

**INOVALON, INC. 401(K) RETIREMENT SAVINGS PLAN**  
**SAFE HARBOR NOTIFICATION TO ELIGIBLE EMPLOYEES**  
**(includes Automatic Contribution Arrangement)**

This is an annual notice and only applies to the Plan Year beginning on January 1, 2024.

This notice covers the following points:

- Whether the Plan's automatic enrollment feature applies to you;
- What amounts will be automatically taken from your pay and contributed 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 lost 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 Plan 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 your behalf. 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").

As a participant, you may elect to defer up to 90% of your payroll period compensation. 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.

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 Regular 401(k) deferrals (pre-tax) or Roth 401(k) deferrals (after-tax). Your election regarding the amount and type of deferrals is irrevocable with respect to any deferrals already withheld from your compensation. If you make Regular 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.

**Automatic deferrals.** The Plan includes an automatic enrollment feature known as an Automatic Contribution Arrangement ("ACA"). Under the ACA provisions of the Plan, the Employer will automatically withhold a portion of your eligible compensation from your pay each payroll period and contribute that amount to the Plan as an elective deferral (the automatic amount is described below). However, you may choose a different amount (including zero). You may make this election by accessing your account at Empower's Internet site at [www.prudential.com/online/retirement](http://www.prudential.com/online/retirement) or by accessing your account through Empower's toll-free phone number (877)-778-2100.

**Application of automatic deferral provisions.** The automatic deferral provisions are effective as of December 20, 2020 and will only apply to the following Plan participants.

- The increase in the amount automatically withheld from your pay will be effective on the first day of the Plan Year, beginning with the first Plan Year following the date deferrals were first automatically withheld from your pay.
- Participants who were automatically enrolled at 3% under the ABILITY Network Inc. 401(k) Savings Plan will continue as automatically enrolled Participants and must receive an ACA notice each year until an affirmative election is made and they are no longer considered automatically enrolled. Automatic Increase will apply to Participants who were automatically enrolled at 3% under the ABILITY Network Inc. 401(k) Savings Plan with a salary reduction agreement on file between 1% - 15% and each year thereafter, except those who have a contribution accelerator election on file unless they make a contrary election.

**Automatic Escalation of Salary Reduction Agreement pre-tax deferral amount.** The Plan includes automatic escalation provisions that apply only to pre-tax deferrals. Accordingly, if you have completed a Salary Reduction Agreement specifying the amount to be withheld as a pre-tax deferral from your pay each payroll period, the Employer will automatically increase the amount withheld from your pay as indicated below.

- **Participants affected.** All participants with a salary reduction agreement on file between 1% - 15% and each year thereafter, except those who have a contribution accelerator election on file unless they make a contrary election.
- The amount withheld from your pay each payroll period as a pre-tax deferral will be increased by 1% each Plan Year until the amount withheld from your paycheck as a pre-tax deferral reaches 15% of your compensation, unless you make a contrary election. If the amount of pre-tax deferrals withheld from your paycheck reaches 15% of your compensation as a result of these automatic escalation provisions and you then file a Salary Reduction Agreement to defer less than 15% of your compensation as a pre-tax deferral, the automatic escalation provisions will not apply to you unless you specify that you want the automatic escalation provisions to apply to your reduced pre-tax deferral amount.
- The increase in the amount automatically withheld from your pay will be effective on the first day of the Plan Year following the date you file a Salary Reduction Agreement, or, if sooner, the effective date of the automatic escalation provisions.

## II. Employer Safe Harbor Contribution Election

To help you make an informed decision on the level of your own elective 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 employer safe harbor contribution:

**Safe Harbor Matching Contribution.** In order to maintain "safe harbor" status, your Employer will make a safe harbor matching contribution equal to 100% of your elective deferrals that do not exceed 5% of your compensation. This safe harbor matching contribution is 100% vested.

For purposes of calculating the safe harbor matching contribution, your compensation and deferrals will be computed for each payroll period.

## 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 matching contribution.

The Employer retains the right to reduce or suspend the safe harbor matching 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 matching contribution at least 30 days before the change is effective. The Employer will contribute any safe harbor matching contribution you have earned up to that point. At this time, the Employer has no such intention to suspend or reduce the safe harbor matching 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."

You are always 100% vested in all of your Plan accounts.

**Vesting schedules.** Your "vested percentage" for certain 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.

### Additional vesting provisions

Active Employees of ABILITY Network Inc. will have their entire account accelerated to immediate vesting on August 15, 2018

## 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 Plan Administrator will provide you with a notice explaining the rules regarding the taxation of the distribution.

You generally may not withdraw your deferral contributions except when one of the following events occurs: severance from employment with the Employer, death, or attainment of age 59 1/2. You are always 100% vested in your deferral contributions.

You may withdraw any additional contributions provided for in "Other Employer Contributions" upon your death or termination of employment.

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 regardless of consent.

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 OF EMPLOYMENT" for more details.

You may withdraw money from your rollover account at any time. See the Article in the SPD entitled "DISTRIBUTIONS PRIOR TO TERMINATION OF EMPLOYMENT" for more details.

If you: (i) are a reservist or National Guardsman; (ii) were/are called to active duty after September 11, 2001; and (iii) were/are called to duty for at least 180 days or for an indefinite period, you may take a distribution of your elective deferrals under the Plan while you are on active duty, regardless of your age. The 10% premature distribution penalty tax, normally applicable to Plan distributions made before you reach age 59 1/2, will not apply to the distribution. You also may repay the distribution to an IRA, without limiting amounts you otherwise could contribute to the IRA, provided you make the repayment within 2 years following your completion of active duty.

## **VII. Administrative procedures**

The amount you elect to defer will be deducted from your pay in accordance with a procedure established by the Plan Administrator. Your election will become effective as soon as administratively feasible. Your election will remain in effect until you modify or terminate it.

You may revoke or make modifications to your salary deferral election in accordance with procedures that the Plan Administrator provides.

In addition to any other election periods provided above, you may make or modify a deferral election during the 30-day period immediately preceding the Plan Year for which this notice is being provided. For the Plan Year you become eligible to make deferrals, you may complete a salary deferral agreement during a 30-day period that includes the date you become eligible.

## **VIII. Investments**

**Right to direct investment/default investment.** You have the right to direct the investment of your Pre-Tax 401(k) and Roth 401(k) deferrals and also other accounts under the Plan (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. However, if you do not make an investment election, then the amounts that you could have elected to invest will be invested in a default investment that the Plan officials have selected.

## **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. Additional information**

You can change your contribution level, change your investments, get daily investment performance information, and perform many other transactions at [www.prudential.com/online/retirement](http://www.prudential.com/online/retirement), or by calling Empower's toll-free phone number (877)-778-2100 Monday through Friday from 8 a.m. to 9 p.m., ET. You can also find out more about the Plan in the Plan's SPD.

**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 Plan Administrator.

The Plan Administrator is the Employer. You may contact the Employer at:

Contact: Inovalon, Inc.

Address: 4321 Collington RD

Bowie, Maryland 20716

Telephone: (301) 809-4000

**Where to go for further investment information.** You can obtain further investment information about the Plan's investment alternatives by contacting the Plan Administrator as listed above.