

THE UNIVERSITY OF NORTH CAROLINA
AMENDED AND RESTATED
SECTION 403(b) PLAN DOCUMENT
DECEMBER 1, 2016

TABLE OF CONTENTS

	Page
Introduction	1
Section 1 Definition of Terms Used	1
1.1 “Account”	1
1.2 “Account Balance”	1
1.3 “Administrator”	1
1.4 “Annuity Contract”	1
1.5 “Beneficiary”	2
1.6 “Code”	2
1.7 “Compensation”	2
1.8 “Custodial Account”	2
1.9 “Disabled”	2
1.10 “Elective Deferrals”	2
1.11 “Employee”	2
1.12 “Employer”	2
1.13 “Funding Vehicles”	2
1.14 “Includible Compensation”	2
1.15 “Individual Agreement”	3
1.16 “Participant”	3
1.17 “Plan”	3
1.18 “Plan Sponsor”	3
1.19 “Plan Year”	3
1.20 “Roth 403(b) Contribution”	3
1.21 “Roth Rollover”	3
1.22 “Severance from Employment”	3

TABLE OF CONTENTS
(cont'd)

1.23	“Spouse”	3
1.24	“Vendor”	4
1.25	“Valuation Date”	4
Section 2	Participation and Contributions	4
2.1	Eligibility	4
2.2	Contributions	4
2.3	Information Provided by the Employee.....	5
2.4	Changes in Elective Deferrals Election or Roth 403(b) Contributions	5
2.5	Contributions Made Promptly	5
2.6	Leave of Absence	5
Section 3	Limitations on Amounts Deferred.....	6
3.1	Basic Annual Limitation.....	6
3.2	Age 50 Catch-up Elective Deferrals and Roth 403(b) Contributions.....	6
3.3	Special Rule for a Participant Covered by Another Section 403(b) Plan.....	6
3.4	Correction of Excess Elective Deferrals or Roth 403(b) Contributions.....	6
3.5	Protection of Persons Who Serve in a Uniformed Service.....	7
3.6	Annual Contribution Limits.....	7
Section 4	Loans	7
4.1	Loans	7
4.2	Information Coordination Concerning Loans.....	7
4.3	Loan Repayments for Participants in Military Service	7
Section 5	Benefit Distributions.....	8
5.1	Benefit Distributions At Severance from Employment or Other Distribution Event.....	8
5.2	Small Account Balances	8
5.3	Minimum Distributions	8

TABLE OF CONTENTS
(cont'd)

5.4	In-Service Distributions From Rollover Account	8
5.5	Hardship Withdrawals	8
5.6	Rollover Distributions	9
5.7	Claims for Benefits	9
Section 6	Rollovers to the Plan and Transfers.....	10
6.1	Eligible Rollover Contributions to the Plan	10
6.2	Plan-to-Plan Transfers to the Plan.....	11
6.3	Plan-to-Plan Transfers from the Plan	12
6.4	Contract and Custodial Account Exchanges	12
6.5	Permissive Service Credit Transfers.....	12
Section 7	Investment of Contributions	13
7.1	Manner of Investment.....	13
7.2	Investment of Contributions	13
7.3	Current and Former Vendors.....	13
7.4	Third-Party Direction of Investments.....	14
7.5	Fiduciary Status of Plan Sponsor and Employer	14
7.6	Regulations Regarding Investments.....	14
Section 8	Beneficiary Information	14
8.1	Designation.....	14
8.2	Failure to Designate a Beneficiary	14
Section 9	Amendment and Plan Termination.....	15
9.1	Termination of Contributions	15
9.2	Amendment and Termination.....	15
9.3	Distribution upon Termination of the Plan.....	15
Section 10	Miscellaneous	15

TABLE OF CONTENTS
(cont'd)

10.1	No Alienation or Assignment of Benefits	15
10.2	Qualified Domestic Relation Orders	15
10.3	IRS Levy.....	16
10.4	Tax Withholding.....	16
10.5	Payments to Minors and Incompetents.....	16
10.6	Mistaken Contributions	16
10.7	Location of Participant or Beneficiary Unknown.....	16
10.8	Incorporation of Individual Agreements	17
10.9	Governing Law.....	17
10.10	Headings	17
10.11	Gender	17
10.12	No Employer Liability.....	17
Section 11	Roth 403(b) Contribution Provisions	17
11.1	Separate Accounting Requirements.....	17
11.2	Deposit Requirements.....	17
11.3	Direct Roth Rollovers From the Plan	17
11.4	Roth Rollovers into the Plan.....	17
11.5	Correction of Excess Contributions.....	18
11.6	Roth Caveat	18
11.7	Roth Rollovers Within the Plan.....	18
Section 12	Plan Administration.....	18
12.1	Promulgating Notices and Procedures.....	18
12.2	Finality of Administrative Decisions.....	19
12.3	Appointment of Administrative Committee.....	19
12.4	Powers and Duties of the Administrator.....	19

TABLE OF CONTENTS
(cont'd)

12.5	Compensation and Expenses	19
12.6	Requirements of Employer Participation	19

Introduction

The University of North Carolina wishes to create the Plan to comply with section 403(b) of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder, and to operate the Plan administratively as if it were maintained by a single employer, and for other respects as if it were being maintained by separate employers. In furtherance of this goal, "Employers", including but not limited to The University of North Carolina and its constituent institutions, may participate in this Plan by executing an Adoption Agreement for The University of North Carolina Section 403(b) Plan Document under which eligible Employees of these Employers may participate in the Plan, according to the Plan's provisions.

The University of North Carolina has amended and restated the Plan, effective December 1, 2016 to incorporate prior amendments to the Plan and to conform certain Plan terms with the current operation of the Plan.

Section 1 Definition of Terms Used

The following words and terms, when used in the Plan, have the meaning set forth below.

1.1 "Account". The account or accumulation maintained for the benefit of any Participant or Beneficiary under an Annuity Contract or a Custodial Account.

1.2 "Account Balance". The bookkeeping account maintained for each Participant which reflects the aggregate amount credited to the Participant's Account under all Accounts, including the Participant's Elective Deferrals and Roth 403(b) Contributions, the earnings or loss of each Annuity Contract or a Custodial Account (net of expenses) allocable to the Participant, any transfers for the Participant's benefit, and any distribution made to the Participant or the Participant's Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes, if applicable, any account established under Section 6 for rollover contributions and plan-to-plan transfers made for a Participant, the account established for a Beneficiary after a Participant's death, and any account or accounts established for an alternate payee (as defined in section 414(p)(8) of the Code).

1.3 "Administrator". The University of North Carolina. Notwithstanding this appointment, the Administrator may designate, by separate agreement, any administrative responsibilities hereunder to one or more persons, committees, Vendors, and/or other organizations. Such a designee is limited only to the authority granted by the Administrator, notwithstanding any language in this Plan Document concerning the Administrator's authority.

1.4 "Annuity Contract". A nontransferable contract as defined in section 403(b)(1) of the Code, established for each Participant by the Plan Sponsor, or by each Participant individually, to hold assets of the Plan, that is issued by an insurance company qualified to issue annuities in the State of North Carolina and that includes payment in the form of an annuity.

1.5 “Beneficiary”. The individual, trustee, estate or legal entity entitled to receive benefits under this Plan which may become payable in the event of the Participant’s death, subject to such additional rules as may be set forth in the Individual Agreements.

1.6 “Code”. The Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.

1.7 “Compensation”. All cash compensation for services performed for an Employer by an Employee and paid to the Employee, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee’s gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer includible in the Employee’s gross income for the calendar year but for a compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including an election under Section 2 made to reduce compensation in order to make Elective Deferrals under the Plan).

1.8 “Custodial Account”. The group or individual custodial account or accounts, as defined in section 403(b)(7) of the Code, established for each Participant by the Plan Sponsor, or by the Participant individually, to hold assets of the Plan.

1.9 “Disabled”. The definition of disability as determined under section 72(m)(7) of the Code, subject to any additional rules provided in the applicable Individual Agreement.

1.10 “Elective Deferrals”. Employer contributions made to the Plan at the election of the Participant in lieu of receiving cash compensation. Elective Deferrals are limited to pre-tax salary reduction contributions.

1.11 “Employee”. Each individual who is a common law employee of an Employer performing services as an employee of the Employer, and who pays Federal Insurance Contributions Act (FICA) taxes. This definition is not applicable unless the individual’s Compensation for performing services is paid by the Employer, and shall specifically exclude independent contractors, consultants and other individuals for whose services an Employer does not pay FICA taxes.

1.12 “Employer”. Any entity of the Plan Sponsor, which has Employees. The term “Employer” may include The University of North Carolina’s constituent institutions, as defined by N.C.G.S. 116-4, as amended, and other entities, such as the General Administration and UNC Press, but shall exclude The University of North Carolina Health Care System.

1.13 “Funding Vehicles”. The Annuity Contracts or Custodial Accounts issued for funding amounts held under the Plan and specifically approved by the Plan Sponsor or Administrator for use under the Plan.

1.14 “Includible Compensation”. An Employee’s actual wages in box 1 of Form W-2 for a year for services to the Employer, but subject to a maximum of \$265,000 in 2016 (or such higher maximum as may apply under section 401(a)(17) of the Code) and increased (up to the

dollar maximum) by any compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including any Elective Deferrals under the Plan).

1.15 “Individual Agreement”. An agreement between a Vendor and the Plan Sponsor or a Participant that governs a Custodial Account or an Annuity Contract.

1.16 “Participant”. An individual for whom Elective Deferrals or Roth 403(b) Contributions are currently being made, or for whom such deferrals or contributions have previously been made, under the Plan and who has not received a distribution of his or her entire Account Balance under the Plan.

1.17 “Plan”. The University of North Carolina Section 403(b) Plan as set forth herein, and as it may be amended or restated from time to time.

1.18 “Plan Sponsor”. The University of North Carolina.

1.19 “Plan Year”. The calendar year.

1.20 “Roth 403(b) Contribution”. Any contribution made by a Participant which is designated as a Roth 403(b) Contribution in accordance with Section 11 of this Plan and that qualifies as a Roth contribution under section 402A of the Code. A Roth 403(b) Contribution is an Employee contribution that is: (a) designated irrevocably by the Employee as such on his or her salary reduction/deduction form to be a Roth 403(b) Contribution; and (b) treated by the Employer as includible in the Employee’s income. Unless otherwise provided, such contributions shall be subject to the same annual contribution limitation imposed on Elective Deferrals by section 402(g) of the Code.

1.21 “Roth Rollover”. Amounts transferred pursuant to Section 11.4 or Section 11.7 that have been irrevocably designated by a Participant as not excludable from the Participant’s gross income, and earnings thereon, that are deposited into an account maintained under the Plan to hold Roth 403(b) Contributions.

1.22 “Severance from Employment”. For purpose of the Plan, Severance from Employment means Severance from Employment with all the Employers. However, a Severance from Employment also occurs on any date on which an Employee ceases to be an Employee of an Employer, even though the Employee may continue to be employed by an entity that is another unit of the State of North Carolina, or a local government, that is not an entity of The University of North Carolina.

1.23 “Spouse”. The term “Spouse” means an individual who is lawfully married to an Employee under the law of any U.S. or foreign jurisdiction having the legal authority to sanction marriages, including the common law spouse of an Employee in a legally recognized common law marriage. The term Spouse does not include an individual who has entered into a registered domestic partnership, civil union or other similar formal relationship with an Employee recognized under the law of any U.S. or foreign jurisdiction that is not denominated as a marriage under the laws of that U.S. or foreign jurisdiction. Notwithstanding any provision of this Plan to the contrary, this provision shall be construed in accordance with Federal law.

1.24 "Vendor". The provider of an Annuity Contract or Custodial Account, or any organization expressly authorized by such provider to act on their behalf under this Plan.

1.25 "Valuation Date". Each business day.

Section 2 Participation and Contributions

2.1 Eligibility. Each Employee shall be eligible to participate in the Plan and elect to have Elective Deferrals or Roth 403(b) Contributions made on his or her behalf hereunder immediately upon becoming employed by the Employer.

2.2 Contributions.

(a) **Elective Deferrals.** An Employee elects to become a Participant by executing an election to reduce his or her Compensation (and have that amount contributed as an Elective Deferral on his or her behalf) and filing it with the Employer. This Compensation reduction election shall be made on the agreement provided by the Vendor, the Administrator, and/or the Employer under which the Employee agrees to be bound by all the terms and conditions of participation in the Plan. The Administrator may establish an annual minimum deferral amount no higher than \$200, and may change such minimum to a lower amount from time to time. At this time the annual minimum deferral amount is \$200. The Participant's elections shall include (i) the designation of the Funding Vehicles and Accounts therein to which Elective Deferrals are to be made and (ii) the designation of Beneficiary, and may be made through a Vendor website or other alternative method provided in an Individual Agreement. Any such elections shall remain in effect until a new election is filed.

Only an individual who performs services for the Employer as an Employee may reduce his or her Compensation under the Plan. Each Employee will become a Participant in accordance with the terms and conditions of the Individual Agreements for such Participant. Except as otherwise provided in this Plan, all Elective Deferrals shall be made on a pre-tax basis. The election to defer Compensation made by each Participant in an Employer's corresponding plan that was in effect on December 31, 2008 shall continue effective January 1, 2009, until such Participant changes an election as permitted under this Section 2.2. An Employee who is not a Participant on January 1, 2009 shall become a Participant as soon as administratively practicable following the date applicable under such Employee's elections.

(b) **Roth 403(b) Contributions.** An Employee may elect to make Roth 403(b) Contributions to this Plan in accordance with Section 11 of this Plan. The Participant's election to make Roth 403(b) Contributions shall be made on the forms provided by the Vendor, Administrator and/or Employer under which the Employee agrees to be bound by all the terms and conditions of participation in this Plan, and shall also include designation of the Funding Vehicles and Accounts therein to which Roth 403(b) Contributions are to be made, as described in section 2.2(a). Any such election shall remain in effect until a new election is filed with the Employer. The Administrator may establish an annual minimum Roth 403(b) Contribution amount no higher than \$200, and may change such minimum to a lower amount from time to time. At this time the annual minimum deferral amount is \$200. Only an individual who

performs services for the Employer as an Employee may elect to make Roth 403(b) Contributions under this Plan.

(c) **Nonelective Employer Contributions.** An Employer may make nonelective contributions to the Account of any Participant or group of Participants, subject to the limits on annual contributions that are set forth in Section 3.6. Any such nonelective contributions shall be separately accounted for in each Participant's Account and fully vested. An Employer may choose to continue making nonelective contributions on behalf of former Employees designated from time-to-time by the Employer for a period ending no later than the last day of the fifth taxable year that begins after the Employee's Severance from Employment with all Employers. For this purpose, the former Employee will be deemed to have monthly Includible Compensation in an amount equal to one-twelfth of the former Employee's Includible Compensation during the Employee's most recent year of service. No contribution shall be made after the end of the Employee's fifth taxable year following the year in which the Employee terminated employment. Any former Employee who is receiving post-severance nonelective employer contributions under this Section will continue to be deemed a Participant, but shall not be eligible to make any Elective Deferrals or Roth 403(b) Contributions.

(d) **Supplemental Contributions.** During each Plan Year, an Employer may contribute an additional amount on behalf of each Participant in its discretion as a supplemental contribution. If the Plan Sponsor shall determine that any supplemental contributions for a Plan Year shall be made, the Plan Sponsor shall designate the amount of the discretionary supplemental contribution to be made for such Plan Year and deposit such amount into the eligible Participants' Accounts as of a date not later than the 15th day of the tenth calendar month following the end of the University's fiscal year within which the particular Plan Year for such supplemental contribution ends. Any such supplemental contributions shall be separately accounted for in each Participant's Account and fully vested. The Participants entitled to share in any discretionary supplemental contribution for a Plan Year are those Participants in the Plan who are employed by an Employer on the last day of such Plan Year.

2.3 Information Provided by the Employee. Each Employee enrolling in the Plan shall provide to the Employer at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator and Employers to administer the Plan, including any information required under the Individual Agreements which is not otherwise made available to the Vendors.

2.4 Changes in Elective Deferrals Election or Roth 403(b) Contributions. Subject to the provisions of the applicable Individual Agreements, an Employee may at any time revise his or her participation election, including a change of the amount of his or her Elective Deferrals or Roth 403(b) Contributions and a change in the allocation of his or her Elective Deferrals to Roth 403(b) Contributions or vice-versa, his or her designation of Funding Vehicles and Accounts, and his or her designated Beneficiary. A change in the allocation between Funding Vehicles or between Elective Deferrals and Roth 403(b) Contributions shall take effect as of the date provided by the Vendor on a uniform basis for all Participants using such Vendor. A change in the Beneficiary designation shall take effect when the election is accepted by the Vendor.

2.5 Contributions Made Promptly. Elective Deferrals or Roth 403(b) Contributions under the Plan shall be transferred to the applicable Funding Vehicle within a period that is reasonable for the proper administration of the plan, but not later than 15 business days following the end of the month in which the Elective Deferrals or Roth 403(b) Contributions would otherwise have been paid to the Participant.

2.6 Leave of Absence. Unless an election is otherwise revised, if an Employee is absent from work by leave of absence, Elective Deferrals or Roth 403(b) Contributions under the Plan shall continue to the extent that Compensation continues.

Section 3 Limitations on Amounts Deferred

3.1 Basic Annual Limitation. Except as provided in Sections 3.2 and 3.3, the maximum amount of combined Elective Deferrals and Roth 403(b) Contributions under the Plan for any calendar year shall not exceed the lesser of

- (a) the applicable dollar amount, or
- (b) the Participant's Includible Compensation for the calendar year.

The applicable dollar amount is the amount established under section 402(g)(1)(B) of the Code, which is \$18,000 for 2016, and is adjusted for cost-of-living after 2016 to the extent provided under section 415(d) of the Code.

3.2 Age 50 Catch-up Elective Deferrals and Roth 403(b) Contributions. An Employee who is a Participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of Elective Deferrals or Roth 403(b) Contributions, up to the maximum age 50 catch-up Elective Deferrals or Roth 403(b) Contributions for the year. The maximum dollar amount of the age 50 catch-up Elective Deferrals or Roth 403(b) Contributions for a year is \$6,000 for 2016, and will be adjusted for cost-of-living after 2016 to the extent provided under the Code. Effective January 1, 2009, the alternative fifteen year catch-up contributions described under section 402(g)(7) of the Code shall not be permitted under the Plan.

3.3 Special Rule for a Participant Covered by Another Section 403(b) Plan. For purposes of this Section 3, if the Participant is or has been a participant in one or more other plans under section 403(b) of the Code (and any other plan that permits elective deferrals or after-tax Roth contributions under section 402(g) of the Code), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing contribution limitations of this Section 3. For this purpose, the Administrator shall take into account any other such plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan.

3.4 Correction of Excess Elective Deferrals or Roth 403(b) Contributions. If the Elective Deferrals or Roth 403(b) Contributions on behalf of a Participant for any calendar year exceeds the limitations described above, or the Elective Deferrals or Roth 403(b) Contributions on behalf of a Participant for any calendar year exceeds the limitations described above when

combined with other amounts deferred by the Participant under another plan of the Employer under section 403(b) of the Code (and any other plan that permits elective deferrals or Roth contributions under section 402(g) of the Code for which the Participant provides information that is accepted by the Administrator), then the Elective Deferrals or Roth 403(b) Contributions, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant in accordance with applicable IRS guidance. Notwithstanding the foregoing, the correction of excess Roth 403(b) Contributions shall be made pursuant to Section 11.5. Corrective distributions are required to be made within two-and-a-half (2 ½) months after the end of the calendar year.

3.5 Protection of Persons Who Serve in a Uniformed Service. An Employee whose employment is interrupted by qualified military service under section 414(u) of the Code or who is on a leave of absence for qualified military service under section 414(u) of the Code may elect to make additional Elective Deferrals or Roth 403(b) Contributions upon resumption of employment with the Employer equal to the maximum Elective Deferrals or Roth 403(b) Contributions that the Employee could have elected during that period if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Elective Deferrals or Roth 403(b) Contributions, if any, actually made for the Employee during the period of the interruption or leave. Except to the extent provided under section 414(u) of the Code, this right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave). In the case of a Participant who dies while performing qualified military service, his survivors shall be entitled to any additional benefits (other than benefit accruals related to the period of qualified military service) that may be provided under the Plan had the Participant resumed and terminated employment on account of death.

3.6 Annual Contribution Limits. The aggregate amount contributed into a Participant's 403(b) Account under the Plan and any other plan or arrangement operating under section 403(b) of the Code for any year shall not exceed the amount permitted under section 415(c) of the Code based on the Participant's most recent period of service determined under section 403(b)(3) of the Code.

Section 4 Loans

4.1 Loans. Loans shall be permitted under the Plan to the extent permitted by and in accordance with the Individual Agreements controlling the Account assets from which the loan is made and by which the loan will be secured. The Administrator may adopt Loan Regulations concerning administering loans, which may be amended from time to time.

4.2 Information Coordination Concerning Loans. Each Vendor is responsible for all information reporting and tax withholding required by applicable federal and state law in connection with distributions and loans. To minimize the instances in which borrowers have taxable income as a result of loans from the Plan, the Administrator shall take such steps as may be appropriate to coordinate the limitations on loans, including the collection of information from Vendors, and transmission of information requested by any Vendor, concerning the outstanding balance of any loans made to a Participant under the Plan or any other plan of the

Employer. The Administrator shall also take such steps as may be appropriate to collect information from Vendors, and for the transmission of information to any Vendor, concerning any failure by a borrower to repay timely any loans made to a borrower under the Plan or any other plan of the Employer.

4.3 Loan Repayments for Participants in Military Service. Notwithstanding any other provision of the Plan or any Annuity Contract or Custodial Account, loan repayments by eligible uniformed services personnel may be suspended as permitted under section 414(u)(4) of the Code, and the terms of any loan shall be modified to conform to the requirements of the Uniformed Services Employment and Reemployment Rights Act.

Section 5 Benefit Distributions

5.1 Benefit Distributions At Severance from Employment or Other Distribution Event. Except as permitted under Section 3.4 (relating to excess Elective Deferrals), Section 5.4 (relating to withdrawals of amounts rolled over into the Plan), Section 5.5 (relating to hardship), Section 8.3 (relating to termination of the Plan), or Section 11.5 (relating to excess Roth 403(b) Contributions), distributions from a Participant's Account may not be made earlier than the earliest of the date on which the Participant:

- (1) has a Severance from Employment,
- (2) dies,
- (3) becomes Disabled, or
- (4) attains age 59½.

Distributions shall otherwise be made in accordance with the terms of the Individual Agreements.

5.2 Small Account Balances. The terms of the Individual Agreement may permit distributions to be made in the form of a lump-sum payment, without the consent of the Participant or Beneficiary, but no such payment may be made without the consent of the Participant or Beneficiary unless the Account Balance does not exceed \$5,000 (determined without regard to any separate account that holds rollover contributions under Section 6.1) and any such distribution shall comply with the requirements of section 401(a)(31)(B) of the Code (relating to automatic distribution as a direct rollover to an individual retirement plan for distributions in excess of \$1,000).

5.3 Minimum Distributions. Each Individual Agreement shall comply with the minimum distribution requirements of section 401(a)(9) of the Code and the regulations thereunder. For purposes of applying the distribution rules of section 401(a)(9) of the Code, each Individual Agreement is treated as an individual retirement account ("IRA") and distributions shall be made in accordance with the provisions of Treas. Reg. § 1.408-8, except as provided in Treas. Reg. § 1.403(b)-6(e).

5.4 In-Service Distributions From Rollover Account. If a Participant has a separate account attributable to rollover contributions to the Plan, to the extent permitted by the applicable Individual Agreement, the Participant may at any time elect to receive a distribution of all or any portion of the amount held in the rollover account.

5.5 Hardship Withdrawals.

(a) Hardship withdrawals shall be permitted under the Plan to the extent permitted by the Individual Agreements controlling the Account assets to be withdrawn to satisfy the hardship. If applicable under an Individual Agreement, no Elective Deferrals or Roth 403(b) Contributions shall be allowed under the Plan during the 6-month period beginning on the date the Participant receives a distribution on account of hardship.

(b) The Individual Agreements shall provide for the exchange of information among the Employer and the Vendors to the extent necessary to implement the Individual Agreements, including, in the case of a hardship withdrawal that is automatically deemed to be necessary to satisfy the Participant's financial need (pursuant to Treas. Reg. § 1.401(k)-1(d)(3)(iv)(E)), the Vendor notifying the Employer of the withdrawal in order for the Employer to implement the resulting 6-month suspension of the Participant's right to make Elective Deferrals and Roth 403(b) Contributions under the Plan. In addition, in the case of a hardship withdrawal that is not automatically deemed to be necessary to satisfy the financial need (pursuant to Treas. Reg. § 1.401(k)-1(d)(3)(iii)(B)), the Vendor shall obtain information from the Employer or other Vendors to determine the amount of any plan loans and rollover accounts that are available to the Participant under the Plan to satisfy the financial need.

(c) Notwithstanding any Individual Agreement, the Plan only permits hardship withdrawals that satisfy the "safe harbor" standards with respect to establishing an immediate and heavy financial need (under Treas. Reg. § 1.401(k)-1(d)(3)(iii)(B) and satisfying the lack of other resources requirement (under Treas. Reg. 1.401(k)-1(d)(3)(iv)(E)) including the Vendor notifying the Employer of the withdrawal in order for the Employer to implement the resulting 6-month suspension of the Participant's right to make Elective Deferrals and Roth 403(b) Contributions under the Plan or any other plan of the Employer.

5.6 Rollover Distributions.

(a) A Participant or the Beneficiary of a deceased Participant (or a Participant's Spouse or former Spouse who is an alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code) who is entitled to an eligible rollover distribution may elect to have any portion of an eligible rollover distribution (as defined in section 402(c)(4) of the Code) from the Plan paid directly to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Code) specified by the Participant, or alternate payee under a qualified domestic relations order, in a direct rollover. In the case of a distribution to a Beneficiary who at the time of the Participant's death was neither the Spouse of the Participant nor the Spouse or former Spouse of the Participant who is an alternate payee under a qualified domestic relations order, a direct rollover is payable only to an individual retirement account or individual retirement annuity that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of section 408(d)(3)(C) of the Code).

(b) Each Vendor shall be separately responsible for providing, within a reasonable time period before making an initial eligible rollover distribution, an explanation to the Participant, Beneficiary or alternate payee under a qualified domestic relations order of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

5.7 Claims for Benefits. All claims for benefits under the Plan shall be submitted in writing to the Administrator. Within a reasonable period of time the Administrator shall decide the claim by majority vote in the exercise of its sole and absolute discretion. Written notice of the decision on each such claim shall be furnished within 90 days after receipt of the claim; provided that, if special circumstances require an extension of time for processing the claim, an additional 90 days from the end of the initial period shall be allowed for processing the claim, in which event the claimant shall be furnished with a written notice of the extension prior to the termination of the initial 90-day period indicating the special circumstance requiring an extension. If the claim is wholly or partially denied, such written notice shall set forth an explanation of the specific findings and conclusions on which such denial is based. A claimant may review all pertinent documents and may request a review by the Administrator of such a decision denying the claim. Such a request shall be made in writing and filed with the Administrator within 60 days after delivery to said claimant of written notice of said decision. Such written request for review shall contain all additional information which the claimant wishes the Administrator to consider. The Administrator may hold any hearing or conduct any independent investigation which it deems necessary to render its decision, and the decision on review shall be made as soon as possible after the Administrator's receipt of the request for review. Written notice of the decision on review shall be furnished to the claimant within 60 days after receipt by the Administrator of a request for review, unless special circumstances require an extension of time for processing, in which event an additional 60 days shall be allowed for review and the claimant shall be so notified in writing. Written notice of the decision on review shall include specific reasons for such decision. For all purposes under the Plan, such decisions on claims (where no review is requested) and decisions on review (where review is requested) shall be final, binding and conclusive on all interested parties as to participation and benefit eligibility, the Participant's amount of compensation and as to any other matter of fact or interpretation relating to the Plan

Section 6 Rollovers to the Plan and Transfers

6.1 Eligible Rollover Contributions to the Plan.

(a) **Eligible Rollover Contributions.** To the extent provided in the Individual Agreements, an Employee who is a Participant who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the Plan. Such rollover contributions shall be made in the form of cash only. The Vendor may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with section 402 of the Code and to confirm that such plan is an eligible retirement plan within the meaning of section 402(c)(8)(B) of the Code.

(b) **Eligible Rollover Distribution.** For purposes of Section 6.1(a), an eligible rollover distribution means any distribution of all or any portion of a Participant's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include

- (1) any installment payment for a period of 10 years or more,
- (2) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the employee,
- (3) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code, or
- (4) corrective distribution of excess amounts in accordance with sections 3.6 and 11.5.

In addition, an eligible retirement plan means an individual retirement account described in section 408(a) and 408A of the Code, an individual retirement annuity described in section 408(b) of the Code, a qualified trust described in section 401(a) and 408A of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, or an eligible governmental plan described in section 457(b) of the Code, that accepts the eligible rollover distribution.

(c) **Separate Accounts.** The Vendor shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan.

6.2 Plan-to-Plan Transfers to the Plan.

(a) The Administrator may permit a transfer of assets to the Plan as provided in this Section 6.2. Such a transfer is permitted only if the other plan provides for the direct transfer of each person's entire interest therein to the Plan and the Participant is an employee or former employee of the Employer. The Administrator and any Vendor accepting such transferred amounts may require that the transfer be in cash or other property acceptable to it. The Administrator or any Vendor accepting such transferred amounts may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with Treas. Reg. § 1.403(b)-10(b)(3) and to confirm that the other plan is a plan that satisfies section 403(b) of the Code.

(b) The amount so transferred shall be credited to the Participant's Account Balance, so that the Participant or Beneficiary whose assets are being transferred has an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to that Participant or Beneficiary immediately before the transfer, after adjusting for any costs or charges disclosed and assessed by the transferring plan.

(c) To the extent provided in the Individual Agreements holding such transferred amounts, the amount transferred shall be held, accounted for, administered and otherwise treated in the same manner as an Elective Deferral or Roth 403(b) Contribution by the Participant under the Plan, except that

(1) the Individual Agreement which holds any amount transferred to the Plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the Individual Agreement must impose restrictions on distributions to the Participant or Beneficiary whose assets are being transferred that are not less stringent than those imposed on the transferor plan, and

(2) the transferred amount shall not be considered an Elective Deferral or Roth 403(b) Contribution under the Plan in determining the maximum deferral under Section 3.

6.3 Plan-to-Plan Transfers from the Plan.

(a) The Administrator may permit Participants and Beneficiaries to elect to have all or any portion of their Account Balance transferred to another plan that satisfies section 403(b) of the Code in accordance with Treas. Reg. § 1.403(b)-10(b)(3). A transfer is permitted under this Section 6.3(a) only if the Participants or Beneficiaries are employees or former employees of the employer (or the business of the employer) under the receiving plan and the other 403(b) plan provides for the acceptance of plan-to-plan transfers with respect to the Participants and Beneficiaries and for each Participant and Beneficiary to have an amount deferred under the other plan immediately after the transfer at least equal to the amount transferred, after adjusting for any costs or charges disclosed and assessed by the Vendor.

(b) The other 403(b) plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the other plan shall impose 403(b) restrictions on distributions to the Participant or Beneficiary whose assets are transferred that are not less stringent than those imposed under the Plan. In addition, if the transfer does not constitute a complete transfer of the Participant's or Beneficiary's interest in the Plan, the other 403(b) plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).

(c) Upon the transfer of assets under this Section 6.3, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section 6.3 (for example, to confirm that the receiving plan satisfies section 403(b) of the Code and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Treas. Reg. § 1.403(b)-10(b)(3).

6.4 Contract and Custodial Account Exchanges.

(a) A Participant or Beneficiary is permitted to change the investment of his or her Account Balance among the Vendors under this Plan, subject to the terms of the Individual Agreements. An investment change that includes an investment with a Vendor that is not eligible to receive contributions under Section 2 (referred to below as an exchange) is not permitted.

(b) If any Vendor ceases to be eligible to receive Elective Deferrals or Roth 403(b) Contributions under the Plan, the Plan Sponsor may, in its sole discretion, enter into an information sharing agreement as described in Treas. Reg. § 1.403(b)-10(b)(2).

6.5 Permissive Service Credit Transfers.

(a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in section 414(d) of the Code) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account Balance transferred to the defined benefit governmental plan. A transfer under this Section 6.5(a) may be made before the Participant has had a Severance from Employment.

(b) A transfer may be made under Section 6.5(a) only if the transfer is either for the purchase of permissive service credit (as defined in section 415(n)(3)(A) of the Code) under the receiving defined benefit governmental plan or a repayment to which section 415 of the Code does not apply by reason of section 415(k)(3) of the Code.

(c) In addition, if a plan-to-plan transfer does not constitute a complete transfer of the Participant's or Beneficiary's interest in the transferor plan, the Plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).

Section 7 Investment of Contributions

7.1 Manner of Investment. All Elective Deferrals, Roth 403(b) Contributions, or other amounts contributed to the Plan, all property and rights purchased with such amounts under the Funding Vehicles, and all income attributable to such amounts, property, or rights shall be held and invested in one or more Annuity Contracts or Custodial Accounts. Each Custodial Account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Custodial Account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries or for the reasonable costs of administering the Funding Vehicles, as disclosed in the Individual Agreement(s) with a Participant.

7.2 Investment of Contributions. Except as provided in Section 7.4, each Participant, Beneficiary, and payee under a qualified domestic relations order shall direct the investment of his or her Account among the investment options available under the Annuity Contract or Custodial Account in accordance with the terms of the Individual Agreements. Transfers and exchanges among Annuity Contracts and Custodial Accounts may be made to the extent provided in the Individual Agreements and permitted under applicable Treasury Regulations. A change in the investment direction shall take effect as of the date provided by the Vendor on a uniform basis for all Participants using such Vendor.

7.3 Current and Former Vendors. For Vendors who have received funds on or after January 1, 2005, the Administrator shall maintain a list of all Vendors under the Plan. Each

Vendor and the Administrator shall exchange such information as may be necessary to satisfy section 403(b) of the Code or other requirements of applicable law. In the case of a Vendor which is not eligible to receive Elective Deferrals and/or Roth 403(b) Contributions under the Plan (including a Vendor which has ceased to be a Vendor eligible to receive Elective Deferrals and/or Roth 403(b) Contributions under the Plan and a Vendor holding assets under the Plan in accordance with Section 6.2 or 6.4), the Employer shall keep the Vendor informed of the name and contact information of the Administrator in order to coordinate information necessary to satisfy section 403(b) of the Code or other requirements of applicable law.

7.4 Third-Party Direction of Investments.

(a) A Participant may appoint in writing a “qualifying third-party investment advisor” who will be authorized to direct the Participant’s investments among the investment options then available under the Annuity Contract or Custodial Account. The appointment of a qualifying third-party investment advisor shall be made on such forms as the respective Vendor may require, which forms may include, but not be limited to, a limited power of attorney, valid under applicable state law, which will permit the qualifying third-party investment advisor to assume the investment management responsibilities described in Section 7.2.

(b) For purposes of this Section 7.4, a qualifying third-party investment advisor shall be registered with the United States Securities and Exchange Commission as an investment advisor under the Investment Advisors Act of 1940, and maintain a Series 7 license (“General Securities Registered Representative License”) under the auspices of the National Association of Securities Dealers. Each Vendor may take such steps as necessary to confirm the continued qualification of a qualified third-party investment advisor. Payment of fees for the services of a qualified third-party investment advisor shall be the sole responsibility of the Participant; however, the Participant may direct the Vendor to pay any investment advisory fees from the Participant Annuity Contract or Custodial Account.

(c) Neither the Plan Sponsor, Employer nor Vendor are responsible for the appointment of any qualifying third-party investment advisor under this Section 7.4, and the selection, monitoring and retention of a qualifying third-party investment advisor are exclusively the decision of a Participant.

(d) The Administrator may promulgate regulations concerning qualifying independent third-party investment advisors, which may be amended from time to time.

7.5 Fiduciary Status of Plan Sponsor and Employer. Plan Sponsor and Employer are not fiduciaries in a Participant’s selection of the Funding Vehicles or related Vendors.

7.6 Regulations Regarding Investments. The Administrator may promulgate regulations concerning investments, which may be amended from time to time.

Section 8 Beneficiary Information

8.1 Designation. The Participant shall have the right to designate a Beneficiary, and amend or revoke such designation at any time prior to commencement of benefits, in writing, in

a form approved by the Employer or Administrator. Such Beneficiary designations, amendments, or revocations shall be effective upon satisfactory receipt by the Administrator or designee.

8.2 Failure to Designate a Beneficiary. If no duly designated Beneficiary exists at the date of death of the Participant, or if the Beneficiary designated has died prior to the Participant, or if the Participant has revoked a prior designation in writing filed with the Administrator or designee without having filed a new designation, then any death benefits which would have been payable to the Beneficiary shall be payable (a) if the Participant is invested in an Annuity Contract, according to the Beneficiary designation made under such Annuity Contract, or (b) if the Participant is not invested in an Annuity Contract, to the Participant's Spouse, if living; if not living, equally to the Participant's children; or if none survive, then to the Participant's estate. Distribution to a Beneficiary selected under this Section 8.2 will be made in a single lump sum to such Beneficiary as soon as administratively feasible following the death of the Participant unless such Beneficiary selects an alternative distribution option, according to the provisions of the Individual Agreement.

Section 9 Amendment and Plan Termination

9.1 Termination of Contributions. The Plan Sponsor has adopted this Plan with the intention and expectation that contributions will be continued indefinitely. However, the Plan Sponsor has no obligation or liability whatsoever to maintain the Plan for any length of time and may discontinue contributions under the Plan at any time without any liability hereunder for any such discontinuance.

9.2 Amendment and Termination. The Plan Sponsor reserves the authority to amend or terminate this Plan at any time, provided however that any amendment which reduces contractual rights or benefits under an Individual Agreement shall apply prospectively only except as required under the Code and applicable Treasury Regulations promulgated thereunder.

9.3 Distribution upon Termination of the Plan. The Plan Sponsor may provide that, in connection with a termination of the Plan and subject to any restrictions contained in the Individual Agreements, all Accounts will be distributed, provided that the Plan Sponsor and Employers do not make contributions to an alternative contract under section 403(b) of the Code that is not part of the Plan during the period beginning on the date of plan termination and ending 12 months after the distribution of all assets from the Plan, except as permitted by the Treasury Regulations.

Section 10 Miscellaneous

10.1 No Alienation or Assignment of Benefits. Except as provided in Section 10.2 and 10.3, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors; and neither the Participant nor any Beneficiary shall have any right to sell, assign, transfer, or otherwise convey the right to receive

any payments hereunder or any interest under the Plan, which payments and interest are expressly declared to be non-assignable and non-transferable.

10.2 Qualified Domestic Relation Orders. Notwithstanding Section 10.1, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a Spouse or former Spouse, child, or other dependent of a Participant is made pursuant to the domestic relations law of any State (“qualified domestic relations order”), then the amount of the Participant’s Account Balance shall be paid in the manner and to the person or persons so directed in the qualified domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Administrator shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the qualified domestic relations order.

10.3 IRS Levy. Notwithstanding Section 10.1, the Administrator may direct payment from a Participant’s or Beneficiary’s Account Balance the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

10.4 Tax Withholding. Contributions to the Plan are subject to applicable employment taxes (including, if applicable, FICA taxes with respect to Elective Deferrals and Roth 403(b) Contributions, which constitute wages under section 3121 of the Code). Any benefit payment made under the Plan is subject to applicable income tax withholding requirements (including section 3401 of the Code and the Employment Tax Regulations thereunder). A payee shall provide such information as the Administrator, Employer, and/or Vendor may need to satisfy income tax withholding obligations, and any other information that may be required by guidance issued under the Code.

10.5 Payments to Minors and Incompetents. If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator or Employer, the benefits will be paid to the Participant’s or Beneficiary guardian, conservator, custodian, attorney-in-fact, or to any other legal representative adjudged to be appropriate upon receiving satisfactory evidence of such status or a court order to that effect. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

10.6 Mistaken Contributions. If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Administrator or Employer, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned by the Vendor directly to the Participant or, to the extent required or permitted by the Administrator, to the Employer; however, if the mistake occurred with the allocation of Elective Deferrals and Roth 403(b) Contributions within a Participants’ Account with a Vendor, such amount may be reallocated by the Vendor.

10.7 Location of Participant or Beneficiary Unknown. The Vendor or Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose a reasonable attempt means (a) the mailing by certified mail of notice to the last known address shown on the Vendor's or Administrator's records or (b) employing the services of a locator service. If after one or more of these methods is employed and the Participant or Beneficiary has not responded within six (6) months, and no claim has been made for such benefits, the funding vehicle shall continue to hold the benefits due such person until such time as the Vendor or Administrator deems it appropriate to apply State abandoned property law to distribute the benefits from the Plan or to forfeit the benefit, in accordance with the terms of the Individual Agreements.

10.8 Incorporation of Individual Agreements. The Plan, together with the Individual Agreements, is intended to satisfy the requirements of section 403(b) of the Code and the regulations thereunder. Terms and conditions of the Individual Agreements are hereby incorporated by reference into the Plan, excluding those terms that are inconsistent with the Plan or section 403(b) of the Code.

10.9 Governing Law. The Plan will be construed, administered and enforced according to the Code and the laws of the State of North Carolina.

10.10 Headings. Headings of the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

10.11 Gender. Pronouns used in the Plan in the masculine or feminine gender include both genders unless the context clearly indicates otherwise.

10.12 No Employer Liability. Employer shall have no liability for the payment of benefits under the Plan provided that the providers of the applicable Annuity Contracts and Custodial Accounts receive written direction for the payment of benefits in accordance with Section 6. Each Participant shall look solely to the providers of applicable Annuity Contracts and Custodial Accounts for receipt of payments or benefits under the Plan.

Section 11

Roth 403(b) Contribution Provisions

11.1 Separate Accounting Requirements. A Participant's Roth 403(b) Contributions shall be allocated to a separate account maintained for such contributions. Contributions and withdrawals of Roth 403(b) Contributions, and earnings or losses thereon, shall be credited and debited to each Participant's Account and shall be separately accounted for under each Participant's Account. Gains, losses, and other credits or charges shall be separately allocated on a reasonable and consistent basis for each Participant's Roth 403(b) Contributions. Except as provided in Section 10.5, no contributions other than Roth 403(b) Contributions and properly attributable earnings may be credited to each Participant as a Roth 403(b) Contribution.

11.2 Deposit Requirements. Roth 403(b) Contributions shall be deposited with the applicable Funding Vehicles as soon as practicable in accordance with Section 2.5 of the Plan, unless an earlier date is required under state law.

11.3 Direct Roth Rollovers From the Plan. Notwithstanding Section 5.6 of the Plan, Participants may only make a direct rollover of a distribution of Roth 403(b) Contributions (and earnings thereon) to another 403(b) plan with Roth contribution features; to a 401(k) Plan with Roth contribution features; or to a Roth IRA described in section 408A of the Code, and only to the extent the rollover is permitted under the rules of section 402(c) of the Code.

11.4 Roth Rollovers into the Plan. Notwithstanding Section 6.1 of the Plan, direct rollovers of Roth 403(b) Contributions and Roth 401(k) contributions and earnings thereon from another 403(b) plan with Roth contribution features, or from a 401(k) Plan with Roth contribution features are permitted, provided that the Funding Vehicles selected by a Participant will accept such Roth Rollovers. Direct rollovers shall only be permitted if the transmitting plan satisfies the conditions set forth in section 402A(e)(1) of the Code and only to the extent the rollover is permitted under the rules of section 402(c) of the Code.

11.5 Correction of Excess Contributions. To the extent consistent with the administrative procedures of a Vendor and/or Administrator under the Plan excess Contributions may be returned in a uniform manner without respect to an employee's status as a highly compensated or nonhighly compensated employee.

11.6 Roth Caveat. Employer, Administrator and providers of Annuity Contracts and Custodial Accounts shall utilize good faith compliance efforts to conform to the requirements applicable to Roth 403(b) Contributions based on applicable IRS guidance related to such contributions. The Plan shall be administered and interpreted in the manner necessary to ensure compliance with such guidance.

11.7 Roth Rollovers Within the Plan. A Participant may elect to have all or any portion of his or her non-Roth Account Balance distributed and directly rolled over in a taxable rollover contribution to accounts maintained to hold Roth 403(b) Contributions, provided that the Funding Vehicles selected by a Participant will accept such Roth Rollovers. Amounts rolled over pursuant to this Section shall not be considered Roth 403(b) Contributions under the Plan, for purposes of determining the maximum deferrals and additions under Section 3. A Participant's Roth Rollover election shall be made on forms provided by the Administrator and/or Employer, and, to the extent required on the forms, shall also include designation of the Funding Vehicles and Accounts therein to which the amounts are to be allocated.

Section 12 Plan Administration

12.1 Promulgating Notices and Procedures. The Administrator is given the power and responsibility to promulgate certain written notices, policies and/or procedures under the terms of the Plan and disseminate same to the Employers, which will disseminate them to the Participants, and the Administrator may satisfy such responsibility by the preparation of any such notice, policy and/or procedure in a written form which can be published and communicated to a Participant in one or more of the following ways: (a) by distribution in hard copy; (b) through distribution of a summary plan description or summary of material modifications thereto which sets forth the policy or procedure with respect to a right, benefit or feature offered under the Plan; (c) by e-mail, either to a Participant's personal e-mail address or his or her Employer-

maintained e-mail address; and (d) by publication on a web-site accessible by the Participant, provided the Participant is notified of said web-site publication. Any notice, policy and/or procedure provided through an electronic medium will only be valid if the electronic medium which is used is reasonably designed to provide the notice, policy and/or procedure in a manner no less understandable to the Participant than a written document, and under such medium, at the time the notice, policy and/or procedure is provided, the Employee may request and receive the notice, policy and/or procedure on a written paper document at no charge.

12.2 Finality of Administrative Decisions. The Administrator's interpretation of Plan provisions, and any findings of fact, including eligibility to participate and eligibility for benefits, are final and will not be subject to "de novo" review unless shown to be arbitrary and capricious.

12.3 Appointment of Administrative Committee. The Administrator may appoint one or more members to an Investment or Administrative Advisory Committee to be known as the "Committee" (or such other name as the Plan Sponsor may select), to which the Plan Sponsor may delegate certain of its responsibilities as Administrator. Members of the Committee need not be Participants or beneficiaries, and officers and directors of the Plan Sponsor and Employers will not be precluded from serving as members. A member will serve until his or her resignation, death, or disability, or until removed by the Administrator. In the event of any vacancy arising by reason of the death, disability, removal, or resignation of a member, the Administrator may, but is not required to, appoint a successor to serve in his or her place. The Committee will select a chairman and a secretary from among its members. Members of the Committee will serve in such capacity without Compensation. The Committee will act by majority vote. The proper expenses of the Committee, and the Compensation of its agents appointed pursuant to Section 12.4, if any, will be paid in accordance with Section 12.5.

12.4 Powers and Duties of the Administrator. The powers and duties of the Administrator will include (a) appointing the Plan's attorney(s), accountant, actuary, or any other party needed to administer the Plan; (b) to the extent necessary to comply with the Code and Treasury regulations, directing the Vendors with respect to payments from the Accounts; (c) deciding if a Participant or Beneficiary is entitled to a benefit from the Plan; (d) communicating with Employees regarding their participation and benefits under the Plan, including the administration of all claims procedures; (e) filing any returns and reports with the Internal Revenue Service, or any other governmental agency; (f) reviewing and approving any financial reports, investment reviews, or other reports prepared by any party under (a) above; (g) establishing a funding policy and investment objectives consistent with the purposes of the Plan; (h) construing and resolving any question of Plan interpretation; and (i) making any findings of fact the Administrator deems necessary to proper Plan administration.

The Administrator may delegate specific responsibilities, or delegate partial responsibilities, in writing to Employers, including some of the powers and duties set out above in this Section 11.4 and the authority to execute documents unless the Administrator revokes such delegation. The Vendors will be notified in writing of any such delegation of responsibilities, and the Vendors thereafter may rely upon any documents executed by the appropriate Administrator.

12.5 Compensation and Expenses. The allocation of costs and expenses associated with operating the Plan shall be determined by the Plan Administrator in its sole discretion.

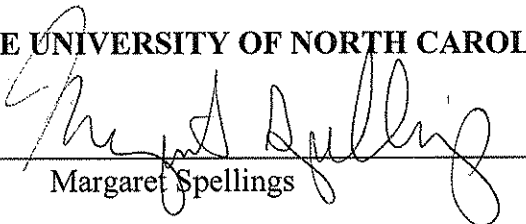
12.6 Requirements of Employer Participation. Each participating Employer agrees to be liable to The University of North Carolina and all other participating Employers for any claims, taxes, costs, or expenses of any kind incurred by the Plan or other participating Employers as a result of the participating Employer's failure to fulfill its obligations and duties with respect to the Plan. The participating Employer agrees to pay The University of North Carolina and any other participating Employers for any claims, taxes, costs, or expenses incurred by The University of North Carolina or other participating Employers at any time as a result of the participating Employer's error/act/omission.

Each participating Employer acknowledges that, although such Employer may withdraw from the Plan and cease to be an Employer for purposes of participating in the Plan, after such withdrawal the participating Employer will remain fully responsible for any claims, taxes, costs or expenses associated with any operational defects in the Plan created, or contributed to, by such Employer while a participating Employer. Each participating Employer further acknowledges that, in the event that an operational defect is created under the Code in the Plan that requires The University of North Carolina to consult counsel and/or prepare materials to correct such operational defect, such as described in the Revenue Ruling 2013-12, as subsequently modified from time to time (or any subsequent Revenue Ruling describing the Employee Plans Compliance Revolution System), such Employer will cooperate fully with The University of North Carolina in preparing the response to any operational defects created by the participating Employer. The cost of any such correction, including any excise taxes or penalties which may be assessed against the Plan as a consequence of entering into a Compliance Statement with the Internal Revenue Service, shall be paid by such Employer to the extent that the actions of such Employer created, or contributed to, the need for such Compliance Statement. Each participating Employer acknowledges that The University of North Carolina shall have sole responsibility to determine if an operational defect has occurred in the Plan, and the extent to which the participating Employer caused or contributed to such defect.

IN WITNESS WHEREOF, The University of North Carolina has caused this Plan to be executed this 16 day of December, 2016.

Plan Sponsor:

THE UNIVERSITY OF NORTH CAROLINA

By: 
Margaret Spellings

12/16/16
Date Signed

Title: President

Original Effective Date of the Plan: January 1, 2009

Effective Date of Amended and Restated Plan: December 1, 2016