

ANNUAL FUNDING NOTICE
for
The Fidelity Bank Pension Plan

Introduction

This notice provides key details about your pension plan (the “Plan”) for the plan year beginning January 1, 2025 and ending December 31, 2025 (the “Plan Year”).

This is an informational notice. You do not need to respond or take any action.

This notice includes:

- Information about your Plan’s funding status.
- Details on your benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency.

What if I have questions about this notice or my Plan?

Contact your plan administrator at:

- **Retirement Focus Service Center**
- **Phone:** 1-833-560-0243
- **Address:** PO Box 68099, Schaumburg, IL 60168-0099
- **Website:** www.retirementfocus.com

To better assist you, provide your plan administrator with the following information when you contact them:

- **Plan Number:** 001
- **Plan Sponsor Name:** Fidelity Bank
- **Employer Identification Number:** 56-0132040.

What if I have questions about PBGC and the pension insurance program guarantees?

Visit www.pbgc.gov/generalfaq for more information. For specific information about your pension plan or pension benefits, you should contact your employer or plan administrator as PBGC does not have that information.

Federal law requires all traditional pension plans, also known as defined benefit pension plans, to provide this notice every year regardless of funding status. This notice does not mean your Plan is terminating.

How Well Funded Is Your Plan?

The law requires the plan administrator to explain how well the Plan is funded, using a measure called the “funded percentage.” The funded percentage is calculated by dividing Plan assets by Plan liabilities. In general, the higher the funded percentage, the better funded the plan. Plan liabilities are the present value of the benefits promised by the Plan, determined using a market-related interest assumption. The chart below shows the Plan’s funded percentage for the Plan Year and the two preceding plan years. It also lists the value of the Plan’s assets and liabilities for those years.

Funded Percentage			
	2025	2024	2023
1. Last day of relevant plan year	12/31/2025	12/31/2024	12/31/2023
2. Plan assets	\$39,955,971	\$38,299,693	\$39,329,452
3. Plan liabilities	\$29,596,565	\$29,049,157	\$29,150,825
4. Funded percentage (Line 2 / Line 3)	135%	132%	135%

If the Plan terminates, the Plan’s liabilities calculated by the PBGC may be greater than the Plan liabilities shown in the above chart. When the PBGC takes over a terminated plan as trustee, it guarantees benefits up to a legal limit. See the section of this notice titled “Benefit Payments Guaranteed by PBGC” for additional information.

Participant and Beneficiary Information

The following chart shows the number of participants and beneficiaries covered by the Plan on the last day of the Plan Year and the two preceding years.

Number of participants and beneficiaries on last day of relevant plan year	2025	2024	2023
1. Last day of relevant plan year	12/31/2025	12/31/2024	12/31/2023
2. Participants currently employed	65	67	70
3. Participants and beneficiaries receiving benefits	152	153	151
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	72	72	75
5. Total number of covered participants and beneficiaries (Lines 2 + 3 + 4 = 5)	289	292	296

Funding & Investment Policies

Funding Policy

Every pension plan must establish a funding policy to meet its objectives. The funding policy relates to how much money is needed to pay promised benefits. The investment policy of the Plan is to preserve the funded status through a liability driven investment portfolio.

Investment Policy

Pension plans have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The investment policy of the Plan is to preserve the funded status through a liability driven investment portfolio.

Under the investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

<u>Asset Allocation</u>	<u>Percentage</u>
Public equity	10%
Private equity	
Investment grade debt instruments	88%
High-yield debt instruments	
Cash and cash equivalents	2%
Real Estate	
Other	

The average return on assets for the Plan Year was 8.19%.

Right to Request a Copy of the Annual Report

Pension plans must file an annual report, called the **Form 5500**, with the U.S. Department of Labor. The Form 5500 includes financial and other information about these pension plans. You can get a copy of your Plan's Form 5500:

- **Online:** Visit www.efast.dol.gov to search for your plan's Form 5500. You may also obtain a copy of the Plan's annual report via the company's internet site at www.fidelitybanknc.com/careers/plan-documents/ under Annual Funding Notice tab.
- **By Mail:** Submit a written request to your plan administrator.
- **By Phone:** Call 202-693-8673 to speak with a representative of the U.S. Department of Labor, Employee Benefits Security Administration's Public Disclosure Room.

The Form 5500 does not include personal information, such as your accrued benefits. For details about your accrued benefits, contact your plan administrator.

Termination Rules for Single-Employer Plans

Federal law outlines specific rules for terminating a pension plan. There are three types of terminations:

Standard Termination

An employer can end a plan through a standard termination. However, the plan administrator must prove to PBGC that the plan has enough money to pay all benefits owed to participants.

Under a standard termination, the plan must provide your benefits through one of the following methods:

- **Periodic benefits:** The plan buys an annuity from an insurance company, ensuring you receive regular, generally monthly, retirement payments for life. Before purchasing the annuity, your plan administrator will notify you about the selected insurance company.
- **Lump-sum payment:** If the plan allows, you may elect a lump-sum payment that covers your entire benefit.

PBGC's guarantee ends once an annuity is purchased, or a lump sum is paid. If the insurance company providing the annuity becomes unable to pay your benefits, the applicable state guaranty association will step in, guaranteeing the annuity to the extent authorized by state law.

Distress Termination

If a plan is not fully funded, the employer may apply for a distress termination. The employer must demonstrate financial distress and prove to either a bankruptcy court or PBGC that the employer's business cannot survive unless the plan is terminated. If approved for a distress termination, PBGC will manage the plan as trustee, allocate the plan's assets based on statutory priority categories, and pay guaranteed benefits up to the legal limits, using the plan's assets and PBGC guarantee funds.

Involuntary Termination

PBGC can terminate a plan on its own in certain situations, such as to protect plan participants or PBGC's insurance program. In these cases, PBGC is appointed trustee and assumes responsibility for the plan.

Learn more about single-employer plan terminations in PBGC's Pension Plan Termination Fact Sheet at <https://www.pbgc.gov/about/factsheets/page/termination>.

Benefit Payments Guaranteed by PBGC

When the PBGC takes over a single-employer plan, it pays pension benefits through its insurance program. Only vested benefits—those you've earned and cannot forfeit—are guaranteed. Most participants and beneficiaries receive their full pension benefits, but some people may lose some, or all, non-guaranteed benefits.

What PBGC Guarantees

PBGC guarantees the following "basic benefits" up to limits sets by law:

- Pension benefits at normal retirement age.
- Most early retirement benefits.
- Annuity benefits for survivors of plan participants.
- Disability benefits for disabilities that occurred before the earlier of the date the plan terminated or the sponsor's bankruptcy date.

What PBGC Does Not Guarantee

PBGC does not guarantee certain types of benefits, including:

- Non-vested benefits, which depend on meeting specific age, service, or other eligibility requirements.
- Benefit increases and new benefits in place for less than one year before a plan's termination date, while those in place for less than five years are only partly covered.
- Early retirement payments that exceed normal retirement payments, such as supplemental benefits that end when you become eligible for Social Security.
- Non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.
- Lump-sum payments exceeding \$7,000.

Determining Guarantee Amounts

The amount PBGC guarantees is determined as of the plan's termination date. If the plan terminates during the plan sponsor's bankruptcy, the guarantee amount is determined as of the date the sponsor entered bankruptcy.

The maximum benefit PBGC guarantees is set by law and updated annually. Participants and beneficiaries may receive benefits above the PBGC guaranteed amount, but only if the plan has enough funds to pay them.

For a plan with a termination date or sponsor bankruptcy date, as applicable in 2026, the maximum guarantee is \$7,789.77 per month, or \$93,477.24 per year, for a benefit paid to a 65-year-old retiree with no survivor benefit. If a plan terminates during a plan sponsor's bankruptcy, the maximum guarantee is fixed as of the calendar year in which the sponsor entered bankruptcy.

If benefits begin:

- Before age 65, the maximum guarantee is lower, reflecting the longer expected payment period for younger retirees.
- After age 65, the maximum guarantee is higher.

The guaranteed amount is reduced if a benefit will be paid to a survivor upon the participant's death. Maximum guarantee amounts by age can be found on PBGC's website, <https://www.pbgc.gov/wr/benefits/guaranteed-benefits/maximum-guarantee>.

In determining whether the plan has enough assets to pay benefits above the guaranteed amount, PBGC uses different assumptions than those used to calculate the funded percentage shown in the "How Well Funded Is Your Plan" section of this notice. As a result, the additional benefits participants receive may not align with the Plan's reported funded percentage. For example, a plan that reports 80 percent funding based on its own calculations does not mean its participants will receive 80 percent of their vested benefits.

Benefit Statement Available Upon Request

Federal law requires the plan administrator to furnish an estimate of each participant's accrued benefit at least once per year upon request at no charge. If you would like to request an estimate, please contact Retirement Focus at 1-833-560-0243 and an estimate of your benefit will be mailed to you in 7-10 days. Please note that you are only entitled to one pension benefit statement in any 12-month period, but you may use the Modeling feature of the website at any time. Log into www.RetirementFocus.com and then select the Modeling option.