharing and rollovers) in any of the investment choices available under the Plan. We have provided you with a description of each of these choices. If you have lost or misplaced this information please contact us and request a new copy.
- b. **Circumstances under which contributions will be invested on your behalf.** If you fail to provide the plan with investment direction regarding any of your contributions, then the Plan will invest the contribution in a default investment on your behalf. We have provided you with separate instructions regarding how to direct your investment. If you have lost or misplaced this information, please contact us and request a new copy.
- c. **Description of Default Investment.** The Plan uses “Target Date” funds as its default investment option. Target Date funds are managed with an individual’s target retirement date in mind. Each fund is designed for individuals who plan to retire close to the year described in the fund and the investment mix becomes progressively more conservative as the target date approaches. If you fail to provide investment direction, the Plan will invest your contributions in a Target Date fund based upon your year of birth as follows:

<u>Fund Name</u>	<u>Date of Birth Range</u>
Vanguard Target Retirement Income Inv	01/01/1900 - 12/31/1942
Vanguard Target Retirement 2015 Inv	01/01/1943 - 12/31/1952
Vanguard Target Retirement 2020 Inv	01/01/1953 - 12/31/1957
Vanguard Target Retirement 2025 Inv	01/01/1958 - 12/31/1962
Vanguard Target Retirement 2030 Inv	01/01/1963 - 12/31/1967
Vanguard Target Retirement 2035 Inv	01/01/1968 - 12/31/1972
Vanguard Target Retirement 2040 Inv	01/01/1973 - 12/31/1977
Vanguard Target Retirement 2045 Inv	01/01/1978 - 12/31/1982
Vanguard Target Retirement 2050 Inv	01/01/1983 - 12/31/1987
Vanguard Target Retirement 2055 Inv	01/01/1988 - 12/31/1992
Vanguard Target Retirement 2060 Inv	01/01/1993 - later

Accompanying this notice are fact sheets for each of the Target Date funds. The fact sheets provide a summary of fund information including the fund's investment objectives, fees and expenses, and risk and return characteristics. In addition, you may obtain the fund's complete prospectus by logging onto your account at alerusretirementsolutions.com. The prospectus contains important detailed information about the fund.

d. **Right to alternative investment.** Even if the Plan invests your contributions in the default investment, you have the continuing right to direct the investment of your account in one or more of the other investment choices available to you as explained above. You may change your investments at any time at alerusretirementsolutions.com or (800) 795-2697.

e. **Further investment information.** You can obtain further investment information about the Plan's investment alternatives other than the default investment by contacting the Plan Administrator at:

790 Farmington Ave.
Suite 3-D
Farmington, CT 06032

You may also contact the Alerus Retirement Solutions Call Center at 800-433-1685.