

FIVE STAR SENIOR LIVING INC.
DEPENDENT CARE REIMBURSEMENT PLAN

Amended and Restated as of October 1, 2020

TABLE OF CONTENTS

Page

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ARTICLE 1

THE PLAN

1.1 Establishment. Five Star Senior Living Inc. (the “Company”) hereby amends and restates, effective as of October 1, 2020 and as part of the Five Star Senior Living Inc. Benefits Plan (the “Benefits Plan”), a dependent care expense reimbursement plan for the benefit of its eligible Employees, which shall be known as the Five Star Senior Living Inc. Dependent Care Reimbursement Plan (the “Dependent Care Reimbursement Plan”). The Dependent Care Reimbursement Plan is an Optional Benefit under the Benefits Plan. This document describes the features that are unique to the Dependent Care Reimbursement Plan. Other features of the Dependent Care Reimbursement Plan are located in the policies, documents and rules governing the Benefits Plan.

1.2 Purpose. The purpose of the Dependent Care Reimbursement Plan together with the Benefits Plan is to provide eligible Employees the opportunity to use before-tax dollars to pay for eligible dependent care expenses as hereinafter described. The Dependent Care Reimbursement Plan is intended to comply with the provisions of Sections 125 and 129 of the Code and all regulations and rulings thereunder (collectively, the “Dependent Care Rules”) and will be interpreted and administered in a manner consistent with those rules.

ARTICLE 2

DEFINITIONS

Whenever used in the Dependent Care Reimbursement Plan, the following words and phrases will have the meanings set forth below unless the context plainly requires a different meaning, and when the defined meaning is intended, the term is capitalized. Capitalized terms not defined below have the meaning set forth in the Benefits Plan.

2.1 “Coverage Period” has the meaning set forth in Section 4.2.

2.2 “Dependent Care Reimbursement Account” means a bookkeeping account maintained by the Administrator for each Participant for the sole purpose of recording Payroll Contributions that the Participant elects in connection with the Dependent Care Reimbursement Plan, and the reimbursement amounts provided to the Participant.

2.3 “Dependent Care Reimbursement Plan” means the Five Star Senior Living Inc. Dependent Care Reimbursement Plan, as amended from time to time.

2.4 “Dependent Care Rules” has the meaning set forth in Section 1.2.

2.5 “Effective Date” means October 1, 2020.

2.6 “Employment-Related Dependent Care Expenses” means the amount of expenses incurred by a Participant for the care of a Qualifying Individual and that are defined as “employment-related expenses” in Section 21(b)(2) of the Code to enable the Participant and the Participant’s spouse, if any, to be gainfully employed.

2.7 “Form” has the meaning set forth in Section 3.3.

2.8 “Participant” means an Employee who satisfies the participation conditions of Article 3.

2.9 “Payroll Contribution” means the amount that a Participant elects to have withheld from Compensation in accordance with Article 3.

2.10 “Qualifying Individual” means: (a) a Dependent of a Participant who is a “qualifying child” within the meaning of Section 152(a)(1) of the Code and who has not attained age 13; or (b) a Dependent of a Participant (determined without regard to Sections 152(b)(1), (b)(2) and (d)(1)(B) of the Code) who is physically or mentally incapable of self-care and who has the same principal place of abode as the Participant for more than one-half of the year. In determining whether an individual is a Qualifying Individual, the special rules of Section 21(e) of the Code shall be taken into account.

2.11 “Qualifying Provider” means: (a) an individual providing care (including household services) for a Qualifying Individual in the Participant’s home; or (b) a facility, other than the Participant’s home, for (i) the care of a Qualifying Individual within the meaning of Section 2.10(a); or (ii) the care of any other Qualifying Individual who regularly spends at least eight hours a day in the Participant’s household. If the facility provides care for more than six individuals on a regular basis and receives a fee, payment or grant for the services, then the center must comply with all applicable state and local laws and regulations.

Qualifying Provider does not include: (c) an individual with respect to whom a personal exemption is allowable under Section 151(c) of the Code to the Participant or his spouse; (d) the Participant’s spouse; (e) the Participant’s child who is under 19 years of age at the end of the year in which the expenses were incurred; or (e) the parent of a Qualifying Individual within the meaning of Section 2.10(a).

ARTICLE 3

ELIGIBILITY AND PARTICIPATION

3.1 Eligibility. Each Employee who is eligible to participate in the Benefits Plan as of October 1, 2020 will remain eligible to participate under this amended and restated Dependent Care Reimbursement Plan. Employees hired after the Effective Date who are regularly scheduled to work at least 30 hours per week will be eligible to participate as of the date they are eligible to participate in the Benefits Plan.

3.2 Commencement of Participation. An Employee that satisfies the eligibility requirements of Section 3.1 may become a Participant on the Effective Date or, if later, the date they satisfy the eligibility requirements of Section 3.1 or, with the permission of the Administrator, as soon as practicable after a Change in Status. Any Employee may become a Participant on any Anniversary Date after the Employee's fulfillment of the eligibility requirements of Section 3.1.

3.3 Participation Conditions. As a condition to participation and receipt of benefits under the Dependent Care Reimbursement Plan, the Participant agrees to:

- (a) Furnish an enrollment form (a "Form") to participate in the Dependent Care Reimbursement Plan and supply any other pertinent information that the Employer or the Administrator reasonably requires;
- (b) Observe all rules and regulations of the Dependent Care Reimbursement Plan;
- (c) Consent to inquiries by the Administrator with respect to any provider of services involved in a Claim under the Dependent Care Reimbursement Plan;
- (d) Submit to the Administrator all reports and other information that the Administrator may reasonably require;
- (e) Designate a portion of the Participant's Compensation as Payroll Contributions to the Dependent Care Reimbursement Plan in accordance with the provisions of this Dependent Care Reimbursement Plan; and
- (f) Select a Qualifying Provider.

3.4 Payroll Contributions. Subject to the following rules, a Form will provide for a reduction in the amount of Compensation on a before-tax basis that otherwise would be paid to the Participant by the Employer on each payday equal to a pro rata portion of the dollar amount designated by the Participant, which may not be greater than the least of the following:

- (a) The "earned income" (as defined in Section 32(c)(2) of the Code) of the Participant for the calendar year;
- (b) If the Participant is married at the end of any calendar year, the earned income (as defined in Section 32(c)(2) of the Code) of the Participant's spouse, including earned income within the meaning of Section 21(d)(2) of the Code for the calendar year;
- (c) \$5,000, for any taxable year in which the Participant is (i) not a married individual filing a separate federal income tax return or (ii) a married individual filing a separate individual income tax return, who maintains as his home a household that constitutes the principal place of abode of a Qualifying Individual for more than half of the taxable year for which, during the last six months of the taxable year, the Participant's spouse was not a member, as long as the Participant furnishes over half of the cost of maintenance during the taxable year for such household; and

(d) \$2,500, for any taxable year in which the Participant is a married individual filing a separate federal income tax return and who does not otherwise qualify under Section 3.4(c)(ii) above.

If the Participant's participation is effective on any date other than an Anniversary Date, the maximum dollar limitation will not be prorated to reflect that the application will be in effect for less than a full Plan Year. The reduction in Compensation agreed to by the Participant will be made by the Employer on and after the effective date of the election in accordance with uniform procedures established by the Administrator. The maximum limitations stated above may be increased or decreased as the Administrator shall, without discrimination in favor of highly compensated individuals or participants, determine to be consistent with the Cafeteria Plan Rules and the Dependent Care Rules.

3.5 Election to Participate.

(a) In General. Approximately 30 days before the commencement of each Plan Year, the Administrator will provide a Form to each Participant and to each other individual who is or will be eligible to become a Participant at the beginning of the Plan Year. The Administrator will similarly provide such Forms to Employees who become eligible to participate in the Dependent Care Reimbursement Plan during a Plan Year. Each eligible Employee who desires to participate in the Dependent Care Reimbursement Plan for the Plan Year (or in the case of a new Employee, the remainder of the Plan Year) must so specify on the appropriate Form or Forms and must agree to a reduction in Compensation equal to the amount of Payroll Contributions elected by the Participant.

(b) Effective Date of Elections. Elections pursuant to Forms that are timely submitted to the Administrator will be effective as of the first day of the following Plan Year. In the case of a newly eligible Employee who timely submits Forms to the Administrator, elections will be effective as soon as practicable following delivery.

(c) Deemed Elections. Until a Participant returns completed Forms to the Administrator for the initial Plan Year of participation, or for the Plan Year in which the Employee becomes a Participant, the Participant will be deemed to have elected to receive all Compensation in cash and not to participate in the Dependent Care Reimbursement Plan. Unless otherwise announced by the Administrator, a Participant who fails to return completed Forms to the Administrator on or before the due date specified by the Administrator for any subsequent Plan Year will be deemed to have elected to receive all Compensation in cash and to not participate in the Dependent Care Reimbursement Plan.

3.6 Nondiscrimination Requirement of Dependent Care Rules. If the Administrator determines before or during any Plan Year that the Dependent Care Reimbursement Plan may fail to satisfy for the Plan Year any nondiscrimination requirement imposed by the Dependent Care Rules, or any limitation imposed by the Dependent Care Rules on benefits provided to persons who are "key employees" within the meaning of Section 416(i) of the Code, the Administrator will take such action as the Administrator deems appropriate, under rules uniformly applicable to similarly situated Participants, to ensure compliance with the requirement or limitation in question. Such action may include, without limitation, a

modification of elections by Participants who are highly compensated individuals or participants or key employees, each within the meaning of the Dependent Care Rules, with or without the consent of the Participants.

3.7 Cessation of Participation. An individual will cease to be a Participant in the Dependent Care Reimbursement Plan as of the earlier of: (a) the date the Dependent Care Reimbursement Plan terminates; (b) the date the Participant revokes an election pursuant to the terms of the Benefits Plan; or (c) the date the Participant fails to pay the cost of benefits pursuant to the terms of the Benefits Plan.

ARTICLE 4

DEPENDENT CARE BENEFITS

4.1 Dependent Care Benefits. The Administrator will establish for each Participant a Dependent Care Reimbursement Account for recordkeeping purposes only, to which there will be credited the Payroll Contributions made in accordance with the Participant's election under Article 3 of the Dependent Care Reimbursement Plan. Cash reimbursements in an amount equal to the amounts credited to a Participant's Dependent Care Reimbursement Account will from time to time be provided to the Participant to reimburse the amounts paid by the Participant to any Qualifying Provider for Employment-Related Dependent Care Expenses as reported to the Administrator in accordance with Section 4.3.

4.2 Amount Available for Reimbursement. The amount of reimbursement available to a Participant at any time will not exceed the cumulative amount credited to the Participant's Dependent Care Reimbursement Account between the beginning of the Plan Year and the time in question, reduced by the cumulative amount previously reimbursed to the Participant with respect to the Plan Year plus, an additional two and one-half month period following the close of the Plan Year (the "Coverage Period").

Reimbursement will be made only for Employment-Related Dependent Care Expenses incurred (a) during the Participant's participation in the Dependent Care Reimbursement Plan and (b) during the Coverage Period. If the Coverage Period is more than 12 months, to the extent the amount available for reimbursement during the final two and one-half months of the Coverage Period is insufficient, Employment-Related Dependent Care Expenses incurred during such period shall be reimbursed from amounts available for the current Plan Year. Employment-Related Dependent Care Expenses will be treated as having been incurred when the dependent care is provided and not when the Participant is formally billed, charged or pays for the care.

No reimbursement will be made if the Participant's Claim is for an amount less than the minimum reimbursable amount established by the Administrator. The amount of any expense not reimbursed as a result of the preceding sentence will be carried over and reimbursed only if and when the Participant's Claim equals or exceeds the minimum amount; provided, however, that in no event will a Claim for an expense be carried over beyond the Coverage Period. Claims for expenses incurred that are submitted for reimbursement during the last month of the Coverage Period or within three months of the close of the Plan Year will be paid regardless of whether they equal or exceed the minimum reimbursable amount. No reimbursements will be

made for expenses submitted for reimbursement more than three months after the end of the Plan Year.

4.3 Requests for Reimbursement. In order to receive benefits under the Dependent Care Reimbursement Plan, a Participant must submit a request for reimbursement to the Administrator stating:

- (a) The amount of Employment-Related Dependent Care Expense for which reimbursement is requested;
- (b) The date or dates of service for which the Employment-Related Dependent Care Expense was incurred;
- (c) The name of the person for whom the Employment-Related Dependent Care Expense was incurred, the relationship of the person to the Participant, and whether the person is a Dependent; and
- (d) The name of the Qualifying Provider to whom the Employment-Related Dependent Care Expense was paid.

All such requests must be accompanied by a receipt from the payee, a canceled check or other proof of payment acceptable to the Administrator. The Administrator will establish and announce to Participants reasonable rules and regulations concerning the times at which requests will be accepted and reimbursements will be made, the minimum reimbursable amount, the method by which reimbursements are made, and other matters in connection with the reimbursement procedure. Notwithstanding anything to the contrary, reimbursements will be permitted at least monthly.

4.4 Forfeitures. Any unused amount credited to a Dependent Care Reimbursement Account at the end of a Coverage Period may not be redeemed for cash by the Participant or applied to Employment-Related Dependent Care Expenses incurred in any subsequent Coverage Period, except as otherwise provided by Section 4.2. Such unused amount will be forfeited and applied by the Administrator to the reasonable expenses of administering the Dependent Care Reimbursement Plan, or in such other manner as the Administrator considers, upon advice of counsel, appropriate.

4.5 Termination of Employment. If a Participant ceases to be employed prior to the end of a Plan Year with respect to which an election is in effect, his election to Participate will terminate, and the Participant will not be able to receive reimbursements for Employment-Related Dependent Care Expenses incurred after the day his employment terminates, provided that claims for reimbursement must be submitted within 60 days of termination.

4.6 Benefits Limited to Reimbursement. The Employer will have no liability to any Participant in connection with the Dependent Care Reimbursement Plan apart from the provision of reimbursements equal in amount to the lesser of: (a) the amounts credited from time to time to the Participant's Dependent Care Reimbursement Account; and (b) the amount of Employment-Related Dependent Care Expenses documented by the Participant in accordance with Section 4.3. It will be the responsibility of each Participant to select a Qualifying Provider, and neither the Employer nor the Administrator will incur any liability to any Participant on

account of the failure of a provider of dependent care services to maintain compliance with the requirements for Qualifying Providers.

4.7 Annual Statement of Benefits. On or before January 31 of each calendar year, the Administrator will furnish to each Participant who received reimbursements under this Dependent Care Reimbursement Plan during the prior calendar year a statement of all such reimbursements paid during the prior calendar year.

4.8 Indemnification of Employer by Participants. If any Participant receives one or more reimbursements under the Dependent Care Reimbursement Plan that are not for Employment-Related Dependent Care Expenses, such Participant will indemnify and reimburse the Employer for any liability it may incur for failure to withhold federal, state or local income tax or Social Security tax from such reimbursements. However, such indemnification and reimbursement will not exceed the amount of additional federal, state and local income tax that the Participant would have owed if the reimbursements had been made to the Participant as regular Compensation plus the Participant's share of any Social Security tax that would have been paid on such compensation, less any such additional income and Social Security tax actually paid by the Participant.

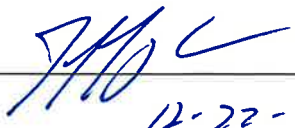
4.9 COVID-19 Related Provisions. For the Plan Year ended on September 30, 2021, the Administrator may permit an amount that remains unused at the end of such Plan Year (the "Special Carryover Amount") to be used to pay or reimburse Employment-Related Dependent Care Expenses incurred during the subsequent Plan Year. The Special Carryover Amount does not reduce the salary reduction limit (as specified in Section 3.4) for the subsequent Plan Year. If there is a Special Carryover Amount from a prior Plan Year, expenses incurred during the current Plan Year will be reimbursed first from Payroll Contributions the Participant has elected for the Plan Year.

ARTICLE 5

FUNDING

Funding for the Dependent Care Reimbursement Plan will be from the general assets of the Employer. Nothing herein will be construed to require the Employer to create or maintain any separate fund, account or reserve with respect to obligations hereunder.

FIVE STAR SENIOR LIVING INC., on its behalf
and on behalf of participating employers

By: 
Date: 12-22-21