

# THE UNIVERSITY OF NORTH CAROLINA

## CODE SECTION 457(b) PLAN

January 1, 2015

### INTRODUCTION

The University of North Carolina, a public institution of higher education, wishes to create this Plan to comply with Section 457(b) of the Code (as defined herein), and regulations thereunder, to provide Participants the opportunity to save for retirement subject to certain conditions and limitations, set forth herein.

### ARTICLE I DEFINITIONS

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

- 1.01 Account.** The term “Account” means the account or accumulation maintained for the benefit of any Participant or Beneficiary.
- 1.02 Account Balance.** The term “Account Balance” means the value of the Account(s) maintained with respect to each Participant which reflects the value of the deferred Compensation credited to the Participant, including the Participant’s Elective Deferrals, Roth 457(b) Contributions, the earnings or loss of the investment options held in the Investment Options (net of investment option expenses) allocable to the Participant, any transfers for the Participant’s benefit, and any distribution made to the Participant or the Participant’s Beneficiary. The Account Balance includes any account established under Article IX for rollover contributions and 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.
- 1.03 Administrator.** The term “Administrator” means the person(s) or entity appointed pursuant to Section 12.01 of the Plan. If no Administrator is appointed, The University of North Carolina shall serve as the Administrator.
- 1.04 Alternate Payee.** The term “Alternate Payee” means an individual who is entitled to payment from a Participant’s Account pursuant to a qualified domestic relations order as described in Treasury Regulation Section 1.457-10(c), or any successor regulation or guidance.
- 1.05 Annuity Contract.** The term “Annuity Contract” means an annuity contract as defined by Section 401(g) of the Code, that has been issued by an insurance company qualified to do business in the State of North Carolina and that meets the requirements of Treasury Regulation Section 1.457-8(a)(1) and (2), other than the requirement that it be a trust.

- 1.06 Beneficiary.** The term “Beneficiary” means the individual, trustee, estate or legal entity entitled to receive benefits under this Plan which become payable in the event of the Participant’s death.
- 1.07 Code.** The term “Code” means 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.
- 1.08 Compensation.** The term “Compensation” means 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 Article III made to reduce compensation in order to make Elective Deferrals under the Plan).
- 1.09 Custodial Account.** The term “Custodial Account” means the group or individual custodial account or accounts, as described in Section 457(b) of the Code, established for a Participant by the Employer, or by a Participant individually, to hold assets of the Plan.
- 1.10 Disabled or Disability.** The term “Disabled” or “Disability” is determined by the definition in Section 72(m)(7) of the Code, to be determined by the Employer.
- 1.11 Effective Date.** The term “Effective Date” means the effective date of this Plan, which is January 1, 2015.
- 1.12 Elective Deferral.** The term “Elective Deferral” means the 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.
- 1.13 Eligible Governmental Deferred Compensation Plan.** The term “Eligible Governmental Deferred Compensation Plan” means a plan that constitutes an eligible governmental deferred compensation plan within the meaning of Section 457 of the Code.
- 1.14 Employee.** The term “Employee” means 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. The 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.
- 1.15 Employer.** The term “Employer” means any entity of the Plan Sponsor, which has Employees. Employers 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, UNC Press and the University of North Carolina Health Care System.

- 1.16 Funding Vehicles.** The term “Funding Vehicles” means (a) the Annuity Contracts or Custodial Accounts issued for funding amounts held under the Plan, and (b) the Trust in which Trust Fund assets are held, in each case, specifically approved by the Plan Sponsor for use under the Plan.
- 1.17 Includible Compensation.** The term “Includible Compensation” means 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 2015 (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).
- 1.18 Individual Agreement.** The term “Individual Agreement” means an agreement between a Vendor and the Plan Sponsor or a Participant that constitutes or governs (a) a Custodial Account or an Annuity Contract, or (b) the investment funds and other investment options forming part of a Trust Fund.
- 1.19 Investment Options.** The term “Investment Options” means the Annuity Contracts, Custodial Accounts, investment funds forming part of a Trust Fund and other investment options offered by an Investment Sponsor, selected by the Administrator as investment options to be offered to Participants and Beneficiaries under the Plan. Investment Options shall also include any other investment alternatives made available by any other Investment Sponsor and designated pursuant to the terms of this Plan document as being available for the purpose of allocating contributions, rollovers and/or transfers under this plan.
- 1.20 Investment Sponsors.** The term “Investment Sponsors” means any insurance company, regulated investment company, the Trust Fund or other entity providing Investment Options under the Plan.
- 1.21 Normal Retirement Age.** The term “Normal Retirement Age” means age fifty-nine and one half (59 ½).
- 1.22 Participant.** The term “Participant” means an individual for whom Elective Deferrals or Roth 457(b) Contributions are being made, or for whom such deferrals or contributions have previously been made, and who has not received a distribution of his or her entire benefit under the Plan.
- 1.23 Plan.** The term “Plan” means The University of North Carolina Code Section 457(b) Plan as set forth herein, and as it may be amended from time to time.
- 1.24 Plan Sponsor.** The term “Plan Sponsor” means The University of North Carolina.
- 1.25 Plan Year.** The term “Plan Year” means the calendar year.
- 1.26 Qualified Military Service.** The term “Qualified Military Service” means any service in the uniformed services (as defined in Chapter 43 of Title 38 of the Code) by any

individual if such individual is entitled to reemployment rights under such chapter with respect to such service.

- 1.27 Required Beginning Date.** The term “Required Beginning Date” means the April 1 of the calendar year following the calendar year in which a Participant attains age 70-1/2, or in which the Participant’s actual retirement occurs if later.
- 1.28 Roth 457(b) Contribution.** The term “Roth 457(b) Contribution” means any contribution made by a Participant which is designated as a Roth 457(b) Contribution in accordance with Section 3.02 and Article 12 of this Plan and that qualifies as a Roth contribution under Section 402A of the Code. A Roth 457(b) Contribution is an Employee contribution that is: (a) designated irrevocably by the Employee as such on his or her Voluntary Salary Deferral Agreement to be a Roth 457(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 457(b) of the Code.
- 1.29 Severance from Employment.** The term “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. This definition of Severance from Employment shall be interpreted in accordance with Treasury Regulation Section 1.401(k)-1(d)(2).
- 1.30 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.
- 1.31 Trust.** The term “Trust” means any trust established under the laws of the State of North Carolina pursuant to a written trust agreement that constitutes a valid trust under the law of the State of North Carolina and that holds Plan assets.
- 1.32 Trust Fund.** The term “Trust Fund” means the assets of the Trust corresponding to the applicable Investment Options.
- 1.33 Vendor.** The term “Vendor” means the provider of an Annuity Contract or Custodial Account, any entity under which Investment Options are provided pursuant to a Trust or any organization expressly authorized by such provider or entity to act on its behalf under this Plan.

- 1.34 **Valuation Date.** The term “Valuation Date” means each business day of the Plan Year.
- 1.35 **Voluntary Salary Deferral Agreement.** The term “Voluntary Salary Deferral Agreement” means the agreement pursuant to which the Participant elects to make Elective Deferrals or Roth 457(b) Contributions to the Plan.

## ARTICLE II PARTICIPATION IN THE PLAN

- 2.01 **Eligibility.** Each Employee shall be eligible to participate in the Plan and elect to have Elective Deferrals or Roth 457(b) Contributions made on his or her behalf hereunder immediately upon becoming employed by the Employer. Any Employee as of the date of the Effective Date shall be eligible to participate in the Plan on the Effective Date.
- 2.02 **Enrollment In Plan.** To participate in the Plan, each Employee shall complete and return the applicable forms, including a Voluntary Salary Deferral Agreement, and submit them to the Employer or its designee. Enrollment shall be effective on or after the first day of the month following the date the enrollment forms are properly completed by the Employee and accepted by the Employer or its designee.
- 2.03 **Information Provided by the Participant.** Each Employee enrolling in the Plan should provide to the Investment Sponsor or the Administrator, as required, at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Investment Sponsor or the Administrator, as appropriate, to administer the Plan, including without limitation, whether the Employee is a participant in any other eligible plan under Section 457(b) of the Code.
- 2.04 **Contributions Made Promptly.** Elective Deferrals or Roth 457(b) Contributions under the Plan shall be transferred to the applicable Investment Option within a period that is not longer than is reasonable for the proper administration of the Plan. In no event shall any Elective Deferrals or Roth 457(b) Contributions be transferred to the applicable Investment Option later than fifteen (15) days following the end of the month in which the amount would otherwise have been paid to the Participant.
- 2.05 **Form of Contributions.** All contributions shall be made in cash.
- 2.06 **Provisions of Plan Binding on Participants.** Upon becoming a Participant, a Participant shall be bound then and thereafter by the terms and conditions of the Plan, including all amendments thereto.

## ARTICLE III DEFERRAL OF COMPENSATION

- 3.01 **Elective Deferrals.** An Employee may elect to make Elective Deferrals to the Plan pursuant to a Voluntary Salary Deferral Agreement with the Employer. These amounts may be deferred for any calendar month only if the Voluntary Salary Deferral Agreement is entered into before the beginning of the month in which the amounts would otherwise be paid or made available. Any such election shall remain in effect until a new election is

filed with the Employer. 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.

- 3.02 Roth 457(b) Contributions.** An Employee may elect to make Roth 457(b) Contribution to this Plan in accordance with Article 12 of this Plan. The Participant's election to make Roth 457(b) Contributions shall be made pursuant to a Voluntary Salary Deferral Agreement with the Employer. Any such election shall remain in effect until a new election is filed with the Employer. The Administrator may establish an annual minimum Roth 457(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 457(b) Contributions under this Plan.
- 3.03 Leave of Absence.** Unless an election is otherwise revised, if an Employee is absent from work by leave of absence, Elective Deferrals or Roth 457(b) Contributions shall continue to the extent that Compensation continues.
- 3.04 Change in Elective Deferral or Roth 457(b) Contribution Election.** 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 457(b) Contributions and a change in the allocation of his or her Elective Deferrals to Roth 457(b) Contributions or vice versa, his or her designation of Funding Vehicles and Accounts, and a designation of Beneficiary. A change in the allocation between Funding Vehicles or between Elective Deferrals and Roth 457(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.
- 3.05 Termination of Deferral.** A Participant may terminate his or her election to have Compensation deferred by so notifying the Investment Sponsor and Employer or its designee in writing. Such termination shall take effect as soon as administratively practicable, but not earlier than the first pay period commencing with or during the first month following receipt by the Employer or its designee of satisfactory written notice of such revocation.
- 3.06 Maximum Deferral.**
- (a) **Primary Limitation.** Except as provided in Sections 3.06(b) and (c), the maximum amount of combined Elective Deferrals and Roth 457(b) Contributions under the Plan for any calendar year, other than by means of a rollover or transfer, shall not exceed the lesser of:
- (1) The applicable dollar amount, as set forth in Section 457(e)(15) of the Code, or
  - (2) 100% of the Participant's Includible Compensation for the taxable year.

- (b) **General Catch-up Limitations.** For one or more of the last three (3) taxable years ending before a Participant's attainment of Normal Retirement Age, the maximum amount of combined Elective Deferrals and Roth 457(b) Contributions, hereof on behalf of a Participant, other than by means of a rollover or transfer, shall be the lesser of X or Y. X shall be twice the applicable dollar amount in effect under Section 457(b)(2)(A) of the Code for such year. Y shall be the sum of (i) the primary limitation amount determined under Section 3.06(a) above for the year, and (ii) that portion of the primary limitation amount determined under Section 3.06(a) for any prior taxable year or years, less the amount of Elective Deferrals or Roth 457(b) Contributions under the Plan for such prior taxable year or years (disregarding any Elective Deferrals or Roth 457(b) Contributions under the Plan permitted under the age fifty (50) catch up contributions described in Section 3.06(c) below).
- (c) **Catch-up Limitations for Individuals Age Fifty (50) or Over.** To the extent permitted by law, in the case of any individual who has attained the age of fifty (50) before the close of the taxable year, the maximum combined Elective Deferral and/or Roth 457(b) Contribution amount that may be contributed pursuant to Section 3.01 or 3.02 hereof for such taxable year shall be increased by the applicable amount set forth in Section 414(v) of the Code. Notwithstanding the immediately preceding sentence, contributions shall not be made in accordance with this Section 3.06(c), if the general catch-up contributions described in Section 3.06(b) provide a higher limitation.
- (d) **Coordination with Other Plans.** If a Participant participates in more than one Code Section 457(b) plan, the maximum deferral under all such plans shall not exceed the applicable limit as described in Section 3.06(a) above (subject to modification by the catch-up limitation described in Section 3.06(b) or (c) above).
- (e) **Distribution of Excess Elective Deferrals or Roth 457(b) Contributions.** To the extent that any amount deferred under the Plan for any taxable year exceeds the limitations of this Section 3.06, any excess Elective Deferrals and/or Roth 457(b) Contributions will be distributed to the Participant with allocable net income, as soon as administratively practicable after the Employer determines that there is an excess deferral and the amount of the excess deferral.

**3.07 Vesting.** A Participant shall be fully vested at all times in his or her accrued benefits under this Plan. Such accrued benefits shall be non-forfeitable at all times.

**3.08 Qualified Military Service.** Notwithstanding any provisions of this Plan to the contrary, contribution benefits, and service credits with respect to Qualified Military Service will be provided in accordance with Section 414(u) of the Code. An Employee whose employment is interrupted by Qualified Military Service under Section 414(u) of the Code or who is on leave of absence for Qualified Military Service under Section 414(u) of the Code may elect to make additional Elective Deferrals or Roth 457(b) Contributions upon resumption of employment with the Employer equal to the maximum Elective Deferrals or Roth 457(b) Contributions that the Employee could have elected during the

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 457(b) Contributions, if any, actually made for the Employee during the period of interruption or leave. This right applies for five (5) years following the resumption of employment (or, if sooner, for a period equal to three (3) times the period of the interruption or leave).

#### **ARTICLE IV TRUST**

**4.01 Trust Assets.** All assets held in connection with the Plan, including all amounts of compensation deferred pursuant to the Plan, all property and rights acquired or purchased with such amounts and all income attributable to such amounts, property or rights shall be held in trust for the exclusive benefit of Participants and their Beneficiaries under the Plan. No part of the assets and income of the Plan shall be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries and for defraying reasonable expenses of the Plan. Notwithstanding the foregoing, Annuity Contracts and Custodial Accounts shall be treated as a Trust for purposes of this Section 4.01, to the extent permitted under Treasury Regulation Section 1.457-8.

#### **ARTICLE V INVESTMENT OF CONTRIBUTIONS**

**5.01 Direction of Investments.** A Participant may request that amounts contributed to the Plan on his or her behalf be allocated among the available Investment Options established under the Plan. The Investment Options shall include the Investment Options made available by the Investment Sponsors and may, in addition, include Investment Options made available by additional approved Investment Sponsors. The initial allocation request may be made at the time of enrollment. Once made, an investment allocation request shall remain in effect for all subsequent contributions until changed by the Participant.

**5.02 Investment Changes.** A Participant may change any investment allocation made by such Participant hereunder, or transfer existing accumulations to another Investment Option available under the Plan, by submitting a written request to the Investment Sponsor or its designee on such form as may be required by the Investment Sponsor, Employer or designee. Any such changes shall become effective as soon as administratively feasible after the Investment Sponsor or its designee receives a satisfactory written request.

**5.03 Investment of Contributions.** Each Participant or Beneficiary shall direct the investment of his or her Account among the Investment Options in accordance with the terms of the Individual Agreements. Transfers among Investment Options may be made to the extent provided in the Individual Agreements and permitted under applicable Treasury Regulations.



**5.04 Institutional Fee Billing – Investment Advisor Fees.** To the extent permitted by law and the provisions of the Funding Vehicles, the Plan Sponsor has the power to authorize the payment of Investment Advisor Fees incurred by a Participant. Such payment shall be directed by the Participant or by the Participant’s Account. Such payment shall be made directly to the Investment Provider. Under no circumstances will the Plan be liable for such payment. For purposes of this Article, the term “Investment Advisor” shall mean a person who is registered as such with the United States Securities and Exchange Commission (“SEC”) or with a state securities regulatory agency if the Investment Advisor is exempt from SEC registration requirements. For purposes of this Article, the term “Investment Advisor Fees” shall mean fees charged by a Participant’s Investment Advisor for advisory services relating to the Participant’s Account under this Plan.

**5.05 Current and Former Vendors.** The Administrator shall maintain a list of all Vendors under the Plan. Such list is hereby incorporated as part of the Plan. Each Vendor and the Administrator shall exchange such information as may be necessary to satisfy Section 457(b) of the Code or other requirements of applicable law.

In the case of a Vendor which is not eligible to receive Elective Deferrals or Roth 457(b) Contributions under the Plan (including a Vendor which has ceased to be a Vendor eligible to receive Elective Deferrals or Roth 457(b) Contributions under the Plan and a Vendor holding assets under the Plan in accordance with Sections 3.01 or 3.02), 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 457(b) of the Code or other requirements of applicable law.

## **ARTICLE VI BENEFIT DISTRIBUTIONS**

**6.01 Eligibility for Payment.**

(a) Distribution of benefits from the Plan shall be made no earlier than: (i) Severance from Employment (including, and without limitation a Severance from Employment due to death or Disability), (ii) the calendar year in which the Participant attains age 70-1/2, (iii) in the event of an approved financial hardship due to an Unforeseeable Emergency, as defined below, or (iv) the time at which a distribution is specified under a qualified domestic relations order (as described in Section 13.05 below).

**6.02 Distribution Due to Unforeseeable Emergency.**

(a) A Participant may request a distribution due to an Unforeseeable Emergency by submitting a written request to the Employer or its designee, accompanied by evidence to demonstrate that the circumstances being experienced qualify as an Unforeseeable Emergency. The Employer or designee shall have the authority to require such evidence, as it deems necessary to determine if a distribution shall be warranted. The distribution shall be limited to an amount sufficient to meet the Unforeseeable Emergency.

- (b) “Unforeseeable Emergency” means a severe financial hardship of the Participant or Beneficiary resulting from an illness or accident of the Participant or Beneficiary, the Participant’s or Beneficiary’s Spouse, or the Participant’s or Beneficiary’s dependent (as defined in Section 152 of the Code, and without regard to Section 152(b)(1), (b)(2), and (d)(1)(B) of the Code); loss of the Participant’s or Beneficiary’s property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner’s insurance, such as damage that is the result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or the Beneficiary. For example, the imminent foreclosure of or eviction from the Participant’s or Beneficiary’s primary residence may constitute an Unforeseeable Emergency. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an Unforeseeable Emergency. Finally, the need to pay for the funeral expenses of a Spouse or a dependent (as defined in Section 152 of the Code, and without regard to Section 152(b)(1), (b)(2), and (d)(1)(B) of the Code) of a Participant or Beneficiary may also constitute an Unforeseeable Emergency. Except as otherwise specifically provided in this Section 6.02, the purchase of a home and the payment of college tuition are not Unforeseeable Emergencies under this Section 6.02.
- (c) The circumstances that will constitute an Unforeseeable Emergency will depend upon the facts and circumstances of each case, but, in any case, payment may not be made to the extent that such hardship is or may be relieved:
  - (1) Through reimbursement or compensation by insurance or otherwise;
  - (2) By liquidation of the Participant’s assets, to the extent that liquidation of such assets would not itself cause severe financial hardship; or
  - (3) By cessation of Elective Deferrals or Roth 457(b) Contributions under the Plan.

**6.03 In-Service Distribution.** A Participant may elect to receive an in-service distribution of all or part of the Participant’s benefit under the Plan if the following requirements are met:

- (a) the total amount of the Participant’s benefit under the Plan does not exceed \$5,000 (or the dollar limit under Section 411(a)(11) of the Code, if greater),
- (b) the Participant has not previously received an in-service distribution of the Participant’s benefit under the Plan, and
- (c) no amounts have been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the in-service distribution.

**6.04 Small Account Balances.** If the total amount payable to a Participant who has a Severance from Employment does not exceed \$1,000, then such payment may be made

without the consent of the Participant or Beneficiary, but no such payment may be made without the consent of the Participant or Beneficiary in the form of a lump-sum payment. The determination of whether a Participant's account balance exceeds \$1,000 shall be determined by including rollover contributions (and earnings attributable thereto) within the meaning of Section 457(e)(16) of the Code.

#### **6.05 Special Considerations Relating to Military Service**

- (a) A Participant who dies or becomes Disabled while performing Qualified Military Service will be treated as if he had resumed employment with the Employer on the date preceding death or Disability and terminated employment on the actual date of death or Disability.
- (b) A Participant shall be treated as having been severed from employment during any period the individual is performing service in the uniformed services described in Section 3401(h)(2)(A) of the Code, thereby enabling a distribution, but if the Participant elects such a distribution, the Participant may not make any Elective Deferrals or Roth 457(b) Contributions during the six-month period beginning on the date of distribution.
- (c) In accordance with Section 401(a)(37) of the Code, any additional benefits (other than benefit accruals relating to the period of Qualified Military Service) made available to the Beneficiary of a Participant who dies while in active service of the Employer shall be made available to the Beneficiary of an active Employee who is on leave and dies while performing Qualified Military Service.

#### **6.06 Commencement of Distributions**

- (a) A Participant may commence distribution of benefits at any time following Severance from Employment by submitting a request to the Investment Sponsor.
- (b) Notwithstanding the provisions of Section 6.06(a) above, in no event shall distribution of benefits commence with respect to any Participant later than April 1st of the calendar year following the calendar year in which the Participant attains age 70 ½, or if later, the April 1st of the calendar year following the calendar year in which the Participant has a Severance from Employment, as required by Section 401(a)(9) of the Code and the regulations thereunder.

### **ARTICLE VII FORM OF PAYMENT**

- 7.01 General Rule.** This Article VII is intended to comply with Section 457(d) of the Code and the regulations issued thereunder. To the extent that there is any conflict between the provisions of Section 457(d) of the Code and the regulations issued thereunder and any other provisions in this Plan, the provisions of Section 457(d) of the Code and the regulations issued thereunder will control.

**7.02 Form of Payment.** The forms of benefit payments available to the Participant shall include:

- (a) Lump Sum. A single lump sum payment of all or a part of the Account Balance credited to a Participant's Account.
- (b) Single Life Annuity. An annuity payable in equal installments for the life of the Participant that terminates upon the Participant's death.
- (c) Joint Life Annuity. An annuity payable in equal installments for the joint lives of the Participant and his or her Beneficiary.
- (d) Fixed Period Payments. Payments for a fixed period subject to the terms or limitations of the applicable Investment Sponsor or Investment Options.
- (e) Such other annuity and withdrawal options as provided under the Investment Options available under this Plan.

All forms of payments shall be subject to the limitations of the applicable Investment Sponsor and its Investment Options.

**7.03 Limits on Income Options.** Distributions, if not made in a single lump sum, shall be made over a period that does not exceed:

- (a) The life of the Participant;
- (b) The lives of the Participant and his or her designated Beneficiary;
- (c) A period certain not extending beyond the life expectancy of the Participant; or
- (d) A period certain not exceeding beyond the life expectancies of the Participant and his or her designated Beneficiary.

**7.04 Minimum Amounts to be Distributed.** If a Participant's retirement payments are to be distributed in a form other than a single lump sum, the amount to be distributed each year, and the times those amounts are paid, shall satisfy the requirements specified in Section 401(a)(9) of the Code and the regulations issued thereunder.

**7.05 Election.** Subject to the rules of the Investment Sponsor, a Participant or Beneficiary may elect the form of distribution of his or her benefits and may revoke that election, with or without a new election, at any time at least thirty (30) days before his or her benefit begins by notifying the Employer or its designee in writing of his or her election. All distributions of benefits paid pursuant to the terms of this Plan shall be made directly by the applicable Investment Sponsor to the Participant or Beneficiary.

**7.06 Failure to Make Election.** If a Participant fails to elect a form of payment in a timely manner, benefits shall be paid in a single lump sum.

**ARTICLE VIII  
PAYMENTS TO BENEFICIARIES**

**8.01 Forms of Payment.** Distribution to Beneficiaries will be made in a single lump sum to the designated Beneficiary as soon as administratively feasible following the death of the Participant unless the Beneficiary selects an alternative distribution option. These alternative distribution options may include:

- (a) Single Life Annuity. An annuity payable in equal installments for the life of the Beneficiary that terminates upon the Beneficiary's death.
- (b) Joint Life Annuity. An annuity payable in equal installments for the joint lives of the Beneficiary and his or her beneficiary.
- (c) Fixed Period Payments. Payments for a fixed period subject to the terms or limitations of the applicable Investment Sponsor or Investment Options.
- (d) Such other annuity and withdrawal options provided under the Investment Options.

All forms of payment shall be subject to the limitations of the applicable Investment Sponsor and its Investment Options.

**8.02 Payments to Beneficiaries.** In the event of Participant's death, any remaining benefit shall be distributed according to the following:

- (a) If the Participant had begun receiving periodic payments of a fixed amount or fixed duration from the Plan, the balance of the Account shall be paid to the Beneficiary at least as rapidly as under the payment option selected by the Participant.
- (b) If the Participant had begun receiving payments under an Annuity Contract, the Beneficiary shall be bound by all restrictions of that contract and the form of payment selected thereunder, and remaining payments, if any, shall be paid to the Beneficiary under the contract.
- (c) If the Participant dies before distributions have commenced, a Spouse Beneficiary may delay the commencement of benefits until as late as the date the Participant would have attained age 70 ½ and may elect to receive payments at such time over the Beneficiary's life expectancy.
- (d) If the Participant dies before distributions have commenced, a non-Spouse Beneficiary may take a lump sum or a periodic payment. In the case of a lump sum, payment must be made no later than one year after the date of the Participant's death. Distributions after the death of the Participant to someone other than the Participant's Spouse shall be distributed over a period shorter than

or equal to the Beneficiary's life expectancy at the time the distribution commences. In the case of any periodic distribution, payment must commence no later than one year after the date of the Participant's death.

## **ARTICLE IX TRANSFERS AND ROLLOVERS**

**9.01 Transfers to the Plan.** The Administrator may permit a class of Participants who are participants in another Eligible Governmental Deferred Compensation Plan to transfer assets to the Plan as provided in this Section 9.01. Such a transfer is permitted only if the other plan provides for the direct transfer of each Participant's interest therein to the Plan. The Administrator may require in its sole discretion that the transfer be in cash or other property acceptable to the Administrator. The Administrator may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with Section 457(e)(10) of the Code and Treasury Regulation Section 1.457-10(b) and to confirm that the other plan is an Eligible Governmental Deferred Compensation Plan. The amount so transferred shall be credited to Participant's Account Balance and shall be held, accounted for, administered and otherwise treated in the same manner as an Elective Deferral by the Participant under the Plan, except that the transferred amount shall not be considered an Elective Deferral under the Plan in determining the maximum deferral under Section 3.06 of the Plan.

**9.02 Acceptance of Rollover Contributions.** When a Participant is entitled to receive and elects to receive, a distribution from another Eligible Governmental Deferred Compensation Plan maintained by a State, political subdivision of a State or any agency or instrumentality of a State or political subdivision of a State, or from a plan qualified under Section 401(a) or 403(b) of the Code, that is in each case an "eligible rollover distribution" under Section 402(c)(8)(B) of the Code, each Investment Sponsor shall, subject to the rules of such Investment Sponsor, accept such amount under this Plan, provided that the rollover to this Plan is made either directly from another such plan or by the Participant within sixty (60) days of the receipt of the distribution. Any such amounts rolled over from any such plan shall be made in the form of cash only and accounted for separately upon acceptance as a rollover under this Plan. Such funds and the accumulation generated from them shall be fully vested and nonforfeitable at all times and shall not be considered when calculating the maximum deferral limit under Section 3.06.

**9.03 Transfers from the Plan**

- (a) The Administrator may permit a class of Participants and Beneficiaries to elect to have all or any portion of their Account Balance transferred to another Eligible Governmental Deferred Compensation Plan. A transfer is permitted under this Section 9.03 for a Participant only if the Participant has had a Severance from Employment with the Employer and is an employee of the entity that maintains the other Eligible Governmental Deferred Compensation Plan. Further, a transfer is permitted under this Section 9.03 only if (i) the plan receiving such amounts provides for acceptance of such transfers, (ii) the Participant or Beneficiary will

have an amount deferred immediately after the transfer at least equal to the amount deferred with respect to that Participant or Beneficiary immediately before the transfer, and (iii) the Participant or Beneficiary gives written direction to the Employer or its designee in a satisfactory form to make such transfer.

- (b) Upon the transfer of assets under this Section 9.03, 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 9.03 (for example, to confirm that the receiving plan is an Eligible Governmental Deferred Compensation Plan under paragraph (a) of this Section 9.03, and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Treasury Regulation Section 1.457-10(b).

#### **9.04 Permissive Service Credit Transfers**

Any Participant who participates 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 may elect to have any portion of the Participant's Account Balance transferred from this Plan to the defined benefit governmental plan. A transfer under this Section 9.04 is permitted only if the transfer is either for (a) 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 (b) the repayment of contributions and earnings related to a previous forfeiture of service credit under the defined benefit governmental plan.

- 9.05 Direct Rollovers.** Notwithstanding any provisions of the Plan to the contrary that would otherwise limit a distributee's election under this provision, a "distributee" may elect, at the time and in the manner prescribed by the Employer, to have all or any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

For the purpose of implementing the requirements of this provision, certain terms contained in the Section 9.05 shall be defined as follows:

- (a) **Eligible Rollover Distribution**

An eligible rollover distribution is any distribution of all or any portion of the Account Balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period of ten (10) years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and any other exception permitted by law of the Internal Revenue Service. Any amount that is

distributed on account of hardship shall not be an eligible rollover distribution (and the distributee may not elect to have any portion of such a distribution paid directly to an eligible retirement plan.)

**(b) Eligible Rollover Distribution to a Roth IRA**

A Participant or any designated Beneficiary of the Participant may elect to roll over amounts in accordance with Section 408A(e) of the Code directly to a Roth IRA.

**(c) Eligible Retirement Plan**

An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code (other than an endowment contract), a qualified trust, an annuity plan described in Section 403(a) of the Code, or an Eligible Governmental Deferred Compensation Plan. An eligible retirement plan is also any portion of an eligible rollover distribution that is attributable to payments or distributions from a “designated Roth account” (as described in Section 402A of the Code) if an eligible retirement plan with respect to such portion shall include only another designated Roth account and a Roth IRA. This definition of eligible retirement plan shall also apply in the case of a distribution to a surviving Spouse, or to a Spouse or former Spouse who is the Alternate Payee.

**(d) Distributee**

A distributee includes an Employee or former Employee. In addition, the Employee’s or former Employee’s surviving Spouse and the Employee’s or former Employee’s Spouse or former Spouse who is the Alternate Payee are distributees with regard to the interest of the Spouse or former Spouse. Consistent with the provisions of Section 402(c)(11) of the Code, in the case of a distribution to a designated Beneficiary for the purposes of Section 401(a)(9) of the Code 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, a direct rollover is payable only to an individual retirement account, Roth IRA or individual retirement annuity or account that has been established on behalf of the Beneficiary as an “inherited individual retirement annuity or account” (within the meaning of Section 408(d)(3)(C) of the Code).

**ARTICLE X  
LOANS**

**10.01 Availability.** A Participant who is an Employee may apply for and receive a loan from his or her Account Balance as provided in this Section 10.01. All loans must be subject to the terms of the Investment Options available under the Plan from which they are taken and subject to such rules and procedures as the Administrator may adopt. Any such loan must be available to all Participants on a reasonably equivalent basis and may not be



for an amount less than \$1,000. All applications for a loan shall be made to the Investment Sponsor sponsoring the Investment Option from which the loan is taken.

**10.02 Maximum Loan Amount.** No loan to a Participant hereunder may exceed the lesser of: (a) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Plan to Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Investment Sponsor (not taking into account any payments made during such one-year period), or (b) one-half of the value of the Participant's vested Account Balance (as of the Valuation Date immediately preceding the date on which such loan is approved by the Investment Sponsor).

For purposes of this Section 10.02, any loan from any other plan maintained by a participating employer shall be treated as if it were a loan made from the Plan, and the Participant's vested interest under any such other plan shall be considered a vested interest under this Plan; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of a loan under this Section 10.02 to exceed the amount that would otherwise be permitted in the absence of this paragraph.

**10.03 Terms of Loan.** The terms of the loan shall:

- (a) Require level amortization with payments not less frequently than quarterly throughout the repayment period.
- (b) Require that the loan be repaid within five (5) years unless the Participant certifies in writing to the Administrator that the loan is to be used to acquire any dwelling unit which, within a reasonable time, is to be used (determined at the time the loan is made) as principal residence of the Participant, in which case the loan may be repaid over a period not greater than ten (10) years.
- (c) Provide for a reasonable interest rate to be determined under the terms of the Investment Option or the loan procedures of the Investment Sponsor in accordance with Treasury Regulation Section 1.457-6(f)(2).

**10.04 Extended Loan Terms for Leaves of Absence due to Military Service.** The Plan may suspend the obligation to repay a loan for any period during which a Participant is performing military service in accordance with Section 414(u)(4) of the Code, even if the service is not Qualified Military Service. Loan repayments must resume upon the completion of the military service, and the loan must be repaid in full (including interest that accrues during the period of military service) by amortization in substantially level payments over a period that ends not later than five (5) years after the origination date of the loan (unless the loan is for the purchase of a principal residence) plus the period of military service.

**10.05 Loan Default.** In the event that a Participant fails to make a loan payment under this Article 10 by the end of the calendar quarter following the calendar quarter in which the loan payment was due, a default on the loan shall occur. Loan defaults shall be

administered in accordance with specific rules documented under the Investment Options and the Code.

## ARTICLE XI BENEFICIARY INFORMATION

- 11.01 Designation.** A 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 the Investment Sponsor. Such Beneficiary designations, amendments, or revocations will be maintained by the Investment Sponsor and shall be effective upon satisfactory receipt by the Investment Sponsor.
- 11.02 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 11.02 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 Section 8.01.

## ARTICLE XII ROTH 457(b) CONTRIBUTION PROVISIONS

- 12.01 Separate Accounting Requirements.** A Participant's Roth 457(b) Contributions shall be allocated to a separate Account maintained for such contributions. Contributions and withdrawals of Roth 457(b) Contributions, and earning 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 457(b) Contributions. Except as provided in Section 3.06 with respect to the correction of excess contributions, no contributions other than Roth 457(b) Contributions and properly attributable earnings may be credited to each Participant as a Roth 457(b) Contribution.
- 12.02 Deposit Requirements.** Roth 457(b) Contributions shall be deposited with the applicable Funding Vehicles as soon as practicable in accordance with Section 2.04 of the Plan, unless an earlier date is required under state law.
- 12.03 Direct Roth Rollovers From the Plan.** Notwithstanding Section 9.05 of the Plan, Participants may only make a direct rollover of a distribution of Roth 457(b) Contributions (and earnings thereon) to another 457(b) plan with Roth contribution

features; to a 401(k) plan with Roth contribution features; to a 403(b) 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.

- 12.04 Roth Rollovers into the Plan.** Notwithstanding Section 9.02 of the Plan, direct rollovers of Roth 457(b) contributions, Roth 403(b) contributions and Roth 401(k) contributions and earnings thereon from another 457(b) plan with Roth contribution features, a 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.
- 12.05 Roth Caveat.** Employer, Administrator and providers of Investment Options shall utilize good faith compliance efforts to conform to the requirements applicable to Roth 457(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 this guidance.
- 12.06 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 457(b) Contributions, provided that the Funding Vehicles selected by a Participant will accept such rollovers. Amounts rolled over pursuant to this Section shall not be considered Roth 457(b) Contributions under the Plan, for purposes of determining the maximum deferrals and additions under Article 3. A Participant's election to rollover amounts pursuant to this Section 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.

### ARTICLE XIII PLAN ADMINISTRATION

- 13.01 Plan Administration.** The Employer shall be responsible for appointing an Administrator to administer the Plan. The Administrator may authorize a committee comprised (to the extent possible) of not less than three (3) persons, to act collectively with regard to administration of the Plan. The Administrator shall have sole discretionary responsibility for the interpretation of the Plan, enrolling Participants in the Plan, sending contributions on behalf of each Participant to the applicable Investment Sponsor, and for performing other duties required for the operation of the Plan. Any action taken on any matter within the discretion of the Administrator shall be made in its sole and absolute discretion based on this Plan document, and shall be final, conclusive, and binding on all parties. In order to discharge its duties hereunder, the Administrator shall have the power and authority to delegate ministerial duties and to employ such outside professionals as may be required for prudent administration of the Plan. The Administrator shall also have authority to enter into agreements on behalf of the Employer necessary to implement this Plan.

**13.02 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.

**13.03 Accounts and Expenses.** The Employer shall establish and maintain Accounts on behalf of each Participant. Such Participant's Accounts shall be valued in accordance with the rules of the Investment Option, in which the Accounts are invested. Each Participant shall receive a written notice of his or her Account Balance following such valuation or valuations, provided that such notice shall not be required to be given more than one time per calendar quarter. Each Participant's Account Balance shall reflect the aggregate of his or her aggregate Elective Deferrals, Roth 457(b) Contributions, and transfers and rollovers, if any, and shall also reflect investment experience credited to such Account Balance and expense charges applied to, and distributions made from, such Account Balance.

**13.04 Mistaken Contribution.** 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 in good order of a proper request approved by the Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the Participant or, to the extent required or permitted by the Administrator, to the Employer.

**13.05 Domestic Relations Orders.** If a judgment, decree or order (including approval of a property settlement agreement) that relates to the provisions 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 (“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 domestic relations order provided such domestic relations order is found to be qualified under the provisions of Section 414(p) of the Code. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Investment Sponsor shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order. The Administrator shall establish such procedures, in the absence of any procedures established by the Investment Sponsor.

**13.06 Location of Participant or Beneficiary Unknown.** The 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 Employer’s records, (b) notification sent to the Social Security Administration under their program to identify payees under retirement plans, or (c) 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 benefits due such Participant or Beneficiary shall continue to be held in the Investment Option until such time as the Investment Sponsor 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 Investment Option.

**13.07 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 the Investment Sponsor, the Investment Sponsor shall make the distribution of benefits 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.

#### **ARTICLE XIV AMENDMENT OR TERMINATION OF PLAN**

**14.01 Amendment of Plan.** While it is expected that this Plan will continually indefinitely the Employer reserves the right at any time to amend or otherwise modify the Plan without any liability for such action

**14.02 Termination of Plan.** The Employer shall have the right at any time to terminate the Plan. No termination shall affect the funds already deferred under the Plan. In order for the Plan to be considered terminated, amounts deferred under the Plan must be distributed

to all Plan Participants and Beneficiaries as soon as administratively practicable after termination of the Plan, in accordance with the terms of the Investment Option.

## ARTICLE XV MISCELLANEOUS

- 15.01 Plan Non-Contractual.** Nothing contained in this Plan will be construed as a commitment or agreement on the part of any person to continue his or her employment with the Employer, and nothing contained in this Plan will be construed as a commitment on the part of the Employer to continue the employment or the rate of compensation of any person for any period, and all Employees of the Employer will remain subject to discharge to the same extent as if the Plan had never been put into effect.
- 15.02 Claims of Other Persons.** The provisions of the Plan will in no event be construed as giving any Participants or any other person, firm, corporation or other legal entity, any legal or equitable right against the Employer, its officers, employees, directors or trustees, except the rights as are specifically provided for in this Plan or created in accordance with the terms and provisions of this Plan.
- 15.03 Assignments.** No benefits or interest available hereunder will be subject to assignment or alienation, either voluntarily or involuntarily, other than as provided under Section 401(a)(13) of the Code.
- 15.04 Contracts.** The terms of each Investment Option offered to Participants as an investment option hereunder, the terms of a trust in which an investment option may be held, and any contract issued on behalf of a Participant or certificate issued to a Participant, are a part of the Plan as if fully set forth in the Plan document and the provisions of which are hereby incorporated by reference into the Plan. In the case where there is any inconsistency or ambiguity between the terms of the Plan and those of any contract, certificate or trust, if any, funding the Plan, the terms of the contract, certificate or trust will control to the extent not inconsistent with the provisions of Section 457(b) of the Code and any applicable regulations issued thereunder.
- 15.05 Pronouns.** Whenever used herein, the masculine pronoun is deemed to include the feminine. The singular form, whenever used herein, shall mean or include the plural form where applicable, and vice versa.
- 15.06 Representations.** The Employer does not represent or guarantee that any particular Federal or State income, payroll, personal property or other tax consequences will result from participation in this Plan. A Participant should consult with professional tax advisors to determine the tax consequences of his or her participation. Furthermore, the Employer does not represent or guarantee investment returns with respect to any Investment Option and shall not be required to restore any loss which may result from such investment or lack of investment.
- 15.07 Severability.** If a court of competent jurisdiction holds any provisions of this Plan to be invalid or unenforceable, the remaining provisions of this Plan shall continue to be fully effective.

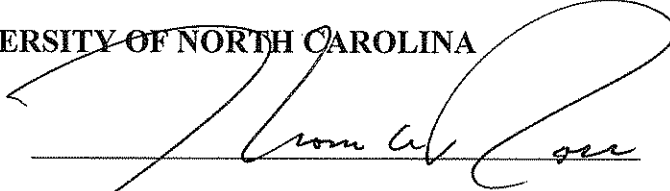
**15.08 Applicable Law.** This Plan shall be construed in accordance with applicable Federal law and, to the extent otherwise applicable, the laws of the State of North Carolina.

\* \* \* Signature Page to Follow \* \* \*

IN WITNESS WHEREOF, The University of North Carolina Code Section 457(b) Plan has been executed this 19 day of MARCH, 2015.

THE UNIVERSITY OF NORTH CAROLINA

By:



Printed Name:

Thomas W. Ross

Title:

President

REVIEWED AS TO FORM:  
  
UNC LEGAL AFFAIRS