

# UMB Bank, n.a. 403(b)(7) Custodial Account Agreement

## DAVIS FUNDS

The purpose of this Agreement is to establish a custodial account authorized under Code Section 403(b)(7) and, where applicable, to satisfy the written plan requirements under Treasury Regulation 1.403(b)-3. The terms of this Agreement will control except to the extent they grant rights or features prohibited under other plan provisions adopted by the Employer.

### ARTICLE I – DEFINITIONS

The following words and phrases when used in this Agreement with initial capital letters shall have the meanings set forth below unless the context indicates that other meanings are intended.

- 1.01 **Account** – Means the custodial account established pursuant to this Agreement for the benefit of the Participant and, when the context so implies, refers to the assets, if any, then held by the Custodian hereunder. The Account shall not be used for a qualified plan (under Code Section 401(a) or 403(a)) or for an eligible governmental plan under Code Section 457(b). The account shall be invested in stock of a regulated investment company (as defined in Code Section 851(a) relating to mutual funds).
- 1.02 **Agreement** – Means this 403(b)(7) Account agreement.
- 1.03 **Application** – Means the completed 403(b)(7) Account application executed by the Participant and the Custodian.
- 1.04 **Beneficiary** – Means the individuals or entities designated by the Participant in accordance with Article 4.05 of this Agreement or provisions of the Plan to receive any distributions from the Account upon the Participant's death.
- 1.05 **Code** – Means the Internal Revenue Code of 1986, as amended from time to time.
- 1.06 **Compensation** – Means the compensation received from the Participant's Employer that is includible in income of the Employee and recognized under the Plan. Compensation shall not exceed \$200,000, as adjusted for increases in the cost-of-living in accordance with Code Section 401(a)(17)(B). Notwithstanding the foregoing, Compensation shall mean includible compensation as defined in Code Section 403(b) and the corresponding Treasury Regulations, where applicable.
- 1.07 **Custodian** – Means shall be UMB Bank, n.a.
- 1.08 **Deemed Severance From Employment** – Means, effective for years beginning on or after January 1, 2009, and notwithstanding the definition of Differential Wage payment, an individual is deemed to cease to be an Employee for purposes of Code Section 414(u)(12)(B) during any period the individual is performing service in the uniformed services as defined in Code Section 3401(h)(2)(A).
- 1.09 **Designated Beneficiary** – Means the Beneficiary named as of the date of the Participant's death who remains a Beneficiary as of September 30 of the year following the year of the Participant's death.
- 1.10 **Distribution Calendar Year** – Means a calendar year for which a minimum distribution is required. If the Participant's required beginning date under Article 4.04 of

this Agreement is April 1 following a year in which the Participant either attains age 70½ or retires, that year is the Participant's first Distribution Calendar Year. The first Distribution Calendar Year may be another year as provided in the regulatory requirements and rules referred to in Article 4.04 of this Agreement.

- 1.11 **Elective Deferral** – Means contributions, as defined in Treasury Regulation 1.402(g)-1, made as pre-tax Elective Deferrals to this Account at the election of the Participant, in lieu of cash compensation, made pursuant to a salary reduction agreement within the meaning of Code Section 3121(a)(5)(D).
- 1.12 **Employee** – Means any person employed by an Employer maintaining the Plan or of any other employer required to be aggregated with such Employer under Code Sections 414(b), (c), (m) or (o) and under Treasury Regulation 1.414(c)-5. In addition, if applicable, those employers that must be so aggregated shall be determined under the guidance of IRS Notice 89-23 or any subsequent successor guidance, as such guidance relates to employers who are eligible employers as described in the Plan definition of Employer. For purposes of the universal availability requirements, an Employee will be determined in accordance with Treasury Regulation 1.403(b)-5(b)(3). No former employee, independent contractor, or leased employee (as defined in Code Section 414(n)(6)) shall be considered an Employee. A minister, if applicable, may be considered to be an Employee as provided in Treasury Regulation 1.403(b)-2(b)(9).
- 1.13 **Employer** – Means an entity described in Code Section 501(c)(3) that is exempt from tax under Code Section 501(a), an educational organization of a State (as defined in Treasury Regulation 1.403(b)-2(b)(20)) described in Code Section 170(b)(1)(A)(ii) or any other entity eligible under Code Section 403(b)(1) to make contributions to custodial accounts that adopts a Plan under which this Agreement is maintained.
- 1.14 **Participant** – Means the Employee or former Employee who has entered the Plan and who is eligible to receive a benefit from the Plan, or whose Beneficiary may be eligible to receive any such benefit, and who has entered into this Agreement with the Custodian.
- 1.15 **Plan** – Means the plan of the Participant's Employer under which this Agreement is maintained. The Plan should be designed to satisfy the provisions of Treasury Regulation 1.403(b)-3(b)(3), which includes a requirement that the plan be a written defined contribution plan and contain material terms and conditions for eligibility, benefits, applicable limitations, the contracts available under the plan, and the time and form under which benefit distributions will be made. The Plan should also be designed to satisfy Code Section 403(b)(12) (relating to nondiscrimination requirements, including universal availability, as described in Treasury Regulation 1.403(b)-5).
- 1.16 **Severance from Employment** – Means an Employee ceases to be an Employee of the Employer, and any related employer (as described in Treasury Regulation 1.401(k)-1(d)). An Employee does not have a Severance from Employment if, in connection with a change of employment, their new Employer maintains the Plan with respect to the Employee.

Severance from Employment shall also occur with respect to such an Employee who ceases to be employed by their Employer on account of a sale of the assets or stock of that Employer, provided that the subsequent or continuing Employer doesn't maintain the Plan and Plan assets are not transferred to a plan maintained by that subsequent or continuing Employer.

Severance from Employment occurs on any date on which an Employee ceases to be an Employee of an eligible employer as defined in Treasury Regulation 1.403(b)-2(b)(8), which describes employers that may participate in 403(b) arrangements, even though the Employee may continue to be employed either (a) by another entity that is treated as the same employer where the other entity isn't such an eligible employer or (b) in a capacity for the same employer that is not employed with such an eligible employer.

## ARTICLE II – CONTRIBUTIONS

### 2.01 Elective Deferrals and Catch-Up Contributions

- (a) **Elective Deferrals** – Elective Deferrals may be contributed by the Participant's Employer to the Account on behalf of the Participant. Elective Deferrals shall also include catch-up contributions described in Article 2.01(b) of this Agreement. The Participant shall designate the amount or percentage of their Compensation that is to be deferred as an Elective Deferral. The Participant may amend or terminate their salary reduction agreement at such times as may be permitted by the Plan.

The Elective Deferrals made for the Participant shall be fully vested at all times and the Participant may take a distribution of the Elective Deferrals and earnings thereon at times specified in Article Four of this Agreement, subject to additional limitations under the Plan.

### (b) Catch-up Contributions

- (i) **Age 50 Catch-up Contributions** – Age 50 catch-up contributions, if permitted by the Plan, may be contributed to the Account by the Employer for any Participant who is eligible to make Elective Deferrals, has attained or will attain age 50 before the end of that calendar year, and has contributions in excess of a statutory or Employer-provided limit. Such age 50 catch-up contributions must comply with Code Section 414(v) and the guidance thereunder.
- (ii) **Special Catch-up Contributions for Employees with 15 Years of Service** – Special Section 403(b) catch-up contributions described in Treasury Regulation 1.403(b)-4(c)(3), if permitted by the Plan, may also be contributed to the Account by the Employer for any Participant who satisfies the eligibility requirements for such contributions.

Notwithstanding the foregoing, either the Participant's Employer or the Custodian may require a Participant who is eligible to make catch-up contributions to designate the amount or percentage of their Compensation that is to be deferred as a catch-up contribution. Such catch-up contributions will not be taken into account for purposes of the provisions of the Agreement implementing the required limitations of Code Sections 402(g) and 415. The Agreement shall not be treated as failing to satisfy the requirements of Code Sections 403(b) or 410(b) by reason of making such catch-up contributions. Any Elective Deferrals that exceed an otherwise applicable Plan limit will first be applied to special Section 403(b) catch-up contributions for Employees with 15 years of service, with any additional Elective Deferrals being treated as age 50 catch-up contributions, if applicable.

### (c) After-tax Contributions

- (i) No After-tax Contributions are permitted

### (d) Designated Roth Contributions

- (i) No Designated Roth Contributions are permitted

2.02 **Rollover to Custodial Account** – Unless prohibited by the Plan, the Custodian may accept a contribution of eligible rollover distributions to the Account from a qualified plan described in Code Section 401(a) or custodial account described in Code Section 403(b), or an eligible plan under Code Section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state. The Custodian may accept a contribution of an eligible rollover distribution from an individual retirement account described in Code Section 408(a) or 408(b) that is eligible to be rolled over and would otherwise be includible in gross income.

The Custodian may also accept contributions of eligible rollover distributions made to the Participant who is a surviving spouse, or a spouse or former spouse who is the alternate payee under a qualified domestic relations order as defined in Code Section 414(p).

No amount that is distributed on account of hardship will be an eligible rollover distribution, and the Participant may not elect to have any portion of such a distribution paid directly to the Account.

The Participant shall certify, in a manner acceptable to the Custodian, that such amounts are eligible rollover distributions. The Custodian shall not be responsible for determining whether any rollover is proper and reserves the right not to accept any rollovers.

2.03 **Transfer to Custodial Account** – Unless prohibited by the Plan, the Participant may transfer (or arrange for the transfer of) assets from another custodial account described in Code Section 403(b) to this Account. The Participant shall certify, in a manner acceptable to the Custodian or Fund Distributor, that the transfer satisfies all current requirements for such a transaction. The Custodian and Fund Distributor shall not be responsible for determining whether any such transfer is proper and reserves the right not to accept any transfer. The transfer must meet the requirements of Treasury Regulation 1.403(b)-10(b)(3).

2.04 **Employer Contributions** – If the Plan provides for Employer contributions to the Account, the Participant’s Employer may make Employer contributions on behalf of the Participant. The amount of the contributions, their vested status and other provisions applicable to those Employer contributions shall be set forth in the Employer’s Plan. To the extent that any amounts are not vested, those amounts shall be accounted for separately. The Employer contributions shall not exceed any applicable federal or state limitations on such Employer contributions and shall be made in a nondiscriminatory manner as determined by applicable law or regulation.

2.05 **Contribution Limits** – In no event shall the contributions to the Account for a tax year on behalf of the Participant exceed the maximum amount permitted under current law or regulation.

- (a) The contributions made during a tax year on behalf of the Participant, when aggregated with other contributions made through the Participant’s Employer (or controlled group of Employers under Code Sections 414(b), (c), (m) or (o)), shall not exceed the limitations set forth in Code Section 403(b)(1) for that year (including the limits under Code Section 415). If the limits under Code Section 415 are exceeded, then, for the year of the excess and each year thereafter, the Custodian shall separately account for the excess.
- (b) With respect to Elective Deferrals, the Account must satisfy Code Section 401(a)(30). That means that the maximum of all applicable elective deferrals (including Elective Deferrals made to the Account or any other elective deferrals made under the Plan or any other plan of the Participant’s Employer or other entities that are required to be treated as an employer with that Employer under Treasury Regulations or other guidance) made on the Participant’s behalf during the Participant’s tax year shall not exceed the limitations set forth in Code Section 402(g)(1). The Account must also satisfy any other limitations described in Treasury Regulation 1.403(b)-4, including the limitations applicable to age 50 catch-up provisions and to special Section 403(b) catch-up provisions.
- (c) Notwithstanding any provision of this Agreement to the contrary, effective December 12, 1994, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u).
- (d) The Custodian may accept contributions for the Participant from a former Employer, if Treasury Regulation 1.403(b)-4(d) is satisfied.
- (e) The Participant is solely responsible for determining their maximum annual Elective Deferrals.
- (f) Each type of contribution described in this Article 2.05 and earnings or losses attributable to the type of contributions shall be separately accounted for.
- (g) If the Participant elects to receive a distribution for a financial hardship described in Article 4.02 of this Agreement, he or she will be required to cease making Elective Deferrals (and nondeductible employee contributions, if applicable) as described in the Plan. For distributions that are made on or after January 1,

2020, a Participant’s Elective Deferrals (and nondeductible employee contributions, if applicable) will not be suspended for any period of time due to the receipt of a hardship distribution.

2.06 **Contract Exchanges** – Unless prohibited by the Plan, the Participant may make a contract exchange (or arrange for the exchange) of assets from another custodial account described in Code Section 403(b) to this Account. The Participant shall certify, in a manner acceptable to the Custodian, that the exchange satisfies all current requirements for such a transaction. The Custodian shall not be responsible for determining whether any such exchange is proper and reserves the right not to accept any exchange. The contract exchange must meet the requirements of Treasury Regulation 1.403(b)-10(b)(2).

### ARTICLE III – INVESTMENT OF CONTRIBUTIONS

3.01 **Shares of Regulated Investment Companies** – All contributions made by the Participant or the Participant’s Employer to their Account shall be invested by the Custodian pursuant to instructions either in writing or in any other form permitted by the Custodian concerning investments delivered by the Participant to the Custodian prior to or at the time a contribution is made to the Account.

After the Participant’s death, the Participant’s Beneficiary(ies) shall have the right to direct the investment of the Participant’s Account, subject to the same conditions that applied to the Participant during their lifetime under this Agreement (including, without limitation, Article 8.10 of this Agreement). The Custodian shall have no discretion to direct any investment in the Participant’s Account. The Custodian assumes no responsibility for rendering investment advice with respect to the Participant’s Account, nor will it offer any opinion or judgment to the Participant on matters concerning the value or suitability of any investment or proposed investment for the Participant’s Account. In the absence of instructions from the Participant, or if instructions are not in a form acceptable to the Custodian, the Custodian shall have the right to hold any uninvested amounts in shares of a money market fund of a regulated investment company or in such other fund designated by the Plan.

The Custodian shall, within a reasonable time following receipt of written instructions from the Participant, invest such contributions in full or fractional shares of certain regulated investment companies, as instructed by the Participant in accordance with the rules and procedures of the Custodian.

For purposes of this Agreement, “regulated investment companies” or “Fund” means any regulated investment company or companies within the meaning of Code Section 851(a), or any series issued by such company that has an investment advisory agreement and/or a distribution agreement with the company. Further, a “Fund Distributor” shall be the entity that has a contract with the Fund to serve as distributor of such Fund’s shares. If there is no Fund Distributor then the duties assigned hereunder to the Fund Distributor are performed by the Fund or an entity that has a contract to perform management or investment advisory services for the Fund.

In the event that any Fund held in the Participant's Account is liquidated or is otherwise made unavailable by the sponsor or Fund Distributor of such Fund as a permissible investment for the Account hereunder, the liquidation or other proceeds of such Fund shall be invested in accordance with the instructions of the Participant; if the Participant does not give such instructions, or if such instructions are unclear or incomplete in the opinion of the Custodian, the Custodian may invest such liquidation or other proceeds in such other Fund (including a money market fund if available) as the sponsor or Fund Distributor designates, and the Custodian will have no responsibility for such investment.

3.02 **Participant Change of Investment** – Subject to rules and procedures adopted by the Custodian, the Participant may, at their election, direct the Custodian to redeem any or all regulated investment company shares held by the Custodian pursuant to this Agreement, and to reinvest the proceeds in such other regulated investment company shares as directed. Transactions of this character must conform with the provisions of the current prospectus for the regulated investment company shares subject to purchase and the terms of the Plan.

3.03 **Dividends and Distributions** – Dividends and other distributions received by the Custodian on shares of any regulated investment company held in the Account shall be reinvested in additional shares of the regulated investment company from which the dividend or other distribution originates, unless the Participant directs the Custodian to act otherwise. Should a Participant have the choice of receiving a distribution of shares from a regulated investment company in additional shares, cash or other property, the Custodian shall, nonetheless, elect to receive such distribution in additional shares.

3.04 **Registered Owner, Voting Rights** – All regulated investment company shares acquired by the Custodian pursuant to this Agreement shall be registered in the name of the Custodian or its nominee. The Custodian shall deliver or cause to be executed and delivered to the Participant all notices, prospectuses, financial statements, proxies and related proxy information. The Custodian shall vote the shares in accordance with instructions from the Participant.

## ARTICLE IV – DISTRIBUTIONS

### 4.01 Timing of Payment of Distributions

- (a) Subject to any applicable limitations described in this Agreement, the Participant (or a Beneficiary) may request a distribution from the Account of amounts attributable to Elective Deferrals upon the occurrence of one of the following events:
- (1) the Participant's Severance from Employment with the Employer maintaining the Plan;
  - (2) the Participant's death;
  - (3) the Participant's financial hardship, as described in Article 4.02 of the Agreement;
  - (4) the Participant's disability within the meaning of Code Section 72(m)(7); or
  - (5) the Participant's attainment of age 59½.
- (b) Subject to any applicable limitations described in this Agreement, the Participant (or a Beneficiary) may request a distribution from the Account of amounts

attributable to amounts other than Elective Deferrals upon the occurrence of one of the following events:

- (1) the Participant's Severance from Employment with the Employer maintaining the Plan;
- (2) the Participant's death;
- (3) the Participant's disability within the meaning of Code Section 72(m)(7); or
- (4) the Participant's attainment of age 59½.

Amounts transferred out of the Account to an annuity contract or retirement income account, including earnings thereon, shall continue to be subject to this Article 4.01(b).

- (c) If the Account includes both Elective Deferrals and other contributions and the Elective Deferrals are not separately accounted for, then distributions may not be made earlier than the later of any date permitted under Article 4.01(a) or Article 4.01(b) of this Agreement.
- (d) Distribution of amounts held under this Agreement may occur prior to one of the events described above if the distribution falls into one of the following categories:
- (1) Excess deferrals distributed under Treasury Regulation 1.403(b)-4(f);
  - (2) Amounts distributed in connection with a Plan termination as set forth in Treasury Regulation 1.403(b)-10;
  - (3) Elective Deferrals held as of the close of the taxable year beginning before January 1, 1989 (but not earnings thereon) as provided in Treasury Regulation 1.403(b)-6(d)(1)(ii);
  - (4) Eligible rollover distributions separately accounted for and distributed in accordance with Treasury Regulation 1.403(b)-6(d)(1)(i), if the Plan permits.
- (e) Unless prohibited by the Plan, the following distributions will be allowed:
- (1) A qualified reservist distribution under Code Section 72(t)(2)(G);
  - (2) Payment of qualified health insurance premiums for eligible public safety officers under Code Section 402(l);
  - (3) Permissible withdrawals under Code Section 414(w)(2);
  - (4) A Deemed Severance From Employment distribution under Code Section 414(u)(12)(B); and
  - (5) Disaster Relief Distributions under Code Section 1400Q.

All requests for withdrawal shall be in writing or submitted in another manner acceptable to the Custodian and must specify the method of distribution. The tax identification number of the Participant (or Beneficiary, if applicable) must be provided to the Custodian before it is obligated to make a distribution. Withdrawals shall be subject to all applicable tax and other laws and regulations, redemption and other investment related fees and withholding requirements.

Except where otherwise indicated in this Agreement, the Participant (or Beneficiary, if applicable) who is entitled to a distribution may request that the Custodian distribute the actual shares of the regulated investment company or

companies held in the Account (a distribution “in-kind”). If the Participant (or Beneficiary, if applicable) does not request an in-kind distribution, the Custodian shall pay any distribution in cash.

4.02 **Financial Hardship** – For purposes of Article 4.01(a)(3) of this Agreement, financial hardship is as an immediate and heavy financial need of the Employee, as described in Treasury Regulation 1.401(k)-1(d)(3), where such Employee lacks other available resources. Financial needs considered immediate and heavy include, but are not limited to, 1) expenses incurred or necessary for medical care, described in Code Section 213(d), of the Employee, the Employee’s primary Beneficiary, the Employee’s Spouse or dependents, 2) the purchase (excluding mortgage payments) of a principal residence for the Employee, 3) payment of tuition and related educational fees for the next 12 months of post-secondary education for the Employee, the Employee’s primary Beneficiary, the Employee’s Spouse, children or dependents, 4) payment to prevent the eviction of the Employee from, or a foreclosure on the mortgage of, the Employee’s principal residence, 5) funeral or burial expenses for the Employee’s deceased parent, Spouse, primary Beneficiary, child or dependent, 6) payment to repair damage to the Employee’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 whether the loss exceeds ten-percent of adjusted gross income), and 7) effective for distributions on or after January 1, 2018, expenses and losses (including loss of income) incurred by the Employee on account of a disaster declared by the Federal Emergency Management Agency (FEMA), provided that the Employee’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.

No distributions on account of financial hardship shall exceed the amount determined to be necessary to meet the immediate financial need created by the hardship as described in those same regulations and the Plan. In addition, the amount of the distribution cannot be otherwise reasonably accommodated from other resources of the Participant, such as through other distributions currently available under the Plan or by cash or other liquid assets that are reasonably available to the Participant. Any distribution made on account of the Participant’s financial hardship shall be made to the Participant in a single sum payment in cash pursuant to instructions provided in writing or in another form acceptable to the Custodian, and delivered to the Custodian.

Hardship distributions described in this Article 4.02 may consist only of the amounts contributed pursuant to the Participant’s salary reduction agreement, excluding the earnings on such contributions.

The determination of whether a financial hardship exists shall be made pursuant to the terms of the Plan or by the Participant if the Plan doesn’t contain such terms and not by the Custodian. A Participant who requests a distribution on account of financial hardship shall certify, in a manner acceptable to the Custodian, that a financial hardship exists.

If the Participant receives a hardship distribution before January 1, 2020, he or she will be prohibited from making any Elective Deferrals (and nondeductible employee contributions, if applicable) for a period of six months from the date of such distribution as described in the Plan. For

hardship distributions that are made on or after January 1, 2020, the Participant’s Elective Deferrals (and nondeductible employee contributions, if applicable) will not be suspended for any period of time due to the receipt of a hardship distribution.

4.03 **Form of Distributions** – The form of distribution shall be determined under the terms of this Agreement and the Plan. If the Plan provides for a mandatory lump sum distribution, then the requirements of Code Section 401(a)(31) (as expressed in the Plan) shall apply to distributions (including automatic rollover requirements for certain mandatory distributions).

4.04 **Required Minimum Distributions**

- (a) Notwithstanding any provision of this Agreement to the contrary, the distribution of the Participant’s interest in the Account shall be made in accordance with the requirements of Treasury Regulation 1.403(b)-6(e) and the Plan. The minimum distribution requirements of Code Section 401(a)(9) must be met for this Account and for purposes of applying the distributions rules of Code Section 401(a)(9) to this Account, the minimum distribution rules applicable to individual retirement accounts described in Code Section 408(a) apply with several exceptions. Those rules are described in Treasury Regulation 1.408-8 and the exceptions are described in Treasury Regulation 1.403(b)-6(e). Those rules and exceptions are incorporated herein by reference.
- (b) Notwithstanding Article 4.01(a) of this Agreement, the undistributed portion of a Participant’s interest in the Account valued as of December 31, 1986, exclusive of subsequent earnings, is not subject to the required minimum distribution rules under Code Section 401(a)(9) but must be distributed in accordance with the incidental benefit requirements of Treasury Regulation 1.401-1(b)(1)(i) (which generally requires that distributions begin at the later of age 75 or separation from service), if such amounts are accounted for separately.
- (c) For the balance of the Account subject to the minimum distribution requirements referenced in Article 4.04(a) of this Agreement, the Participant must begin taking distributions from the Account no later than the Participant’s required beginning date. The required beginning date for a Participant is the first day of April of the calendar year following the calendar year in which the Participant either attains age 70½ or retires, whichever is later. Further, the entire interest of the Participant for whose benefit the Account is maintained must be distributed over the Participant’s life or the lives of such Participant and their Designated Beneficiary(ies), or a period certain not extending beyond the Participant’s life expectancy or the joint and last survivor expectancy of such Participant and their Designated Beneficiary(ies).
- (d) The minimum amount that must be distributed to the Participant for each Distribution Calendar Year of the Participant is determined under Treasury Regulation 1.401(a)(9)-5, and is referred to as the “required minimum distribution.” Except as otherwise provided

herein, the required minimum distribution is generally calculated as follows:

- (1) the required minimum distribution for any Distribution Calendar Year is the Participant's Account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Treasury Regulation 1.401(a)(9)-9. However, if the Participant's Designated Beneficiary is their surviving spouse, the required minimum distribution for a Distribution Calendar Year shall not be more than the Participant's Account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Treasury Regulation 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (1) is determined using the Participant's (or, if applicable, the Participant's and spouse's) attained age (or ages) in the year.
  - (2) the required minimum distribution for a year, beginning with the year following the year of the Participant's death (or the year the Participant would have reached age 70½, if applicable under Article 4.04(e)(2)(B) of this Agreement) is the Account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Treasury Regulation 1.401(a)(9)-9) of the individual specified in paragraphs (e)(1) and (e)(2) below.
  - (3) the required minimum distribution for the year before the required beginning date of the Participant can be made as late as that required beginning date. The required minimum distribution for any other year must be made by the end of such year.
- (e) If the Participant dies before their entire interest is distributed to them, the remaining interest will be distributed at least as rapidly as provided in Treasury Regulation 1.401(a)(9)-5, which generally will be as follows:
- (1) If the Participant dies on or after the Participant's required beginning date and:
    - (A) the Designated Beneficiary is the Participant's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (e)(1)(C) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (e)(1)(C) below, over such period.
    - (B) the Designated Beneficiary is not the Participant's surviving spouse, the remaining interest will be distributed over the Beneficiary's remaining life expectancy as determined in the year following the death of the Participant and reduced by 1 for each subsequent year, or over the period in paragraph (e)(1)(C) below if longer.
    - (C) there is no Designated Beneficiary, the remaining interest will be distributed over the remaining life expectancy of the Participant as determined in the year of the Participant's death and reduced by 1 for each subsequent year.
  - (2) If the Participant dies before the Participant's required beginning date, such Participant's entire interest will be distributed at least as rapidly as follows:
    - (A) If the Designated Beneficiary is someone other than the Participant's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Participant's death, over the remaining life expectancy of the Designated Beneficiary, with such life expectancy determined using the age of the Beneficiary as of their birthday in the year following the year of the Participant's death, or, if elected, in accordance with paragraph 4.04(e)(2)(C) of this Agreement.
    - (B) If the Participant's sole Designated Beneficiary is the Participant's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Participant's death (or by the end of the calendar year in which the Participant would have attained age 70½, if later), over such spouse's life, or, if elected, in accordance with paragraph 4.04(e)(2)(C) of this Agreement. If the surviving spouse dies before required distributions are required to begin, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the spouse's death, over the spouse's Designated Beneficiary's remaining life expectancy determined using such Beneficiary's age as of their birthday in the year following the death of the spouse, or, if elected, will be distributed in accordance with paragraph 4.04(e)(2)(C) of this Agreement. If the surviving spouse dies after required distributions commence to him or her, any remaining interest will continue to be distributed under the option chosen.
    - (C) If there is no Designated Beneficiary, or, if applicable by operation of paragraph 4.04(e)(2)(A) or (2)(B) of this Agreement, the entire interest will be distributed by the end of the calendar year containing the fifth anniversary of the Participant's death (or the spouse's death in the case of the surviving spouse's death before distributions are

required to begin under paragraph 4.04(e)(2)(B) of this Agreement).

- (D) If distributions are being made to a surviving spouse as the sole Designated Beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the Beneficiary's age in the year specified in paragraph 4.04(e)(2)(A) or (B) of this Agreement and reduced by one for each subsequent year.

Life expectancy is determined using the Single Life Table in Q&A-1 of Treasury Regulation 1.401(a)(9)-9.

For purposes of paragraphs 4.04(e)(1) and (2) of this Agreement, required distributions are considered to commence on the Participant's required beginning date, or, if applicable, on the date distributions are required to begin to the surviving spouse under paragraph 4.04(e)(2)(B) of this Agreement.

- (f) Additional requirements include the following:

- (1) If the Participant participates in two or more 403(b) arrangements, they may satisfy the minimum distribution requirements described above by taking from one 403(b) arrangement the amount required to satisfy the requirement for another in accordance with Treasury Regulation 1.403(b)-6(e)(7).
- (2) Amounts distributed during a calendar year from the Account are part of the minimum required distribution until the total required minimum distribution has been satisfied for that year under Code Section 401(a)(9).
- (3) The Participant acknowledges that it is their sole responsibility to satisfy the required minimum distribution rules. The Participant agrees that the Custodian shall not be liable for any tax or penalty imposed upon the Participant if the Participant fails to receive any required minimum distribution from the Account.
- (4) If the Participant fails to elect a method of distribution by their required beginning date, the Custodian shall have complete and sole discretion to do any one of the following:
  - make no distribution until the Participant provides a proper withdrawal request;
  - distribute the Participant's entire interest in a single sum payment; or
  - distribute the Participant's entire interest over a period certain not extending beyond the Participant's life expectancy or the life expectancy of the Participant and their Beneficiary.

The Custodian will not be liable for any penalties or taxes related to the Participant's failure to take a required minimum distribution.

- (5) The value of the Account for purposes of this Article 4.04 is the prior December 31 balance

adjusted to include the amount of any outstanding rollovers and transfers under Q&As-7 and 8 of Treasury Regulation 1.408-8.

- (6) The special rule in Treasury Regulation 1.408-8, A-5 relating to spousal beneficiaries does not apply to the Account, which means that the surviving spouse is not permitted to treat the Account as the spouse's own 403(b) contract.
- (7) If the Beneficiary payment election described in Article 4.04(e) of this Agreement is not made by December 31 of the year following the year the Participant dies, the Custodian reserves the right to elect, in its complete and sole discretion, to do any one of the following:

- make no distribution until the Beneficiary(ies) provides a proper withdrawal request;
- distribute the entire Account to the Beneficiary(ies) in a single sum payment;
- distribute the entire remaining interest to the Beneficiary(ies) pursuant to the applicable option in paragraphs 4.04(e)(1) or (2) of this Agreement.

The Custodian will not be liable for any penalties or taxes related to the Beneficiary's failure to take a required minimum distribution.

#### 4.05

**Designation of Beneficiary** – The Participant may designate one or more persons or entities as Beneficiary of their Account. This designation can only be made on a form provided by or acceptable to the Custodian, and it will only be effective when it is filed with the Custodian during the Participant's lifetime. Unless otherwise specified, each Beneficiary designation the Participant files with the Custodian will cancel all previous ones. The consent of a Beneficiary(ies) shall not be required for the Participant to revoke a Beneficiary designation. If the Participant has designated both primary and contingent Beneficiaries and no primary Beneficiary(ies) survives the Participant, the contingent Beneficiary(ies) shall acquire the designated share of the Participant's Account. If the Participant does not designate a Beneficiary, or if all of the Participant's primary and contingent Beneficiary(ies) predecease the Participant, the Participant's estate will be the Beneficiary.

If the Participant designates a spouse Beneficiary and the individual later ceases to be the Participant's spouse, such designation of the individual who becomes an ex-spouse (other than by death) will be deemed void and the ex-spouse shall have no rights as a Beneficiary unless redesignated as a Beneficiary by the Participant subsequent to becoming an ex-spouse.

The Custodian may allow, if permitted by state law, an original Beneficiary(ies) (the Beneficiary(ies) who is entitled to receive distribution(s) from an inherited Account at the time of the Participant's death) to name a successor Beneficiary(ies) for the inherited Account. This designation can only be made on a form provided by or acceptable to the Custodian, and it will only be effective when it is filed with the Custodian during the Participant's Beneficiary's(ies') lifetime. Unless otherwise specified, each Beneficiary designation form that the original Account Beneficiary(ies) files with the Custodian will cancel all previous ones. The consent of a successor Beneficiary(ies) shall not be required for the original

Account Beneficiary(ies) to revoke a successor Beneficiary(ies) designation. If the original Account Beneficiary(ies) does not designate a successor Beneficiary(ies), their estate will be the successor Beneficiary. In no event shall the successor Beneficiary(ies) be able to extend the distribution period beyond that required for the original Account Beneficiary.

The Custodian will have no liability or responsibility for following the written directions of the Beneficiary (or the Participant) or for not acting in the absence of such written directions.

4.06 **Distribution of Excess Amounts** – If required or permitted by law or regulations, upon the request of the Participant, the Custodian may distribute any excess amount to the Participant, as permitted by Treasury Regulations 1.403(b)-4(f)(3) and (4). Generally, an excess amount is the amount of any contribution made on behalf of the Participant for the Participant’s tax year that exceeds the maximum amount allowable as a contribution for such tax year, as described in Article 2.05 of this Agreement.

4.07 **Eligible Rollover Distributions** – This Agreement shall satisfy the requirements of Treasury Regulation 1.403(b)-3(a)(7), including further requirements described in Treasury Regulation 1.403(b)-7(b)(2). Accordingly, at the election of the Participant (or the surviving spouse Beneficiary of the Participant) the Custodian shall pay any eligible rollover distribution to an eligible retirement plan described in Code Section 402(c)(8)(B) (including an individual retirement plan described in Code Section 408, qualified retirement plan under Code Section 401(a) or 403(a), or account described in Code Section 403(b), or an eligible plan under Code Section 457(b) maintained by a government employer) in a direct rollover for the Participant (or Beneficiary). The definition of eligible retirement plan will also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p). Further, a Beneficiary (including a nonspouse Beneficiary) may directly roll over their portion of any eligible rollover distribution to an inherited individual retirement arrangement (under Code Section 408 or 408A). No amount that is distributed on account of hardship will be an eligible rollover distribution, and the distributee may not elect to have any portion of such a distribution paid directly to an eligible retirement plan.

The Participant (or surviving spouse Beneficiary, former spouse, or non-spouse Beneficiary) who desires such a direct rollover must specify the individual retirement plan, qualified plan, 403(b) plan, or eligible plan under Code Section 457(b) to which the eligible rollover distribution is to be paid, and satisfy such other reasonable requirements as the Custodian may impose.

## ARTICLE V – ADMINISTRATION

5.01 **Duties of the Custodian** – The Custodian shall have the following obligations and responsibilities:

- (a) to hold contributions received by it in the Account, invest such contributions pursuant to the Participant’s instructions and distribute Account assets pursuant to this Agreement;
- (b) to register any property held by it in its own name, or in nominal bearer form, that will pass delivery;

- (c) to maintain records of all relevant information as may be necessary for the proper administration of the Account and such other data information as may be necessary;
- (d) to allocate earnings, if any, realized from such contributions; and
- (e) to file such returns, reports and other information with the Internal Revenue Service and other government agencies as may be required of the Custodian under applicable laws and regulations.

5.02 **Reports** – As soon as practicable after December 31st of each calendar year, and whenever required by regulations under the Code, the Custodian shall deliver to the Participant a written report of the Custodian’s transactions relating to the Account during the period from the last previous accounting, and shall file such other reports as may be required under the Code.

5.03 **Custodian Not Responsible for Certain Actions** – The Custodian has no duty to take any action with respect to the Account except upon the written instruction of the Participant or the Participant’s Beneficiary, if applicable. Further, the Custodian shall have no responsibility for determining the amount of or collecting contributions to the Account made pursuant to this Agreement; selecting the investments for the Account; determining the amount, character or timing of any distribution to the Participant under this Agreement; determining the Participant’s maximum contribution amount; or maintaining or defending any legal action in connection with this Agreement, unless agreed upon by the Custodian and the Participant.

5.04 **Indemnification, Limitations of Liability and Duties** – The Participant acknowledges and agrees that nothing in this Agreement shall be construed as conferring fiduciary status upon the Custodian. The Custodian shall not be required to perform any additional services unless specifically agreed to under the terms and conditions of this Agreement, or as required under the Code and the regulations promulgated thereunder with respect to 403(b) plans. The Participant agrees to indemnify and hold the Custodian harmless for any and all claims, actions, proceedings, damages, judgments, liabilities, costs and expenses, including attorney’s fees, arising from, or in connection with this Agreement.

(a) The Custodian will be fully protected in acting in accordance with or in reliance upon any document, order or other direction believed by the Custodian to be genuine and properly given, or in not acting in the absence of proper instructions or when it believes that any document, order or other direction either is not genuine or was not properly given, or is otherwise not in good order.

(b) To the extent permitted by law, 30 days after providing to the Participant (or Beneficiary) any statement referred to in Section 5.01, the Custodian will be released and discharged from all liability to the Participant (or Beneficiary) and any other person as to the matters contained in such statement unless the Participant (or Beneficiary) files written objections with the Custodian within such 30-day period.

(c) The Participant (or Beneficiary) will be solely responsible for his investment directions and the



selection of the Fund(s) in which the Account is invested. Neither the Custodian nor any Fund (nor any entity or person affiliated with the Custodian or a Fund) will be under any fiduciary or other duty to the Participant (or Beneficiary) with respect to the selection of investments or be liable for any loss or diminution in value incurred on account of a selected investment. The Participant acknowledges that the Custodian will not provide investment advice or recommendations hereunder

- (d) Neither the Custodian, the Fund Distributor nor any Fund (nor any entity or person affiliated with the Custodian, Fund Distributor or a Fund) will have any responsibility for determining the amount of any contribution or for collecting any contribution from any person. None of them (nor any such other person) will have any responsibility for determining whether the amount of any contribution is within any applicable limitation under the Code, or for any taxes or penalties imposed on excess contributions or deferrals. The Participant will have sole responsibility for the computation of the limitation(s) on contributions under Code Section 415(c), any limit on elective deferrals (including salary reduction contributions) under Code Section 402(g) or 414(v), and any and all matters relating to any tax consequences with respect to contributions, earnings, withdrawals, transfers or rollovers to or from the Account.
- (e) Neither the Custodian, the Fund Distributor nor any Fund (nor any entity or person affiliated with the Custodian or Fund Distributor or Fund) will be responsible for determining the propriety, amount or timing of any loan to or withdrawal by the Participant (or Beneficiary), or for any taxes or penalties imposed because of taxable loans or improper, premature or insufficient withdrawals.
- (f) The Custodian shall have no responsibility to carry out any transaction with respect to the Account except upon the written order of the Participant (or Beneficiary if the Participant is deceased), and shall be entitled to receive any and all applications, certificates, tax waivers, signature guarantees, releases, indemnification agreements, and other documents (including proof of any legal representative's authority) deemed necessary or advisable by the Custodian, but the Custodian will not be responsible for complying with any order or instruction which appears on its face to be genuine (and the Custodian will have no duty of further inquiry with respect to any such order or instruction). The Custodian will not be required to carry out any incomplete or ambiguous instructions or any instructions otherwise not given in accordance with this Agreement or not in good order. Neither the Custodian, Fund Distributor nor any Fund (nor any entity or person affiliated with the Custodian, Fund Distributor or a Fund) will be liable for loss of income, or for appreciation or depreciation in share value resulting from the Custodian's failure to follow any incomplete or ambiguous instructions or any instructions otherwise not given in accordance with this Agreement or not in good order, or for any delay pending the receipt of any additional document or information requested by the Custodian.

- (g) The Custodian will have no responsibility to pay any withdrawal directed by the Participant or Beneficiary unless the Participant's or Beneficiary's written withdrawal instructions state the reason for the withdrawal and contain all signature guarantees, certifications, and other documents or assurances requested by the Custodian.
- (h) Neither the Custodian, Fund Distributor nor any Fund (nor any entity or person affiliated with the Custodian, Fund Distributor or any Fund) will have any liability to the Participant or any Beneficiary as a result of transferring the amount in the Account to the proper state authority in accordance with any applicable law relating to escheat or abandoned or unclaimed property.
- (i) The Custodian will not be obligated to commence or to defend a legal action or proceeding in connection with this Agreement unless the Custodian agrees to do so and is first indemnified to its satisfaction.
- (j) Neither the Employer, Fund Distributor nor any Fund (nor any entity or person affiliated with the Fund Distributor a Fund) will have any responsibility or liability for any acts or omissions of the Custodian hereunder. The Custodian (and any affiliate of the Custodian) will have no responsibility or liability for any acts or omissions of the Participant, the Employer or any Fund (or any affiliate or representative of any of them).
- (k) The limitations on the liabilities and duties of the Custodian, and the protections accorded the Custodian, in this Section 5.04 are not exclusive, but rather are in addition to any other limitations on the Custodian's liabilities and duties and any other protections accorded the Custodian under this Agreement.

#### 5.05

**Custodian's Fees and Expenses** – The Custodian has the right to charge an annual service fee or other designated fees (e.g., a transfer or rollover fee) for maintaining the Participant's Account. In addition, the Custodian has the right to be reimbursed for all reasonable expenses, including legal expenses, it incurs in connection with the administration of the Participant's Account. The Custodian may charge the Participant separately for any fees or expenses, or it may deduct the amount of the fees or expenses from the assets in the Participant's Account at its discretion. The Custodian reserves the right to charge any additional fee upon 30 days' notice to the Participant that the fee will be effective.

Any brokerage commission attributable to the assets in the Participant's Account will be charged to their Account. The Participant cannot reimburse their Account for those commissions.

## ARTICLE VI – AMENDMENT AND TERMINATION

6.01 **Amendment of Agreement** – By completion and submission of an executed Agreement, the Participant delegates to the Custodian all authority to amend this Agreement by written notification from the Custodian to the Participant as to any term hereof, at any time (including retroactively) to the extent necessary to satisfy the requirements of Code Section 403(b)(7) (or related regulations). Any amendment the Custodian makes to comply with the Code and related regulations does not require the Participant's consent. The Custodian may also amend this Agreement to the extent necessary or appropriate to permit the efficient administration of the Account. The Participant will be deemed to have consented to such amendment unless, within 30 days from the date the Custodian mails the amendment, the Participant notifies the Custodian in writing that he or she does not consent. No amendment shall be made that may operate to disqualify the Account under Code Section 403(b)(7).

6.02 **Termination by Participant** – The Participant reserves the right to terminate this Agreement by withdrawing all assets from the Account or by causing the transfer of all Account assets to another 403(b) arrangement.

6.03 **Resignation or Removal of Custodian** – The Custodian may resign as Custodian of any Participant's Account upon 30 days written notice to the Participant. The Participant may remove a Custodian upon 30 days prior written notice. Upon such resignation or removal, a successor Custodian shall be named. Upon designation of a successor Custodian, the Custodian shall transfer the assets held pursuant to the terms of this Agreement to the successor Custodian. The Custodian may retain a portion of the assets to the extent necessary to cover reasonable administrative fees and expenses.

Where the Custodian is serving as a nonbank custodian pursuant to Treasury Regulation 1.408-2(e), the Participant will appoint a successor Custodian upon notification by the Commissioner of the Internal Revenue Service that such substitution is required because the Custodian has failed to comply with the requirements of Treasury Regulation 1.408-2(e) or is not keeping such records or making such returns or rendering such statements as are required by forms or regulations.

6.04 **Successor Custodian** – If the Custodian changes its name, reorganizes, merges with another organization (or comes under the control of any federal or state agency), or if the Custodian (or any portion that includes the Participant's Account) is bought by another organization, that organization (or agency) shall automatically become the Custodian of the Account, but only if it is the type of organization authorized to serve as a Custodian of a 403(b) arrangement.

7.01 **Loans**- No loans are permitted.

## ARTICLE VIII – MISCELLANEOUS

8.01 **Applicable Law** – This Agreement is established with the intention that it qualify as a custodial account under Code Section 403(b)(7), and that contributions to the same be treated accordingly. This Agreement is subject to all applicable federal and state laws and regulations, particularly regulations issued under Code Section 403(b). If it is necessary to apply any state law to interpret and

administer this Agreement, the law of the Custodian's domicile shall govern.

If any provision of this Agreement shall for any reason be deemed invalid or unenforceable, the remaining provisions shall, nevertheless, continue in full force and effect, and shall not be invalidated. Neither the Participant's nor the Custodian's failure to enforce at any time or for any period of time any of the provisions of this Agreement shall be construed as a waiver of such provisions, or the Participant's right or the Custodian's right thereafter to enforce each and every such provision.

8.02 **Nonalienation** – Subject to Article 8.06 of the Agreement below, the assets of the Participant in their Account shall not be subject to alienation, assignment, trustee process, garnishment, attachment, execution or levy of any kind, nor shall such assets be subject to the claims of the Participant's creditors.

8.03 **Terms of Employment** – Neither the fact of the implementation of this Agreement nor the fact that an Employee has become a Participant, shall give to such Employee any right to continued employment; nor shall either fact limit the right of the Participant's Employer to discharge or to deal otherwise with an Employee without regard to the effect such treatment may have upon the Employee's rights as a Participant under this Agreement.

8.04 **Notices and Change of Address** – Any required notice regarding this Account will be considered effective when the Custodian sends it to the intended recipient at the last address that it has in its records. Any notice to be given to the Custodian will be considered effective when the Custodian actually receives it. The Participant or the intended recipient must notify the Custodian of any change of address.

8.05 **Restrictions on the Fund** – The assets in the Participant's Account shall not be responsible for the debts, contracts or torts of any person entitled to distributions under this Agreement.

8.06 **Matters Relating to Divorce** – Upon receipt of a domestic relations order, the Custodian may retain an independent third party to determine whether the order is a qualified domestic relations order pursuant to Code Section 414(p). Distributions may be made pursuant to such an order.

8.07 **Coordination with Plan** – If any terms of the Plan and the Agreement conflict, the terms of the Plan shall govern.

8.08 **Nontransferability** – The Agreement is not transferable. This requirement shall not apply to an Agreement entered into before January 1, 1963.

8.09 **Death Benefits and Other Incidental Benefits** – The Agreement shall satisfy the incidental benefit requirement of Treasury Regulation 1.401-1(b)(1)(ii) (in form or in operation) as described in Treasury Regulation 1.403(b)-6(g).

8.10 **Representations and Responsibilities** – The Participant represents and warrants to the Custodian that any information they have given or will give the Custodian with respect to this Agreement is complete and accurate. Further, the Participant agrees that any directions they give the Custodian, or action the Participant takes will be proper under this Agreement, and that the Custodian is entitled to rely upon any such information or directions. Participant must certify that the Employer has permitted the Participant

to establish this 403(b) Account in accordance with Department of Labor Regulations Section 2510.3-2(f) so that the Account will not be deemed to be an employee pension benefit plan for purposes of the Employee Retirement Income Security Act of 1974, as amended. The Custodian shall have no responsibility to insure that the arrangement complies with such regulation. The Employer will be responsible for compliance with the requirements of Code Section 403(b)(12)(i), and the Custodian will have no responsibility for insuring that the Employer so complies except to the extent provided herein or otherwise required under Code Section 403(b) or regulations issued thereunder. The Participant will have sixty (60) days after he or she receives any documents, statements or other information from the Custodian to notify the Custodian in writing of any errors or inaccuracies reflected in these documents, statements or other information. If the Participant does not notify the Custodian within 60 days, the documents, statements or other information shall be deemed correct and accurate, and the Custodian shall have no further liability or obligation for such documents, statements, other information or the transactions described therein.

To the extent written instructions or notices are required under this Agreement, the Custodian may accept or provide such information in any other form permitted by the Code or applicable regulations.

- 8.11 **Exclusive Benefit** – The assets held in the Account cannot be used for, or diverted to, purposes other than for the exclusive benefit of the Participant or the Participant’s Beneficiary