

**Amy's Kitchen Inc**  
**TRANSPORTATION FRINGE BENEFIT PLAN**

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## ARTICLE I

### INTRODUCTION

- 1.01 **Introduction.** The Amy's Kitchen Inc (the “Employer”) has established the Transportation Fringe Benefit Plan (“Plan”), which is effective as of the date set forth in the Plan Information Appendix. It is intended that this Plan will constitute a “Transportation Fringe Benefit Plan” that has been described in Section 132(f) of the Internal Revenue Code of 1986 (“Code”) and the regulations issued thereunder, as amended from time to time.
- 1.02 **Purpose and Scope.** The purpose of this Plan is to allow Eligible Employees to set aside otherwise taxable compensation on a pre-tax basis for Reimbursement (as defined herein) of Eligible Transportation Expenses (as defined herein).
- 1.03 **Documentation.** This document, including the Plan Information Appendix attached hereto, constitutes the official plan document of the Plan. No terms of any other document relating to this Plan shall be binding on the Employer and/or Plan Administrator except as specifically set forth herein.

## ARTICLE II

### DEFINITIONS

The terms used in this Plan shall have the meanings set forth in this Article II unless the context in which they are used clearly indicates that some other meaning is intended.

- 2.01 **Adopting Employer** means any entity which is a member of a group that includes the Employer that is defined in Code §414(b) or (c) and who has been authorized by the Employer to adopt the Plan for the benefit of its Eligible Employees and has so adopted this Plan as identified in the Plan Information Appendix.
- 2.02 **Commuter Highway Vehicle** means any highway vehicle (including a Van Pool operated by an Employer, Employee, private or public entity):
- (1) That has a seating capacity of at least 6 adults (not including the driver), and
  - (2) For which at least 80 percent of the mileage of such vehicle is reasonably expected to be used:
    - (a) for transporting Employees in connection with travel between their residences and their place of employment, and
    - (b) on trips during which the number of Employees transported for such purposes is, on average, at least one-half of the adult seating capacity of such vehicle (not including the driver).
- 2.03 **Compensation** means the cash wages or salary paid to an Employee by the Employer.
- 2.04 **Coverage Period** means the monthly, quarterly, semi-annual, annual (or other) period designated by the Employer in the Plan Information Appendix and/or in its enrollment material during which a Salary Reduction Agreement is effective and irrevocable.
- 2.05 **Effective Date** means the date the Plan was established. The Effective Date of this Plan is identified in the Plan Information Appendix.
- 2.06 **Eligible Transportation Expenses** mean those qualified expenses incurred by an Employee after the effective date of this Plan, after the date the Eligible Employee becomes a Participant, and prior to the date the Employee ceases to be a Participant to use a Commuter Highway Vehicle, Transit Pass, or Qualified Parking, as defined herein, for purposes of transportation between an Employee's residence and place of employment.
- 2.07 **Employee** means an individual that the Employer classifies as a common-law employee and who is on the Employer's W-2 payroll, but does not include any leased employee (including, but not limited to those individuals defined in Code § 414(n)), or an individual classified by the Employer as a contract worker, independent contractor, temporary employee or casual employee, whether or not any such persons are on the employer's W-2 payroll, or any individual who performs services for the Employer but who is paid by a temporary or other employment agency such as "Kelly," "Manpower," etc., or any employee covered under a collective bargaining agreement.
- 2.08 **Employer** means Amy's Kitchen Inc
- 2.09 **Participant** means an Employee who has satisfied the eligibility requirements of Section 3.01 herein and has made an election in accordance with Section 3.02 herein.
- 2.10 **Plan** means the Amy's Kitchen Inc Transportation Fringe Benefit Plan, as amended from time to time.

- 2.11 **Qualified Parking** means the following types of parking:
- (1) On or near the business premises of the Employer;
  - (2) On or near a location from which the Participant commutes to work:
    - (a) On mass transit facilities, whether or not publicly owned,
    - (b) In a “Commuter Highway Vehicle,” or
    - (c) In a car or vanpool (i.e., two or more individuals who commute together in a motor vehicle on a regular basis).
- “Qualified Parking” does not mean parking on or near property used by the Employee for residential purposes. If more than Participant participates in a car or vanpool, and a Qualified Parking space has been obtain by one of the participants as a result of a membership in such car or vanpool, the rules and limitations of this Plan apply to the Participant to whom the space has been assigned. If no Participant has been assigned, the Qualified Parking Space, the Plan Administrator will, in its sole discretion, assign the Qualified Parking Space to one of the Participants.
- 2.12 **Reimbursement** means direct cash reimbursement of Eligible Transportation Expenses incurred by a Participant, or alternatively, indirect reimbursement of Eligible Transportation Expenses incurred by a Participant through a Voucher or direct payment to the transportation service provider.
- 2.13 **Salary Reduction Agreement** means the actual or deemed agreement pursuant to which an Eligible Employee enrolls in the Plan in accordance with Article III.
- 2.14 **Transit Fare** means a pass, token, farecard, Voucher (as defined herein), or similar item entitling a person to transportation (or transportation at a reduced price) satisfying either of the following conditions:
- (1) On mass transit facilities, whether or not publicly owned, or
  - (2) Provided by any person in the business of transporting persons for compensation or hire if such transportation is provided in a vehicle with a seating capacity of at least six adults (excluding the driver).
- 2.15 **Voucher** means an instrument (including an electronic payment card) that may be purchased by Employers from a Voucher Provider (as defined herein) that is accepted by one or more mass transit operators (e.g. train, subway, and/or bus) in an area as Transit Fare or in exchange for Transit Fare.
- 2.16 **Voucher Provider** means any person in the trade or business of selling transit system Vouchers (as defined herein) to Employers. A Voucher Provider includes a transit system operator that sells Vouchers to Employers for direct distribution to Participants. A Voucher Provider does not include a third party administrator that administers a transportation fringe benefit program using Vouchers that the Employer could obtain directly.

## ARTICLE III

### ELIGIBILITY and PARTICIPATION

- 3.01 **Eligibility.** Each Employee who satisfies the “Eligibility Requirements” described in the Plan Information Appendix shall become eligible to participate in the Plan no earlier than the “Eligibility Date” described in the Plan Information Appendix. An Eligible Employee shall become a Participant when he or she satisfies the requirements of Section 3.02 herein.
- 3.02. **Election of Benefits.**
- (a) An Eligible Employee may become a Participant by completing and submitting a Salary Reduction Agreement approved by the Plan Administrator whereby the Employee agrees to reduce his or her Compensation by the amount of Eligible Transportation Expenses he or she expects to incur during a future Coverage Period, not to exceed the applicable Monthly Limits set forth in the Plan Information Appendix. The pre-tax compensation reduction may exceed the Monthly Limits set forth in the Plan Information Appendix if the election is for more than one future Coverage Period and the monthly pro-rated election amount does not exceed the applicable Monthly Limits. An amount equal to the elected amount for the Coverage Period divided by the number of pay periods during the Coverage Period will be deducted from each paycheck during the Coverage Period.
  - (b) An eligible Employee may make an election to participate in accordance with this Section 3.02 at any time after the requirements in Section 3.01 have been satisfied. Such election will be effective no earlier than the first Coverage Period following the date the election to participate is made or the date the Employee first becomes eligible, whichever is later. To the extent set forth in the enrollment material, the Plan Administrator may deem each Eligible Employee who has satisfied the Eligibility Requirements set forth in the Plan Information Appendix to become a Participant in this Plan as of the Eligibility Date set forth in the Plan Information Appendix unless the Employee affirmatively elects not to participate.
  - (c) Such pre-tax salary reductions will continue each Coverage Period unless changed or revoked (prospectively) by the Employee pursuant to Section 3.04 and 3.05 herein.
- 3.03 **Accounts.** The Employer will create and maintain a bookkeeping account (“Account”) on behalf of each Participant for one or both of the following types of expenses, to the extent elected by the Eligible Employee in accordance with Section 3.02 herein:
- (a) Commuter Highway and Transit Fare Expenses; and/or
  - (b) Qualified Parking Expenses
- The Account(s) will reflect the accumulated amount of Compensation that has been deducted on a pre-tax basis from the Employee’s Compensation for each such type of expense, as set forth on the Salary Reduction Agreement. The balance of the Account(s) will be reduced by the amount of each Reimbursement made in accordance with the terms of this Plan. Amounts allocated to one Account per the Salary Reduction Agreement cannot be transferred to the other Account.
- 3.04 **Election Changes.** A Participant may revoke or change an election at any time pursuant to procedures established by the Plan Administrator. Such revocation or change of election shall not be effective until the first day of the Coverage Period following the Coverage Period during which the election change was made.
- 3.05 **Termination of Participation**

Participation in this Plan shall terminate on the earliest of the following to occur:

- (a) the date the Employer terminates the Plan,
- (b) the date the Participant terminates employment, or
- (c) the end of the Coverage Period during which the Participant revokes his or her Salary Reduction Agreement in accordance with Section 3.04 herein. Notwithstanding the preceding sentence, a former Participant who has revoked his or her Salary Reduction Agreement but is still an Employee as defined herein may be permitted, to the extent set forth in the Plan Information Appendix, to continue participating until coverage ends as set forth in (a) or (b) above and to receive Reimbursement for Eligible Transportation Expenses incurred after the effective date of the revocation up to the Participant's Account(s) balance. If permissible, all Reimbursements received for Eligible Transportation Expenses incurred after the effective date of the Salary Reduction Agreement revocation are subject to the terms of this Plan.

For purposes of Transit Fare Expenses provided in the form of a transit pass or Voucher by an Employer, the value of such coverage provided to an Employee for entire month(s) in which the Participant is not an Employee shall be included in the Participant's gross income for income tax purposes. The same amount shall be excluded from the Participant's gross income for purposes of reporting unemployment tax unless, prior to the beginning of the Coverage Period during which the Participant's employment terminated, the effective date of the termination was established to begin prior to the first day of the last month of the Coverage Period.

3.06 **Forfeiture of Unused Amount in Account.**

Any unused amounts in a Participant's Account(s) that have not been used for Eligible Transportation Expenses incurred prior to the end of any Coverage Period will be carried over to the subsequent Coverage Period. Any amounts in a Participant's Account(s) that have not been used for Eligible Transportation Expenses incurred before the date the individual ceases to be a Participant in accordance with Section 3.05 shall be forfeited and returned to the Employer to be used in the sole discretion of the Employer.

3.07 **Substantiation of Expenses.**

- (a) Where feasible, the Participant must provide written evidence indicating:
  - (i) the date that the Participant incurred the Expense,
  - (ii) the amount of such Expense,
  - (iii) the date the expense was incurred or paid, and
  - (iv) a description of the expense.
- (b) The information submitted by the Participant may vary depending on the specific facts and circumstances surrounding the expenses, including the method of payment and the particular transportation method used by the Participant. If written evidence is not available (for example, the expense is for a parking meter), the Plan Administrator may rely on the Participant's certification regarding the amount, date the expense was incurred, and type of expense unless the Plan Administrator has reason to doubt such Participant's certification.
- (c) All substantiation must be provided to the Plan Administrator within the Substantiation Period set forth in the Plan Information Appendix. No Reimbursement shall be provided for other Eligible Transportation Expenses where the required substantiation is not provided with the Substantiation Period.

- (d) For purposes of a transit pass or Voucher purchased in advance by the Employee, the requirements of this Section 3.07 will be satisfied if the Participant presents the transit pass or Voucher to the Plan Administrator at the beginning of the Coverage Period and then certifies that such transit pass or fare card will be used during the Coverage Period. An expense is “incurred” when the services giving rise to such expense have been provided.
- (e) If the Participant fails to provide adequate substantiation (where required) and/or fails to provide substantiation within the Substantiation Period set forth in the Plan Information Appendix, the Participant will be required to repay the unsubstantiated Reimbursement (to the extent reimbursement has already been provided). If the Participant fails to repay the unsubstantiated Reimbursement, such amount will be held from the Participant’s Compensation after all applicable taxes have been withheld or, alternatively, no further claims will be paid until the aggregate of all subsequent claims submitted for Reimbursement equals the unsubstantiated Reimbursement except where the amount exceeds the Monthly limits set forth in the Plan Information Appendix. In that case, the Participant must repay the excess reimbursement or have such amounts withheld from his/her compensation after all applicable taxes have been deducted. If repayment is not made in either instance and no alternatives are available, the Employer must treat such unpaid amounts in accordance with its internal policies and procedures and in accordance with applicable tax law.

3.08 **Reimbursement of Expenses.**

- (a) The Employer will provide Reimbursement of Eligible Transportation Expenses on an administratively convenient periodic basis. The amount of any Reimbursement shall not exceed the lesser of the specific Account balance or the applicable Monthly Limit set forth in the Plan Information Appendix. A Participant may request a Reimbursement in accordance with procedures established by the Employer and described in the Participant’s enrollment material or other communication material. All Eligible Transportation Expenses incurred by a Participant must be submitted within the “Run Out Period” set forth in the Plan Information Appendix or such otherwise Eligible Transportation Expenses will not be eligible for Reimbursement.
- (b) Special Rules for Transit Passes. A direct cash reimbursement may not be provided for an Employee’s Transit Fare expenses in the form of a Transit Pass if a Voucher is readily available to the Employer for direct distribution to Participants. A Voucher is readily available if (1) the Employer can obtain the voucher on terms that are no less favorable than the terms available to a Participant directly and (2) the Employer does not incur a significant administrative cost in obtaining the Voucher. An administrative cost will be deemed to be “significant” if the Plan Administrator (in its sole discretion) determines that any of the following conditions have been satisfied:
  - (i) the average annual administrative cost imposed by the Voucher Provider and incurred by the Employer (excluding delivery charges of \$15 or less) is more than one percent (1.0%) of the average annual value of the Vouchers for a particular transit system (i.e., train, bus, subway), or
  - (ii) The Voucher Provider imposes one of the following other restrictions that effectively prevent the Employer from obtaining the Vouchers appropriate for distribution to Participants:
    - a. Advance Purchase Requirements wherein the Voucher Provider does not offer the Vouchers in regular intervals or fails to provide the Voucher within a reasonable period (as determined by the Plan Administrator) after receiving



payment for the Voucher. A requirement to purchase Vouchers on a monthly basis is not considered an unreasonable advance purchase requirement;

- b. Purchase Quantity Requirements wherein the Voucher Provider does not offer Vouchers in quantities that are reasonably appropriate (as determined by the Plan Administrator) to the number of the Employer's Employees who use mass transit; or
- c. Limitations on denominations of Vouchers available for distribution wherein the Voucher Provider does not offer Vouchers in denominations that are appropriate (as determined by the Plan Administrator) for distribution to the Participants.

(c) Special Valuation Rule for Van Pools. If a Participant incurs or pays an expense in a Commuter Highway Vehicle that is a car or vanpool, the value of such expense shall be determined in accordance with Treas. Reg. 1.132-9, Q-21.

## ARTICLE IV

### ADMINISTRATION

- 4.01 **Plan Administrator.** The Plan Administrator of the Plan shall be identified in the Plan Information Appendix.
- 4.02 **Powers and Duties of the Plan Administrator.** The Plan Administrator shall have exclusive responsibility for, and all powers necessary or desirable to carry out, the administration of the Plan and, without limitation on the foregoing, shall have complete discretionary power and authority to:
- (a) Adopt any rules and regulations it deems desirable for the conduct of its affairs and the administration of the Plan;
  - (b) Take any action it deems necessary or appropriate to comply with any requirements of applicable law with respect to notice and disclosure and the preparation and filing of reports and forms, if necessary;
  - (c) Construe and interpret the Plan and make determinations (including factual determinations) under the provisions of the Plan with respect to all rights, benefits, duties and entitlements, including but not limited to eligibility for benefits, amounts of benefits payable, and all other matters pertaining to the operation and administration of the Plan, all of which determinations are to be made in the Plan Administrator's sole discretion;
  - (d) Appoint or employ persons to assist in the administration of the Plan; and
  - (e) Make any equitable adjustments to correct any error or omission discovered in the administration of the Plan.
- 4.03 **Indemnification.** The Employer and each Affiliated Employer shall indemnify and hold harmless the Plan Administrator from and against any liability, loss, cost or expense arising from any action or inaction by such parties in connection with their responsibilities under the Plan.

## **ARTICLE V**

### **AMENDMENT AND TERMINATION**

The Employer may at any time (1) amend the Plan contained in this document in any manner it deems advisable, (2) terminate or limit the Plan contained in this document, or (3) terminate or limit the participation in the Plan by any Affiliated Employer, effective as of the date specified in the instrument of amendment or termination. Such amendments may be retroactive to the extent deemed appropriate by the Employer and may be made in contemplation of, or with specific reference to, a particular transaction, job elimination, reduction in force, or similar event.

## ARTICLE VI

### MISCELLANEOUS

- 6.01 **Right to Assets.** Neither the establishment of the Plan nor the payment of benefits under the Plan shall be construed as giving any legal or equitable right to any Eligible Employee, former Eligible Employee or Participant against the Employer or its officers or employees except as expressly provided herein, and all rights under any Plan shall be satisfied, if at all, only out of the general assets of the Employer.
- 6.02 **No Inducement, Contract or Guarantee of Employment.** The Plan does not constitute inducement or consideration for the employment of any Eligible Employee, nor is it a contract between any Employer and Eligible Employee. Participation in the Plan shall not give any Eligible Employee any right to continued employment with his Employer, and the Employer retains the right to hire and discharge any Eligible Employee at any time, with or without cause, as if the Plan had never been adopted.
- 6.03 **Spendthrift.** Except as permitted by law and this section, no assignment of any rights or benefits arising under the Plan shall be permitted or recognized. The Employer shall not be liable for or subject to the debts, contracts, liabilities, or torts of any person entitled to benefits under this Plan.
- 6.04 **Conclusiveness of Records.** The Employer's records with respect to an Employee's age, service, employment history, employment termination, compensation, absences, illnesses and all other relevant matters shall be conclusive for purposes of the administration of the Plan.
- 6.05 **Payment of Administration Expenses.** The Employer and, to the extent deemed appropriate by the Plan Administrator, the Adopting Employers, shall pay all the expenses of administration of the Plan and the expenses of the Plan Administrator, and any other expenses incurred at the direction of the Plan Administrator.
- 6.06 **Governing Law.** The Plan shall be governed, construed, administered and regulated in all respects under the rules and regulations of the Internal Revenue Code and the laws of California
- 6.07 **Right to Require Information and Reliance Thereon.** The Plan Administrator shall have the right to require Eligible Employees and/or Participants to provide the Plan Administrator or its agents with such information, in writing, and in such form as it may deem necessary to the administration of the Plan, and such parties may rely on that information in carrying out their duties hereunder.
- 6.08 **Construction.** One gender includes the other, and the singular and plural include each other when the meaning would be appropriate. The Plan's headings and subheadings have been inserted for convenience of reference only and must be ignored in any construction of the provisions. If a provision of this Plan is illegal or invalid, that illegality or invalidity does not affect other provisions. Any term with an initial capital not expected by capitalization rules is a defined term according to Article II.
- 6.09 **Notification of Employees.** The Employer shall communicate in writing the terms and conditions of the Plan to all Eligible Employees.
- 6.10 **Taxability of Benefits.** The Employer makes no guarantee as to the excludability of benefits under this Plan from federal, state, or local taxes, and it shall be the Employee's sole responsibility to pay any taxes due as a result of the payment of benefits hereunder.

## PLAN INFORMATION APPENDIX

This Plan Information Appendix provides information specific to the Amy's Kitchen Inc Transportation Fringe Benefit Plan. It is hereby incorporated into by reference and made a part of the Plan Document.

This Plan Information Appendix is effective beginning January 1, 2024. This version supersedes all prior Plan Information Appendices with an earlier effective date.

### I. EMPLOYER/PLAN SPONSOR INFORMATION

1. Name, address, and telephone number of the Employer/Plan Sponsor:	Amy's Kitchen Inc 109 Kentucky Street Petaluma, CA 94952
2. Name, address, and telephone number of the Plan Administrator:	Amy's Kitchen Inc 109 Kentucky Street Petaluma, CA 94952
3. Employer's federal tax identification number:	68-0154899
4. Effective Date of the Plan:	January 1, 2022
5. Adopting Employers participating in the Plan:	1. 2.

### II. ELIGIBILITY

Each Employee who Employees of Amy's Kitchen, Inc. and employees of Amy's Kitchen Restaurant Operating Company, LLC (DBA Amy's Drive Thru) who reside in the state of California and who worked on average 20 hours or mor and who is eligible for coverage or participation under any of the Benefit Package Options will be eligible to participate in this Plan on employees who work on average 20 hours or more per week within the previous calendar month ("Eligibility Date").

The Employee's commencement of participation in the Plan is conditioned on the Employee properly completing and submitting a Salary Reduction Agreement as set forth in Section 3.02 herein.

### III. EXPENSES INCURRED AFTER REVOCATION OF ELECTION

Expenses incurred after the effective date of a Participant's revocation of participation in this Plan may be reimbursed in accordance with the terms of the Plan.

#### **IV. COVERAGE PERIOD**

The Coverage Period for which an Election is effective is monthly

#### **V. MONTHLY LIMITS**

Reimbursement of Eligible Transportation Expenses is limited to the lesser of the applicable Account Balance or the following (to the extent elected by the Participant) monthly limits for the month in which the expense was incurred (including all other expenses of the same type incurred in that month):

1. For Commuter Highway Vehicles and Transit Passes, the monthly limitation set forth in Treasury Reg. 1.132-9(b), Q/A 7(a), as indexed for inflation, or, if lesser, \$315.00.
2. For Qualified Parking the monthly limitation set forth in Treasury Reg. 1.132-9(b), Q/A 7(b), as indexed for inflation, or, if lesser, \$315.00.

#### **VI. RUN OUT PERIOD**

All requests for reimbursement of Eligible Transportation Expenses must be made within 90 day of the date the claim is incurred.

#### **VII. SUBSTANTIATION PERIOD**

All required substantiation must be provided within 180. If no substantiation period is provided, the required substantiation must be provided within 180 days after the date the claim is incurred or paid by the Participant.

#### **VIII. METHOD OF FUNDING**

For Participants who elect benefits related to Commuter Highway Vehicles and Transit Passes, the Employer will contribute up to \$«Employer\_Seeding\_commutertransit50.00 of the monthly cost. For Participants who elect benefits related to Qualified Parking, the Employer will contribute up to \$«Employer\_seeding\_parking50.00 of the monthly cost. Participants who elect any of the benefits must pay for their share of the cost on a pre-tax compensation reduction basis.

**ADOPTION OF PLAN**

As witness whereof, the Plan shall be adopted effective as set forth below.

Amy's Kitchen Inc

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_.

**Amy's Kitchen Inc**  
Transportation Fringe Benefit Plan  
Summary Plan Description



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## Introduction

Amy's Kitchen Inc (the “Employer”) is pleased to sponsor an employee benefit program known as a “Transportation Fringe Benefit Plan” (the “Plan”) for you. The Employer provides you with the opportunity to pay for selected benefits by entering into a compensation reduction arrangement by which you elect to pay for the benefits on a pre-tax basis instead of receiving a corresponding amount of your regular pay. This arrangement helps you since the benefits you elect are non-taxable; you save Social Security and income taxes on the amount of your compensation reduction.

This Summary describes the basic features of the Plan, how it operates and how you can receive the maximum advantage by participating. This is only a summary of the key parts of the Plan and a brief description of your rights as a Participant (defined in Q-4); it is not part of the official Plan documents. If there is a conflict between the Plan documents and this Summary, the Plan documents will apply.

### Q-1. What is the purpose of the Plan?

The purpose of the Plan is to allow eligible Employees as defined in Q-4 to use funds provided through employee compensation reductions to pay for Transportation Benefits as defined in Q-3 under the Plan with pre-tax dollars.

### Q-2. What are “Transportation Benefits”?

Transportation Benefits provide you a source of pre-tax funds to reimburse yourself for eligible Transportation Expenses by entering into an Election Form/Compensation Reduction Agreement with your Employer. Under the Agreement, you agree to a compensation reduction to fund Transportation Expenses instead of receiving a corresponding amount of your regular pay. In return, you may be reimbursed from the Plan for eligible Transportation Expenses. This arrangement helps you in that elected benefits are non-taxable, which saves you Social Security and income taxes on the amount of your salary reduction. Please see Q-5 for a further discussion of the potential savings.

### Q-3. What specific Transportation Benefits are provided by the Plan?

The plan includes the following transportation benefits:

- *Transit Pass Benefits*: permit Employees to pay, with pre-tax dollars, for their share of the costs of qualifying Transit Pass Expenses for mass transit passes, vouchers, etc. for commuting to work;
- *Commuter Highway Vehicle (Van Pool) Benefits*: permit Employees to pay, with pre-tax dollars, for their share of the costs of qualifying Commuter Highway Vehicle Expenses for commuting to work; and
- *Qualified Parking Expenses*: permit Employees to pay, with pre-tax dollars, for their share of the cost of Qualified Parking Expenses

Your Employer’s Plan only reimburses for transportation expenses that cover a period of one month or more. Consequently, the Plan does not reimburse for daily or metered parking.

#### Q-4. Who can participate in the Plan?

Employees of Amy's Kitchen, Inc. and employees of Amy's Kitchen Restaurant Operating Company, LLC (DBA Amy's Drive Thru) who reside in the state of California and who worked on average 20 hours or more are eligible to participate in the Plan, employees who work on average 20 hours or more per week within the previous calendar month with the Employer, provided that the election procedures in Q-6 are followed.

“Employee” means an individual that the Employer classifies as a common-law employee and who is on the Employer’s W-2 payroll, except that the term does not include any common-law employee who is a leased employee, or any common-law employee classified by the Employer as a contract worker, independent contractor, temporary employee or casual employee. “Employee” also does not include any individual who performs services for the Employer but who is paid by a temporary or other employment or staffing agency, nor any employee covered under a collective bargaining agreement. Also, the term does not include any self-employed individual, partner or more than a 2% shareholder of a Subchapter S Corporation.

The Employees who actually participate in the Plan are called “Participants”. An Employee continues to participate until (a) termination of the Plan; (b) the date on which the Participant ceases to be an eligible Employee; or (c) the Participant revokes his or her election, as described in Q-8.

#### Q-5 What tax savings would I gain by participating in the Plan?

You save both federal income tax and FICA (Social Security) taxes by participating in the Plan.

Following is an example of the tax savings you might experience as a result of participating in the Plan:

- Assume \$3,000 in gross monthly pay and a \$150 monthly payment for parking.
- Assume also that there are no contributions made by your Employer for parking.
- Monthly take-home pay would be approximately \$2,171.50 if parking costs were paid on an after-tax basis (i.e., without a Transportation Fringe Benefit Plan). Monthly take-home pay would be \$2,204.50 if parking costs were paid on a pre-tax basis (i.e., with a Transportation Fringe Benefit Plan. Plan participation reduces monthly taxable income from \$3,000 to \$2,850, thus saving the Participant \$33 per month, or \$396 per year. .

Items	With Transportation Fringe Benefit Plan	Without Transportation Fringe Benefit Plan
Gross Monthly Pay	\$3,000.00	\$3,000.00
Transportation Expense (Before Tax)	-\$150.00	-\$0.00
<b>Monthly Taxable Income</b>	<b>\$2,850.00</b>	<b>\$3,000.00</b>
Federal Tax (Estimated @ 15%)	-\$427.50	-\$450.00
FICA (7.65%, rounded to nearest \$.50)	-\$218.00	-\$229.50
Transportation Expense (After Tax)	-\$0.00	-\$150.00
<b>Total Take-Home Pay</b>	<b>\$2,204.50</b>	<b>\$2,171.50</b>

Actual tax savings may vary based on individual circumstances. Additional tax savings may be available under state and local law (e.g. there may be state income tax savings).

### **Q-6 How do I become a Participant?**

Once the eligibility requirements in Q-4 are satisfied, you become a Participant by signing an individual Election Form/Compensation Reduction Agreement on which you elect one or more of the benefits available under the Plan, as well as agree to compensation reduction to pay for elected benefits. You must complete the Election Form/Compensation Reduction Agreement and return it to Amy's Kitchen Inc within the time period specified by the Administrator of the Plan (the "Administrator") in the enrollment materials. The Election Form/Compensation Reduction Agreement will be made available to you by the first day of the Open Enrollment Period and you will be given the opportunity during the Open Enrollment Period to elect your coverage for the *Period of Coverage*.

"*Period of Coverage*" means a monthly basis. The period beginning on January 1 and ending on December 31 is called the "*Plan Year*".

### **Q-7 What is the "Open Enrollment Period"?**

You will be notified of the duration of the Open Enrollment Period.

### **Q-8 Other than Open Enrollment, when can I change my election?**

Generally, you cannot change your election to participate in the Plan or vary the compensation reduction amounts that you have selected during the Period of Coverage (this is known as the irrevocability rule). However, your election will terminate when you cease working for the Employer or are no longer eligible, in accordance with Q-9.

### **Q-9 What happens if my employment ends or I stop being eligible for other reasons?**

If your employment with the Employer is terminated, your active participation in the Plan will cease and you will not be able to make any more contributions to the Plan. In addition, the Plan is not subject to any benefit continuation under the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). If you are rehired, you must complete the waiting period before participating again. If you cease to be an eligible Employee for other reasons (i.e. reduction in hours), you must also complete the waiting period before participating again. Reimbursement from your Transportation Account under those circumstances is discussed in Q-21 and Q-22.

### **Q-10 Will I pay any administrative costs under the Plan?**

No. The cost is paid entirely by the Employer.

### **Q-11 How long will the Plan remain in effect?**

Even though the Employer expects to maintain the Plan indefinitely, the Employer has the right to amend or terminate all or any part of the Plan at any time for any reason. Also, possible future changes in the state or federal tax laws may require the Plan to be amended accordingly.

### **Q-12 What happens if my claim for benefits is denied?**

If your claim for benefits is denied in whole or in part, the Administrator will notify you in writing within 90 days of the date the Plan Administrator received your claim. Upon receipt of an adverse benefit determination, you must within 60 days appeal the denial to the Plan Administrator (seeking reconsideration of the denial). The appeal step is a prerequisite to pursuing any other avenues of relief. Contact information for the Plan Administrator is in Q-27.

### **Q-13 How will participating in the Plan affect my Social Security and other benefits?**

Plan participation will reduce the amount of your taxable compensation. Accordingly, there could be a decrease in Social Security benefits and/or other benefits that are based on taxable compensation. However, the tax savings that you incur through Plan participation will often more than offset any reduction in other benefits. The Employer is not qualified to advise eligible Employees as to whether to participate in the Plan, based on the impact to Social Security benefits.

### **Q-14 How are my Transportation Benefits paid?**

You complete the Election Form and Compensation Reduction Agreement, you specify that the share of the cost that will be paid by you with pre-tax compensation reductions. From then on, you must pay the costs for such coverage by having that portion deducted from each paycheck on a pre-tax basis, as described in Q-15.

### **Q-15 How are my compensation reduction amounts calculated?**

Your compensation reduction per pay period will be an amount equal to your monthly Transportation cost(s) times the number of months remaining in the Plan Year divided by the number of Pay Periods remaining in the Plan Year. For example, a compensation reduction per semi-monthly pay period for a \$100 monthly parking expense over the entire Plan Year (i.e., 12 months) would be \$50 (i.e.,  $\$100 \times 12 / 24$ ).

### **Q-16 What is my “Transportation Account”?**

If you elect Transportation Benefits, an account called a “*Transportation Account*” will be set up in your name to keep a record of the reimbursements you are entitled to, as well as the pre-tax Compensation Reductions you have paid for such benefits during the Plan Year. Your Transportation Account is merely a recordkeeping account. It is not funded since all reimbursements are paid from the general assets of the Employer and it does not bear interest.

### **Q-17 What are the maximum Transportation Benefits that I may elect?**

You may choose any amount of Transportation Expenses reimbursement that you wish under the Plan, subject to the maximum reimbursement amounts described below.

The maximum amount that may be contributed to your Transportation Account (including both employer contributions (if any) and your Compensation Reductions) cannot exceed the maximum amount specified in Code § 132(f), subject to a possible cost-of-living adjustment each year that may be communicated via a separate document. The maximum monthly amounts are:

Qualified Parking Expenses	\$«Maximum_Parking_expense315.00
Transit Passes and Commuter Highway	
Vehicle Expenses (combined totally)	
\$«Maximum_CommuterTransit_expense315.00	

### Q-18 What amounts will be available for reimbursement during a Period of Coverage?

The amount of coverage that is available for reimbursement of Transportation Expenses at any particular time during a Period of Coverage will be equal to the amount credited to your Transportation Account at the time your claim is paid, reduced by the amount of any prior reimbursements paid to you previously.

### Q-19 What are “Transportation Expenses”?

“*Transportation Expenses*” means expenses incurred or paid during the month for which an election is in force, provided that you are currently an eligible Employee at the time the Transportation Benefit is provided to you. (Transportation Benefits are considered to be provided on the date you receive a Transit Pass (defined below) or similar item, or in any other case the date you use the Transportation Benefit.) Transportation Expenses include “*Transit Pass Expenses*”, “*Commuter Highway Vehicle Expenses*” and “*Qualified Parking Expenses*”, which are defined as follows:

- “*Transit Pass Expenses*” are expenses incurred or paid for a pass, token, fare card, voucher or similar item (transit Pass) for transportation (a) on mass transit facilities (such as train, bus, subway or ferry), whether or not publicly owned, or (b) provided by any person in the business of transporting persons for compensation or hire if such transportation is provided in a vehicle with a seating capacity of at least six adults (not including the driver).
- “*Commuter Highway Vehicle (Van Pool) Expenses*” are expenses incurred or paid for transportation in a Commuter Highway Vehicle if such transportation is in connection with travel between your residence and place of employment. A Commuter Highway Vehicle is any highway vehicle with a seating capacity of at least six adults (not including the driver) and for which at least 80% of the mileage for a year is for purposes of transporting employees in connection with travel between their residences and their places of employment and on trips during which the number of employees transported for such purposes is at least half of the adult seating capacity of the vehicle (not including the driver).
- “*Qualified Parking Expenses*” are expenses incurred or paid for parking at or near your regular place of employment with the Employer, or expenses incurred to park your car at a location from which you commute to your regular place of employment by (a) carpool, (b) a Commuter Highway Vehicle, (c) mass transit facilities or (d) transportation provided by any person in the business of transporting persons for compensation of hire, if the transportation is a Commuter Highway Vehicle.

### Q-20 When are Transportation Expenses “incurred” or “paid”?

In order for your Transportation Expenses to be reimbursed, they must have been *incurred* or *paid* during the Period of Coverage for which your election is in force. A Transportation Expense is *incurred* when the service that gives rise to the expense is provided. A Transportation Expense will be *paid* when you actually pay for the service. The expense will not be paid when you are actually billed for or charged for the service. You will not be reimbursed

for any Transportation Expenses that arise before the Plan became effective or before your Election Form/Compensation Reduction Agreement became effective, before your Election Form/Compensation Reduction Agreement became effective, or for any expenses incurred or paid after a separation from employment.

### **Q-21 What must I do to be reimbursed for my Transportation Expenses?**

You will have to take certain steps to be reimbursed for your Transportation Expenses. When you incur an eligible expense for payment, you must submit a claim to the Administrator on a *Reimbursement Request Form* that will be provided to you. You must include bills, invoices, statements from an independent third party, parking receipts, used transit passes or other evidence of payment showing the amounts of such payments, together with any additional documentation that the Plan Administrator may request that shows the Transportation Expenses have been incurred or paid and the amount of the Transportation Expenses.

You have up to 180 days after the date the Transportation Expenses were incurred or paid to submit a claim for reimbursement. However, if following the date the Transportation Expense was incurred or paid you cease to be a Participant in the Plan due to termination of employment or loss of eligibility for other reasons, you will only have up to the earlier of (a) 180 days after the Transportation Expense was incurred or paid, or (b) 90 day after the date you ceased to be a Participant in order to submit a claim for reimbursement. You will be notified in writing if any claim for benefits is denied, in accordance with Q-12.

If there are enough funds credited to your Transportation Account, you will be reimbursed for your eligible Transportation Expenses within 60 days after the date you submitted the Reimbursement Request Form. Remember that you cannot be reimbursed for any total expenses above the monthly reimbursement amount indicated in Q-17.

### **Q-22 What if I overestimate my Transportation Expenses?**

If your reimbursement request was for less than your current Transportation Account balance, the unused amounts in your Transportation Account will roll over and be available for future reimbursements, as long as you continue to participate in the Plan. You may need to adjust the election for the next Period of Coverage in order to use up your surplus Transportation Account balance.

### **Q-23 What if I underestimate my Transportation Expenses?**

If your reimbursement request was for an amount that was less than the monthly maximum amount which is described above, but more than your current Transportation Account balance, the excess part of the reimbursement will be carried over into following months to be paid as your balance becomes adequate, subject to the monthly maximum.

You cannot be reimbursed for any total expenses above your available funds credited to your Transportation Account. You may not be reimbursed for any expenses that arise before your Election Form/Compensation Reduction Agreement becomes effective.

If you are provided with a Transit Pass that is purchased directly by the Employer, your Transportation Account will be debited directly for the cost of the Transit Pass. You will not need to submit a Reimbursement Request Form.

If you submit a request for reimbursement that is less than \$15, it will be carried forward and combined with future requests until the reimbursable amount is \$25 or greater. If your account balance is less than \$25, then the entire amount of the reimbursable requests will be paid after the close of the Plan Year.



In addition, you will have 180 days after the date you incurred the expense to submit a Reimbursement Request Form. However, see Q-9 if you cease to be a Participant under the Plan. You will be notified in writing if any request for reimbursement is denied. Please see Q-12 if a claim is denied.

**Q-24 When would I risk forfeiting my Transportation Benefits?**

If you have any funds in your Transportation Account at the time of terminating your employment or stop being eligible for any other reason, any amount not applied for Transportation Expenses incurred or paid prior to the termination will be forfeited. Also, any Transportation Account benefit payments that are unclaimed such as un-cashed benefit checks by the close of the Plan Year following the Plan Year in which the Transportation Expense was incurred or paid will be forfeited. All amounts described as forfeited will be forfeited to the Employer.

**Q-25 Will I be taxed on the Transportation Benefits I receive?**

Generally, you will not be taxed on your Transportation Benefits, up to the limits set out in Q-17. However, the Employer cannot guarantee that specific tax consequences will flow from your participation in the Plan. The tax benefits you receive depend on the validity of the claims you submit. In order to qualify for tax-free treatment, your Transportation Expenses must be Qualified Parking Expenses, Commuter Highway Vehicle Expenses or Transit Pass Expenses as defined in the Internal Revenue Code. If you are reimbursed for a claim that is later determined not to be for Transportation Expenses, you will be required to repay the amount or risk having it considered to be taxable income. Therefore, it is your responsibility to determine whether each payment to you under this Plan is excludable for tax purposes. You may want to consult a tax advisor.

**Q-26 Can I submit my transportation expenses for reimbursement under our cafeteria plan?**

No, your Employer is not allowed by law to reimburse your eligible transportation expenses under the cafeteria plan. You can only submit them through this Plan.

**Q-27 What other general information should I know?**

This section contains certain general information that you may need to know about the Plan.

**General Plan Information**

- Name of the Plan: Amy's Kitchen Inc Transportation Fringe Benefit Plan
- Provisions of the Plan Described in this Summary became effective: January 1, 2024

**Employer Information**

- Your Employer's name and address are:  
Name: Amy's Kitchen Inc  
Address: 109 Kentucky Street  
Petaluma, CA 94952  
The Employer's federal employee tax identification number (EIN) is: 68-0154899

**Plan Administrator Information**



The name of the Plan Administrator is Amy's Kitchen Inc. The Plan Administrator has appointed isolated Benefit Services to keep the records for the Plan and to be responsible for the administration of the Plan. isolated Benefit Services will answer any questions you may have about our Plan. You may contact the isolated Benefit Services at the following address or telephone number for any further information about the Plan:

Address: PO Box 488, Coldwater, MI 49036

Telephone Number: 800-796-7910