

OREGON PUBLIC UNIVERSITIES
TAX-DEFERRED INVESTMENT 403(b) PLAN

Amended and Restated
Effective July 1, 2014

OREGON PUBLIC UNIVERSITIES
TAX-DEFERRED INVESTMENT 403(b) PLAN

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OREGON PUBLIC UNIVERSITIES
TAX-DEFERRED INVESTMENT 403(b) PLAN

Preamble

The University of Oregon (the "Employer") hereby adopts the Oregon Public Universities Tax-Deferred Investment 403(b) Plan (the "Plan") effective as of July 1, 2014. It is an amendment and restatement and therefore a continuation of the Oregon University System Tax-Deferred Investment 403(b) Plan previously maintained by the Oregon State Board of Higher Education. Effective July 1, 2014, the Employer assumes sponsorship and fiduciary authority for the Plan for the benefit of eligible employees of the Employer and the Participating Employers who adopt the Plan.

Effective as of July 1, 2014, the Plan is the exclusive means by which the Employer or a Participating Employer will agree to reduce an employee's salary and to contribute the same amount for the employee as premiums for an annuity contract or to a custodial account to obtain the advantages of section 403(b) of the Code.

The Plan is intended to be a governmental plan exempt from Titles I and IV of the Employee Retirement Income Security Act of 1974 as amended.

The Plan is not part of any other plan or program of the Employer.

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, Beneficiary, or Alternate Payee under an Annuity Contract or a Custodial Account. The Vendor shall establish the following Source accounts within a Participant's, Beneficiary's, or Alternate Payee's Account, subject to the Individual Agreements:

- (a) Pre-Tax Elective Deferral Source account, for pre-tax elective deferrals.
- (b) Roth Elective Deferral Source account, for Roth elective deferrals.
- (c) Rollover Source account, for eligible rollover distributions paid to the Plan that are not from another plan's Roth elective deferral account.
- (d) Roth Rollover Source account, for eligible rollover distributions paid to the Plan from another plan's Roth elective deferral account.

- (e) Employee Post-Tax Source account, for amounts transferred under Section 6.2 from an employee after-tax contribution account.

The Administrator may direct the Vendor to establish additional Source accounts within an Account.

1.2 "Account Balance"

The aggregate amount credited to the Participant's Account under all Accounts, including the Participant's Elective Deferrals, the earnings or loss of each Annuity Contract or 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 . The Account Balance includes any Source accounts established for rollover contributions and plan-to-plan transfers made for a Participant or Beneficiary , any Source accounts established for a Beneficiary after a Participant's death, and any Source accounts established for an Alternate Payee.

1.3 "Administrator"

The University of Oregon or its delegate, including but not limited to the following University of Oregon Committees: the Retirement Committee, the Retirement Plans Administration Committee, and the TDI Administration Committee.

1.4 "Alternate Payee"

A spouse, former spouse, child, or other dependent of a Participant who is recognized by a domestic relations order, as defined in Section 11.2(b), as having a right to receive all, or a portion of, the benefits payable under the Plan with respect to the Participant.

1.5 "Annuity Contract"

A nontransferable group or individual contract, as defined in section 403(b)(1) of the Code, established for each Participant by the Employer, or by each Participant individually only as authorized under Section 7.4(b), that is issued by an insurance company qualified to issue annuities in the State of Oregon and that includes payment in the form of an annuity.

1.6 "Beneficiary"

An individual or any type of entity that is entitled to receive benefits under the Plan after the death of a Participant, subject to Section 8 (relating to Beneficiary).

1.7 "Board"

The Board of Trustees of the University of Oregon.

1.8 "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.

1.9 "Compensation"

All cash compensation for services to the Employer or a Participating Employer, including salary, wages, fees, commissions, bonuses, overtime pay, and accrued leave cashout, 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 or a Participating 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 or that would be cash compensation for services to the Employer or Participating Employer but for a compensation reduction election under section 401(k) or 403(b) of the Code and that are includible in the Employee's gross income for the calendar year as designated Roth contributions under section 402A of the Code (including an election under Section 2 made to reduce compensation in order to have Elective Deferrals under the Plan). However, the definition of "Compensation" in this Section 1.9 is subject to § 1.403(b)-3(b)(4) of the Income Tax Regulations, which limits contributions for former Employees.

1.10 "Contract Exchange"

An exchange, permitted under § 1.403(b)-10(b)(2) of the Income Tax Regulations, of any part of a Participant's or Beneficiary's interest in a nontransferable contract as defined in section 403(b)(1) of the Code, or in a custodial account as defined in section 403(b)(7) of the Code, for an interest in another such contract or account. See Section 6.4 for prohibited Contract Exchanges.

1.11 "Custodial Account"

A group or individual custodial account, as defined in section 403(b)(7) of the Code, established for each Participant by the Employer, or by each Participant individually only as authorized under Section 7.4(b), to hold assets of the Plan.

1.12 "Elective Deferral"

The contributions made to the Plan at the election of the Participant in lieu of receiving cash compensation. Elective Deferrals include pre-tax salary reduction contributions ("Pre-Tax Elective Deferrals") and Roth Elective Deferrals.

1.13 "Employee"

Each individual, whether appointed or elected, who is a common law employee of the Employer or a Participating Employer performing services for a public educational institution as an employee of the Employer or a Participating Employer. This definition is not applicable unless the employee's compensation for performing services for a public educational institution is paid by or on behalf of the Employer or a Participating Employer. Further, a person occupying an

elective or appointive public office is not an employee performing services for a public educational institution unless such office is one to which an individual is elected or appointed only if the individual has received training, or is experienced, in the field of education. A public office includes any elective or appointive office of a State or local government. However, a student performing services described in section 3121(b)(10) of the Code is not an Employee for purposes of the Plan (*i.e.*, a student who is enrolled and regularly attending classes at a school, college or university and who is performing service in the employ of the school, college, or university). For purposes of this Section 1.13 and Section 1.25 (defining "Severance from Employment"), "public educational institution" means an educational organization described in section 170(b)(1)(A)(ii) of the Code (relating to educational organizations that normally maintain a regular faculty and curriculum and normally have a regularly enrolled body of pupils or students in attendance at the place where educational activities are regularly carried on) that is sponsored by or through the State of Oregon or any agency or instrumentality of the State of Oregon.

1.14 "Employer"

The University of Oregon. Prior to July 1 , 2014, Employer was the Oregon University System.

1.15 "Funding Vehicles"

The Annuity Contracts or Custodial Accounts issued for funding amounts held under the Plan and specifically approved by the Employer for use under the Plan. "Funding Vehicle" means one such Annuity Contract or Custodial Account.

1.16 "Includible Compensation"

An Employee's actual wages in box 1 of Form W-2 for a year for services to the Employer or a Participating Employer, but subject to a maximum of \$260,000 (or such higher maximum as may apply under section 401(a)(17) of the Code) and, to the extent excluded from box 1, 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 Pre-Tax Elective Deferral under the Plan). The amount of Includible Compensation is determined without regard to any community property laws.

1.17 "Indemnified Persons"

The Board, any member of the Board, the Board's officers, employees, agents and representatives, the Employer, the Administrator, and the Participating Employers and their respective officers, employees, agents and representatives, the Vice President for Finance and Administration of the Employer, the Retirement Committee, the Retirement Plans Administration Committee, the TDI Administration Committee, the Investment Committee, any member of the foregoing committees, and, in performing service as a designee under Section 11.22 or 11.24 (relating to designees through which the Board or the Employer may act), any employee of the Employer or a Participating Employer.

"Indemnified Person" means one of the Indemnified Persons. See Section 11.25 (relating to indemnification of Indemnified Persons). Despite the above provisions of this Section 1.17, "Indemnified Persons" and "Indemnified Person" do not include, and indemnification under Section 11.25 will not be provided for, any Vendor, and do not include, and indemnification under Section 11.25 will not be provided for, any paid consultant, paid contractor, or paid agent with respect to the Plan whose consultancy, contract, or agency is not served as a member, officer, or employee of the Board, the Employer or a Participating Employer, or of the Retirement Committee, the Retirement Plans Administration Committee, the TDI Administration Committee or the Investment Committee.

1.18 "Individual Agreement"

The agreements between a Vendor and the Employer or a Participant that constitutes or governs a Custodial Account or an Annuity Contract.

1.19 "ORS"

Oregon Revised Statutes, as now in effect or as hereafter amended. All citations to a section or chapter of the ORS are to such section or chapter as it may from time to time be amended or renumbered .

1.20 "Participant"

An individual for whom Elective Deferrals are currently being made, or for whom Elective Deferrals have previously been made, under the Plan and who has not received a distribution of his or her entire benefit under the Plan.

1.21 "Participating Employer"

Any public university in the State of Oregon that formally adopts the Plan as provided in Section 12. As of July 1, 2014, the Participating Employers are:

- Oregon State University
- Portland State University
- Eastern Oregon University
- Western Oregon University
- Southern Oregon University
- Oregon Institute of Technology
- Chancellor's Office of the Oregon University System

1.22 "Plan"

The Oregon Public Universities Tax-Deferred Investment 403(b) Plan.

1.23 "Related Employer"

The Employer and any other entity which is under common control with the Employer under section 414(b) or (c) of the Code. For this purpose, the Employer shall determine which entities are Related Employers based on a reasonable, good

faith standard and taking into account the special rules applicable under Notice 89-23, 1989-1 C.B. 654.

1.24 'Roth Elective Deferral'

An Elective Deferral that is:

- (a) Designated irrevocably by the Participant at the time of the cash or deferred election under Section 2 as a Roth elective deferral that is being made in lieu of all or a portion of the Pre-Tax Elective Deferrals the Participant is otherwise eligible to make under the Plan;
- (b) Treated by the Employer or a Participating Employer as includible in the Participant's income; and
- (c) Maintained in the Participant's Roth Elective Deferral Source account as described in Section 2.3(b).

1.25 'Severance from Employment'

For purpose of the Plan, Severance from Employment means Severance from Employment with the Employer, all Participating Employers and any Related Employer. However, a Severance from Employment also occurs on any date on which an Employee ceases to be an employee of a public educational institution, even though the Employee may continue to be employed by a Related Employer (other than a Participating Employer) that is another unit of the State or local government that is not a public educational institution or in a capacity that is not employment with a public educational institution (e.g., ceasing to be an employee performing services for a public educational institution but continuing to work for the same State or local government employer). For purposes of this Section 1.25 "public educational institution" has the meaning given in Section 1.13 (defining "Employee").

1.26 'Source'

"Source" identifies the origin of funds that flow into or out of an Account that, for purposes of the Plan, must be separately accounted for, including but not limited to for purposes of their tax treatment, withdrawal provisions, and contribution limits. The funds Source for each of the Source accounts established under Section 1.1 (defining "Account") is the type of contribution or account for which the Vendor establishes the Source account. For example, the funds Source for a Roth Elective Deferral Source account is Roth elective deferrals, and the funds Source for a Rollover Roth Source account is eligible rollover distributions paid to the Plan from another plan's Roth elective deferral account.

1.27 'Transfer'

See Section 6.2 for permitted plan-to-plan transfers to the Plan, Section 6.3 for permitted plan-to-plan transfers from the Plan, and Section 6.5 for permissive service credit transfers. The movement of the full or partial Account Balance or

future Elective Deferral from one Vendor, Annuity Contract, or Custodial Account to another is not a Transfer for purposes of the Plan, although such movements of Account Balances may be generally described as transfers.

1.28 "Vendor"

The provider of an Annuity Contract or Custodial Account.

1.29 "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 made on his or her behalf hereunder immediately upon becoming employed by the Employer or a Participating Employer. A student performing services described in section 3121(b)(10) of the Code is not eligible to participate in the Plan (*i.e.*, a student who is enrolled and regularly attending classes at a school, college or university and who is performing service in the employ of the school, college, or university).

2.2 Salary Reduction Agreement.

- (a) An Employee elects to become a Participant by executing a salary reduction agreement ("Salary Reduction Agreement" or "SRA") 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 Administrator. The Salary Reduction Agreement binds the Participant to the terms and conditions of the Plan.
- (b) 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.
- (c) The Employee shall designate a single Vendor at any one time to which Elective Deferrals are to be made, and may designate Beneficiaries. A Salary Reduction Agreement (or designation) shall remain in effect until a new Salary Reduction Agreement (or designation) is filed.
- (d) Only an individual who performs services for the Employer or a Participating 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. An Employee shall become a Participant on the date the first Pre-Tax

Elective Deferral, Roth Elective Deferral, or rollover contribution for the Employee is deposited with the Vendor.

- (e) All Elective Deferrals, except Roth Elective Deferrals, shall be made on a pre-tax basis.

2.3 Roth Elective Deferrals.

- (a) *General.*

The Plan will accept Roth Elective Deferrals made on behalf of Participants. The Employer will transmit Roth Elective Deferrals to the applicable Funding Vehicle for crediting to a Roth Elective Deferral Source account. Unless specifically stated otherwise, Roth Elective Deferrals will be treated as Elective Deferrals for all purposes under the Plan.

- (b) *Roth Elective Deferral Source Account.*

A Vendor to whose Funding Vehicle the Employer transmits a Participant's Roth Elective Deferrals shall establish and maintain a Roth Elective Deferral Source account for the Participant as required under Section 1.1 (defining "Account") and Section 2.4.

- (c) *Roth Rollover Source Account.*

A Vendor to whose Funding Vehicle an eligible rollover distribution is paid under Section 6.1 from another plan's Roth elective deferral account shall establish and maintain a Roth Rollover Source account for the Participant as required under Section 1.1 (defining "Account") and Section 2.4.

2.4 Maintenance of Source Accounts.

Each Source account established under Section 1.1 (defining "Account") by a Vendor for a Participant, Beneficiary, or Alternate Payee (the "account holder") shall be maintained as follows:

- (a) Contributions, transfers, and withdrawals with respect to the account holder of that account's funds Source shall be credited and debited to only that account;
- (b) No contributions or transfers with respect to the account holder other than that account's funds Source and properly attributable earnings shall be credited to that account;
- (c) Gains, losses, and other credits or charges must be separately allocated on a reasonable and consistent basis to that account and the other accounts under the Annuity Contract or Custodial Account; and

- (d) The Plan shall maintain a record of the amount of that account.

In addition, for a Roth Elective Deferral Source account the Plan shall maintain a record of the Participant's investment in the contract (that is, Roth Elective Deferrals that have not been distributed) with respect to the account.

2.5 Information Provided by the Employee.

Each Employee enrolling in the Plan should provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the Plan, including any information required under the Individual Agreements, and shall provide the Administrator with such information whenever requested by the Administrator. Without limiting the foregoing, the Administrator may require an Employee to determine and inform the Administrator of the amounts of:

- (a) The Employee's limit on elective deferrals under sections 401(a)(30), 402(g), 414(u), and 414(v) of the Code;
- (b) The Employee's limit on annual additions under sections 414(u), 414(v), and 415 of the Code; and
- (c) Any contributions and annual additions that are to be aggregated with contributions under the Plan in determining those limits.

The Administrator may require this information on a worksheet provided by the Administrator or in any other format.

2.6 Change in Elective Deferrals Election.

Subject to the provisions of the applicable Individual Agreements and to the restriction in Section 2.7 on changing Vendors, an Employee may at any time (a) change, on a new Salary Reduction Agreement, the amount of his or her future Elective Deferrals (including to zero) and the portion of his or her future Elective Deferrals that he or she irrevocably designates as Roth Elective Deferrals and (b) change his or her designated Beneficiary. A change in the Beneficiary designation shall take effect when the change is accepted by the Vendor.

2.7 Change in Vendor.

Subject to the provisions of the applicable Individual Agreements, (a) an Employee may one time each calendar year, on a new Salary Reduction Agreement, change the designated Vendor to which future Elective Deferrals are to be made and (b) an Employee who changes the designated Vendor may designate Beneficiaries with respect to the Employee's Accounts with that Vendor. A change in the Vendor shall take effect as of the date provided by the Administrator on a uniform basis for all Employees.

- 2.8 **Contributions of Elective Deferrals Made Promptly.**
Elective Deferrals under the Plan shall be transmitted to the applicable Funding Vehicle within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant.
- 2.9 **Leave of Absence.**
Unless an election is otherwise revised, if an Employee is absent from work by leave of absence, Elective Deferrals under the Plan shall continue to the extent that Compensation continues.
- 2.10 **Suspension of Elective Deferral Election.**
Elective Deferrals will be suspended as required under Section 3.7(e)(2) (relating to distributions elected by reason of uniformed service) or Section 5.6(b) (relating to suspension of contributions after hardship withdrawal).
- 2.11 **Obligation to Notify Administrator of Account Errors.**
Within 30 days after receiving a report or statement of the status of an Account the Participant, Beneficiary, or Alternate Payee must inform the Administrator in writing of any error in the report or statement, in a manner that identifies the error with sufficient clarity for the Administrator to act effectively (based on the written information given by the Participant, Beneficiary, or Alternate Payee) to request the Vendor to correct the error. The Participant, Beneficiary, or Alternate Payee shall suffer any loss resulting from failing to so inform the Administrator if by reason of such failure the Administrator is unable to cause the Vendor providing the Annuity Contract or Custodial Account with respect to which the error was made to correct the error at the Vendor's sole expense.

Section 3 Limitations on Amounts Deferred

- 3.1 **Basic Annual Limitation.**
Except as provided in Section 3.3, the maximum amount of the Elective Deferral 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 \$17,500 for 2014, and is adjusted for cost-of-living after 2014 to the extent provided under section 415(d) of the Code.
- 3.2 **No Special Section 403(b) Catch-up Limitation for Employees With 15 Years of Service.**
The Plan does not allow Employees to elect an additional amount of Elective Deferrals under section 402(g)(7) of the Code.
- 3.3 **Age 50 Catch-up Elective Deferral 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,

up to the maximum age 50 catch-up Elective Deferrals for the year. The maximum dollar amount of the age 50 catch-up Elective Deferrals for a year is \$5,500 for 2014, and is adjusted for cost-of-living after 2014 to the extent provided under the Code.

3.4 Coordination.

Amounts in excess of the limitation set forth in Section 3.1 shall be allocated as an age 50 catch-up contribution under Section 3.3. However, in no event can the amount of the Elective Deferrals for a year be more than the Participant's Compensation for the year.

3.5 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 under section 402(g) of the Code), then the Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Section 3. For this purpose, the Administrator shall take into account any other such plan maintained by any Participating Employer or any Related Employer and shall also 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.

3.6 Correction of Excess Elective Deferrals.

If the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above, or the Elective Deferral 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, a Participating Employer, or a Related Employer under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code for which the Participant provides information that is accepted by the Administrator), then the Elective Deferral, 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.

3.7 Protection of Persons Who Serve in a Uniformed Service.

Despite any contrary provision of the Plan except Section 3.7(b) below, contributions, benefits, and service credit with respect to qualified military service will be provided in accordance with section 414(u) of the Code. Without limiting the foregoing:

(a) *Elective Deferrals, after Resumption of Employment, for the Period of 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 upon resumption of employment

with the Employer or a Participating Employer equal to the maximum Elective Deferrals that the Employee could have elected during that period if the Employee's employment with the Employer or a Participating Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Elective Deferrals, 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).

(b) *No Elective Deferrals (Except From Differential Wage Payment) for the Period of Uniformed Service if Employment not Resumed.*

The Plan will not apply section 414(u)(9) of the Code (relating to treatment in the case of death or disability resulting from active military service) as added by section 104(b) of Public Law No. 110-245, the Heroes Earnings Assistance and Relief Tax Act of 2008; and therefore, for benefit accrual purposes, the Plan will not treat an individual who dies or becomes disabled while performing qualified military service with respect to the Employer or a Participating Employer as if the individual has resumed employment in accordance with the individual's reemployment rights under chapter 43 of title 38, United States Code, on the day preceding death or disability (as the case may be) and terminated employment on the actual date of death or disability. This Section 3.7(b) applies to deaths and disabilities occurring on or after January 1, 2007.

(c) *Any Additional Benefits (Except Elective Deferrals) Had a Participant Who Died During Uniformed Service Resumed Employment.*

In the case of a Participant who dies while performing qualified military service (as defined in section 414(u) of the Code), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the Participant resumed and then terminated employment on account of death. This Section 3.7(c) applies to deaths occurring on or after January 1, 2007, and implements, and will be interpreted and administered consistent with, sections 401(a)(37) and 403(b)(14) of the Code.

(d) *Differential Wage Payments.*

An individual receiving a differential wage payment from the Employer or a Participating Employer will be treated as an Employee as to any part of the differential wage payment the individual is receiving because of the individual's former status as an Employee. That part of the differential wage payment will be treated as compensation. A differential wage payment is any payment that (1) is made by or on behalf of the Employer or a Participating Employer to an individual with respect to any period

during which the individual is performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code) while on active duty for a period of more than 30 days and (2) represents all or a portion of the wages the individual would have received from or on behalf of the Employer or a Participating Employer if the individual were performing service for the Employer or a Participating Employer. This Section 3.7(d) does not entitle any employee or former employee of the Employer or a Participating Employer to a differential wage payment. This Section 3.7(d) applies to years beginning after December 31, 2008, and implements, and will be interpreted and administered consistent with, section 414(u)(12) of the Code.

(e) *Deemed Severance from Employment.*

- (1) For purposes of Section 5.1 (relating to benefit distributions), an individual will be treated as having a Severance from Employment during any period the individual is performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code) while on active duty for a period of more than 30 days.
- (2) If an individual elects to receive a distribution by reason of Section 3.7(e)(1) above, the individual may not make an elective deferral or employee contribution during the 6-month period beginning on the date of the distribution.
- (3) This Section 3.7(e) applies to years beginning after December 31, 2008, and implements, and will be interpreted and administered consistent with, section 414(u)(12)(B) of the Code.

Section 4 Loans

4.1 Loans.

Loans shall be permitted under the Plan to the extent permitted by the Individual Agreements controlling the Account assets from which the loan is made and by which the loan will be secured. However, where such Individual Agreements provide that loans will be made under guidelines provided by the Administrator or under the Plan, loans from the Account assets shall be made according to the written loan policy adopted by the Administrator, as amended by the Administrator in writing from time to time. The written loan policy adopted by the Administrator shall be consistent with the requirements in § 1.403(b)-6(f) of the Income Tax Regulations for loans and is incorporated by reference into the Plan.

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 Participants 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 set forth in Section 4.3, 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, a Participating Employer, or a Related Employer. The Administrator shall also take such steps as may be appropriate to collect information from Vendors, and transmission of information to any Vendor, concerning any failure by a Participant to repay timely any loans made to a Participant under the Plan or any other plan of the Employer, a Participating Employer, or a Related Employer.

4.3 Maximum Loan Amount.

The Individual Agreements and loan policy referred to in Section 4.1 may require a minimum loan amount and may allow a maximum loan amount that is less than the maximum loan amount stated in the next sentence. No loan to a Participant under the Plan may exceed the lesser of:

- (a) \$50,000, reduced by the greater of (1) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (2) 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 Administrator (not taking into account any payments made during such one-year period); or
- (b) The greater of **(1)** 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 Administrator) or (2) the value of the Participant's vested Account Balance (as of such Valuation Date) up to \$10,000.

For purposes of the maximum loan amount stated in the previous sentence, any loan from any other plan maintained by the Employer, a Participating Employer, and any Related 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 the Plan; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of a loan to exceed the amount that would otherwise be permitted in the absence of this paragraph.

Section 5
Benefit Distributions

5.1 Benefit Distributions At Severance from Employment or Other Distribution Event.

(a) *General.*

Except as permitted under Section 3.6 (relating to correction of excess Elective Deferrals), Section 3.7(e) (relating to deemed Severance from Employment), Section 5.5 (relating to in-service distributions from rollover account), Sections 5.6 and 5.7 (relating to hardship withdrawals), Section 5.9 (relating to qualified reservist distributions), or Section 10.3 (relating to distributions upon termination of the Plan), distributions from a Participant's Account may not be made earlier than the earliest of the date on which the Participant has a Severance from Employment, dies, or attains age 59^{1/2}. Distributions shall otherwise be made in accordance with the terms of the Individual Agreements.

(b) *Where the Plan Controls the Time of Payment.*

Subject to Section 5.3 (relating to small account balances), Section 5.4 (relating to minimum distributions), Sections 5.6 and 5.7 (relating to hardship withdrawals), Section 5.8 (relating to rollover distributions), and the requirements under section 403(b) of the Code, where the Individual Agreements controlling the Account assets to be distributed provide that distributions are to be made when permitted under the Plan (subject to the requirements under section 403(b) of the Code), distributions from the Account shall be made when not prohibited by Section 5.1(a) above (or, in the case of an Alternate Payee, when allowed under Section 11.2) and after the Participant, Beneficiary (after the Participant's death), or Alternate Payee elects the time of distribution and the type of payment in the manner required under the Individual Agreements.

5.2 Form of Payment.

(a) *General.*

A Participant, Beneficiary, or Alternate Payee may elect any form of payment from a Custodial Account or Annuity Contract offered at the time of distribution under the Individual Agreement that constitutes or governs the Custodial Account or Annuity Contract. Forms of payment offered under the Individual Agreements may change from time to time. The Vendor shall provide a written explanation of the currently available forms of payment upon a Participant's, Beneficiary's, or Alternate Payee's request.

(b) *Where the Plan Controls the Form of Payment From a Custodial Account.*

Subject to Section 5.3 (relating to small account balances), Section 5.4 (relating to minimum distributions), Sections 5.6 and 5.7 (relating to hardship withdrawals), Section 5.8 (relating to rollover distributions), and the requirements under section 403(b) of the Code, where the Individual Agreements controlling the Account assets to be distributed from a Custodial Account provide that distributions are to be made in the types of payment permitted under the Plan (subject to the requirements under section 403(b) of the Code), the Participant, Beneficiary (after the Participant's death), or Alternate Payee (the "recipient") may elect (in the manner required under the Individual Agreements) from among the following types of payment for distributions from the Account:

- (1) Full withdrawal: A single payment of the amount of the recipient's entire Account.
- (2) Partial withdrawal: A single payment of an amount specified by the recipient.
- (3) Systematic withdrawal: Monthly, quarterly, or yearly installment payments.

5.3 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, Beneficiary, or Alternate Payee, but no such payment may be made without the consent of the Participant, Beneficiary, or Alternate Payee 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).

5.4 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 § 1.408-8 of the Income Tax Regulations, except as provided in § 1.403(b)-6(e) of the Income Tax Regulations. Effective for calendar years beginning after December 31, 2008:

- (a) The minimum distribution requirements of section 401(a)(9) of the Code do not apply for calendar year 2009.
- (b) Installment payments that a Participant, Beneficiary, or Alternate Payee elected to receive and that, but for Section 5.4(a) above, would include

payments required for calendar year 2009 under section 401(a)(9) of the Code, will continue to be made except to the extent the Participant, Beneficiary, or Alternate Payee elects not to receive the payments for calendar year 2009, but this Section 5.4(b) does not allow a Participant, Beneficiary, or Alternate Payee to elect not to receive payments being made under an irrevocable annuity.

- (c) The required beginning date with respect to any individual will be determined without regard to Section 5.4(a) above for purposes of applying section 401(a)(9) of the Code for calendar years after 2009.
- (d) The 5-year period described in section 401(a)(9)(B)(ii) of the Code will be determined without regard to calendar year 2009.

5.5 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.

5.6 Hardship Withdrawals.

(a) *General.*

Subject to Section 5.7 (relating to hardship withdrawal determined by the Plan) and applicable Income Tax Regulations, 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.

(b) *Suspension of Contributions After Hardship Withdrawal.*

No elective deferrals or employee contributions shall be allowed under the Plan and all other plans maintained by the Employer, a Participating Employer, or a Related Employer (as that phrase is defined in Section 5.7(g)) during the period beginning on the date the Participant receives a distribution under Section 5.6(a) above or Section 5.7 on account of hardship and ending with the close of the sixth calendar month that begins after the date the Participant receives the distribution.

(c) *Exchange of Information.*

The Individual Agreements shall provide for the exchange of information among the Employer, the Participating Employers, the Administrator, 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 § 1.401(k)-1(d)(3)(iv)(E) of the Income Tax Regulations), the Vendor notifying the Administrator of the withdrawal in

order for the Administrator to implement the resulting 6-month suspension of the Participant's right to make Elective Deferrals 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 § 1.401(k)-1(d)(3)(iii)(B) of the Income Tax Regulations), the Vendor shall obtain information from the Administrator 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.

5.7 Hardship Withdrawals Determined by the Plan.

This Section 5.7 applies where the Individual Agreements controlling the Account assets to be withdrawn to satisfy the hardship provide that hardship withdrawals are to be allowed as permitted under the Plan.

(a) *Limitation on Funds Available for a Hardship Withdrawal.*

The amount of a Participant's Account consisting of Elective Deferrals (but not income on Elective Deferrals) may be paid from the Account on account of hardship to the extent permitted under this Section 5.7. and § 1.403(b)-6(d)(2) and (3) of the Income Tax Regulations. However, no amount may be paid from any of the following Source accounts on account of hardship: the Participant's Roth Elective Deferral Source account described in Section 2.3(b), the Participant's Roth Rollover Source account described in Section 2.3(c), and any other Source account of the Participant attributable to a transfer from another plan's Roth elective deferral account.

(b) *Application by Participant and Determination by Administrator.*

A Participant may apply to the Vendor and the Administrator for a distribution on account of hardship.

- (1) The application must be made on a written document or through an electronic means made available by the Vendor for this purpose and be properly completed and be accompanied by evidence showing the amount of the distribution to which the Participant is entitled on account of the hardship.
- (2) If the application is approved by the Administrator, the distribution will be made in a single lump sum payment in the amount approved by the Administrator. If only part of the amount requested by the Participant is approved by the Administrator, only that part will be distributed.
- (3) If the Participant disagrees with the Administrator's determination, the Administrator will reconsider the determination (but only once) if the Participant requests reconsideration within 10 business days after receiving notice of the Administrator's determination.

Sections 9.1 through 9.4 (relating to claims procedure) do not apply to the application or reconsideration but do apply (and apply only) after any request by the Participant for reconsideration and the Administrator's decision on the request.

(c) *Meaning of "hardship"*.

A distribution is made on account of hardship only if the distribution:

- (1) Is made on account of an immediate and heavy financial need of the Participant, as determined under Section 5.7(d) below; and
- (2) Is necessary to satisfy the financial need, as determined under 5.7(f) below.

(d) *Meaning of "immediate and heavy financial need"*.

A distribution is made on account of an immediate and heavy financial need of the Participant only if the distribution is for:

- (1) Expenses for (or necessary to obtain) medical care that would be deductible under section 213(d) of the Code (determined without regard to whether the expenses exceed 7.5% of adjusted gross income) (see Section 5.7(e) below about expenses for a primary Beneficiary or partner);
- (2) Costs directly related to the purchase of a principal residence for the Participant (excluding mortgage payments);
- (3) Payment of tuition, related educational fees, and room and board expenses, for up to the next 12 months of post-secondary education for the Participant, or the Participant's spouse, children, or dependents (as defined in section 152 of the Code, without regard to section 152(b)(1), (b)(2) and (d)(1)(B) of the Code) (see Section 5.7(e) below about payments for a primary Beneficiary or partner);
- (4) Payments necessary to prevent the eviction of the Participant from the Participant's principal residence or foreclosure on the mortgage on that residence;
- (5) Payments for burial or funeral expenses for the Participant's deceased parent, spouse, children, or dependents (as defined in section 152 of the Code, without regard to section 152(d)(1)(B) of the Code) (see Section 5.7(e) below about expenses for a primary Beneficiary or partner); or
- (6) Expenses for the repair of damage to the Participant's principal residence that would qualify for the casualty deduction under

section 165 of the Code (determined without regard to whether the loss exceeds 10% of adjusted gross income).

(e) *Expenses or Payments for an Individual Primary Beneficiary or Partner.*

(1) A primary Beneficiary of the Participant is treated the same as the Participant's spouse or dependent for purposes of Section 5.7(d)(1), (3), and (5) above. For this purpose, a "primary Beneficiary" is an individual who is named as a Beneficiary and has an unconditional right to all or a portion of the Participant's Account (from which the hardship distribution will be made) upon the death of the Participant.

(2) Pursuant to section 9(6) of the Oregon Family Fairness Act (which Act is sections 1 to 9 of 2007 Oregon Laws chapter 99), the Administrator concludes that treating a Participant's same-sex partner (as defined in section 3 of that Act) the same as the Participant's spouse for purposes of Section 5.7(d)(1), (3), and (5) above would conflict with a condition for tax qualification of the Plan, or a condition for other favorable tax treatment of the Plan, under the Code or regulations adopted under the Code.

(f) *Meaning of "necessary to satisfy the financial need".*

A distribution is necessary to satisfy the financial need only if:

(1) The distribution is limited to the amount required to satisfy the financial need as determined under Section 5.7(d) above (which may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution);

(2) The Participant has obtained all other currently available distributions (but not hardship distributions) and nontaxable (at the time of the loan) loans, under the Plan and all other plans maintained by the Employer, a Participating Employer, or a Related Employer; and

(3) The Participant is prohibited, under the terms of the Plan or an otherwise legally enforceable agreement, from making elective contributions and employee contributions to the Plan and all other plans maintained by the Employer, a Participating Employer, or a Related Employer for at least 6 months after receipt of the hardship distribution .

- (g) *Meaning of "plans maintained by the Employer, a Participating Employer, or a Related Employer".*

For purposes of Section 5.6(b) (relating to suspension of contributions after hardship withdrawal) and Section 5.7(f) above, "plans maintained by the Employer, a Participating Employer, or a Related Employer" means all qualified and nonqualified plans of deferred compensation maintained by the Employer, a Participating Employer, or a Related Employer. However, it does not include the mandatory employee contribution portion of a defined benefit plan or a health or welfare benefit plan.

5.8 Rollover Distributions.

- (a) *Direct Rollovers.*

Subject to Section 5.8(b) and (d) below, a Participant or the Beneficiary of a deceased Participant (or a Participant's spouse or former spouse who is an Alternate Payee under a domestic relations order, as defined in Section 11.2(b)) 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 other distributee 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 domestic relations order, a direct rollover is payable only to an individual retirement account or individual retirement annuity (IRA) 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) *From Roth Elective Deferral Source Account or Roth Rollover Source Account.*

A direct rollover of a distribution from a Roth Elective Deferral Source account described in Section 2.3(b) or a Roth Rollover Source account described in Section 2.3(c) will only be made to another Roth elective deferral account under an applicable retirement plan described in section 402A(e)(1) of the Code or 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.

- (c) *Vendors to Provide Special Tax Notice.*

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 of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

- (d) *Direct Rollovers are Subject to Limitations Under the Code and Individual Agreements.*

The right of a Participant, Beneficiary, and Alternate Payee to elect a direct rollover is subject to any limitations imposed by the Code, Income Tax Regulations, or Internal Revenue Service guidance and to any limitations imposed by the Individual Agreement to the extent consistent with the Code, Income Tax Regulations, and Internal Revenue Service guidance. For example, an Individual Agreement might not allow a direct rollover if the amount of the distributions that are eligible rollover distributions are reasonably expected to total less than \$200 during a year and might allow a Participant to elect a direct rollover of only a portion of an eligible rollover distribution only if the amount rolled over is at least \$500. As another example, Income Tax Regulations provide that an eligible rollover distribution attributable to Roth Elective Deferrals is not aggregated with other distributions when applying these \$200 and \$500 limitations.

5.9 Qualified Reservist Distributions.

A Participant ordered or called to active duty, as described in Section 5.9(b) below, after September 11, 2001, may elect, in the manner the Administrator requires, to receive a qualified reservist distribution. A "qualified reservist distribution" means any distribution to a Participant if:

- (a) The distribution is from amounts attributable to Elective Deferrals;
- (b) The Participant was (by reason of being a member of a reserve component (as defined in section 101 of title 37, United States Code)) ordered or called to active duty for a period in excess of 179 days or for an indefinite period; and
- (c) The distribution is made during the period beginning on the date of that order or call and ending at the close of the active duty period.

Section 6 Rollovers to the Plan and Transfers

6.1 Eligible Rollover Contributions to the Plan.

- (a) *Eligible Rollover Contributions.*

Subject to Section 1.1 (defining "Account"), Section 2.3(c) (relating to Roth Rollover Source accounts), and Section 6.1(b) and (d) below, to the extent provided in the Individual Agreements and consistent with the Code, Income Tax Regulations, and Internal Revenue Service guidance, an Employee who is a Participant, and a Beneficiary who is a deceased Participant's surviving spouse, 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. However, in no event does the Plan accept a rollover contribution from a Roth IRA described in section 408A of the Code.

(b) *From Roth Elective Deferral Accounts.*

The Plan will accept a rollover contribution of an eligible rollover distribution from another plan's Roth elective deferral account under an applicable retirement plan described in section 402A(e)(1) of the Code only if the rollover satisfies each of the following requirements:

- (1) The rollover is permitted under Section 6.1(a) above and the rules of section 402(c) of the Code;
- (2) The rollover is for transfer to a Funding Vehicle authorized by the Employer to receive transmittals (under Section 2.8) of Roth Elective Deferrals;
- (3) The rollover is maintained in a Roth Rollover Source account described in Section 2.3(c); and
- (4) The rollover is a direct rollover or is from the portion of the distribution that (but for the rollover) would be includible in the individual's gross income.

(c) *"Eligible Rollover Distribution".*

For purposes of Section 6.1(a) and (b) above, an eligible rollover distribution means any distribution of all or any portion of a Participant's or Beneficiary's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include (1) any installment payment or 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 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 distributee, (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) other distributions that Income Tax Regulations or Internal Revenue Service guidance exclude from treatment as an eligible rollover distribution. In addition, an eligible retirement plan means an individual retirement account described in

section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, a qualified trust described in section 401(a) 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.

(d) *Separate Rollover Source Accounts.*

The Vendor shall establish and maintain for the Participant or Beneficiary a Rollover Source or Roth Rollover Source account, as applicable, for any eligible rollover distributions paid to the Plan.

6.2 Plan-to-Plan Transfers to the Plan for All Members of a Class.

- (a) At the direction of the Employer, for a class (as defined by the Employer) of Employees who are participants or beneficiaries in another plan under section 403(b) of the Code, 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, the participant is an employee or former employee of the Employer, a Participating Employer, or Oregon University System, and the transfer is for all (but not less than all) the Employees in the class. 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 § 1.403(b)-10(b)(3) of the Income Tax Regulations 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.
- (c) To the extent provided in the Individual Agreements holding such transferred amounts, the amounts transferred shall be held, accounted for, administered, and otherwise treated in the same manner as a Pre-Tax Elective Deferral, a Roth Elective Deferral, an employee after-tax contribution, a rollover that is not from another plan's Roth elective deferral account, or a rollover that is from another plan's Roth elective deferral account, as determined by the transferred fund Sources, or in such other manner as is consistent with the requirements under the Code.
- (d) However, (1) the Individual Agreement which holds any amount transferred to the Plan under this Section 6.2 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 amount transferred to the Plan under this Section 6.2 shall not be considered an Elective Deferral under the Plan in determining the maximum deferral under Section 3.

6.3 Plan-to-Plan Transfers from the Plan for All Members of a Class.

- (a) At the direction of the Employer, the Administrator may permit a class (as defined by the Employer) of Participants and Beneficiaries to elect to have all (but not less than all) of their Account Balances transferred to another plan that satisfies section 403(b) of the Code in accordance with § 1.403(b)-10(b)(3) of the Income Tax Regulations. 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, the other 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, and the transfer is for all (but not less than all) the Participants and Beneficiaries in the class.
- (b) The other 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 restrictions on distributions to the Participants and Beneficiaries whose assets are transferred that are not less stringent than those imposed under the Plan.
- (c) Upon the transfer of assets under this Section 6.3, the Plan's liability to pay benefits to the Participants and Beneficiaries under the 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 § 1.403(b)-10(b)(3) of the Income Tax Regulations.

6.4 Contract Exchanges and Custodial Account Exchanges.

- (a) *Permitted Within the Plan.*
Subject to Section 6.4(b) below and the terms of the Individual Agreements, a Participant or Beneficiary is permitted to change the investment of his or her Account Balance by (1) a change in Vendor under

Section 2.7 (relating to changing the designated Vendor to which future Elective Deferrals are to be made) one time each calendar year, (2) transfer of the full or partial Account Balance one time each calendar year, or (3) both.

(b) *Not Permitted.*

- (1) An investment change to a Vendor, or to an investment in an Annuity Contract or Custodial Account, that is not eligible to receive contributions under Section 2 is not permitted.
- (2) A Participant or Beneficiary is not permitted to change any part of his or her Account Balance for an interest in a 403(b) contract or custodial account that is not part of the Plan as a Contract Exchange.

(c) *Information Sharing Agreements.*

If any Vendor ceases to be eligible to receive Elective Deferrals under the Plan, the Employer will enter into an information sharing agreement with a Vendor receiving another other contract or custodial account. Under this information sharing agreement, the Employer and the Vendor will from time to time in the future provide each other with the following information:

- (1) Information necessary for the resulting contract or custodial account, or any other contract or custodial accounts to which contributions have been made by the Employer, to satisfy section 403(b) of the Code, including (i) the Employer providing information as to whether the Participant's employment with the Employer or a Participating Employer is continuing, and notifying the Vendor when the Participant has had a Severance from Employment (for purposes of the distribution restrictions in Section 5.1), (ii) the Vendor notifying the Employer of any hardship withdrawal under Section 5.5 if the withdrawal results in a 6-month suspension of the Participant's right to make Elective Deferrals under the Plan and (iii) the Vendor providing information to the Employer concerning the Participant's or Beneficiary's section 403(b) contracts or custodial accounts or qualified employer plan benefits (to enable a Vendor to determine the amount of any plan loans and any rollover accounts that are available to the Participant under the Plan to satisfy the financial need under the hardship withdrawal rules of Section 5.5); and
- (2) Information necessary for the resulting contract or custodial account and any other contract or custodial account to which contributions have been made for the Participant by the Employer

or a Participating Employer to satisfy other tax requirements, including (i) the amount of any plan loan that is outstanding to the Participant necessary to determine whether an additional plan loan satisfies the loan limitations of Section 4.3, so that any such additional loan is not a deemed distribution under section 72(p)(1) of the Code and (ii) information concerning the Participant's or Beneficiary's after-tax employee contributions for a Vendor to determine the extent to which a distribution is includible in gross income.

If the Vendor was authorized to receive Roth Elective Deferrals, the information sharing agreement will also provide (to the extent the Employer's contract with the Vendor does not provide for the exchange of this information) for the exchange of information necessary to satisfy section 402A of the Code.

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 and subject to Section 6.5(d) below, 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).
- (d) If any portion of the Participant's Account Balance immediately before the transfer is attributable to a Roth Elective Deferral Source account described in Section 2.3(b) or a Roth Rollover Source account described in Section 2.3(b), or both (the "Roth Portion"):

(1) The Participant shall designate before the transfer (in the manner and by the time required by the Administrator) the part of the transfer that is from the Roth Portion; and

(2) Section 6.5(c) above will apply separately to the Roth Portion and separately to the rest of the Participant's Account Balance.

Section 7

Investment of Contributions and Vesting

7.1 Manner of Investment.

All Elective Deferrals and 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.

7.2 Investment of Contributions.

Each Participant or Beneficiary shall direct the investment of his or her Account among the investment options available under the applicable Vendor's Annuity Contract or Custodial Account in accordance with the terms of the Individual Agreements. Transfers among Annuity Contracts and Custodial Accounts provided by the Vendors under the Plan may be made one time each calendar year to the extent provided in the Individual Agreements and permitted under applicable Income Tax Regulations. However:

(a) A transfer of any part of the Account Balance to a Vendor, or to an Annuity Contract or Custodial Account, that is not eligible to receive contributions under Section 2 is not permitted; and

(b) The Investment Committee may designate default investment options for amounts for which investment direction has not been provided.

7.3 Vesting.

A Participant's Account Balance is at all times fully vested and nonforfeitable.

7.4 Vendors.

(a) The Administrator shall maintain a list of all Vendors under the Plan. In addition to dealing with such other matters as the Administrator determines advisable, the list shall identify:

- (1) The Vendors that are, and the Vendors that are not, eligible to receive Pre-Tax Elective Deferrals and Roth Elective Deferrals under Section 2;
- (2) For any Vendor that is eligible to receive contributions under Section 2 to less than all of the Vendor's Annuity Contracts and Custodial Accounts that are part of the Plan, the Vendor's Annuity Contracts and Custodial Accounts that are part of the Plan and that are eligible to receive contributions under Section 2;
- (3) For any Vendor that is eligible to receive transmittals (under Section 2.8) of Roth Elective Deferrals to less than all of the Vendor's Annuity Contracts and Custodial Accounts that are part of the Plan, the Vendor's Annuity Contracts and Custodial Accounts that are part of the Plan and that are eligible to receive transmittals (under Section 2.8) of Roth Elective Deferrals; and
- (4) For any Vendor that is eligible to receive contributions under Section 2 from less than all Participants, the class or classes of Participants from which the Vendor may receive contributions under Section 2.

Such list (with any specifications and identifications pursuant to Section 7.4(b) below) is hereby incorporated as part of the Plan.

- (b) The list of all Vendors under the Plan may, but need not, specify one or more classes of Participants who may establish an Annuity Contract individually under Section 1.5 (defining "Annuity Contract") and may, but need not, specify one or more classes of Participants who may establish a Custodial Account individually under Section 1.11 (defining "Custodial Account"). The specifications shall:
 - (1) Identify the Vendor or Vendors with which a Participant in a specified class may establish an Annuity Contract individually under Section 1.5; and
 - (2) Identify the Vendor or Vendors with which a Participant in a specified class may establish a Custodial Account individually under Section 1.11.
- (c) Each Vendor and the Administrator shall exchange such information as may be necessary to satisfy section 402A or 403(b) of the Code or other requirements of applicable law.
- (d) In the case of a Vendor which is not eligible to receive Elective Deferrals under the Plan (including a Vendor which has ceased to be a Vendor

eligible to receive Elective Deferrals under the Plan and a Vendor holding assets under the Plan in accordance with Section 6.2), 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 402A or 403(b) of the Code or other requirements of applicable law.

Section 8 Beneficiary

8.1 Participant's Beneficiary.

A Participant may deliver to the Administrator a designation of beneficiary designating the Beneficiary or Beneficiaries who are to receive any of the Participant's benefits under the Plan that are payable after the Participant's death.

8.2 Requirements.

A designation of beneficiary must be on a written paper document or through an electronic means made available by the Vendor or the Administrator for this purpose and is effective when properly completed by the Participant and delivered to the Vendor during the Participant's life at the place specified in the document or the electronic means or the instructions therefor, and when effective revokes all earlier designations of beneficiary by the Participant with respect to the Participant's Account Balance. However, a designation of beneficiary that applies to only part of a Participant's Account Balance does not apply to any other part of the Participant's Account Balance and does not, as to any other part of the Participant's Account Balance, revoke earlier designations of beneficiary. A Beneficiary does not include an individual, even if designated by the Participant, who does not survive the Participant. A Beneficiary may be an individual or any type of entity.

8.3 Default Beneficiary.

If at the Participant's death there is not an effective designation of beneficiary, or if none of the Beneficiaries designated by the Participant survives the Participant, the Participant's Beneficiary will be the following person or persons in the following order of priority: the Participant's (a) surviving spouse, (b) surviving same-sex domestic partner, (c) surviving children in equal shares, (d) surviving parents in equal shares, or (e) estate. For this purpose (1) "surviving" means survives the Participant and (2) a Participant's surviving same-sex domestic partner is the individual, if any, who the Oregon Family Fairness Act (which is sections 1 to 9 of 2007 Oregon Laws chapter 99) requires be treated the same as the Participant's surviving spouse.

8.4 Beneficiary's Beneficiary.

To the extent permitted by the Individual Agreements controlling the Account Balance, after the Participant's death a Beneficiary may designate a beneficiary or beneficiaries of the Beneficiary's interest in the Participant's Account Balance,

and that beneficiary or those beneficiaries will be the Beneficiary's Beneficiary or Beneficiaries for purposes of the Plan. The designation may be made only as provided in this Section 8 for a designation by a Participant and is subject to all the terms of this Section 8 as if the Participant's Beneficiary were a Participant, except that Section 8.3 applies to determine a Beneficiary's Beneficiary for only any part of the Beneficiary's Account Balance for which the Beneficiary has designated a Beneficiary under this Section 8.4.

8.5 Alternate Payee's Beneficiary.

To the extent permitted by the Individual Agreements controlling the Account Balance and to the extent consistent with the domestic relations order, an Alternate Payee under a domestic relations order, as defined in Section 11.2(b), may designate a beneficiary or beneficiaries of the Alternate Payee's interest in the Participant's Account Balance, and that beneficiary or those beneficiaries will be the Alternate Payee's Beneficiary or Beneficiaries for purposes of the Plan. The designation may be made only as provided in this Section 8 for a designation by a Participant and is subject to all the terms of this Section 8 as if the Alternate Payee were a Participant, except that Section 8.3 applies to determine an Alternate Payee's Beneficiary for only any part of the Alternate Payee's Account Balance for which the Alternate Payee has designated a Beneficiary under this Section 8.5.

8.6 Survivorship and Relationships.

Whenever application of the Plan depends on the relationship of one individual to another or whether one individual survives another (including without limitation when determining whether an individual is a Beneficiary):

- (a) Oregon law applies to determine whether one individual survives another. For this purpose, (1) the individuals will be treated as residing in Oregon and (2) Oregon law includes without limitation the Uniform Simultaneous Death Act (ORS 112.570 to ORS 112.590) or its successor and the Uniform Disclaimer of Property Interests Act (ORS 105.623 to 105.649) or its successor but does not include Oregon law regarding conflicts of laws. The Uniform Simultaneous Death Act or its successor will be applied by treating the Plan as a pension plan. However, if a Participant's designation of beneficiary requires an individual to survive the Participant's death for a specified period of time in order to be the Participant's Beneficiary, that specified period, and not the 120-hour period in the Uniform Simultaneous Death Act, will apply.
- (b) ORS 112.175 to 112.195, about adoption, or successor Oregon statutes, apply to determine relationships. ORS 112.105, about paternity, or successor Oregon statutes, apply without regard to any limitation therein regarding intestate succession. ORS 112.455 to 112.555, regarding certain deaths caused by an individual, or successor Oregon statutes, apply without regard to whether the death occurs or the individuals reside in Oregon and will be applied by treating the Plan as a pension plan.

8.7 Contrary Terms in Individual Agreement.

Any term in an Individual Agreement that is contrary to a term in this Section 8 applies instead of that term in this Section 8, unless under the Individual Agreement the Plan controls as to that term.

**Section 9
Claims Procedure**

9.1 Requests for Determination.

- (a) Any time a request for determination of eligibility for participation or benefits distribution is disputed, an interpretation of Plan provisions is disputed, or a Participant or Beneficiary is adversely affected by action of a Vendor, the Employer or the Administrator, the individual (the "Claimant") may submit a claim for determination to the Benefits Officer for the institution where the Participant is or was last employed (or if there is no Benefits Officer, to the Administrator). The Benefits Officer will forward all such claims to the Administrator. (But see Section 9.1(b) below about an application for a distribution on account of hardship.) The Claimant shall be notified of the Benefits Officer's (or Administrator's, if there is no Benefits Officer) determination within 90 days after receipt of the claim, unless special circumstances require an extension of time for processing. Such notice will indicate the basis for the determination or interpretation and an explanation of the procedure for requesting an appeal as set forth in this Section 9.

- (b) A Participant who disagrees with the Administrator's determination on the Participant's application under Section 5.7(b) for a distribution on account of hardship may submit a claim under this Section 9.1 only after requesting reconsideration as provided in Section 5.7(b)(3) and receiving the Administrator's decision on the request.

9.2 Appeal Procedure.

Any Claimant who has received an adverse determination shall have the right to appeal the determination to the Retirement Plans Administration Committee (the "Committee"). Such appeal must be in writing and must be made within 60 days after the Claimant is advised of the adverse action. If a written request for appeal is not made within such 60-day period, the Claimant shall forfeit his or her right to an appeal. The Claimant or a duly authorized representative of the Claimant may review all pertinent documents and submit issues and comments to the Committee.

9.3 Consideration of Appeal.

The Committee shall consider appeals received under Section 9.2. It may hold a hearing if it deems it necessary and shall issue a written decision affirming,

modifying, or setting aside the former action within 120 days after receipt of the written request for appeal, unless special circumstances require an extension of time for processing. A copy of the decision shall be furnished to the Claimant. The decision shall set forth its reasons and pertinent Plan provisions on which it is based.

9.4 Final Decision.

The Committee's decision on the appeal shall constitute the final decision of the Plan and the Employer and shall be binding upon the Claimant, the Employer, the Participating Employers, the Administrator, the Committee, and all other persons involved to the maximum extent permitted by law. Any person seeking judicial review of the decision must file a timely complaint with the Oregon Circuit Court of Multnomah County in Portland, Oregon. The Committee will inform the Claimant of the right to appeal to the Oregon Circuit Court of Multnomah County in Portland, Oregon.

9.5 Exhaustion of Remedies.

- (a) No Claimant may challenge in judicial or administrative proceedings any action or inaction of any of the following persons with respect to the Plan without first exhausting the remedies available under the Plan: the Board (and any member of the Board), the Board's officers, employees, agents and representatives, the Employer, the Participating Employers, the Administrator, the Vice President for Finance and Administration of the Employer, the Retirement Plans Administration Committee (and any member of the Committee), the Investment Committee (and any member of the Committee), and, in performing service as a designee under Section 11.22 or 11.24, any officer, employee, agent or representative of the Employer or a Participating Employer.
- (b) Any judicial or administrative review of any such action or inaction is subject to Section 11.26 (relating to limitation of liability).

**Section 10
Amendment and Plan Termination**

10.1 Termination of Contributions.

The Employer has assumed sponsorship of the Plan with the intention and expectation that contributions will be continued indefinitely. However, neither the Employer nor any Participating Employer has any 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.

10.2 Amendment and Termination .

The Employer reserves the authority to amend or terminate the Plan at any time or times as the Employer deems advisable, including amending the Plan retroactively, by adopting a writing making the amendment or termination. Any retroactive amendment applies to Participants, Beneficiaries, and all other persons retroactively according to the terms of the amendment. However, an amendment or termination may not limit the Employer's obligations under Section 11.25 (relating to indemnification) with respect to an act or failure to act that occurs before the amendment or termination.

10.3 Distribution upon Termination of the Plan.

The Employer 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 Employer, the Participating Employers, and any Related Employer on the date of termination do not make contributions to an alternative section 403(b) contract 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 Income Tax Regulations.

Section 11 Miscellaneous

11.1 Non-Assignability.

Except as provided in Section 11.2 and Section 11.3, the interests of each Participant, Beneficiary, or Alternate Payee under the Plan are not subject to the claims of the Participant's, Beneficiary's, or Alternate Payee's creditors; and neither the Participant nor any Beneficiary or Alternate Payee 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.

11.2 Domestic Relation Orders.

- (a) Notwithstanding Section 11.1, if permitted by section 414(p) of the Code, the amount of the Participant's Account Balance shall be paid to an Alternate Payee in the manner and to the person or persons so directed in a domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan.
- (b) For purposes of the Plan, "domestic relations order" means a judgment, decree, or order (including approval of a property settlement agreement) ("Order") that:

- (1) 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;
- (2) Is made pursuant to the domestic relations law of any State;
- (3) Creates or recognizes the existence of an Alternate Payee's right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable with respect to a Participant under the Plan;
- (4) Clearly specifies:
 - (i) The name and the last known mailing address (if any) of the Participant and the name and mailing address of each Alternate Payee covered by the order;
 - (ii) The amount or percentage of the Participant's benefits to be paid by the Plan to each such Alternate Payee, or the manner in which such amount or percentage is to be determined;
 - (iii) The number of payments or period to which such Order applies; and
 - (iv) That the Order applies to the Plan;
- (5) Does not require the Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan (other than payment without regard to whether the Participant is eligible for a distribution of benefits under the Plan) and does not require the Plan to pay benefits to the Alternate Payee in the form of a joint and survivor annuity with respect to the Alternate Payee and his or her subsequent spouse;
- (6) Does not require the Plan to provide increased benefits;
- (7) Does not require the payment of benefits to an Alternate Payee that are required to be paid to another Alternate Payee under another Order previously determined to be a domestic relations order; and
- (8) Does not require any action that would be inconsistent with the terms of the Plan, section 401(a)(9), 402A, or 403(b) of the Code, any other federal or Oregon law, or any Funding Vehicle.

- (c) The Administrator shall establish reasonable procedures for determining the status of any such Order and for effectuating distribution pursuant to the domestic relations order.
- (d) Pursuant to section 9(6) of the Oregon Family Fairness Act (which Act is sections 1 to 9 of 2007 Oregon Laws chapter 99), the Administrator concludes that the extension of the benefits of this Section 11.2 to an individual because the individual is or was in a domestic partnership (as defined in section 3 of that Act) would conflict with a condition for tax qualification of the Plan, or a condition for other favorable tax treatment of the Plan, under the Code or regulations adopted under the Code.

11.3 IRS Levy.

Notwithstanding Section 11.1, the Administrator may pay 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 that the Administrator finds is lawfully sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

11.4 Tax Withholding.

Contributions to the Plan are subject to applicable employment taxes (including, if applicable, Federal Insurance Contributions Act (FICA) taxes with respect to Elective Deferrals, 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 Treasury Regulations thereunder). A payee shall provide such information as the Administrator may need to satisfy income tax withholding obligations, and any other information that may be required by guidance issued under the Code.

11.5 Payments to Minors and Incompetents.

If a person entitled to receive any benefits hereunder is a minor or incompetent by reason of physical or mental disability, or is deemed so by the Administrator, benefits may, subject to any applicable provisions of ORS chapter 126, be paid to such third person as the Administrator may designate for the benefit of the person entitled to benefits. Such payments shall be considered a payment to the person entitled to benefits and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan. The Administrator has no duty to inquire about whether a person entitled to benefits is a minor or incompetent, and may (even after notice of minority or incompetency) pay benefits directly to a person entitled to benefits who is a minor or incompetent, and such direct payments shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

11.6 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, 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 or the Participating Employer, as applicable.

11.7 Procedure When Distributee Cannot Be Located.

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 a notice to the last known address shown on the records of the Employer, the Administrator, and the Participating Employers, (b) notification sent to the Social Security Administration's Letter Forwarding Service, and (c) the payee has not responded within 6 months. If the Administrator is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the Funding Vehicle shall continue to hold the benefits due such person.

11.8 Incorporation of Individual Agreements.

The Plan, together with the Individual Agreements, is intended to satisfy the requirements of sections 402A and 403(b) of the Code and the Income Tax 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 402A or 403(b) of the Code.

11.9 Governing Law.

The Plan will be construed, administered and enforced according to the Code and the laws of the State of Oregon and consistent with the Employer's intent that the Plan satisfy sections 402A and 403(b) of the Code. Any provision of the Plan that is based on a provision of the Code, including one not necessary for the Plan to satisfy section 402A or 403(b) of the Code, will be construed, administered, and enforced consistent with such provision and the interpretive authorities thereunder.

11.10 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.

11.11 Gender.

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

11.12 Plan Year.

The Plan's plan year is the calendar year.

11.13 Severability.

If a court of competent jurisdiction determines that any provision of the Plan is invalid or unenforceable, the remaining provisions will continue to be fully effective.

11.14 No Contract Rights.

Except for rights required for the Plan to satisfy ORS 243.820 to 243.830, section 402A or 403(b) of the Code, any other section of the Code, Treasury regulations, or Internal Revenue Service guidance, no Employee, Participant, Beneficiary, or other person will acquire a right, contractual or otherwise, to (a) make or continue Elective Deferrals, (b) the terms or the continuance of (1) the Plan, (2) any Annuity Contract or Custodial Account, (3) any annuity contract or custodial account to which amounts have been transferred under the right granted in Section 11.19, or (4) any investment fund, or (c) have the Participant's Account Balance held or continue to be held in any particular Annuity Contract or Custodial Account or be invested or continue to be invested in any particular investment fund or funds.

11.15 Powers of Attorney.

The Administrator may allow any person to act under the Plan through an agent or attorney-in-fact designated in a written power of attorney. For this purpose ORS 127.005 to 127.045 and successor Oregon statutes apply, including without limitation the provisions in those statutes allowing the Administrator to rely on the authority of the attorney-in-fact or agent and protecting the Administrator from liability. This Section 11.15 does not prevent a Vendor from requiring compliance with the Vendor's rules for acts taken through an agent or attorney-in-fact.

11.16 Effect of Plan Summary, Information, and Administration Forms.

The terms of the Plan control in the event of any inconsistency between the Plan and any (a) written, electronic, or oral summary of, or information about, the Plan or any of its provisions or (b) administration form provided (as a written paper document or through electronic or other means) in connection with the Plan.

11.17 Reliance on Evidence of a Person's Identity.

Where the Administrator establishes reasonable means to identify a person, the Administrator may, unless the Administrator has actual knowledge to the contrary, rely on that evidence as establishing the person's identity. Such reasonable means include, without limitation, identification by password, personal identification number, identifying information (for example, social security number or mother's maiden name), a document (for example, a driver's license or other picture ID), or familiarity with the person (for example, with the person's voice or physical appearance).

11.18 Correcting 403(b) Failures.

The Administrator may require a Vendor, Participant, Beneficiary, Alternate Payee, Participating Employer and any other person to take any actions the Administrator deems advisable to correct one or more 403(b) Failures with respect to the Plan in a manner allowed by the Internal Revenue Service's Employee Plans Compliance Resolution System (which defines "403(b) Failure"), including without limitation (a) require that a Participant repay or prepay a loan in whole or in part and (b) require that the amount of a Participant's Account Balance be changed or paid in part or whole.

11.19 The Employer's Irrevocable Right to Take Actions to Change and Terminate the Plan, Including Actions on Behalf of and in the Name of Participants and Beneficiaries.

The Employer has the irrevocable right to take all actions (except actions that would cause the Plan to fail to satisfy ORS 243.820 to 243.830, section 402A or 403(b) of the Code, any other section of the Code, Treasury regulations, or Internal Revenue Service guidance) that the Employer deems appropriate, including without limitation actions on behalf of and in the name of the Participant and the Participant's Beneficiaries, to facilitate all changes that the Employer determines to make to the Plan and to facilitate termination of the Plan, including without limitation actions:

- (a) To cause the Participant's Account Balance to be transferred to one or more other annuity contracts or custodial accounts to which contributions may be made under section 403(b) of the Code and which will, as the Employer determines, (1) be under the control of the Participant or (after the Participant's death) one or more of the Participant's beneficiaries or (2) be under the control of the Employer; and
- (b) To designate the one or more investment funds in which the Participant's Account Balance is to be invested, and the one or more Annuity Contracts and Custodial Accounts in which the Participant's Account Balance is to be held, and from time to time to change the designation.

This right allows the Employer to effect the Employer's interest in making changes to the Plan and in terminating the Plan. No person who relies in good

faith on this right of the Employer is liable to any other person based on that reliance.

11.20 Administrator's Discretionary Authority.

The Administrator has discretionary authority in exercising, or deciding not to exercise, each of its functions under the Plan including questions of fact. Without limiting the foregoing, the Administrator has discretionary authority to construe and interpret the Plan and to determine all questions that arise under the Plan, including questions of fact. The Administrator's decisions are final and binding on all parties and affected persons and their beneficiaries and successors to the maximum extent permitted by law. For purposes of the authority of the Retirement Plans Administration Committee (the "Committee") under Section 9 (relating to claims procedure), references in the above provisions of this Section 11.20 to the Administrator shall be deemed to refer to the Committee.

11.21 Employer's Sole Discretion.

The Employer has sole discretion in exercising, or deciding not to exercise, each of its functions under the Plan. The Employer's decisions are final and binding on all parties, including the Participating Employers and other affected persons and their beneficiaries and successors, to the maximum extent permitted by law.

11.22 Designees Through Which the Administrator May Act.

Administrator may act through any person or entity it designates in its sole discretion. Any designation under this Section 11.22 must satisfy any applicable requirements in § 1.403(b)-3(b)(3)(ii) of the Income Tax Regulations.

11.23 Retirement Plans Administration Committee and Investment Committee.

The Board shall appoint the Retirement Plans Administration Committee (the "Committee"), which shall be composed of three or more persons and which may establish subcommittees, including the TDI Administration Committee. The Board shall also appoint the Investment Committee, which shall be comprised of persons described in the Committee Charter. No member of either committee who is an employee of the Employer or a Participating Employer shall receive additional compensation with respect to service on a committee. Any member of a committee may resign by delivering written resignation to the Board and to the committee. The Board may remove or replace any member of a committee at any time and for any reason.

11.24 Designees Through Which the Employer May Act.

The Employer may act through any person it designates from time to time. Any designation under this Section 11.24 must satisfy any applicable requirements in § 1.403(b)-3(b)(3)(ii) of the Income Tax Regulations.

11.25 Indemnification.

- (a) In order to facilitate the recruitment of competent persons, the Employer agrees to provide the indemnification as described in this Section 11.25.
- (b) The Employer agrees to indemnify Indemnified Persons for all acts taken in carrying out his, her, or their responsibilities under the terms of the Plan. This indemnification for all acts is intentionally broad but shall not provide indemnification for gross negligence, willful misconduct, embezzlement, or diversion of Plan funds for the benefit of the Indemnified Person. The Employer agrees to indemnify Indemnified Persons for all expenses of defending an action, including all legal fees for counsel selected with the Employer's consent and other costs of such defense. The Employer shall also indemnify Indemnified Persons for any monetary recovery in any court or arbitration proceeding. In addition, if the claim is settled out of court with the concurrence of the Employer, the Employer shall indemnify Indemnified Persons for any monetary liability under said settlement. The Employer shall have the right, but not the obligation, to conduct the defense of Indemnified Persons in any proceeding to which this Section 11.25 applies. The Employer may satisfy its obligation under this Section 11.25 in whole or in part through the purchase of a policy or policies of insurance providing equivalent protection.
- (c) Notwithstanding the foregoing, the indemnification provided for in this Section 11.25 shall be subject to any applicable limitations under Article XI, Section 7, of the Oregon Constitution, or the Oregon Tort Claims Act, ORS 30.260 to 30.300.

11.26 Limitation of Liability.

Subject to any requirements under section 403(b) of the Code:

- (a) Except as provided in section 11.26(b) below, none of the following persons is liable to any person for any act or failure to act under or with respect to the Plan where the act or failure to act is in good faith: the Board (and any member of the Board), the Board's officers, employees, agents and representatives, the Employer, the Participating Employers, the Administrator, the Vice President for Finance and Administration of the Employer, the Retirement Plans Administration Committee (and any member thereof), the Investment Committee and any member thereof, and, in performing service as a designee under Section 11.22 or 11.24, any officer, employee, agent or representative of the Employer or a Participating Employer. This Section 11.26(a) is not intended, and will not be construed, to expand the duties or liability of any of the foregoing persons beyond their duties and liabilities in the absence of this Section 11.26(a).

- (b) The exoneration from liability in Section 11.26(a) above does not apply to any Vendor and does not apply to any paid consultant, paid contractor, or paid agent with respect to the Plan whose consultancy, contract, or agency is not served as a member, officer, or employee of the Board or of the Retirement Plans Administration Committee or the Investment Committee, or as an employee of the Employer or a Participating Employer.
- (c) Nothing in the Plan, including without limitation Section 9 (relating to claims procedure) and Section 11.26(a) above, constitutes a waiver of the sovereign immunity of the State of Oregon or a waiver of any other defense or right of any of the persons described in Section 11.26(a) above.

11.27 Source of Benefits.

All benefits payable with respect to amounts paid or transferred to an Annuity Contract or a Custodial Account will be paid solely from the Annuity Contract or the Custodial Account, and no person described in Section 11.26(a) and not in Section 11.26(b) is liable or responsible therefor.

11.29 Oregon Family Fairness Act.

The Administrator will administer the Plan to comply with the Oregon Family Fairness Act, which is sections 1 to 9 of 2007 Oregon Laws chapter 99.

11.30 Not a Contract of Employment.

The Plan is not a contract of employment between the Employer or a Participating Employer and any Employee. Nothing in the Plan gives any employee the right to be retained in the employ of the Employer or a Participating Employer or to interfere with any right of the Employer or a Participating Employer to discharge any Employee at any time. Nothing in the Plan gives the Employer or a Participating Employer the right to require any employee to remain in its employ or to interfere with any right of any Employee to terminate the Employee's employment at any time.

**Section 12
Participating Employers**

12.1 Adoption of Plan

With the consent of the Employer, any Oregon public university may adopt this Plan and all of the provisions hereof, and participate herein and be known as a Participating Employer, by a properly executed document evidencing such intent of the Board of Trustees of said Oregon public university.

12.2 Rights and Duties

Notwithstanding anything herein to the contrary, for each Participating Employer hereunder, the following shall apply:

- (a) Each Participating Employer shall be required to use the same Vendors as provided in this Plan.
- (b) The Vendors shall commingle, hold and invest as one (1) fund all contributions made by the Employer, Participating Employers and Employees, as well as increments thereon. All of the Plan assets shall be available to pay benefits to Participants and their Beneficiaries.
- (c) The transfer of any Participant from or to a Participating Employer shall not affect such Participant's rights under the Plan, and all amounts credited to such Participant's Account as well as accumulated service time with the transferor or predecessor, and length of participation in the Plan, shall continue to the Participant's credit.
- (d) Any expenses of the Plan which are to be paid by the Employer or borne by the Plan assets shall be paid by each Participating Employer in such manner as agreed to in writing by the Employer and the Participating Employers .

12.3 Designation of Agent

Each Participating Employer shall be deemed to be a part of this Plan; provided, however, that with respect to all of its relations with the Vendors for the purpose of this Plan, each Participating Employer shall be deemed to have designated irrevocably the Employer as its agent.

12.4 Contributions

All contributions made by a Participating Employer will be remitted promptly to the Employer, or its designee, in such manner as agreed to in writing by the Employer and the Participating Employer.

12.5 Amendment of Plan

Amendment of this Plan by the Employer at any time when there shall be a Participating Employer hereunder shall require the written consent of each Participating Employer only where such consent is necessary in accordance with the terms of this Plan and the writing between the Employer and the Participating Employer.

12.6 Revocation of Participation


Any Participating Employer shall be permitted to discontinue or revoke its participation in the Plan in accordance with the terms of that certain Participation Agreement by and between the Employer and the Participating Employer. At the time of any such discontinuance or revocation, satisfactory evidence thereof and of any applicable conditions imposed shall be delivered to the Employer. Upon approval of the Employer, the Vendor shall thereafter transfer, deliver and assign Plan assets allocable to the Participants of such Participating Employer to such new vendor as shall have been designated by such Participating Employer, in the event that it has established a separate 403(b) plan for its employees. If no

successor is designated, the Vendor shall retain such assets for the employees of said Participating Employer and shall make distributions pursuant to the provisions of Section 5 hereof, without further involvement or responsibility on the part of the Employer.

12.7 Authority

The Employer shall have authority to make any and all necessary rules or regulations, binding upon all Participating Employers and all Participants, to effectuate the purpose of this Section.

FOR THE UNIVERSITY OF OREGON


Signed this 1 day of Jan , 2014.