

BANKCDA EMPLOYEES SAVINGS TRUST

SAFE HARBOR NOTIFICATION TO ELIGIBLE EMPLOYEES

This is an annual notice and only applies to the Plan Year beginning on January 1, 2019.

This notice covers the following points:

- How much you can contribute to the Plan;
- What other amounts the Employer will contribute to the Plan for you; and
- When your Plan account will be vested (that is, not forfeited, when you leave your job), and when you can receive a distribution of your Plan account.

You can find out more information about the Plan in the Plan's Summary Plan Description (SPD). You can obtain a copy of the SPD from the Administrator.

I. Employee deferral contributions

You are allowed to defer a portion of your compensation to the Plan. These amounts are referred to as deferrals and are held in an account for you. When you are permitted to take a distribution from the Plan, you will be entitled to all of your deferrals, as adjusted for any gains or losses. The type of compensation that may be deferred under the Plan is explained in the section of the Summary Plan Description entitled "What compensation is used to determine my Plan benefits?" (this is in the Article entitled "COMPENSATION AND ACCOUNT BALANCE").

You may elect to defer a percentage of your compensation each year instead of receiving that amount in cash. However, your total deferrals in any taxable year may not exceed a dollar limit which is set by law. The dollar limit may increase each year for cost-of-living adjustments. The amount you elect to defer on a pre-tax basis, and any earnings on that amount, will not be subject to income tax until it is actually distributed to you. However, the amount you defer on a pre-tax basis is counted as compensation for Social Security taxes.

If you are at least age 50 or will attain age 50 during a calendar year, then you may elect to defer additional amounts (called "catch-up contributions") to the Plan. These are additional amounts that you may defer, up to an annual limit imposed by law, regardless of any other limits imposed by the Plan.

You may make either pre-tax 401(k) deferrals or Roth 401(k) deferrals. Your election regarding the amount and type of deferrals is irrevocable with respect to any deferrals already withheld from your compensation. If you make pre-tax 401(k) deferrals, your deferrals are not subject to income tax until distributed from the Plan. If you make Roth 401(k) deferrals, your deferrals are subject to income tax at the time of deferral. The Roth 401(k) deferrals, however, are not taxed when you receive a distribution from the Plan. In addition, if the distribution of Roth 401(k) deferrals is considered "qualified," then the earnings on the deferrals will not be subject to income tax when distributed from the Plan. Distributions from your Roth accounts will be considered "qualified" only if the distribution is on account of attainment of age 59 1/2, death or disability, and the distribution must not occur prior to the end of the 5-year participation period that begins with the first taxable year for which you made a Roth 401(k) deferral to the Plan, or if earlier, the first taxable year for which you made a Roth 401(k) deferral to another Roth 401(k) plan or Roth 403(b) plan that you rolled over to this Plan. Both types of deferrals are subject to Social Security taxes at the time of deferral. Your Employer will deduct the Social Security taxes, and in the case of Roth 401(k) deferrals will deduct income taxes, from your remaining compensation.

II. Employer Safe Harbor Contribution Election

To help you make an informed decision on the level of your own salary deferral contributions, if any, your Employer must inform you about the contributions it will make to the Plan. Your Employer has elected to make the following contribution:

Safe Harbor Nonelective Contribution. In order to maintain "safe harbor" status, your Employer will make a contribution equal to 3% of your compensation. This contribution is 100% vested.

III. Other Employer Contributions

In addition to the above, other contributions may be made to the Plan. You should review the Article of the SPD entitled "EMPLOYER CONTRIBUTIONS" for details regarding these other contributions.

IV. Suspension or Reduction of Safe Harbor Contribution

The Employer retains the right to reduce or suspend the safe harbor contribution under the Plan. If the Employer chooses to do so, you will receive a supplemental notice explaining the reduction or suspension of the safe harbor contribution at least 30 days before the change

is effective. The Employer will contribute any safe harbor contribution you have earned up to that point. At this time, the Employer has no such intention to suspend or reduce the safe harbor contribution.

V. Vesting

The following is a general explanation of the vesting provisions of the Plan. More details can be found in the Article of the SPD entitled "VESTING."

100% vested contributions. You are always 100% vested (which means that you are entitled to all of the amounts) in your accounts attributable to the following contributions:

- salary deferrals including Roth 401(k) deferrals and catch-up contributions
- rollover contributions
- safe harbor contributions

Vesting schedules. Your "vested percentage" for Employer contributions is based on vesting Years of Service. This means at the time you stop working, your account balance attributable to contributions subject to a vesting schedule is multiplied by your vested percentage. The result, when added to the amounts that are always 100% vested as shown above, is your vested interest in the Plan, which is what you will actually receive from the Plan. You will always, however, be 100% vested if you are employed on or after your Normal Retirement Age or if you die or become disabled prior to termination of employment.

Profit Sharing Contributions. Your "vested percentage" in your account attributable to profit sharing contributions is determined under the following schedule.

Vesting Schedule Profit Sharing Contributions	
Years of Service	Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Matching Contributions. Your "vested percentage" in your account attributable to matching contributions is determined under the following schedule.

Vesting Schedule Matching Contributions	
Years of Service	Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

VI. Distribution provisions

The Plan and law impose restrictions on when you may receive a distribution from the Plan. Below is general information on when distributions may be made under the Plan. See the SPD for more details, including details on how benefits are paid. Also, at the time you are entitled to receive a distribution, the Administrator will provide you with a notice explaining the rules regarding the taxation of the distribution.

If your vested account balance exceeds \$5,000, you may elect to have your vested account balance distributed to you as soon as administratively feasible following your termination of employment.

If your vested account balance does not exceed \$5,000, a distribution of your vested account balance will be made to you, regardless of whether you consent to receive it, as soon as administratively feasible following your termination of employment.

You may also withdraw money from the Plan from certain accounts if you have reached age 59 1/2 or if you have an immediate and heavy financial need. However, there are various rules and requirements that you must meet before any withdrawal is permitted. See the Article in the SPD entitled "DISTRIBUTIONS PRIOR TO TERMINATION AND HARDSHIP DISTRIBUTIONS" for more details.

VII. Administrative procedures

The amount that is contributed to the Plan from your compensation will be deducted from your pay in accordance with a procedure established by the Administrator. The procedure will require that you be permitted to enter into a written salary deferral agreement after you satisfy the Plan's eligibility requirements. You may elect to defer a portion of your salary as of your entry date. Such election will become effective as soon as administratively feasible. Your election will remain in effect until you modify or terminate it.

You are permitted to revoke your salary deferral election any time during the Plan Year. You may make any other modification on the as of any date determined by the Plan Administrator or in accordance with any other procedure that your Employer provides. Any modification will become effective as soon as administratively feasible after received by the Administrator.

In addition to any other election periods provided above, you may make or modify a salary deferral election during the 30-day period immediately preceding the Plan Year for which this notice is being provided.

If you decide to start or change your salary deferral, you must complete the salary deferral agreement and return it to the Administrator.

VIII. Investments

Right to direct investment/default investment. You have the right to direct the investment of your directed accounts in any of the investment choices explained in the investment information materials provided to you.

We encourage you to make an investment election to ensure that amounts in the Plan are invested in accordance with your long-term investment and retirement plans.

IX. Employer's right to terminate Plan

Pursuant to the terms of the Plan, your Employer has the right, at any time, to terminate the Plan. Termination of the Plan will result in the discontinuance of all contributions to the Plan (including the safe harbor 401(k) contribution) with respect to any compensation you receive after the effective date of the termination. Termination of the Plan will not affect your right to receive any contributions you have accrued as of the effective date of the termination.

X. Summary Plan Description

This notice is not a substitute for the Summary Plan Description. The provisions of the Plan are very complex and you should always look at the Summary Plan Description if you have any questions about the Plan. If, after reading the Summary Plan Description, you still have questions, contact the Administrator.

XI. Further Information

If you need additional information or have any question regarding the information provided in this notice, please contact the Administrator. You may contact the Administrator at:

Contact: bankcda

Address: 912 Northwest Blvd
Coeur d'Alene, ID 83814

Telephone: (208) 665-5999