



Northern Tool &
Equipment Company, Inc.

Principal Presentation

Monday May 2, 2022

Principal® team



Kevin Green

Sr. Relationship
Manager



Michael Johnson

Client Service
Manager



Casey Langseth

Sr. Digital Experience
Consultant



Scott Hanson

VP, Distribution-
Retirement Solutions



Understanding what's important to Northern Tool & Equipment Company, Inc.

Welcome

Principal team

Principal® overview

Plan sponsor experience

Plan sponsor and participant digital experience

Principal overview

Committed to meeting your needs

Industry leadership

80 years in the retirement services industry

Longest client tenure¹

Best-in-class plan sponsor and participant websites²

65 best-in-class awards for employer and participant services³

A culture we're proud of

11 years as a World's Most Ethical Company⁴

Best Places to Work in Money Management⁵

Best Employers for Diversity⁶

Best Employers for Women⁷

America's Most JUST Companies⁸

Local service

Company data, 1941-2021.

¹ Escalent. Cogent Syndicated, Retirement Planscape®, May 2021.

² DALBAR Web Monitor, Q2 2021. Ranked #1 among DC plan sponsor websites and #4 among DC plan participant websites.

³ 2020 PLANSponsor Defined Contribution Survey, Jan. 2021.

⁴ Ethisphere Institute, Feb. 2021.

⁵ Pensions & Investments, "The Best Places to Work in Money Management among companies with 1,000 or more employees," Dec. 2020.

⁶ Ranked No. 109 on Forbes list of Best Employers for Diversity, April 2021.

⁷ Ranked No. 29 on Forbes list of Best Employers for Women, July 2020.

⁸ Ranked No. 148 out of 928 companies on JUST Capital's list of America's Most JUST Companies, Oct. 2020.

Total **retirement solutions**

Top**3**

Defined
contribution
plans²

#1

Defined
benefit
plans³

#1

Employee
stock
ownership
plans⁴

#1

Nonqualified
plans⁵

\$1T+

Trust and
custody
assets⁶

Top**4**

Pension risk
transfer⁷

95% of AUM from retirement
and asset management¹

11.2M participants¹

\$524B in assets under management¹

¹ Principal internal data as of June 30, 2021.

² Based on number of DC plan participants, PLANSPONSOR Recordkeeping Survey, July 2021.

³ Based on number of plans, PLANSPONSOR DB Administration survey, May 2021.

⁴ Based on number of plans, PLANSPONSOR Recordkeeping Survey, July 2021.

⁵ Based on number of Section 409A plans, PLANSPONSOR Recordkeeping Survey, July 2021.

⁶ Principal and Wells Fargo IRT combined data as of Dec. 31, 2020. Future market share is subject to change and won't be updated until next release of applicable data. Participant count and assets are rounded.

⁷ Based on total PRT assets, LIMRA Secure Retirement Institute, Principal as of Dec. 31, 2021.

Plan sponsor experience

My commitment to **Northern Tool & Equipment Company, Inc.**



Kevin Green

Sr. Relationship Manager
29 years of industry experience*

- Lead your Principal team
- Deliver plan health analytics
- Develop and oversees education strategy
- Consult on plan changes

Your dedicated relationship team

Northern Tool &
Equipment Company, Inc.

BerganKDV



Mark Laubach
Operations
Leader



Mark Higgins
Plan Design
Consultant Team



Kevin Green
Your Strategic
Contact



Michael Johnson
Your Day-To-
Day Contact



Casey Langseth
Participant
Experience



Darin McWilliams
Audit and
Compliance Support



Jeremy Witt
Payroll Solutions



Lonna Haynes
Participant Call Center

Merger & acquisition support



Merger analysis to help you understand the options available dependent upon type of transaction



Provide plan review comparison of key plan provisions and identify protected benefits



Review potential impact to employer contributions costs and nondiscrimination testing



Identify plan design best practices and benchmarking



Challenge:

Through a stock transaction, Company A recently acquired Company B and transitional period has closed. Retirement plan of Company B has failed coverage and facing costly corrections.



Solution:

Recommended employers elect to aggregate plans for minimum coverage and nondiscrimination purposes which resulted in both plans meeting coverage requirements while minimizing impact on participants.

Regulatory Consulting consults on over 500 mergers and acquisitions annually

My commitment to **Northern Tool & Equipment Company, Inc.**

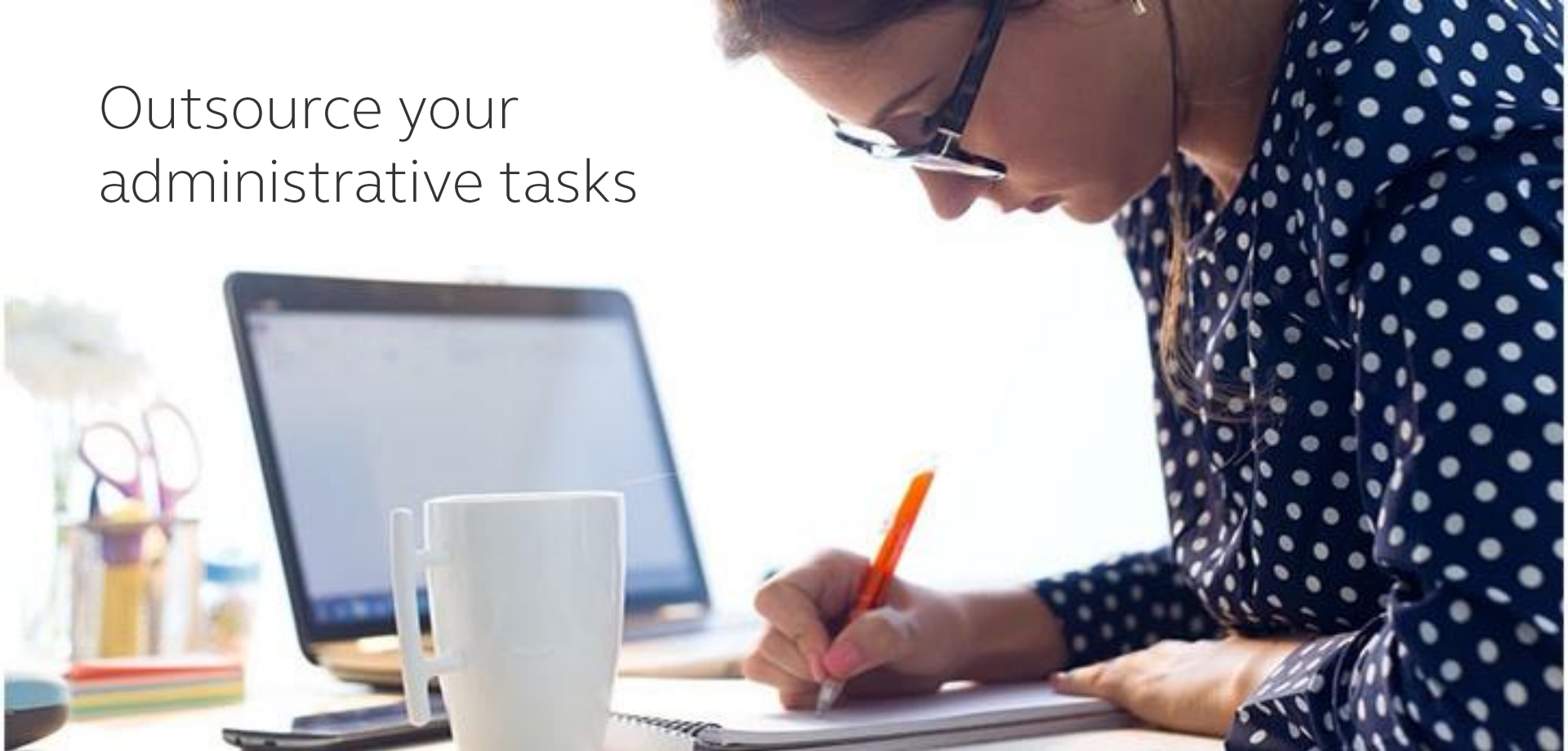


Michael Johnson

Client Service Manager
24 years of industry experience*

- Oversee and manage day-to-day administrative service operations for your retirement plan
- Document processes and prepare workflow procedures
- Anticipate needs (plan compliance updates, participant mailings, etc.)

Outsource your administrative tasks



Eligibility notification

Payroll integration

Loans

Benefit events

Hardship and in-service
withdrawals

QDRO recordkeeping

Notice delivery

RMDs

Online distributions

Tax reporting

Transition tracking

Contribution limit
monitoring

Contribution allocation

Audits

Year-end data collection

Fair value measurement of
assets and liabilities

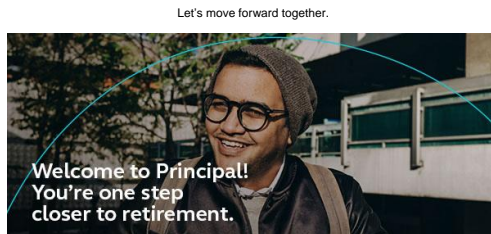
Beneficiary designations

Form 5500 integration with
the DOL

Plan sponsor and participant
digital experience

Upcoming and ongoing participant experiences.

Engage. Elevate. Expand.



Plus, if you secure your account access with 2-factor authentication, you'll be enrolled in our **Customer Protection Guarantee**. We'll reimburse your retirement account if there's unauthorized activity.¹

Let's get started

Post-enrollment journey



Retirement Transition Program



Benefit Event Experience

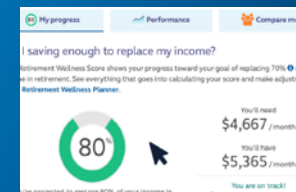
Ongoing resources

Principal®
Hola Futuro



Webinar series

Principal® app



Retirement Wellness
Score and Planner



Principal® Milestones

Voice assistants



Technology

Web channel

- Two-factor authentication
- Device “fingerprinting”
- Geo location
- Behavioral biometrics
- Machine learning

Call channel

- Phone validation

Account validation for disbursements

Perimeter protections

- Web application firewalls
- Intrusion detection sensors
- Network event monitoring



Process

- Program is reviewed and evaluated for alignment to best practices
- Formal data protection program
- Third party reviews and evaluates our security controls documented in SOC2 report
- Members of FS-ISAC



People

- More than 180 full time information security staff that includes Certified Information Security Professionals²
- 24/7/365 security operations center
- Background checks
- Ongoing employee security training

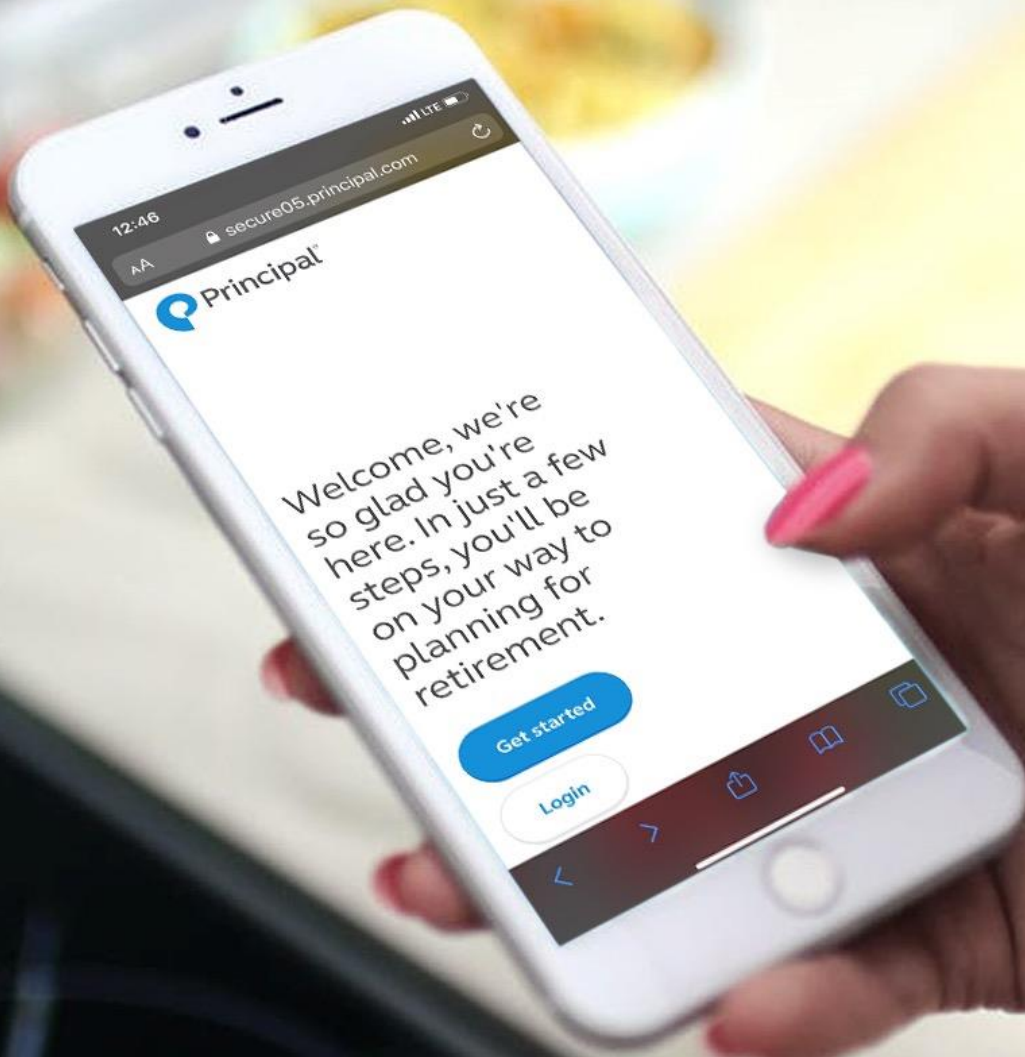
Customer protection guarantee¹

Our guarantee is simple:

Principal® will reimburse your employer-sponsored retirement account¹ for losses from unauthorized activity occurring through no fault of your own.

¹ Employer-sponsored retirement plans are defined benefit or defined contribution. The guarantee applies to employer sponsored defined benefit, ESOP or defined contribution plans and is effective for authorized activity that occurs through no fault of their own. Exclusions to this policy may apply.
<https://www.principal.com/customer-protection-guarantee>

² Principal data as of Nov. 2021

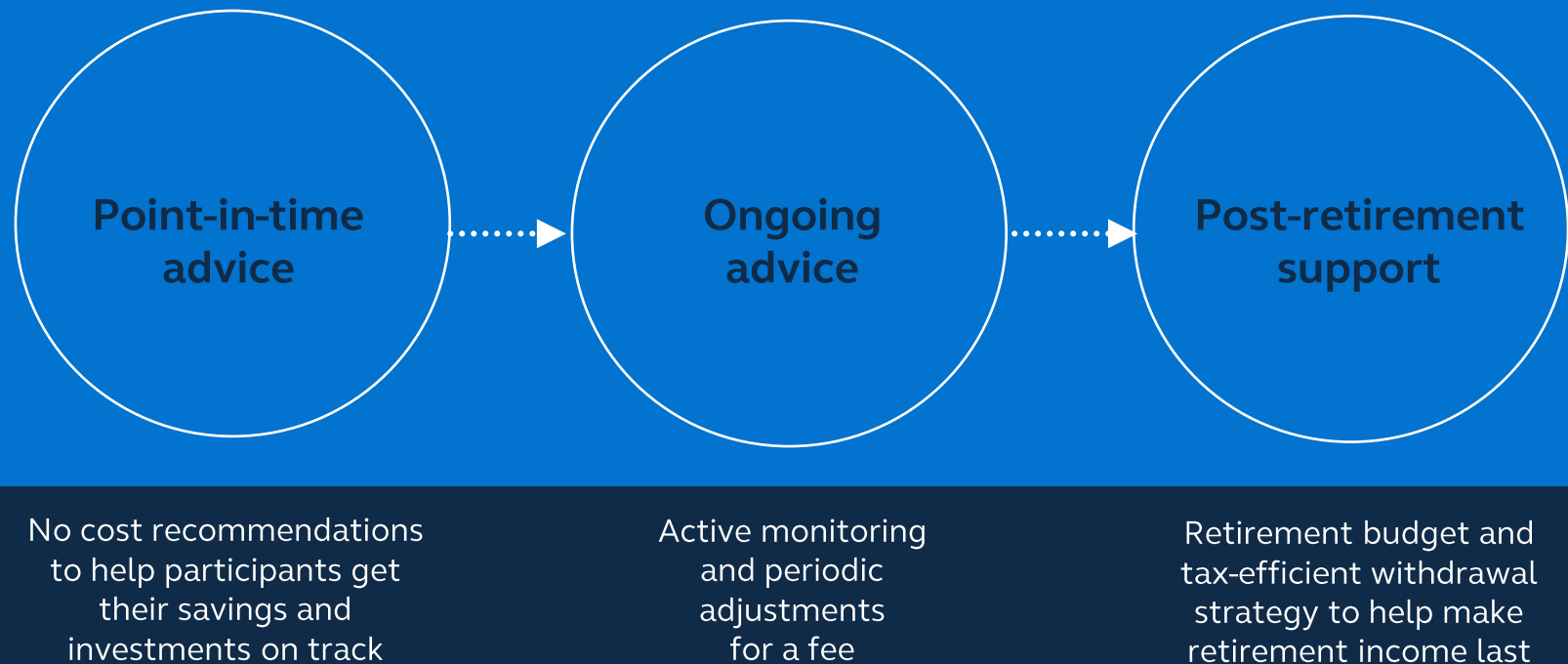


Engage.
Elevate.
Expand.

.....
Participant service,
education &
engagement

Target My Retirement® powered by Morningstar Investment Management LLC

Meeting participants where they are – each step of the way



Target My Retirement

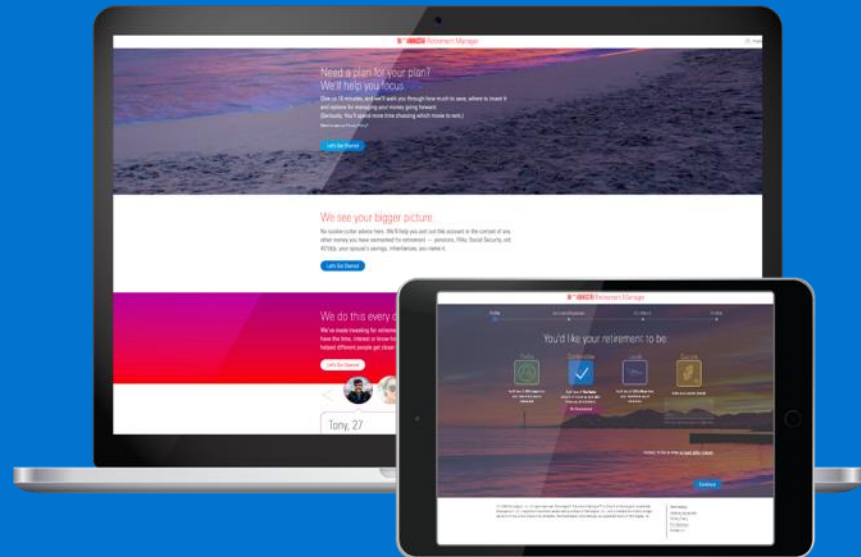
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powered by Morningstar Investment Management LLC

The Plan: It's all about the participants

A plan for retirement can account for each participant's:

- › Age
- › Salary
- › Outside assets
- › Desired retirement age
- › Replacement income
- › Ideal retirement for the future
- › Spouse/Partner information
- › And more



Retire Secure

Personalized, 1:1 education

By the numbers:
conducted more than 18,600
1:1 meetings in 2020¹

The power of
personalization
with **Retire Secure**:

Determine personal goals and objectives

Authenticate and designate your beneficiary

Identify savings gaps and needs

Explore options to consolidate retirement assets

Report back meeting stats and outcomes

Salaried professionals (no product incentive)

9.47%
average deferral
With 27% of new
entrants deferring
10% or greater¹

46%
of attendees are
making some type
of positive
change¹

Participant contact center

Average tenure of Institutional
Participant
Call Center Specialist

7
years¹



First call resolution of **98.8%**¹

200+ Institutional Call Center Specialists

Available Monday through Friday, 7 a.m. to 9 p.m. CST

Onboarding Concierge

Focus on enrollment and
onboarding new participants.

Initial point of contact
throughout transition.

Keeping Your Participant's information Protected

Team dedicated to monitoring and
investigating fraudulent activity including
one-on-one education.

Phone-printing technology

Training, Education, & QA Process

Series 6 FINRA licensing

320 hours of initial training.

Team of quality review specialists
reviews calls for accuracy of
information, soft skills, and ongoing
training.

Multilingual Support

32 bicultural specialists for
both English and Spanish.

Voiance Language Line
Services provides interpreters
for up to an additional 140
languages

“Excellent customer service.”

“Thank you so much for your help! Being patient with me and understanding me! Thank you.”

“Very professional, kind, and very good manners. Thank you.”

“Because of the situation we were in you guys came through like savers. Thank you thank you thank you. You guys are the best. God Bless you all.”

“The lady was really nice and super patient with me, she answered all of my questions and helped me better understand what I was agreeing too.”

“Ma Kristina is very knowledgeable and personable and made the transaction process go smoothly. She provided outstanding customer service and deserves to be recognized and rewarded for being exceptional and pleasant to deal with.”

“My representative was courteous, knowledgeable and extremely professional.”

“The lady I spoke with was patient with me, took her time explaining, and always made sure I understood before we moved to the next topic. Extremely professional and very kind!

“Was VERY PLEASED with the professional handling of my request & needs being attended to with clarity & perfection. Thank you!”

What Northern Tool & Equipment Company, Inc.'s participants are saying about their **experience** with Principal[®]

Medallia voice of-the-customer feedback

4.45 average overall Medallia score out of a 5-point scale
(feedback from May 26, 2021 – April 25, 2022)

And the best part... **it works**

9%

Average deferral
rate¹

40%

Saving at 10% or
more¹

30%

Auto-escalating
up to 10%¹

Top 2

enrollment
experience.⁵

“With so much happening in all of our lives,
this was so easy and I feel so much better that
I have completed this task, thank you.”



Ranked #1

In financial wellness
programs²



4.8 out of 5-star rating

for the Principal® app³

¹ Principal® Real Start reporting as of 12/31/21

² © Escalent. Cogent Syndicated, Retirement Plan Advisor Trends, September 2021

³ As of 12/31/21.

⁴ The Principal sponsor website received several awards from Corporate Insights' Retirement Plan Monitor Report, December 2021.

⁵ Dalbar's Online Enrollment Study, January 2022. Principal achieved a perfect score for the beneficiary experience, the only firm to do so in 2021.

Teaming with Principal®

Culturally
aligned

Modern, digital
employee
experience

Total retirement
experience

Proactive
and strategic

Important information



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Equity investment options involve greater risk, including heightened volatility, than fixed-income investment options. **Fixed-income** investments are subject to interest rate risk; as interest rates rise their value will decline. **International and global investment** options are subject to additional risk due to fluctuating exchange rates, foreign accounting and financial policies, and other economic and political environments. **Asset allocation** does not ensure a profit or protect against a loss. Fixed-income and asset allocation investment options that invest in **mortgage securities** are subject to increased risk due to real estate exposure. Review the RetireView Terms and Conditions for a full discussion of the features of this service, including rebalancing and automatic age adjustment of the populated models.

Investing involves risk, including possible loss of principal.

Risk/age tolerance models are created by Morningstar Investment Management LLC. Morningstar begins by analyzing asset classes and constructs long-term expected returns, standard deviations, and correlation coefficients. These form the inputs for the mean-variance optimization, a statistical technique. Because forecasting is a critical and pivotal step in the asset allocation process, Morningstar develops proprietary capital market forecasts for each asset class using a combination of historical data, current market information and additional analysis. Each forecast becomes an input in portfolio creation.

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Intended for plan sponsor use.

Important information



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P: 1236487-072020 | TRS: 1977223-012022 | DB: 1722198-072021 | SP: 1722209-072021 | NQ: 1722220-072021 | TE: 1725779-072021
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