
AGENDA FOR PUBLIC SESSION

Call to Order

Chair Fish

1. [University of Maryland, Baltimore: Lease of 635 W. Lexington Street to the American Cancer Society and Termination of 1983 Lease and Agreement for 636 W. Lexington Street](#) (action)
2. [University of Maryland, College Park: Early Renewal and Modification of the Workday Contract](#) (action)
3. [University of Maryland, College Park: Sole Source Contract for Food Products, Chemical Products and Non-Food Products for Dining Services](#) (action)
4. [USM Sponsored Supplemental Retirement Plans – 403\(b\) Plan and 457\(b\) Plan Restatement](#) (action)
5. [University of Baltimore: Regional Tuition for MBA program at USM Hagerstown](#) (action)
6. [University System of Maryland: Report on FY 2024 Procurement Contracts](#) (information)
7. [Convening Closed Session](#) (action)

OFFICE OF THE SENIOR VICE CHANCELLOR FOR ADMINISTRATION AND FINANCE

MEMORANDUM

TO: Members of the Committee on FinanceEllen Fish
Steven Sibel
Geoff J. Gonella
Anwer HasanDhruvak Mirani
Louis M. Pope
William T. Wood
Linda R. Gooden, *ex officio***FROM:** Ellen Herbst, Senior Vice Chancellor**DATE:** November 22, 2024**RE:** Meeting of the Committee via Video Conference

The Committee on Finance of the USM Board of Regents will meet in public session via video conference at 10:30 a.m. on Wednesday, December 4. Upon the conclusion of the public session, the Committee will convene in closed session.

The agendas and supporting materials will be available on Nasdaq Boardvantage for members of the Board and the USM website at <https://www.usmd.edu/regents/agendas/>.

Zoom details will be provided to the Regents prior to the meeting.

Public listen-only access is provided at 301-715-8592; Conference ID: 980 2106 5484; Password: 036033

cc: Other Members, Board of Regents
Office of the Attorney General
Chancellor's Council
Vice Presidents for Administration and Finance
Office of Communications
SVCAF Managers

TOPIC: University of Maryland, Baltimore: Lease of 635 W. Lexington Street to the American Cancer Society and Termination of 1983 Lease and Agreement for 636 W. Lexington Street

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: December 4, 2024

SUMMARY: The University of Maryland, Baltimore (UMB) seeks approval to enter into a new lease with the American Cancer Society (ACS) for UMB-owned real property at 635 W. Lexington Street, previously used as a Ronald McDonald House and vacant since 2019. A related action involves terminating the 1983 Lease and Agreement with ACS for UMB's real property at 636 W. Lexington Street.

The initial term of the lease will be 25 years, with an option for one additional period of 15 years, and further options upon the mutual agreement of UMB and ACS for two additional periods of five years each, totaling a maximum potential term of 50 years. The lease requires annual rent payments by ACS of \$1.00, with ACS wholly responsible for the cost of utilities, services, security, property repairs and maintenance, and any applicable taxes.

Under a 1983 ground lease with UMB, ACS constructed and operates a Hope Lodge at 636 W. Lexington Street, providing a temporary residence for patients undergoing life-threatening cancer treatments and their families. This facility, which currently offers 29 guest rooms, has reached an age and condition requiring major renovation. In addition, ACS wishes to expand the facility to accommodate more patients and families.

To meet these needs, ACS plans to relocate the Hope Lodge to 635 W. Lexington Street under a proposed new lease agreement. This relocation will allow ACS to renovate and convert the property to increase the number of guest rooms from 29 to 40.

Upon completion of the renovations and relocation of the Hope Lodge, the 1983 Ground Lease will be terminated and ownership of the building and other improvements on the 636 W. Lexington Street property will revert to UMB. As consideration for the early termination of the 1983 Ground Lease, UMB shall pay ACS the sum of \$90,000, which represents the approximate value of the difference in the terms of the 1983 Ground Lease and the New Lease.

The term of the 1983 Ground Lease was for 49 years, with an option by ACS to renew for an additional 49 years. Under the 1983 Ground Lease, ACS pays UMB annual rent in the amount of \$1.00, with ACS wholly responsible for the cost of utilities, services, security, property repairs and maintenance, and any applicable taxes.

The 636 W. Lexington Street property was identified in UMB's Facilities Master Plan as a strategically important site for future development. Terminating the 1983 Ground Lease would enable UMB to join this property with an adjacent site to create a uniquely large, unencumbered assemblage. In contrast, the 635 W. Lexington Street property holds no strategic significance for UMB and is not a site planned for future development.

This transaction will require the approval of the Board of Public Works.

TENANT: American Cancer Society, Inc., Kennesaw, GA 30144
Dr. Karen E. Knudsen, PhD, Chief Executive Officer

ALTERNATIVE: UMB could forgo the new lease with ACS for 635 W. Lexington Street and maintain the 1983 Ground Lease with ACS for 636 W. Lexington Street. However, this would limit UMB's ability to regain control of the 636 Property in the foreseeable future for development consistent with the UMB Facilities Master Plan and its goal of enhancing the northern campus area. UMB would also remain responsible for ongoing costs of utilities, services, security, and maintenance for the 635 Property.

FISCAL IMPACT: While the new lease will not generate significant rent, it requires ACS to assume full responsibility for utilities, services, security, and maintenance costs for the 635 Property, which are currently covered by UMB.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve UMB entering into a new lease with ACS for 635 W. Lexington Street and terminating the existing lease with ACS for 636 W. Lexington Street, as described above, consistent with the University System of Maryland Policy on Acquisition, Disposition and Leasing of Real Property.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

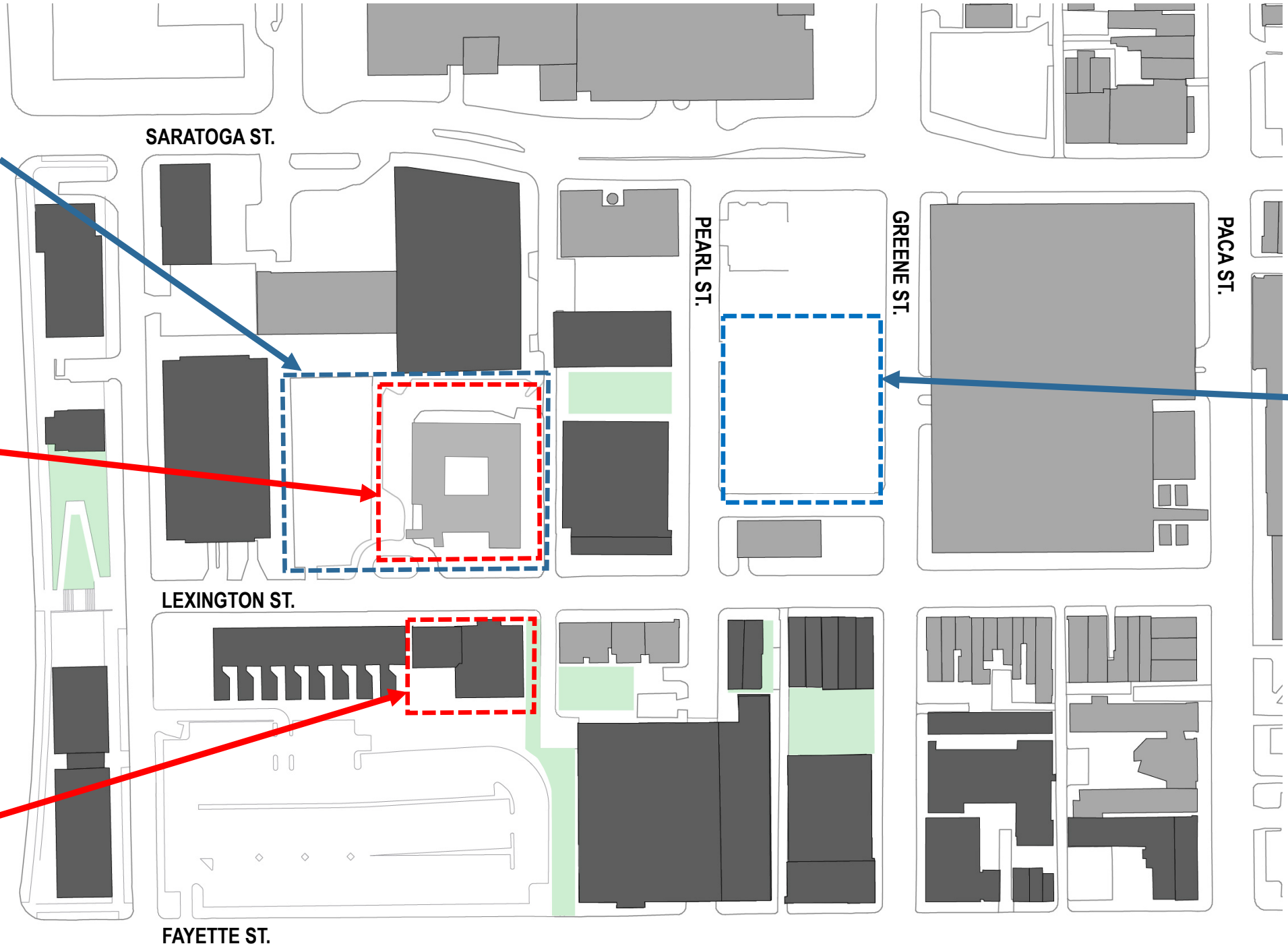
American Cancer Society Lease Swap

Expanded North Campus
Assemblage

Hope Lodge
636 West Lexington St.

Former Ronald
McDonald House
635 West Lexington St.

New UMB
School of Social Work
(Completing Summer 2027)



UMB - EXISTING NON UMB - EXISTING OPEN SPACE

TOPIC: University of Maryland, College Park: Early Renewal and Modification of the Workday Contract

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: December 4, 2024

SUMMARY: The University of Maryland, College Park (UMCP) seeks approval to exercise an early renewal option and modify its contract with Workday, extending it through January 13, 2035. This modification includes up to three additional two-year renewal periods, locking in pricing through 2041.

By way of background, the original award was the result of a competitive solicitation to replace aging systems across UMCP's technology ecosystem, including Human Capital Management, Finance, and Student Systems (ERP tools). The Board of Regents approved the initial five-year contract with Workday on November 13, 2020, with up to three two-year renewal options. With these renewals, the agreement would terminate in 2031, at which point a new contract would be required. The total approved cost was \$53,206,601. Subsequently, UMCP added the Procurement Module in May 2021 for \$444,784 and Strategic Sourcing in January 2024 for \$699,218, as part of the base contract.

The proposed contract adds "Extend Professional," a tool that provides additional functionality allowing UMCP to create custom applications within Workday and improve the integration and data reconciliation with the state payroll, benefits, and accounting systems.

This early renewal and modification of the Workday contract will provide pricing certainty through 2041. Key benefits include a reduction in fees for the remaining years of the contract secured by adding three years, resulting in an overall reduction of \$7.2 million and a net present value (NPV) savings of \$5.5 million.

This request for approval is made pursuant to the University System of Maryland Procurement Policies and Procedures: Section VIII.3.10 for procurements exceeding \$5 million. This item will go to the Board of Public Works, as it was approved by the BPW in 2020 and was presented with the Implementation Partner contract.

VENDOR: Workday, Inc., Pleasanton, CA: CEOs: Carl M. Eschenbach

ALTERNATIVE(S): The University could continue with the current contractual arrangement and exercise options as outlined in the original agreement. However, this approach would result in significantly higher costs than those secured through the early renewal, including a higher price for Extend Professional. Additionally, this approach introduces the risk of a price increase in 2031, which the early renewal would avoid.

FISCAL IMPACT: The early renewal is expected to save UMCP \$7.2 million (or \$5.5 million NPV) compared to the standard renewal for the same 10-year period. The total cost of the 10-year renewal is \$64,309,030, with an NPV of \$50,485,185.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve for the University of Maryland, College Park to modify the Workday contract to exercise the early renewal, and optional contract renewal periods through 2041.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

TOPIC: University of Maryland, College Park: Sole Source Contract for Food Products, Chemical Products and Non-Food Products for Dining Services

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: December 4, 2024

SUMMARY: The University of Maryland, College Park requests approval for a six-month sole-source contract, valued at approximately \$6.5 million, to provide just-in-time delivery of food, chemical, and non-food products essential to Dining Services operations. The contract term spans January 1 to June 30, 2025.

The University conducted a competitive solicitation in December 2023. Following a thorough review of proposals, UMCP selected a new vendor. The incumbent supplier, US Foodservice (US Foods), was not selected as they were the #2 ranked firm for both technical and financial proposals.

Due to timing issues with the completion of the evaluation process in mid-May, expiration of the former US Foods contract on June 30, 2024, and a bid protest that required resolution, an emergency procurement was issued on June 24, 2024 to US Foods for \$4.9 million. The emergency procurement was intended to allow the University to acquire food, chemical, and non-food products required to serve over 19,000 meals per day in residential dining rooms and 8,000 transactions per day in retail dining operations to students, faculty, staff, and guests during the fall semester.

Based on the complexities of contract conversion, and to ensure a seamless transition from one supplier to another, the University has a need to retain US Foods as a supplier while the transition to a new vendor occurs. The transition involves updating systems, changing of product codes for hundreds of products, testing system integrations, and final migration to the new supplier. It is expected this process will take approximately 6 months to complete.

Dining Services spends \$12-\$15 million per year on purchases from this supplier, and the \$6.5 million dollar value is an estimate to ensure continued access to food products during the transition to the new supplier. Rather than extend the prior emergency contract, the University believes it is appropriate to establish a new contract specifically for the transition. This is the justification for the award of a sole-source contract.

US Foods has agreed to extend the pricing provided under the emergency contract for this six-month transition period and an agreed upon delivery schedule.

This request for approval is made pursuant to University System of Maryland Procurement Policies and Procedures, Section VIII.3.10 for procurements exceeding \$5 million. This contract award will not require the approval of the Board of Public Works as it is a commodities contract.

CONTRACTOR: US Foodservice/US Foods, CEO: Andrew Iacobucci (interim)

ALTERNATIVE(S): Possible alternatives include: 1) extending and increasing the dollar amount of the emergency contract to cover the transition period, although the situation is no longer of an emergency nature; or 2) declining to issue a sole-source award to US Foods for the transition, which would disrupt Dining Services' ability to serve students and guests on campus.

FISCAL IMPACT: Estimated spend for the six-month contract period is \$6.5 million. Pricing and mark-ups for the contract term have been negotiated at the same rate as the emergency contract.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve for University of Maryland, College Park the sole-source contract award as described above, for a six-month period at a cost of approximately \$6.5 million.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

TOPIC: USM Sponsored Supplemental Retirement Plans – 403(b) Plan and 457(b) Plan Restatement

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: December 4, 2024

SUMMARY: The USM Sponsored SRA plans, 403(b) and 457(b), are being amended and restated to make certain legally required and discretionary changes under the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019, the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020, and the SECURE 2.0 Act of 2022. These updates also include additional discretionary modifications that enhance plan operation and compliance.

The plan restatements have been prepared by IceMiller, USM's external employee benefits legal counsel, at the request of the Office of the Attorney General. A summary of the principal changes to each plan is provided in the attached letter from IceMiller.

In addition to the plan amendments, IceMiller has drafted revised resolutions to update the composition of the Administrative Committees responsible for overseeing the SRA plans. The proposed resolution expands the committee membership from four to seven members, structured as follows:

Committee Members:

- USM Associate Vice Chancellor for Human Resources, or designee
- USM Director of Human Resources
- One Director of Human Resources from a USM constituent institution, designated by the Senior Vice Chancellor for Administration and Finance
- Up to four additional individuals appointed by the USM Senior Vice Chancellor for Administration and Finance, either by name or position

ALTERNATIVE(S): Due to the mandatory nature of these regulatory amendments, there are no viable alternatives. The amendments ensure continued tax-qualification of the plans; failure to adopt them may risk plan disqualification.

FISCAL IMPACT: The restatement of the SRA plans has no fiscal impact.

CHANCELLOR'S RECOMMENDATION: That the Committee on Finance recommend that the Board of Regents approve the amended and restated plan documents and adopt the resolutions establishing the expanded Administrative Committees for the SRA plans.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

October 29, 2024

WRITER'S DIRECT NUMBER: 317-236-5888
EMAIL: Tara.Sciscoe@icemiller.comgsamuel@usmd.edu

George Samuel
Director of Human Resources
University System of Maryland
3300 Metzert Road
Adelphi, MD 20783

RE: Supplemental Retirement Plan Changes

Dear George:

This letter is to briefly summarize the key changes to the University System of Maryland Supplemental 403(b) Retirement Plan (“403(b) Plan”) and the University System of Maryland Supplemental Deferred Compensation Plan (“457(b) Plan”). The Plans are being amended and restated effective January 1, 2024, except as otherwise stated below, to make certain legally required and discretionary changes under the Setting Every Community Up for Retirement Enhancement (“SECURE”) Act of 2019, the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act of 2020, and the SECURE 2.0 Act of 2022, and to make certain other discretionary changes.

403(b) PLAN AMENDMENTS

The key changes to the 403(b) Plan include the following:

1. **Deferral Elections.** The Plan was amended to remove the requirement that elective deferrals be made in a flat dollar amount to give USM flexibility in the future to allow elections as a percentage of compensation.
2. **Rollovers.** The Plan was amended effective January 1, 2025, to allow terminated participants (in addition to participants who are employees) to make rollover contributions to the Plan. This is an optional amendment to benefit participants who want to consolidate assets at retirement.
3. **Increased Catch-Up Contributions.** The Plan was amended effective January 1, 2025, to permit higher catch-up limits for the years in which a participant attains ages 60, 61, 62, and 63, as permitted under SECURE 2.0.
4. **Higher Earner Catch-Up Contributions.** The Plan was amended effective January 1, 2026, to provide that higher earner participants can make age-based catch-up contributions

to the Plan on a Roth basis only. This change is mandatory under SECURE 2.0 in order to continue to provide age-based catch-up contributions under the Plan.

5. **Correction of Excess Contributions.** The Plan was amended to add an ordering rule for the return of excess contributions in order to facilitate the correction of errors.
6. **Small Account Cash-Outs.** The Plan was amended to increase the dollar limit for mandatory cash-outs to terminated participants from \$5,000 to \$7,000. This is an optional change under SECURE 2.0 that is intended to reduce situations in which participants cannot be located when distributions are required.
7. **Financial Hardships.** The Plan was amended to make several optional changes to the financial hardship provisions under the Plan:
 - The Plan was amended to provide that financial hardship distributions can be taken from both elective deferrals and the earnings on those elective deferrals. This is an optional change under SECURE 2.0 that will benefit participants and reduce administration.
 - The Plan was amended to provide that financial hardship distributions cannot be taken from deselected vendors, which makes compliance easier since deselected vendors are much less likely to provide the information needed to coordinate financial hardship distributions in multi-vendor plans.
 - The Plan was amended to provide that a vendor can rely on self-certification of financial hardship rather than require substantiation, as permitted under SECURE 2.0. This is an optional change under SECURE 2.0 that reduces administrative complexity.
8. **Coronavirus-Related Distributions.** The Plan was amended to address the temporary right to take a coronavirus-related distribution in 2020.
9. **Required Minimum Distributions.** The Plan was amended to make several mandatory changes under SECURE Act, CARES Act, and SECURE 2.0 Act to the required minimum distribution provisions under the Plan:
 - The required beginning date for minimum required distributions was increased from age 72 to 73 effective January 1, 2023, and then from age 73 to 75 effective January 1, 2033.
 - Roth contribution accounts are excluded from the required minimum distribution rules during the participant's lifetime.
 - Distributions can no longer be made over a beneficiary's life expectancy at the death of a participant, unless the beneficiary is a spouse, minor child, not more than 10 years younger than the participant, or disabled or chronically ill.

- The spousal election provisions to be treated as the employee for specified purposes are incorporated into the Plan.
 - The temporary suspension of RMDs for 2020.
10. **Loans.** The Plan was amended to add the temporary increase in the loan amount and the temporary extension of loan repayments for 2020 under the CARES Act.
 11. **Plan-to-Plan Transfers.** The Plan was amended to provide for plan-to-plan transfers to and from the MSRP 403(b) Plan, to memorialize actual operation.

457(b) PLAN AMENDMENTS

The key changes to the 457(b) Plan include the following:

1. **Roth Contributions.** The Plan was amended to reflect that Roth contributions will become effective as soon as administratively practicable after the date approved by the Board, so that the Plan is not required to be amended when Roth contributions become available.
2. **Elimination of First Day of the Month Rule.** The Plan was amended so that effective January 1, 2023, deferrals (and changes to deferrals) will begin as soon as administratively practicable after the Salary Reduction Agreement is returned to USM. This change reflects SECURE 2.0's elimination of the requirement that deferrals become effective no earlier than the first day of the next month.
3. **Rollovers.** The Plan was amended effective January 1, 2025, to allow terminated participants (in addition to participants who are employees) to make rollover contributions to the Plan. This is an optional amendment to benefit participants who want to consolidate assets at retirement.
4. **Increased Catch-Up Contributions.** The Plan was amended effective January 1, 2025, to permit higher catch-up limits for the years in which a participant attains ages 60, 61, 62, and 63, as permitted under SECURE 2.0.
5. **Higher Earner Catch-Up Contributions.** The Plan was amended effective January 1, 2026, to provide that higher earner participants can make age-based catch-up contributions to the Plan on a Roth basis only. This change is mandatory under SECURE 2.0 in order to continue to provide age-based catch-up contributions under the Plan.
6. **Small Account Cash-Outs.** The Plan was amended to increase the dollar limit for mandatory cash-outs to terminated participants from \$5,000 to \$7,000. This is an optional change under SECURE 2.0 that is intended to reduce situations in which participants cannot be located when distributions are required.

7. **Unforeseeable Emergency Distributions.** The Plan was amended to provide that unforeseeable emergency distributions cannot be taken from deselected vendors, which makes compliance easier since deselected vendors are much less likely to provide the information needed to coordinate financial hardship distributions in multi-vendor plans.
8. **Coronavirus-Related Distributions.** The Plan was amended to address the temporary right to take a coronavirus-related distribution in 2020.
9. **Required Minimum Distributions.** The Plan was amended to make several mandatory changes under SECURE Act, CARES Act, and SECURE 2.0 Act to the required minimum distribution provisions under the Plan:
 - The required beginning date for minimum required distributions was increased from age 72 to 73 effective January 1, 2023, and then from age 73 to 75 effective January 1, 2033.
 - Roth contribution accounts are excluded from the required minimum distribution rules during the participant's lifetime.
 - Distributions can no longer be made over a beneficiary's life expectancy at the death of a participant, unless the beneficiary is a spouse, minor child, not more than 10 years younger than the participant, or disabled or chronically ill.
 - The spousal election provisions to be treated as the employee for specified purposes are incorporated into the Plan.
 - The temporary suspension of RMDs for 2020.
10. **Loans.** The Plan was amended to add the temporary increase in the loan amount and the temporary extension of loan repayments for 2020 under the CARES Act.
11. **Plan-to-Plan Transfers.** The Plan was amended to provide for plan-to-plan transfers to and from the MSRP 457(b) Plan, to memorialize actual operation.

Very truly yours,

ICE MILLER LLP

Tara S. Sciscoe

UNIVERSITY SYSTEM OF MARYLAND BOARD OF REGENTS

401(a) PLAN DELEGATION RESOLUTIONS

WHEREAS, the Board of Regents of the University System of Maryland ("Board") adopted the State of Maryland Higher Education Institutions Supplemental 401(a) Matching Plan and Trust ("Plan"), a defined contribution plan established by the State of Maryland under Section 401(a) of the Internal Revenue Code ("Code"), pursuant to Sections 30-401 and 35-701 of the Annotated Code of Maryland;

WHEREAS, the State of Maryland most recently amended and restated the Plan effective January 1, 2016;

WHEREAS, the Board is the fiduciary for the Plan to the extent mandated by law;

WHEREAS, the Board previously established the Plan Administrative Committee ("Committee") and designated the Committee to serve as Administrator of the Plan;

WHEREAS, the Board previously delegated certain powers from the Board to the Administrator; and

WHEREAS, the Board desires to restate the powers delegated to the Administrator.

IT IS THEREFORE RESOLVED:

1. The Committee shall consist of the following persons:
 - (i) University System of Maryland ("USM") Associate Vice Chancellor for Human Resources or designee;
 - (ii) USM Director of Human Resources;
 - (iii) one Director of Human Resources for a constituent institution designated by the Senior Vice Chancellor for Administration and Finance; and
 - (iv) up to four individuals designated by name or position by the USM Senior Vice Chancellor for Administration and Finance.

The USM Director of Human Resources shall serve as chair of this Committee. Committee decisions shall be made by majority vote, and, in the event the members of the Committee are unable to agree on a decision due to a tie in the voting, the chair shall act to break such tie by casting an additional vote.

2. The Board designates the Committee to serve as the Administrator of the Plan; provided, however, that the Board shall retain the sole and absolute authority to amend the Plan and to terminate the Plan.

3. Except as provided herein, the Board delegates to the Administrator all of the powers and duties of Administrator as set forth under the Plan, in addition to and including any other powers and duties that may be assigned to the Administrator under the Plan from time to time, which shall include, but not be limited to, the power to:

(i) control and manage the operation and administration of the Plan and to accept service of legal process;

(ii) make rules and regulations with respect to the Plan not inconsistent with the Plan or the Internal Revenue Code, and to amend or rescind such rules and regulations;

(iii) determine, consistently therewith, all questions of law or fact that may arise as to the eligibility, benefits, status, and rights of any person claiming benefits or rights under the Plan, including without limitation, participants, former participants, surviving spouses of participants, beneficiaries, employees, and former employees;

(iv) direct the service providers to make distributions and/or other payments to participants, their beneficiaries, and other persons as the Administrator may determine pursuant to the terms of the Plan;

(v) subject to and consistent with the Internal Revenue Code and State law, construe and interpret the Plan and to determine all questions of fact or law arising hereunder;

(vi) correct any defects, supply any omissions, or reconcile any inconsistencies in the Plan to such extent as the Administrator deems expedient;

(vii) appoint, or remove and replace, service providers, agents, employees, and others acting on its behalf with respect to the Plan;

(viii) negotiate and execute such contracts and agreements with service providers to permit operation and funding of the Plan in accordance with the terms of the Plan document, the Internal Revenue Code, and State law;

(ix) maintain all records of the Plan and to file all reports and other information that might be required, and to comply with all disclosure requirements;

(x) adopt, review, and revise as needed an investment policy statement for the Plan;

(xi) select, remove and/or replace investment options under the Plan that are available for selection by participants and beneficiaries, including the power to select a default investment option; and

(xii) assess reasonable charges against participant accounts to pay Plan expenses.

The Administrator in its sole discretion may, in turn, delegate one or more of its powers under this delegation of power pursuant to the terms of the Plan.

4. The delegation of powers and duties set forth herein shall continue until revoked or changed by resolution of the Board, even if the Plan is subsequently amended or restated from time to time.

5. The Committee members shall be entitled to indemnification with respect to their responsibilities under this delegation as provided under Sections 30-210.1 and 30-401(e) of the State Personnel and Pensions Article of the Annotated Code of Maryland.

6. The Board further delegates its reserved powers under the Plan to the Finance Committee of the Board, and the Administrator shall make such reports required by the Plan to the Finance Committee of the Board at least annually. Additionally, the Administrator shall report to the Finance Committee of the Board any significant change in the operations of the Plan, including but not limited to: (i) a change in the service providers which are statutorily eligible to serve as providers to the Plan; (ii) selection of a third party to perform administrative duties for the Plan, except as specified in service provider contracts; or (iii) suspected or proven criminal activity or fraud relating to the operation of the Plan or a service provider.

UNIVERSITY SYSTEM OF MARYLAND BOARD OF REGENTS

403(b) PLAN DELEGATION RESOLUTIONS

WHEREAS, the Board of Regents of the University System of Maryland ("Board") adopted the University System of Maryland Supplemental 403(b) Retirement Plan ("Plan"), a defined contribution plan under Section 403(b) of the Internal Revenue Code ("Code"), pursuant to Section 30-401 of the State Personnel and Pensions Article of the Annotated Code of Maryland;

WHEREAS, the Board most recently amended and restated the Plan effective January 1, 2024;

WHEREAS, the Board is the fiduciary for the Plan to the extent mandated by law;

WHEREAS, the Board previously established the Plan Administrative Committee ("Committee") and designated the Committee to serve as Administrator of the Plan;

WHEREAS, the Board previously delegated certain powers from the Board to the Administrator; and

WHEREAS, the Board desires to restate the powers delegated to the Administrator.

IT IS THEREFORE RESOLVED:

1. The Committee shall consist of the following persons:
 - (i) University System of Maryland ("USM") Associate Vice Chancellor for Human Resources or designee;
 - (ii) USM Director of Human Resources;
 - (iii) one Director of Human Resources for a constituent institution designated by the Senior Vice Chancellor for Administration and Finance; and
 - (iv) up to four individuals designated by name or position by the USM Senior Vice Chancellor for Administration and Finance.

The USM Director of Human Resources shall serve as chair of this Committee. Committee decisions shall be made by majority vote, and, in the event the members of the Committee are unable to agree on a decision due to a tie in the voting, the chair shall act to break such tie by casting an additional vote.

2. The Board designates the Committee to serve as the Administrator of the Plan; provided, however, that the Board shall retain the sole and absolute authority to amend the Plan and to terminate the Plan.

3. Except as provided herein, the Board delegates to the Administrator all of the powers

and duties of Administrator as set forth under the Plan, in addition to and including any other powers and duties that may be assigned to the Administrator under the Plan from time to time, which shall include, but not be limited to, the power to:

- (i) control and manage the operation and administration of the Plan and to accept service of legal process;
- (ii) make rules and regulations with respect to the Plan not inconsistent with the Plan or the Internal Revenue Code, and to amend or rescind such rules and regulations;
- (iii) determine, consistently therewith, all questions of law or fact that may arise as to the eligibility, benefits, status, and rights of any person claiming benefits or rights under the Plan, including without limitation, participants, former participants, surviving spouses of participants, beneficiaries, employees, and former employees;
- (iv) direct the service providers to make distributions and/or other payments to participants, their beneficiaries, and other persons as the Administrator may determine pursuant to the terms of the Plan;
- (v) subject to and consistent with the Internal Revenue Code and State law, construe and interpret the Plan and to determine all questions of fact or law arising hereunder;
- (vi) correct any defects, supply any omissions, or reconcile any inconsistencies in the Plan to such extent as the Administrator deems expedient;
- (vii) appoint, or remove and replace, service providers, agents, employees, and others acting on its behalf with respect to the Plan;
- (viii) negotiate and execute such contracts and agreements with service providers to permit operation and funding of the Plan in accordance with the terms of the Plan document, the Internal Revenue Code, and State law;
- (ix) maintain all records of the Plan and to file all reports and other information that might be required, and to comply with all disclosure requirements;
- (x) adopt, review, and revise as needed an investment policy statement for the Plan;
- (xi) select, remove, and/or replace investment options under the Plan that are available for selection by participants and beneficiaries, including the power to select a default investment option; and
- (xii) assess reasonable charges against participant accounts to pay Plan expenses.

The Administrator in its sole discretion may, in turn, delegate one or more of its powers under this delegation of power pursuant to the terms of the Plan.

4. The delegation of powers and duties set forth herein shall continue until revoked or changed by resolution of the Board, even if the Plan is subsequently amended or restated from time to time.

5. The Committee members shall be entitled to indemnification with respect to their responsibilities under this delegation as provided under Sections 30-210.1 and 30-401(e) of the State Personnel and Pensions Article of the Annotated Code of Maryland.

6. The Board further delegates its reserved powers under the Plan to the Finance Committee of the Board, and the Administrator shall make such reports required by the Plan to the Finance Committee of the Board at least annually. Additionally, the Administrator shall report to the Finance Committee of the Board any significant change in the operations of the Plan, including but not limited to: (i) a change in the service providers which are statutorily eligible to serve as providers to the Plan; (ii) selection of a third party to perform administrative duties for the Plan, except as specified in service provider contracts; or (iii) suspected or proven criminal activity or fraud relating to the operation of the Plan or a service provider.

UNIVERSITY SYSTEM OF MARYLAND BOARD OF REGENTS

457(b) PLAN DELEGATION RESOLUTIONS

WHEREAS, the Board of Regents of the University System of Maryland ("Board") adopted the University System of Maryland Deferred Compensation Plan and Trust ("Plan"), an eligible deferred compensation plan under Section 457(b) of the Internal Revenue Code ("Code"), pursuant to Section 30-401 of the State Personnel and Pensions Article of the Annotated Code of Maryland;

WHEREAS, the Board most recently amended and restated the Plan effective January 1, 2024;

WHEREAS, the Board is the fiduciary for the Plan to the extent mandated by law;

WHEREAS, the Board previously established the Plan Administrative Committee ("Committee") and designated the Committee to serve as Administrator of the Plan;

WHEREAS, the Board previously delegated certain powers from the Board to the Administrator; and

WHEREAS, the Board desires to restate the powers delegated to the Administrator.

IT IS THEREFORE RESOLVED:

1. The Committee shall consist of the following persons:
 - (i) University System of Maryland ("USM") Associate Vice Chancellor for Human Resources or designee;
 - (ii) USM Director of Human Resources;
 - (iii) one Director of Human Resources for a constituent institution designated by the Senior Vice Chancellor for Administration and Finance; and
 - (iv) up to four individuals designated by name or position by the USM Senior Vice Chancellor for Administration and Finance.

The USM Director of Human Resources shall serve as chair of this Committee. Committee decisions shall be made by majority vote, and, in the event the members of the Committee are unable to agree on a decision due to a tie in the voting, the chair shall act to break such tie by casting an additional vote.

2. The Board designates the Committee to serve as the Administrator of the Plan; provided, however, that the Board shall retain the sole and absolute authority to amend the Plan and to terminate the Plan.

3. Except as provided herein, the Board delegates to the Administrator all of the powers

and duties of Administrator as set forth under the Plan, in addition to and including any other powers and duties that may be assigned to the Administrator under the Plan from time to time, which shall include, but not be limited to, the power to:

- (i) control and manage the operation and administration of the Plan and to accept service of legal process;
- (ii) make rules and regulations with respect to the Plan not inconsistent with the Plan or the Internal Revenue Code, and to amend or rescind such rules and regulations;
- (iii) determine, consistently therewith, all questions of law or fact that may arise as to the eligibility, benefits, status, and rights of any person claiming benefits or rights under the Plan, including without limitation, participants, former participants, surviving spouses of participants, beneficiaries, employees, and former employees;
- (iv) direct the service providers to make distributions and/or other payments to participants, their beneficiaries, and other persons as the Administrator may determine pursuant to the terms of the Plan;
- (v) subject to and consistent with the Internal Revenue Code and State law, construe and interpret the Plan and to determine all questions of fact or law arising hereunder;
- (vi) correct any defects, supply any omissions, or reconcile any inconsistencies in the Plan to such extent as the Administrator deems expedient;
- (vii) appoint, or remove and replace, service providers, agents, employees, and others acting on its behalf with respect to the Plan;
- (viii) negotiate and execute such contracts and agreements with service providers to permit operation and funding of the Plan in accordance with the terms of the Plan document, the Internal Revenue Code, and State law;
- (ix) maintain all records of the Plan and to file all reports and other information that might be required, and to comply with all disclosure requirements;
- (x) adopt, review, and revise as needed an investment policy statement for the Plan;
- (xi) select, remove, and/or replace investment options under the Plan that are available for selection by participants and beneficiaries, including the power to select a default investment option; and
- (xii) assess reasonable charges against participant accounts to pay Plan expenses.

The Administrator in its sole discretion may, in turn, delegate one or more of its powers under this delegation of power pursuant to the terms of the Plan.

4. The delegation of powers and duties set forth herein shall continue until revoked or changed by resolution of the Board, even if the Plan is subsequently amended or restated from time to time.

5. The Committee members shall be entitled to indemnification with respect to their responsibilities under this delegation as provided under Sections 30-210.1 and 30-401(e) of the State Personnel and Pensions Article of the Annotated Code of Maryland.

6. The Board further delegates its reserved powers under the Plan to the Finance Committee of the Board, and the Administrator shall make such reports required by the Plan to the Finance Committee of the Board at least annually. Additionally, the Administrator shall report to the Finance Committee of the Board any significant change in the operations of the Plan, including but not limited to: (i) a change in the service providers which are statutorily eligible to serve as providers to the Plan; (ii) selection of a third party to perform administrative duties for the Plan, except as specified in service provider contracts; or (iii) suspected or proven criminal activity or fraud relating to the operation of the Plan or a service provider.

**UNIVERSITY SYSTEM OF MARYLAND
SUPPLEMENTAL 403(b) RETIREMENT PLAN**

Amended and Restated Effective January 1, 2024

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**UNIVERSITY SYSTEM OF MARYLAND
SUPPLEMENTAL 403(b) RETIREMENT PLAN**

**ARTICLE I.
ESTABLISHMENT AND RESTATEMENT OF PLAN**

Section 1.01. Plan Establishment and History.

(a) The University System of Maryland is a public university system established under Maryland law and an educational organization described in Section 170(b)(1)(A)(ii) of the Internal Revenue Code of 1986, as amended ("Code"). The Board of Regents of the University System of Maryland ("Board") established the University System of Maryland Supplemental 403(b) Retirement Plan ("Plan") pursuant to Code Section 403(b) and Section 30-401 of the State Personnel and Pensions Article of the Annotated Code of Maryland, to provide eligible employees the opportunity to supplement their retirement benefits through voluntary contributions.

(b) The Plan is, and is intended to remain, a defined contribution plan under Code Section 403(b). The Plan is a governmental plan within the meaning of Code Section 414(d) and Section 3(32) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). As a governmental plan, ERISA does not apply.

(c) The Plan was most recently amended and restated effective January 1, 2020.

Section 1.02. Plan Restatement.

(a) The Plan is now being amended and restated effective January 1, 2024, except as otherwise specifically provided herein, to make certain required and discretionary changes.

(b) Except as otherwise specifically provided herein, the Plan as hereinafter set forth establishes the rights and obligations with respect to individuals who are Employees on and after January 1, 2024, and to transactions under the Plan on and after January 1, 2024. The rights and benefits, if any, of individuals who are not Employees on or after January 1, 2024, shall be determined in accordance with the terms and provisions of the Plan that were in effect on the date of their Severance from Employment, except as otherwise specifically provided herein or in a subsequent amendment.

Section 1.03. Plan Funding. The Plan is funded exclusively through the purchase of Investment Arrangements in accordance with the requirements of the Code. The terms and conditions of the Investment Arrangements shall be incorporated into this Plan; provided, however, that to the extent that there is any conflict between the terms of the Investment Arrangements and the terms of the Plan, the terms of the Plan shall govern, except as otherwise specifically provided herein.

ARTICLE II.
RULES OF CONSTRUCTION AND DEFINITIONS

Section 2.01. Rules of Construction and Governing Law.

(a) This Plan shall be interpreted, enforced, and administered in accordance with the Code and, when not inconsistent with the Code, or expressly provided otherwise herein, the laws of the State of Maryland without regard to conflict of law principles.

(b) Words used herein in the masculine gender shall be construed to include the feminine gender where appropriate, and *vice versa*, and words used herein in the singular or plural shall be construed as being in the plural or singular, where appropriate, and *vice versa*.

(c) The headings and subheadings in the Plan are inserted for convenience of reference only and are not to be considered in the construction of any provision of the Plan.

(d) If any provision of the Plan shall be held to violate the Code or be illegal or invalid for any other reason, that provision shall be deemed to be null and void, but the invalidation of that provision shall not otherwise impair or affect the Plan.

(e) In resolving any conflict between provisions of the Plan and in resolving any other uncertainty as to the meaning or intention of any provision of the Plan, the interpretation that causes the Plan to (i) constitute a defined contribution plan under the provisions of Code Section 403(b), (ii) be a governmental plan as defined in ERISA Section 3(32) and Code Section 414(d), and (iii) comply with all applicable requirements of the Code, shall prevail over any different interpretation.

Section 2.02. Definitions. When the initial letter of a word or phrase is capitalized herein, the meaning of such word or phrase shall be as follows:

(a) "Account" means the separate accounts maintained for each Participant and Beneficiary under the Plan. The following Accounts shall be established for a Participant or Beneficiary, if applicable:

(1) A Pre-Tax Contribution Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to Pre-Tax Contributions pursuant to Section 4.01. Such Account may be further divided into a pre-1987 Pre-Tax Contribution Account reflecting Pre-Tax Contributions made to the Plan prior to 1987 and a post-1986 Pre-Tax Contribution Account reflecting Pre-Tax Contributions made to the Plan after 1986, including any earnings on the Pre-1987 Pre-Tax Contributions.

(2) A Roth Contribution Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to Roth Contributions pursuant to Section 4.01.

(3) A Post-Severance Employer Contribution Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to Post-Severance Employer Contributions, if any, pursuant to Section 4.02.

(4) A Rollover Contribution Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to Rollover Contributions pursuant to Section 4.03.

(5) A Transfer Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to plan-to-plan transfers pursuant to Section 12.01.

(b) "Administrator" means the Administrative Committee as designated by the Board, or such other person, persons, or entity designated by the Board, to perform the administrative duties and functions under the Plan.

(c) "Allocable Income" means the sum of the allocable gain or loss for the year or partial year determined in accordance with Code Section 402(g) and the regulations promulgated thereunder.

(d) "Annual Addition" means annual addition as defined in Code Section 415(c) and as modified in Code Sections 415(l)(1) and 419A(d)(2). In general, Code Section 415(c) defines annual addition as the sum of the following amounts credited to a Participant's Account for the Limitation Year under this Plan and to a Participant's account under any other Code Section 401(a) defined contribution plan maintained by the Employer (or, if required by Code Section 415 and the regulations thereunder, to any other defined contribution plan):

(1) employee contributions;

(2) employer contributions;

(3) forfeitures;

(4) allocations under a simplified employee pension;

(5) amounts allocated to an individual medical account, as defined in Code Section 415(l)(2), which is part of a pension or annuity plan maintained by the Employer or a Related Employer, or both, as applicable; and

(6) mandatory employee contributions to a defined benefit plan maintained by the Employer, unless the contributions are picked up by the Employer pursuant to Code Section 414(h)(2).

Annual Additions shall not include (i) elective deferrals made by a Participant who is age 50 or older in accordance with Code Section 414(v), (ii) excess elective deferrals distributed in accordance with Treasury Regulation Section 1.402(g)-1(e)(2), (iii) rollover contributions, or (iv) transfer contributions.

(e) "Annuity Contract" means a nontransferable contract as defined in Code Sections 403(b)(1) and 401(g), established for Participants by the Employer, or by each Participant individually, that is issued by a Vendor who is an insurance company qualified to issue annuities in a state and that includes payment in the form of an annuity.

(f) "Applicable Form" means the appropriate form as designated and furnished by the Administrator or Vendor to make an election or provide a notice as required by the Plan. If a written election or consent is not specifically required by the Code, the Administrator or Vendor may prescribe a verbal, electronic, or telephonic form in lieu of or in addition to a written form.

(g) "Beneficiary" means the person, company, trustee, or estate designated by the Participant on the Applicable Form to receive any benefits payable under the Plan in the event of the Participant's death. A designation of an individual as a Beneficiary shall remain in effect until affirmatively revoked by the Participant on a subsequent Applicable Form and, unless otherwise provided in the applicable Investment Arrangement, if no designated Beneficiary survives the Participant or there is no Beneficiary designated, the Participant's surviving Spouse shall be the Beneficiary or, if there is no surviving Spouse, the Participant's estate shall be the Beneficiary. Beneficiary also means an alternate payee within the meaning of Code Section 414(p)(8).

(h) "Board" means the Board of Regents of the University System of Maryland.

(i) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(j) "Compensation" means all cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, which is includible in the Employee's gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under Code Section 125, 132(f), 401(k), 403(b), or 457(b) (including an election to reduce compensation in order to make Elective Deferrals under the Plan). Compensation does not include amounts "picked up" by the Employer within the meaning of Code Section 414(h). Compensation includes any compensation described in paragraph (1) or (2), provided it is paid by the later of 2½ months after the Employee's Severance from Employment with the Employer or the end of the calendar year in which the Employee has a Severance from Employment with the Employer:

(1) any payment that would have been paid to the Employee prior to a Severance from Employment if the Employee continued in employment with the Employer and that is regular compensation for services during the Employee's regular working hours, compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and

(2) a payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued and the payment would be Compensation if paid prior to the Employee's Severance from Employment, and only if the Employee separately elects for such payment to be reduced on his or her Salary Reduction Agreement pursuant to Section 4.01.

Notwithstanding the above, to the extent applicable, Compensation shall not exceed the limits under Code Section 401(a)(17), as increased for the Cost of Living Adjustment for the Plan Year. Any payment that is not described in paragraph (1) or (2) above is not considered

Compensation if paid after Severance from Employment. Thus, for example, Compensation does not include amounts paid after Severance from Employment that are severance pay or unfunded nonqualified deferred compensation.

(k) "Contributions" mean Pre-Tax Contributions, Roth Contributions, Post-Severance Employer Contributions, Rollover Contributions, and plan-to-plan transfers.

(l) "Coronavirus-Related Distribution" means a distribution made on or after April 6, 2020 (or as soon as administratively practicable after April 6, 2020), but before December 31, 2020, to a Qualified Individual in accordance with Section 8.04.

(m) "Cost of Living Adjustment" means the cost of living adjustment prescribed by the Secretary of the Treasury under Code Section 401(a)(17), 402(g), 414(v), or 415(d) for any applicable year.

(n) "Custodial Account" means the group or individual custodial account or accounts, as defined in Code Section 403(b)(7), established by the Administrator, or by each Participant individually, with a Vendor to hold assets of the Plan.

(o) "Designated Beneficiary" means an individual Beneficiary within the meaning of Code Section 401(a)(9)(E)(i).

(p) "Disabled" means disabled within the meaning of Code Section 72(m)(7).

(q) "Elective Deferral" means Pre-Tax Contributions, Roth Contributions, and any other elective deferral as defined by Code Section 402(g)(3).

(r) "Eligible Designated Beneficiary" means a Designated Beneficiary who meets the additional criteria under Code Section 401(a)(9)(E)(ii).

(s) "Employee" means a common law employee of the Employer, other than non-resident aliens with no U.S. source income or students performing services described in Code Section 3121(b)(10). Employee shall not include an employee unless his or her Compensation for performing services is paid by the Employer.

(t) "Employer" means one of the following Public Schools:

- (1) the University System of Maryland Office;
- (2) Bowie State University;
- (3) Coppin State University;
- (4) Frostburg State University;
- (5) Salisbury University;
- (6) Towson University;

- (7) University of Baltimore;
- (8) University of Maryland, Baltimore;
- (9) University of Maryland, Baltimore County;
- (10) University of Maryland, College Park;
- (11) University of Maryland, Eastern Shore;
- (12) University of Maryland University College;
- (13) University of Maryland Biotechnology Institute;
- (14) University System of Maryland Center for Environmental Science; and

(15) any other center, component, or institute established and operated by the University System of Maryland in accordance with its mission pursuant to Section 12-101 of the Annotated Code of Maryland (1978, 2006 Repl. Vol.).

(u) "Excess Annual Additions" mean, except as provided in Code Section 414(v), that portion of a Participant's Contributions to the Plan and contributions to another qualified defined contribution plan sponsored by the Employer (or, if required by Code Section 415 and the regulations thereunder, to any other defined contribution plan) for a Limitation Year which exceeds the limits of Code Section 415.

(v) "Excess Elective Deferrals" mean, except as provided in Code Section 414(v), that portion of a Participant's Pre-Tax Contributions and/or Roth Contributions to the Plan and Elective Deferrals to any other 403(b) or 401(k) plan maintained by the Employer or a Related Employer for a Plan Year which exceeds the limits of Code Section 402(g).

(w) "Financial Hardship Distribution" means a distribution made in accordance with Section 8.03 to a Participant on account of an immediate and heavy financial need.

(x) "Former Vendor" means a service provider that was an approved Vendor under the Plan, but that ceases to be an approved Vendor under the Plan, that continues to hold Plan assets. Notwithstanding the preceding, a Former Vendor shall not include a service provider that ceased to be eligible to receive contributions under the Plan prior to January 1, 2005.

(y) "HEART" means the Heroes Earnings Assistance and Relief Tax Act of 2008, as amended from time to time.

(z) "Includible Compensation" means all compensation received by an Employee from the Employer that is includible in his or her gross income for federal income tax purposes (computed without regard to Code Section 911) for the most recent period that is a Year of Service which precedes the taxable year by no more than five years within the meaning of Code Section 403(b)(3). Includible Compensation also includes any amounts excludable from taxable income because of an election (including Elective Deferrals under the Plan) under Code Sections

403(b), 457(b), 125, 401(k), or 132(f). Includible Compensation includes compensation paid by 2½ months after the later of an Employee's Severance from Employment or the end of the Limitation Year that includes the date of the Employee's Severance from Employment, if:

(1) the payment is regular compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (e.g., overtime or shift differential), commissions, bonuses, or other similar payments and the payment would have been paid to the Employee prior to a Severance from Employment if the Employee had continued in employment with the Employer;

(2) the payment is for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if the Employee had continued in employment; or

(3) the payment is made to the Employee under a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment with the Employer and only to the extent that the payment is includible in the Employee's gross income.

Includible Compensation does not include any amounts "picked up" by the Employer within the meaning of Code Section 414(h). Includible Compensation is determined without regard to any community property laws. To the extent applicable, Includible Compensation shall not exceed the limits under Code Section 401(a)(17), increased for the Cost of Living Adjustment in effect for the Plan Year.

(aa) "Investment Arrangement" means an Annuity Contract or Custodial Account that satisfies the requirements of Treasury Regulation Section 1.403(b)-3 and that is issued or established for funding amounts held under the Plan and specifically approved by the Administrator for use under the Plan.

(bb) "Investment Options" mean the investment funds available under the Investment Arrangements provided by the Vendor(s) and specifically approved by the Administrator, in its sole and absolute discretion, for use under this Plan.

(cc) "Limitation Year" means the Plan Year; provided, however, that if the Participant is in control of an employer within the meaning of Treasury Regulation Section 1.415(a)-1(f), the Limitation Year is the limitation year of that employer.

(dd) "Participant" means any Employee who is or may become eligible to receive a benefit of any type under the Plan. A Participant shall also mean, when appropriate to the context, a former Employee who is eligible to receive a benefit of any type under the Plan.

(ee) "Plan" means the University System of Maryland Supplemental 403(b) Retirement Plan, as amended from time to time.

(ff) "Plan Year" means the calendar year.

(gg) "Post-Severance Employer Contribution" means Employer contributions made to the Plan on behalf of a Participant in connection with the Participant's Severance from Employment as determined in the sole and absolute discretion of the Board or its delegate pursuant to Section 4.02.

(hh) "Pre-Tax Contribution" means a contribution made to the Plan by the Employer at the election of a Participant pursuant to a Salary Reduction Agreement in accordance with Section 4.01.

(ii) "Public School" means a State sponsored educational organization described in Code Section 170(b)(1)(A)(ii).

(jj) "Qualified Distribution" means a distribution from a Roth Contribution Account after the Participant has satisfied a five year holding period and has attained age 59½, died, or become Disabled, in accordance with Code Section 402A(d). The five year holding period is the period of five consecutive taxable years that begins with the first day of the first taxable year in which the Participant makes a designated Roth Contribution under the Plan or to another retirement plan which amount was directly rolled over to the Plan, and ends when five consecutive taxable years have been completed.

(kk) "Qualified Individual" means a Participant:

(1) who is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention;

(2) whose Spouse or dependent (as defined in Code Section 152) is diagnosed with such virus or disease by such a test; or

(3) who experiences adverse financial consequences as a result of:

(i) the Participant, the Participant's Spouse, or a member of the Participant's household (i) being quarantined, (ii) being furloughed or laid off or having work hours reduced due to such virus or disease, (iii) being unable to work due to lack of child care due to such virus or disease, (iv) having a reduction in pay (or self-employment income) due to such virus or disease, or (v) having a job offer rescinded or start date for a job delayed due to such virus or disease;

(ii) closing or reducing hours of a business owned or operated by the Participant, the Participant's Spouse, or a member of the Participant's household due to such virus or disease; or

(iii) other factors as determined by the Secretary of the Treasury (or the Secretary's delegate).

For purposes of this paragraph (kk), a member of the Participant's household means someone who shares the Participant's principal residence.

(ll) "Related Employer" means any entity which is under common control with the Employer under Code Section 414(b), (c), (m), or (o). 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 IRS Notice 89-23, 1989-1 C.B. 654.

(mm) "Rollover Contribution" means an amount contributed to the Plan pursuant to Section 4.03.

(nn) "Roth Contribution" means a contribution made to the Plan by the Employer at the election of a Participant pursuant to a Salary Reduction Agreement in accordance with Section 4.01, where the contribution has been (i) designated irrevocably by the Participant as a Roth Contribution being made in lieu of all or a portion of the Pre-Tax Contribution the Participant is otherwise eligible to make under the Plan, and (ii) treated by the Employer as includible in the Participant's gross income at the time the Participant would have received that amount in cash if the Participant had not made such an election.

(oo) "Salary Reduction Agreement" means an agreement entered into between an Employee and the Employer pursuant to Section 4.01, which may be in electronic or written form. Such agreement shall not be effective with respect to Compensation made available prior to the effective date of such agreement and shall be binding on the parties and irrevocable with respect to Compensation earned while it is in effect.

(pp) "Section" means, when not preceded by the word Code or ERISA, a section of the Plan.

(qq) "Severance from Employment" means the complete termination of the employment relationship between the Employee and the Employer and any Related Employer. However, a Severance from Employment also occurs on any date on which an Employee ceases to be an employee of an Employer or a Related Employer that is a Public School, even though the Employee may continue to be employed by a Related Employer that is another unit of the State or local government that is not a Public School or in a capacity that is not employment with a Public School (*e.g.*, ceasing to be an employee performing services for a Public School but continuing to work for the same State or local government employer).

(rr) "Spouse" means the person to whom a Participant is married under federal law.

(ss) "State" means the State of Maryland acting through the Employer which has offered this Plan to its Employees.

(tt) "USERRA" means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended from time to time.

(uu) "Vendor" means the service provider that has been approved by the Administrator to serve as third party administrator and/or recordkeeper for the Plan and/or to offer Investment Options to Participants under the Plan. The Vendor(s) are listed in Appendix A, as modified from time to time in the Administrator's sole and absolute discretion. A modification of Appendix A is not an amendment of the Plan.

(vv) "Vested" means the interest of the Participant or Beneficiary in his or her Account that is unconditional, legally enforceable, and nonforfeitable.

(ww) "Year of Service" means each year during which the Employee is a full-time Employee of the Employer for the entire work period, and a fraction of a year for each part of a work period during which the Employee is a full-time or part-time Employee of the Employer, determined in accordance with the rules under Treasury Regulation Section 1.403(b)-4(e).

ARTICLE III. **PARTICIPATION**

Section 3.01. **Participation.** An Employee may become a Participant in the Plan immediately after commencement of employment with the Employer. Participation in the Plan is voluntary.

Section 3.02. **Notice and Enrollment.**

(a) The Employer shall notify an Employee when he or she is eligible to participate in the Plan for purposes of Elective Deferrals.

(b) An Employee must complete the enrollment process and make investment elections with the Vendor on the Applicable Form, including a Salary Reduction Agreement for purposes of Elective Deferrals, to become a Participant in the Plan. An Employee who fails to complete the enrollment process and make investment elections with the Vendor on the Applicable Form shall be deemed to have waived all of his or her rights under the Plan, provided that such Employee may become a Participant in the Plan at any time thereafter by completing the enrollment process and making investment elections with the Vendor on the Applicable Form.

Section 3.03. **Cessation of Contributions.** A Participant shall cease to be eligible for Contributions under the Plan when he or she is no longer an Employee.

Section 3.04. **Cessation of Participation.** A Participant shall cease to be a Participant on the distribution of his or her entire interest in the Plan.

Section 3.05. **Reemployment.** A former Participant who is reemployed by the Employer shall immediately become a Participant in this Plan as of his or her date of rehire as an Employee.

ARTICLE IV. **CONTRIBUTIONS**

Section 4.01. **Elective Deferrals.**

(a) Subject to the limitations under Article V, an Employee who has satisfied the participation requirements under Section 3.01 may enter into a written Salary Reduction Agreement with the Employer agreeing to contribute each pay period Pre-Tax Contributions and/or Roth Contributions to the Plan.

(b) Pre-Tax Contributions and Roth Contributions shall begin as soon as administratively practicable following the date specified in the Salary Reduction Agreement, or, if later or if no date is specified, as soon as administratively practicable after the Salary Reduction Agreement is filed with the Administrator or the Vendor, as applicable.

(c) Pre-Tax Contributions and/or Roth Contributions shall reduce the Compensation otherwise payable to a Participant and shall be paid in cash to the Vendor by the Employer, on a basis consistent with its payroll practices, as soon as administratively feasible after being withheld from the Compensation of a Participant, but no later than 15 business days following the end of the month in which such amount is withheld from the Compensation of the Participant.

(d) If the Participant fails to designate whether Elective Deferrals are Pre-Tax Contributions or Roth Contributions, the Participant will be deemed to have designated his or her Elective Deferrals as Pre-Tax Contributions. Pre-Tax Contributions shall be allocated to the Pre-Tax Contribution Account of the Participant as of the date of contribution. Roth Contributions shall be allocated to the Roth Contribution Account of the Participant as of the date of contribution.

(e) A Salary Reduction Agreement shall remain in effect until superseded by another election or until the Administrator requires a Participant to complete a new Salary Reduction Agreement on a uniform and nondiscriminatory basis.

(1) A Participant may change his or her election to make Pre-Tax Contributions and/or Roth Contributions at any time by filing a new Salary Reduction Agreement with the Administrator or the Vendor, as applicable. Any such changes shall be effective as soon as administratively practicable following the date specified in the new Salary Reduction Agreement, or, if later, as soon as administratively practicable after the Salary Reduction Agreement is filed.

(2) A Participant may terminate his or her election to make Pre-Tax Contributions and/or Roth Contributions at any time by filing the Applicable Form with the Administrator or the Vendor, as applicable, which shall be effective as soon as administratively practicable after the Applicable Form is filed.

(f) An election to make Pre-Tax Contributions and/or Roth Contributions shall not be valid with respect to any period during which the Participant is not an Employee. No election to make, change, or discontinue Pre-Tax Contributions and/or Roth Contributions shall be given retroactive effect.

(g) The Administrator may establish additional nondiscriminatory rules and procedures governing the manner and timing of elections by Participants to make, change, or discontinue Pre-Tax Contributions and/or Roth Contributions.

Section 4.02. Post-Severance Employer Contributions. The Employer may make Post-Severance Employer Contributions to the Plan in an amount and for such Employee or Employees as determined by the Board or its delegate in its sole and absolute discretion each Plan Year. Post-Severance Employer Contributions shall be allocated to the Post-Severance

Employer Contribution Account of the Participant as of the date of the contribution, and shall be made in accordance with Code Section 403(b)(3) and Treasury Regulation Section 1.403(b)-4(d).

Section 4.03. Rollover Contributions to the Plan.

(a) Subject to the Investment Arrangements, Participants (prior to January 1, 2025, Participants who are Employees only) may transfer to the Plan as a Rollover Contribution a distribution from a Code Section 401(a) (including 401(k)) or 403(a) qualified plan (excluding after-tax contributions), a Code Section 403(b) plan (excluding after-tax contributions), a Code Section 408 individual retirement account or annuity, a SIMPLE IRA described in Code Section 408(p)(1) provided that the Rollover Contribution is made after the two year period described in Code Section 72(t)(6), or a Code Section 457(b) eligible deferred compensation plan which is maintained by an eligible employer described in Code Section 457(e)(1)(A). Any Rollover Contribution (i) shall be subject to the Vendor's determination, in its discretion, that the Rollover Contribution satisfies all applicable requirements of the Code and (ii) shall be made directly from such prior plan, or if such amount was distributed to the Participant, such Rollover Contribution shall be made within 60 days after the Participant receives the rollover amount, unless the 60 day deadline is waived under Code Section 402(c)(3)(B) or a later deadline is established under Internal Revenue Service guidance.

(b) The Plan shall accept a Rollover Contribution of Roth amounts only if it is a direct rollover from a designated Roth account under an applicable retirement plan described in Code Section 402A(e)(1) and only to the extent the rollover is permitted under the rules of Code Section 402(c). A Rollover Contribution that includes a designated Roth account shall only be accepted if the Administrator obtains information regarding the Participant's tax basis under Code Section 72 in the amount rolled over and the first day of the Participant's taxable year in which the Participant first had Roth contributions made to such other designated Roth account.

(c) A Rollover Contribution shall be allocated to the Rollover Contribution Account of the Participant as of the date of the contribution. A Rollover Contribution from a designated Roth account shall be allocated to a subaccount of the Participant's Rollover Contribution Account holding Roth Rollover Contributions as of the date of the contribution. Before a Rollover Contribution is made, the Participant shall designate on the Applicable Form the Investment Options in which the Vendor should invest the Participant's Rollover Contribution.

Section 4.04. In-Plan Roth Rollovers.

(a) Any portion or all of a Participant's Vested Account (other than a Roth Contribution Account or a subaccount of the Participant's Rollover Contribution Account holding Roth Rollover Contributions and earnings thereon) is eligible for direct rollover to the Participant's Roth Contribution Account under the Plan, even if the Vested Account is not otherwise distributable (pursuant to Code Section 402A(c)(4)(E)) under Article VIII of the Plan, and the transfer shall be treated as a qualified rollover contribution (within the meaning of Code Section 408A(e)) to the Participant's Roth Contribution Account.

(b) A Participant's election under this Section 4.04 shall be subject to the reasonable administrative procedures established by the Administrator, Code Section 402A(c)(4) and the regulations thereunder, and subsequent guidance from the Internal Revenue Service.

(c) The taxable portion of the Participant's Account directly rolled over to a Roth Contribution Account under this Section 4.04 shall be included in the Participant's gross income in the tax year in which the transfer occurs.

(d) To the extent required by Code Section 402(f), the Administrator shall provide written information regarding in-Plan Roth rollovers under this Section 4.04, for amounts that are otherwise distributable under Article VIII.

Section 4.05. Leave of Absence. During a paid leave of absence, Pre-Tax Contributions and/or Roth Contributions shall continue to be made for a Participant on the basis of Compensation paid by the Employer during the leave. No Contributions shall be made during an unpaid leave of absence.

Section 4.06. Plan Expenses. All reasonable expenses of administering the Plan shall be charged against and paid from the Participant's Accounts, subject to the terms of the applicable Investment Arrangements, unless paid by the Employer. The Administrator shall have the right to allocate expenses associated with maintaining the Accounts of terminated Employees to such Accounts, even if no expenses are allocated to the Accounts of active Employees, in accordance with rules promulgated by the Internal Revenue Service.

ARTICLE V. **LIMITATIONS ON CONTRIBUTIONS**

Section 5.01. Elective Deferral Limits.

(a) The maximum amount of Elective Deferrals to the Plan for any calendar year shall be limited to the applicable dollar amount as provided in Code Section 402(g)(B)(1), increased by the Cost of Living Adjustment in effect for such calendar year.

(b) A Participant who will attain age 50 or more by the end of the calendar year, and who is contributing up to the applicable dollar amount under paragraph (a), may make additional Elective Deferrals up to the applicable dollar amount under Code Section 414(v), as increased by the Cost of Living Adjustment in effect for such calendar year. Effective January 1, 2025, the adjusted dollar amount under Code Section 414(v)(2)(E), as increased by the Cost of Living Adjustment in effect for such calendar year, shall apply to Participants who will attain age 60 but will not attain age 64 by the end of the calendar year.

(c) Effective January 1, 2026, or such later effective date determined by the Secretary of the Treasury through guidance and subject to such guidance, with respect to a Participant whose wages within the meaning of Code Section 3121(a) for the preceding calendar year from the Employer exceed the limitation under Code Section 414(v)(7)(A), paragraph (b) shall apply only if the Participant elects or is deemed to have elected the additional amount of Elective Deferrals to be made as Roth Contributions. The wage limitation under this paragraph (c) shall be adjusted for the Cost of Living Adjustment in effect for such calendar year.

(d) The special catch-up under Code Section 402(g)(7) shall not apply.

Section 5.02. Excess Elective Deferrals. Excess Elective Deferrals resulting from Elective Deferrals made on behalf of the Participant to this Plan and to any other 403(b) or 401(k) plan maintained by the Employer or a Related Employer (or, to the extent timely requested by the Participant, to any other 403(b) or 401(k) plan maintained by any other employer) shall be distributed along with Allocable Income to the Participant no later than the April 15th following the calendar year in which the Excess Elective Deferral was made. Such distributions shall be made in accordance with the rules under Code Section 402(g) and the regulations thereunder.

Section 5.03. Code Section 415 Limits.

(a) Notwithstanding any provision of the Plan to the contrary, Annual Additions to the Plan and any other Code Section 403(b) plan maintained by the Employer or a Related Employer (or, if required by Code Section 415 and the regulations thereunder, to any other defined contribution plan) for a Participant in a Limitation Year shall not exceed the limitations set forth in Code Section 415(c), except to the extent permitted under Code Section 414(v).

(b) The Code Section 415(c) limit for any Limitation Year is the lesser of:

(1) The dollar amount under Code Section 415(c)(1)(A), increased by the Cost of Living Adjustment in effect for such calendar year; or

(2) 100% of the Participant's Includible Compensation.

Section 5.04. Excess Annual Additions.

(a) If as of the end of the Plan Year, the Annual Additions allocated to any Participant's Account exceed the limitations of this Article V, the Excess Annual Additions shall be corrected as permitted under the Employee Plans Compliance Resolution System (or similar Internal Revenue Service correction program).

(b) In any Plan Year in which there are Excess Annual Additions, an adjustment to comply with this Article V shall be made as soon as administratively practicable, but no later than the time permitted under the Internal Revenue Code: (i) first, to any plan maintained by the Participant or another employer that is required to be aggregated under Code Section 415(c) with the Plan; (ii) second, to any plan that is required to be aggregated with this Plan not described in (iv); (iii) third, to the Plan; and (iv) fourth, to the State of Maryland Optional Retirement Plan.

ARTICLE VI.
ACCOUNTING

Section 6.01. Participant Accounts. The Vendor(s) shall establish and maintain adequate records to reflect the Accounts of each Participant and Beneficiary. Credits and charges shall be made to such Accounts to reflect additions, distributions, and withdrawals, and to reflect gains or losses pursuant to the terms of each Investment Arrangement. The

maintenance of individual Accounts is for accounting purposes only, and a segregation of Plan assets to each Account shall not be required.

Section 6.02. Participant Statements. The Vendor(s) shall provide to each Participant a quarterly statement reflecting the value of the Participant's Account as of the end of each quarter, and shall provide similar information to the Administrator upon its request.

Section 6.03. Value of Account. The value of the Account of a Participant as of any valuation date is the value of the Account balance as determined by the Vendor. The valuation date shall be the last day of the Plan Year and each other date designated by the Administrator or Vendor in a uniform and nondiscriminatory manner. All transactions and Account records shall be based on fair market value.

ARTICLE VII. **INVESTMENT OF ACCOUNTS**

Section 7.01. Vendors and Investment Options.

(a) All Contributions under the Plan shall be transferred to the Vendor(s) to be held, managed, invested and distributed in accordance with the provisions of the Plan and the Investment Arrangements as applicable. All benefits under the Plan shall be distributed solely from the Investment Arrangements, and the Employer shall have no liability for any such benefits other than the obligation to make Contributions as provided in the Plan.

(b) Participants' Accounts shall be invested in one or more of the Investment Options available to Participants under this Plan, as selected by the Administrator and communicated to Participants. The Administrator's current selection of Vendor(s) and Investment Options is not intended to limit future additions or deletions of Vendor(s) or Investment Options.

(c) A Participant shall have the right to direct the investment of his or her Accounts by filing the Applicable Form with the Vendor(s). A Participant may change his or her investment election as often as determined by the Vendor(s). A Participant may elect to transfer all or any portion of his or her Accounts invested in any one Investment Option to another Investment Option, regardless of whether offered by the same or a different Vendor, subject to the limitations of the Investment Arrangements, by filing a request on the Applicable Form with the Vendor(s) or by such other means that may be provided for by the Vendor(s). A Participant may also elect to transfer all or any portion of his or her Accounts invested with a Former Vendor to an Investment Option with a Vendor, subject to the terms of the Investment Arrangements. In no event, however, may a Participant transfer any portion of his or her Accounts invested with a Vendor to an Investment Option with a Former Vendor or any other vendor that is not approved to receive Contributions under the Plan.

Section 7.02. Exclusive Benefit. 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 Beneficiaries.

Section 7.03. **Default Investments.** If a Participant does not have a valid and complete investment direction on file with the Vendor on the Applicable Form, Contributions will be invested in a default Investment Option selected by the Administrator in its sole and absolute discretion, until the Participant makes an affirmative election regarding the investment of his or her Account.

ARTICLE VIII.
DISTRIBUTIONS

Section 8.01. **Commencement of Distributions.**

(a) A Participant or, if applicable, a Beneficiary, shall be eligible to receive a distribution of his or her Vested Account under the Plan if the Participant:

- (1) has a Severance from Employment;
- (2) dies;
- (3) is Disabled;
- (4) attains age 59½; or
- (5) qualifies for a Financial Hardship Distribution or Coronavirus-Related Distribution.

(b) Except for a Participant's interest in the Plan being held in a Custodial Account, the distribution restrictions in paragraph (a) do not apply to Pre-Tax Contributions to the Plan prior to January 1, 1989 (not including earnings thereon), provided such Pre-Tax Contributions are separately accounted for under the Plan.

(c) Subject to the terms of the Investment Arrangements, Participants may elect to have either Pre-Tax Contributions or Roth Contributions distributed from the Plan first. Unless provided otherwise under the terms of the applicable Investment Arrangement, if the Participant fails to make an election, Pre-Tax Contributions will be distributed from the Plan first.

(d) Subject to the terms of the Investment Arrangements, a Rollover Contribution Account may be distributed to a Participant at any time, to the extent that Rollover Contributions have been separately accounted for by the Vendor.

(e) A Participant or Beneficiary may submit a request for a distribution to the Vendor on the Applicable Form. The Employer shall certify that the Participant has had a Severance from Employment or is Disabled.

Section 8.02. **Form of Distribution.**

(a) A Participant may elect to receive his or her Vested Account under any payment option available under the Investment Arrangement. Subject to the terms of the Investment Arrangement, these may include, but are not necessarily limited to, a single lump sum, annuity

payments, and installment payments. All forms of payment shall be subject to the limitations of the Investment Arrangement.

(b) To the extent permitted by the Investment Arrangement, a lump sum payment of a Vested Account may be made without the consent of the Participant or Beneficiary if his or her Account balance does not exceed \$1,000 (determined without regard to his or her Rollover Contribution Account), unless the Participant elects to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover or to receive the distribution directly in a lump sum.

(c) To the extent permitted by the Investment Arrangement, a lump sum payment of a Vested Account may be made without the consent of the Participant or Beneficiary if his or her Account balance exceeds \$1,000 but does not exceed \$7,000 (before January 1, 2024, \$5,000), determined without regard to his or her Rollover Contribution Account, provided that such distribution shall be made in a direct rollover to an individual retirement plan designated by the Administrator, unless the Participant elects to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover or to receive the distribution directly in a lump sum.

Section 8.03. Financial Hardship Distributions.

(a) To the extent (i) a Vendor has been approved by the Administrator to allow Financial Hardship Distributions under the Plan and (ii) a Financial Hardship Distribution is permitted by the terms governing the applicable Investment Arrangement, distribution of Elective Deferrals (prior to January 1, 2024, excluding any earnings on such Elective Deferrals after December 31, 1988) may be made to a Participant who is an Employee in the event of hardship. No Financial Hardship Distributions shall be permitted from Investment Arrangements held by Former Vendors. A Financial Hardship Distribution may only be made on account of an immediate and heavy financial need of the Participant and where the distribution is necessary to satisfy the immediate and heavy financial need. Participants may be charged a reasonable processing fee per Financial Hardship Distribution.

(b) The following are the only financial needs considered immediate and heavy:

(1) expenses incurred or necessary (1) for medical care described in Code Section 213(d) (without regard to whether the expenses exceed 7.5% of adjusted gross income) of the Participant, the Participant's Spouse or dependents (as defined in Code Section 152, but without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B));

(2) the purchase (excluding mortgage payments) of a principal residence for the Participant;

(3) payment of tuition and related educational fees and room and board expenses for the next 12 months of post-secondary education for the Participant, the Participant's Spouse or dependents (as defined in Code Section 152, but without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B));

(4) payments necessary to prevent the eviction of the Participant from, or a foreclosure on the mortgage of, the Participant's principal residence;

(5) payments for funeral or burial expenses for the Participant's deceased parent, Spouse, any dependent (as defined in Code Section 152, but without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B));

(6) expenses to repair damage to the Participant's principal residence that would qualify for a casualty loss deduction under Code Section 165 (determined without regard to Code Section 165(h)(5) and without regard to whether the loss exceeds 10% of adjusted gross income);

(7) expenses and losses (including loss of income) incurred by the Participant on account of a disaster declared by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 100-707, provided that the Participant's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster; and

(8) such other circumstances as the Commissioner of Internal Revenue determines constitute financial hardship under Code Section 401(k) or the Treasury Regulations thereunder.

(c) A distribution will be considered necessary to satisfy an immediate and heavy financial need of the Participant only if:

(1) The distribution is not in excess of the amount of the immediate and heavy financial need (including 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 distributions currently available under the Plan or any other plans maintained by the Employer, other than hardship distributions and non-taxable loans;

(3) The Participant represents that he or she has insufficient cash or other liquid assets reasonably available to satisfy the need; and

(4) The Participant has met any such additional or alternative requirements as may be prescribed in Treasury Regulation Section 1.401(k)-1(d)(3)(iv)(E) or subsequent promulgations.

(d) A Participant must provide substantiation of the reason for and the amount of the immediate and heavy financial need to the Vendor; provided, however, that unless it has actual knowledge to the contrary, the Vendor can rely on the Participant's self-certification that the request satisfies the requirements of this Section. The Vendor shall approve all Financial Hardship Distributions under this Section 8.03.

Section 8.04. Coronavirus-Related Distributions.

(a) Subject to the terms of the Investment Arrangements, a Participant who is a Qualified Individual may, on or after April 6, 2020 (or as soon as administratively practicable after April 6, 2020), and before December 31, 2020, request one or more Coronavirus-Related Distributions from his or her Accounts regardless of whether he or she has had a Severance from Employment, subject to the following conditions:

(1) Coronavirus-Related Distributions to a Participant from this Plan and all other plans maintained by the Employer or a Related Employer may not exceed \$100,000; and

(2) A Participant shall certify to the Administrator or Vendor that he or she is a Qualified Individual prior to receiving a Coronavirus-Related Distribution.

(b) A Participant who has received a Coronavirus-Related Distribution from the Plan may, at any time during the three year period beginning on the day after the date on which such distribution was received repay such Coronavirus-Related Distribution by making one or more Rollover Contributions to the Plan which, in an aggregate amount, do not exceed the amount of such Coronavirus-Related Distribution. The preceding sentence shall not apply to any Participant who is not eligible to make a Rollover Contribution to the Plan under Section 4.03.

Section 8.05. Reemployment. If a Participant who is a former Employee subsequently becomes an Employee again, the Participant cannot request a distribution of his or her Vested Account until he or she is again entitled to a distribution under Section 8.01.

Section 8.06. Death Benefits. If a Participant dies before the distribution of his or her entire Account, his or her remaining Account shall be distributed to his or her Beneficiary(ies) as soon as administratively practicable after the Participant's death, unless the Beneficiary elects a later payment date on the Applicable Form, subject to Code Section 401(a)(9). A Beneficiary may elect to receive the Participant's Account under any distribution option available under the Section 8.02, subject to Code Section 401(a)(9).

Section 8.07. Required Distribution Rules.

(a) The provisions of this Section 8.07 take precedence over any inconsistent provisions of the Plan or of any Investment Arrangement. All distributions under this Plan shall be made in accordance with a reasonable good faith interpretation of Code Section 401(a)(9) and the regulations promulgated thereunder, including the incidental death benefit rules under Code Section 401(a)(9)(G), the changes under the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019, SECURE 2.0 of 2022, and Treasury Regulation Sections 1.401(a)(9)-1 through -9, as each may be amended from time to time.

(b) Distributions may only be made over one of the following periods (or a combination thereof):

- (1) The life of the Participant;
- (2) The life of the Participant and a Designated Beneficiary;

(3) A period certain not extending beyond the life expectancy of the Participant; or

(4) A period certain not extending beyond the joint and last survivor life expectancy of the Participant and Designated Beneficiary;

provided, however, that distributions under this paragraph (b) that are paid in calendar years 2024 and later during the lifetime of the Participant shall be determined without regard to the Participant's Roth Contribution Account or to any subaccount of the Participant's Rollover Contribution Account holding Roth Rollover Contributions and earnings thereon.

(c) A Participant's Accounts shall be distributed to the Participant beginning no later than April 1 of the calendar year following the later of (i) the calendar year in which the Participant attains his or her applicable age within the meaning of Code Section 401(a)(9)(C)(v) or (ii) the calendar year in which the Participant has a Severance from Employment.

(d) Notwithstanding anything to the contrary in this Section 8.07, if the Vendor(s) separately accounts for Contributions made prior to January 1, 1987, then distribution of such Contributions (but not any interest accumulated with respect thereto) need not commence until April 1 of the calendar year following the calendar year in which the Participant attains age 75.

(e) Subject to regulations or other guidance issued under Code Section 401(a)(9), upon the death of the Participant before distribution of his or her Account has begun under paragraph (c) or (d), the following distribution provisions shall take effect:

(1) The portion of the Participant's Account(s) payable to a Beneficiary that is not a Designated Beneficiary shall be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(2) The portion of the Participant's Account(s) payable to a Designated Beneficiary who is not an Eligible Designated Beneficiary shall be distributed by December 31 of the calendar year containing the tenth anniversary of the Participant's death.

(3) The portion of the Participant's Account(s) payable to an Eligible Designated Beneficiary shall be distributed, pursuant to the election of the Eligible Designated Beneficiary, either (i) by December 31 of the calendar year containing the tenth anniversary of the Participant's death, or (ii) beginning no later than December 31 of the calendar year immediately following the calendar year in which the Participant died, over the life of the Eligible Designated Beneficiary or over a period not exceeding the life expectancy of the Eligible Designated Beneficiary. If the Eligible Designated Beneficiary does not elect a method of distribution as provided above, the Participant's Account(s) shall be distributed in accordance with item (i). Notwithstanding the foregoing, if the Eligible Designated Beneficiary is the surviving Spouse, he or she will be deemed to have elected payments consistent with an election under Code Section 401(a)(9)(B)(iv).

(f) Subject to regulations or other guidance issued under Code Section 401(a)(9), upon the death of the Participant after distribution of his or her Account has begun under paragraph (c) or (d), any remaining portion of his or her Account shall continue to be distributed at least as rapidly as under the method of distribution in effect at the time of the Participant's death; provided, however, that the portion of the Participant's Account payable to a Designated Beneficiary who is not an Eligible Designated Beneficiary shall be distributed in its entirety by December 31 of the calendar year containing the tenth anniversary of the Participant's death.

(g) Upon the death of an Eligible Designated Beneficiary, or the attainment of age 21 of an Eligible Designated Beneficiary who is a minor child of the Participant, before distribution of the Participant's entire Account under paragraphs (e) or (f), the remainder of the Participant's Account shall be distributed by December 31 of the calendar year containing the tenth anniversary of the Eligible Designated Beneficiary's death, or by December 31 of the calendar year in which the child attains age 31, as applicable.

(h) Any distribution required under the incidental death benefit requirements of Code Section 401(a) shall be treated as a distribution required under this Section 8.07.

(i) Each Vendor shall be separately and solely responsible for complying with the provisions of this Section 8.07 with respect to its Investment Arrangements under the Plan. The Vendor shall calculate the amounts required to be distributed to a Participant under this Section and notify such Participant of such distributions at least 60 days prior to the date distributions must begin.

(j) Notwithstanding anything in this Section 8.07 to the contrary, for 2020 the minimum distribution requirements will be satisfied as provided in this section, as determined by the terms of the Investment Arrangement governing the Participant's or Beneficiary's required minimum distribution.

(1) Effective March 27, 2020, or as soon as administratively practicable thereafter, a Participant or Beneficiary who would have been required to receive a required minimum distribution in 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of April 1, 2021) but for the enactment of Code Section 401(a)(9)(I) ("2020 RMDs") and who would have satisfied that requirement by receiving distributions that are either (i) equal to the 2020 RMDs, or (ii) one or more payments (that include the 2020 RMDs) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancies) of the Participant and the Beneficiary, or for a period of at least 10 years ("Extended 2020 RMDs"), will not receive this distribution unless the Participant or Beneficiary chooses to receive the distribution. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distribution described in the preceding sentence.

(2) Effective March 27, 2020, or as soon as administratively practicable thereafter, a Participant or Beneficiary who would have been required to receive a 2020 RMD, and who would have satisfied that requirement by receiving distributions that are

(i) equal to the 2020 RMDs or (ii) Extended 2020 RMDs, will receive this distribution unless the Participant or Beneficiary chooses not to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to stop receiving the distribution described in the preceding sentence.

(3) In addition, solely for purposes of applying the direct rollover provisions of Article XI, 2020 RMDs and Extended 2020 RMDs will or will not be treated as eligible rollover distributions in 2020 as determined by the terms of the Investment Arrangement governing the Participant's or Beneficiary's required minimum distribution.

Section 8.08. Additional Tax on Early Withdrawals. Generally, if a Participant receives any amount under the Plan prior to the date on which the Participant attains age 59½, unless an exception under Code Section 72(t) applies, his or her tax for the taxable year in which such amount is received is increased by an amount equal to 10% of the portion of such amount which is includible in gross income. Such amount shall be included in gross income to the extent allocable to income on the Investment Arrangement and shall not be included in gross income to the extent allocable to the investment in the Investment Arrangement as provided in Code Section 72(e)(2)(b).

ARTICLE IX. **LOANS**

Section 9.01. Loans Generally.

(a) To the extent (i) a Vendor has been approved by the Administrator to allow loans under the Plan and (ii) loans are permitted by the terms governing the applicable Investment Arrangement, loans shall be available to a Participant who is an Employee from his or her Vested Account. No loans shall be permitted from Investment Arrangements held by Former Vendors.

(b) Loans shall be subject to all applicable requirements and restrictions of the Code, including the provisions of Code Section 72(p) and the regulations thereunder. A Participant who has defaulted on a loan shall not be entitled to a future loan under the Plan until it has been fully repaid to the Plan.

(c) All loans shall be subject to the approval of the Vendor. The Vendor may charge a reasonable processing fee with respect to any loan.

(d) If a Participant who is a Qualified Individual has an outstanding loan on or after March 27, 2020, and certifies that he or she is a Qualified Individual, and the Vendor has been approved by the Administrator to administer delayed loan repayments under the Plan, this paragraph (d) shall apply:

(1) if the due date under Code Section 72(p) for any repayment with respect to such loan occurs during the period beginning on March 27, 2020, and ending on December 31, 2020, such due date shall be delayed for one year subject to the terms of the Investment Arrangement;

(2) any subsequent repayments with respect to any such loan shall be appropriately adjusted to reflect the delay in the due date under paragraph (1) and any interest accruing during such delay; and

(3) in determining the five year period and the term of a loan under Code Section 72(p), the period described in paragraph (1) shall be disregarded.

Section 9.02. Loan Procedures. The Vendor shall establish written procedures to govern Participant loans under the Plan, which may be amended from time to time. All loans shall comply with such procedures, and shall be administered subject to the terms of the applicable Investment Arrangement.

Section 9.03. Loan Limits.

(a) No loan to a Participant under the Plan may exceed the lesser of:

(1) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Vendor (not taking into account any payments made during such one-year period); or

(2) One-half of the value of the Participant's Vested Account (as of the valuation date immediately preceding the date on which such loan is approved by the Vendor).

Notwithstanding the foregoing, with respect to any loan made to a Participant who is a Qualified Individual on or after April 6, 2020 (or as soon as administratively practicable after April 6, 2020), but before September 24, 2020, the loan limits under this paragraph (a) shall apply by substituting (i) "\$100,000" for "\$50,000" under subparagraph (a)(1), and (ii) "The value of the Participant's Vested Account" for "One-half of the value of the Participant's Vested Account" under subparagraph (a)(2).

(b) For purposes of this Section, any loan from any other plan maintained by the 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 this 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.

(c) The Administrator shall take such steps as appropriate to coordinate the limitations on loans, including collection of information from Vendors, and transmission of information requested by any Vendor. The Administrator may delegate this responsibility to a Vendor or to another service provider pursuant to Article XII of the Plan.

ARTICLE X.
VESTING

A Participant or, in the event of the Participant's death, the Beneficiary, shall be 100% Vested in his or her Accounts at all times.

ARTICLE XI.
ELIGIBLE ROLLOVERS FROM THIS PLAN

Section 11.01. Definitions for this Article. For purposes of this Article, the following definitions shall apply.

(a) "Direct Rollover" means an Eligible Rollover Distribution that is paid directly to an Eligible Retirement Plan for the benefit of the Distributee.

(b) "Distributee" means a Participant, the Spouse of the Participant, the Participant's former Spouse who is an alternate payee within the meaning of Code Section 414(p)(8), and, effective January 1, 2008, a Participant's non-Spouse Beneficiary, any of whom is eligible to receive a distribution from the Plan.

(c) "Eligible Retirement Plan," as defined under Code Section 402(c)(8)(B), means:

- (1) an individual retirement account described in Code Section 408(a);
- (2) an individual retirement annuity (other than an endowment contract) described in Code Section 408(b);
- (3) a simple retirement account described in Code Section 408(p)(1) following the two year period described in Code Section 72(t)(6);
- (4) any annuity plan described in Code Section 403(a);
- (5) a plan described in Code Section 403(b);
- (6) a qualified plan described in Code Section 401(a);
- (7) a Code Section 457(b) eligible deferred compensation plan which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state; and
- (8) effective January 1, 2008, a Roth individual retirement account described in Code Section 408A(e), provided the Distributee's adjusted gross income does not exceed any limit applicable under federal law for the tax year in which the distribution occurs.

Effective January 1, 2008, in the case of a distribution to a Participant's non-Spouse Beneficiary, an Eligible Retirement Plan shall mean the plans described in subparagraphs (1) and (2) only, to

the extent consistent with the provisions of Code Section 402(c)(11) and any successor provisions thereto or additional guidance issued thereunder.

(d) "Eligible Rollover Distribution," as defined in Code Section 402(f)(2)(A), means any distribution of all or any portion of the balance to the credit of the Distributee under this Plan, except that an Eligible Rollover Distribution does not include:

(1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a period of ten years or more;

(2) any distribution to the extent such distribution is required under Code Section 401(a)(9);

(3) the portion of any distribution that is not includible in gross income; provided, however, a portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income. However, such portion may be transferred only:

(i) to an individual retirement account or annuity described in Code Section 408(a) or 408(b), respectively, or to a qualified defined contribution plan described in Code Section 401(a) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of such distribution which is not so includible;

(ii) to a qualified defined benefit plan described in Code Section 401(a) or to an annuity contract described in Code Section 403(b), that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of the distribution that is not so includible; or

(iii) to a Roth IRA described in Code Section 408A;

(4) any distribution which is made upon the financial hardship of the Participant; and

(5) other items designated by regulations, or by the Commissioner in revenue rulings, notices, or other guidance, as items that do not constitute an eligible rollover distribution.

Section 11.02. Direct Transfer of Eligible Rollover Distribution. A Distributee may elect on an Applicable Form to have an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan as specified by the Distributee in a Direct Rollover, at the time and in the manner prescribed by the Vendor. An Eligible Rollover Distribution that is paid to an Eligible Retirement Plan in a Direct Rollover is excludable from the Distributee's gross income under Code Section 402; provided, however, if any portion of such Eligible Rollover

Distribution is subsequently distributed from the Eligible Retirement Plan, that portion shall be included in gross income to the extent required under Code Section 402, 403, or 408.

Section 11.03. Mandatory Withholding of Eligible Rollover Distributions.

(a) If the Distributee of an Eligible Rollover Distribution does not elect to have the Eligible Rollover Distribution paid directly from the Plan to an Eligible Retirement Plan in a Direct Rollover pursuant to Code Section 401(a)(31), the Eligible Rollover Distribution shall be subject to a mandatory 20% federal income tax withholding under Code Section 3405(c). Only that portion of the Eligible Rollover Distribution that is not paid directly from the Plan to an Eligible Retirement Plan in a Direct Rollover shall be subject to the mandatory withholding requirement under Code Section 3405(e), and only to the extent such amount would otherwise be includible in the Distributee's taxable gross income.

(b) If a Distributee elects to have an Eligible Rollover Distribution paid to the Distributee, the distribution may be excluded from gross income of the Distributee provided that said distribution is contributed to an Eligible Retirement Plan no later than the 60th day following the day on which the Distributee received the distribution.

(c) If the Plan distribution is not an Eligible Rollover Distribution, said distribution shall be subject to the elective withholding provisions of Code Section 3405(a) and (b).

Section 11.04. Explanation of Plan Distribution and Withholding Requirements.

Not fewer than 30 days nor more than 180 days before an Eligible Rollover Distribution, the Vendor shall provide each Distributee a written explanation as required under Code Section 402(f), which explains the rules:

(a) under which a Distributee may elect to have an Eligible Rollover Distribution paid in a Direct Rollover to an Eligible Retirement Plan;

(b) that require the withholding of tax on an Eligible Rollover Distribution if it is not paid in a Direct Rollover to an Eligible Retirement Plan;

(c) that provide that a distribution shall not be subject to tax if the distribution is rolled over to an Eligible Retirement Plan within 60 days after the date the Distributee receives the distribution (unless the 60 day deadline is waived under Code Section 402(c)(3)(B) or a later deadline is established under Internal Revenue Service guidance); and

(d) if applicable, certain special rules regarding taxation of the distribution as described in Code Sections 402(d) and (e).

Notwithstanding the above, a distribution may begin fewer than 30 days after the notice discussed in the preceding sentence is given, provided that the Vendor clearly informs the Participant that he or she has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution and the Participant, after receiving a notice, affirmatively elects a distribution.

ARTICLE XII.
PLAN-TO-PLAN TRANSFERS

Section 12.01. Plan-to-Plan Transfers.

(a) A transfer from this Plan to the State of Maryland Tax Sheltered Annuity 403(b) Plan (“MSRP 403(b) Plan”), a Code Section 403(b) plan maintained by an eligible employer described in Code Section 403(b)(1)(A)(ii) within the State of Maryland, is permitted under the following conditions:

- (1) The MSRP 403(b) Plan provides for the receipt of plan-to-plan transfers;
- (2) The Participant whose Account is being transferred will have an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to that Participant immediately before the transfer;
- (3) The Participant whose Account is being transferred is an employee or former employee of the employer maintaining the MSRP 403(b) Plan;
- (4) The MSRP 403(b) Plan provides for distribution restrictions on the transferred amounts that are no less stringent than those under the Plan;
- (5) If the transfer does not constitute a complete transfer of the Participant's interest in the Plan, the MSRP 403(b) Plan treats the amount transferred as a continuation of a pro rata portion of the Participant's interest in the Plan; and
- (6) The transfer satisfies such other requirements set forth in Treasury Regulation Section 1.403(b)-10(b)(3) and such other rules and policies established by the Administrator or Vendor.

(b) A transfer to this Plan from the MSRP 403(b) Plan is permitted under the following conditions:

- (1) The MSRP 403(b) Plan provides for plan-to-plan transfers;
- (2) The Participant whose account is being transferred will have an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to that Participant immediately before the transfer;
- (3) The Participant whose account is being transferred is an Employee or former Employee of an Employer;
- (4) If the transfer does not constitute a complete transfer of the Participant's interest in the MSRP 403(b) Plan, the Plan treats the amount transferred as a continuation of a pro rata portion of the Participant's interest in the MSRP 403(b) Plan; and

(5) The transfer satisfies such other requirements set forth in Treasury Regulation Section 1.403(b)-10(b)(3) and such other rules and policies established by the Administrator or Vendor.

(c) Any amount transferred to the Plan under paragraph (b) shall be credited to the Participant's Transfer Account and shall be held, accounted for, administered and otherwise treated in the same manner as an Elective Deferral by the Participant under the Plan, except that the transferred amount shall not be considered an Elective Deferral under the Plan in determining the maximum deferral under Article V.

Section 12.02. Permissive Service Credit Transfers.

(a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in Code Section 414(d)) 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 transferred to the defined benefit governmental plan. A transfer under this Section may be made before the Participant has had a Severance from Employment.

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

ARTICLE XIII.
PLAN ADMINISTRATION

Section 13.01. Authority of the Administrator. The Administrator shall have the authority to control and manage the operation and administration of the Plan. The Administrator shall have all power necessary or convenient to enable it to exercise its authority under the Plan. The Administrator may provide rules and regulations, not inconsistent with the provisions hereof, for the operation and management of the Plan, and may from time to time amend or rescind such rules or regulations. The Administrator is authorized to accept service of legal process for the Plan.

Section 13.02. Powers of the Administrator. The Administrator shall have the power and discretion to construe and interpret the Plan, including any ambiguities, to determine all questions of fact or law arising under the Plan, and to resolve any disputes arising under and all questions concerning administration of the Plan. The Administrator may correct any defect, supply any omission or reconcile any inconsistency in the Plan in such manner and to such extent as the Administrator may deem expedient and, subject to the Plan's claim procedures, the Administrator shall be the sole and final judge of such expediency. Benefits are payable under the Plan only if the Administrator, in its sole and absolute discretion, determines the benefits are payable under the provisions the Plan.

Section 13.03. Delegation by Administrator.

(a) The Administrator may from time to time delegate in writing to a committee or any duly authorized officer certain of its fiduciary duties or other responsibilities under the Plan. Any such committee or officer delegated fiduciary duties shall be a fiduciary until the Administrator revokes such delegation. A delegation of the Administrator's duties or responsibilities may be revoked without cause or advance notice. To the extent permitted under applicable law, such committee or officer shall have the same power and authority with respect to such delegated fiduciary or other responsibilities as the Administrator has under the Plan. The Administrator shall not be liable for any act or omission of such fiduciary in carrying out such responsibilities.

(b) The Administrator has designated the Vendors to be responsible for providing information to Participants regarding enrollment, Investment Options, and performance; processing contributions, withdrawal requests, transfers, and changes in Investment Options; and providing record keeping services and such other services as provided for under agreements between the Vendors and the Administrator.

(c) The Administrator may designate one of the Vendors or another service provider to provide for the collection and coordination of information relating to Financial Hardship Distributions, in-service distributions, loans, contribution limits, and any other administrative function under the Plan.

Section 13.04. Fiduciary Insurance. Subject to State law, the Board may require the purchase of fiduciary liability insurance for any Plan fiduciary or fiduciaries to cover liability or losses occurring by reason of the act or omission of a fiduciary.

Section 13.05. Employment of Consultants. The Administrator may employ one or more persons to render advice with regard to its responsibilities under the Plan.

ARTICLE XIV. **CLAIMS PROCEDURES**

Section 14.01. Requests for Information Concerning Eligibility, Participation and Contributions. Requests for information concerning eligibility, participation, contributions, or any other aspects of the operation of the Plan, and service of legal process, should be in writing and directed to the Administrator of the Plan. If a written request is denied, the Administrator shall, within a reasonable period of time, provide a written denial to the Participant. A Participant may request in writing a review of a claim denied by the Administrator and may submit issues and comments in writing to the Administrator. The Administrator shall provide to the Participant a written decision upon such request for review of a denied claim.

Section 14.02. Requests for Information Concerning Investment Arrangements. Requests for information concerning the Annuity Contracts and Custodial Accounts and their terms, conditions, and interpretations thereof, claims thereunder, any requests for review of such claims, and service of legal process, should be in writing and directed to the Vendor. If a written request is denied, the Vendor shall, within a reasonable period of time, provide a written denial to the Participant. A Participant may request in writing a review of a claim denied by the Vendor

and may submit issues and comments in writing to the Vendor. The Vendor shall provide to the Participant a written decision upon such request for review of a denied claim.

ARTICLE XV.
AMENDMENT AND TERMINATION

Section 15.01. Amendment and Termination of Plan. The Board shall have the right, in its sole and final discretion, to amend or terminate the Plan at any time and from time to time to any extent which it may deem advisable.

Section 15.02. Restrictions on Amendments. The Plan may not be amended in a manner that violates any provision of the Code.

Section 15.03. Distribution Upon Termination of the Plan. The Board may provide that, in connection with a termination of the Plan, all Accounts shall be distributed, provided that the Employer and any Related Employer on the date of the termination does not make contributions to an alternative Code Section 403(b) plan 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 regulations. For purposes of distributing all assets from the Plan in the event of a Plan termination, (i) delivery of a fully paid individual insurance annuity contract, and/or (ii) distribution of an individual custodial account in kind, shall be treated as a distribution.

ARTICLE XVI.
MISCELLANEOUS

Section 16.01. Non-Alienation.

(a) A Participant's Account under the Plan shall not be liable for any debt, liability, contract, engagement, or tort of the Participant or his or her Beneficiary, nor subject to anticipation, sale, assignment, transfer, encumbrance, pledge, charge, attachment, garnishment, execution, alienation, or any other voluntarily or involuntarily alienation or other legal or equitable process, nor transferable by operation of law.

(b) Notwithstanding paragraph (a), the Plan shall comply with any judgment, decree or order ("domestic relations order") which establishes the right of an alternate payee within the meaning of Code Section 414(p)(8) to all or a portion of a Participant's benefit under the Plan to the extent that it is a "qualified domestic relations order" ("QDRO") under Code Section 414(p). The Vendor shall establish reasonable written procedures to determine whether a domestic relations order is a QDRO and to administer the distribution of benefits with respect to such orders, which procedures may be amended from time to time, and which shall be provided to Participants upon request. Notwithstanding any other provisions in the Plan, the Plan may make an immediate distribution to the alternate payee pursuant to a QDRO.

(c) Notwithstanding paragraph (a), the Plan shall offset from the benefit otherwise payable to a Participant or his or her Beneficiary such amounts as are permitted to be offset under a court order, civil judgment, or settlement agreement in accordance with Code Section 401(a)(13)(C).

Section 16.02. Military Service.

(a) Notwithstanding any provisions of this Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with USERRA, HEART, Code Section 414(u), and Code Section 401(a)(37). For purposes of this Section, "qualified military service" means any service in the uniformed services as defined in USERRA by any individual if such individual is entitled to reemployment rights under USERRA with respect to such service.

(b) A Participant whose employment is interrupted by qualified military service or who is on a leave of absence for qualified military service may elect to make Elective Deferrals upon resumption of employment with the Employer up to the maximum Elective Deferrals that the Participant could have elected during that period if the Participant's employment with the 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 Participant during the period of the interruption or leave. Except to the extent provided under Code Section 414(u), this right applies for the lesser of (i) five years following the resumption of employment or (ii) a period equal to three times the period of the interruption or leave. Such Elective Deferrals by the Participant may only be made during such period and while the Participant is reemployed by the Employer.

(c) Effective January 1, 2007, to the extent provided under Code Section 401(a)(37), in the case of a Participant whose employment is interrupted by qualified military service and who dies while performing qualified military service, the survivor of such Participant shall be entitled to any additional benefit (other than benefit accruals) provided under the Plan as if the Participant timely resumed employment in accordance with USERRA and then, on the next day, terminated employment on account of death.

(d) Effective January 1, 2009, differential wage payments within the meaning of Code Section 414(u)(12)(D) shall be treated as Compensation and Includible Compensation under the Plan.

Section 16.03. Limitation of Rights and Obligations. Neither the establishment nor maintenance of the Plan nor any amendment thereof nor any act or omission under the Plan or resulting from the operation of the Plan shall be construed:

(a) as conferring upon any Participant, Beneficiary, or any other person a right or claim against the Administrator or Employer, except to the extent that such right or claim shall be specifically expressed and provided in the Plan;

(b) as creating any responsibility or liability of the Board, the Employer or the Administrator for the validity or effect of the Plan;

(c) as a contract or agreement between the Board, the Employer, or the Administrator and any Participant or other person;

(d) as an agreement, consideration, or inducement of employment or as effecting in any manner or to any extent whatsoever the rights or obligations of the Employer or any

Employee to continue or terminate the employment relationship at any time, except as otherwise provided under any applicable collective bargaining agreement; or

(e) as giving any Participant the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or other person at any time; provided, however, that the foregoing will not be deemed to modify the provisions of any collective bargaining agreements which may have been entered into by the Employer with the bargaining representatives of any Participant.

Section 16.04. Federal and State Taxes. It is intended that Contributions other than Roth Contributions under this Plan, plus any earnings thereunder, are excludable from gross income for federal and state income tax purposes until paid to Participants or Beneficiaries, and that Roth Contributions and earnings thereunder are excludable from gross income for federal and state income tax purposes when paid to Participants or Beneficiaries to the extent that they are Qualified Distributions. However, the Administrator does not guarantee that any particular federal or state income, payroll, or other tax consequence will occur as a result of participation in this Plan.

Section 16.05. Erroneous Payments. If the Administrator or Vendor makes any payment that, according to the terms of the Plan and the benefits provided hereunder, should not have been made, the Administrator or Vendor may recover that incorrect payment, by whatever means necessary, whether or not it was made due to the error of the Administrator or Vendor, from the person to whom it was made, or from any other appropriate party. For example, if any such incorrect payment is made directly to a Participant, the Administrator or Vendor may deduct it when making any future payments directly to that Participant.

Section 16.06. Benefit Payment Issue Resolution. The Administrator, or its designee, if in doubt regarding the correctness of its action with respect to a benefit payment, may direct suspension of payment until satisfied as to the correctness of the payment or the person to receive the payment. Alternatively, the Administrator, or its designee, may file, in any state court of competent jurisdiction, a suit, in the form it deems appropriate, for legal determination of the benefits to be paid and the persons to receive them. The Administrator, or its designee, may also bring a suit, or take other action as it deems appropriate, to resolve questions involving investment directions. The Administrator shall comply with the final order of the court in any such suit, and Participants and the Administrator shall be bound by such an order, insofar as it affects the benefits payable under this Plan, or the method or manner of payment.

Section 16.07. Release. Any payments to any Participant shall, to the extent thereof, be in full satisfaction of the claim of such Participant being paid thereby and the Administrator may condition payment thereof on the delivery by the Participant of the duly executed receipt and release in such form as may be determined by the Administrator.

Section 16.08. Liability. The Administrator shall not incur any liability in acting upon any notice, request, signed letter, telegram, or other paper or document or electronic transmission believed by the Administrator to be genuine or to be executed or sent by an authorized person.

Section 16.09. Information Provided by the Participant. Each Participant 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.

Section 16.10. Family Medical Leave Act. Notwithstanding any provisions of this Plan to the contrary, Contributions and benefits with respect to qualified leave will be provided in accordance with the Family Medical Leave Act of 1993, 29 U.S.C. Section 2601 et. seq.

Section 16.11. Payments to Minors or Incompetents. If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is determined to be legally incapable of giving valid receipt and discharge for such benefits by a court or by the Administrator, benefits shall be paid to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to the Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

Section 16.12. Missing or Lost Participants. In the event that the Administrator does not have current contact information for or is unable to identify a Participant or Beneficiary under the Plan, the Administrator shall make reasonable attempts to determine the address and identity of the Participant or Beneficiary entitled to benefits under the Plan. A reasonable attempt to locate a missing or lost Participant or Beneficiary shall include (i) providing notice to the Participant at the Participant's last known address via certified mail; (ii) determining whether the Employer's records or the records of another plan maintained by the Employer has a more current address for the Participant; (iii) attempting to contact any named Beneficiary of the Participant; and (iv) searching for the missing Participant via free electronic search tools, such as Internet search engines, public record databases, obituaries, and social media. If such search methods are unsuccessful, based on the facts and circumstances, the Administrator may use other search methods, including using Internet search tools, commercial locator services, credit reporting agencies, information brokers, investigation databases, and analogous services that may involve charges. The Administrator may charge missing Participants and Beneficiaries reasonable expenses for efforts to find them.

Section 16.13. Indemnification. The Employer shall satisfy any liability actually and reasonably incurred by any members of the Board or any person to whom any power, authority or responsibility of the Administrator is delegated pursuant to Section 13.03, except a Vendor or other service provider. These liabilities include expenses, attorney's fees, judgments, fines, and amounts paid in connection with any threatened, pending or completed action, suit or proceeding related to the exercise (or failure to exercise) of this authority. This is in addition to whatever rights of indemnification exist under the regulations or by-laws of the Employer, under any provision of law, or under any other agreement; provided, however, that the Employer will not satisfy any such liability to the extent that the person did not act in good faith.

Section 16.14. No Reversion. Under no circumstances or conditions will any Contributions revert to, be paid to, or inure to the benefit of, directly or indirectly, the Employer, but shall be held for the exclusive purpose of providing benefits to Participants and their Beneficiaries and defraying the reasonable expenses of administering the Plan. However, if

Contributions are made by the Employer by a good faith mistake of fact, such amount may be returned to the Employer within one year of the date that they were made to the Plan.

Section 16.15. Finality of Determination. All determinations with respect to crediting of service under the Plan are made on the basis of the records of the Employer, and all determinations made are final and conclusive upon Employees, former Employees, former Eligible Employees, and all other persons claiming a benefit under the Plan.

Section 16.16. Counterparts. The Plan may be executed in any number of counterparts, each of which shall be deemed to be an original. All counterparts shall constitute but one and the same instrument and shall be evidenced by any one counterpart.

IN WITNESS WHEREOF, the Board has caused this amended and restated Plan to be executed by its duly authorized representative as of the date written below, but effective as of January 1, 2024.

**UNIVERSITY SYSTEM OF MARYLAND
BOARD OF REGENTS**

Signature

Printed

Title

Date

**UNIVERSITY SYSTEM OF MARYLAND
SUPPLEMENTAL 403(b) RETIREMENT PLAN**

APPENDIX A

APPROVED VENDORS

The current selection of Vendor(s) is not intended to limit future additions or deletions of Vendor(s). The Administrator from time to time may add or delete Vendor(s) which shall be effective on the date adopted by the Administrator and shall be reflected in a revised Appendix A.

1.1 **Approved Vendors**

The Board has approved the following Vendors under the Plan, which remain approved as of January 1, 2024:

- TIAA
- Fidelity Investments

1.2 **Former Vendors**

As of January 1, 2008, AIG VALIC is a Former Vendor under the Plan.

**UNIVERSITY SYSTEM OF MARYLAND
DEFERRED COMPENSATION PLAN AND TRUST**

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**UNIVERSITY SYSTEM OF MARYLAND
DEFERRED COMPENSATION PLAN AND TRUST**

**ARTICLE I.
ESTABLISHMENT AND RESTATEMENT OF PLAN**

Section 1.01. Plan Establishment and History.

(a) The University System of Maryland is a public university system established under Maryland law and an educational organization described in Section 170(b)(1)(A)(ii) of the Internal Revenue Code of 1986, as amended ("Code"). The Board of Regents of the University System of Maryland ("Board") established the University System of Maryland Deferred Compensation Plan and Trust ("Plan") pursuant to Code Section 457(b) and Section 30-401 of the State Personnel and Pensions Article of the Annotated Code of Maryland, to provide eligible employees the opportunity to supplement their retirement benefits through voluntary contributions.

(b) The Plan is, and is intended to remain, an eligible deferred compensation plan under Code Section 457(b). The Plan is a governmental plan within the meaning of Code Section 414(d) and Section 3(32) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). As a governmental plan, ERISA does not apply.

(c) The Plan was most recently amended and restated effective January 1, 2020.

Section 1.02. Plan Restatement.

(a) The Plan is now being amended and restated effective January 1, 2024, except as otherwise specifically provided herein, to make certain required and discretionary changes.

(b) Except as otherwise specifically provided herein, the Plan as hereinafter set forth establishes the rights and obligations with respect to individuals who are Employees on and after January 1, 2024, and to transactions under the Plan on and after January 1, 2024. The rights and benefits, if any, of individuals who are not Employees on or after January 1, 2024, shall be determined in accordance with the terms and provisions of the Plan that were in effect on the date of their Severance from Employment, except as otherwise specifically provided herein or in a subsequent amendment.

Section 1.03. Plan Funding. The Plan is funded through one or more Trusts in accordance with the requirements of the Code. The terms and conditions of the Trusts shall be incorporated into this Plan; provided, however, that to the extent that there is any conflict between the terms of the Trusts and the terms of the Plan, the terms of the Plan shall govern, except as otherwise specifically provided herein.

ARTICLE II.
RULES OF CONSTRUCTION AND DEFINITIONS

Section 2.01. Rules of Construction and Governing Law.

(a) This Plan shall be interpreted, enforced, and administered in accordance with the Code and, when not inconsistent with the Code, or expressly provided otherwise herein, the laws of the State of Maryland without regard to conflict of law principles.

(b) Words used herein in the masculine gender shall be construed to include the feminine gender where appropriate, and *vice versa*, and words used herein in the singular or plural shall be construed as being in the plural or singular, where appropriate, and *vice versa*.

(c) The headings and subheadings in the Plan are inserted for convenience of reference only and are not to be considered in the construction of any provision of the Plan.

(d) If any provision of the Plan shall be held to violate the Code or be illegal or invalid for any other reason, that provision shall be deemed to be null and void, but the invalidation of that provision shall not otherwise impair or affect the Plan.

(e) In resolving any conflict between provisions of the Plan and in resolving any other uncertainty as to the meaning or intention of any provision of the Plan, the interpretation that causes the Plan to (i) constitute an eligible deferred compensation plan under the provisions of Code Section 457 and the Trust to be exempt from tax under Code Section 457, (ii) be a governmental plan as defined in ERISA Section 3(32) and Code Section 414(d), and (iii) comply with all applicable requirements of the Code, shall prevail over any different interpretation.

Section 2.02. Definitions. When the initial letter of a word or phrase is capitalized herein, the meaning of such word or phrase shall be as follows:

(a) "Account" means the separate accounts maintained for each Participant and Beneficiary under the Plan. The following Accounts shall be established for a Participant or Beneficiary, if applicable:

(1) A Pre-Tax Contribution Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to Pre-Tax Contributions pursuant to Section 4.01.

(2) A Roth Contribution Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to Roth Contributions pursuant to Section 4.01.

(3) A Rollover Contribution Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to Rollover Contributions pursuant to Section 4.03.

(4) A Transfer Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to plan-to-plan transfers pursuant to Section 13.01.

(b) "Account Balance" means the bookkeeping account maintained with respect to each Participant which reflects the value of the deferred compensation credited to the Participant, including the Participant's Annual Deferrals, the earnings or loss of the Trust Fund (net of Trust Fund expenses) allocable to the Participant, any transfers for the Participant's benefit, and any distribution made to the Participant or the Participant's Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes any account established for Rollover Contributions and plan-to-plan transfers made for a Participant, the account established for a Beneficiary after a Participant's death, and any account or accounts established for an alternate payee as defined in Code Section 414(p)(8).

(c) "Administrator" means the Administrative Committee as designated by the Board, or such other person, persons, or entity designated by the Board, to perform the administrative duties and functions under the Plan.

(d) "Allocable Income" means the sum of the allocable gain or loss for the year or partial year determined in accordance with Code Section 457 and the regulations promulgated thereunder.

(e) "Annual Deferrals" mean Pre-Tax Contributions and/or Roth Contributions.

(f) "Applicable Form" means the appropriate form as designated and furnished by the Administrator or Vendor to make an election or provide a notice as required by the Plan. If a written election or consent is not specifically required by the Code, the Administrator or Vendor may prescribe a verbal, electronic, or telephonic form in lieu of or in addition to a written form.

(g) "Beneficiary" means the person, company, trustee, or estate designated by the Participant on the Applicable Form to receive any benefits payable under the Plan in the event of the Participant's death. A designation of an individual as a Beneficiary shall remain in effect until affirmatively revoked by the Participant on a subsequent Applicable Form and, unless otherwise provided in the Trust, if no designated Beneficiary survives the Participant or there is no Beneficiary designated, the Participant's surviving Spouse shall be the Beneficiary or, if there is no surviving Spouse, the Participant's estate shall be the Beneficiary. Beneficiary also means an alternate payee within the meaning of Code Section 414(p)(8).

(h) "Board" means the Board of Regents of the University System of Maryland.

(i) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(j) "Compensation" means all cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, which is includible in the Employee's gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under Code Section 125, 132(f), 401(k), 403(b), or 457(b) (including an election to reduce compensation in order to make Annual Deferrals under the Plan). Compensation does not include amounts "picked up" by the Employer within the meaning of Code Section 414(h). Compensation includes any compensation described in paragraph (1) or (2), provided it is paid by the later of 2½ months after the

Employee's Severance from Employment with the Employer or the end of the calendar year in which the Employee has a Severance from Employment with the Employer:

(1) any payment that would have been paid to the Employee prior to a Severance from Employment if the Employee continued in employment with the Employer and that is regular compensation for services during the Employee's regular working hours, compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and

(2) a payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued and the payment would be Compensation if paid prior to the Employee's Severance from Employment, and only if the Employee separately elects for such payment to be reduced on his or her Salary Reduction Agreement pursuant to Section 4.01.

Any payment that is not described in paragraph (1) or (2) above is not considered Compensation if paid after Severance from Employment. Thus, for example, Compensation does not include amounts paid after Severance from Employment that are severance pay or unfunded nonqualified deferred compensation.

(k) "Contributions" mean Pre-Tax Contributions, Roth Contributions, Rollover Contributions, and plan-to-plan transfers.

(l) "Coronavirus-Related Distribution" means a distribution made on or after April 6, 2020 (or as soon as administratively practicable after April 6, 2020), but before December 31, 2020, to a Qualified Individual in accordance with Section 9.05.

(m) "Cost of Living Adjustment" means the cost of living adjustment prescribed by the Secretary of the Treasury under Code Section 414(v) or 457(e)(15) for any applicable year.

(n) "Designated Beneficiary" means an individual Beneficiary within the meaning of Code Section 401(a)(9)(E)(i).

(o) "Disabled" means disabled within the meaning of Code Section 72(m)(7).

(p) "Eligible Designated Beneficiary" means a Designated Beneficiary who meets the additional criteria under Code Section 401(a)(9)(E)(ii).

(q) "Employee" means a common law employee of the Employer, including a contingent employee (other than a contractual or a leased employee or an independent contractor) and an employee whose employment is governed by the terms of a collective bargaining agreement between representatives of the employee's bargaining unit and the State of Maryland, and under which retirement benefits were the subject of good faith bargaining, unless the bargaining representatives for the bargaining unit and the Employer have agreed to have the employees in the bargaining unit excluded from participation.

(r) "Employer" means the University System of Maryland and its constituent institutions and centers, which are all governmental entities.

(s) "Former Vendor" means a service provider that was an approved Vendor under the Plan, but that ceases to be an approved Vendor under the Plan, that continues to hold Plan assets.

(t) "HEART" means the Heroes Earnings Assistance and Relief Tax Act of 2008, as amended from time to time.

(u) "Includible Compensation" means all compensation received by an Employee from the Employer that is includible in his or her gross income for federal income tax purposes (computed without regard to Code Section 911) for that taxable year under Code Section 415(c)(3). Includible Compensation also includes any amounts excludable from taxable income because of an election (including Annual Deferrals under the Plan) under Code Sections 403(b), 457(b), 125, 401(k), or 132(f). Includible Compensation includes compensation paid by 2½ months after the later of an Employee's Severance from Employment or the end of the Plan Year that includes the date of the Employee's Severance from Employment, if:

(1) the payment is regular compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (e.g., overtime or shift differential), commissions, bonuses, or other similar payments and the payment would have been paid to the Employee prior to a Severance from Employment if the Employee had continued in employment with the Employer;

(2) the payment is for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if the Employee had continued in employment; or

(3) the payment is made to the Employee under a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment with the Employer and only to the extent that the payment is includible in the Employee's gross income.

Includible Compensation does not include any amounts "picked up" by the Employer within the meaning of Code Section 414(h). Includible Compensation is determined without regard to any community property laws.

(v) "Investment Options" mean the investment funds available under the Trust provided by the Vendor(s) and specifically approved by the Administrator, in its sole and absolute discretion, for use under this Plan.

(w) "Normal Retirement Age" means, for a Participant who is a member of:

(1) a State defined benefit retirement system, the age designated by the Participant, but beginning no earlier than the earliest age at which the Participant may retire under the State defined benefit retirement system in which he or she participates and receive immediate retirement benefits (without consent of the State and without actuarial or similar reduction), and ending no later than age 70½; or

(2) the State of Maryland Optional Retirement Plan, the age designated by the Participant, but beginning no earlier than age 65, and ending no later than age 70½.

If the Participant shall, for any reason, fail to designate a Normal Retirement Age, the Normal Retirement Age shall be age 70½. The Normal Retirement Age specified must be the same for all eligible deferred compensation plans under Code Section 457(b) sponsored by the Employer in which the Participant participates.

(x) "Participant" means any Employee who is or may become eligible to receive a benefit of any type under the Plan. A Participant shall also mean, when appropriate to the context, a former Employee who is eligible to receive a benefit of any type under the Plan.

(y) "Plan" means the University System of Maryland Deferred Compensation Plan and Trust, as amended from time to time.

(z) "Plan Year" means the calendar year.

(aa) "Pre-Tax Contribution" means a contribution made to the Plan by the Employer at the election of a Participant pursuant to a Salary Reduction Agreement in accordance with Section 4.01.

(bb) "Qualified Distribution" means a distribution from a Roth Contribution Account after the Participant has satisfied a five year holding period and has attained age 59½, died, or become Disabled, in accordance with Code Section 402A(d). The five year holding period is the period of five consecutive taxable years that begins with the first day of the first taxable year in which the Participant makes a designated Roth Contribution under the Plan or to another retirement plan which amount was directly rolled over to the Plan, and ends when five consecutive taxable years have been completed.

(cc) "Qualified Individual" means a Participant:

(1) who is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention;

(2) whose Spouse or dependent (as defined in Code Section 152) is diagnosed with such virus or disease by such a test; or

(3) who experiences adverse financial consequences as a result of:

(i) the Participant, the Participant's Spouse, or a member of the Participant's household (i) being quarantined, (ii) being furloughed or laid off or having work hours reduced due to such virus or disease, (iii) being unable to work due to lack of child care due to such virus or disease, (iv) having a reduction in pay (or self-employment income) due to such virus or disease, or (v) having a job offer rescinded or start date for a job delayed due to such virus or disease;

(ii) closing or reducing hours of a business owned or operated by the Participant, the Participant's Spouse, or a member of the Participant's household due to such virus or disease; or

(iii) other factors as determined by the Secretary of the Treasury (or the Secretary's delegate).

For purposes of this paragraph (cc), a member of the Participant's household means someone who shares the Participant's principal residence.

(dd) "Related Employer" means any entity which is under common control with the Employer under Code Section 414(b), (c), (m), or (o). 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 IRS Notice 89-23, 1989-1 C.B. 654.

(ee) "Rollover Contribution" means an amount contributed to the Plan pursuant to Section 4.03.

(ff) "Roth Contribution" means a contribution made to the Plan by the Employer at the election of a Participant pursuant to a Salary Reduction Agreement in accordance with Section 4.01, where the contribution has been (i) designated irrevocably by the Participant as a Roth Contribution being made in lieu of all or a portion of the Pre-Tax Contribution the Participant is otherwise eligible to make under the Plan, and (ii) treated by the Employer as includible in the Participant's gross income at the time the Participant would have received that amount in cash if the Participant had not made such an election. A Roth Contribution shall only be permitted with respect to Compensation paid on or after the date the Board has approved Roth Contributions under the Plan and the Vendor is able to administer Roth Contributions under the Plan.

(gg) "Salary Reduction Agreement" means an agreement entered into between an Employee and the Employer pursuant to Section 4.01, which may be in electronic or written form. Such agreement shall not be effective with respect to Compensation made available prior to the effective date of such agreement and shall be binding on the parties and irrevocable with respect to Compensation earned while it is in effect.

(hh) "Section" means, when not preceded by the word Code or ERISA, a section of the Plan.

(ii) "Severance from Employment" means the complete termination of the employment relationship between the Employee and the Employer and any Related Employer. For an Employee on a leave of absence, such separation shall occur when the leave of absence expires if the Employee does not return to service.

(jj) "Spouse" means the person to whom a Participant is married under federal law.

(kk) "State" means the State of Maryland acting through the Employer which has offered this Plan to its Employees.

(ll) "Trust" means a trust that satisfies the requirements of Code Section 457(g), including a custodial account and/or an annuity contract treated as qualified trust under Code Section 401(f) that satisfies the requirements of Code Section 457(g)(3), established under the Plan to hold Plan assets.

(mm) "Trust Fund" means the assets of the Plan held pursuant to the terms of the Plan and Trust.

(nn) "Trustee" means the Board; provided, however, that the entity or person(s) designated by the Administrator to hold the assets of a custodial account or hold an annuity contract in accordance with Code Sections 457(g)(3) and 401(f) shall be the custodial Trustee with respect to such assets.

(oo) "Unforeseeable Emergency Distribution" means a distribution made in accordance with Section 9.03 to a Participant on account of an unforeseeable emergency.

(pp) "USERRA" means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended from time to time.

(qq) "Vendor" means the service provider that has been approved by the Administrator to serve as third party administrator and/or recordkeeper for the Plan and/or to offer Investment Options to Participants under the Plan. The Vendor(s) are listed in Appendix A, as modified from time to time in the Administrator's sole and absolute discretion. A modification of Appendix A is not an amendment of the Plan.

(rr) "Vested" means the interest of the Participant or Beneficiary in his or her Account that is unconditional, legally enforceable, and nonforfeitable.

ARTICLE III **PARTICIPATION**

Section 3.01. Participation. An Employee may become a Participant in the Plan immediately after commencement of employment with the Employer. Participation in the Plan is voluntary.

Section 3.02. Notice and Enrollment.

(a) The Employer shall notify an Employee when he or she is eligible to participate in the Plan for purposes of Annual Deferrals.

(b) An Employee must complete the enrollment process and make investment elections with the Vendor on the Applicable Form, including a Salary Reduction Agreement for purposes of Annual Deferrals, to become a Participant in the Plan. An Employee who fails to complete the enrollment process and make investment elections with the Vendor on the Applicable Form shall be deemed to have waived all of his or her rights under the Plan, provided that such Employee may become a Participant in the Plan at any time thereafter by completing the enrollment process and making investment elections with the Vendor on the Applicable Form.

Section 3.03. Cessation of Contributions. A Participant shall cease to be eligible for Contributions under the Plan when he or she is no longer an Employee.

Section 3.04. Cessation of Participation. A Participant shall cease to be a Participant on the distribution of his or her entire interest in the Plan.

Section 3.05. Reemployment. A former Participant who is reemployed by the Employer shall immediately become a Participant in this Plan as of his or her date of rehire as an Employee.

ARTICLE IV. **CONTRIBUTIONS**

Section 4.01. Annual Deferrals.

(a) Subject to the limitations under Article V, an Employee who has satisfied the participation requirements under Section 3.01 may enter into a written Salary Reduction Agreement with the Employer agreeing to contribute each pay period Pre-Tax Contributions and/or , effective as soon as administratively practicable after the date approved by the Board, Roth Contributions to the Plan.

(b) Pre-Tax Contributions and Roth Contributions shall begin as soon as administratively practicable following the date specified in the Salary Reduction Agreement, or, if later or if no date is specified, as soon as administratively practicable after the Salary Reduction Agreement is filed with the Administrator or the Vendor, as applicable. Notwithstanding the preceding, prior to January 1, 2023, the Salary Reduction Agreement shall become effective no earlier than the first day of the month following the month in which the Salary Reduction Agreement is executed and submitted to the Administrator or the Vendor, as applicable; provided, however, that a new Employee may defer Compensation payable in the calendar month during which he or she first becomes an Employee if he or she enters into a Salary Reduction Agreement before the first day on which he or she performs services for the Employer.

(c) Pre-Tax Contributions and/or Roth Contributions shall reduce the Compensation otherwise payable to a Participant and shall be paid in cash to the Vendor by the Employer, on a basis consistent with its payroll practices, as soon as administratively feasible after being withheld from the Compensation of a Participant, but no later than 15 business days following the end of the month in which such amount is withheld from the Compensation of the Participant.

(d) If the Participant fails to designate whether Annual Deferrals are Pre-Tax Contributions or Roth Contributions, the Participant will be deemed to have designated his or her Annual Deferrals as Pre-Tax Contributions. Pre-Tax Contributions shall be allocated to the Pre-Tax Contribution Account of the Participant as of the date of contribution. Roth Contributions shall be allocated to the Roth Contribution Account of the Participant as of the date of contribution.

(e) A Salary Reduction Agreement shall remain in effect until superseded by another election or until the Administrator requires a Participant to complete a new Salary Reduction Agreement on a uniform and nondiscriminatory basis.

(1) A Participant may change his or her election to make Pre-Tax Contributions and/or Roth Contributions at any time by filing a new Salary Reduction Agreement with the Administrator or the Vendor, as applicable. Any such changes shall be effective as soon as administratively practicable following the date specified in the

new Salary Reduction Agreement, or, if later, as soon as administratively practicable after the Salary Reduction Agreement is filed; provided that, prior to January 1, 2023, the Salary Reduction Agreement shall become effective no earlier than the first day of the month following the month in which the Salary Reduction Agreement is executed and submitted to the Administrator.

(2) A Participant may terminate his or her election to make Pre-Tax Contributions and/or Roth Contributions at any time by filing the Applicable Form with the Administrator or the Vendor, as applicable, which shall be effective as soon as administratively practicable after the Applicable Form is filed.

(f) An election to make Pre-Tax Contributions and/or Roth Contributions shall not be valid with respect to any period during which the Participant is not an Employee. No election to make, change, or discontinue Pre-Tax Contributions and/or Roth Contributions shall be given retroactive effect.

(g) The Administrator may establish additional nondiscriminatory rules and procedures governing the manner and timing of elections by Participants to make, change, or discontinue Pre-Tax Contributions and/or Roth Contributions.

Section 4.02. Deferrals of Sick, Vacation, and Back-Pay.

(a) A Participant who has not had a Severance from Employment may elect to defer accumulated sick pay, accumulated vacation pay, and back-pay to the Plan if the requirements of Code Section 457(b) are satisfied and if permitted by Board policy and Maryland State law. These amounts may be deferred only if a Salary Reduction Agreement providing for the Annual Deferral is entered into before the amounts would otherwise be paid or made available and the Participant is an Employee on the date the amounts would otherwise be paid or made available; provided that, prior to January 1, 2025, the Salary Reduction Agreement must be entered into before the beginning of the month in which the amounts would otherwise be paid or be made available. Compensation that would otherwise be paid for a payroll period that begins before Severance from Employment is treated as an amount that would otherwise be paid or made available before an Employee has a Severance from Employment.

(b) In addition, Annual Deferrals may be made for former Employees with respect to Compensation paid after an Employee has a Severance from Employment.

Section 4.03. Rollover Contributions to the Plan.

(a) Subject to the Trust, Participants (prior to January 1, 2025, Participants who are Employees only) may transfer to the Plan as a Rollover Contribution a distribution from a Code Section 401(a) (including 401(k)) or 403(a) qualified plan (excluding after-tax contributions), a Code Section 403(b) plan (excluding after-tax contributions), a Code Section 408 individual retirement account or annuity, a SIMPLE IRA described in Code Section 408(p)(1) provided that the Rollover Contribution is made after the two year period described in Code Section 72(t)(6), or a Code Section 457(b) eligible deferred compensation plan which is maintained by an eligible employer described in Code Section 457(e)(1)(A). Any Rollover Contribution (i) shall be subject to the Vendor's determination, in its discretion, that the Rollover Contribution satisfies all applicable requirements of the Code and (ii) shall be made directly from such prior plan, or if

such amount was distributed to the Participant, such Rollover Contribution shall be made within 60 days after the Participant receives the rollover amount, unless the 60 day deadline is waived under Code Section 402(c)(3)(B) or a later deadline is established under Internal Revenue Service guidance.

(b) The Vendor shall establish and maintain for the Participant a separate account for any Rollover Contribution paid to the Plan from any eligible retirement plan that is not an eligible governmental plan under Code Section 457(b). In addition, the Vendor shall establish and maintain for the Participant a separate account for any Rollover Contribution paid to the Plan from any eligible retirement plan that is an eligible governmental plan under Code Section 457(b).

(c) The Plan shall accept a Rollover Contribution of Roth amounts only if it is a direct rollover from a designated Roth account under an applicable retirement plan described in Code Section 402A(e)(1) and only to the extent the rollover is permitted under the rules of Code Section 402(c). A Rollover Contribution that includes a designated Roth account shall only be accepted if the Administrator obtains information regarding the Participant's tax basis under Code Section 72 in the amount rolled over and the first day of the Participant's taxable year in which the Participant first had Roth contributions made to such other designated Roth account.

(d) A Rollover Contribution shall be allocated to the Rollover Contribution Account of the Participant as of the date of the contribution. A Rollover Contribution from a designated Roth account shall be allocated to a subaccount of the Participant's Rollover Contribution Account holding Roth Rollover Contributions as of the date of the contribution. Before a Rollover Contribution is made, the Participant shall designate on the Applicable Form the Investment Options in which the Vendor should invest the Participant's Rollover Contribution.

Section 4.04. In-Plan Roth Rollovers.

(a) Any portion or all of a Participant's Vested Account (other than a Roth Contribution Account or a subaccount of the Participant's Rollover Contribution Account holding Roth Rollover Contributions and earnings thereon) is eligible for direct rollover to the Participant's Roth Contribution Account under the Plan, even if the Vested Account is not otherwise distributable (pursuant to Code Section 402A(c)(4)(E)) under Article IX of the Plan, and the transfer shall be treated as a qualified rollover contribution (within the meaning of Code Section 408A(e)) to the Participant's Roth Contribution Account.

(b) A Participant's election under this Section 4.04 shall be subject to the reasonable administrative procedures established by the Administrator, Code Section 402A(c)(4) and the regulations thereunder, and subsequent guidance from the Internal Revenue Service.

(c) The taxable portion of the Participant's Account directly rolled over to a Roth Contribution Account under this Section 4.04 shall be included in the Participant's gross income in the tax year in which the transfer occurs.

(d) To the extent required by Code Section 402(f), the Administrator shall provide written information regarding in-Plan Roth rollovers under this Section 4.04, for amounts that are otherwise distributable under Article IX.

Section 4.05. Leave of Absence. During a paid leave of absence, Pre-Tax Contributions and/or Roth Contributions shall continue to be made for a Participant on the basis of Compensation paid by the Employer during the leave. No Contributions shall be made during an unpaid leave of absence.

Section 4.06. Plan Expenses. All reasonable expenses of administering the Plan shall be charged against and paid from the Participant's Accounts, subject to the terms of the Trust, unless paid by the Employer. The Administrator shall have the right to allocate expenses associated with maintaining the Accounts of terminated Employees to such Accounts, even if no expenses are allocated to the Accounts of active Employees, in accordance with rules promulgated by the Internal Revenue Service.

ARTICLE V.
LIMITATIONS ON CONTRIBUTIONS

Section 5.01. Annual Deferral Limits.

(a) The maximum amount of Annual Deferrals to the Plan for any calendar year shall be limited to the lesser of (i) the applicable dollar amount as provided in Code Section 457(e)(15) increased by the Cost of Living Adjustment in effect for such calendar year or (ii) the Participant's Includible Compensation as provided in Code Section 457(b)(2).

(b) A Participant who will attain age 50 or more by the end of the calendar year, and who is contributing up to the applicable dollar amount under paragraph (a), may make additional Annual Deferrals up to the applicable dollar amount under Code Section 414(v), as increased by the Cost of Living Adjustment in effect for such calendar year. Effective January 1, 2025, the adjusted dollar amount under Code Section 414(v)(2)(E), as increased by the Cost of Living Adjustment in effect for such calendar year, shall apply to Participants who will attain age 60 but will not attain age 64 by the end of the calendar year.

(c) Effective January 1, 2026, or such later effective date determined by the Secretary of the Treasury through guidance and subject to such guidance, with respect to a Participant whose wages within the meaning of Code Section 3121(a) for the preceding calendar year from the Employer exceed the limitation under Code Section 414(v)(7)(A), paragraph (b) shall apply only if the Participant elects or is deemed to have elected the additional amount of Elective Deferrals to be made as Roth Contributions. The wage limitation under this paragraph (c) shall be adjusted for the Cost of Living Adjustment in effect for such calendar year.

(d) If the applicable year is one of a Participant's last three calendar years ending before the year in which the Participant attains Normal Retirement Age and the amount determined under this paragraph (d) exceeds the amount computed under paragraphs (a) and (b), then the Annual Deferral limit under this Article V shall be the lesser of:

(1) An amount equal to two times the applicable dollar amount under paragraph (a) for such year; or

(2) The sum of:

(i) An amount equal to (A) the aggregate limit under paragraph (a) for the current calendar year plus each prior calendar year beginning after December

31, 2001, during which the Participant was an Employee under the Plan, minus (B) the aggregate amount of Compensation that the Participant deferred under the Plan during such years, plus

(ii) An amount equal to (A) the aggregate limit referred to in Code Section 457(b)(2) for each prior calendar year beginning after December 31, 1978, and before January 1, 2002, during which the Participant was an Employee (determined without regard to paragraphs (b) or (c)), minus (B) the aggregate contributions to Pre-2002 Coordination Plans (as defined by Treasury Regulations and provided in Section 5.02(c)) for such years.

However, in no event can the Annual Deferrals be more than the Participant's Compensation for the year. A Participant may not have more than one Normal Retirement Age under the Plan.

Section 5.02. Coordination of Limits.

(a) If the Participant is or has been a participant in one or more other eligible plans within the meaning of Code Section 457(b), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Article V. For this purpose, the Administrator shall take into account any other such eligible plan maintained by the Employer and shall also take into account any other such eligible plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan.

(b) In applying Section 5.02, a year shall be taken into account only if (i) the Participant was eligible to participate in the Plan during all or a portion of the year and (ii) Compensation deferred, if any, under the Plan during the year was subject to the applicable dollar amount described in Section 5.01(a) or any other plan ceiling required by Code Section 457(b).

(c) For purposes of Section 5.01(c)(2)(ii), "contributions to Pre-2002 Coordination Plans" means any employer contribution, salary reduction, or elective contribution under any other eligible Code Section 457(b) plan, or a salary reduction or elective contribution under any Code Section 401(k) qualified cash or deferred arrangement, Code Section 402(h)(1)(B) simplified employee pension (SARSEP), Code Section 403(b) annuity contract, and Code Section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in Code Section 501(c)(18), including plans, arrangements or accounts maintained by the Employer or any employer for whom the Participant performed services. However, the contributions for any calendar year are only taken into account for purposes of Section 5.01(c)(2)(ii) to the extent that the total of such contributions does not exceed the aggregate limit referred to in Code Section 457(b)(2) for that year.

(d) For 2002 and thereafter, any amounts contributed by the Participant to a tax-sheltered annuity pursuant to Code Section 403(b) or to a 401(k) plan pursuant to Code Section 402(e)(3) shall not reduce the maximum Annual Deferrals under Section 5.01.

(e) An individual is treated as not having deferred compensation under a plan for a prior taxable year to the extent excess deferrals under the plan are distributed, as described in

Section 5.03. To the extent that the combined deferrals for pre-2002 years exceeded the maximum deferral limitations, the amount is treated as an excess deferral for those prior years.

(f) The Participant is responsible for ensuring coordination of these limits.

Section 5.03. Correction of Excess Annual Deferrals. If the Annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described under this Article V, or the Annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described under this Article V when combined with other amounts deferred by the Participant under another eligible deferred compensation plan under Code Section 457(b) for which the Participant provides information that is accepted by the Administrator, then the Annual Deferral, to the extent in excess of the applicable limitation and adjusted for Allocable Income shall be distributed to the Participant as soon as administratively practicable. Subject to the terms of the Trust, if a Participant who made both Pre-Tax Contributions and Roth Contributions for a calendar year has excess amounts for that year, the excess Annual Deferrals will be distributed out of the Roth Contribution Account unless the Participant elects to instead have the excess Annual Deferrals distributed out of the Pre-Tax Contribution Account.

ARTICLE VI. **ACCOUNTING**

Section 6.01. Participant Accounts. The Vendor(s) shall establish and maintain adequate records to reflect the Accounts of each Participant and Beneficiary. Credits and charges shall be made to such Accounts to reflect additions, distributions, and withdrawals, and to reflect gains or losses pursuant to the terms of the Trust. The maintenance of individual Accounts is for accounting purposes only, and a segregation of Plan assets to each Account shall not be required.

Section 6.02. Participant Statements. The Vendor(s) shall provide to each Participant a quarterly statement reflecting the value of the Participant's Account as of the end of each quarter, and shall provide similar information to the Administrator upon its request.

Section 6.03. Value of Account. The value of the Account of a Participant as of any valuation date is the value of the Account Balance as determined by the Vendor. The valuation date shall be the last day of the Plan Year and each other date designated by the Administrator or Vendor in a uniform and nondiscriminatory manner. All transactions and Account records shall be based on fair market value.

ARTICLE VII. **DECLARATION OF TRUST**

Section 7.01. The Trust. Each Participant in the Plan shall have Accounts within the Trust Fund created by the Administrator under Article V. The Administrator may designate those individuals or institutions who shall act as custodial trustees under this Plan from time to time, and execute such further agreements with them as the Administrator shall deem necessary. The Administrator may designate more than one institution to act as custodial trustee, or may create sub-trusts. To the extent permitted by federal tax law, custodial accounts and annuity contracts may serve as trusts and the Administrator may use such combination of trusts and custodial accounts and annuity contracts to hold Plan assets as it shall see fit. Any reference to

the Trust Fund shall include such custodial accounts or annuity contracts unless the context clearly indicates to the contrary. As further described in this Article, each Plan Account, and the Trust Fund as a whole, shall be held in trust for the exclusive benefit of Participants and their Beneficiaries, under the requirements of Code Section 457(g), and the State Personnel and Pensions Article of the Annotated Code of Maryland (1978, 2004 Repl. Vol.). This Declaration of Trust shall apply to all future contributions and earnings of the Plan and Trust. This Declaration of Trust shall not be interpreted as prohibiting the use of Plan assets to pay fees and other expenses incurred in the maintenance, administration and investment of the Trust Fund, custodial accounts, or annuity contracts, or the Participant's share of Plan administration expense.

Section 7.02. Identification of Trust Assets. All assets of the Plan shall be held in trust or in custodial or annuity contracts as described herein by the Trustees for the exclusive benefit of Participants and their Beneficiaries. Such Trust Fund, and the investments, accounts, contracts, securities and other intangible property and rights that make up the Trust Fund and Plan assets, shall be sufficiently identified by the Trustees and any custodial trustees so that its status as Trust property, or Plan contracts and the individual interests therein, can always be determined. The Trustees shall take all reasonable and necessary steps to execute any documents necessary to effect such trust status or insurance company contract status for existing or future Plan assets.

Section 7.03. Fiduciary Status and Delegation of Duties. The Board is a fiduciary of Plan assets, custodial accounts, or annuity contracts only to the extent required by applicable provision of the Annotated Code of Maryland or the Code. The assumption of fiduciary status by the Board hereunder shall not extend to, or create, any liability or duty to a Participant with respect to the Investment Options offered for Participant selection. No provision of this Plan shall be construed in any manner that would be inconsistent with the duties and responsibilities specified herein. The Board, as an entity, may: (a) allocate duties and responsibilities under this Plan to one or more of its members; (b) designate one or more persons or entities in their employ to perform such duties and responsibilities; and (c) determine any matter with respect to this Plan by a majority vote of those individuals then constituting the Board.

Section 7.04. Unclaimed Benefit Payments. If any check or share certificate in payment of a benefit hereunder, which has been mailed by regular United States first-class mail to the last address of the payee furnished to the Vendors by the Administrator or the Participant or Beneficiary, is returned unclaimed, the Vendors shall follow such procedures regarding unclaimed benefit payments that the Administrator has established.

Section 7.05. Duty to Furnish Information. Both the Administrator and the Vendors shall furnish to each other any document, report, return, statement or other information that the other reasonably deems necessary to perform duties imposed under this Plan and Trust or otherwise imposed by law.

Section 7.06. Deposits And Disbursements From The Trust.

(a) The Board, acting through the Administrator, shall delegate to the Vendors the responsibility for accepting deposits to this Plan and Trust.

(b) The Board, acting through the Administrator, shall delegate to the Vendors the responsibility for making payments from the Trust. The Vendors shall make payments from the

Trust to Participants, their Beneficiaries and such other persons as the Plan may provide for from time to time. Such payments shall be made in such manner, in such amounts and for such purposes, including the payment of Plan benefits and the payment of expenses of administration of the Plan, as may be specified in the Plan. The Vendors shall ensure that any payment directed under this Section conforms to the provisions of this Plan and Trust and the provisions of any applicable law. Payments from the Trust shall be made by check (or the check of an agent) or deposit to the order of the payee. Payments or other distributions hereunder may be mailed to the payee at the address last furnished to the Vendors by the Administrator. The Vendors shall not incur any liability or other damage on account of any payment or other distribution made by the Trust in accordance with this Section.

(c) All expenses of the Trust shall be paid from the Trust to the extent not paid by the Employer. All expenses of the Trust which are allocable to a particular Investment Option or Account may be allocated and charged to such Investment Option or Account as determined by the Trustees. All expenses of the Trust which are not allocable to a particular Investment Option or Account shall be charged to each such Investment Option or Account in proportion to the value of such Investment Options and Accounts as of the close of business of the immediately preceding valuation date.

Section 7.07. Resignation And Removal Of Trustees. Any custodial trustee may resign at any time in writing to the Administrator. Any custodial trustee may be removed by the Administrator. Upon such resignation or removal, a successor trustee shall be appointed by the Administrator, and shall have the same powers and duties as those conferred upon the custodial trustees hereunder.

Section 7.08. No Guarantees. Neither the Board nor the Administrator guarantees the Trust from loss or depreciation or the payment of any amount which may become due to any person under this Plan and Trust.

Section 7.09. Parties Bound. This Plan and Trust shall be binding upon the parties hereto, all Participants in this Plan and Trust and persons claiming under or through them pursuant to this Plan and Trust, and, as the case may be, the heirs, executors, administrators, successors and assigns of each of them.

Section 7.10. Exclusive Benefit Rule. An Annual Deferral shall be delivered by the State to the Vendor who shall hold such amounts in trust for the exclusive benefit of Participant and Beneficiaries, to be paid by the Vendor, to the Participant pursuant to Article V.

ARTICLE VIII. **INVESTMENT OF ACCOUNTS**

Section 8.01. Vendors and Investment Options.

(a) All Contributions under the Plan shall be transferred to the Vendor(s) to be held, managed, invested and distributed in accordance with the provisions of the Plan and the Trust as applicable. All benefits under the Plan shall be distributed solely from the Trust, and the Employer shall have no liability for any such benefits other than the obligation to make Contributions as provided in the Plan.

(b) Participants' Accounts shall be invested in one or more of the Investment Options available to Participants under this Plan, as selected by the Administrator and communicated to Participants. The Administrator's current selection of Vendor(s) and Investment Options is not intended to limit future additions or deletions of Vendor(s) or Investment Options.

(c) A Participant shall have the right to direct the investment of his or her Accounts by filing the Applicable Form with the Vendor(s). A Participant may change his or her investment election as often as determined by the Vendor(s). A Participant may elect to transfer all or any portion of his or her Accounts invested in any one Investment Option to another Investment Option, regardless of whether offered by the same or a different Vendor, subject to the limitations of the Trust, by filing a request on the Applicable Form with the Vendor(s) or by such other means that may be provided for by the Vendor(s). A Participant may also elect to transfer all or any portion of his or her Accounts invested with a Former Vendor to an Investment Option with a Vendor, subject to the terms of the Trust. In no event, however, may a Participant transfer any portion of his or her Accounts invested with a Vendor to an Investment Option with a Former Vendor or any other vendor that is not approved to receive Contributions under the Plan.

Section 8.02. Exclusive Benefit. The Trust 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 Trust to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and Beneficiaries.

Section 8.03. Default Investments. If a Participant does not have a valid and complete investment direction on file with the Vendor on the Applicable Form, Contributions will be invested in a default Investment Option selected by the Administrator in its sole and absolute discretion, until the Participant makes an affirmative election regarding the investment of his or her Account.

ARTICLE IX. **DISTRIBUTIONS**

Section 9.01. Commencement of Distributions.

(a) A Participant or, if applicable, a Beneficiary, shall be eligible to receive a distribution of his or her Vested Account under the Plan if the Participant:

- (1) has a Severance from Employment;
- (2) dies;
- (3) attains age 70½; or
- (4) qualifies for an Unforeseeable Emergency Distribution, a small account distribution, or Coronavirus-Related Distribution.

(b) Subject to the terms of the Trust, Participants may elect to have either Pre-Tax Contributions or Roth Contributions distributed from the Plan first. Unless provided otherwise under the terms of the Trust, if the Participant fails to make an election, Pre-Tax Contributions will be distributed from the Plan first.

(c) Subject to the terms of the Trust, a Rollover Contribution Account may be distributed to a Participant at any time, to the extent that Rollover Contributions have been separately accounted for by the Vendor.

(d) A Participant or Beneficiary may submit a request for a distribution to the Vendor on the Applicable Form. The Employer shall certify that the Participant has had a Severance from Employment.

Section 9.02. Form of Distribution.

(a) A Participant may elect to receive his or her Vested Account under any payment option available under the Trust. Subject to the terms of the Trust, these may include, but are not necessarily limited to, a single lump sum, annuity payments, and installment payments. All forms of payment shall be subject to the limitations of the Trust.

(b) To the extent permitted by the Trust, a lump sum payment of a Vested Account may be made without the consent of the Participant or Beneficiary if his or her Account Balance does not exceed \$1,000 (determined without regard to his or her Rollover Contribution Account), unless the Participant elects to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover or to receive the distribution directly in a lump sum.

(c) To the extent permitted by the Trust, a lump sum payment of a Vested Account may be made without the consent of the Participant or Beneficiary if his or her Account Balance exceeds \$1,000 but does not exceed \$7,000 (before January 1, 2024, \$5,000) determined without regard to his or her Rollover Contribution Account, provided that such distribution shall be made in a direct rollover to an individual retirement plan designated by the Administrator, unless the Participant elects to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover or to receive the distribution directly in a lump sum.

Section 9.03. Unforeseeable Emergency Distributions.

(a) To the extent (i) a Vendor has been approved by the Administrator to allow Unforeseeable Emergency Distributions under the Plan and (ii) an Unforeseeable Emergency Distribution is permitted by the terms governing the Trust, and subject to guidelines and requirements set forth in procedures established by the Administrator, distribution of Annual Deferrals may be made to a Participant in the event of an unforeseeable emergency. If the Participant has an unforeseeable emergency before Severance from Employment, the Participant may elect to receive a lump sum distribution equal to the amount requested or, if less, the maximum amount determined by the Administrator to be permitted to be distributed under this Section. No Unforeseeable Emergency Distributions shall be permitted from Trusts held by Former Vendors.

(b) All requests for Unforeseeable Emergency Distributions shall be made initially to the Administrator or such other entity as may be designated by the Administrator from time to time. Any decision made by the Administrator or its designee shall be final and conclusive. The Administrator may establish restrictions following a distribution pursuant to this Section.

(c) An unforeseeable emergency is defined as a severe financial hardship of the Participant resulting from:

(1) an illness or accident of the Participant, the Participant's Spouse, or the Participant's dependent (as defined in Code Section 152 without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B));

(2) loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, *e.g.*, as a result of a natural disaster);

(3) the need to pay for the funeral expenses of the Participant's Spouse, or dependent (as defined in Code Section 152 without regard to Code Section 152(d)(1)(B)); or

(4) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant; for example, the imminent foreclosure of or eviction from the Participant's primary residence may constitute an unforeseeable emergency.

In addition, the need to pay for medical expenses for the Participant or the Participant's Spouse or dependent (as defined in Code Section 152 without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B)), including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an unforeseeable emergency. Except as otherwise specifically provided in this Section, neither the purchase of a home nor the payment of college tuition is an unforeseeable emergency.

(d) An Unforeseeable Emergency Distribution may not be made to the extent that an unforeseeable emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or by cessation of Annual Deferrals under the Plan.

(e) An Unforeseeable Emergency Distribution may not exceed the amount reasonably necessary to satisfy the emergency need (which may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution).

(f) The Administrator may further limit and/or prohibit Unforeseeable Emergency Distributions for classes of accounts maintained under the Plan.

Section 9.04. Small Account Distribution.

(a) A Participant who is an Employee may elect to receive a distribution of the Participant's Account under the Plan before a Severance from Employment if the following requirements are met:

(1) the Participant's Account (not including his or her Rollover Contribution Account) does not exceed the amount specified under Code Section 411(a)(11) (as of January 1, 2024, \$7,000) on the date of the distribution;

(2) the Participant has not previously received an in-service distribution of the Participant's Account under this Section; and

(3) no Annual Deferrals have been made to the Plan with respect to the Participant during the two year period ending on the date of the in-service distribution under this Section.

(b) This election must be made in accordance with the procedures established by the Administrator.

Section 9.05. Coronavirus-Related Distributions.

(a) Subject to the terms of the Trust, a Participant who is a Qualified Individual may, on or after April 6, 2020 (or as soon as administratively practicable after April 6, 2020), and before December 31, 2020, request one or more Coronavirus-Related Distributions from his or her Accounts regardless of whether he or she has had a Severance from Employment, subject to the following conditions:

(1) Coronavirus-Related Distributions to a Participant from this Plan and all other plans maintained by the Employer or a Related Employer may not exceed \$100,000; and

(2) A Participant shall certify to the Administrator or Vendor that he or she is a Qualified Individual prior to receiving a Coronavirus-Related Distribution.

(b) A Participant who has received a Coronavirus-Related Distribution from the Plan may, at any time during the three year period beginning on the day after the date on which such distribution was received repay such Coronavirus-Related Distribution by making one or more Rollover Contributions to the Plan which, in an aggregate amount, do not exceed the amount of such Coronavirus-Related Distribution. The preceding sentence shall not apply to any Participant who is not eligible to make a Rollover Contribution to the Plan under Section 4.03.

Section 9.06. Reemployment. If a Participant who is a former Employee subsequently becomes an Employee again, the Participant cannot request a distribution of his or her Vested Account until he or she is again entitled to a distribution under Section 9.01

Section 9.07. Death Benefits. If a Participant dies before the distribution of his or her entire Account, his or her remaining Account shall be distributed to his or her Beneficiary(ies) as soon as administratively practicable after the Participant's death, unless the Beneficiary elects a later payment date on the Applicable Form, subject to Code Section 401(a)(9). A Beneficiary may elect to receive the Participant's Account under any distribution option available under the Section 9.02, subject to Code Section 401(a)(9).

Section 9.08. Required Distribution Rules.

(a) The provisions of this Section 9.08 take precedence over any inconsistent provisions of the Plan or of the Trust. All distributions under this Plan shall be made in accordance with a reasonable good faith interpretation of Code Section 401(a)(9) and the regulations promulgated thereunder, including the incidental death benefit rules under Code Section 401(a)(9)(G) and the changes under the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019, SECURE 2.0 of 2022, and Treasury Regulation Sections 1.401(a)(9)-1 through -9, as each may be amended from time to time.

(b) Distributions may only be made over one of the following periods (or a combination thereof):

- (1) The life of the Participant;
- (2) The life of the Participant and a Designated Beneficiary;
- (3) A period certain not extending beyond the life expectancy of the Participant; or
- (4) A period certain not extending beyond the joint and last survivor life expectancy of the Participant and Designated Beneficiary;

provided, however, that distributions under this paragraph (b) that are paid in calendar years 2024 and later during the lifetime of the Participant shall be determined without regard to the Participant's Roth Contribution Account or to any subaccount of the Participant's Rollover Contribution Account holding Roth Rollover Contributions and earnings thereon.

(c) A Participant's Accounts shall be distributed to the Participant beginning no later than April 1 of the calendar year following the later of (i) the calendar year in which the Participant attains his or her applicable age within the meaning of Code Section 401(a)(9)(C)(v) or (ii) the calendar year in which the Participant has a Severance from Employment.

(d) Subject to regulations or other guidance issued under Code Section 401(a)(9), upon the death of the Participant before distribution of his or her Account has begun under paragraph (c), the following distribution provisions shall take effect:

(1) The portion of the Participant's Account(s) payable to a Beneficiary that is not a Designated Beneficiary shall be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(2) The portion of the Participant's Account(s) payable to a Designated Beneficiary who is not an Eligible Designated Beneficiary shall be distributed by December 31 of the calendar year containing the tenth anniversary of the Participant's death.

(3) The portion of the Participant's Account(s) payable to an Eligible Designated Beneficiary shall be distributed, pursuant to the election of the Eligible Designated Beneficiary, either (i) by December 31 of the calendar year containing the tenth anniversary of the Participant's death, or (ii) beginning no later than December 31 of the calendar year immediately following the calendar year in which the Participant died, over the life of the Eligible Designated Beneficiary or over a period not exceeding the life expectancy of the Eligible Designated Beneficiary. If the Eligible Designated Beneficiary does not elect a method of distribution as provided above, the Participant's Account(s) shall be distributed in accordance with item (i). Notwithstanding the foregoing, if the Eligible Designated Beneficiary is the surviving Spouse, he or she will be deemed to have elected payments consistent with an election under Code Section 401(a)(9)(B)(iv).

(e) Subject to regulations or other guidance issued under Code Section 401(a)(9), upon the death of the Participant after distribution of his or her Account has begun under paragraph (c), any remaining portion of his or her Account shall continue to be distributed at least as rapidly as under the method of distribution in effect at the time of the Participant's death; provided, however, that the portion of the Participant's Account payable to a Designated Beneficiary who is not an Eligible Designated Beneficiary shall be distributed in its entirety by December 31 of the calendar year containing the tenth anniversary of the Participant's death.

(f) Upon the death of an Eligible Designated Beneficiary, or the attainment of age 21 of an Eligible Designated Beneficiary who is a minor child of the Participant, before distribution of the Participant's entire Account under paragraphs (d) or (e), the remainder of the Participant's Account shall be distributed by December 31 of the calendar year containing the tenth anniversary of the Eligible Designated Beneficiary's death, or by December 31 of the calendar year in which the child attains age 31, as applicable.

(g) Any distribution required under the incidental death benefit requirements of Code Section 401(a) shall be treated as a distribution required under this Section 9.08.

(h) Each Vendor shall be separately and solely responsible for complying with the provisions of this Section 9.08 with respect to the Trust Funds it holds under the Plan. The Vendor shall calculate the amounts required to be distributed to a Participant under this Section and notify such Participant of such distributions at least 60 days prior to the date distributions must begin.

(i) Notwithstanding anything in this Section 9.08 to the contrary, for 2020 the minimum distribution requirements will be satisfied as provided in this section, as determined by the terms of the Trust.

(1) Effective March 27, 2020, or as soon as administratively practicable thereafter, a Participant or Beneficiary who would have been required to receive a required minimum distribution in 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of April 1, 2021) but for the enactment of Code Section 401(a)(9)(I) ("2020 RMDs") and who would have satisfied that requirement by receiving distributions that are either (i) equal to the 2020 RMDs, or (ii) one or more payments (that include the 2020 RMDs) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancies) of the Participant and the Beneficiary, or for a period of at least 10 years ("Extended 2020 RMDs"), will not receive this distribution unless the Participant or Beneficiary chooses to receive the distribution. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distribution described in the preceding sentence.

(2) Effective March 27, 2020, or as soon as administratively practicable thereafter, a Participant or Beneficiary who would have been required to receive a 2020 RMD, and who would have satisfied that requirement by receiving distributions that are (i) equal to the 2020 RMDs or (ii) Extended 2020 RMDs, will receive this distribution unless the Participant or Beneficiary chooses not to receive such distributions.

Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to stop receiving the distribution described in the preceding sentence.

(3) In addition, solely for purposes of applying the direct rollover provisions of Article XII, 2020 RMDs and Extended 2020 RMDs will or will not be treated as eligible rollover distributions in 2020 as determined by the terms of the Trust.

ARTICLE X. **LOANS**

Section 10.01. Loans Generally.

(a) To the extent (i) a Vendor has been approved by the Administrator to allow loans under the Plan and (ii) loans are permitted by the terms governing the applicable Trust, loans shall be available to a Participant who is an Employee from his or her Vested Account. No loans shall be permitted from Trust Funds held by Former Vendors.

(b) Loans shall be subject to all applicable requirements and restrictions of the Code, including the provisions of Code Section 72(p) and the regulations thereunder. A Participant who has defaulted on a loan shall not be entitled to a future loan under the Plan until it has been fully repaid to the Plan.

(c) All loans shall be subject to the approval of the Vendor. The Vendor may charge a reasonable processing fee with respect to any loan.

(d) If a Participant who is a Qualified Individual has an outstanding loan on or after March 27, 2020, and certifies that he or she is a Qualified Individual, and the Vendor has been approved by the Administrator to administer delayed loan repayments under the Plan, this paragraph (d) shall apply:

(1) if the due date under Code Section 72(p) for any repayment with respect to such loan occurs during the period beginning on March 27, 2020, and ending on December 31, 2020, such due date shall be delayed for one year subject to the terms of the Trust;

(2) any subsequent repayments with respect to any such loan shall be appropriately adjusted to reflect the delay in the due date under paragraph (1) and any interest accruing during such delay; and

(3) in determining the five year period and the term of a loan under Code Section 72(p), the period described in paragraph (1) shall be disregarded.

Section 10.02. Loan Procedures. The Vendor shall establish written procedures to govern Participant loans under the Plan, which may be amended from time to time. All loans shall comply with such procedures, and shall be administered subject to the terms of the Trust.

Section 10.03. Loan Limits.

(a) No loan to a Participant under the Plan may exceed the lesser of:

(1) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Vendor (not taking into account any payments made during such one-year period); or

(2) One-half of the value of the Participant's Vested Account (as of the valuation date immediately preceding the date on which such loan is approved by the Vendor).

Notwithstanding the foregoing, with respect to any loan made to a Participant who is a Qualified Individual on or after April 6, 2020 (or as soon as administratively practicable after April 6, 2020), but before September 24, 2020, the loan limits under this paragraph (a) shall apply by substituting (i) "\$100,000" for "\$50,000" under subparagraph (a)(1), and (ii) "The value of the Participant's Vested Account" for "One-half of the value of the Participant's Vested Account" under subparagraph (a)(2).

(b) For purposes of this Section, any loan from any other plan maintained by the 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 this 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.

(c) The Administrator shall take such steps as appropriate to coordinate the limitations on loans, including collection of information from Vendors, and transmission of information requested by any Vendor. The Administrator may delegate this responsibility to a Vendor or to another service provider pursuant to Article XII of the Plan.

ARTICLE XI. **VESTING**

A Participant or, in the event of the Participant's death, the Beneficiary, shall be 100% Vested in his or her Accounts at all times.

ARTICLE XII. **ELIGIBLE ROLLOVERS FROM THIS PLAN**

Section 12.01. Definitions for this Article. For purposes of this Article, the following definitions shall apply.

(a) "Direct Rollover" means an Eligible Rollover Distribution that is paid directly to an Eligible Retirement Plan for the benefit of the Distributee.

(b) "Distributee" means a Participant, the Spouse of the Participant, the Participant's former Spouse who is an alternate payee within the meaning of Code Section 414(p)(8), and, effective January 1, 2008, a Participant's non-Spouse Beneficiary, any of whom is eligible to receive a distribution from the Plan.

(c) "Eligible Retirement Plan," as defined under Code Section 402(c)(8)(B), means:

- (1) an individual retirement account described in Code Section 408(a);
- (2) an individual retirement annuity (other than an endowment contract) described in Code Section 408(b);
- (3) a simple retirement account described in Code Section 408(p)(1) following the two year period described in Code Section 72(t)(6);
- (4) any annuity plan described in Code Section 403(a);
- (5) a plan described in Code Section 403(b);
- (6) a qualified plan described in Code Section 401(a);
- (7) a Code Section 457(b) eligible deferred compensation plan which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state; and
- (8) effective January 1, 2008, a Roth individual retirement account described in Code Section 408A(e), provided the Distributee's adjusted gross income does not exceed any limit applicable under federal law for the tax year in which the distribution occurs.

Effective January 1, 2008, in the case of a distribution to a Participant's non-Spouse Beneficiary, an Eligible Retirement Plan shall mean the plans described in subparagraphs (1) and (2) only, to the extent consistent with the provisions of Code Section 402(c)(11) and any successor provisions thereto or additional guidance issued thereunder.

(d) "Eligible Rollover Distribution," as defined in Code Section 402(f)(2)(A), means any distribution of all or any portion of the balance to the credit of the Distributee under this Plan, except that an Eligible Rollover Distribution does not include:

- (1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a period of ten years or more;
- (2) any distribution to the extent such distribution is required under Code Section 401(a)(9);
- (3) the portion of any distribution that is not includible in gross income; provided, however, a portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income. However, such portion may be transferred only:
 - (i) to an individual retirement account or annuity described in Code Section 408(a) or 408(b), respectively, or to a qualified defined contribution plan described in Code Section 401(a) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of such

distribution which is not so includible;

(ii) to a qualified defined benefit plan described in Code Section 401(a) or to an annuity contract described in Code Section 403(b), that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of the distribution that is not so includible; or

(iii) to a Roth IRA described in Code Section 408A;

(4) any distribution which is made upon the financial hardship of the Participant; and

(5) other items designated by regulations, or by the Commissioner in revenue rulings, notices, or other guidance, as items that do not constitute an eligible rollover distribution.

Section 12.02. Direct Transfer of Eligible Rollover Distribution. A Distributee may elect on an Applicable Form to have an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan as specified by the Distributee in a Direct Rollover, at the time and in the manner prescribed by the Vendor. An Eligible Rollover Distribution that is paid to an Eligible Retirement Plan in a Direct Rollover is excludable from the Distributee's gross income under Code Section 402; provided, however, if any portion of such Eligible Rollover Distribution is subsequently distributed from the Eligible Retirement Plan, that portion shall be included in gross income to the extent required under Code Section 402, 457, or 408.

Section 12.03. Mandatory Withholding of Eligible Rollover Distributions.

(a) If the Distributee of an Eligible Rollover Distribution does not elect to have the Eligible Rollover Distribution paid directly from the Plan to an Eligible Retirement Plan in a Direct Rollover pursuant to Code Section 401(a)(31), the Eligible Rollover Distribution shall be subject to a mandatory 20% federal income tax withholding under Code Section 3405(c). Only that portion of the Eligible Rollover Distribution that is not paid directly from the Plan to an Eligible Retirement Plan in a Direct Rollover shall be subject to the mandatory withholding requirement under Code Section 3405(e), and only to the extent such amount would otherwise be includible in the Distributee's taxable gross income.

(b) If a Distributee elects to have an Eligible Rollover Distribution paid to the Distributee, the distribution may be excluded from gross income of the Distributee provided that said distribution is contributed to an Eligible Retirement Plan no later than the 60th day following the day on which the Distributee received the distribution.

(c) If the Plan distribution is not an Eligible Rollover Distribution, said distribution shall be subject to the elective withholding provisions of Code Section 3405(a) and (b).

Section 12.04. Explanation of Plan Distribution and Withholding Requirements. Not fewer than 30 days nor more than 180 days before an Eligible Rollover Distribution, the Vendor shall provide each Distributee a written explanation as required under Code Section 402(f), which explains the rules:

(a) under which a Distributee may elect to have an Eligible Rollover Distribution paid in a Direct Rollover to an Eligible Retirement Plan;

(b) that require the withholding of tax on an Eligible Rollover Distribution if it is not paid in a Direct Rollover to an Eligible Retirement Plan;

(c) that provide that a distribution shall not be subject to tax if the distribution is rolled over to an Eligible Retirement Plan within 60 days after the date the Distributee receives the distribution (unless the 60 day deadline is waived under Code Section 402(c)(3)(B) or a later deadline is established under Internal Revenue Service guidance); and

(d) if applicable, certain special rules regarding taxation of the distribution as described in Code Sections 402(d) and (e).

Notwithstanding the above, a distribution may begin fewer than 30 days after the notice discussed in the preceding sentence is given, provided that the Vendor clearly informs the Participant that he or she has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution and the Participant, after receiving a notice, affirmatively elects a distribution.

ARTICLE XIII. **PLAN-TO-PLAN TRANSFERS**

Section 13.01. Plan-to-Plan Transfers.

(a) A transfer from this Plan to the State of Maryland Deferred Compensation Plan and Trust ("MSRP 457(b) Plan"), a Code Section 457(b) eligible deferred compensation plan maintained by an eligible employer described in Code Section 457(e)(1)(A) within the State of Maryland, is permitted under the following conditions:

(1) The MSRP 457(b) Plan provides for the receipt of plan-to-plan transfers;

(2) Unless the MSRP 457(b) Plan and the Plan are maintained by the same Employer (and, for this purpose, the Employer is not treated as the same employer if the Participant's compensation is paid by a different entity), the Participant's entire Account under the Plan is transferred to the MSRP 457(b) Plan;

(3) The Participant whose amounts deferred are being transferred will have an amount deferred immediately after the transfer at least equal to the amount deferred with respect to that Participant immediately before the transfer;

(4) The Participant whose amounts are being transferred is eligible to participate in the MSRP 457(b) Plan; and

(5) The transfer satisfies such other requirements set forth in Treasury Regulation Section 1.457-10(b) and such other rules and policies established by the Administrator or Vendor.

(b) A transfer to this Plan from the MSRP 457(b) Plan is permitted under the following conditions:

(1) The MSRP 457(b) Plan provides for plan-to-plan transfers;

(2) Unless the Plan and the MSRP 457(b) Plan are maintained by the same Employer (and, for this purpose, the Employer is not treated as the same employer if the Participant's compensation is paid by a different entity), the Participant's entire account under the MSRP 457(b) Plan is transferred to the Plan;

(3) The Participant whose amounts deferred are being transferred will have an amount deferred immediately after the transfer at least equal to the amount deferred with respect to that Participant immediately before the transfer;

(4) The Participant whose amounts are being transferred is eligible to participate in the Plan; and

(5) The transfer satisfies such other requirements set forth in Treasury Regulation Section 1.457-10(b) and such other rules and policies established by the Administrator or Vendor.

(c) Any amount transferred to the Plan under paragraph (b) shall be credited to the Participant's Transfer Account and shall be held, accounted for, administered and otherwise treated in the same manner as an Annual Deferral by the Participant under the Plan, except that the transferred amount shall not be considered an Annual Deferral under the Plan in determining the maximum deferral under Article V.

Section 13.02. Permissive Service Credit Transfers.

(a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in Code Section 414(d)) 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 may be made before the Participant has had a Severance from Employment.

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

ARTICLE XIV.
PLAN ADMINISTRATION

Section 14.01. Authority of the Administrator. The Administrator shall have the authority to control and manage the operation and administration of the Plan. The Administrator shall have all power necessary or convenient to enable it to exercise its authority under the Plan. The Administrator may provide rules and regulations, not inconsistent with the provisions hereof, for the operation and management of the Plan, and may from time to time amend or rescind such rules or regulations. The Administrator is authorized to accept service of legal process for the Plan.

Section 14.02. Powers of the Administrator. The Administrator shall have the power and discretion to construe and interpret the Plan, including any ambiguities, to determine all questions of fact or law arising under the Plan, and to resolve any disputes arising under and all questions concerning administration of the Plan. The Administrator may correct any defect, supply any omission or reconcile any inconsistency in the Plan in such manner and to such extent as the Administrator may deem expedient and, subject to the Plan's claim procedures, the Administrator shall be the sole and final judge of such expediency. Benefits are payable under the Plan only if the Administrator, in its sole and absolute discretion, determines the benefits are payable under the provisions the Plan.

Section 14.03. Delegation by Administrator.

(a) The Administrator may from time to time delegate in writing to a committee or any duly authorized officer certain of its fiduciary duties or other responsibilities under the Plan. Any such committee or officer delegated fiduciary duties shall be a fiduciary until the Administrator revokes such delegation. A delegation of the Administrator's duties or responsibilities may be revoked without cause or advance notice. To the extent permitted under applicable law, such committee or officer shall have the same power and authority with respect to such delegated fiduciary or other responsibilities as the Administrator has under the Plan. The Administrator shall not be liable for any act or omission of such fiduciary in carrying out such responsibilities.

(b) The Administrator has designated the Vendors to be responsible for providing information to Participants regarding enrollment, Investment Options, and performance; processing contributions, withdrawal requests, transfers, and changes in Investment Options; providing record keeping services and such other services as provided for under agreements between the Vendors and the Administrator.

(a) The Administrator may designate one of the Vendors or another service provider to provide for the collection and coordination of information relating to Unforeseeable Emergency Distribution, in-service distributions, loans, contribution limits, and any other administrative function under the Plan.

Section 14.04. Fiduciary Insurance. Subject to State law, the Board may require the purchase of fiduciary liability insurance for any Plan fiduciary or fiduciaries to cover liability or losses occurring by reason of the act or omission of a fiduciary.

Section 14.05. Employment of Consultants. The Administrator may employ one or more persons to render advice with regard to its responsibilities under the Plan.

ARTICLE XV.
CLAIMS PROCEDURE

Section 15.01. Requests for Information Concerning Eligibility, Participation and Contributions. Requests for information concerning eligibility, participation, contributions, or any other aspects of the operation of the Plan, and service of legal process, should be in writing and directed to the Administrator of the Plan. If a written request is denied, the Administrator shall, within a reasonable period of time, provide a written denial to the Participant. A Participant may request in writing a review of a claim denied by the Administrator and may submit issues and comments in writing to the Administrator. The Administrator shall provide to the Participant a written decision upon such request for review of a denied claim.

Section 15.02. Requests for Information Concerning the Trust. Requests for information concerning the Trust and the terms, conditions, and interpretations thereof, claims thereunder, any requests for review of such claims, and service of legal process, should be in writing and directed to the Vendor. If a written request is denied, the Vendor shall, within a reasonable period of time, provide a written denial to the Participant. A Participant may request in writing a review of a claim denied by the Vendor and may submit issues and comments in writing to the Vendor. The Vendor shall provide to the Participant a written decision upon such request for review of a denied claim.

ARTICLE XVI.
AMENDMENT AND TERMINATION

Section 16.01. Amendment and Termination of Plan. The Board shall have the right, in its sole and final discretion, to amend or terminate the Plan at any time and from time to time to any extent which it may deem advisable.

Section 16.02. Restrictions on Amendments. The Plan may not be amended in a manner that violates any provision of the Code.

Section 16.03. Amendment for Eligible Plan Status. It is the intent of the Board that the Plan shall be and remain an eligible plan under the provisions of Code Section 457 and that the Trust be exempt from tax under Code Section 457. The Board may make any modifications, alterations, or amendments to the Plan necessary to obtain and retain approval of the Secretary of the Treasury or his or her delegate as may be necessary to establish and maintain the status of the Plan as an eligible plan under the Code or other federal legislation, as now in effect or hereafter enacted, and the regulations issued thereunder. Any modification, alteration, or amendment of the Plan, made in accordance with this Section, may be made retroactively, if necessary or appropriate.

Section 16.04. Distribution Upon Termination of the Plan. The Board may provide that, in connection with a termination of the Plan, all Accounts shall be distributed. For purposes of distributing all assets from the Plan in the event of a Plan termination, (i) delivery of a fully paid individual insurance annuity contract, and/or (ii) distribution of an individual custodial account in kind, shall be treated as a distribution.

ARTICLE XVII.
MISCELLANEOUS

Section 17.01. Non-Alienation.

(a) A Participant's Account under the Plan shall not be liable for any debt, liability, contract, engagement, or tort of the Participant or his or her Beneficiary, nor subject to anticipation, sale, assignment, transfer, encumbrance, pledge, charge, attachment, garnishment, execution, alienation, or any other voluntarily or involuntarily alienation or other legal or equitable process, nor transferable by operation of law.

(b) Notwithstanding paragraph (a), the Plan shall comply with any judgment, decree or order ("domestic relations order") which establishes the right of an alternate payee within the meaning of Code Section 414(p)(8) to all or a portion of a Participant's benefit under the Plan to the extent that it is a "qualified domestic relations order" ("QDRO") under Code Section 414(p). The Vendor shall establish reasonable written procedures to determine whether a domestic relations order is a QDRO and to administer the distribution of benefits with respect to such orders, which procedures may be amended from time to time, and which shall be provided to Participants upon request. Notwithstanding any other provisions in the Plan, the Plan may make an immediate distribution to the alternate payee pursuant to a QDRO.

(c) Notwithstanding paragraph (a), the Plan shall offset from the benefit otherwise payable to a Participant or his or her Beneficiary such amounts as are permitted to be offset under a court order, civil judgment, or settlement agreement in accordance with Code Section 401(a)(13)(C).

Section 17.02. Military Service.

(a) Notwithstanding any provisions of this Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with USERRA, HEART, Code Section 414(u), and Code Section 401(a)(37). For purposes of this Section, "qualified military service" means any service in the uniformed services as defined in USERRA by any individual if such individual is entitled to reemployment rights under USERRA with respect to such service.

(b) A Participant whose employment is interrupted by qualified military service or who is on a leave of absence for qualified military service may elect to make Annual Deferrals upon resumption of employment with the Employer up to the maximum Annual Deferrals that the Participant could have elected during that period if the Participant's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Annual Deferrals, if any, actually made for the Participant during the period of the interruption or leave. Except to the extent provided under Code Section 414(u), this right applies for the lesser of (i) five years following the resumption of employment or (ii) a period equal to three times the period of the interruption or leave. Such Annual Deferrals by the Participant may only be made during such period and while the Participant is reemployed by the Employer.

(c) Effective January 1, 2007, to the extent provided under Code Section 401(a)(37), in the case of a Participant whose employment is interrupted by qualified military service and

who dies while performing qualified military service, the survivor of such Participant shall be entitled to any additional benefit (other than benefit accruals) provided under the Plan as if the Participant timely resumed employment in accordance with USERRA and then, on the next day, terminated employment on account of death.

(d) Effective January 1, 2009, differential wage payments within the meaning of Code Section 414(u)(12)(D) shall be treated as Compensation and Includible Compensation under the Plan.

Section 17.03. Limitation of Rights and Obligations. Neither the establishment nor maintenance of the Plan, nor any amendment thereof nor any act or omission under the Plan or resulting from the operation of the Plan shall be construed:

(a) as conferring upon any Participant, Beneficiary or any other person a right or claim against the Administrator or Employer, except to the extent that such right or claim shall be specifically expressed and provided in the Plan;

(b) as creating any responsibility or liability of the Board, the Employer, or the Administrator for the validity or effect of the Plan;

(c) as a contract or agreement between the Board, the Employer, or the Administrator and any Participant or other person;

(d) as an agreement, consideration, or inducement of employment or as effecting in any manner or to any extent whatsoever the rights or obligations of the Employer or any Employee to continue or terminate the employment relationship at any time, except as otherwise provided under any applicable collective bargaining agreement; or

(e) as giving any Participant the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or other person at any time; provided, however, that the foregoing will not be deemed to modify the provisions of any collective bargaining agreements which may have been entered into by the Employer with the bargaining representatives of any Participant.

Section 17.04. Federal and State Taxes. It is intended that Contributions other than Roth Contributions under this Plan, plus any earnings thereunder, are excludable from gross income for federal and state income tax purposes until paid to Participants or Beneficiaries, and that Roth Contributions and earnings thereunder are excludable from gross income for federal and state income tax purposes when paid to Participants or Beneficiaries to the extent that they are Qualified Distributions. However, the Administrator does not guarantee that any particular federal or state income, payroll, or other tax consequence will occur as a result of participation in this Plan.

Section 17.05. Erroneous Payments. If the Administrator or Vendor makes any payment that, according to the terms of the Plan and the benefits provided hereunder, should not have been made, the Administrator or Vendor may recover that incorrect payment, by whatever means necessary, whether or not it was made due to the error of the Administrator or Vendor, from the person to whom it was made, or from any other appropriate party. For example, if any such incorrect payment is made directly to a Participant, the Administrator or Vendor may deduct it when making any future payments directly to that Participant.

Section 17.06. Benefit Payment Issue Resolution. The Administrator, or its designee, if in doubt regarding the correctness of its action with respect to a benefit payment, may direct suspension of payment until satisfied as to the correctness of the payment or the person to receive the payment. Alternatively, the Administrator, or its designee, may file, in any state court of competent jurisdiction, a suit, in the form it deems appropriate, for legal determination of the benefits to be paid and the persons to receive them. The Administrator, or its designee, may also bring a suit, or take other action as it deems appropriate, to resolve questions involving investment directions. The Administrator shall comply with the final order of the court in any such suit, and Participants and the Administrator shall be bound by such an order, insofar as it affects the benefits payable under this Plan, or the method or manner of payment.

Section 17.07. Release. Any payments to any Participant shall, to the extent thereof, be in full satisfaction of the claim of such Participant being paid thereby and the Trustees or Administrator may condition payment thereof on the delivery by the Participant of the duly executed receipt and release in such form as may be determined by the Trustees or Administrator.

Section 17.08. Liability. The Administrator shall not incur any liability in acting upon any notice, request, signed letter, telegram or other paper or document or electronic transmission believed by the Administrator to be genuine or to be executed or sent by an authorized person.

Section 17.09. Information Provided by the Participant. Each Participant 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.

Section 17.10. Family Medical Leave Act. Notwithstanding any provisions of this Plan to the contrary, Contributions and benefits with respect to qualified leave will be provided in accordance with the Family Medical Leave Act of 1993, 29 U.S.C. Section 2601 et. seq.

Section 17.11. Payments to Minors or Incompetents. If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is determined to be legally incapable of giving valid receipt and discharge for such benefits by a court or by the Administrator, benefits shall be paid to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to the Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

Section 17.12. Missing or Lost Participants. In the event that the Administrator does not have current contact information for or is unable to identify a Participant or Beneficiary under the Plan, the Administrator shall make reasonable attempts to determine the address and identity of the Participant or Beneficiary entitled to benefits under the Plan. A reasonable attempt to locate a missing or lost Participant or Beneficiary shall include (i) providing notice to the Participant at the Participant's last known address via certified mail; (ii) determining whether the Employer's records or the records of another plan maintained by the Employer has a more current address for the Participant; (iii) attempting to contact any named Beneficiary of the Participant; and (iv) searching for the missing Participant via free electronic search tools, such as Internet search engines, public record databases, obituaries, and social media. If such search methods are unsuccessful, based on the facts and circumstances, the Administrator may use other search methods, including using Internet search tools, commercial locator services, credit

reporting agencies, information brokers, investigation databases, and analogous services that may involve charges. The Administrator may charge missing Participants and Beneficiaries reasonable expenses for efforts to find them.

Section 17.13. Indemnification. The Employer shall satisfy any liability actually and reasonably incurred by any members of the Board or any person to whom any power, authority or responsibility of the Administrator is delegated pursuant to Section 14.03, except a Vendor or other service provider. These liabilities include expenses, attorney's fees, judgments, fines, and amounts paid in connection with any threatened, pending or completed action, suit or proceeding related to the exercise (or failure to exercise) of this authority. This is in addition to whatever rights of indemnification exist under the regulations or by-laws of the Employer, under any provision of law, or under any other agreement; provided, however, that the Employer will not satisfy any such liability to the extent that the person did not act in good faith.

Section 17.14. No Reversion. Under no circumstances or conditions will any Contributions revert to, be paid to, or inure to the benefit of, directly or indirectly, the Employer, but shall be held for the exclusive purpose of providing benefits to Participants and their Beneficiaries and defraying the reasonable expenses of administering the Plan. However, if Contributions are made by the Employer by a good faith mistake of fact, such amount may be returned to the Employer within one year of the date that they were made to the Plan.

Section 17.15. Finality of Determination. All determinations with respect to crediting of service under the Plan are made on the basis of the records of the Employer, and all determinations made are final and conclusive upon Employees, former Employees, and all other persons claiming a benefit under the Plan.

Section 17.16. Counterparts. The Plan may be executed in any number of counterparts, each of which shall be deemed to be an original. All counterparts shall constitute but one and the same instrument and shall be evidenced by any one counterpart.

IN WITNESS WHEREOF, the Board has caused this amended and restated Plan to be executed by its duly authorized representative as of the date written below, but effective as of January 1, 2024.

**UNIVERSITY SYSTEM OF MARYLAND
BOARD OF REGENTS**

Signature

Printed

Title

Date

UNIVERSITY SYSTEM OF MARYLAND
DEFERRED COMPENSATION PLAN AND TRUST

APPENDIX A
APPROVED VENDORS

The current selection of Vendor(s) is not intended to limit future additions or deletions of Vendor(s). The Administrator from time to time may add or delete Vendor(s) which shall be effective on the date adopted by the Administrator and shall be reflected in a revised Appendix A.

1.1 **Approved Vendors**

The Board has approved the following Vendors under the Plan, which remain approved as of January 1, 2024:

- TIAA
- Fidelity Investments

1.2 **Former Vendors**

As of January 1, 2008, AIG VALIC is a Former Vendor under the Plan.

**UNIVERSITY SYSTEM OF MARYLAND
SUPPLEMENTAL 403(b) RETIREMENT PLAN**

Amended and Restated Effective ~~as of~~ January 1, ~~2020~~2024

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**UNIVERSITY SYSTEM OF MARYLAND
SUPPLEMENTAL 403(b) RETIREMENT PLAN**

**ARTICLE I.
ESTABLISHMENT AND RESTATEMENT OF PLAN**

Section 1.01. Plan Establishment and History.

(a) The University System of Maryland is a public university system established under Maryland law and an educational organization described in Section 170(b)(1)(A)(ii) of the Internal Revenue Code of 1986, as amended ("Code"). The Board of Regents of the University System of Maryland ("Board") established the University System of Maryland Supplemental 403(b) Retirement Plan ("Plan") pursuant to Code Section 403(b) and Sections 30-210 et seq. of the State Personnel and Pensions Article of the Annotated Code of Maryland (1978, 2004 Repl. Vol.), to provide eligible employees the opportunity to supplement their retirement benefits through voluntary contributions.

(b) The Plan is, and is intended to remain, a defined contribution plan under Code Section 403(b). The Plan is a governmental plan within the meaning of Code Section 414(d) and Section 3(32) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). As a governmental plan, ERISA does not apply.

(c) The Plan was most recently amended and restated effective ~~June 17~~January 1, 2011~~2020~~.

Section 1.02. Plan Restatement.

(a) The Plan is now being amended and restated effective January 1, ~~2020~~2024, except as otherwise specifically provided herein, to ~~incorporate the prior amendments to the Plan and to~~ make certain required and discretionary changes.

(b) Except as otherwise specifically provided herein, the Plan as hereinafter set forth establishes the rights and obligations with respect to individuals who are Employees on and after January 1, ~~2020~~2024, and to transactions under the Plan on and after January 1, ~~2020~~2024. The rights and benefits, if any, of individuals who are not Employees on or after January 1, ~~2020~~2024, shall be determined in accordance with the terms and provisions of the Plan that were in effect on the date of their Severance from Employment, except as otherwise specifically provided herein or in a subsequent amendment.

Section 1.03. Plan Funding. The Plan is funded exclusively through the purchase of Investment Arrangements in accordance with the requirements of the Code. The terms and conditions of the Investment Arrangements shall be incorporated into this Plan; provided, however, that to the extent that there is any conflict between the terms of the Investment Arrangements and the terms of the Plan, the terms of the Plan shall govern, except as otherwise specifically provided herein.

ARTICLE II.
RULES OF CONSTRUCTION AND DEFINITIONS

Section 2.01. Rules of Construction and Governing Law.

(a) This Plan shall be interpreted, enforced, and administered in accordance with the Code and, when not inconsistent with the Code, or expressly provided otherwise herein, the laws of the State of Maryland without regard to conflict of law principles.

(b) Words used herein in the masculine gender shall be construed to include the feminine gender where appropriate, and *vice versa*, and words used herein in the singular or plural shall be construed as being in the plural or singular, where appropriate, and *vice versa*.

(c) The headings and subheadings in the Plan are inserted for convenience of reference only and are not to be considered in the construction of any provision of the Plan.

(d) If any provision of the Plan shall be held to violate the Code or be illegal or invalid for any other reason, that provision shall be deemed to be null and void, but the invalidation of that provision shall not otherwise impair or affect the Plan.

(e) In resolving any conflict between provisions of the Plan and in resolving any other uncertainty as to the meaning or intention of any provision of the Plan, the interpretation that causes the Plan to (i) constitute a defined contribution plan under the provisions of Code Section 403(b), (ii) be a governmental plan as defined in ERISA Section 3(32) and Code Section 414(d), and (iii) comply with all applicable requirements of the Code, shall prevail over any different interpretation.

Section 2.02. Definitions. When the initial letter of a word or phrase is capitalized herein, the meaning of such word or phrase shall be as follows:

(a) "Account" means the separate accounts maintained for each Participant and Beneficiary under the Plan. The following Accounts shall be established for a Participant or Beneficiary, if applicable:

(1) A Pre-Tax Contribution Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to Pre-Tax Contributions pursuant to Section 4.01. Such Account may be further divided into a ~~Pre~~pre-1987 Pre-Tax Contribution Account reflecting Pre-Tax Contributions made to the Plan prior to 1987 and a ~~Post~~post-1986 Pre-Tax Contribution Account reflecting Pre-Tax Contributions made to the Plan after 1986, including any earnings on the Pre-1987 Pre-Tax Contributions.

(2) A Roth Contribution Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to Roth Contributions pursuant to Section 4.01.

(3) ~~"A Post-Severance Employer Contribution Account" means the account maintained~~ to reflect the Participant's or Beneficiary's interest under the Plan attributable to ~~his or her~~ Post-Severance Employer Contributions, if any, pursuant to Section 4.02.

(4) A Rollover Contribution Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to Rollover Contributions pursuant to Section 4.03.

(5) A Transfer Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to plan-to-plan transfers pursuant to Section 12.01.

(b) "Administrator" means the Administrative Committee as designated by the Board, or such other person, persons, or entity designated by the Board, to perform the administrative duties and functions under the Plan.

(c) "Allocable Income" means the sum of the allocable gain or loss for the year or partial year determined in accordance with Code Section 402(g) and the regulations promulgated thereunder.

(d) "Annual Addition" means annual addition as defined in Code Section 415(c) and as modified in Code Sections 415(l)(1) and 419A(d)(2). In general, Code Section 415(c) defines annual addition as the sum of the following amounts credited to a Participant's Account for the Limitation Year under this Plan and to a Participant's account under any other Code Section 401(a) defined contribution plan maintained by the Employer (or, if required by Code Section 415 and the regulations thereunder, to any other defined contribution plan):

(1) employee contributions;

(2) employer contributions;

(3) forfeitures;

(4) allocations under a simplified employee pension;

(5) amounts allocated to an individual medical account, as defined in Code Section 415(l)(2), which is part of a pension or annuity plan maintained by the ~~University~~Employer or a Related Employer, or both, as applicable; and

(6) mandatory employee contributions to a defined benefit plan maintained by the ~~University~~Employer, unless the contributions are picked up by the ~~University~~Employer pursuant to Code Section 414(h)(2).

Annual Additions shall not include (i) elective deferrals made by a Participant who is age 50 or older in accordance with Code Section 414(v), (ii) excess elective deferrals distributed in accordance with Treasury Regulation Section 1.402(g)-1(e)(2), (iii) rollover contributions, or (iv) transfer contributions.

(e) "Annuity Contract" means a nontransferable contract as defined in Code Sections 403(b)(1) and 401(g), established for Participants by the Employer, or by each Participant individually, that is issued by a Vendor who is an insurance company qualified to issue annuities in a ~~State~~state and that includes payment in the form of an annuity.

(f) "Applicable Form" means the appropriate form as designated and furnished by the Administrator or Vendor to make an election or provide a notice as required by the Plan. If a written election or consent is not specifically required by the Code, the Administrator or Vendor may prescribe a verbal, electronic, or telephonic ~~instruction~~form in lieu of or in addition to a written form.

(g) "Beneficiary" means the person, company, trustee, or estate designated by the Participant on the Applicable Form to receive any benefits payable under the Plan in the event of the Participant's death. ~~A~~Except as required by applicable state law, (i) a designation of an individual as a Beneficiary shall remain in effect until affirmatively revoked by the Participant on a subsequent Applicable Form.~~—Unless and (ii), unless~~ otherwise provided in the applicable Investment Arrangement, if ~~the~~no designated Beneficiary ~~does not survive~~survives the Participant or there is no Beneficiary designated, the Participant's surviving Spouse shall be the Beneficiary or, if ~~none~~there is no surviving Spouse, the Participant's estate shall be the Beneficiary. Beneficiary also means an alternate payee within the meaning of Code Section 414(p)(8).

(h) "Board" means the Board of Regents of the University System of Maryland.

(i) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(j) "Compensation" means all cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, which is includible in the Employee's gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under Code Section 125, 132(f), 401(k), 403(b), or 457(b) (including an election to reduce compensation in order to make Elective Deferrals under the Plan). Compensation does not include amounts "picked up" by the Employer within the meaning of Code Section 414(h). Compensation includes any compensation described in ~~paragraphs~~paragraph (1) or (2), provided it is paid by the later of 2½ months after the Employee's Severance from Employment with the Employer or the end of the calendar year in which the Employee has a Severance from Employment with the Employer:

(1) any payment that would have been paid to the Employee prior to a Severance from Employment if the Employee continued in employment with the Employer and that is regular compensation for services during the Employee's regular working hours, compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and

(2) a payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued and the payment would be Compensation if paid prior to the Employee's Severance from Employment, and only if the Employee separately elects for such payment to be reduced on his or her Salary Reduction Agreement pursuant to Section 4.01.

Notwithstanding the above, to the extent applicable, Compensation shall not exceed the limits under Code Section 401(a)(17), as increased for the Cost of Living Adjustment for the Plan Year. Any payment that is not described in paragraph (1) or (2) above is not considered Compensation

if paid after Severance from Employment. Thus, for example, Compensation does not include amounts paid after Severance from Employment that are severance pay or unfunded nonqualified deferred compensation.

(k) "Contributions" mean Pre-Tax Contributions, Roth Contributions, Post-Severance Employer Contributions, ~~and~~ Rollover Contributions, and plan-to-plan transfers.

(l) "Coronavirus-Related Distribution" means a distribution made on or after April 6, 2020 (or as soon as administratively practicable after April 6, 2020), but before December 31, 2020, to a Qualified Individual in accordance with Section 8.04.

(m) ~~(+)~~ "Cost of Living Adjustment" means the cost of living adjustment prescribed by the Secretary of the Treasury under Code Section 401(a)(17), 402(g), 414(v), or 415(d) for any applicable year.

(n) ~~(+)~~ "Custodial Account" means the group or individual custodial account or accounts, as defined in Code Section 403(b)(7), established by the Administrator, or by each Participant individually, with a Vendor to hold assets of the Plan.

(o) "Designated Beneficiary" means an individual Beneficiary within the meaning of Code Section 401(a)(9)(E)(i).

(p) ~~(+)~~ "Disabled" ~~or "Disability"~~ means ~~disability~~ disabled within the meaning of Code Section 72(m)(7).

(q) ~~(+)~~ "Elective Deferral" means Pre-Tax Contributions, Roth Contributions, and any other elective deferral as defined by Code Section 402(g)(3).

(r) "Eligible Designated Beneficiary" means a Designated Beneficiary who meets the additional criteria under Code Section 401(a)(9)(E)(ii).

(s) ~~(+)~~ "Employee" means a common law employee of the Employer, other than non-resident aliens with no U.S. source income or students performing services described in Code Section 3121(b)(10). Employee shall not include an employee unless his or her Compensation for performing services is paid by the Employer.

(t) ~~(+)~~ "Employer" means one of the following Public Schools:

- (1) the University System of Maryland Office;
- (2) Bowie State University;
- (3) Coppin State University;
- (4) Frostburg State University;
- (5) Salisbury University;
- (6) Towson University;

- (7) University of Baltimore;
- (8) University of Maryland, Baltimore;
- (9) University of Maryland, Baltimore County;
- (10) University of Maryland, College Park;
- (11) University of Maryland, Eastern Shore;
- (12) University of Maryland University College;
- (13) University of Maryland Biotechnology Institute;
- (14) University System of Maryland Center for Environmental Science; and
- (15) any other center, component, or institute established and operated by the University System of Maryland in accordance with its mission pursuant to Section 12-101 of the Annotated Code of Maryland (1978, 2006 Repl. Vol.).

(u) ~~(+)~~ "Excess Annual Additions" mean, except as provided in Code Section 414(v), that portion of a Participant's Contributions to the Plan and contributions to another qualified defined contribution plan sponsored by the Employer (or, if required by Code Section 415 and the regulations thereunder, to any other defined contribution plan) for a Limitation Year which exceeds the limits of Code Section 415.

(v) ~~(+)~~ "Excess Elective Deferrals" mean, except as provided in Code Section 414(v), that portion of a Participant's Pre-Tax Contributions and/or Roth Contributions to the Plan and Elective Deferrals to any other 403(b) or 401(k) plan maintained by the Employer or a Related Employer for a Plan Year which exceeds the limits of Code Section 402(g).

(w) "Financial Hardship Distribution" means a distribution made in accordance with Section 8.03 to a Participant on account of an immediate and heavy financial need.

(x) ~~(+)~~ "Former Vendor" means a service provider that was an approved Vendor under the Plan, but that ceases to be an approved Vendor under the Plan, that continues to hold Plan assets. Notwithstanding the preceding, a Former Vendor shall not include a service provider that ceased to be eligible to receive contributions under the Plan prior to January 1, 2005.

(y) ~~(+)~~ "HEART" means the Heroes Earnings Assistance and Relief Tax Act of 2008, as amended from time to time.

(z) ~~(+)~~ "Includible Compensation" means all compensation received by an Employee from the Employer that is includible in his or her gross income for federal income tax purposes (computed without regard to Code Section 911) for the most recent period that is a Year of Service which precedes the taxable year by no more than five years within the meaning of Code Section 403(b)(3). Includible Compensation also includes any amounts excludable from taxable income because of an election (including Elective Deferrals under the Plan) under Code Sections

403(b), 457(b), 125, 401(k), or 132(f). Includible Compensation includes compensation paid by 2½ months after the later of an Employee's Severance from Employment or the end of the ~~Plan~~Limitation Year that includes the date of the Employee's Severance from Employment, if:

(1) the payment is regular compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (e.g., overtime or shift differential), commissions, bonuses, or other similar payments and the payment would have been paid to the Employee prior to a Severance from Employment if the Employee had continued in employment with the Employer; ~~and~~

(2) the payment is for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if the Employee had continued in employment; ~~or~~

(3) the payment is made to the Employee under a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment with the Employer and only to the extent that the payment is includible in the Employee's gross income.

Includible Compensation does not include any amounts "picked up" by the Employer within the meaning of Code Section 414(h). Includible Compensation is determined without regard to any community property laws. To the extent applicable, Includible Compensation shall not exceed the limits under Code Section 401(a)(17), ~~as~~ increased for the Cost of Living Adjustment in effect for the Plan Year.

(aa) ~~(w)~~ "Investment Arrangement" means an Annuity Contract or Custodial Account that satisfies the requirements of Treasury Regulation Section 1.403(b)-3 and that is issued or established for funding amounts held under the Plan and specifically approved by the Administrator for use under the Plan.

(bb) ~~(x)~~ "Investment Options" mean the investment funds available under the Investment Arrangements provided by the Vendor(s) and specifically approved by the Administrator, in its sole and absolute discretion, for use under this Plan.

(cc) ~~(y)~~ "Limitation Year" means the Plan Year; provided, however, that if the Participant is in control of an employer within the meaning of Treasury Regulation Section 1.415(a)-1(f), the Limitation Year is the limitation year of that employer.

(dd) ~~(z)~~ "Participant" means any Employee who is or may become eligible to receive a benefit of any type under the Plan. A Participant shall also mean, when appropriate to the context, a former Employee who is eligible to receive a benefit of any type under the Plan.

(ee) ~~(aa)~~ "Plan" means the University System of Maryland Supplemental 403(b) Retirement Plan, as amended from time to time.

(ff) ~~(bb)~~ "Plan Year" means the calendar year.

(gg) ~~(ee)~~ "Post-Severance Employer Contribution" means Employer contributions made to the Plan on behalf of a Participant in connection with the Participant's Severance from Employment as determined in the sole and absolute discretion of the Board or its delegate pursuant to Section 4.02.

(hh) ~~(dd)~~ "Pre-Tax Contribution" means a contribution made to the Plan by the Employer at the election of a Participant pursuant to a Salary Reduction Agreement in accordance with Section 4.01.

(ii) ~~(ee)~~ "Public School" means a ~~state~~State sponsored educational organization described in Code Section 170(b)(1)(A)(ii).

(jj) ~~(ff)~~ "Qualified Distribution" means a distribution from a Roth Contribution Account after the Participant has satisfied a five year ~~tax~~-holding period and has attained age 59½, died, or become Disabled, in accordance with Code Section 402A(d). The five year ~~tax~~-holding period is the period of five consecutive taxable years that begins with the first day of the first taxable year in which the Participant makes a designated Roth Contribution under the Plan or to another retirement plan which amount was directly rolled over to the Plan, and ends when five consecutive taxable years have been completed.

(kk) "Qualified Individual" means a Participant:

(1) who is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention;

(2) whose Spouse or dependent (as defined in Code Section 152) is diagnosed with such virus or disease by such a test; or

(3) who experiences adverse financial consequences as a result of:

(i) the Participant, the Participant's Spouse, or a member of the Participant's household (i) being quarantined, (ii) being furloughed or laid off or having work hours reduced due to such virus or disease, (iii) being unable to work due to lack of child care due to such virus or disease, (iv) having a reduction in pay (or self-employment income) due to such virus or disease, or (v) having a job offer rescinded or start date for a job delayed due to such virus or disease;

(ii) closing or reducing hours of a business owned or operated by the Participant, the Participant's Spouse, or a member of the Participant's household due to such virus or disease; or

(iii) other factors as determined by the Secretary of the Treasury (or the Secretary's delegate).

For purposes of this paragraph (kk), a member of the Participant's household means someone who shares the Participant's principal residence.

(ll) ~~(gg)~~ "Related Employer" means any entity which is under common control with the Employer under Code Section 414(b), (c), (m), or (o). 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 IRS Notice 89-23, 1989-1 C.B. 654.

(mm) ~~(hh)~~ "Rollover Contribution" means an amount contributed to the Plan pursuant to Section 4.03.

(nn) ~~(ii)~~ "Roth Contribution" means a contribution made to the Plan by the Employer at the election of a Participant pursuant to a Salary Reduction Agreement in accordance with Section 4.01, where the contribution has been (i) designated irrevocably by the Participant as a Roth Contribution being made in lieu of all or a portion of the Pre-Tax Contribution the Participant is otherwise eligible to make under the Plan, and (ii) treated by the Employer as includible in the Participant's gross income at the time the Participant would have received that amount in cash if the Participant had not made such an election. ~~Roth Contributions shall be available under the Plan as soon as administratively practicable on or after January 1, 2020.~~

(oo) ~~(jj)~~ "Salary Reduction Agreement" means an agreement entered into between an Employee and the Employer pursuant to Section 4.01, which may be in electronic or written form. Such agreement shall not be effective with respect to Compensation made available prior to the effective date of such agreement and shall be binding on the parties and irrevocable with respect to Compensation earned while it is in effect.

(pp) ~~(kk)~~ "Section" means, when not preceded by the word Code or ERISA, a section of the Plan.

(qq) ~~(ll)~~ "Severance from Employment" means the complete termination of the employment relationship between the Employee and the Employer and any Related Employer. However, a Severance from Employment also occurs on any date on which an Employee ceases to be an employee of an Employer or a Related Employer that is a Public School, even though the Employee may continue to be employed by a Related Employer that is another unit of the State or local government that is not a Public School or in a capacity that is not employment with a Public School (*e.g.*, ceasing to be an employee performing services for a Public School but continuing to work for the same State or local government employer).

(rr) ~~(mm)~~ "Spouse" means the person to whom ~~an Eligible Employee is legally a~~ Participant is married under ~~the federal~~ the federal law ~~of any state~~.

(ss) "State" means the State of Maryland acting through the Employer which has offered this Plan to its Employees.

(tt) ~~(nn)~~ "USERRA" means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended from time to time.

(uu) ~~(oo)~~ "Vendor" means the service provider that has been approved by the Administrator to serve as third party administrator and/or recordkeeper for the Plan and/or to offer Investment Options to Participants under the Plan. The Vendor(s) are listed in Appendix A, as

modified from time to time in the Administrator's sole and absolute discretion. A modification of Appendix A is not an amendment of the Plan.

(vv) ~~(pp)~~ "Vest" or "Vested" means the interest of the Participant or Beneficiary in his or her Account that is unconditional, legally enforceable, and nonforfeitable.

(ww) ~~(qq)~~ "Year of Service" means each year during which the Employee is a full-time Employee of the Employer for the entire work period, and a fraction of a year for each part of a work period during which the Employee is a full-time or part-time Employee of the Employer, determined in accordance with the rules under Treasury Regulation Section 1.403(b)-4(e).

ARTICLE III. **PARTICIPATION**

Section 3.01. Participation. An Employee may become a Participant in the Plan ~~for purposes of Elective Deferrals or Rollover Contributions~~ immediately after commencement of employment with the Employer. Participation in the Plan is voluntary.

Section 3.02. Notice and Enrollment.

(a) The Employer shall notify an Employee when he or she is eligible to participate in the Plan for purposes of Elective Deferrals.

(b) An Employee must complete the enrollment process and make investment elections with the Vendor on the Applicable Form, including a Salary Reduction Agreement for purposes of Elective Deferrals, to become a Participant in the Plan. An Employee who fails to complete the enrollment process and make investment elections with the Vendor on the Applicable Form shall be deemed to have waived all of his or her rights under the Plan, provided that such Employee may become a Participant in the Plan at any time thereafter by completing the enrollment process and making investment elections with the Vendor on the Applicable Form.

Section 3.03. Cessation of Contributions. A Participant shall cease to be eligible for ~~Elective Deferrals~~Contributions under the Plan when he or she is no longer an Employee.

Section 3.04. Cessation of Participation. A Participant shall cease to be a Participant on the distribution of his or her entire interest in the Plan.

Section 3.05. Reemployment. A former Participant who is reemployed by the Employer shall immediately become a Participant in this Plan as of his or her date of rehire as an Employee.

ARTICLE IV. **CONTRIBUTIONS**

Section 4.01. Elective Deferrals.

(a) Subject to the limitations under Article V, an Employee who has satisfied the participation requirements under ~~Section 3.01~~Section 3.01 may enter into a written Salary

Reduction Agreement with the Employer agreeing to contribute each pay period Pre-Tax Contributions and/or Roth Contributions to the Plan ~~in any flat dollar amount.~~

(b) Pre-Tax Contributions and Roth Contributions shall begin as soon as administratively practicable following the date specified in the Salary Reduction Agreement, or, if later or if no date is specified, as soon as administratively practicable after the Salary Reduction Agreement is filed with the Administrator or the Vendor, as applicable.

(c) Pre-Tax Contributions and/or Roth Contributions shall reduce the Compensation otherwise payable to a Participant and shall be paid in cash to the Vendor by the Employer, on a basis consistent with its payroll practices, as soon as administratively feasible after being withheld from the Compensation of a Participant, but no later than 15 business days following the end of the month in which such amount is withheld from the Compensation of the Participant.

(d) If the Participant fails to designate whether Elective Deferrals are Pre-Tax Contributions or Roth Contributions, the Participant will be deemed to have designated his or her Elective Deferrals as Pre-Tax Contributions. Pre-Tax Contributions shall be allocated to the Pre-Tax Contribution Account of the Participant as of the date of contribution. Roth Contributions shall be allocated to the Roth Contribution Account of the Participant as of the date of contribution.

(e) A Salary Reduction Agreement shall remain in effect until superseded by another election or until the Administrator requires a Participant to complete a new Salary Reduction Agreement on a uniform and nondiscriminatory basis.

(1) A Participant may change his or her election to make Pre-Tax Contributions and/or Roth Contributions at any time by filing a new Salary Reduction Agreement with the Administrator or the Vendor, as applicable. Any such changes shall be effective as soon as administratively practicable following the date specified in the new Salary Reduction Agreement, or, if later, as soon as administratively practicable after the Salary Reduction Agreement is filed.

(2) A Participant may terminate his or her election to make Pre-Tax Contributions and/or Roth Contributions at any time by filing the Applicable Form with the Administrator or the Vendor, as applicable, which shall be effective as soon as administratively practicable after the Applicable Form is filed.

(f) An election to make Pre-Tax Contributions and/or Roth Contributions shall not be valid with respect to any period during which the Participant is not an Employee. No election to make, change, or discontinue Pre-Tax Contributions and/or Roth Contributions shall be given retroactive effect.

(g) The Administrator may establish additional nondiscriminatory rules and procedures governing the manner and timing of elections by Participants to make, change, or discontinue Pre-Tax Contributions and/or Roth Contributions.

Section 4.02. Post-Severance Employer Contributions. The Employer may make Post-Severance Employer Contributions to the Plan in an amount and for such Employee or Employees as determined by the Board or its delegate in its sole and absolute discretion each Plan

Year. Post-Severance Employer Contributions shall be allocated to the Post-Severance Employer Contribution Account of the Participant as of the date of the contribution, and shall be made in accordance with Code Section 403(b)(3) and Treasury Regulation Section 1.403(b)-4(d).

Section 4.03. Rollover Contributions to the Plan.

(a) Subject to the Investment Arrangements, Participants (prior to January 1, 2025, Participants) who are Employees only may transfer to the Plan as a Rollover Contribution a distribution from a Code Section 401(a) (including 401(k)) or 403(a) qualified plan (excluding after-tax contributions), a Code Section 403(b) plan (excluding after-tax contributions), a Code Section 408 individual retirement account or annuity, a SIMPLE IRA described in Code Section 408(p)(1) provided that the Rollover Contribution is made after the two year period described in Code Section 72(t)(6), or a Code Section 457(b) eligible deferred compensation plan which is maintained by an eligible employer described in Code Section 457(e)(1)(A). Any Rollover Contribution (i) shall be subject to the Vendor's determination, in its discretion, that the Rollover Contribution satisfies all applicable requirements of the Code and (ii) shall be made directly from such prior plan, or if such amount was distributed to the Participant, such Rollover Contribution shall be made within 60 days after the Participant receives the rollover amount, unless the 60 day deadline is waived under Code Section 402(c)(3)(B) or a later deadline is established under Internal Revenue Service guidance.

(b) The Plan shall accept a Rollover Contribution ~~to a Roth Contribution Account~~ only if it is a direct rollover from ~~another~~ a designated Roth ~~elective deferral~~ account under an applicable retirement plan described in Code Section 402A(e)(1) and only to the extent the rollover is permitted under the rules of Code Section 402(c). A Rollover Contribution that includes a designated Roth account shall only be accepted if the Administrator obtains information regarding the Participant's tax basis under Code Section 72 in the amount rolled over and the first day of the Participant's taxable year in which the Participant first had Roth contributions made to such other designated Roth account.

(c) A Rollover Contribution shall be allocated to the Rollover Contribution Account of the Participant as of the date of the contribution. A Rollover Contribution from a designated Roth account shall be allocated to a subaccount of the Participant's Rollover Contribution Account holding Roth Rollover Contributions as of the date of the contribution. Before a Rollover Contribution is made, the Participant shall designate on the Applicable Form the Investment Options in which the Vendor should invest the Participant's Rollover Contribution.

Section 4.04. In-Plan Roth Rollovers.

(a) Any portion or all of a Participant's Vested Account (other than a Roth Contribution Account or a subaccount of the Participant's Rollover Contribution Account holding Roth Rollover Contributions and earnings thereon) is eligible for direct rollover to the Participant's Roth Contribution Account under the Plan, even if the Vested Account is not otherwise distributable (pursuant to Code Section 402A(c)(4)(E)) under Article VIII of the Plan, and the transfer shall be treated as a qualified rollover contribution (within the meaning of Code Section 408A(e)) to the Participant's Roth Contribution Account.

(b) A Participant's election under this Section 4.04 shall be subject to the reasonable administrative procedures established by the Administrator, Code Section 402A(c)(4) and the regulations thereunder, and subsequent guidance from the Internal Revenue Service.

(c) The taxable portion of the Participant's Account directly rolled over to a Roth Contribution Account under this Section 4.04 shall be included in the Participant's gross income in the tax year in which the transfer occurs.

(d) To the extent required by Code Section 402(f), the Administrator shall provide written information regarding in-Plan Roth rollovers under this Section 4.04, for amounts that are otherwise distributable under Article VIII.

Section 4.05. Leave of Absence. During a paid leave of absence, Pre-Tax Contributions and/or Roth Contributions shall continue to be made for a Participant on the basis of Compensation paid by the Employer during the leave. No Contributions shall be made during an unpaid leave of absence.

Section 4.06. Plan Expenses of Plan. All reasonable expenses of administering the Plan shall be charged against and paid from the Participant's Accounts, subject to the terms of the applicable Investment Arrangements, unless paid by the Employer. The Administrator shall have the right to allocate expenses associated with maintaining the Accounts of terminated Employees to such Accounts, even if no expenses are allocated to the Accounts of active Employees, in accordance with rules promulgated by the Internal Revenue Service.

ARTICLE V. **LIMITATIONS ON CONTRIBUTIONS**

Section 5.01. Elective Deferral Limits.

(a) The maximum amount of Elective Deferrals to the Plan for any calendar year shall be limited to the applicable dollar amount as provided in Code Section 402(g)(B)(1). ~~The applicable dollar amount is \$19,500 for 2020,~~ increased ~~thereafter~~ by the Cost of Living Adjustment in effect for such calendar year.

(b) A Participant who ~~attains~~will attain age 50 or more by the end of the calendar year, and who is contributing up to the applicable dollar amount under paragraph (a), may make additional Elective Deferrals up to the applicable dollar amount under Code Section 414(v) ~~of up to \$6,500 for 2020,~~ as increased ~~thereafter~~ by the Cost of Living Adjustment. in effect for such calendar year. Effective January 1, 2025, the adjusted dollar amount under Code Section 414(v)(2)(E), as increased by the Cost of Living Adjustment in effect for such calendar year, shall apply to Participants who will attain age 60 but will not attain age 64 by the end of the calendar year.

(c) The special catch-up under Code Section 402(g)(7) shall not apply.

Section 5.02. Excess Elective Deferrals. Excess Elective Deferrals resulting from Elective Deferrals made on behalf of the Participant to this Plan and to any other 403(b) or 401(k) plan maintained by the Employer or a Related Employer (or, to the extent timely requested by the

Participant, to any other 403(b) or 401(k) plan maintained by any other employer) shall be distributed along with Allocable Income to the Participant no later than the April 15th following the calendar year in which the Excess Elective Deferral was made. Such distributions shall be made in accordance with the rules under Code Section 402(g) and the regulations thereunder.

Section 5.03. Code Section 415 Limits.

(a) Notwithstanding any provision of the Plan to the contrary, Annual Additions to the Plan and any other Code Section 403(b) plan maintained by the Employer or a Related Employer (or, if required by Code Section 415 and the regulations thereunder, to any other defined contribution plan) for a Participant in a Limitation Year shall not exceed the limitations set forth in Code Section 415(c), except to the extent permitted under Code Section 414(v).

(b) The Code Section 415(c) limit for any Limitation Year is the lesser of:

(1) ~~\$57,000 for 2020~~The dollar amount under Code Section 415(c)(1)(A), increased thereafter by the Cost of Living Adjustment in effect for such calendar year; or

(2) 100% of the Participant's Includible Compensation.

Section 5.04. Excess Annual Additions.

(a) If as of the end of the Plan Year, the Annual Additions allocated to any Participant's Account exceed the limitations of this Article V, the Excess Annual Additions ~~will~~shall be corrected as permitted under the Employee Plans Compliance Resolution System (or similar Internal Revenue Service correction program).

(b) In any Plan Year, ~~in the event Contributions would exceed the Code Section 415(c) limitations~~which there are Excess Annual Additions, an adjustment to comply with this Article V shall be made as soon as administratively practicable, but no later than the time permitted under ~~the~~ Internal Revenue ~~Service~~Code: (i) first, to any plan maintained by the Participant or another employer that is required to be aggregated under Code Section 415(c) with the Plan; (ii) second, to any plan that is required to be aggregated with this Plan not described in (iv); (iii) third, to the Plan; and (iv) fourth, to the State of Maryland Optional Retirement Plan.

ARTICLE VI.
ACCOUNTING

Section 6.01. Participant Accounts. The Vendor(s) shall establish and maintain adequate records to reflect the Accounts of each Participant and Beneficiary. Credits and charges shall be made to such Accounts to reflect additions, distributions, and withdrawals, and to reflect gains or losses pursuant to the terms of each Investment Arrangement. The maintenance of individual Accounts is for accounting purposes only, and a segregation of Plan assets to each Account shall not be required.

Section 6.02. Participant Statements. The Vendor(s) shall provide to each Participant a quarterly statement reflecting the value of the Participant's Account as of the end of each quarter, and shall provide similar information to the Administrator upon its request.

Section 6.03. Value of Account. The value of the Account of a Participant as of any valuation date is the value of the Account balance as determined by the Vendor. The valuation date shall be the last day of the Plan Year and each other date designated by the Administrator or Vendor in a uniform and nondiscriminatory manner. All transactions and Account records shall be based on fair market value.

ARTICLE VII.
INVESTMENT OF ~~CONTRIBUTIONS~~ ACCOUNTS

Section 7.01. Vendors and Investment Options.

(a) All Contributions under the Plan shall be transferred to the Vendor(s) to be held, managed, invested and distributed in accordance with the provisions of the Plan and the Investment Arrangements as applicable. All benefits under the Plan shall be distributed solely from the Investment Arrangements, and the Employer shall have no liability for any such benefits other than the obligation to make Contributions as provided in the Plan.

(b) Participants' Accounts shall be invested in one or more of the Investment Options available to Participants ~~from a Vendor(s) approved~~ under this Plan, as selected by the Administrator and communicated to Participants. ~~The current Vendor(s) are listed in Appendix A.~~ The Administrator's current selection of Vendor(s) and Investment Options is not intended to limit future additions or deletions of Vendor(s) or Investment Options.

(c) A Participant shall have the right to direct the investment of his or her Accounts by filing the Applicable Form with the Vendor(s). A Participant may change his or her investment election as often as determined by the Vendor(s). A Participant may elect to transfer all or any portion of his or her Accounts invested in any one Investment Option to another Investment Option, regardless of whether offered by the same or a different Vendor, subject to the limitations of the Investment Arrangements, by filing a request on the Applicable Form with the Vendor(s) or by such other means that may be provided for by the Vendor(s). A Participant may also elect to transfer all or any portion of his or her Accounts invested with a Former Vendor to an Investment Option with a Vendor, subject to the terms of the Investment Arrangements. In no event, however, may a Participant transfer any portion of his or her Accounts invested ~~in an Investment Option with a Vendor to an investment~~ with a Former Vendor, or any other vendor that is not ~~eligible~~ approved to receive Contributions under the Plan, to an Investment Option with a Vendor.

Section 7.02. Exclusive Benefit. 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 Beneficiaries.

Section 7.03. Default Investments. If a Participant does not have a valid and complete investment direction on file with the Vendor on the Applicable Form, Contributions will be invested in a default Investment Option selected by the Administrator in its sole and absolute discretion, until the Participant makes an affirmative election regarding the investment of his or her Account.

ARTICLE VIII.
DISTRIBUTIONS

Section 8.01. Commencement of Distributions.

(a) A Participant or, if applicable, a Beneficiary, shall be eligible to receive a distribution of his or her Vested Account under the Plan ~~upon~~if the ~~Participant's~~Participant:

- (1) has a Severance from Employment;
- (2) ~~death~~dies;
- (3) ~~Disability~~is Disabled;
- (4) ~~attainment of~~attains age 59½; or
- (5) ~~financial hardship, as described in Section 8.03~~qualifies for a Financial Hardship Distribution or Coronavirus-Related Distribution.

(b) ~~The~~Except for a Participant's interest in the Plan being held in a Custodial Account, the distribution restrictions in paragraph (a) do not apply to Pre-Tax Contributions to the Plan prior to January 1, 1989 (not including earnings thereon), provided such Pre-Tax Contributions are separately accounted for under the Plan.

(c) Subject to the terms of the Investment Arrangements, Participants may elect to have either Pre-Tax Contributions or Roth Contributions distributed from the Plan first. Unless provided otherwise under the terms of the applicable Investment Arrangement, if the Participant fails to make an election, Pre-Tax Contributions will be distributed from the Plan first.

(d) Subject to the terms of the Investment Arrangements, a Rollover Contribution Account may be distributed to a Participant at any time, to the extent that Rollover Contributions have been separately accounted for by the Vendor.

(e) A Participant or Beneficiary may submit a request for a distribution to the Vendor on the Applicable Form. The Employer shall certify that the Participant has had a Severance from Employment or is Disabled.

Section 8.02. Form of Distribution.

(a) A Participant may elect to receive his or her Vested Account under any payment option available under the Investment Arrangement. Subject to the terms of the Investment Arrangement, these may include, but are not necessarily limited to, a single lump sum, annuity payments, and installment payments. All forms of payment shall be subject to the limitations of the Investment Arrangement.

(b) To the extent permitted by the Investment Arrangement, a lump sum payment of a Vested Account may be made without the consent of the Participant or Beneficiary if his or her Account balance does not exceed \$1,000 (determined without regard to his or her Rollover

Contribution Account), unless the Participant elects to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover or to receive the distribution directly in a lump sum.

(c) To the extent permitted by the Investment Arrangement, a lump sum payment of a Vested Account may be made without the consent of the Participant or Beneficiary if his or her Account balance exceeds \$1,000 but does not exceed \$7,000 (before January 1, 2024, \$5,000), determined without regard to his or her Rollover Contribution Account, provided that such distribution shall be made in a direct rollover to an individual retirement plan designated by the Administrator, unless the Participant elects to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover or to receive the distribution directly in a lump sum.

Section 8.03. Financial Hardship Distributions.

(a) To the extent (i) a Vendor has been approved by the Administrator to allow ~~hardship withdrawals~~Financial Hardship Distributions under the Plan and (ii) a ~~hardship withdrawal~~Financial Hardship Distribution is permitted by the terms governing the applicable Investment Arrangement, distribution of Elective Deferrals (prior to January 1, 2024, excluding any earnings on such Elective Deferrals after December 31, 1988) may be made to a Participant who is an Employee in the event of hardship. ~~A hardship distribution~~No Financial Hardship Distributions shall be permitted from Investment Arrangements held by Former Vendors. A Financial Hardship Distribution may only be made on account of an immediate and heavy financial need of the Participant and where the distribution is necessary to satisfy the immediate and heavy financial need. Participants may be charged a reasonable processing fee per ~~hardship withdrawal~~Financial Hardship Distribution.

(b) The following are the only financial needs considered immediate and heavy:

(1) expenses incurred or necessary for medical care described in Code Section 213(d) (without regard to whether the expenses exceed 7.5% of adjusted gross income) of the Participant, the Participant's Spouse or dependents (as defined in Code Section 152, but without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B));

(2) the purchase (excluding mortgage payments) of a principal residence for the Participant;

(3) payment of tuition and related educational fees and room and board expenses for the next 12 months of post-secondary education for the Participant, the Participant's Spouse or dependents (as defined in Code Section 152, but without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B));

(4) payments necessary to prevent the eviction of the Participant from, or a foreclosure on the mortgage of, the Participant's principal residence;

(5) payments for funeral or burial expenses for the Participant's deceased parent, Spouse, any dependent (as defined in Code Section 152, but without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B));

(6) expenses to repair damage to the Participant's principal residence that would qualify for a casualty loss deduction under Code Section 165 (determined without regard to Code Section 165(h)(5) and without regard to whether the loss exceeds 10% of adjusted gross income);

(7) expenses and losses (including loss of income) incurred by the Participant on account of a disaster declared by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 100-707, provided that the Participant's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster; and

(8) such other circumstances as the Commissioner of Internal Revenue determines constitute financial hardship under Code Section 401(k) or the Treasury Regulations thereunder.

(c) A distribution will be considered necessary to satisfy an immediate and heavy financial need of the Participant only if:

(1) The distribution is not in excess of the amount of the immediate and heavy financial need (including 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 distributions currently available under the Plan or any other plans maintained by the Employer, other than hardship distributions and non-taxable loans;

~~(3) For distributions on or before December 31, 2019, all plans maintained by the Employer provide that the Participant's Elective Deferrals will be suspended until the earlier of (i) six months after the receipt of the hardship distribution or (ii) January 1, 2020;~~

~~(3)~~ ~~(4) For distributions made on or after January 1, 2020, the~~ The Participant represents that he or she has insufficient cash or other liquid assets reasonably available to satisfy the need; and

~~(4)~~ ~~(5)~~ The Participant has met any such additional or alternative requirements as may be prescribed in Treasury Regulation Section 1.401(k)-1(d)(3)(iv)(E) or subsequent promulgations.

(d) A Participant must provide substantiation of the reason for and the amount of the immediate and heavy financial need to the Vendor; provided, however, that unless it has actual knowledge to the contrary, the Vendor can rely on the Participant's self-certification that the request satisfies the requirements of this Section. The Vendor shall approve all ~~hardship distributions~~ Financial Hardship Distributions under this Section 8.03.

~~(e) The Administrator shall take such steps as appropriate to coordinate the hardship distribution rules, including collection of information from Vendors, and transmission of~~

~~information requested by any Vendor. The Administrator may delegate this responsibility to a Vendor or to another service provider pursuant to Article XII of the Plan.~~

Section 8.04. Coronavirus-Related Distributions.

(a) Subject to the terms of the Investment Arrangements, a Participant who is a Qualified Individual may, on or after April 6, 2020 (or as soon as administratively practicable after April 6, 2020), and before December 31, 2020, request one or more Coronavirus-Related Distributions from his or her Accounts regardless of whether he or she has had a Severance from Employment, subject to the following conditions:

(1) Coronavirus-Related Distributions to a Participant from this Plan and all other plans maintained by the Employer or a Related Employer may not exceed \$100,000; and

(2) A Participant shall certify to the Administrator or Vendor that he or she is a Qualified Individual prior to receiving a Coronavirus-Related Distribution.

(b) A Participant who has received a Coronavirus-Related Distribution from the Plan may, at any time during the three year period beginning on the day after the date on which such distribution was received repay such Coronavirus-Related Distribution by making one or more Rollover Contributions to the Plan which, in an aggregate amount, do not exceed the amount of such Coronavirus-Related Distribution. The preceding sentence shall not apply to any Participant who is not eligible to make a Rollover Contribution to the Plan under Section 4.03.

Section 8.05. ~~Section 8.04. Reemployment.~~ If a Participant who is a former Employee subsequently becomes an Employee again, the Participant cannot request a distribution of his or her Vested ~~Accounts~~Account until he or she is again entitled to a distribution under Section 8.01.

Section 8.06. ~~Section 8.05. Death Benefits.~~ If a Participant dies before the distribution of his or her entire Account, his or her remaining Account shall be distributed to his or her Beneficiary(ies) as soon as administratively practicable after the Participant's death, unless the Beneficiary elects a later payment date on the Applicable Form, subject to Code Section 401(a)(9). A Beneficiary may elect to receive the Participant's Account under any distribution option available under the Section 8.02, subject to Code Section 401(a)(9).

Section 8.07. ~~Section 8.06. Required Distribution Rules.~~

(a) The provisions of this Section ~~8.06~~8.07 take precedence over any inconsistent provisions of the Plan or of any Investment Arrangement. All distributions under this Plan shall be made in accordance with a reasonable good faith interpretation of Code Section 401(a)(9) and the regulations promulgated thereunder, including the incidental death benefit rules under Code Section 401(a)(9)(G), ~~and shall comply with the following rules:~~ and the changes under the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019, SECURE 2.0 of 2022, and Treasury Regulation Sections 1.401(a)(9)-1 through -9, as each may be amended from time to time.

(b) ~~(a)~~ Distributions may only be made over one of the following periods (or a combination thereof):

- (1) The life of the Participant;
- (2) The life of the Participant and a ~~designated~~ Designated Beneficiary;
- (3) A period certain not extending beyond the life expectancy of the Participant;

or

- (4) A period certain not extending beyond the joint and last survivor life expectancy of the Participant and ~~designated~~ Designated Beneficiary;

provided, however, that distributions under this paragraph (b) that are paid in calendar years 2024 and later during the lifetime of the Participant shall be determined without regard to the Participant's Roth Contribution Account or to any subaccount of the Participant's Rollover Contribution Account holding Roth Rollover Contributions and earnings thereon.

(c) ~~(b)~~ A Participant's Accounts shall be distributed to the Participant beginning no later than April 1 of the calendar year following the later of (i) the calendar year in which the Participant attains ~~age 70½ or, if later, April 1 of~~ his or her applicable age within the meaning of Code Section 401(a)(9)(C)(v) or (ii) the calendar year ~~following the calendar year that the~~ in which the Participant has a Severance from Employment.

(d) ~~(e)~~ Notwithstanding anything to the contrary in this Section ~~8.06~~ 8.07, if the Vendor(s) separately accounts for Contributions made prior to January 1, 1987, then distribution of such Contributions (but not any interest accumulated with respect thereto) need not commence until April 1 of the calendar year following the calendar year in which the Participant attains age 75.

~~(d) Upon the death of the Participant, the following distribution provisions shall take effect:~~

(e) Subject to regulations or other guidance issued under Code Section 401(a)(9), upon the death of the Participant before distribution of his or her Account has begun under paragraph (c) or (d), the following distribution provisions shall take effect:

~~(1) If the Participant dies after distribution of his or her Account(s) begins, any remaining portion of the Account(s) shall continue to be distributed at least as rapidly as under the method of distribution in effect at the time of~~ The portion of the Participant's Account(s) payable to a Beneficiary that is not a Designated Beneficiary shall be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

~~(2) If the Participant dies before distributions of his or her Account(s) begins and the Participant has no designated Beneficiary(ies),~~ The portion of the Participant's Account(s) under the Plan payable to a Designated Beneficiary who is not an Eligible Designated Beneficiary shall be distributed by December 31 of the calendar year containing the ~~fifth~~ tenth anniversary of the Participant's death.

(3) ~~If the Participant dies before distributions of his or her Account(s) begins and any~~ The portion of ~~his or her Account(s) are payable to a designated Beneficiary, the designated Beneficiary may elect for~~ the Participant's Account(s) ~~to~~ payable to an Eligible Designated Beneficiary shall be distributed, pursuant to the election of the Eligible Designated Beneficiary, either (i) by December 31 of the calendar year containing the ~~fifth~~tenth anniversary of the Participant's death, or (ii) beginning no later than December 31 of the calendar year immediately following the calendar year in which the Participant died, over the life of the ~~designated~~Eligible Designated Beneficiary or over a period not exceeding the life expectancy of the ~~designated~~Eligible Designated Beneficiary. If the ~~designated~~Eligible Designated Beneficiary is the surviving Spouse, the Eligible Designated Beneficiary may elect to delay payment under item (ii) until December 31 of the calendar year in which the Participant would have attained ~~age 70½. If the designated~~the applicable age within the meaning of Code Section 401(a)(9)(C)(v). If the Eligible Designated Beneficiary does not elect a method of distribution as provided above, the Participant's Account(s) shall be distributed in accordance with item (i).

(f) Subject to regulations or other guidance issued under Code Section 401(a)(9), upon the death of the Participant after distribution of his or her Account has begun under paragraph (c) or (d), any remaining portion of his or her Account shall continue to be distributed at least as rapidly as under the method of distribution in effect at the time of the Participant's death; provided, however, that the portion of the Participant's Account payable to a Designated Beneficiary who is not an Eligible Designated Beneficiary shall be distributed in its entirety by December 31 of the calendar year containing the tenth anniversary of the Participant's death.

(g) Upon the death of an Eligible Designated Beneficiary, or the attainment of age 21 of an Eligible Designated Beneficiary who is a minor child of the Participant, before distribution of the Participant's entire Account under paragraphs (e) or (f), the remainder of the Participant's Account shall be distributed by December 31 of the calendar year containing the tenth anniversary of the Eligible Designated Beneficiary's death, or by December 31 of the calendar year in which the child attains age 31, as applicable.

(h) ~~(4)~~ Any distribution required under the incidental death benefit requirements of Code Section 401(a) shall be treated as ~~distributions~~a distribution required under this Section ~~8.06(d)~~8.07.

(i) ~~(e)~~ Each Vendor shall be separately and solely responsible for complying with the provisions of this Section ~~8.06~~8.07 with respect to its Investment Arrangements under the Plan. The Vendor(s) shall calculate the amounts required to be distributed to a Participant under this Section and notify such Participant of such distributions at least 60 days prior to the date distributions must begin.

Section 8.07. Transfer to Defined Benefit Governmental Plan.

~~(a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in Code Section 414(d)) 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 transferred to the defined benefit governmental plan, subject to the terms of the~~

~~Investment Arrangement. A transfer under this Section may be made before the Participant has had a Severance from Employment.~~

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

(j) Notwithstanding anything in this Section 8.07 to the contrary, for 2020 the minimum distribution requirements will be satisfied as provided in this section, as determined by the terms of the Investment Arrangement governing the Participant's or Beneficiary's required minimum distribution.

(1) Effective March 27, 2020, or as soon as administratively practicable thereafter, a Participant or Beneficiary who would have been required to receive a required minimum distribution in 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of April 1, 2021) but for the enactment of Code Section 401(a)(9)(I) ("2020 RMDs") and who would have satisfied that requirement by receiving distributions that are either (i) equal to the 2020 RMDs, or (ii) one or more payments (that include the 2020 RMDs) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancies) of the Participant and the Beneficiary, or for a period of at least 10 years ("Extended 2020 RMDs"), will not receive this distribution unless the Participant or Beneficiary chooses to receive the distribution. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distribution described in the preceding sentence.

(2) Effective March 27, 2020, or as soon as administratively practicable thereafter, a Participant or Beneficiary who would have been required to receive a 2020 RMD, and who would have satisfied that requirement by receiving distributions that are (i) equal to the 2020 RMDs or (ii) Extended 2020 RMDs, will receive this distribution unless the Participant or Beneficiary chooses not to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to stop receiving the distribution described in the preceding sentence.

(3) In addition, solely for purposes of applying the direct rollover provisions of Article XI, 2020 RMDs and Extended 2020 RMDs will or will not be treated as eligible rollover distributions in 2020 as determined by the terms of the Investment Arrangement governing the Participant's or Beneficiary's required minimum distribution.

Section 8.08. Additional Tax on Early Withdrawals.

~~(a) Generally, and except as described in paragraph (b),~~ if a Participant receives any amount under the Plan prior to the date on which the Participant attains age 59½, unless an exception under Code Section 72(t) applies, his or her tax for the taxable year in which such amount is received is increased by an amount equal to 10% of the portion of such amount which is includible in gross income. Such amount shall be included in gross income to the extent

allocable to income on the Investment Arrangement and shall not be included in gross income to the extent allocable to the investment in the Investment Arrangement as provided in Code Section 72(e)(2)(b).

~~(b) The penalty described in paragraph (a) generally does not apply to any distribution (i) made on or after the date on which the Participant attains age 59½, (ii) made on or after the death of the Participant, (iii) attributable to the Participant becoming Disabled, (iv) which is part of a series of substantially equal periodic payments made (not less frequently than annually) for the life or life expectancy of the Participant or the joint lives (or joint life expectancies) of such Participant and his or her designated Beneficiary, (v) made to a Participant after Severance from Employment following the attainment of age 55, (vi) which is a qualified reservist distribution within the meaning of Code Section 72(t)(2)(G)(iii), or (vii) any other circumstance permitted by the Code or the Internal Revenue Service.~~

ARTICLE IX. LOANS

Section 9.01. Loans Generally.

(a) To the extent (i) a Vendor has been approved by the Administrator to allow loans under the Plan and (ii) loans are permitted by the terms governing the applicable Investment Arrangement, loans shall be available to a Participant who is an Employee from his or her Vested Account. No loans shall be permitted from Investment Arrangements held by Former Vendors.

(b) Loans shall be subject to all applicable requirements and restrictions of the Code, including the provisions of Code Section 72(p) and the regulations thereunder. A Participant who has defaulted on a loan shall not be entitled to a future loan under the Plan until it has been fully repaid to the Plan.

(c) All loans shall be subject to the approval of the Vendor. The Vendor may charge a reasonable processing fee with respect to any loan.

(d) If a Participant who is a Qualified Individual has an outstanding loan on or after March 27, 2020, and certifies that he or she is a Qualified Individual, and the Vendor has been approved by the Administrator to administer delayed loan repayments under the Plan, this paragraph (d) shall apply:

(1) if the due date under Code Section 72(p) for any repayment with respect to such loan occurs during the period beginning on March 27, 2020, and ending on December 31, 2020, such due date shall be delayed for one year **subject to the terms of the Investment Arrangement**;

(2) any subsequent repayments with respect to any such loan shall be appropriately adjusted to reflect the delay in the due date under paragraph (1) and any interest accruing during such delay; and

(3) in determining the five year period and the term of a loan under Code Section 72(p), the period described in paragraph (1) shall be disregarded.

Section 9.02. Loan Procedures. The Vendor shall establish written procedures to govern Participant loans under the Plan, which may be amended from time to time. All loans shall comply with such procedures, and shall be administered subject to the terms of the applicable Investment Arrangement.

Section 9.03. Loan Limits.

(a) No loan to a Participant under the Plan may exceed the lesser of:

(1) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Vendor (not taking into account any payments made during such one-year period); or

(2) One-half of the value of the Participant's Vested Account (as of the valuation date immediately preceding the date on which such loan is approved by the Vendor).

Notwithstanding the foregoing, with respect to any loan made to a Participant who is a Qualified Individual on or after April 6, 2020 (or as soon as administratively practicable after April 6, 2020), but before September 24, 2020, the loan limits under this paragraph (a) shall apply by substituting (i) "\$100,000" for "\$50,000" under subparagraph (a)(1), and (ii) "The value of the Participant's Vested Account" for "One-half of the value of the Participant's Vested Account" under subparagraph (a)(2).

(b) For purposes of this Section, any loan from any other plan maintained by the 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 this 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.

(c) The Administrator shall take such steps as appropriate to coordinate the limitations on loans, including collection of information from Vendors, and transmission of information requested by any Vendor. The Administrator may delegate this responsibility to a Vendor or to another service provider pursuant to Article XII of the Plan.

ARTICLE X.
VESTING

A Participant or, in the event of the Participant's death, the Beneficiary, shall be 100% Vested in his or her ~~Account~~Accounts at all times.

ARTICLE XI
ELIGIBLE ROLLOVERS FROM THIS PLAN

Section 11.01. Definitions for this Article. For purposes of this Article, the following definitions shall apply.

(a) "Direct Rollover" means an Eligible Rollover Distribution that is paid directly to an Eligible Retirement Plan for the benefit of the Distributee.

(b) "Distributee" means a Participant, the Spouse of the Participant, the Participant's former Spouse who is an alternate payee within the meaning of Code Section 414(p)(8), and, effective January 1, 2008, a Participant's non-Spouse Beneficiary, any of whom is eligible to receive a distribution from the Plan.

(c) "Eligible Retirement Plan," as defined under Code Section 402(c)(8)(B), means:

- (1) an individual retirement account described in Code Section 408(a);
- (2) an individual retirement annuity (other than an endowment contract) described in Code Section 408(b);
- (3) a simple retirement account described in Code Section 408(p)(1) following the two year period described in Code Section 72(t)(6);
- (4) any annuity plan described in Code Section 403(a);
- (5) a plan described in Code Section 403(b);
- (6) a qualified plan described in Code Section 401(a);
- (7) a Code Section 457(b) eligible deferred compensation plan which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state; and
- (8) effective January 1, 2008, a Roth individual retirement account described in Code Section 408A(e), provided the Distributee's adjusted gross income does not exceed any limit applicable under federal law for the tax year in which the distribution occurs.

Effective January 1, 2008, in the case of a distribution to a Participant's non-Spouse Beneficiary, an Eligible Retirement Plan shall mean the plans described in subparagraphs (1) and (2) only, to the extent consistent with the provisions of Code Section 402(c)(11) and any successor provisions thereto or additional guidance issued thereunder.

(d) "Eligible Rollover Distribution," as defined in Code Section 402(f)(2)(A), means any distribution of all or any portion of the balance to the credit of the Distributee under this Plan, except that an Eligible Rollover Distribution does not include:

(1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated ~~beneficiary~~Beneficiary, or for a period of ten years or more;

(2) any distribution to the extent such distribution is required under Code Section 401(a)(9);

(3) the portion of any distribution that is not includible in gross income; provided, however, a portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income. However, such portion may be transferred only:

(i) to an individual retirement account or annuity described in Code Section 408(a) or 408(b), respectively, or to a qualified defined contribution plan described in Code Section 401(a) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of such distribution which is not so includible;

(ii) to a qualified defined benefit plan described in Code Section 401(a) or to an annuity contract described in Code Section 403(b), that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of the distribution that is not so includible; or

(iii) to a Roth IRA described in Code Section 408A;

(4) any distribution which is made upon the financial hardship of the Participant; and

(5) other items designated by regulations, or by the Commissioner in revenue rulings, notices, or other guidance, as items that do not constitute an eligible rollover distribution.

Section 11.02. Direct Transfer of Eligible Rollover Distribution. A Distributee may elect on an Applicable Form to have an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan as specified by the Distributee in a Direct Rollover, at the time and in the manner prescribed by the Vendor. An Eligible Rollover Distribution that is paid to an Eligible Retirement Plan in a Direct Rollover is excludable from the Distributee's gross income under Code Section 402; provided, however, if any portion of such Eligible Rollover Distribution is subsequently distributed from the Eligible Retirement Plan, that portion shall be included in gross income to the extent required under Code Section 402, 403, or 408.

Section 11.03. Mandatory Withholding of Eligible Rollover Distributions.

(a) If the Distributee of an Eligible Rollover Distribution does not elect to have the Eligible Rollover Distribution paid directly from the Plan to an Eligible Retirement Plan in a Direct

Rollover pursuant to Code Section 401(a)(31), the Eligible Rollover Distribution shall be subject to a mandatory 20% federal income tax withholding under Code Section 3405(c). Only that portion of the Eligible Rollover Distribution that is not paid directly from the Plan to an Eligible Retirement Plan in a Direct Rollover shall be subject to the mandatory withholding requirement under Code Section 3405(e), and only to the extent such amount would otherwise be includible in the Distributee's taxable gross income.

(b) If a Distributee elects to have an Eligible Rollover Distribution paid to the Distributee, the distribution may be excluded from gross income of the Distributee provided that said distribution is contributed to an Eligible Retirement Plan no later than the 60th day following the day on which the Distributee received the distribution.

(c) If the Plan distribution is not an Eligible Rollover Distribution, said distribution shall be subject to the elective withholding provisions of Code Section 3405(a) and (b).

Section 11.04. Explanation of Plan Distribution and Withholding Requirements.

Not fewer than 30 days nor more than 180 days before an Eligible Rollover Distribution, the Vendor shall provide each Distributee a written explanation as required under Code Section 402(f), which explains the rules:

(a) under which a Distributee may elect to have an Eligible Rollover Distribution paid in a Direct Rollover to an Eligible Retirement Plan;

(b) that require the withholding of tax on an Eligible Rollover Distribution if it is not paid in a Direct Rollover to an Eligible Retirement Plan;

(c) that provide that a distribution shall not be subject to tax if the distribution is rolled over to an Eligible Retirement Plan within 60 days after the date the ~~Distributee~~Distributee receives the distribution (unless the 60 day deadline is waived under Code Section 402(c)(3)(B) or a later deadline is established under Internal Revenue Service guidance); and

(d) if applicable, certain special rules regarding taxation of the distribution as described in Code Sections 402(d) and (e).

Notwithstanding the above, a distribution may begin fewer than 30 days after the notice discussed in the preceding sentence is given, provided that the Vendor clearly informs the Participant that he or she has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution and the Participant, after receiving a notice, affirmatively elects a distribution.

ARTICLE XII.
PLAN-TO-PLAN TRANSFERS

Section 12.01. Plan-to-Plan Transfers.

(a) A transfer from this Plan to the State of Maryland Tax Sheltered Annuity 403(b) Plan ("MSRP 403(b) Plan"), a Code Section 403(b) plan maintained by an eligible employer

described in Code Section 403(b)(1)(A)(ii) within the State of Maryland, is permitted under the following conditions:

(1) The MSRP 403(b) Plan provides for the receipt of plan-to-plan transfers;

(2) The Participant whose Account is being transferred will have an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to that Participant immediately before the transfer;

(3) The Participant whose Account is being transferred is an employee or former employee of the employer maintaining the MSRP 403(b) Plan;

(4) The MSRP 403(b) Plan provides for distribution restrictions on the transferred amounts that are no less stringent than those under the Plan;

(5) If the transfer does not constitute a complete transfer of the Participant's interest in the Plan, the MSRP 403(b) Plan treats the amount transferred as a continuation of a pro rata portion of the Participant's interest in the Plan; and

(6) The transfer satisfies such other requirements set forth in Treasury Regulation Section 1.403(b)-10(b)(3) and such other rules and policies established by the Administrator or Vendor.

(b) A transfer to this Plan from the MSRP 403(b) Plan is permitted under the following conditions:

(1) The MSRP 403(b) Plan provides for plan-to-plan transfers;

(2) The Participant whose account is being transferred will have an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to that Participant immediately before the transfer;

(3) The Participant whose account is being transferred is an Employee or former Employee of an Employer;

(4) If the transfer does not constitute a complete transfer of the Participant's interest in the MSRP 403(b) Plan, the Plan treats the amount transferred as a continuation of a pro rata portion of the Participant's interest in the MSRP 403(b) Plan; and

(5) The transfer satisfies such other requirements set forth in Treasury Regulation Section 1.403(b)-10(b)(3) and such other rules and policies established by the Administrator or Vendor.

(c) Any amount transferred to the Plan under paragraph (b) shall be credited to the Participant's Transfer Account and shall be held, accounted for, administered and otherwise treated in the same manner as an Elective Deferral by the Participant under the Plan, except that the transferred amount shall not be considered an Elective Deferral under the Plan in determining the maximum deferral under Article V.

[Section 12.02.](#) [Permissive Service Credit Transfers.](#)

[\(a\)](#) [If a Participant is also a participant in a tax-qualified defined benefit governmental plan \(as defined in Code Section 414\(d\)\) 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 transferred to the defined benefit governmental plan. A transfer under this Section may be made before the Participant has had a Severance from Employment.](#)

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

~~[ARTICLE XIII](#)~~[ARTICLE XII](#)
[PLAN ADMINISTRATION](#)

[Section 13.01.](#) ~~[Section 12.01.](#)~~ [Authority of the Administrator.](#) The Administrator shall have the authority to control and manage the operation and administration of the Plan. The Administrator shall have all power necessary or convenient to enable it to exercise its authority under the Plan. The Administrator may provide rules and regulations, not inconsistent with the provisions hereof, for the operation and management of the Plan, and may from time to time amend or rescind such rules or regulations. The Administrator is authorized to accept service of legal process for the Plan.

[Section 13.02.](#) ~~[Section 12.02.](#)~~ [Powers of the Administrator.](#) The Administrator shall have the power and discretion to construe and interpret the Plan, including any ambiguities, to determine all questions of fact or law arising under the Plan, and to resolve any disputes arising under and all questions concerning administration of the Plan. The Administrator may correct any defect, supply any omission or reconcile any inconsistency in the Plan in such manner and to such extent as the Administrator may deem expedient and, subject to the Plan's claim procedures, the Administrator shall be the sole and final judge of such expediency. Benefits are payable under the Plan only if the Administrator, in its sole and absolute discretion, determines the benefits are payable under the provisions the Plan.

[Section 13.03.](#) ~~[Section 12.03.](#)~~

Delegation by Administrator.

(a) The Administrator may from time to time delegate in writing to a committee or any duly authorized officer certain of its fiduciary duties or other responsibilities under the Plan. Any such committee or officer delegated fiduciary duties shall be a fiduciary until the Administrator revokes such delegation. A delegation of the Administrator's duties or responsibilities may be revoked without cause or advance notice. To the extent permitted under applicable law, such committee or officer shall have the same power and authority with respect to such delegated fiduciary or other responsibilities as the Administrator has under the Plan. The Administrator shall not be liable for any act or omission of such fiduciary in carrying out such responsibilities.

(b) The Administrator has designated the Vendors to be responsible for providing information to Participants regarding enrollment, ~~investment options~~Investment Options, and performance; processing contributions, withdrawal requests, transfers, and changes in ~~investment options~~Investment Options; providing record keeping services and such other services as provided for under agreements between the Vendors and the Administrator.

(c) The Administrator may designate one of the Vendors or another service provider to provide for the collection and coordination of information relating to ~~hardship withdrawals~~Financial Hardship Distributions, in-service distributions, loans, contribution limits, and any other administrative function under the Plan.

Section 13.04. ~~Section 12.04.~~ **Fiduciary Insurance.** Subject to State law, the Board may require the purchase of fiduciary liability insurance for any Plan fiduciary or fiduciaries to cover liability or losses occurring by reason of the act or omission of a fiduciary.

Section 13.05. ~~Section 12.05.~~ **Employment of Consultants.** The Administrator may employ one or more persons to render advice with regard to its responsibilities under the Plan.

ARTICLE XIV. ARTICLE XIII. **CLAIMS PROCEDURES**

Section 14.01. ~~Section 13.01.~~ **Requests for Information Concerning Eligibility, Participation and Contributions.** Requests for information concerning eligibility, participation, contributions, or any other aspects of the operation of the Plan, and service of legal process, should be in writing and directed to the Administrator of the Plan. If a written request is denied, the Administrator shall, within a reasonable period of time, provide a written denial to the Participant. A Participant may request in writing a review of a claim denied by the Administrator and may submit issues and comments in writing to the Administrator. The Administrator shall provide to the Participant a written decision upon such request for review of a denied claim.

Section 14.02. ~~Section 13.02.~~ **Requests for Information Concerning Investment Arrangements.** Requests for information concerning the Annuity Contracts and Custodial Accounts and their terms, conditions, and interpretations thereof, claims thereunder, any requests for review of such claims, and service of legal process, should be in writing and directed to the Vendor. If a written request is denied, the Vendor shall, within a reasonable period of time, provide a written denial to the Participant. A Participant may request in writing a review of a claim denied by the Vendor and may submit issues and comments in writing to the Vendor. The Vendor shall

provide to the Participant a written decision upon such request for review of a denied claim.

~~ARTICLE XV.~~**ARTICLE XIV.**
AMENDMENT AND TERMINATION

Section 15.01. ~~**Section 14.01.**~~ **Amendment and Termination of Plan.** The Board shall have the right, in its sole and final discretion, to amend or terminate the Plan at any time and from time to time to any extent which it may deem advisable.

Section 15.02. ~~**Section 14.02.**~~ **Restrictions on Amendments.** The Plan may not be amended in a manner that violates any provision of the Code.

Section 15.03. ~~**Section 14.03.**~~ **Distribution Upon Termination of the Plan.** The Board may provide that, in connection with a termination of the Plan, all Accounts shall be distributed, provided that the Employer and any Related Employer on the date of the termination does not make contributions to an alternative Code Section 403(b) plan 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 regulations. For purposes of distributing all ~~accumulated benefits under~~ assets from the Plan in the event of a Plan termination, (i) delivery of a fully paid individual insurance annuity contract, and/or (ii) distribution of an individual custodial account in kind, shall be treated as a distribution.

~~ARTICLE XVI.~~**ARTICLE XV.**
MISCELLANEOUS

Section 16.01. ~~**Section 15.01.**~~ **Non-Alienation.**

(a) A Participant's Account under the Plan shall not be liable for any debt, liability, contract, engagement, or tort of the Participant or his or her Beneficiary, nor subject to anticipation, sale, assignment, transfer, encumbrance, pledge, charge, attachment, garnishment, execution, alienation, or any other voluntarily or involuntarily alienation or other legal or equitable process, nor transferable by operation of law.

(b) Notwithstanding paragraph (a), the Plan shall comply with any judgment, decree or order ("domestic relations order") which establishes the right of an alternate payee within the meaning of Code Section 414(p)(8) to all or a portion of a Participant's benefit under the Plan to the extent that it is a "qualified domestic relations order" ("QDRO") under Code Section 414(p). The Vendor shall establish reasonable written procedures to determine whether a domestic relations order is a QDRO and to administer the distribution of benefits with respect to such orders, which procedures may be amended from time to time, and which shall be provided to Participants upon request. Notwithstanding any other provisions in the Plan, the Plan may make an immediate distribution to the alternate payee pursuant to a QDRO.

(c) Notwithstanding paragraph (a), the Plan shall offset from the benefit otherwise payable to a Participant or his or her Beneficiary such amounts as are permitted to be offset under a court order, civil judgment, or settlement agreement in accordance with Code Section 401(a)(13)(C).

Section 16.02. ~~Section 15.02.~~ Military Service.

(a) Notwithstanding any provisions of this Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with USERRA, HEART, Code Section 414(u), and Code Section 401(a)(37). For purposes of this Section, "qualified military service" means any service in the uniformed services as defined in USERRA by any individual if such individual is entitled to reemployment rights under USERRA with respect to such service.

(b) A Participant whose employment is interrupted by qualified military service or who is on a leave of absence for qualified military service may elect to make Elective Deferrals upon resumption of employment with the Employer up to the maximum Elective Deferrals that the Participant could have elected during that period if the Participant's employment with the 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 Participant during the period of the interruption or leave. Except to the extent provided under Code Section 414(u), this right applies for the lesser of (i) five years following the resumption of employment or (ii) a period equal to three times the period of the interruption or leave. Such Elective Deferrals by the Participant may only be made during such period and while the Participant is reemployed by the Employer.

(c) Effective January 1, 2007, to the extent provided under Code Section 401(a)(37), in the case of a Participant whose employment is interrupted by qualified military service and who dies while performing qualified military service, the survivor of such Participant shall be entitled to any additional benefit (other than benefit accruals) provided under the Plan as if the Participant timely resumed employment in accordance with USERRA and then, on the next day, terminated employment on account of death.

(d) Effective January 1, 2009, differential wage payments within the meaning of Code Section 414(u)(12)(D) shall be treated as Compensation and Includible Compensation under the Plan.

Section 16.03. ~~Section 15.03.~~ Limitation of Rights and Obligations. Neither the establishment nor maintenance of the Plan nor any amendment thereof nor any act or omission under the Plan or resulting from the operation of the Plan shall be construed:

(a) as conferring upon any Participant, Beneficiary, or any other person a right or claim against the Administrator or Employer, except to the extent that such right or claim shall be specifically expressed and provided in the Plan;

(b) as creating any responsibility or liability of the Board, the Employer or the Administrator for the validity or effect of the Plan;

(c) as a contract or agreement between the Board, the Employer, or the Administrator and any Participant or other person;

(d) as an agreement, consideration, or inducement of employment or as effecting in any manner or to any extent whatsoever the rights or obligations of the Employer or any Employee

to continue or terminate the employment relationship at any time, except as otherwise provided under any applicable collective bargaining agreement; or

(e) as giving any Participant the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or other person at any time; provided, however, that the foregoing will not be deemed to modify the provisions of any collective bargaining agreements which may have been entered into by the Employer with the bargaining representatives of any Participant.

[Section 16.04.](#) ~~[Section 15.04.](#)~~ **Federal and State Taxes.** It is intended that Contributions other than Roth Contributions under this Plan, plus any earnings thereunder, are excludable from gross income for federal and state income tax purposes until paid to Participants or Beneficiaries, and that Roth Contributions and earnings thereunder are excludable from gross income for federal and state income tax purposes when paid to Participants or Beneficiaries to the extent that they are Qualified Distributions. However, the Administrator does not guarantee that any particular federal or state income, payroll, or other tax consequence will occur as a result of participation in this Plan.

[Section 16.05.](#) ~~[Section 15.05.](#)~~ **Erroneous Payments.** If the Administrator or Vendor makes any payment that, according to the terms of the Plan and the benefits provided hereunder, should not have been made, the Administrator or Vendor may recover that incorrect payment, by whatever means necessary, whether or not it was made due to the error of the Administrator or Vendor, from the person to whom it was made, or from any other appropriate party. For example, if any such incorrect payment is made directly to a Participant, the Administrator or Vendor may deduct it when making any future payments directly to that Participant.

[Section 16.06.](#) ~~[Section 15.06.](#)~~ **Benefit Payment Issue Resolution.** The Administrator, or its designee, if in doubt regarding the correctness of its action with respect to a benefit payment, may direct suspension of payment until satisfied as to the correctness of the payment or the person to receive the payment. Alternatively, the Administrator, or its designee, may file, in any state court of competent jurisdiction, a suit, in the form it deems appropriate, for legal determination of the benefits to be paid and the persons to receive them. The Administrator, or its designee, may also bring a suit, or take other action as it deems appropriate, to resolve questions involving investment directions. The Administrator shall comply with the final order of the court in any such suit, and Participants and the Administrator shall be bound by such an order, insofar as it affects the benefits payable under this Plan, or the method or manner of payment.

[Section 16.07.](#) ~~[Section 15.07.](#)~~ **Release.** Any payments to any Participant shall, to the extent thereof, be in full satisfaction of the claim of such Participant being paid thereby and the Administrator may condition payment thereof on the delivery by the Participant of the duly executed receipt and release in such form as may be determined by the Administrator.

[Section 16.08.](#) ~~[Section 15.08.](#)~~ **Liability.** The Administrator shall not incur any liability in acting upon any notice, request, signed letter, telegram, or other paper or document or electronic transmission believed by the Administrator to be genuine or to be executed or sent by an authorized person.

[Section 16.09.](#) ~~[Section 15.09.](#)~~ **Information Provided by the Participant.** Each Participant 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.

[Section 16.10.](#) ~~[Section 15.10.](#)~~ **Family Medical Leave Act.** Notwithstanding any provisions of this Plan to the contrary, Contributions and benefits with respect to qualified leave will be provided in accordance with the Family Medical Leave Act of 1993, 29 U.S.C. Section 2601 et. seq.

[Section 16.11.](#) ~~[Section 15.11.](#)~~ **Payments to Minors or Incompetents.** If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is determined to be legally incapable of giving valid receipt and discharge for such benefits by a court or by the Administrator, benefits shall be paid to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to the Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

[Section 16.12.](#) ~~[Section 15.12.](#)~~ **Missing or Lost Participants.** In the event that the Administrator does not have current contact information for or is unable to identify a Participant or Beneficiary under the Plan, the Administrator shall make reasonable attempts to determine the address and identity of the Participant or Beneficiary entitled to benefits under the Plan. A reasonable attempt to locate a missing or lost Participant or Beneficiary shall include (i) providing notice to the Participant at the Participant's last known address via certified mail; (ii) determining whether the Employer's records or the records of another plan maintained by the Employer has a more current address for the Participant; (iii) attempting to contact any named Beneficiary of the Participant; and (iv) searching for the missing Participant via free electronic search tools, such as Internet search engines, public record databases, obituaries, and social media. If such search methods are unsuccessful, based on the facts and circumstances, the Administrator may use other search methods, including using Internet search tools, commercial locator services, credit reporting agencies, information brokers, investigation databases, and analogous services that may involve charges. The Administrator may charge missing Participants and Beneficiaries reasonable expenses for efforts to find them.

[Section 16.13.](#) ~~[Section 15.13.](#)~~ **Indemnification.** The Employer shall satisfy any liability actually and reasonably incurred by any members of the Board or any person to whom any power, authority or responsibility of the Administrator is delegated pursuant to ~~Section 12.03~~[13.03.](#), except a Vendor or other service provider. These liabilities include expenses, attorney's fees, judgments, fines, and amounts paid in connection with any threatened, pending or completed action, suit or proceeding related to the exercise (or failure to exercise) of this authority. This is in addition to whatever rights of indemnification exist under the regulations or by-laws of the Employer, under any provision of law, or under any other agreement; provided, however, that the Employer will not satisfy any such liability to the extent that the person did not act in good faith.

[Section 16.14.](#) ~~[Section 15.14.](#)~~ **No Reversion.** Under no circumstances or conditions will any Contributions revert to, be paid to, or inure to the benefit of, directly or indirectly, the

Employer, but shall be held for the exclusive purpose of providing benefits to Participants and their Beneficiaries and defraying the reasonable expenses of administering the Plan. However, if Contributions are made by the Employer by a good faith mistake of fact, such amount may be returned to the Employer within one year of the date that they were made to the Plan.

Section 16.15. ~~Section 15.15.~~ **Finality of Determination.** All determinations with respect to crediting of service under the Plan are made on the basis of the records of the Employer, and all determinations made are final and conclusive upon Employees, former Employees, ~~Eligible Employees,~~ former Eligible Employees, and all other persons claiming a benefit under the Plan.

Section 16.16. ~~Section 15.16.~~ **Counterparts.** The Plan may be executed in any number of counterparts, each of which shall be deemed to be an original. All counterparts shall constitute but one and the same instrument and shall be evidenced by any one counterpart.

IN WITNESS WHEREOF, the Board has caused this amended and restated Plan to be executed by its duly authorized representative as of the date written below, but effective as of January 1, ~~2020~~2024.

**UNIVERSITY SYSTEM OF MARYLAND
BOARD OF REGENTS**

Signature

Printed

Title

Date

**UNIVERSITY SYSTEM OF MARYLAND
SUPPLEMENTAL 403(b) RETIREMENT PLAN**

APPENDIX A

APPROVED VENDORS

The current selection of Vendor(s) is not intended to limit future additions or deletions of Vendor(s). The Administrator from time to time may add or delete Vendor(s) which shall be effective on the date adopted by the Administrator and shall be reflected in a revised Appendix A.

1.1 **Approved Vendors**

~~As of January 1, 2020, the~~The Board has approved the following Vendors under the Plan, which remain approved as of January 1, 2024:

- TIAA
- Fidelity Investments

1.2 **Former Vendors**

As of January 1, 2008, ~~the~~AIG VALIC is a Former Vendor under the Plan ~~is AIG VALIC~~.

Summary report:	
Litera Compare for Word 11.5.0.74 Document comparison done on 9/3/2024 9:18:47 AM	
Style name: IM Default	
Intelligent Table Comparison: Active	
Original DMS: nd://4873-6489-5133/1/USM Supplemental 403(b) Retirement Plan 2024.doc	
Modified DMS: nd://4873-6489-5133/3/USM Supplemental 403(b) Retirement Plan 2024.doc	
Changes:	
Add	440
Delete	332
Move From	14
<u>Move To</u>	14
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	800

**UNIVERSITY SYSTEM OF MARYLAND
DEFERRED COMPENSATION PLAN AND TRUST**

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**UNIVERSITY SYSTEM OF MARYLAND
DEFERRED COMPENSATION PLAN AND TRUST**

**ARTICLE I.
ESTABLISHMENT AND RESTATEMENT OF PLAN**

Section 1.01. Plan Establishment and History.

(a) The University System of Maryland is a public university system established under Maryland law and an educational organization described in Section 170(b)(1)(A)(ii) of the Internal Revenue Code of 1986, as amended ("Code"). The Board of Regents of the University System of Maryland ("Board") established the University System of Maryland Deferred Compensation Plan and Trust ("Plan") pursuant to Code Section 457(b) and Sections 30-210 et seq. of the State Personnel and Pensions Article of the Annotated Code of Maryland (1978, 2004 Repl. Vol.), to provide eligible employees the opportunity to supplement their retirement benefits through voluntary contributions.

(b) The Plan is, and is intended to remain, ~~a defined contribution~~ an eligible deferred compensation plan under Code Section 457(b). The Plan is a governmental plan within the meaning of Code Section 414(d) and Section 3(32) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). As a governmental plan, ERISA does not apply.

(c) The Plan was most recently amended and restated effective January 1, ~~2006, and has been amended from time to time thereafter~~ 2020.

Section 1.02. Plan Restatement.

(a) The Plan is now being amended and restated effective January 1, ~~2020~~ 2024, except as otherwise specifically provided herein, to ~~incorporate the prior amendments to the Plan and to~~ make certain required and discretionary changes.

(b) Except as otherwise specifically provided herein, the Plan as hereinafter set forth establishes the rights and obligations with respect to individuals who are Employees on and after January 1, ~~2020~~ 2024, and to transactions under the Plan on and after January 1, ~~2020~~ 2024. The rights and benefits, if any, of individuals who are not Employees on or after January 1, ~~2020~~ 2024, shall be determined in accordance with the terms and provisions of the Plan that were in effect on the date of their Severance from Employment, except as otherwise specifically provided herein or in a subsequent amendment.

Section 1.03. Plan Funding. The Plan is funded through one or more Trusts in accordance with the ~~qualification~~ requirements of the Code. The terms and conditions of the Trusts shall be incorporated into this Plan; provided, however, that to the extent that there is any conflict between the terms of the Trusts and the terms of the Plan, the terms of the Plan shall govern, except as otherwise specifically provided herein.

ARTICLE II.
RULES OF CONSTRUCTION AND DEFINITIONS

Section 2.01. Rules of Construction and Governing Law.

(a) This Plan shall be interpreted, enforced, and administered in accordance with the Code and, when not inconsistent with the Code, or expressly provided otherwise herein, the laws of the State of Maryland without regard to conflict of law principles.

(b) Words used herein in the masculine gender shall be construed to include the feminine gender where appropriate, and *vice versa*, and words used herein in the singular or plural shall be construed as being in the plural or singular, where appropriate, and *vice versa*.

(c) The headings and subheadings in the Plan are inserted for convenience of reference only and are not to be considered in the construction of any provision of the Plan.

(d) If any provision of the Plan shall be held to violate the Code or be illegal or invalid for any other reason, that provision shall be deemed to be null and void, but the invalidation of that provision shall not otherwise impair or affect the Plan.

(e) In resolving any conflict between provisions of the Plan and in resolving any other uncertainty as to the meaning or intention of any provision of the Plan, the interpretation that causes the Plan to (i) constitute an eligible deferred compensation plan under the provisions of Code Section 457 and the Trust to be exempt from tax under Code Section 457, (ii) be a governmental plan as defined in ERISA Section 3(32) and Code Section 414(d), and (iii) comply with all applicable requirements of the Code, shall prevail over any different interpretation.

Section 2.02. Definitions. When the initial letter of a word or phrase is capitalized herein, the meaning of such word or phrase shall be as follows:

(a) "Account" means the separate accounts maintained for each Participant and Beneficiary under the Plan. The following Accounts shall be established for a Participant or Beneficiary, if applicable:

(1) A Pre-Tax Contribution Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to Pre-Tax Contributions pursuant to Section 4.01.

(2) A Roth Contribution Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to Roth Contributions pursuant to Section 4.01.

(3) A Rollover Contribution Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to Rollover Contributions pursuant to Section 4.03.

(4) A Transfer Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to plan-to-plan transfers pursuant to Section 13.01.

(b) ~~(a)~~ "Account Balance" means the bookkeeping account maintained with respect to each Participant which reflects the value of the deferred compensation credited to the Participant, including the Participant's Annual Deferrals, the earnings or loss of the Trust Fund (net of Trust Fund expenses) allocable to the Participant, any transfers for the Participant's benefit, and any

distribution made to the Participant or the Participant's Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes any account established ~~under Article XI~~ for Rollover Contributions and ~~Article XII~~ for plan-to-plan transfers made for a Participant, the account established for a Beneficiary after a Participant's death, and any account or accounts established for an alternate payee ~~(as defined in Code Section 414(p)(8))~~.

~~(b) "Account" means the separate accounts maintained for each Participant and Beneficiary under the Plan. The following Accounts shall be established for a Participant or Beneficiary, if applicable:~~

~~(1) A Pre-Tax Contribution Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to Pre-Tax Contributions pursuant to Article III.~~

~~(2) A Roth Contribution Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to Roth Contributions pursuant to Article III.~~

~~(3) A Rollover Contribution Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to Rollover Contributions pursuant to Article XI.~~

~~(4) A Transfer Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to transfers pursuant to Article XII.~~

(c) "Administrator" means the Administrative Committee as designated by the Board, or such other person, persons, or entity designated by the Board, to perform the administrative duties and functions under the Plan.

(d) "Allocable Income" means the sum of the allocable gain or loss for the year or partial year determined in accordance with Code Section 457 and the regulations promulgated thereunder.

(e) ~~(d)~~ "Annual Deferrals" mean Pre-Tax Contributions and/or Roth Contributions.

(f) ~~(e)~~ "Applicable Form" means the appropriate form as designated and furnished by the Administrator or Vendor to make an election or provide a notice as required by the Plan. If a written election or consent is not specifically required by the Code, the Administrator or Vendor may prescribe a verbal, electronic, or telephonic instruction form in lieu of or in addition to a written form.

(g) ~~(f)~~ "Beneficiary" means the person, company, trustee, or estate designated by the Participant on the Applicable Form to receive any benefits payable under the Plan in the event of the Participant's death. Except as required by applicable state law, (i) a designation of an individual as a Beneficiary shall remain in effect until affirmatively revoked by the Participant on a subsequent Applicable Form. and (ii), unless otherwise provided in the Trust, if ~~theno~~ designated Beneficiary ~~does not survive~~ survives the Participant or there is no Beneficiary designated, the Participant's surviving Spouse shall be the Beneficiary or, if ~~nonethere is no surviving Spouse~~, the Participant's estate shall be the Beneficiary. Beneficiary also means an alternate payee within the meaning of Code Section 414(p)(8).

(h) ~~(g)~~ "Board" means the Board of Regents of the University System of Maryland.

(i) ~~(h)~~ "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(j) ~~(i)~~ "Compensation" means all cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, which is includible in the Employee's gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under Code Section 125, 132(f), 401(k), 403(b), or 457(b) (including an election to reduce compensation in order to make Annual Deferrals under the Plan). Compensation does not include amounts "picked up" by the Employer within the meaning of Code Section 414(h). Compensation includes any compensation described in paragraph (1) or (2), provided it is paid by the later of 2½ months after the Employee's Severance from Employment with the Employer or the end of the calendar year in which the Employee has a Severance from Employment with the Employer:

(1) any payment that would have been paid to the Employee prior to a Severance from Employment if the Employee continued in employment with the Employer and that is regular compensation for services during the Employee's regular working hours, compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and

(2) a payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued and the payment would be Compensation if paid prior to the Employee's Severance from Employment, and only if the Employee separately elects for such payment to be reduced on his or her Salary Reduction Agreement pursuant to Section 4.01.

Any payment that is not described in paragraph (1) or (2) above is not considered Compensation if paid after Severance from Employment. Thus, for example, Compensation does not include amounts paid after Severance from Employment that are severance pay; or unfunded nonqualified deferred compensation; ~~or parachute payments within the meaning of Code Section 280G(b)(2).~~

(k) "Contributions" mean Pre-Tax Contributions, Roth Contributions, Rollover Contributions, and plan-to-plan transfers.

(l) "Coronavirus-Related Distribution" means a distribution made on or after April 6, 2020 (or as soon as administratively practicable after April 6, 2020), but before December 31, 2020, to a Qualified Individual in accordance with Section 9.05.

(m) ~~(j)~~ "Cost of Living Adjustment" means the cost of living adjustment prescribed by the Secretary of the Treasury under Code Section 414(v) or 457(e)(15) for any applicable year.

(n) "Designated Beneficiary" means an individual Beneficiary within the meaning of Code Section 401(a)(9)(E)(i).

(o) ~~(k)~~ "Disabled" ~~or "Disability"~~ means ~~disability~~ disabled within the meaning of Code Section 72(m)(7).

(p) "Eligible Designated Beneficiary" means a Designated Beneficiary who meets the additional criteria under Code Section 401(a)(9)(E)(ii).

(q) ~~(+)~~ "Employee" means ~~each~~ common law employee of the Employer, including a contingent employee (other than a contractual or a leased employee or an independent contractor) and an employee whose employment is governed by the terms of a collective bargaining agreement between representatives of the employee's bargaining unit and the State of Maryland, and under which retirement benefits were the subject of good faith bargaining, unless the bargaining representatives for the bargaining unit and the Employer have agreed to have the employees in the bargaining unit excluded from participation.

(r) ~~(+)~~ "Employer" means the University System of Maryland and its constituent institutions and centers, which are all governmental entities.

(s) ~~(+)~~ "Former Vendor" means a service provider that was an approved Vendor under the Plan, but that ceases to be an approved Vendor under the Plan, that continues to hold Plan assets.

(t) ~~(+)~~ "HEART" means the Heroes Earnings Assistance and Relief Tax Act of 2008, as amended from time to time.

(u) ~~(+)~~ "Includible Compensation" means all compensation received by an Employee from the University Employer that is includible in his or her gross income for federal income tax purposes (computed without regard to Code Section 911) for that taxable year under Code Section 415(c)(3). Includible Compensation also includes any amounts excludable from taxable income because of an election (including Elective Annual Deferrals under the Plan) under Code Sections 403(b), 457(b), 125, 401(k), or 132(f). Includible Compensation includes compensation paid by ~~the later of~~ 2½ months after the later of an Employee's Severance from Employment or the end of the Plan Year that includes the date of the Employee's Severance from Employment, if:

(1) the payment is regular compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (e.g., overtime or shift differential), commissions, bonuses, or other similar payments and the payment would have been paid to the Employee prior to a Severance from Employment if the Employee had continued in employment with the University Employer;

(2) the payment is for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if the Employee had continued in employment; or

(3) the payment is made to the Employee under a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment with the University Employer and only to the extent that the payment is includible in the Employee's gross income.

Includible Compensation does not include any amounts "picked up" by the Employer within the meaning of Code Section 414(h). Includible Compensation is determined without regard to any community property laws.

(v) ~~(q)~~ "Investment Options" mean the investment funds available under the Trust provided by the Vendor(s) and specifically approved by the Administrator, in its sole and absolute discretion, for use under this Plan.

(w) ~~(r)~~ "Normal Retirement Age" means, for a Participant who is a member of:

(1) a State defined benefit retirement system, the age designated by the Participant, but beginning no earlier than the earliest age at which the Participant may retire under the State defined benefit retirement system in which he or she participates and receive immediate retirement benefits (without consent of the State and without actuarial or similar reduction), and ending no later than age 70½; or

(2) the State ~~optional retirement plan~~ of Maryland Optional Retirement Plan, the age designated by the Participant, but beginning no earlier than age 65, and ending no later than age 70½.

Said designation may be amended by the Participant at any time prior to reaching such designated age. If the Participant shall, for any reason, fail to designate a Normal Retirement Age, the Normal Retirement Age shall be age 70½. The Normal Retirement Age specified must be the same for all eligible deferred compensation plans under Code Section 457(b) sponsored by the Employer in which the Participant participates.

(x) ~~(s)~~ "Participant" means any Employee who is or may become eligible to receive a benefit of any type under the Plan. A Participant shall also mean, when appropriate to the context, a former Employee who is eligible to receive a benefit of any type under the Plan.

~~(t) "Participation Agreement" means the Applicable Form signed by the Employee when he or she commences participation in the Plan, any amendment thereto, and any subsequent agreement in which the Participant designates the amount of his or her Annual Deferral, his or her investment selections, his or her designated Normal Retirement Age, his or her date for commencement of benefits, and his or her method of payments of benefits.~~

(y) ~~(u)~~ "Plan" means the University System of Maryland Deferred Compensation Plan and Trust, as amended from time to time.

(z) ~~(v)~~ "Plan Year" means the calendar year.

(aa) ~~(w)~~ "Pre-Tax Contribution" means a contribution made to the Plan by the Employer at the election of a Participant pursuant to a ~~Participation~~ Salary Reduction Agreement in accordance with ~~Article III~~ Section 4.01.

(bb) ~~(x)~~ "Qualified Distribution" means a distribution from a Roth Contribution Account after the Participant has satisfied a five year ~~tax~~-holding period and has attained age 59½, died, or become Disabled, in accordance with Code Section 402A(d). The five year ~~tax~~-holding period is the period of five consecutive taxable years that begins with the first day of the first taxable year in which the Participant makes a designated Roth Contribution under the Plan or to another retirement plan which amount was directly rolled over to the Plan, and ends when five consecutive taxable years have been completed.

(cc) "Qualified Individual" means a Participant:

- (1) who is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention;
- (2) whose Spouse or dependent (as defined in Code Section 152) is diagnosed with such virus or disease by such a test; or
- (3) who experiences adverse financial consequences as a result of:
- (i) the Participant, the Participant's Spouse, or a member of the Participant's household (i) being quarantined, (ii) being furloughed or laid off or having work hours reduced due to such virus or disease, (iii) being unable to work due to lack of child care due to such virus or disease, (iv) having a reduction in pay (or self-employment income) due to such virus or disease, or (v) having a job offer rescinded or start date for a job delayed due to such virus or disease;
- (ii) closing or reducing hours of a business owned or operated by the Participant, the Participant's Spouse, or a member of the Participant's household due to such virus or disease; or
- (iii) other factors as determined by the Secretary of the Treasury (or the Secretary's delegate).

For purposes of this paragraph (cc), a member of the Participant's household means someone who shares the Participant's principal residence.

(dd) ~~(y)~~ "Related Employer" means any entity which is under common control with the Employer under Code Section 414(b), (c), (m), or (o). 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 IRS Notice 89-23, 1989-1 C.B. 654.

(ee) ~~(z)~~ "Rollover Contribution" means an amount contributed to the Plan pursuant to ~~Article XI~~ Section 4.03.

(ff) ~~(aa)~~ "Roth Contribution" means a contribution made to the Plan by the Employer at the election of a Participant pursuant to a ~~Participation~~ Salary Reduction Agreement in accordance with ~~Article III that~~ Section 4.01, where the contribution has been (i) designated irrevocably by the Participant as a Roth Contribution being made in lieu of all or a portion of the Pre-Tax Contribution the Participant is otherwise eligible to make under the Plan, and (ii) treated by the Employer as includible in the Participant's gross income at the time the Participant would have received that amount in cash if the Participant had not made such an election. ~~Roth Contributions shall be available under the Plan as soon as administratively practicable on or after January 1, 2020.~~

(gg) "Salary Reduction Agreement" means an agreement entered into between an Employee and the Employer pursuant to Section 4.01, which may be in electronic or written form. Such agreement shall not be effective with respect to Compensation made available prior to the effective date of such agreement and shall be binding on the parties and irrevocable with respect to Compensation earned while it is in effect.

(hh) ~~(bb)~~ "Section" means, when not preceded by the word Code or ERISA, a section of the Plan.

(ii) ~~(ee)~~ "Severance from Employment" means the ~~date that~~ complete termination of the employment relationship between the Employee ~~dies, retires, or otherwise has a severance from employment with~~ and the Employer, ~~as determined by the Administrator (and taking into account guidance issued under the Code)~~ and any Related Employer. For an Employee on a leave of absence, such separation shall occur when the leave of absence expires if the Employee does not return to service.

(jj) ~~(dd)~~ "Spouse" means the person to whom ~~an Eligible Employee is legally a~~ Participant is married under ~~the~~ federal law ~~of any state~~.

(kk) ~~(ee)~~ "State" means the State of Maryland acting through the Employer which has offered this Plan to its Employees.

~~(ff) "State Pers. & Pens. Art." means the State Personnel and Pensions Article of the Annotated Code of Maryland (1978, 2004 Repl. Vol.).~~

(ll) ~~(gg)~~ "Trust" means a trust that satisfies the requirements of Code Section 457(g), including a custodial account and/or an annuity contract treated as qualified trust under Code Section 401(f) that satisfies the requirements of Code Section 457(g)(3), established under the Plan to hold Plan assets.

(mm) ~~(hh)~~ "Trust Fund" means the assets of the Plan held pursuant to the terms of the Plan and Trust.

(nn) ~~(ii)~~ "Trustee" means the Board; provided, however, that the entity or person(s) designated by the Administrator to hold the assets of a custodial account or hold an annuity contract in accordance with Code Sections 457(g)(3) and 401(f) shall be the custodial Trustee with respect to such assets.

(oo) "Unforeseeable Emergency Distribution" means a distribution made in accordance with Section 9.03 to a Participant on account of an unforeseeable emergency.

(pp) ~~(jj)~~ "USERRA" means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended from time to time.

(qq) ~~(kk)~~ "Vendor" means the service provider that has been approved by the Administrator to serve as third party administrator and/or recordkeeper for the Plan and/or to offer Investment Options to Participants under the Plan. The Vendor(s) are listed in Appendix A, as modified from time to time in the Administrator's sole and absolute discretion. A modification of Appendix A is not an amendment of the Plan.

(rr) ~~(H)~~ "Vest" or "Vested" means the interest of the Participant or Beneficiary in his or her Account that is unconditional, legally enforceable, and nonforfeitable.

ARTICLE III. PARTICIPATION

Section 3.01. Participation. An Employee may become a Participant in the Plan ~~for purposes of Annual Deferrals or Rollover Contributions~~ immediately after commencement of employment with the Employer. Participation in the Plan is voluntary.

Section 3.02. Notice and Enrollment.

(a) The Employer shall notify an Employee when he or she is eligible to participate in the Plan for purposes of Annual Deferrals.

(b) An Employee must complete the enrollment process and make investment elections with the Vendor on the Applicable Form, including a Salary Reduction Agreement for purposes of Annual Deferrals, to become a Participant in the Plan. An Employee who fails to complete the enrollment process and make investment elections with the Vendor on the Applicable Form shall be deemed to have waived all of his or her rights under the Plan, provided that such Employee may become a Participant in the Plan at any time thereafter by completing the enrollment process and making investment elections with the Vendor on the Applicable Form.

Section 3.03. Cessation of Contributions. A Participant shall cease to be eligible for Contributions under the Plan when he or she is no longer an Employee.

Section 3.04. Cessation of Participation. A Participant shall cease to be a Participant on the distribution of his or her entire interest in the Plan.

Section 3.05. Reemployment. A former Participant who is reemployed by the Employer shall immediately become a Participant in this Plan as of his or her date of rehire as an Employee.

ARTICLE IV. CONTRIBUTIONS

Section 4.01. Annual Deferrals.

(a) Subject to the limitations under Article V, an Employee who has satisfied the participation requirements under Section 3.01 may enter into a written Salary Reduction Agreement with the Employer agreeing to contribute each pay period Pre-Tax Contributions and/or Roth Contributions to the Plan.

(b) Pre-Tax Contributions and Roth Contributions shall begin as soon as administratively practicable following the date specified in the Salary Reduction Agreement, or, if later or if no date is specified, as soon as administratively practicable after the Salary Reduction Agreement is filed with the Administrator or the Vendor, as applicable. Notwithstanding the preceding, prior to January 1, 2025, the Salary Reduction Agreement shall become effective no earlier than the first day of the month following the month in which the Salary Reduction Agreement is executed and submitted to the Administrator or the Vendor, as applicable; provided, however, that a new Employee may defer Compensation payable in the calendar month during which he or she first becomes an Employee if he or she enters into a Salary Reduction Agreement before the first day on which he or she performs services for the Employer.

(c) Pre-Tax Contributions and/or Roth Contributions shall reduce the Compensation otherwise payable to a Participant and shall be paid in cash to the Vendor by the Employer, on a basis consistent with its payroll practices, as soon as administratively feasible after being withheld from the Compensation of a Participant, but no later than 15 business days following the end of the month in which such amount is withheld from the Compensation of the Participant.

~~(d) **Election Required for Participation.** An Employee may elect to become a Participant by executing an election to defer a portion of his or her Compensation (and have that amount contributed as a Pre-Tax Contribution and/or Roth Contribution on his or her behalf) and filing it with the Administrator. This participation election shall be made on the Participant Agreement provided by the Administrator under which the Employee agrees to be bound by all the terms and conditions of the Plan. If the Employee~~If the Participant fails to designate whether Annual Deferrals are Pre-Tax Contributions or Roth Contributions, the ~~Employee~~Participant will be deemed to have designated his or her Annual Deferrals as Pre-Tax Contributions. ~~The Administrator may establish a minimum deferral amount, and may change such minimums from time to time. The participation election shall also include designation of Investment Options and designation of a Beneficiary. Any such election~~Pre-Tax Contributions shall be allocated to the Pre-Tax Contribution Account of the Participant as of the date of contribution. Roth Contributions shall be allocated to the Roth Contribution Account of the Participant as of the date of contribution.

~~(e) **Section 3.02.** A Salary Reduction Agreement shall remain in effect until a new election is filed on the Applicable Form~~superseded by another election or until the Administrator requires a Participant to complete a new Salary Reduction Agreement on a uniform and nondiscriminatory basis.

~~**Section 3.03. Commencement of Participation.** An Employee shall become a Participant as soon as administratively practicable following the date the Employee files a Participation Agreement pursuant to Section 3.02, or upon establishing a Rollover Contribution Account as described in Article XI of the Plan, as applicable. An election pursuant to Section 3.02 shall become effective no earlier than the calendar month following the month in which the election is made. A new Employee may defer Compensation payable in the calendar month during which the Participant first becomes an Employee if a Participation Agreement providing for the deferral is entered into on or before the first day on which the Participant performs services for the Employer.~~

(1) A Participant may change his or her election to make Pre-Tax Contributions and/or Roth Contributions at any time by filing a new Salary Reduction Agreement with the Administrator or the Vendor, as applicable. Any such changes shall be effective as soon as administratively practicable following the date specified in the new Salary Reduction Agreement, or, if later, as soon as administratively practicable after the Salary Reduction Agreement is filed; provided that, prior to January 1, 2025, the Salary Reduction Agreement shall become effective no earlier than the first day of the month following the month in which the Salary Reduction Agreement is executed and submitted to the Administrator.

(2) A Participant may terminate his or her election to make Pre-Tax Contributions and/or Roth Contributions at any time by filing the Applicable Form with the Administrator or the Vendor, as applicable, which shall be effective as soon as administratively practicable after the Applicable Form is filed.

(f) An election to make Pre-Tax Contributions and/or Roth Contributions shall not be valid with respect to any period during which the Participant is not an Employee. No election to make, change, or discontinue Pre-Tax Contributions and/or Roth Contributions shall be given retroactive effect.

(g) The Administrator may establish additional nondiscriminatory rules and procedures governing the manner and timing of elections by Participants to make, change, or discontinue Pre-Tax Contributions and/or Roth Contributions.

Section 4.02. Deferrals of Sick, Vacation, and Back-Pay.

(a) ~~Section 3.04. Deferrals of Sick, Vacation, and Back-Pay.~~ A Participant who has not had a Severance from Employment may elect to defer accumulated sick pay, accumulated vacation pay, and back-pay to the Plan if the requirements of Code Section 457(b) are satisfied and if permitted by Board policy and Maryland State law. These amounts may be deferred for any calendar month only if a Participation Salary Reduction Agreement providing for the Annual Deferral is entered into before the beginning of the month in which the amounts would otherwise be paid or made available and the Participant is an Employee on the date the amounts would otherwise be paid or made available; provided that, prior to January 1, 2025, the Salary Reduction Agreement must be entered into before the beginning of the month in which the amounts would otherwise be paid or be made available. Compensation that would otherwise be paid for a payroll period that begins before Severance from Employment is treated as an amount that would otherwise be paid or made available before an Employee has a Severance from Employment.

(b) In addition, Annual Deferrals may be made for former Employees with respect to Compensation paid after an Employee has a Severance from Employment as described in Section 2.02(i) of the Plan.

~~Section 3.05. Information Provided by the Participant. 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, without limitation, whether the Employee is a participant in any other eligible plan under Code Section 457(b).~~

~~Section 3.06. Contributions Made Promptly. Annual Deferrals by the Participant under the Plan shall be transferred to the Vendors within a period that is not longer than is reasonable for the proper administration of the Participant's Account Balance. For this purpose, Annual Deferrals shall be treated as contributed within a period that is not longer than is reasonable for the proper administration if the contribution is made to the Trust Fund within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant.~~

~~Section 3.07. Amendment of Participation Election. Subject to other provisions of the Plan, a Participant may at any time revise his or her Participation Agreement, including a change of the amount of his or her Annual Deferrals, his or her Investment Options, and his or her designated Beneficiary on the Applicable Form in accordance with procedures established by the Administrator. Unless the election specifies a later effective date, a change in the amount of the Annual Deferrals shall take effect as of the first day of the next following month or as soon as administratively practicable if later. A change in the Investment Option shall take effect as of the date provided by the Vendor on a uniform basis for all Employees. A change in the Beneficiary~~

~~designation shall take effect when the election is accepted by the Vendor. The Participant may revoke his or her election to participate in the Plan by signing and filing with the Administrator (or such other entity as is designated by the Administrator) a written revocation on the Applicable Form and in the procedural manner approved by the Administrator. Any such revocation shall be effective prospectively only.~~

Section 4.03. Rollover Contributions to the Plan.

(a) Subject to the Trust, Participants (prior to January 1, 2025, Participants who are Employees only) may transfer to the Plan as a Rollover Contribution a distribution from a Code Section 401(a) (including 401(k)) or 403(a) qualified plan (excluding after-tax contributions), a Code Section 403(b) plan (excluding after-tax contributions), a Code Section 408 individual retirement account or annuity, a SIMPLE IRA described in Code Section 408(p)(1) provided that the Rollover Contribution is made after the two year period described in Code Section 72(t)(6), or a Code Section 457(b) eligible deferred compensation plan which is maintained by an eligible employer described in Code Section 457(e)(1)(A). Any Rollover Contribution (i) shall be subject to the Vendor's determination, in its discretion, that the Rollover Contribution satisfies all applicable requirements of the Code and (ii) shall be made directly from such prior plan, or if such amount was distributed to the Participant, such Rollover Contribution shall be made within 60 days after the Participant receives the rollover amount, unless the 60 day deadline is waived under Code Section 402(c)(3)(B) or a later deadline is established under Internal Revenue Service guidance.

(b) The Vendor shall establish and maintain for the Participant a separate account for any Rollover Contribution paid to the Plan from any eligible retirement plan that is not an eligible governmental plan under Code Section 457(b). In addition, the Vendor shall establish and maintain for the Participant a separate account for any Rollover Contribution paid to the Plan from any eligible retirement plan that is an eligible governmental plan under Code Section 457(b).

(c) The Plan shall accept a Rollover Contribution only if it is a direct rollover from a designated Roth account under an applicable retirement plan described in Code Section 402A(e)(1) and only to the extent the rollover is permitted under the rules of Code Section 402(c). A Rollover Contribution that includes a designated Roth account shall only be accepted if the Administrator obtains information regarding the Participant's tax basis under Code Section 72 in the amount rolled over and the first day of the Participant's taxable year in which the Participant first had Roth contributions made to such other designated Roth account.

(d) A Rollover Contribution shall be allocated to the Rollover Contribution Account of the Participant as of the date of the contribution. A Rollover Contribution from a designated Roth account shall be allocated to a subaccount of the Participant's Rollover Contribution Account holding Roth Rollover Contributions as of the date of the contribution. Before a Rollover Contribution is made, the Participant shall designate on the Applicable Form the Investment Options in which the Vendor should invest the Participant's Rollover Contribution.

Section 4.04. In-Plan Roth Rollovers.

(a) Any portion or all of a Participant's Vested Account (other than a Roth Contribution Account or a subaccount of the Participant's Rollover Contribution Account holding Roth Rollover Contributions and earnings thereon) is eligible for direct rollover to the Participant's Roth

Contribution Account under the Plan, even if the Vested Account is not otherwise distributable (pursuant to Code Section 402A(c)(4)(E)) under Article IX of the Plan, and the transfer shall be treated as a qualified rollover contribution (within the meaning of Code Section 408A(e)) to the Participant's Roth Contribution Account.

(b) A Participant's election under this Section 4.04 shall be subject to the reasonable administrative procedures established by the Administrator, Code Section 402A(c)(4) and the regulations thereunder, and subsequent guidance from the Internal Revenue Service.

(c) The taxable portion of the Participant's Account directly rolled over to a Roth Contribution Account under this Section 4.04 shall be included in the Participant's gross income in the tax year in which the transfer occurs.

(d) To the extent required by Code Section 402(f), the Administrator shall provide written information regarding in-Plan Roth rollovers under this Section 4.04, for amounts that are otherwise distributable under Article IX.

~~**Section 4.05. Section 3.08. Leave of Absence or Sabbatical.** Unless an election is otherwise revised, if a Participant is absent from work by During a paid leave of absence ~~or sabbatical, Annual Deferrals under the Plan, Pre-Tax Contributions and/or Roth Contributions~~ shall continue to ~~the extent that~~ be made for a Participant on the basis of Compensation continues: paid by the Employer during the leave. No Contributions shall be made during an unpaid leave of absence.~~

~~**Section 3.09. Disability.** A Disabled Participant may elect Annual Deferrals during any portion of the period of his or her Disability to the extent that he or she has actual Compensation (not imputed Compensation and not disability benefits) from which to make contributions to the Plan and has not had a Severance from Employment.~~

~~**Section 3.10. Cessation of Plan Participation.** An Employee shall cease to be a Participant on the distribution of the Employee's entire interest in the Plan.~~

~~**Section 3.11. Vesting Standards.** A Participant shall be 100% Vested in the Participant's Accounts.~~

~~**Section 4.06. Section 3.12. Plan Expenses.** All reasonable expenses of administering the individual Accounts in the Plan will~~ shall be charged against and paid from the ~~Participants' Accounts.~~ Participant's Accounts, subject to the terms of the Trust, unless paid by the Employer. The Administrator shall have the right to allocate expenses associated with maintaining the Accounts of terminated Employees to such Accounts, even if no expenses are allocated to the Accounts of active Employees, in accordance with rules promulgated by the Internal Revenue Service.

~~ARTICLE V.~~ ARTICLE IV.

~~LIMITATIONS ON AMOUNTS DEFERRED~~ CONTRIBUTIONS

Section 5.01. Annual Deferral Limits.

(a) ~~Section 4.01. Basic Annual Limitation.~~ The maximum amount of Annual Deferrals to the Plan for any calendar year shall be limited to the lesser of (i) the applicable dollar

amount as provided in Code Section 457(e)(15) increased by the Cost of Living Adjustment in effect for such calendar year or (ii) the Participant's Includible Compensation as provided in Code Section 457(b)(2). ~~The applicable dollar amount is \$19,500 for 2020, increased thereafter by the Cost of Living Adjustment.~~

~~(b) **Section 4.02. Age 50 Catch-up Annual Deferral Contributions.**~~—A Participant who ~~attains~~will attain age 50 or more by the end of the calendar year, and who is contributing up to the applicable dollar amount under ~~Section 4.01~~paragraph (a), may make additional Annual Deferrals up to the applicable dollar amount under Code Section 414(v) ~~of up to \$6,500 for 2020,~~ as increased thereafter by the Cost of Living Adjustment in effect for such calendar year. Effective January 1, 2025, the adjusted dollar amount under Code Section 414(v)(2)(E), as increased by the Cost of Living Adjustment in effect for such calendar year, shall apply to Participants who will attain age 60 but will not attain age 64 by the end of the calendar year.

~~(c) **Section 4.03. Special Section 457 Catch-up Limitation.**~~—If the applicable year is one of a Participant's last three calendar years ending before the year in which the Participant attains Normal Retirement Age and the amount determined under this ~~Section~~paragraph (c) exceeds the amount computed under ~~Sections 4.01~~paragraphs (a) and 4.02(b), then the Annual Deferral limit under this Article ~~IV~~V shall be the lesser of:

~~(1) (a)~~—An amount equal to two times the applicable dollar amount under ~~Section 4.01~~paragraph (a) for such year; or

~~(2) (b)~~—The sum of:

~~(i) (1)~~—An amount equal to (A) the aggregate ~~Section 4.01~~ limit under paragraph (a) for the current calendar year plus each prior calendar year beginning after December 31, 2001, during which the Participant was an Employee under the Plan, minus (B) the aggregate amount of Compensation that the Participant deferred under the Plan during such years, plus

~~(ii) (2)~~—An amount equal to (A) the aggregate limit referred to in Code Section 457(b)(2) for each prior calendar year beginning after December 31, 1978, and before January 1, 2002, during which the Participant was an Employee (determined without regard to ~~Sections 4.02 and 4.03~~paragraphs (b) or (c)), minus (B) the aggregate contributions to Pre-2002 Coordination Plans (as defined by Treasury Regulations and provided in Section 5.02(c)) for such years.

However, in no event can the ~~deferred amount under this Section 4.03~~Annual Deferrals be more than the Participant's Compensation for the year. A Participant may not have more than one Normal Retirement Age under the Plan.

~~**Section 4.04. Special Rules.** For purposes of this Article IV, the following rules shall apply:~~

Section 5.02. Coordination of Limits.

~~(a) **Participant Covered By More Than One Eligible Plan.**~~—If the Participant is or has been a participant in one or more other eligible plans within the meaning of Code Section 457(b), then this Plan and all such other plans shall be considered as one plan for purposes of applying the

foregoing limitations of this Article ~~IV~~V. For this purpose, the Administrator shall take into account any other such eligible plan maintained by the Employer and shall also take into account any other such eligible plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan.

(b) ~~Pre-Participation Years.~~—In applying Section ~~4.03~~5.02, a year shall be taken into account only if (i) the Participant was eligible to participate in the Plan during all or a portion of the year and (ii) Compensation deferred, if any, under the Plan during the year was subject to the ~~Basic Annual Limitation~~applicable dollar amount described in Section ~~4.01~~5.01(a) or any other plan ceiling required by Code Section 457(b).

(c) ~~Pre-2002 Coordination Years.~~—For purposes of Section ~~4.03~~5.01(b)(2)(ii)(B), "contributions to Pre-2002 Coordination Plans" means any employer contribution, salary reduction, or elective contribution under any other eligible Code Section 457(b) plan, or a salary reduction or elective contribution under any Code Section 401(k) qualified cash or deferred arrangement, Code Section 402(h)(1)(B) simplified employee pension (SARSEP), Code Section 403(b) annuity contract, and Code Section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in Code Section 501(c)(18), including plans, arrangements or accounts maintained by the Employer or any employer for whom the Participant performed services. However, the contributions for any calendar year are only taken into account for purposes of Section ~~4.03~~5.01(b)(2)(ii)(B) to the extent that the total of such contributions does not exceed the aggregate limit referred to in Code Section 457(b)(2) for that year.

(d) For 2002 and thereafter, any amounts contributed by the Participant to a tax-sheltered annuity pursuant to Code Section 403(b) or to a 401(k) plan pursuant to Code Section 402(e)(3) shall not reduce the maximum Annual Deferrals under Section 5.01.

(e) An individual is treated as not having deferred compensation under a plan for a prior taxable year to the extent excess deferrals under the plan are distributed, as described in Section 5.03. To the extent that the combined deferrals for pre-2002 years exceeded the maximum deferral limitations, the amount is treated as an excess deferral for those prior years.

(f) The Participant is responsible for ensuring coordination of these limits.

Section 5.03. ~~Section 4.05. Correction of Excess Annual Deferrals.~~ If the Annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described under this Article ~~IV~~V, or the Annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described under this Article ~~IV~~V when combined with other amounts deferred by the Participant under another eligible deferred compensation plan under Code Section 457(b) for which the Participant provides information that is accepted by the Administrator, then the Annual Deferral, to the extent in excess of the applicable limitation (~~and adjusted for any income or loss in value, if any, allocable thereto~~), Allocable Income shall be distributed to the Participant as soon as administratively practicable. Subject to the terms of the Trust, if a Participant who made both Pre-Tax Contributions and Roth Contributions for a calendar year has excess amounts for that year, the excess Annual Deferrals will be distributed out of the Roth Contribution Account unless the Participant elects to instead have the excess Annual Deferrals distributed out of the Pre-Tax Contribution Account.

~~**Section 4.06. Disregard Excess Deferrals.** For purposes of Sections 4.01, 4.02, and 4.03, an individual is treated as not having deferred compensation under a plan for a prior taxable year to the extent excess deferrals under the plan are distributed, as described in Section 4.05. To the extent that the combined deferrals for pre-2002 years exceeded the maximum deferral limitations, the amount is treated as an excess deferral for those prior years.~~

~~ARTICLE VI~~ **ARTICLE V.**
~~ACCOUNTS AND REPORTS~~ **ACCOUNTING**

~~**Section 6.01.** **Section 5.01. Participant Accounts.** The Vendor shall maintain a Pre-Tax Contribution Account and/or Roth Contribution Account with respect to each Participant. Pre-Tax Contributions shall be credited to the Pre-Tax Contribution Account of the Participant each payroll period. Roth Contributions shall be credited to the Roth Contribution Account of the Participant each payroll period. In addition, a Rollover Contribution Account shall also be maintained for any Participant making rollover contributions to the Plan pursuant to Article XI, and a Transfer Account shall also be maintained for any Participant making transfers to the Plan pursuant to Article XII. The balance of such Accounts shall be adjusted daily to reflect any distribution to the Participant and all interest, dividends, account charges and changes of market value resulting from the investment of the Participant's Accounts. (s) shall establish and maintain adequate records to reflect the Accounts of each Participant and Beneficiary. Credits and charges shall be made to such Accounts to reflect additions, distributions, and withdrawals, and to reflect gains or losses pursuant to the terms of the Trust. The maintenance of individual Accounts is for accounting purposes only, and a segregation of Plan assets to each Account shall not be required.~~

~~**Section 5.02. Records.** The records of each Participant's Account shall be maintained by each Vendor.~~

~~**Section 6.02.** **Section 5.03. Participant Statements.** Statements of each Participant's Account shall be furnished by the The Vendor(s) shall provide to each Participant at least annually, within 90 days after a quarterly statement reflecting the value of the Participant's Account as of the end of each calendar year (or such other time as is designated by quarter, and shall provide similar information to the Administrator), and at such more frequent intervals as is determined by the Administrator. The Vendor may use the Internet or other electronic means of communication to provide statements, if done through secure means. Participant reports shall be deemed to have been accepted by the Participant as correct unless written notice to the contrary is received by the Vendor within 60 days after the mailing or distribution of a report to the Participant. upon its request.~~

~~**Section 6.03.** **Value of Account.** The value of the Account of a Participant as of any valuation date is the value of the Account Balance as determined by the Vendor. The valuation date shall be the last day of the Plan Year and each other date designated by the Administrator or Vendor in a uniform and nondiscriminatory manner. All transactions and Account records shall be based on fair market value.~~

~~**Section 5.04. Year End Reports.** Within 90 days after the end of each Plan Year, a written report shall be prepared by each Vendor and delivered to the Administrator showing the assets held under the Plan, a schedule of all receipts and disbursements and all material transactions of the Plan during the preceding year. This report shall be in a form and shall contain other~~

~~information as the Administrator requires. Such reports shall be maintained on file by the Administrator.~~

~~**Section 5.05. Inspections.** The Administrator's or its designee's records pertaining to a Participant's Account, shall be open to inspection by appointment during normal business hours by a Participant, or his or her designated representative. However, no Participant may review any record specifically relating to any other Participant.~~

ARTICLE VI. VALUATION OF ACCOUNTS

~~**Section 6.01. Valuation of Accounts.** Each Participant's Account in the Plan and Trust shall be equal in value to the Participant's amount credited to the Account, plus (i) income earned and market gains for the Account under the Participant's investment selection, less (ii) market losses for the Account, and expenses and charges to such Account under the Participant's particular investment selection and less (iii) assessments and charges made against the Participant's Account by the Vendor, Administrator, or the Trustee for the expenses of the Plan.~~

~~**Section 6.02. Valuation and Book Value.** All interest, dividends, charges for premiums and changes in value due to market fluctuations, or charges or expenses of administration shall be credited or debited to the Participant's Accounts as they occur. All Accounts shall be valued every business day, except in cases where the Administrator authorizes a different valuation method. All reports to the Participant shall be based on fair market value as of the reporting date, except that: (i) investments or investment pools that are measured by daily income accruals and fair or book value of the contracts contained therein shall be valued in that manner, and shall not require independent appraisals of value, and; (ii) the Vendor, in cases where the marketability of an investment has been suspended at a time when value must be determined, may make such reasonable estimates of value of all accounts within such particular Investment Option as is necessary to determine the value of any interest therein.~~

~~**Section 6.03. Deposits.** In all cases, deposits of deferrals shall be treated as actually made only as of the date the funds are accepted as in good order by the Vendor.~~

ARTICLE VII. DECLARATION OF TRUST

Section 7.01. The Trust. Each Participant in the Plan shall have Accounts within the Trust Fund created by the Administrator under Article V. The Administrator may designate those individuals or institutions who shall act as custodial trustees under this Plan from time to time, and execute such further agreements with them as the Administrator shall deem necessary. The Administrator may designate more than one institution to act as custodial trustee, or may create sub-trusts. To the extent permitted by federal tax law, custodial accounts and annuity contracts may serve as trusts and the Administrator may use such combination of trusts and custodial accounts and annuity contracts to hold Plan assets as it shall see fit. Any reference to the Trust Fund shall include such custodial accounts or annuity contracts unless the context clearly indicates to the contrary. As further described in this Article, each Plan Account, and the Trust Fund as a whole, shall be held in trust for the exclusive benefit of Participants and their Beneficiaries, under the requirements of Code Section 457(g), and the State ~~Pers. & Pens. Art~~ Personnel and Pensions Article of the Annotated Code of Maryland (1978, 2004 Repl. Vol.). This Declaration of Trust

shall apply to all future contributions and earnings of the Plan and Trust. This Declaration of Trust shall not be interpreted as prohibiting the use of Plan assets to pay fees and other expenses incurred in the maintenance, administration and investment of the Trust Fund, custodial accounts, or annuity contracts, or the Participant's share of Plan administration expense.

Section 7.02. Identification of Trust Assets. All assets of the Plan shall be held in trust or in custodial or annuity contracts as described herein by the Trustees for the exclusive benefit of Participants and their Beneficiaries. Such Trust Fund, and the investments, accounts, contracts, securities and other intangible property and rights that make up the Trust Fund and Plan assets, shall be sufficiently identified by the Trustees and any custodial trustees so that its status as Trust property, or Plan contracts and the individual interests therein, can always be determined. The Trustees shall take all reasonable and necessary steps to execute any documents necessary to effect such trust status or insurance company contract status for existing or future Plan assets.

Section 7.03. Fiduciary Status and Delegation of Duties. The Board is a fiduciary of Plan assets, custodial accounts, or annuity contracts only to the extent required by applicable provision of the Annotated Code of Maryland or the Code. The assumption of fiduciary status by the Board hereunder shall not extend to, or create, any liability or duty to a Participant with respect to the Investment Options offered for Participant selection. No provision of this Plan shall be construed in any manner that would be inconsistent with the duties and responsibilities specified herein. The Board, as an entity, may: (a) allocate duties and responsibilities under this Plan to one or more of its members; (b) designate one or more persons or entities in their employ to perform such duties and responsibilities; and (c) determine any matter with respect to this Plan by a majority vote of those individuals then constituting the Board.

Section 7.04. Unclaimed Benefit Payments. If any check or share certificate in payment of a benefit hereunder, which has been mailed by regular United States first-class mail to the last address of the payee furnished to the Vendors by the Administrator or the Participant or Beneficiary, is returned unclaimed, the Vendors shall follow such procedures regarding unclaimed benefit payments that the Administrator has established.

Section 7.05. Duty to Furnish Information. Both the Administrator and the Vendors shall furnish to each other any document, report, return, statement or other information that the other reasonably deems necessary to perform duties imposed under this Plan and Trust or otherwise imposed by law.

Section 7.06. Deposits And Disbursements From The Trust.

(a) ~~**Trust Deposits.**~~ The Board, acting through the Administrator, shall delegate to the Vendors the responsibility for accepting deposits to this Plan and Trust.

(b) ~~**Trust Payments.**~~ The Board, acting through the Administrator, shall delegate to the Vendors the responsibility for making payments from the Trust. The Vendors shall make payments from the Trust to Participants, their Beneficiaries and such other persons as the Plan may provide for from time to time. Such payments shall be made in such manner, in such amounts and for such purposes, including the payment of Plan benefits and the payment of expenses of administration of the Plan, as may be specified in the Plan. The Vendors shall ensure that any payment directed under this Section conforms to the provisions of this Plan and Trust and the provisions of any applicable law. Payments from the Trust shall be made by check (or the check

of an agent) or deposit to the order of the payee. Payments or other distributions hereunder may be mailed to the payee at the address last furnished to the Vendors by the Administrator. The Vendors shall not incur any liability or other damage on account of any payment or other distribution made by the Trust in accordance with this Section.

(c) ~~**Allocation of Trust Expenses.**~~ All expenses of the Trust shall be paid from the Trust to the extent not paid by the Employer. All expenses of the Trust which are allocable to a particular Investment Option or Account may be allocated and charged to such Investment Option or Account as determined by the Trustees. All expenses of the Trust which are not allocable to a particular Investment Option or Account shall be charged to each such Investment Option or Account in proportion to the value of such Investment Options and Accounts as of the close of business of the immediately preceding valuation date.

Section 7.07. Resignation And Removal Of Trustees. Any custodial trustee may resign at any time in writing to the Administrator. Any custodial trustee may be removed by the Administrator. Upon such resignation or removal, a successor trustee shall be appointed by the Administrator, and shall have the same powers and duties as those conferred upon the custodial trustees hereunder.

Section 7.08. No Guarantees. Neither the Board nor the Administrator guarantees the Trust from loss or depreciation or the payment of any amount which may become due to any person under this Plan and Trust.

Section 7.09. Parties Bound. This Plan and Trust shall be binding upon the parties hereto, all Participants in this Plan and Trust and persons claiming under or through them pursuant to this Plan and Trust, and, as the case may be, the heirs, executors, administrators, successors and assigns of each of them.

Section 7.10. Exclusive Benefit Rule. An Annual Deferral shall be delivered by the State to the Vendor who shall hold such amounts in trust for the exclusive benefit of Participant and Beneficiaries, to be paid by the Vendor, to the Participant pursuant to Article V.

ARTICLE VIII. **INVESTMENT OF ACCOUNTS**

~~**Section 8.01. Investment Options.** The Administrator shall determine from time to time the permitted Investment Options of the Trust that are available for selection by Participants and Beneficiaries, who shall select among those options for the investment of their Account Balance. These options may include securities (debt or equity), mutual funds and/or regulated investment companies, annuity contracts, investment contracts, real estate investment trusts, investment pools, bonds, and any other investment, including collective investment vehicles (whether or not such collective investment vehicles are generally available to the public) and such other investments as are permitted by statute. The Administrator may also invest in, or arrange for investment in, qualifying custodial accounts and contracts as permitted by Code Section 457(g)(3). In each case, however, regardless of the type of investment, it is the intention of this Plan that the individual interest of each Participant and Beneficiary within this Plan and Trust shall always be capable of identification. The Administrator shall at all times create and administer the Plan and the investments of the Plan in accordance with requirements of the State Pers. & Pens. Art., and shall only use such designated company or companies as allowed by Section 30-210 of that Article, or~~

~~successor provision of similar import. The Vendor shall transfer to each such Investment Option such portion of the assets of the Trust as directed by Participants and Beneficiaries. The Vendor shall manage, acquire, or dispose of the assets in an Investment Option in accordance with the specific investment directions given by the Participants. All income received with respect to, and all proceeds received from, the disposition of property held in an Investment Option shall be credited to, and reinvested in, such Investment Option. From time to time, the Administrator may eliminate an Investment Option, and the proceeds thereof shall be reinvested in another Investment Option in accordance with the directions of the Administrator.~~

Section 8.01. ~~Section 8.02. Participant~~ Vendors and Investment Options.

~~(a) Change of Investment Options. The Participant may change the Investment Options he or she has selected for his or her Account Balance, or a portion of his or her Account Balance, by amending his or her Participation Agreement, and filing such amendment with the Administrator. Such amendment shall become effective only under such terms and conditions as are set by the Administrator, and at such time as the Vendor is able to change any Account Balance maintained by it for the Participant's benefit under the existing Investment Options previously chosen by the Participant, to the new Investment Options selected by the Participant in his or her amended Participation Agreement. Such amendments to the Participation Agreement may be made through electronic means under regular and secure procedures established therefore.~~

(a) All Contributions under the Plan shall be transferred to the Vendor(s) to be held, managed, invested and distributed in accordance with the provisions of the Plan and the Trust as applicable. All benefits under the Plan shall be distributed solely from the Trust, and the Employer shall have no liability for any such benefits other than the obligation to make Contributions as provided in the Plan.

~~(b) Conditions for Change of Participants' Accounts shall be invested in one or more of the Investment Options available to Participants under this Plan, as selected by the Administrator and communicated to Participants. The Administrator's current selection of Vendor(s) and Investment Options is not intended to limit future additions or deletions of Vendor(s) or Investment Options. Amendments to the Participation Agreement, for purposes of changing an Employee's Investment Option selection for his or her Account Balance, may be made on the Applicable Form at such times and under such conditions as may be determined from time to time by the Administrator during the Plan Year.~~

(c) A Participant shall have the right to direct the investment of his or her Accounts by filing the Applicable Form with the Vendor(s). A Participant may change his or her investment election as often as determined by the Vendor(s). A Participant may elect to transfer all or any portion of his or her Accounts invested in any one Investment Option to another Investment Option, regardless of whether offered by the same or a different Vendor, subject to the limitations of the Trust, by filing a request on the Applicable Form with the Vendor(s) or by such other means that may be provided for by the Vendor(s). A Participant may also elect to transfer all or any portion of his or her Accounts invested with a Former Vendor to an Investment Option with a Vendor, subject to the terms of the Trust. In no event, however, may a Participant transfer any portion of his or her Accounts invested with a Former Vendor, or any other vendor that is not approved to receive Contributions under the Plan, to an Investment Option with a Vendor.

Section 8.02. Exclusive Benefit. ~~The Trust 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 Trust to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and Beneficiaries.~~

Section 8.03. Default Investments. ~~If a Participant does not have a valid and complete investment direction on file with the Vendor on the Applicable Form, Contributions will be invested in a default Investment Option selected by the Administrator in its sole and absolute discretion, until the Participant makes an affirmative election regarding the investment of his or her Account.~~

~~(c) **Administrator's Right to Select Investment Options.** The Administrator may, without consent of any Participant whose Investment Option selection may be affected, restrict or terminate the right to change an Investment Option selection for all Participants, or class of Participants. Such change, reduction or termination shall be made in accordance with applicable provisions of the State Pers. & Pens. Art. The maintenance by the Administrator or Vendor of electronic or automated methods of Investment Option selection, or of methods that permit daily change in Investment Option selection, shall not constitute a guarantee against any loss in value that may accrue through temporary inability to change such selection through use of such methods.~~

~~**Section 8.03. Beneficiary Investment Options.** A Beneficiary of a deceased Participant shall have the same rights as a Participant to elect a change of Investment Option selection.~~

~~**Section 8.04. Investment Default.** In the event that a Participant does not have a valid investment direction on file for any portion of the amount in that Participant's Account, the Account shall be invested in any default option or options as determined by the Administrator. In such event, the Participant shall be deemed to have directed that option (or options) for investment of his or her Account. The Administrator intends to establish one or more default Investment Options based upon various factors, including, but not limited to, market risk, stability and rate of return. If the Administrator has appropriately exercised its fiduciary duty in selecting a default option(s), it shall have no liability for any loss sustained by a Participant or Beneficiary whose Account is invested in the default option(s).~~

ARTICLE IX.

BENEFITS DISTRIBUTIONS

Section 9.01. Benefit Payments Commencement of Distributions.

(a) ~~**Distributable Events.**~~ A Participant or, if applicable, a Beneficiary, shall be eligible to receive a distribution of his or her Vested Account under the Plan ~~upon if the Participant's~~ Participant:

- (1) ~~has a~~ Severance from Employment;
- (2) ~~death~~ dies;
- (3) ~~attainment of~~ attains age 70½; or [Change to 59 ½?]

(4) ~~unforeseeable emergency, as described in Section 9.09~~ qualifies for an Unforeseeable Emergency Distribution, a small account distribution, or Coronavirus-Related Distribution.

~~(b) Severance from Employment. Upon Severance from Employment, a Participant is entitled to receive a distribution of his or her Accounts under any form of distribution permitted under Section 9.02, subject to Section 9.04, commencing on a date selected by the Participant which may not be later than the required distribution date of Code Section 401(a)(9), as specified in Section 9.04. A Participant may elect to change the commencement date of distribution of the Accounts to a later date otherwise permitted under this Article, so long as the commencement date meets the required distribution commencement date provisions of Code Section 401(a)(9). All benefits shall be paid under a payment option under Section 9.02, subject to Section 9.04.~~

~~(c) Attainment of Age 70½. Upon attaining age 70½, a Participant may elect to have benefits commence on a date which is no later than the required distribution date of Code Section 401(a)(9), as specified in Section 9.04. All benefits shall be paid under a payment option under Section 9.02, subject to Section 9.04.~~

~~(d) Death. In the event of the Participant's death prior to the commencement of benefits under subsection (a), the value of the Participant's Accounts shall be paid to the Beneficiary under a payment option elected by the Beneficiary under Section 9.02, subject to the restrictions in Section 9.06. Such benefits shall be payable commencing within 60 days after receipt by the Administrator of satisfactory proof of the Participant's death. However, if the Beneficiary is the Spouse of the Participant, then the Spouse may elect within 60 days of Participant's death, to defer distribution to a date not later than the date when the Participant would have attained age 70½. In the event of the Participant's death after commencement of benefits, benefits shall be paid subject to Section 9.04.~~

Section 9.02. Payment Options.

~~(a) The election of a payment option by a Participant or a Beneficiary under Section 9.01 must be made no later than 30 days before the commencement of such benefits. Subject to restrictions established by the Administrator, the methods of payment of benefits available for election by a Participant shall be either: (i) a single sum payment of the entire value of the Participant's Account; (ii) an installment schedule of monthly, quarterly or yearly payments of a period of one or more years; (iii) through purchase of an individual fixed or variable annuity contract for that Account; (iv) a series of payments on an annuity basis as if an annuity contract was purchased for such person, or (v) such method as may be allowed under procedures described by the Administrator and allowed by the Trustee holding the account. It is the Participant's responsibility to notify the Administrator when he or she separates from State service, and to make the elections set forth in this Section.~~

(b) Subject to the terms of the Trust, Participants may elect to have either ~~Roth Contributions~~ or Pre-Tax Contributions or Roth Contributions distributed from the Plan first. Unless provided otherwise under the terms of the Trust, if the Participant fails to make an election, ~~Pre-Tax~~ Pre-Tax Contributions will be distributed from the Plan first.

~~Section 9.03. Lump Sum Settlement. Notwithstanding anything in this Plan to the contrary, if a Participant's Account Balance does not exceed \$1,000 (determined without regarding~~

~~to his or her Rollover Contribution Account) at the time of Severance from Employment, the Administrator may effect a lump sum distribution of the Participant's Accounts.~~

~~**Section 9.04. Minimum Distribution Rules.** No payment option may be selected by a Participant unless the amounts payable to the Participant are expected to be at least equal to the minimum distribution required under Code Section 401(a)(9). With respect to distributions under the Plan, the Plan will apply the minimum distribution requirements of Code Section 401(a)(9) in accordance with the final Treasury Regulations under Code Section 401(a)(9), as follows:~~

~~(a) General Rules.~~

~~(c) Subject to the terms of the Trust, a Rollover Contribution Account may be distributed to a Participant at any time, to the extent that Rollover Contributions have been separately accounted for by the Vendor.~~

~~(d) A Participant or Beneficiary may submit a request for a distribution to the Vendor on the Applicable Form. The Employer shall certify that the Participant has had a Severance from Employment.~~

Section 9.02. Form of Distribution.

~~(a) A Participant may elect to receive his or her Vested Account under any payment option available under the Trust. Subject to the terms of the Trust, these may include, but are not necessarily limited to, a single lump sum, annuity payments, and installment payments. All forms of payment shall be subject to the limitations of the Trust.~~

~~(b) To the extent permitted by the Trust, a lump sum payment of a Vested Account may be made without the consent of the Participant or Beneficiary if his or her Account Balance does not exceed \$1,000 (determined without regard to his or her Rollover Contribution Account), unless the Participant elects to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover or to receive the distribution directly in a lump sum.~~

~~(c) To the extent permitted by the Trust, a lump sum payment of a Vested Account may be made without the consent of the Participant or Beneficiary if his or her Account Balance exceeds \$1,000 but does not exceed \$7,000 (before January 1, 2024, \$5,000) determined without regard to his or her Rollover Contribution Account, provided that such distribution shall be made in a direct rollover to an individual retirement plan designated by the Administrator, unless the Participant elects to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover or to receive the distribution directly in a lump sum.~~

Section 9.03. Unforeseeable Emergency Distributions.

~~(a) To the extent (i) a Vendor has been approved by the Administrator to allow Unforeseeable Emergency Distributions under the Plan and (ii) an Unforeseeable Emergency Distribution is permitted by the terms governing the Trust, and subject to guidelines and requirements set forth in procedures established by the Administrator, distribution of Annual Deferrals may be made to a Participant in the event of an unforeseeable emergency. If the Participant has an unforeseeable emergency before Severance from Employment, the Participant may elect to receive a lump sum distribution equal to the amount requested or, if less, the maximum~~

amount determined by the Administrator to be permitted to be distributed under this Section. No Unforeseeable Emergency Distributions shall be permitted from Trusts held by Former Vendors.

(b) All requests for Unforeseeable Emergency Distributions shall be made initially to the Administrator or such other entity as may be designated by the Administrator from time to time. Any decision made by the Administrator or its designee shall be final and conclusive. The Administrator may establish restrictions following a distribution pursuant to this Section.

(c) An unforeseeable emergency is defined as a severe financial hardship of the Participant resulting from:

(1) an illness or accident of the Participant, the Participant's Spouse, or the Participant's dependent (as defined in Code Section 152 without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B));

(2) loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster);

(3) the need to pay for the funeral expenses of the Participant's Spouse, or dependent (as defined in Code Section 152 without regard to Code Section 152(d)(1)(B)); or

(4) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant; for example, the imminent foreclosure of or eviction from the Participant's primary residence may constitute an unforeseeable emergency.

In addition, the need to pay for medical expenses for the Participant or the Participant's Spouse or dependent (as defined in Code Section 152 without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B)), including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an unforeseeable emergency. Except as otherwise specifically provided in this Section, neither the purchase of a home nor the payment of college tuition is an unforeseeable emergency.

(d) An Unforeseeable Emergency Distribution may not be made to the extent that an unforeseeable emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or by cessation of Annual Deferrals under the Plan.

(e) An Unforeseeable Emergency Distribution may not exceed the amount reasonably necessary to satisfy the emergency need (which may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution).

(f) ~~(1) The requirements of this Section will take precedence over any inconsistent provisions of Administrator may further limit and/or prohibit Unforeseeable Emergency Distributions for classes of accounts maintained under the Plan.~~

Section 9.04. Small Account Distribution.

(a) A Participant who is an Employee may elect to receive a distribution of the Participant's Account under the Plan before a Severance from Employment if the following requirements are met:

(1) the Participant's Account (not including his or her Rollover Contribution Account) does not exceed the amount specified under Code Section 411(a)(11) (as of January 1, 2024, \$7,000) on the date of the distribution;

~~(2) All distributions required~~ the Participant has not previously received an in-service distribution of the Participant's Account under this Section ~~will be determined and made in accordance with the Treasury Regulations under Code Section 401(a)(9); and~~

~~(3) Distributions to a Participant and his or her Beneficiaries shall only be made in accordance with the incidental death benefit requirements of Code Section 401(a)(9)(G) and the Treasury Regulations thereunder.~~ no Annual Deferrals have been made to the Plan with respect to the Participant during the two year period ending on the date of the in-service distribution under this Section.

~~(b) Time and Manner of Distribution~~ This election must be made in accordance with the procedures established by the Administrator.

Section 9.05. Coronavirus-Related Distributions.

(a) Subject to the terms of the Trust, a Participant who is a Qualified Individual may, on or after April 6, 2020 (or as soon as administratively practicable after April 6, 2020), and before December 31, 2020, request one or more Coronavirus-Related Distributions from his or her Accounts regardless of whether he or she has had a Severance from Employment, subject to the following conditions:

~~(1) The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.~~ Coronavirus-Related Distributions to a Participant from this Plan and all other plans maintained by the Employer or a Related Employer may not exceed \$100,000; and

~~(2) If the Participant dies before required distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:~~

(2) A Participant shall certify to the Administrator or Vendor that he or she is a Qualified Individual prior to receiving a Coronavirus-Related Distribution.

(b) A Participant who has received a Coronavirus-Related Distribution from the Plan may, at any time during the three year period beginning on the day after the date on which such distribution was received repay such Coronavirus-Related Distribution by making one or more Rollover Contributions to the Plan which, in an aggregate amount, do not exceed the amount of such Coronavirus-Related Distribution. The preceding sentence shall not apply to any Participant who is not eligible to make a Rollover Contribution to the Plan under Section 4.03.

Section 9.06. Reemployment. If a Participant who is a former Employee subsequently becomes an Employee again, the Participant cannot request a distribution of his or her Vested Account until he or she is again entitled to a distribution under Section 9.01

Section 9.07. Death Benefits. If a Participant dies before the distribution of his or her entire Account, his or her remaining Account shall be distributed to his or her Beneficiary(ies) as soon as administratively practicable after the Participant's death, unless the Beneficiary elects a later payment date on the Applicable Form, subject to Code Section 401(a)(9). A Beneficiary may elect to receive the Participant's Account under any distribution option available under the Section 9.02, subject to Code Section 401(a)(9).

Section 9.08. Required Distribution Rules.

(a) The provisions of this Section 9.08 take precedence over any inconsistent provisions of the Plan or of the Trust. All distributions under this Plan shall be made in accordance with a reasonable good faith interpretation of Code Section 401(a)(9) and the regulations promulgated thereunder, including the incidental death benefit rules under Code Section 401(a)(9)(G) and the changes under the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019, SECURE 2.0 of 2022, and Treasury Regulation Sections 1.401(a)(9)-1 through -9, as each may be amended from time to time.

(b) Distributions may only be made over one of the following periods (or a combination thereof):

- (1) The life of the Participant;
 - (2) The life of the Participant and a Designated Beneficiary;
 - (3) A period certain not extending beyond the life expectancy of the Participant;
- or
- (4) A period certain not extending beyond the joint and last survivor life expectancy of the Participant and Designated Beneficiary;

provided, however, that distributions under this paragraph (b) that are paid in calendar years 2024 and later during the lifetime of the Participant shall be determined without regard to the Participant's Roth Contribution Account or to any subaccount of the Participant's Rollover Contribution Account holding Roth Rollover Contributions and earnings thereon.

(c) ~~(i) If the~~ Participant's surviving Spouse is the Participant's sole Designated Beneficiary, ~~then distributions to the surviving Spouse will begin by the later of: (A) December 31~~ Accounts shall be distributed to the Participant beginning no later than April 1 of the calendar year ~~immediately~~ following the ~~calendar~~ later of (i) the calendar year in which the Participant ~~died; or (B) December 31 of~~ attains his or her applicable age within the meaning of Code Section 401(a)(9)(C)(v) or (ii) the calendar year in which the Participant ~~would have attained age 70½~~ has a Severance from Employment.

~~(ii) If the Participant's surviving Spouse is not the Participant's sole Designated Beneficiary, then distributions to the Designated Beneficiary will begin~~

~~by December 31 of the calendar year immediately following the calendar year in which the Participant died.~~

(d) Subject to regulations or other guidance issued under Code Section 401(a)(9), upon the death of the Participant before distribution of his or her Account has begun under paragraph (c), the following distribution provisions shall take effect:

~~(iii) If there is no~~ (1) The portion of the Participant's Account(s) payable to a Beneficiary that is not a Designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will ~~shall~~ be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(2) The portion of the Participant's Account(s) payable to a Designated Beneficiary who is not an Eligible Designated Beneficiary shall be distributed by December 31 of the calendar year containing the tenth anniversary of the Participant's death.

(3) The portion of the Participant's Account(s) payable to an Eligible Designated Beneficiary shall be distributed, pursuant to the election of the Eligible Designated Beneficiary, either (i) by December 31 of the calendar year containing the tenth anniversary of the Participant's death, or (ii) beginning no later than December 31 of the calendar year immediately following the calendar year in which the Participant died, over the life of the Eligible Designated Beneficiary or over a period not exceeding the life expectancy of the Eligible Designated Beneficiary. If the Eligible Designated Beneficiary is the surviving Spouse, the Eligible Designated Beneficiary may elect to delay payment under item (ii) until December 31 of the calendar year in which the Participant would have attained the applicable age within the meaning of Code Section 401(a)(9)(C)(v). If the Eligible Designated Beneficiary does not elect a method of distribution as provided above, the Participant's Account(s) shall be distributed in accordance with item (i).

(e) Subject to regulations or other guidance issued under Code Section 401(a)(9), upon the death of the Participant after distribution of his or her Account has begun under paragraph (c), any remaining portion of his or her Account shall continue to be distributed at least as rapidly as under the method of distribution in effect at the time of the Participant's death; provided, however, that the portion of the Participant's Account payable to a Designated Beneficiary who is not an Eligible Designated Beneficiary shall be distributed in its entirety by December 31 of the calendar year containing the tenth anniversary of the Participant's death.

(f) Upon the death of an Eligible Designated Beneficiary, or the attainment of age 21 of an Eligible Designated Beneficiary who is a minor child of the Participant, before distribution of the Participant's entire Account under paragraphs (d) or (e), the remainder of the Participant's Account shall be distributed by December 31 of the calendar year containing the tenth anniversary of the Eligible Designated Beneficiary's death, or by December 31 of the calendar year in which the child attains age 31, as applicable.

(g) Any distribution required under the incidental death benefit requirements of Code Section 401(a) shall be treated as a distribution required under this Section 9.08.

(h) Each Vendor shall be separately and solely responsible for complying with the provisions of this Section 9.08 with respect to the Trust Funds it holds under the Plan. The Vendor shall calculate the amounts required to be distributed to a Participant under this Section and notify such Participant of such distributions at least 60 days prior to the date distributions must begin.

(i) Notwithstanding anything in this Section 9.08 to the contrary, for 2020 the minimum distribution requirements will be satisfied as provided in this section, as determined by the terms of the Trust.

~~(iv) If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary and the surviving Spouse dies after the Participant but before distributions to the surviving Spouse begin, this Section 9.04(b)(2), other than Section 9.04(b)(2)(i), will apply as if the surviving Spouse were the Participant.~~

~~For purposes of this Section 9.04(b)(2) and Section 9.04(d), unless Section 9.04(b)(2)(iv) applies, distributions are considered to begin on the Participant's Required Beginning Date. If Section 9.04(b)(2)(iv) applies, distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under Section 9.04(b)(2)(i). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving Spouse before the date distributions are required to begin to the surviving Spouse under Section 9.04(b)(2)(i)), the date distributions are considered to begin is the date distributions actually commence.~~

~~(3) Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year distributions will be made in accordance with Sections 9.04(c) and 9.04(d). If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9) and the Treasury Regulations.~~

~~(c) Required Minimum Distributions During Participant's Lifetime:~~

~~(1) During the Participant's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the lesser of:~~

~~(i) the quotient obtained by dividing the Participant's Account Balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's age as of the Participant's birthday in the Distribution Calendar Year; or~~

~~(ii) if the Participant's sole Designated Beneficiary for the Distribution Calendar Year is the Participant's Spouse, the quotient obtained by dividing the Participant's Account Balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the Distribution Calendar Year.~~

~~(2) Required minimum distributions will be determined under this Section 9.04(c) beginning with the first Distribution Calendar Year and up to and including the Distribution Calendar Year that includes the Participant's date of death~~

~~(d) Required Minimum Distributions After Participant's Death:~~

~~(1) Death On or After Date Distributions Begin:~~

~~(i) If the Participant dies on or after the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the longer of the remaining Life Expectancy of the Participant or the remaining Life Expectancy of the Participant's Designated Beneficiary, determined as follows:~~

~~(A) The Participant's remaining Life Expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.~~

~~(B) If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, the remaining Life Expectancy of the surviving Spouse is calculated for each Distribution Calendar Year after the year of the Participant's death using the surviving Spouse's age as of the Spouse's birthday in that year. For Distribution Calendar Years after the year of the surviving Spouse's death, the remaining Life Expectancy of the surviving Spouse is calculated using the age of the surviving Spouse as of the Spouse's birthday in the calendar year of the Spouse's death, reduced by one for each subsequent calendar year.~~

~~(C) If the Participant's surviving Spouse is not the Participant's sole Designated Beneficiary, the Designated Beneficiary's remaining Life Expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.~~

~~(ii) If the Participant dies on or after the date distributions begin and there is no Designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the Participant's remaining Life Expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.~~

~~(2) Death Before Date Distributions Begin:~~

~~(i) If the Participant dies before the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the remaining Life~~

~~Expectancy of the Participant's Designated Beneficiary, determined as provided in Section 9.04(d)(1).~~

~~(ii) If the Participant dies before the date distributions begin and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.~~

~~(iii) If the Participant dies before the date distributions begin, the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, and the surviving Spouse dies before distributions are required to begin to the surviving Spouse under Section 9.04(b)(2)(i), this Section 9.04(d)(2) will apply as if the surviving Spouse were the Participant.~~

~~(e) Definitions:~~

~~(1) "Designated Beneficiary" means the individual who is designated as the Beneficiary under Section 9.05 of the Plan and is the designated beneficiary under Code Section 401(a)(9) and Treasury Regulation Section 1.401(a)(9)-1, Q&A-4.~~

~~(2) "Distribution Calendar Year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin under Section 9.04(b)(2). The required minimum distribution for the Participant's first Distribution Calendar Year will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other Distribution Calendar Years, including the required minimum distribution for the Distribution Calendar Year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that Distribution Calendar Year.~~

~~(3) "Life Expectancy" means Life Expectancy as computed by use of the Single Life Table in Treasury Regulation Section 1.401(a)(9)-9.~~

~~(4) "Participant's Account Balance" means the Account Balance as of the last valuation date in the calendar year immediately preceding the Distribution Calendar Year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the Account Balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The Account Balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the Distribution Calendar Year if distributed or transferred in the valuation calendar year.~~

~~(5) "Required Beginning Date" means April 1 of the calendar year following the later of (i) the calendar year in which the Participant reaches 70½, or (ii) the calendar year in which the Participant retires.~~

~~(f) 2009 Minimum Distributions. For 2009, the minimum distribution requirements under Section 9.04 will be satisfied as provided in either paragraph (1) or (2) below, as determined by the Vendor responsible for the Participant's required minimum distribution:~~

(1) ~~A~~ Effective March 27, 2020, or as soon as administratively practicable thereafter, a Participant or Beneficiary who would have been required to receive ~~a~~ required minimum distribution in 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of April 1, 2021) but for the enactment of Code Section 401(a)(9)(~~HI~~) ("~~2009~~2020 RMDs"), ~~and who would have satisfied that requirement by receiving distributions that are either (Ai) equal to the 2009 RMDs, or (Bii) one or more payments (that include the 2009 RMDs) in a series of substantially equal distributions (that include the 2009 RMDs) periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectaneyexpectancies) of the Participant and the Participant's designated Beneficiary, or for a period of at least 10 years ("Extended 2009 RMDs"), will not receive those distributions for 2009~~ this distribution unless the Participant or ~~beneficiary~~ Beneficiary chooses ~~not~~ not to receive ~~such distributions~~ the distribution. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to ~~stop receiving the distributions~~ receive the distribution described in the preceding sentence.

(2) ~~A~~ Effective March 27, 2020, or as soon as administratively practicable thereafter, a Participant or Beneficiary who would have been required to receive ~~2009 RMDs~~ a 2020 RMD, and who would have satisfied that requirement by receiving distributions that are (Ai) equal to the ~~2009~~2020 RMDs or (Bii) Extended ~~2009~~2020 RMDs, will ~~not~~ receive ~~those distributions for 2009~~ this distribution unless the Participant or Beneficiary chooses not to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to ~~receive the distributions~~ stop receiving the distribution described in the preceding sentence.

(3) In addition, solely for purposes of applying the direct rollover provisions of Article XII, 2020 RMDs and Extended 2020 RMDs will or will not be treated as eligible rollover distributions in 2020 as determined by the terms of the Trust.

ARTICLE X. LOANS

~~Further, if provided by the Vendor, the 2009 RMDs and Extended 2009 RMDs will be treated as eligible rollover distributions in 2009.~~

~~**Section 9.05. Designated Beneficiary.** The Participant shall file with the Administrator, or such other entity as may be designated by the Administrator from time to time, the Applicable Form, designating or changing the person or persons who shall receive any balance of the Participant's Account under this Plan in the event of the Participant's death. The Participant may also designate his or her estate as the Beneficiary of his or her Account, or a trust created by him or her as the Beneficiary. The Applicable Form will have no effect until it is signed and filed with the Administrator, or such other entity as may be designated by the Administrator from time to time. If the Participant dies without having designated a Beneficiary, any payment due shall be made to the properly appointed fiduciary of the Participant's estate. The Participant shall have the~~

~~burden for executing and filing the Applicable Form. Only the last designation of a Beneficiary prior to receipt of benefits shall have effect, and any new designation of a Beneficiary invalidates, supersedes, and revokes any prior designation.~~

~~A Participant shall have the right to designate at least one primary and contingent Beneficiary and to indicate whether the Beneficiaries in each class are to share equally or according to specified percentages. A contingent Beneficiary shall receive benefit payments only if there is no surviving primary Beneficiary. If a Beneficiary predeceases the Participant, the surviving Beneficiaries in the same class (i.e., primary or contingent) will share among each other all benefits in the same proportion as originally designated by the Participant. In the event of the death of a Beneficiary after the Beneficiary has become entitled to receive benefits, the remaining benefits shall be paid to the estate of the Beneficiary in a lump sum.~~

Section 10.01. ~~Section 9.06. Voluntary In-Service Distribution~~ Loans Generally.

~~(a) A Participant who is an active Employee of the Employer may elect to receive a distribution of the Participant's Pre-Tax Contribution Account and Transfer Account under the Plan before a Severance of Employment if the following requirements are met:~~

(a) To the extent (i) a Vendor has been approved by the Administrator to allow loans under the Plan and (ii) loans are permitted by the terms governing the applicable Trust, loans shall be available to a Participant who is an Employee from his or her Vested Account. No loans shall be permitted from Trust Funds held by Former Vendors.

(b) Loans shall be subject to all applicable requirements and restrictions of the Code, including the provisions of Code Section 72(p) and the regulations thereunder. A Participant who has defaulted on a loan shall not be entitled to a future loan under the Plan until it has been fully repaid to the Plan.

(c) All loans shall be subject to the approval of the Vendor. The Vendor may charge a reasonable processing fee with respect to any loan.

(d) If a Participant who is a Qualified Individual has an outstanding loan on or after March 27, 2020, and certifies that he or she is a Qualified Individual, and the Vendor has been approved by the Administrator to administer delayed loan repayments under the Plan, this paragraph (d) shall apply:

(1) if the Participant's Vested Account (not including his or her Rollover Contribution Account) does not exceed the amount specified due date under Code Section 411(a)(11) (as of January 1, 2001, \$5,000) on the date of the distribution; 72(p) for any repayment with respect to such loan occurs during the period beginning on March 27, 2020, and ending on December 31, 2020, such due date shall be delayed for one year subject to the terms of the Trust;

(2) the Participant has not previously received an in-service distribution of the Participant's Account under this Section; and any subsequent repayments with respect to any such loan shall be appropriately adjusted to reflect the delay in the due date under paragraph (1) and any interest accruing during such delay; and

(3) ~~no Annual Deferrals have been made to the Plan with respect to the Participant during the two~~ in determining the five year period ending on the date of the in-service distribution under this ~~and the term of a loan under Code~~ Section 72(p), the period described in paragraph (1) shall be disregarded.

~~(b) This election must be made in accordance with the procedures established by the Administrator.~~

~~**Section 9.07. Distributions from the Rollover Contribution Account.** Effective January 1, 2005, a Participant shall have the right to a distribution of the Participant's Rollover Contribution Account at any time at the direction of the Participant, subject to any applicable penalties or other distribution requirements under the Code.~~

~~**Section 9.08. Unforeseeable Emergency Distributions.** Notwithstanding any other provision herein and subject to guidelines and requirements set forth in procedures established by the Administrator, individuals with a Pre-Tax Contribution Account and/or Roth Contribution Account may request that benefits be paid in the event of an unforeseeable emergency, including individuals who are no longer employed by the Employer but who still have an Account Balance and individuals who are currently receiving benefits under the Plan which are not being paid as an annuity. If the Participant has an unforeseeable emergency before Severance from Employment, the Participant may elect to receive a lump sum distribution equal to the amount requested or, if less, the maximum amount determined by the Administrator to be permitted to be distributed under this Section.~~

~~(a) **Requests for Unforeseeable Emergency Distributions.** All requests for unforeseeable emergency distributions shall be made initially to the Administrator or such other entity as may be designated by the Administrator from time to time. Any decision made by the Administrator or its designee shall be final and conclusive. The Administrator may establish restrictions following a distribution pursuant to this Section.~~

~~(b) **Unforeseeable Emergency Defined.** An unforeseeable emergency is defined as a severe financial hardship of the Participant resulting from: an illness or accident of the Participant, the Participant's Spouse, or the Participant's dependent (as defined in Code Section 152 without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B)); loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster); the need to pay for the funeral expenses of the Participant's Spouse, or dependent (as defined in Code Section 152 without regard to Code Section 152(d)(1)(B)); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. For example, the imminent foreclosure of or eviction from the Participant's primary residence may constitute an unforeseeable emergency. In addition, the need to pay for medical expenses for the Participant or the Participant's Spouse or dependent (as defined in Code Section 152 without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B)), including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an unforeseeable emergency. Except as otherwise specifically provided in this Section, neither the purchase of a home nor the payment of college tuition is an unforeseeable emergency.~~

~~(c) **Unforeseeable Emergency Distribution Standard.** A distribution on account of unforeseeable emergency may not be made to the extent that such emergency is or may be relieved~~

~~through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or by cessation of deferrals under the plan.~~

~~(d) Distribution Necessary To Satisfy Emergency Need. Distributions because of an unforeseeable emergency may not exceed the amount reasonably necessary to satisfy the emergency need (which may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution).~~

~~(e) Possible Class Restriction. The Administrator may further limit and/or prohibit such withdrawals for classes of accounts maintained under the Plan.~~

~~(f) Special Relief for Distributions. Notwithstanding the other provisions of this Article, the Administrator may authorize the Vendors to make any distribution authorized by the Internal Revenue Service or by Act of Congress in response to a natural disaster.~~

Section 10.02. Loan Procedures. The Vendor shall establish written procedures to govern Participant loans under the Plan, which may be amended from time to time. All loans shall comply with such procedures, and shall be administered subject to the terms of the Trust.

Section 10.03. Loan Limits.

(a) No loan to a Participant under the Plan may exceed the lesser of:

(1) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Vendor (not taking into account any payments made during such one-year period); or

(2) One-half of the value of the Participant's Vested Account (as of the valuation date immediately preceding the date on which such loan is approved by the Vendor).

Notwithstanding the foregoing, with respect to any loan made to a Participant who is a Qualified Individual on or after April 6, 2020 (or as soon as administratively practicable after April 6, 2020), but before September 24, 2020, the loan limits under this paragraph (a) shall apply by substituting (i) "\$100,000" for "\$50,000" under subparagraph (a)(1), and (ii) "The value of the Participant's Vested Account" for "One-half of the value of the Participant's Vested Account" under subparagraph (a)(2).

(b) For purposes of this Section, any loan from any other plan maintained by the 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 this 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.

(c) The Administrator shall take such steps as appropriate to coordinate the limitations on loans, including collection of information from Vendors, and transmission of information

requested by any Vendor. The Administrator may delegate this responsibility to a Vendor or to another service provider pursuant to Article XII of the Plan.

ARTICLE XI.
VESTING

A Participant or, in the event of the Participant's death, the Beneficiary, shall be 100% Vested in his or her Accounts at all times.

ARTICLE XII.~~**ARTICLE X.**~~

ELIGIBLE ROLLOVERS FROM THIS PLAN

Section 12.01. ~~Section 10.01.~~ Definitions for this Article. For purposes of this Article, the following definitions shall apply.

(a) "Direct Rollover" means an Eligible Rollover Distribution that is paid directly to an Eligible Retirement Plan for the benefit of the Distributee.

(b) "Distributee" means a Participant, the Spouse of the Participant, the Participant's former Spouse who is an alternate payee within the meaning of Code Section 414(p)(8), and, effective January 1, 2008, a Participant's non-Spouse Beneficiary, any of whom is eligible to receive a distribution from the Plan.

(c) ~~(a)~~ "Eligible Retirement Plan," as defined under Code Section 402(c)(8)(B), means:

- (1) an individual retirement account described in Code Section 408(a);
- (2) an individual retirement annuity (other than an endowment contract) described in Code Section 408(b);
- (3) a simple retirement account described in Code Section 408(p)(1) following the two year period described in Code Section 72(t)(6);
- (4) any annuity plan described in Code Section 403(a);
- (5) a plan described in Code Section 403(b);
- (6) a qualified plan described in Code Section 401(a);
- (7) a Code Section 457(b) eligible deferred compensation plan which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state; and
- (8) effective January 1, 2008, a Roth individual retirement account described in Code Section 408A(e), provided the Distributee's adjusted gross income does not exceed any limit applicable under federal law for the tax year in which the distribution occurs.

Effective January 1, 2008, in the case of a distribution to a Participant's non-Spouse Beneficiary, an Eligible Retirement Plan shall mean the plans described in ~~paragraphs~~subparagraphs (1) and

(2) only, to the extent consistent with the provisions of Code Section 402(c)(11) and any successor provisions thereto or additional guidance issued thereunder.

~~(d)~~ ~~(b)~~ "Eligible Rollover Distribution," as defined in Code Section 402(f)(2)(A), means any distribution of all or any portion of the balance to the credit of the Distributee under this Plan, except that an Eligible Rollover Distribution does not include:

(1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated ~~beneficiary~~ Beneficiary, or for a period of ten years or more;

(2) any distribution to the extent such distribution is required under Code Section 401(a)(9);

(3) the portion of any distribution that is not includible in gross income; provided, however, a portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income. However, such portion may be transferred only:

(i) to an individual retirement account or annuity described in Code Section 408(a) or 408(b), respectively, or to a qualified defined contribution plan described in Code Section 401(a) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of such distribution which is not so includible;

(ii) to a qualified defined benefit plan described in Code Section 401(a) or to an annuity contract described in Code Section 403(b), that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of the distribution that is not so includible; or

(iii) to a Roth IRA described in Code Section 408A;

(4) any distribution which is made upon the financial hardship of the Participant; and

(5) other items designated by regulations, or by the Commissioner in revenue rulings, notices, or other guidance, as items that do not constitute an eligible rollover distribution.

Section 12.02. ~~**Section 10.02.**~~ **Direct Transfer of Eligible Rollover Distribution.** A Distributee may elect on an Applicable Form to have an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan as specified by the Distributee in a Direct Rollover, at the time and in the manner prescribed by the Vendor. An Eligible Rollover Distribution that is paid to an Eligible Retirement Plan in a Direct Rollover is excludable from the Distributee's gross income under Code Section 402; provided, however, if any portion of such Eligible Rollover Distribution is subsequently distributed from the Eligible Retirement Plan, that portion shall be included in gross income to the extent required under Code Section 402, 457, or 408.

Section 12.03. ~~Section 10.03.~~ Mandatory Withholding of Eligible Rollover Distributions.

(a) If the Distributee of an Eligible Rollover Distribution does not elect to have the Eligible Rollover Distribution paid directly from the Plan to an Eligible Retirement Plan in a Direct Rollover pursuant to Code Section 401(a)(31), the Eligible Rollover Distribution shall be subject to a mandatory 20% federal income tax withholding under Code Section 3405(c). Only that portion of the Eligible Rollover Distribution that is not paid directly from the Plan to an Eligible Retirement Plan in a Direct Rollover shall be subject to the mandatory withholding requirement under Code Section 3405(e), and only to the extent such amount would otherwise be includible in the Distributee's taxable gross income.

(b) ~~(a)~~ If a Distributee elects to have an Eligible Rollover Distribution paid to the Distributee, the distribution may be excluded from gross income of the Distributee provided that said distribution is contributed to an Eligible Retirement Plan no later than the 60th day following the day on which the Distributee received the distribution.

(c) ~~(b)~~ If the Plan distribution is not an Eligible Rollover Distribution, said distribution shall be subject to the elective withholding provisions of Code Section 3405(a) and (b).

Section 12.04. ~~Section 10.04.~~ Explanation of Plan Distribution and Withholding Requirements. Not fewer than 30 days nor more than 180 days before an Eligible Rollover Distribution, the Vendor shall provide each Distributee a written explanation as required under Code Section 402(f), which explains the rules:

(a) under which a Distributee may elect to have an Eligible Rollover Distribution paid in a Direct Rollover to an Eligible Retirement Plan;

(b) that require the withholding of tax on an Eligible Rollover Distribution if it is not paid in a Direct Rollover to an Eligible Retirement Plan;

(c) that provide that a distribution shall not be subject to tax if the distribution is rolled over to an Eligible Retirement Plan within 60 days after the date the ~~Distributee~~ Distributee receives the distribution (unless the 60 day deadline is waived under Code Section 402(c)(3)(B) or a later deadline is established under Internal Revenue Service guidance); and

(d) if applicable, certain special rules regarding taxation of the distribution as described in Code Sections 402(d) and (e).

Notwithstanding the above, a distribution may begin fewer than 30 days after the notice discussed in the preceding sentence is given, provided that the Vendor clearly informs the Participant that he or she has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution and the Participant, after receiving a notice, affirmatively elects a distribution.

ARTICLE XI
ELIGIBLE ROLLOVERS TO THIS PLAN

Section 11.01. Participant Rollovers.

~~(a) At any time, a Participant who is an Employee and who is entitled to receive an Eligible Rollover Distribution, as defined under Code Section 402(c)(4) and Section 10.02(a) of the Plan, from another eligible retirement plan may contribute to the Plan in cash as a rollover contribution, a qualified rollover amount from a qualified plan under Code Section 401(a), an annuity plan under Code Section 403(a), an individual retirement account under Code Section 408(a) or individual retirement annuity under Code Section 408(b), an eligible governmental deferred compensation plan under Code Section 457(b), or a tax sheltered annuity under Code Section 403(b). Any Rollover Contribution (i) shall be subject to the Administrator's determination, in its discretion, that the Rollover Contribution satisfies all applicable requirements of the Code and (ii) shall be made directly from such prior plan, or if such amount was distributed to the Participant, such Rollover Contribution shall be made within 60 days after the Participant receives the rollover amount.~~

~~(b) The Plan shall accept a Rollover Contribution to a Roth Contribution Account only if it is a direct rollover from another Roth elective deferral account under an applicable retirement plan described in Code Section 402A(e)(1) and only to the extent the rollover is permitted under the rules of Code Section 402(e).~~

~~(c) A Rollover Contribution shall be allocated to the Rollover Contribution Account of the Participant as of the date of the contribution. Before a Rollover Contribution is made, the Participant shall designate on the Applicable Form the Investment Options in which the Vendor should invest the Participant's Rollover Contribution.~~

~~**Section 11.02. Administrator Requirements.** The Vendor may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with Code Section 402 and to confirm that such plan is an eligible retirement plan within the meaning of Code Section 402(c)(8)(B). With respect to receipt or transfer of Account Balances under this Article the Vendor may rely upon representations made by either the Participant or other plan (made through those having apparent authority to make them).~~

~~**Section 11.03. Separate Accounts for Rollovers.** The Vendor shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan from any eligible retirement plan that is not an eligible governmental plan under Code Section 457(b). In addition, the Vendor shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan from any eligible retirement plan that is an eligible governmental plan under Code Section 457(b).~~

Section 11.04. In-Plan Roth Rollovers.

~~(a) Any portion or all of a Participant's Vested Account Balance (other than a Roth Contribution Account) is eligible for direct rollover to the Participant's Roth Contribution Account under the Plan, even if the Vested Account Balance is not otherwise distributable (pursuant to Code Section 402A(e)(4)(E)) under Article IX of the Plan, and the transfer shall be~~

~~treated as a qualified rollover contribution (within the meaning of Code Section 408A(e)) to the Participant's Roth Contribution Account.~~

~~(b) A Participant's election under this Section shall be subject to the reasonable administrative procedures established by the Administrator, Code Section 402A(e)(4) and the regulations thereunder, and subsequent guidance from the Internal Revenue Service.~~

~~(e) The taxable portion of the Participant's Account directly rolled over to a Roth Contribution Account under this Section shall be included in the Participant's gross income in the tax year in which the transfer occurs.~~

~~(d) To the extent required by Code Section 402(f), the Administrator shall provide written information regarding in Plan Roth rollovers under this Section, for amounts that are otherwise distributable under Article IX.~~

ARTICLE XIII ~~ARTICLE XII~~ PLAN-TO-PLAN TRANSFERS

~~**Section 12.01. Direct Transfers Among Plans of the Same Employer.** A transfer from this Plan to another eligible governmental plan of the same Employer and a transfer to this Plan from another eligible governmental plan of the same Employer is permitted under the following conditions:~~

Section 13.01. Plan-to-Plan Transfers.

(a) A transfer from this Plan to the State of Maryland Deferred Compensation Plan and Trust ("MSRP 457(b) Plan"), a Code Section 457(b) eligible deferred compensation plan maintained by an eligible employer described in Code Section 457(e)(1)(A) within the State of Maryland, is permitted under the following conditions:

(1) The MSRP 457(b) Plan provides for the receipt of plan-to-plan transfers;

~~(2) (1) The transfer is from an eligible governmental plan to another eligible governmental plan of~~ Unless the MSRP 457(b) Plan and the Plan are maintained by the same Employer (and, for this purpose, the Employer is not treated as the same employer if the Participant's compensation is paid by a different entity), the Participant's entire Account under the Plan is transferred to the MSRP 457(b) Plan;

~~(2) The transferor plan provides for transfers;~~

~~(3) The receiving plan provides for the receipt of transfers;~~

(3) (4) The Participant or Beneficiary whose amounts deferred are being transferred will have an amount deferred immediately after the transfer at least equal to the amount deferred with respect to that Participant or Beneficiary immediately before the transfer; and

(4) The Participant whose amounts are being transferred is eligible to participate in the MSRP 457(b) Plan; and

(5) The transfer satisfies such other requirements set forth in Treasury Regulation Section 1.457-10(b) and such other rules and policies established by the Administrator or Vendor.

(b) A transfer to this Plan from the MSRP 457(b) Plan is permitted under the following conditions:

(1) The MSRP 457(b) Plan provides for plan-to-plan transfers;

(2) Unless the Plan and the MSRP 457(b) Plan are maintained by the same Employer (and, for this purpose, the Employer is not treated as the same employer if the Participant's compensation is paid by a different entity), the Participant's entire account under the MSRP 457(b) Plan is transferred to the Plan;

~~(3) (5) The Participant or Beneficiary whose deferred amounts deferred are being transferred is not eligible for additional annual deferrals in the receiving plan unless the Participant or Beneficiary is performing services for the entity maintaining the receiving plan.~~ will have an amount deferred immediately after the transfer at least equal to the amount deferred with respect to that Participant immediately before the transfer;

(4) The Participant whose amounts are being transferred is eligible to participate in the Plan; and

(5) The transfer satisfies such other requirements set forth in Treasury Regulation Section 1.457-10(b) and such other rules and policies established by the Administrator or Vendor.

Section 12.02. Plan-to-Plan Transfers from the Plan to another Plan.

~~(a) Requirements for Transfer. At the direction of the Employer, the Administrator may permit a class of Participants and Beneficiaries to elect to have all or any portion of their Account Balance transferred to another eligible governmental plan within the meaning of Code Section 457(b) and Treasury Regulation Section 1.457-2(f). A transfer is permitted under this Section 12.02(a) for a Participant only if the Participant has had a Severance from Employment with the Employer and is an employee of the entity that maintains the other eligible governmental plan. Further, a transfer is permitted under this Section 12.02(a) only if the other eligible governmental plan provides for the acceptance of plan-to-plan transfers and if each Participant and Beneficiary has an amount deferred under the other plan immediately after the transfer at least equal to the amount transferred. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section 12.02 (for example, to confirm that the receiving plan is an eligible governmental plan and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Treasury Regulation Section 1.457-10(b).~~

~~(b) Effect of Transfer. Upon the transfer of assets under this Section 12.02, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary.~~

~~(c) Section 12.03. Plan-to-Plan Transfers to the Plan. At the direction of the Employer, the Administrator may permit a class of Participants who are participants in another~~

~~eligible governmental plan under Code Section 457(b) to transfer assets to the Plan as provided in this Section. Such a transfer is permitted only if the other plan provides for the direct transfer of each Participant's interest therein to the Plan. The Administrator may require in its sole discretion that the transfer be in cash or other property acceptable to the Administrator. The Administrator and Vendor may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with Code Section 457(e)(10) and Treasury Regulation Section 1.457-10(b) and to confirm that the other plan is an eligible governmental plan as defined in Treasury Regulation Section 1.457-2(f). The amount so transferred~~ Any amount transferred to the Plan under paragraph (b) shall be credited to the Participant's Transfer Account and shall be held, accounted for, administered and otherwise treated in the same manner as an Annual Deferral by the Participant under the Plan, except that the transferred amount shall not be considered an Annual Deferral under the Plan in determining the maximum deferral under Article V.

Section 13.02. ~~Section 12.04.~~ Permissive Service Credit Transfers.

(a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in Code Section 414(d)) 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 may be made before the Participant has had a Severance from Employment.

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

~~**Section 12.05. Direct Transfers to this Plan.** Subject to the approval of the Administrator, this Plan shall accept cash transfers of Participants' accounts maintained under an eligible Section 457 plan directly to this Plan.~~

~~**Section 12.06. Representations.** With respect to receipt or transfer of account balances under this Article, the Board, Administrator and Vendor may rely upon representations made by either the Participant or the other Section 457 plan (made through those having apparent authority to make them) with respect to matters relevant for the transfer.~~

~~**Section 12.07. Plan Charges.** An Employee who has become a Participant through a transfer allowed by this Section shall be liable for Plan charges and expenses in the same manner and to the same extent as any other Participant notwithstanding the fact that all or part of his or her existing Account Balance may have been derived from contributions and earnings attributable to another plan. In addition, the Administrator may from time to time impose charges on said transfers to be deducted directly from the Participant's Transfer Account in this Plan once the transfer has occurred.~~

~~**Section 12.08. Effect of Elections.** Neither this Plan nor a new Participant making such a transfer shall be bound by any elections or designations (whether of a commencement date of distributions, or manner of distributions, designation of retirement age or beneficiaries) made under such other plan, but, instead, shall make and be bound by such elections and designations as are required under this Plan.~~

ARTICLE XIII.
DOMESTIC RELATIONS ORDERS

Section 13.01. General Provisions. ~~If authorized by the Administrator, domestic relations orders which satisfy the requirements of Code Sections 414(p)(1)(A)(i) and 414(p)(1)(B), this Article, and the procedures established by the Administrator for such orders may be considered Plan Approved Domestic Relations Orders ("PADROs") and may be honored by the Plan. If the Administrator determines to honor PADROs, this Article will apply to those PADROs. If the Administrator determines that certain PADROs will not be honored, then this Article shall not be interpreted as requiring that those PADROs be honored. The Administrator is authorized to establish and amend procedures for the determination of PADROs (including procedures for the resolution of disputes) consistent with the above-referenced Code provisions and this Article.~~

Section 13.02. Administration of Covered PADROs. ~~In administration of this Plan, the Administrator or the Vendors, as appropriate, may establish such procedures as enable any discrete interest of an alternate payee established under a PADRO to be separately accounted for and distributed. Any funds held under such a separate account shall not be distributed in any form or manner that would cause the Plan to become an ineligible plan under Code Section 457. This Article shall not be construed as requiring the Administrator or Vendors to recognize or make distributions under any PADRO whose validity is in doubt.~~

Section 13.03. Investments of Covered PADROs. ~~During any period that the issue of whether an order satisfies the applicable requirements of the Code and the procedures established by the Administrator is under consideration, the investment direction of the Participant with respect to the Participant's Accounts shall remain in effect, subject to a determination by the Administrator that such investment direction would be contrary to a final court order. After a determination has been made that a domestic relations order satisfies the applicable requirements of the Code and the procedures established by the Administrator and a separate Plan Account has been established for the alternate payee, the alternate payee shall **direct the investment of his or her** Plan Account. The Administrator shall direct the investment of an alternate payee's Account to a default investment pursuant to Section 8.04 when there is no valid investment direction on file. The alternative payee's Account shall be assessed administrative fees in the same amount and in the same manner as a Participant's Account.~~

Section 13.04. Distributions to Alternate Payees of Covered PADROs. ~~Distribution of benefits to the alternate payee shall commence **as soon as administratively practicable after** (i) a determination is made that the order satisfies the applicable requirements of the Code and the procedures established by the Administrator, and (ii) receipt by the Administrator of the Applicable Forms for the election of benefits. In the event of an alternative payee's death, any remaining benefits shall be payable solely to the alternate payee's estate, via the duly appointed and then currently serving executor of the alternative payee's estate.~~

ARTICLE XIV.
LOANS

Section 14.01. Loans. ~~A **Participant who is an Employee** may apply for and receive a loan **from his or her Vested Accounts** as provided in this Section. Any such loan may not be for an amount less than the minimum amount specified by the Vendor in accordance with the applicable law.~~

Section 14.02. Maximum Loan Amount.

~~(a) No loan to a Participant under the Plan may exceed the lesser of:~~

~~(1) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Vendor (not taking into account any payments made during such one-year period); or~~

~~(2) 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 Vendor).~~

~~(b) For purposes of this Section, any loan from any other plan maintained by the 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 this Plan; provided, however, that the provisions of this subsection 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 subsection.~~

Section 14.03. Terms of Loan. The terms of the loan shall:

~~(a) require level amortization with payments not less frequently than quarterly throughout the repayment period, except that alternative arrangements for repayment may apply in the event that the borrower is on an bona fide unpaid leave of absence for a period not to exceed one year for leaves other than a qualified military leave within the meaning of Code Section 414(u) or for the duration of a leave which is due to qualified military service;~~

~~(b) require that the loan be repaid within five years unless the Participant certifies in writing to the Administrator that the loan is to be used to acquire any dwelling unit which within a reasonable time is to be used (determined at the time the loan is made) as a principal residence of the Participant; and~~

~~(c) provide for a reasonable interest rate established by the Vendor in accordance with the applicable law.~~

Section 14.04. Security for Loan; Default.

~~(a) Security. Any loan to a Participant under the Plan shall be secured by the pledge of the portion of the Participant's interest in the Plan invested in such loan.~~

~~(b) Default. In the event that a Participant fails to make a loan payment under this Section within 90 days after the date such payment is due, a default on the loan shall occur. In the event of such default, (i) all remaining payments on the loan shall be immediately due and payable, (ii) effective as of the first day of the calendar month next following the month in which any such loan default occurs, the interest rate for such loan shall be (if higher than the rate otherwise applicable) the rate being charged on loans from the Plan that are approved by the Administrator in the month in which such default occurs, (iii) no contributions shall be made on such Participant's behalf prior to the first payroll period that follows by 12 calendar months the date of repayment in~~

~~full of such loan, and (iv) the Participant shall be permanently ineligible for any future loans from the Plan.~~

~~In the case of any default on a loan to a Participant, the Administrator shall apply the portion of the Participant's interest in the Plan held as security for the loan in satisfaction of the loan on the date of Severance from Employment. In addition, the Administrator shall take any legal action it shall consider necessary or appropriate to enforce collection of the unpaid loan, with the costs of any legal proceeding or collection to be charged to the Account Balance of the Participant.~~

~~Notwithstanding anything elsewhere in the Plan to the contrary, in the event a loan is outstanding hereunder on the date of a Participant's death, his or her estate shall be his or her Beneficiary as to the portion of his or her interest in the Plan invested in such loan (with the Beneficiary or Beneficiaries as to the remainder of his or her interest in the Plan to be determined in accordance with otherwise applicable provisions of the Plan).~~

~~**Section 14.05. Repayment.** Repayment of a loan may be made by payroll deduction, by direct payment to the Plan, by direct debit of the Participant's checking account, or may such other means as the Vendor may permit. A Vendor may require the Participant, as a condition to receiving a loan, to enter into an irrevocable agreement authorizing the Employer to make payroll deductions from his or her Compensation as long as the Participant is an Employee and to transfer such payroll deduction amounts to the Trustee in payment of such loan plus interest. Repayments of a loan shall be made in equal installments (comprised of both principal and interest) each due date, with the first such repayment to be made as soon as practicable after the loan funds are disbursed; provided however, that a Participant may prepay the entire outstanding balance of his or her loan at any time; and provided, further, that if any payroll deductions cannot be made in full because a Participant is on ~~an unpaid leave of absence~~ or the Participant's paycheck is insufficient for any other reason, the Participant shall pay directly to the Plan the full amount that would have been deducted from the Participant's paycheck, with such payment to be made by the last business day of the calendar month in which in which the amount would have been deducted.~~

~~**Section 14.06. Special Relief for Loans.** Notwithstanding any other Sections of this Article, the Administrator may authorize the Vendors to observe the terms of any Internal Revenue Service guidance or Act of Congress regarding plan loans, which guidance or Act was issued or enacted in response to a natural disaster.~~

~~ARTICLE XIV.~~ **ARTICLE XV.** **PLAN ADMINISTRATION**

~~**Section 14.01.** **Section 15.01. Authority of the Administrator.** The Administrator shall have the authority to control and manage the operation and administration of the Plan. The Administrator shall have all power necessary or convenient to enable it to exercise its authority under the Plan. The Administrator may provide rules and regulations, not inconsistent with the provisions hereof, for the operation and management of the Plan, and may from time to time amend or rescind such rules or regulations. The Administrator is authorized to accept service of legal process for the Plan.~~

~~**Section 14.02.** **Section 15.02. Powers of the Administrator.** The Administrator shall have the power and discretion to construe and interpret the Plan, including any ambiguities, to~~

determine all questions of fact or law arising under the Plan, and to resolve any disputes arising under and all questions concerning administration of the Plan. The Administrator may correct any defect, supply any omission or reconcile any inconsistency in the Plan in such manner and to such extent as the Administrator may deem expedient and, subject to the Plan's claim procedures, the Administrator shall be the sole and final judge of such expediency. Benefits are payable under the Plan only if the Administrator, in its sole and absolute discretion, determines the benefits are payable under the provisions the Plan.

Section 14.03. ~~Section 15.03.~~ Delegation by Administrator.

(a) The Administrator may from time to time delegate in writing to a committee or any duly authorized officer certain of its fiduciary duties or other responsibilities under the Plan. Any such committee or officer delegated fiduciary duties shall be a fiduciary until the Administrator revokes such delegation. A delegation of the Administrator's duties or responsibilities may be revoked without cause or advance notice. To the extent permitted under applicable law, such committee or officer shall have the same power and authority with respect to such delegated fiduciary or other responsibilities as the Administrator has under the Plan. The Administrator shall not be liable for any act or omission of such fiduciary in carrying out such responsibilities.

(b) ~~(a)~~ The Administrator has designated the Vendors to be responsible for providing information to Participants regarding enrollment, ~~investment options~~ Investment Options, and performance; processing contributions, withdrawal requests, transfers, and changes in ~~investment options~~ Investment Options; providing record keeping services and such other services as provided for under agreements between the Vendors and the Administrator.

(a) ~~(b)~~ The Administrator may designate one of the Vendors or another service provider to provide for the collection and coordination of information relating to ~~unforeseeable emergency distribution~~ Unforeseeable Emergency Distribution, in-service distributions, loans, contribution limits, and any other administrative function under the Plan.

Section 14.04. ~~Section 15.04.~~ Fiduciary Insurance. Subject to State law, the Board may require the purchase of fiduciary liability insurance for any Plan fiduciary or fiduciaries to cover liability or losses occurring by reason of the act or omission of a fiduciary.

Section 14.05. ~~Section 15.05.~~ Employment of Consultants. The Administrator may employ one or more persons to render advice with regard to its responsibilities under the Plan.

ARTICLE XV. ~~ARTICLE XVI.~~
CLAIMS PROCEDURE

Section 15.01. ~~Section 16.01.~~ Requests for Information Concerning Eligibility, Participation and Contributions. Requests for information concerning eligibility, participation, contributions, or any other aspects of the operation of the Plan, and service of legal process, should be in writing and directed to the Administrator of the Plan. If a written request is denied, the Administrator shall, within a reasonable period of time, provide a written denial to the Participant. A Participant may request in writing a review of a claim denied by the Administrator and may submit issues and comments in writing to the Administrator. The Administrator shall provide to the Participant a written decision upon such request for review of a denied claim.

~~Section 15.02. Section 16.02. Requests for Information Concerning Investment Arrangements~~the Trust. Requests for information concerning the Trust and the terms, conditions, and interpretations thereof, claims thereunder, any requests for review of such claims, and service of legal process, should be in writing and directed to the Vendor. If a written request is denied, the Vendor shall, within a reasonable period of time, provide a written denial to the Participant. A Participant may request in writing a review of a claim denied by the Vendor and may submit issues and comments in writing to the Vendor. The Vendor shall provide to the Participant a written decision upon such request for review of a denied claim.

~~ARTICLE XVI~~ARTICLE XVII.
AMENDMENT OF THE PLAN AND TERMINATION

Section 16.01. ~~Section 17.01. Amendment and Termination of Plan.~~ The Board ~~may at any time amend this Plan with or without consent of the Participant (or any Beneficiary thereof). No amendment may be effected, however, if it removes Plan assets from the Trust hereunder, or causes Plan assets to be used for a purpose other than the exclusive benefit of Participants and their Beneficiaries. Any modification, alteration, or amendment of the Plan made in accordance with this Section may be made retroactively if deemed necessary or appropriate by the Board.~~shall have the right, in its sole and final discretion, to amend or terminate the Plan at any time and from time to time to any extent which it may deem advisable.

~~Section 17.02. Right to Suspend Deferrals. Suspension or termination of additional deferral of salary under the Plan generally, or under one or more Investment Options maintained by the Plan, shall not otherwise restrict or affect other provisions of this Plan. The Board, in its sole discretion, may suspend or terminate additional deferral of salary for (i) all Participants, or (ii) a class of Participants, or (iii) for one or more Investment Options maintained under the Plan.~~

Section 16.02. Restrictions on Amendments. The Plan may not be amended in a manner that violates any provision of the Code.

Section 16.03. ~~Section 17.03. Amendment for Eligible Plan Status.~~ It is the intent of the Board that the Plan shall be and remain an eligible plan under the provisions of Code Section 457 and that the Trust be exempt from tax under Code Section 457. The Board may make any modifications, alterations, or amendments to the Plan necessary to obtain and retain approval of the Secretary of the Treasury or his or her delegate as may be necessary to establish and maintain the status of the Plan as an eligible plan under the Code or other federal legislation, as now in effect or hereafter enacted, and the regulations issued thereunder. Any modification, alteration, or amendment of the Plan, made in accordance with this Section, may be made retroactively, if necessary or appropriate.

Section 16.04. Distribution Upon Termination of the Plan. The Board may provide that, in connection with a termination of the Plan, all Accounts shall be distributed. For purposes of distributing all assets from the Plan in the event of a Plan termination, (i) delivery of a fully paid individual insurance annuity contract, and/or (ii) distribution of an individual custodial account in kind, shall be treated as a distribution.

~~Section 17.04. Effective Date of Amendments. All amendments shall become effective on the date established by the Board. No amendments shall deprive any Participant of any of the~~

~~benefits to which the Participant is entitled under this Plan with respect to amounts credited prior to the effective date of the amendment.~~

~~**ARTICLE XVIII.**~~
~~**TERMINATION OF THE PLAN**~~

~~The Board may terminate the Plan at any time. In such an event, the Employer shall be responsible for directing distribution of all assets of the Trust to Participants, Beneficiaries or to a successor plan, as soon as administratively practicable after the termination of the Plan.~~

~~**ARTICLE XVII.**~~ ~~**ARTICLE XIX.**~~
~~**MISCELLANEOUS**~~

~~**Section 17.01.**~~ ~~**Section 19.01. Non-Assignability**~~ ~~**Non-Alienation.**~~

(a) ~~Except as provided in Article XIII, a~~ Participant's Account under the Plan shall not be liable for any debt, liability, contract, engagement, or tort of the Participant or his or her Beneficiary, nor subject to anticipation, sale, assignment, transfer, encumbrance, pledge, charge, attachment, garnishment, execution, alienation, or any other voluntarily or involuntarily alienation or other legal or equitable process, nor transferable by operation of law.

(b) Notwithstanding paragraph (a), the Plan shall comply with any judgment, decree or order ("domestic relations order") which establishes the right of an alternate payee within the meaning of Code Section 414(p)(8) to all or a portion of a Participant's benefit under the Plan to the extent that it is a "qualified domestic relations order" ("QDRO") under Code Section 414(p). The Vendor shall establish reasonable written procedures to determine whether a domestic relations order is a QDRO and to administer the distribution of benefits with respect to such orders, which procedures may be amended from time to time, and which shall be provided to Participants upon request. Notwithstanding any other provisions in the Plan, the Plan may make an immediate distribution to the alternate payee pursuant to a QDRO.

(c) ~~(b)~~ ~~Notwithstanding subsection paragraph~~ (a), the Plan shall offset from the benefit otherwise payable to a Participant or his or her Beneficiary such amounts as are permitted to be offset under a court order, civil judgment, or settlement agreement in accordance with Code Section 401(a)(13)(C).

~~**Section 17.02.**~~ ~~**Section 19.02. Military Service.**~~

(a) Notwithstanding any provisions of this Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with USERRA, HEART, Code Section 414(u), and Code Section 401(a)(37). For purposes of this Section, "qualified military service" means any service in the uniformed services as defined in USERRA by any individual if such individual is entitled to reemployment rights under USERRA with respect to such service.

(b) A Participant whose employment is interrupted by qualified military service or who is on a leave of absence for qualified military service may elect to make Annual Deferrals upon resumption of employment with the Employer up to the maximum Annual Deferrals that the Participant could have elected during that period if the Participant's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave,

reduced by the Annual Deferrals, if any, actually made for the Participant during the period of the interruption or leave. Except to the extent provided under Code Section 414(u), this right applies for the lesser of (i) five years following the resumption of employment or (ii) a period equal to three times the period of the interruption or leave. Such Annual Deferrals by the Participant may only be made during such period and while the Participant is reemployed by the Employer.

(c) Effective January 1, 2007, to the extent provided under Code Section 401(a)(37), in the case of a Participant whose employment is interrupted by qualified military service and who dies while performing qualified military service, the survivor of such Participant shall be entitled to any additional benefit (other than benefit accruals) provided under the Plan as if the Participant timely resumed employment in accordance with USERRA and then, on the next day, terminated employment on account of death.

(d) Effective January 1, 2009, differential wage payments within the meaning of Code Section 414(u)(12)(D) shall be treated as Compensation and Includible Compensation under the Plan.

Section 17.03. ~~Section 19.03.~~ Limitation of Rights and Obligations. Neither the establishment nor maintenance of the Plan, nor any amendment thereof nor any act or omission under the Plan or resulting from the operation of the Plan shall be construed:

(a) as conferring upon any Participant, Beneficiary or any other person a right or claim against the Administrator or Employer, except to the extent that such right or claim shall be specifically expressed and provided in the Plan;

(b) as creating any responsibility or liability of the Board, the Employer, or the Administrator for the validity or effect of the Plan;

(c) as a contract or agreement between the Board, the Employer, or the Administrator and any Participant or other person;

(d) as an agreement, consideration, or inducement of employment or as effecting in any manner or to any extent whatsoever the rights or obligations of the Employer or any Employee to continue or terminate the employment relationship at any time, except as otherwise provided under any applicable collective bargaining agreement; or

(e) as giving any Participant the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or other person at any time; provided, however, that the foregoing will not be deemed to modify the provisions of any collective bargaining agreements which may have been entered into by the Employer with the bargaining representatives of any Participant.

Section 17.04. ~~Section 19.04.~~ Federal and State Taxes. It is intended that ~~Annual Deferrals~~ Contributions other than Roth Contributions under this Plan, plus any earnings thereunder, are excludable from gross income for federal and state income tax purposes until paid to Participants or Beneficiaries, and that Roth Contributions and earnings thereunder are excludable from gross income for federal and state income tax purposes when paid to Participants or Beneficiaries to the extent that they are Qualified Distributions. However, the Administrator does not guarantee that any particular federal or state income, payroll, or other tax consequence will occur as a result of participation in this Plan.

[Section 17.05.](#) ~~[Section 19.05.](#)~~ **Erroneous Payments.** If the Administrator or Vendor makes any payment that, according to the terms of the Plan and the benefits provided hereunder, should not have been made, the Administrator or Vendor may recover that incorrect payment, by whatever means necessary, whether or not it was made due to the error of the Administrator or Vendor, from the person to whom it was made, or from any other appropriate party. For example, if any such incorrect payment is made directly to a Participant, the Administrator or Vendor may deduct it when making any future payments directly to that Participant.

[Section 17.06.](#) ~~[Section 19.06.](#)~~ **Benefit Payment Issue Resolution.** The Administrator, or its designee, if in doubt regarding the correctness of its action with respect to a benefit payment, may direct suspension of payment until satisfied as to the correctness of the payment or the person to receive the payment. Alternatively, the Administrator, or its designee, may file, in any state court of competent jurisdiction, a suit, in the form it deems appropriate, for legal determination of the benefits to be paid and the persons to receive them. The Administrator, or its designee, may also bring a suit, or take other action as it deems appropriate, to resolve questions involving investment directions. The Administrator shall comply with the final order of the court in any such suit, and Participants and the Administrator shall be bound by such an order, insofar as it affects the benefits payable under this Plan, or the method or manner of payment.

[Section 17.07.](#) ~~[Section 19.07.](#)~~ **Release.** Any payments to any Participant shall, to the extent thereof, be in full satisfaction of the claim of such Participant being paid thereby and the Trustees or Administrator may condition payment thereof on the delivery by the Participant of the duly executed receipt and release in such form as may be determined by the Trustees or Administrator.

[Section 17.08.](#) ~~[Section 19.08.](#)~~ **Liability.** The Administrator shall not incur any liability in acting upon any notice, request, signed letter, telegram or other paper or document or electronic transmission believed by the Administrator to be genuine or to be executed or sent by an authorized person.

[Section 17.09.](#) ~~[Section 19.09.](#)~~ **Information Provided by the Participant.** Each Participant 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.

[Section 17.10.](#) ~~[Section 19.10.](#)~~ **Family Medical Leave Act.** Notwithstanding any provisions of this Plan to the contrary, Contributions and benefits with respect to qualified leave will be provided in accordance with the Family Medical Leave Act of 1993, 29 U.S.C. Section 2601 et. seq.

[Section 17.11.](#) ~~[Section 19.11.](#)~~ **Payments to Minors or Incompetents.** If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is determined to be legally incapable of giving valid receipt and discharge for such benefits by a court or by the Administrator, benefits shall be paid to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to the Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

Section 17.12. ~~Section 19.12.~~ Missing or Lost Participants. In the event that the Administrator does not have current contact information for or is unable to identify a Participant or Beneficiary under the Plan, the Administrator shall make reasonable attempts to determine the address and identity of the Participant or Beneficiary entitled to benefits under the Plan. A reasonable attempt to locate a missing or lost Participant or Beneficiary shall include (i) providing notice to the Participant at the Participant's last known address via certified mail; (ii) determining whether the Employer's records or the records of another plan maintained by the Employer has a more current address for the Participant; (iii) attempting to contact any named Beneficiary of the Participant; and (iv) searching for the missing Participant via free electronic search tools, such as Internet search engines, public record databases, obituaries, and social media. If such search methods are unsuccessful, based on the facts and circumstances, the Administrator may use other search methods, including using Internet search tools, commercial locator services, credit reporting agencies, information brokers, investigation databases, and analogous services that may involve charges. The Administrator may charge missing Participants and Beneficiaries reasonable expenses for efforts to find them.

Section 17.13. ~~Section 19.13.~~ Indemnification. The Employer shall satisfy any liability actually and reasonably incurred by any members of the Board or any person to whom any power, authority or responsibility of the Administrator is delegated pursuant to Section ~~15.03~~ 14.03, except a Vendor or other service provider. These liabilities include expenses, attorney's fees, judgments, fines, and amounts paid in connection with any threatened, pending or completed action, suit or proceeding related to the exercise (or failure to exercise) of this authority. This is in addition to whatever rights of indemnification exist under the regulations or by-laws of the Employer, under any provision of law, or under any other agreement; provided, however, that the Employer will not satisfy any such liability to the extent that the person did not act in good faith.

Section 17.14. ~~Section 19.14.~~ No Reversion. Under no circumstances or conditions will any ~~Annual Deferrals~~ Contributions revert to, be paid to, or inure to the benefit of, directly or indirectly, the Employer, but shall be held for the exclusive purpose of providing benefits to Participants and their Beneficiaries and defraying the reasonable expenses of administering the Plan. However, if ~~Annual Deferrals~~ Contributions are made by the Employer by a good faith mistake of fact, such amount may be returned to the Employer within one year of the date that they were made to the Plan.

Section 17.15. ~~Section 19.15.~~ Finality of Determination. All determinations with respect to crediting of service under the Plan are made on the basis of the records of the Employer, and all determinations made are final and conclusive upon Employees, former Employees, and all other persons claiming a benefit under the Plan.

Section 17.16. ~~Section 19.16.~~ Counterparts. The Plan may be executed in any number of counterparts, each of which shall be deemed to be an original. All counterparts shall constitute but one and the same instrument and shall be evidenced by any one counterpart.

IN WITNESS WHEREOF, the Board has caused this amended and restated Plan to be executed by its duly authorized representative as of the date written below, but effective as of January 1, ~~2020~~2024.

**UNIVERSITY SYSTEM OF MARYLAND
BOARD OF REGENTS**

Signature

Printed

Title

Date

UNIVERSITY SYSTEM OF MARYLAND
DEFERRED COMPENSATION PLAN AND TRUST

APPENDIX A
APPROVED VENDORS

The current selection of Vendor(s) is not intended to limit future additions or deletions of Vendor(s). The Administrator from time to time may add or delete Vendor(s) which shall be effective on the date adopted by the Administrator and shall be reflected in a revised Appendix A.

1.1 **Approved Vendors**

~~As of January 1, 2020, the~~The Board has approved the following Vendors under the Plan, which remain approved as of January 1, 2024:

- TIAA
- Fidelity Investments

1.2 **Former Vendors**

As of January 1, 2008, ~~the~~AIG VALIC is a Former Vendor under the Plan ~~is AIG VALIC~~.

Summary report:	
Litera Compare for Word 11.5.0.74 Document comparison done on 9/3/2024 9:24:32 AM	
Style name: IM Default	
Intelligent Table Comparison: Active	
Original DMS: nd://4895-3632-4509/1/USM- 2024 Deferred Compensation 457(b) Plan and Trust.doc	
Modified DMS: nd://4895-3632-4509/3/USM- 2024 Deferred Compensation 457(b) Plan and Trust.doc	
Changes:	
Add	740
Delete	779
Move From	126
<u>Move To</u>	126
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	1771

TOPIC: The University of Baltimore: Regional Tuition for MBA program at USM Hagerstown

DATE OF COMMITTEE MEETING: December 4, 2024

SUMMARY: The University of Baltimore (UBalt) plans to launch an in-person MBA program in Fall 2025 and is requesting approval to extend in-state tuition rates to residents of select counties: Morgan, Berkeley, and Jefferson in West Virginia, and Fulton, Franklin, and Adams in Western Pennsylvania. This request aligns with UBalt's marketing efforts for the Fall 2025 admissions cycle and is submitted in advance of the FY 2026 tuition and fee approval process to support timely recruitment.

The UBalt MBA offering at USMH aims to serve students who have earned a bachelor's degree, including working professionals from different fields looking for career advancement. Currently, no other institutions offer an MBA program at USMH, and there is a demand for professionals to advance their educational standing in the region and beyond.

The proposal is distinctive as it offers a face-to-face choice for students in the Hagerstown area who prefer this modality. All required courses will be offered in a fully face-to-face or hybrid model, with most of the specialization and foundation courses available online.

Students in the MBA program will complete between 36-48 credit hours in total. MBA specializations include cybersecurity and organizational resilience, data analysis, digital business, entrepreneurship and innovation, finance, global management, health care management, leadership and management, marketing, and public-sector management.

The existing MBA program, within the Merrick School of Business, is inspired by real-world business challenges, empowers students to build their own focus or specialization, and is internationally accredited by AACSB. Through course study, students learn to manage innovation and strategy, lead and manage people, interface with external stakeholders, manage the value chain, manage performance and risk, and leverage technology and business intelligence. The program helps students advance their careers and can be applied to any industry field. Potential employers include firms in marketing, accounting, finance, government contracting, health care, and supply chain.

As background, the Board of Regents has previously approved in-state tuition rates for students from designated areas outside Maryland enrolled in graduate programs, including doctoral and JD, at the Baltimore campus. These areas include the District of Columbia, select counties and cities in Northern Virginia, specific counties in Southern Pennsylvania, and all counties in Delaware, allowing out-of-state students in these regions to pay regional (in-state) tuition rates. This request seeks to build on that strategy by supporting enrollment growth in the MBA program offered at USMH through competitive tuition options, with no expected impact on Maryland resident applicants.

ALTERNATIVE(S): The Board may elect to deny this request.

FISCAL IMPACT: No fiscal impact is anticipated, as UBalt does not expect enrollment of West Virginia or Pennsylvania residents without regional tuition rates.

CHANCELLOR'S RECOMMENDATION: That the Committee on Finance recommend the Board of Regents approve regional tuition rates for residents of Morgan, Berkeley, and Jefferson counties in West Virginia, and Fulton, Franklin, and Adams counties in Western Pennsylvania, for the University of Baltimore's Merrick School of Business MBA program at USMH. The Chancellor shall have the authority to make any adjustments as necessary, consistent with existing board policies and guidelines, with any changes reported back to the Board.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

**UBalt MBA @ USM Hagerstown Proposal:
In-State Tuition for residents from Morgan, Berkley, and Jefferson counties (West Virginia) and Fulton,
Franklin, and Adams counties (Pennsylvania)**

Goal:

UBalt will offer an in-person MBA program starting in Fall 2025. Our goal is to improve access and affordability for West Virginia and Western Pennsylvania residents from the six counties bordering Maryland by providing in-state tuition.

UBalt MBA program offering, at USMH, aims to serve students who have earned a bachelor's degree, including working professionals from different fields looking for career advancement. All required courses will be offered in a fully face-to-face or hybrid model, with most of the specialization and foundation courses available online.

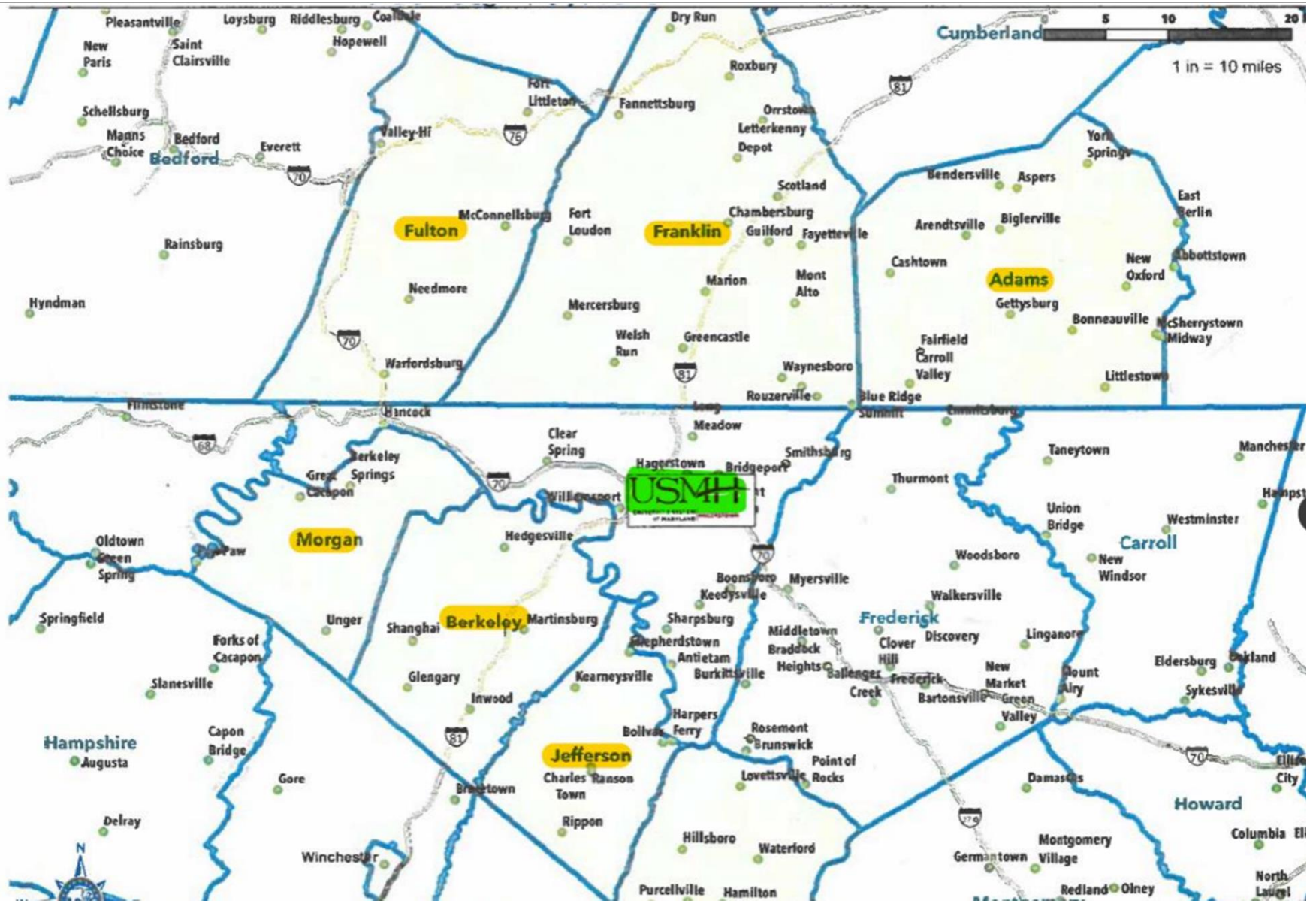
UBalt offers the MBA program to satisfy societal needs, including expanding educational opportunities and choices for minority and educationally disadvantaged students at institutions of higher education. This initiative can affect local and regional economic development, workforce enhancement, and the broader societal fabric. Hagerstown's strategic location near the borders of Maryland, Virginia, West Virginia, and Pennsylvania, as well as being within driving distance of Washington D.C. and Baltimore, positions it as a potential hub for economic growth. These exciting economic developments in Hagerstown's vicinity as well as USMH strategic location near major interstates suggest that the demand for highly qualified managers in USMH's footprint is poised to grow. It is reported that only 22% of the population of Washington County, where USMH is located, have a bachelor's or higher degree against a national average of 38%. This suggests that the area has a potential deficit of well-educated managers. Thus, introducing an MBA program here could catalyze this potential by equipping local professionals with advanced business skills. This would not only enhance the region's talent pool but also attract new businesses, fostering a more vibrant economic environment. For minority and disadvantaged groups, this means more job opportunities and pathways to upward mobility. The accessibility of graduate-level business education is crucial for breaking cycles of disadvantages and promoting diversity within the professional sphere. Educational institutions open doors to individuals who might face barriers to pursuing such education, whether due to geographic isolation, economic hardship, or both. This effort directly supports minority and disadvantaged students, offering them the tools needed for professional and personal advancement. The diverse industrial base of Hagerstown and Washington County, encompassing manufacturing, healthcare, logistics, and more, stands to benefit significantly from a locally tailored MBA program. For example, healthcare specialization in UBALT's MBA program could significantly help train managers of the surrounding area's medical facilities. Similarly, UBALT MBA's Finance specialization could help develop skills of employees in real estate and construction industry. Our entrepreneurship specialization could help foster small local business creation which could in term help stem potential population drain of the younger area residents to larger locales such as Washington DC, Pittsburgh, and Baltimore.

Objective/Desired Outcome:

Although it is not possible to estimate the number of WV and PA residents that may enroll if in-state tuition is offered, we are confident that offering in-state tuition will increase enrollment while improving access and affordability for West Virginia and Western Pennsylvania residents from the six counties bordering Hagerstown, Maryland.

Impact on In-State Applicants:

For FY2017, the Board of Regents approved a regional tuition rate for specific UBalt graduate programs, offering in-state tuition to students who live in the District of Columbia, Northern Virginia (specific counties/cities), Southern Pennsylvania (specific counties) and Delaware (all counties). For FY2019, the Board approved a regional tuition rate for the School of Law JD program. For FY2023, the Board approval regional tuition for both doctoral programs. For these requests, our goal is enrollment growth from these geographic areas by providing more competitive tuition rates and we expect no impact on in-state applicants.



TOPIC: University System of Maryland: Report on FY 2024 Procurement Contracts

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: December 4, 2024

SUMMARY: The USM Policy on Approval of Procurement Contracts requires that contracts of \$1 million to \$5 million, and emergency and expedited procurement contracts of \$5 million or more, shall be reported to the Committee on Finance annually.

Attached is the report of the procurement contracts awarded during Fiscal Year 2024 (July 1, 2023 - June 30, 2024). There was one report of an emergency procurement during this reporting period for the provision of food for the University of Maryland, College Park. As provided in the policy, the report does not include construction contracts for capital projects approved by the Board of Regents, sponsored research/education contracts and grants, and contracts pertaining to interests in real property.

Ninety-two contracts have been awarded that meet the reporting requirements totaling \$197.6 million. Of the total dollars awarded, 35% of the contracts were awarded to Maryland firms. The MBE participation on these contract awards was 8%.

ALTERNATIVES: This is an information item.

FISCAL IMPACT: This is an information item.

CHANCELLOR'S RECOMMENDATION: This is an information item.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

**USM Procurements Between \$1 million and \$5 million
For Fiscal Year 2024**

<u>Inst.</u>	<u>Description of Procurement</u>	<u>Category</u>	<u>Method</u>	<u>Award</u>	<u>Amount</u>	<u>Fund Source</u>	<u>In-State</u>	<u>% MBE</u>
BSU	Brand Marketing Services	Services	Competitive Sealed Proposals	EFK Group, LLC	\$2,661,411	Current Unrestricted	No	0%
FSU	Performing Art Center Roof Replacement	Maintenance	Cooperative Agreement	Garland/DBS	\$3,259,069	FY2023 General Funds	No	1%
FSU	Fine Arts/Dunkle Hall Building HVAC Renovations	Maintenance	Competitive Sealed Proposal	The Efficiency Network	\$2,769,040	FY2023 General Funds	No	3%
FSU	Library HVAC Replacement	Maintenance	Cooperative Agreement	Trane, Inc	\$1,571,752	Plant Funds	No	5%
TU	FY 24 Campus Network Refresh for cisco equipment	IT Supplies/Equipment	Cooperative Agreement	DISYS Solutions, Inc.	\$1,982,886	Plant Funds	Yes	0%
TU	Towson University - TU 2338: Glen Towers Generator Replacement	Maintenance	Task Order: UMB On-Call GC	Brawner Builders, Inc.	\$2,114,346	Plant Funds/Auxiliary	No	35%
TU	TU-2420- Douglass House Partial VRF Replacement	Maintenance	Cooperative agreement/JOC	Centennial Contractors Enterprises	\$2,824,057	Plant Funds/Auxiliary	No	18%
UMB	Dental Equipment - 1000019250	Supp & Equip	Cooperative Agreement	Henry Schein Inc	\$4,588,061	Plant Funds	No	0%
UMB	MCCBL SSW New Bldg. - 1000014789	Architecture	Competitive Sealed Proposal	Ballinger	\$4,509,690	MCCBL	No	25%
UMB	SOM HSF1 Valve & Reheat Coil Replacement - 1000019085	Maintenance	Cooperative Agreement	Boland Trane Services, Inc	\$4,300,110	Plant Funds	Yes	30%
UMB	SOD Clinic & Simulation refresh - 1000018215	Maintenance	College Park On Call CM	James G Davis Construction Corp	\$4,261,168	Institutional Funds	Yes	30%
UMB	ADEC simulator equipment for simulation labs - 1000019125	Supp & Equip	Cooperative Agreement	Henry Schein Inc	\$4,092,176	Plant Funds	No	0%
UMB	CRM to replace donor and alumni - 1000020062	IT Services	Competitive Sealed Proposal	Blackbaud Inc	\$3,981,355	State Operating	No	0%
UMB	A&F Lexington RTU replacement HVAC - 1000019009	Maintenance	Cooperative Agreement	Boland Trane Services, Inc	\$3,919,548	Plant Funds	Yes	3%
UMB	382 South chill water loop analysis - 1000019154	Maintenance	Cooperative Agreement	Boland Trane Services, Inc	\$3,894,053	Plant Funds	Yes	30%
UMB	PAYGO Davidge Hall roof repair - 1000017621	Maintenance	Competitive Sealed Proposal	The Christman Company	\$3,893,242	General Funds	No	5%
UMB	SOM IHV Chiller replacement - 1000018579	Maintenance	Cooperative Agreement	Boland Trane Services, Inc	\$3,362,628	Plant Funds	Yes	7%
UMB	A&F Saratoga replacement of 3 RTU and VAV conversion - 1000018779	Maintenance	Cooperative Agreement	Boland Trane Services, Inc	\$3,079,065	Plant Funds	Yes	8%
UMB	Donaldson Brown Center renovation - 1000016126	Maintenance	On Call GC	Emjay Engineering & Construction Co Inc	\$2,138,000	Plant Funds	Yes	12%
UMB	A&F Saratoga Roof Replacement - 1000019573	Maintenance	Cooperative Agreement	Bollinger, Michael J Co Inc Db Bollinger Bros Roofing Contractors	\$2,097,700	Academic Revenue Bonds	Yes	10%
UMB	SON new roof replacement - 1000019297	Maintenance	Cooperative Agreement	Patuxent Roofing And Contracting LLC	\$2,008,673	Plant Funds	Yes	16%
UMB	SON chiller replacement - 1000018632	Maintenance	Cooperative Agreement	Boland Trane Services, Inc	\$1,953,827	Plant Funds	Yes	27%
UMB	HH Mechanical Infrastructure Upgrades - 1000019327	Engineering	Rotation - On Call M/E Medical	Burdette, Koehler, Murphy	\$1,864,336	Institutional Funds	Yes	30%
UMB	SOM IHV heating system replacement - 1000016194	Maintenance	Cooperative Agreement	Boland Trane Services, Inc	\$1,776,134	Plant Funds	Yes	30%
UMB	SOM campus air compressor replacement - 1000018865	Maintenance	On Call Mechanical	Emjay Engineering & Construction Co In	\$1,663,269	Plant Funds	Yes	30%
UMB	SOM HH 1st floor GPILS Classroom renovation - 1000017651	Construction	On Call GC	Brawner Builders, Inc.	\$1,534,600	Plant Funds	Yes	30%
UMB	8th renewal contract 88170 ATC/BAS UMB - 1000020201	Maintenance	Competitive Sealed Proposal	Siemens Industry Inc	\$1,512,440	State Operating	Yes	0%
UMB	CY24 Journal subscriptions - 1000015777	Services	Cooperative Contract	Ebsco Industries Inc Db Ebsco Informat	\$1,500,000	State Operating	No	0%
UMB	SOM BRB Gross Anatomy Lab renovation - 1000017206	Construction	On Call GC	Emjay Engineering & Construction Co In	\$1,434,900	MCCBL	Yes	30%
UMB	SOD AiM Asset - 1000015724	Maintenance	Competitive Sealed Proposal	Siemens Industry Inc	\$1,414,516	State Operating	Yes	0%
UMB	O&M HSL Chiller Replacement - 1000018452	Maintenance	Cooperative Agreement	Boland Trane Services, Inc	\$1,378,759	Plant Funds	Yes	19%
UMB	Water heater - steam semi instantaneous renewal install - 1000016058	Maintenance	Cooperative Agreement	Boland Trane Services, Inc	\$1,360,813	Plant Funds	Yes	30%
UMB	O&M Lexington heat exchanger and perimeter heat renewal - 1000016307	Maintenance	Cooperative Agreement	Boland Trane Services, Inc	\$1,262,961	Plant Funds	Yes	30%
UMB	Axon body warn camera - 1000017392	IT Sup/Equip	Cooperative Agreement	Axon Enterprises Inc	\$1,199,867	State Operating	No	0%
UMB	PM of campus chillers CY2024 - 1000017964	Maintenance	Cooperative Agreement	Boland Trane Services, Inc	\$1,199,833	State Operating	Yes	0%
UMB	SOP south mechanical utility distribution replacement - 1000018288	Maintenance	On Call Mechanical	Emjay Engineering & Construction Co In	\$1,026,355	Plant Funds	Yes	20%

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UMB	620 Lexington roof replacement - 1000019572	Maintenance	Cooperative Agreement	Bollinger, Michael J Co Inc Db Bollinger Bros Roofing Contractors	\$1,001,800	Academic Revenue Bonds	Yes	10%
UMBC	University Commons and Biology Bldg. Elevator Modernization	Maintenance	Task Order: UMB On Call GC	Brawner Builders	\$2,966,350	ARB, PAYGO, Operating	Yes	5%
UMBC	Biology Bldg. Lecture Hall 1 Renovations	Maintenance	Task Order: UMB On Call GC	AR Marani	\$2,231,600	ARB, Operating	Yes	10%
UMBC	Harbor Hall Courtyard	Maintenance	Competitive Sealed Proposal	Plano Coudon	\$1,837,500	Institutional	Yes	21%
UMES	Management of Food Dining Services	Services	Competitive Sealed Proposal	Thompson Hospitality	\$4,858,679	Auxiliary Unrestricted	No	4%
UMES	Electrical Energy	Commodity	Cooperative Agreement	Washington Gas Energy Services	\$3,000,000	State Unrestricted	No	0%
UMES	Natural Gas Supply Transport & Delivery	Commodity	Intergovernmental Contract	Maryland Environmental Services	\$2,000,000	Facilities Unrestricted	Yes	0%
UMES	Natural Gas Supply Payments for FY22 were made in FY23	Commodity	Intergovernmental Contract	MD Environmental Services	\$1,142,808	Facilities Unrestricted	Yes	0%
UMES	Fee Management and Media Buys	Services	Competitive Sealed Proposal	TBC, Inc	\$1,500,000	State Unrestricted	Yes	0%
UMGC	Call Center Services #92000 7/1/2023 to 6/30/2026	IT Services	Competitive Sealed Proposal	Zeta Global Corporation	\$4,740,000	Current Unrestricted	No	2%
UMGC	PeopleSoft Hosted Managed Oracle Services TOC #92106 5/17/2024 to 6/30/2027	IT Services	Cooperative Agreement	ERP Analysts, Inc.	\$1,908,000	Current Unrestricted	No	0%
UMGC	Virtual Learning Environmental #91852 FY24	IT Software/Hardware	Cooperative Agreement	The University of Arizona	\$2,020,390	Current Unrestricted	No	0%
UMGC	Instructional Design and Development - Online Education Services	IT Services	Sole Source	iDesign Studio LLC	\$1,674,000	Current Unrestricted	No	0%
UMGC	Microsoft Enterprise Software Agreement Annual True-up MEEC	IT Software/Hardware	Cooperative Agreement	Bell Techlogix, Inc.	\$1,337,715	Current Unrestricted	No	0%
UMGC	IT Infrastructure Technology Assessment, Development, Enhancement	IT Services	HIEDA	UMGC Ventures, Inc.	\$1,988,813	Current Unrestricted	Yes	0%
UMGC	Five9 Subscription FY24	IT Supplies/Equipment	HIEDA	UMGC Ventures, Inc.	\$1,750,000	Current Unrestricted	Yes	0%
UMGC	IT Student Help Desk FY24	IT Services	HIEDA	UMGC Ventures, Inc.	\$1,600,000	Current Unrestricted	Yes	0%
UMGC	HelioCampus Services - Data Analysis Services FY24	IT Services	HIEDA	HelioCampus, Inc.	\$3,405,706	Current Unrestricted	Yes	0%
UMGC	Workday Master Services Agmt Subscription - Year 1	IT Supplies/Equipment	Sole Source	Workday, Inc.	\$1,524,356	Current Unrestricted	No	0%
UMGC	Salesforce CRM Licensing FY24	IT Supplies/Equipment	Sole Source	Salesforce.com, Inc.	\$1,208,943	Current Unrestricted	No	0%
UMGC	PeopleSoft Hosted Managed Services FY24 TOC #91894	IT Services	Cooperative Agreement	Sierra-Cedar, LLC	\$1,454,280	Current Unrestricted	No	0%
UMGC	Recruitment Process Outsourcing Services FY24	IT Services	Competitive Sealed Proposal	Allegis Global Solutions	\$1,470,254	Current Unrestricted	No	4%
UMGC	Facilities and Maintenance Services - 91268 - Staffing Fee FY24	Services	Competitive Sealed Proposal	AAA Complete Building Services	\$2,116,034	Current Unrestricted	No	15%
UMGC	Facilities and Maintenance Services - 91268 - Reimbursables FY24	Services	Competitive Sealed Proposal	AAA Complete Building Services	\$2,116,034	Current Unrestricted	No	15%
UMGC	Facilities and Maintenance Services - 91268 - Chiller Project 1 & 3	Services	On-call General Contracting TO	AAA Complete Building Services	\$1,142,400	Current Unrestricted	No	15%
UMCP	Architect Contract-UMD- Atlantic Bldg.: Quantum & HVAC upgr	Architectural	A/E Act	Whitman Requardt and Assoc. LLP	\$1,290,930	MCCBL	No	29%
UMCP	Architect Contract-FSU- Regional Science & Educ. Center	Architectural	A/E Act	GWWO Inc./Architects	\$1,096,684	Foundation Funds	No	29%
UMCP	Piping at Shoemaker Hall	Building Maintenance	Competitive Sealed Proposal	M & M Welding & Fabricators	\$1,080,200	Institutional Funds	No	0%
UMCP	On-Call LGR Mechanical: DOAS Upgrade @ #8	Building Maintenance	Competitive Sealed Proposal	W. L. Gary Company, Inc.	\$1,194,600	Institutional Funds	No	0%
UMCP	BSU- Tubman Hall HVAC	Building Maintenance	Cooperative Agreement	Adrian L Merton Incorporated	\$1,379,579	Institutional Funds	No	11%
UMCP	Eppley: AHU Replacement	Building Maintenance	Competitive Sealed Proposal	W. L. Gary Company, Inc.	\$1,020,196	Institutional Funds	No	0%
UMCP	On-Call Large Mechanical Contract Task Order:FCU repl ANNE flrs1-4	Building Maintenance	Competitive Sealed Proposal	M & M Welding & Fabricators	\$1,110,800	Institutional Funds	No	0%
UMCP	On-Call Elevator Contract: Mods @ N CENT	Building Maintenance	Competitive Sealed Proposal	Elevator Control Service	\$1,068,587	Institutional Funds	No	0%
UMCP	Francis Scott Key Bldg.: Window Replacement	Building Maintenance	Competitive Sealed Proposal	Brawner Builders, Inc.	\$1,105,617	Institutional Funds	No	25%
UMCP	Renovation Services for 8 GPC Projects	Building Maintenance	Competitive Sealed Proposal	North Point Builders Inc.	\$1,403,291	Institutional Funds	No	29%
UMCP	Shoemaker 2nd Floor Renovations	Building Maintenance	Competitive Sealed Proposal	Kalmia Construction Co. Inc.	\$1,041,627	Institutional Funds	No	29%
UMCP	INRIX - MassDOT Task Order	IT Services	Competitive Sealed Proposal	Inrix Incorporated	\$2,780,178	Institutional Funds	No	0%

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UMCP	INRIX Trip Paths Data- Contract #:10953	IT Services	Competitive Sealed Proposal	Inrix Incorporated	\$1,400,000	Institutional Funds	No	0%
UMCP	INRIX- GDOT Task Order	IT Services	Competitive Sealed Proposal	Inrix Incorporated	\$1,018,400	Institutional Funds	No	0%
UMCP	StreetLight Data, Inc.-NCDOT Task Order	IT Services	Competitive Sealed Proposal	Streetlight Data, Inc.	\$2,412,808	Institutional Funds	No	0%
UMCP	INRIX- GNRC Task Order	IT Services	Competitive Sealed Proposal	Inrix Incorporated	\$1,203,108	Institutional Funds	No	0%
UMCP	Reseller-Adobe Enterprise License Agreement	IT Software/Hardware	Competitive Sealed Proposal	Zones LLC	\$1,084,491	Institutional Funds	No	0%
UMCP	Active Learning Classrooms in the College of Business with required technology	IT Software/Hardware	Cooperative Purchase (MEEC)	Data Networks of America Inc.	\$1,119,287	Institutional Funds	No	0%
UMCP	MEEC Contract purchase of Microsoft enterprise products	IT Software/Hardware	Cooperative Agreement	Bell Techlogix Inc.	\$1,568,996	Institutional Funds	No	0%
UMCP	MEEC Contract purchase of FY24 Summer Audio Visual Equipment	IT Software/Hardware	Cooperative Agreement	Avi-Spl LLC	\$1,150,153	Institutional Funds	No	0%
UMCP	MEEC Contract Purchase-DELL EMC-XE9640 Power Edge	IT Software/Hardware	Cooperative Agreement	Cambridge Computer Services Inc.	\$1,082,448	Institutional Funds	No	0%
UMCP	INRIX-Penn DOT Task Order	Services	Competitive Sealed Proposal	Inrix Incorporated	\$1,369,828	Institutional Funds	No	0%
UMCP	Streetlight- Tennessee DOT-Task Order	Services	Competitive Sealed Proposal	Streetlight Data, Inc.	\$2,756,569	Institutional Funds	No	0%
UMCP	INRIX - Georgia DOT Task Order	Services	Competitive Sealed Bid	Inrix Incorporated	\$2,071,900	Institutional Funds	No	0%
UMCP	Housekeeping VMI Contract	Services	Competitive Sealed Proposal	Daycon Products Co.	\$3,954,000	Institutional Funds	No	0%
UMCP	MCE Furniture floors 1,2,3-BSU-Communication Arts & Humanities Bldg.	Supplies & Equipment	Preference Purchase	Maryland Correctional	\$3,252,619	MCCBL	No	0%
UMCP	Cooper Booth-Items for Resale	Supplies & Equipment	Sole Source	Cooper Booth Wholesale Co.	\$1,500,000	Institutional Funds	No	0%
UMCP	Pepsi: Purchase Order for beverage purchases from pouring rights contract	Supplies & Equipment	Competitive Sealed Proposal	Bottling Group LLC	\$2,850,000	Institutional Funds	No	0%
UMCP	Coastal Sunbelt produce contract	Supplies & Equipment	Sole Source	Coastal Sunbelt Produce, LLC	\$3,750,000	Institutional Funds	No	0%
UMCP	Contract Procurement-Materials for the Campus Network Refresh	Supplies & Equipment	Cooperative Agreement	Graybar Electric	\$2,151,730	Institutional Funds	No	0%
UMCP	Emergency Food Contract	Supplies & Equipment	Emergency	US Foods	\$4,900,000	Institutional Funds	Yes	0%

TOPIC: Convening Closed Session

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: December 4, 2024

SUMMARY: The Open Meetings Act permits public bodies to close their meetings to the public in special circumstances outlined in §3-305 of the Act and to carry out administrative functions exempted by §3-103 of the Act. The Board of Regents Finance Committee will now vote to reconvene in closed session. As required by law, the vote on the closing of the session will be recorded. A written statement of the reason(s) for closing the meeting, including a citation of the authority under §3-305 and a listing of the topics to be discussed, is available for public review.

It is possible that an issue could arise during a closed session that the Committee determines should be discussed in open session or added to the closed session agenda for discussion. In that event, the Committee would reconvene in open session to discuss the open session topic or to vote to reconvene in closed session to discuss the additional closed session topic.

ALTERNATIVE(S): No alternative is suggested.

FISCAL IMPACT: There is no fiscal impact.

CHANCELLOR'S RECOMMENDATION: The Chancellor recommends that the Board of Regents Committee on Finance vote to reconvene in closed session.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923



UNIVERSITY SYSTEM
of MARYLAND

STATEMENT REGARDING CLOSING A MEETING
OF THE COMMITTEE ON FINANCE
OF THE USM BOARD OF REGENTS

Date: December 4, 2024

Time: 10:30 a.m.

Location: Video Conference

STATUTORY AUTHORITY TO CLOSE A SESSION

Md. Code, General Provisions Article §3-305(b):

- (1) To discuss:
- [] (i) The appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; or
 - [] (ii) Any other personnel matter that affects one or more specific individuals.
- (2) [] To protect the privacy or reputation of individuals with respect to a matter that is not related to public business.
- (3) [] To consider the acquisition of real property for a public purpose and matters directly related thereto.
- (4) [] To consider a preliminary matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State.
- (5) [] To consider the investment of public funds.
- (6) [] To consider the marketing of public securities.
- (7) [] To consult with counsel to obtain legal advice on a legal matter.
- (8) [] To consult with staff, consultants, or other individuals about pending or potential litigation.
- (9) [] To conduct collective bargaining negotiations or consider matters that relate to the negotiations.

- (10) To discuss public security, if the public body determines that public discussions would constitute a risk to the public or public security, including:
- (i) the deployment of fire and police services and staff; and
 - (ii) the development and implementation of emergency plans.
- (11) To prepare, administer or grade a scholastic, licensing, or qualifying examination.
- (12) To conduct or discuss an investigative proceeding on actual or possible criminal conduct.
- (13) To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.
- (14) Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiation strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.
- (15) To discuss cybersecurity, if the public body determines that public discussion would constitute a risk to:
- (i) security assessments or deployments relating to information resources technology;
 - (ii) network security information, including information that is:
 1. related to passwords, personal identification numbers, access codes, encryption, or other components of the security system of a governmental entity;
 2. collected, assembled, or maintained by or for a governmental entity to prevent, detect, or investigate criminal activity; or
 3. related to an assessment, made by or for a governmental entity or maintained by a governmental entity, of the vulnerability of a network to criminal activity; or
 - (iii) deployments or implementation of security personnel, critical infrastructure, or security devices.

Md. Code, General Provisions Article §3-103(a)(1)(i):

- Administrative Matters

TOPICS TO BE DISCUSSED:

The awarding of a contract for food products, chemical products and non-food products. To consider the development of the proposed FY 2026 Operating Budget submission and potential adjustments to the submission.

REASON FOR CLOSING:

To maintain confidentiality of discussions of bid proposals prior to BOR approval and the awarding of a new contract (§3-305(b)(14)); to maintain confidentiality (pursuant to executive privilege) of the proposed operating budget prior to the Governor's submission to legislature (§3-305(b)(13)).