
**UNIVERSITY OF NORTH TEXAS SYSTEM
TAX-SHELTERED ANNUITY PLAN (TSA)**

**EFFECTIVE JANUARY 1, 2009
AMENDED SEPTEMBER 1, 2012**

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**UNIVERSITY OF NORTH TEXAS SYSTEM
TAX-SHELTERED ANNUITY PLAN**

The University of North Texas System established this Tax-Sheltered Annuity Plan for the exclusive benefit of Participants and Beneficiaries in accordance with the requirements set forth under Code section 403(b). Effective January 1, 2009, the Plan is hereby amended and restated as set forth herein.

**ARTICLE I
DEFINITIONS**

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

1.02 Account Balance. The bookkeeping account maintained for each Participant which reflects the aggregate amount credited to the Participant's Account under all Accounts, including the Participant's Elective Deferrals, the earnings or loss of each Annuity Contract or Custodial Account (net of expenses) allocable to the Participant, any transfers for the Participant's benefit, and any distribution made to the Participant or 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 VI for rollover contributions and plan-to-plan transfers made for a Participant, the account established for a Beneficiary after a Participant's death, and any account or accounts established for an alternate payee (as defined in section 414(p)(8) of the Code).

1.03 Administrator. The Employer shall be the Administrator, subject to the provisions of Article VIII.

1.04 Annuity Contract. A nontransferable contract as defined in section 403(b)(1) of the Code, established for each Participant by the Employer, or by each Participant individually, that is issued by an insurance company qualified to issue annuities in Texas and that includes payment in the form of an annuity.

1.05 Beneficiary. The designated person who is entitled to receive benefits under the Plan after the death of a Participant, subject to such additional rules as may be set forth in the Individual Agreements.

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

1.07 Compensation. All cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee's gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code and any Employee contributions described in Code section 414(h)(2) that are treated as Employer contributions.

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

1.09 Elective Deferral. The contributions made to the Plan at the election of an Employee in lieu of receiving cash compensation.

1.10 Employee. Each individual who is a common law employee performing services for the Employer.

1.11 Employer. The University of North Texas System and its component institutions, currently the University of North Texas, the University of North Texas Health Science Center at Fort Worth, and the University of North Texas at Dallas. An Employer participating in this Plan must at all times satisfy the requirements for an eligible employer as set forth in Code section 403(b)(1)(A).

1.12 Funding Vehicle. The Annuity Contracts or Custodial Accounts issued for funding amounts held under the Plan and specifically approved by the Employer for use under the Plan.

1.13 Includible Compensation. An Employee's actual wages in box 1 of the Form W-2 for a year for services to the Employer, but subject to a maximum as may apply under section 401(a)(17) of the Code) and increased (up to the dollar maximum) by any compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code and any Employee contributions described in Code section 414(h)(2) that are treated as Employer contributions.

1.14 Individual Agreement. Each agreement between a Vendor and the Employer or between a Vendor and a Participant that constitutes or governs a Custodial Account or an Annuity Contract.

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

1.16 Plan. University of North Texas System Tax-Sheltered Annuity Plan, as set forth herein.

1.17 Plan Year. The calendar year.

1.18 Related Employer. The Employer and any other entity which is under common control with the Employer under Code section 414(b) or (c). For this purpose, the Employer shall determine which entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under IRS Notice 89-23.

1.19 Roth Elective Deferral. An Elective Deferral that is (1) designated irrevocably by the Participant at the time of the salary reduction agreement election (or any change thereto) as a "designated Roth contribution", as defined in Code section 402A(c)(1), that is being made in lieu of all or a portion of the pre-tax Elective Deferrals the Participant is otherwise eligible to make under the Plan; and (2) treated by the Employer as includible in the Participant's income at the time the Participant would have received that amount in cash if the Participant had not made a salary reduction agreement election.

1.20 Severance from Employment. For purposes of this Plan, Severance from Employment means that the Eligible Employee ceases to be employed by the Employer and any Related Employer.

1.21 Valuation Date. Each December 31 and/or such other date(s) deemed necessary or appropriate by the Administrator for the valuation of Participants' Accounts during the Plan Year.

1.22 Vendor. The provider of an Annuity Contract or Custodial Account specifically approved by the Employer to establish and maintain a Funding Vehicle under this Plan.

ARTICLE II
PARTICIPATION AND CONTRIBUTIONS

2.01 Eligibility. Each Employee shall be eligible to participate in the Plan and elect to have Elective Deferrals made on his or her behalf hereunder immediately upon becoming employed or re-employed by the Employer.

2.02 Salary Reduction Agreement Election. An Employee elects to become a Participant by first selecting a Vendor from the list provided by the Employer and enrolling with the Vendor, and then executing a salary reduction agreement to reduce his or her Compensation. The enrollment forms for the Vendor shall include a designation of the Funding Vehicles and Accounts therein to which Elective Deferrals are to be made and a designation of Beneficiary. If no funding vehicle is selected, contributions will default into the selected Vendor lifecycle fund. A salary reduction agreement election shall remain in effect until a new election is filed. Each Employee will become a Participant in accordance with the terms and conditions of the Individual Agreements. The salary reduction agreement shall become effective for the first pay period following the date the agreement is filed, unless a later date is indicated therein. If any Employee does not have net compensation for a pay period that is sufficient to cover the total amount of salary reduction agreement election for such pay period, no deduction will be taken for that pay period and no amount will be put into arrears for future pay periods.

2.03 Roth Elective Deferrals.

- (a) The Plan will accept Roth Elective Deferrals, as defined in Section 1.19 above, made on behalf of Participants, subject to the provisions of applicable Individual Agreements. Unless specifically stated otherwise, Roth Elective Deferrals will be treated as Elective Deferrals for all purposes under the Plan. Roth Elective Deferrals shall comply with all applicable requirements under Code sections 402A and 403(b) and related Treasury Regulations.
- (b) Contributions and withdrawals of Roth Elective Deferrals will be credited and debited to a separate Roth Elective Deferral account maintained for each Participant. The Vendors will maintain a record of the amount of Roth Elective Deferrals in each Participant's account. Gains, losses and other credits or charges must be separately allocated on a reasonable and consistent basis to each Participant's Roth Elective Deferral account and the Participant's other accounts under the Plan.
- (c) Notwithstanding Section 5.05 below, a direct rollover of a distribution from a Roth Elective Deferrals account under the Plan will only be made to another Roth Elective Deferral account under an applicable retirement plan described in Code section 402A(e)(1) or to a Roth IRA described in Code section 408A, and only to the extent the rollover is permitted under the rules of Code section 402(c).
- (d) Notwithstanding Section 6.01 below, the Plan will accept a rollover contribution to a Roth Elective Deferral 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(c), subject to the provisions of applicable Individual Agreements.

2.04 Information Provided by the Employee. Each Employee enrolling in the Plan should provide to the Administrator and/or Vendor at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the Plan, including any information required under the Individual Agreements.

2.05 Change in Elective Deferrals Election. Subject to the provisions of applicable Individual Agreements, an Employee may at any time revise his or her salary reduction agreement, including a change of the amount of Elective Deferrals, his or her investment direction, and Beneficiary designation. A change in the investment direction shall take effect as of the date provided by the Administrator on a uniform basis for all Employees. A change in the Beneficiary designation shall take effect when the change is accepted by the Vendor.

2.06 Contributions Made Promptly. Elective Deferrals under the Plan shall be transferred to the applicable Vendor within a period that is not longer than is reasonable for the proper administration of the Plan, but in any event within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant, or if sooner, as otherwise required under applicable state law.

2.07 Leave of Absence. Unless an election is otherwise revised, if an Employee is absent from work by leave of absence, Elective Deferrals under the Plan shall continue to the extent that Compensation continues.

2.08 Vesting. The entire Account Balance of each Participant and Beneficiary shall be fully vested at all times and, except as otherwise provided herein, shall not be subject to forfeiture for any reason.

ARTICLE III LIMITATIONS ON AMOUNTS DEFERRED

3.01 Basic Annual Limitation. Except as provided in Sections 3.02 and 3.03 below, the maximum amount of Elective Deferrals for any Participant under the Plan for any calendar year shall not exceed the lesser of:

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

The applicable dollar amount is established under section 402(g)(1)(B) of the Code and is adjusted for cost-of-living to the extent provided under section 415(d) of the Code.

3.02 Special Section 403(b) Catch-up Limitation for Employees With 15 Years of Service. Because the Employer is a qualified organization (within the meaning of Treasury Regulations section 1.403(b)-4(c)(3)(ii)), the applicable dollar amount under Subsection 3.01(a) above for any "qualified employee" is increased (to the extent provided in the Individual Agreements) by the least of:

- (a) \$3,000;
- (b) The excess of:
 - (1) \$15,000, over
 - (2) The total special 403(b) catch-up elective deferrals made for the qualified employee by the qualified organization for prior years; or
- (c) The excess of:

- (1) \$5,000 multiplied by the number of years of service of the qualified employee with the qualified organization, over
- (2) The total Elective Deferrals made for the qualified employee by the qualified organization for prior years.

For purposes of this Section 3.02, a "qualified employee" means an Employee who has completed at least 15 years of service taking into account only employment with the Employer.

3.03 Age 50 Catch-up Elective Deferral Contributions. An Employee who is a Participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of Elective Deferrals, up to the maximum age 50 catch-up Elective Deferrals for the year. The maximum dollar amount of the age 50 catch-up Elective Deferrals for a year is established under section 414(v)(2)(B) of the Code, and is adjusted for cost-of-living to the extent provided under Code section 414(v)(2)(C).

3.04 Coordination. Amounts in excess of the limitations set forth in Section 3.01 above shall be allocated first to the special 403(b) catch-up under Section 3.02 above and next as an age 50 catch-up contribution under Section 3.03 above. However, in no event can the amount of the Elective Deferrals for a year be more than the Participant's Compensation for the year.

3.05 Special Rule for a Participant Covered by Another Section 403(b) Plan. For purposes of this Article III, if the Participant is or has been a participant in one or more other plans under 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Article III. For this purpose, the Administrator shall take into account any other such plan maintained by any Related Employer and shall also take into account any other such plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan. Notwithstanding the foregoing, another plan maintained by a Related Employer shall be taken into account for purposes of Section 3.02 above only if the other plan is a 403(b) plan.

3.06 Correction of Excess Elective Deferrals. If the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above, or the Elective Deferral on behalf of the Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another plan of the employer under section 403(b) of the Code (and any other plan that permits elective deferrals under 402(g) of the Code for which the Participant provides sufficient information to the Administrator), then the Elective Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant no later than April 15 of the taxable year following the close of the year in which the excess Elective Deferral was made, or otherwise in accordance with Code section 402(g). The federal income tax treatment of any excess Roth Elective Deferral shall be governed by the provisions of Code section 402A and determined by the applicable Vendor.

3.07 Protection of Persons Who Serve in a Uniformed Service. An Employee whose employment is interrupted by qualified military service under section 414(u) of the Code or who is on a leave of absence of qualified military service under section 414(u) of the Code may elect to make additional Elective Deferrals upon resumption of employment with the Employer equal to the maximum Elective Deferrals that the Employee could have elected during that period if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Elective Deferrals, if any, actually made for the Employee during the period of interruption or leave. Except to the extent provided under section 414(u) of the Code, this right applies

for 5 years following the resumption of employment (or, if sooner, for a period equal to 3 times the period of the interruption or leave).

3.08 Code Section 415 Limitations. Annual additions to the Plan (as defined in Code section 415(c)(2)) in a limitation year shall not exceed the limitations under Code section 415(c) and related regulations, which is incorporated herein by reference, including the definition of compensation set forth in Code section 415(c)(3). The dollar limit under Code section 415(c)(1)(A) shall be automatically adjusted for cost-of-living to the extent provided under section 415(d) of the Code. To the extent there are any excess annual additions made on behalf of a Participant in any limitation year, such excess shall be corrected in a manner consistent with applicable Internal Revenue Service guidance on excess annual additions, including applicable provisions of the Employee Plan Compliance Resolution System (EPCRS).

ARTICLE IV LOANS

4.01 Loans. Loans, shall be permitted under the Plan to the extent permitted by the Individual Agreements controlling the Account assets from which the loan is made and by which the loan will be secured. All loans shall satisfy requirements set forth under Code section 72(p)(2) and related Treasury Regulations. The specific terms of a loan shall be governed by the applicable Individual Agreement, including eligible purposes, repayment terms, rate of interest and default and collection procedures. A Participant in the Plan may have no more than a total of two loans outstanding at one time. .

4.02 Information Coordination Concerning Loans. Each Vendor is responsible for all information reporting and tax withholding required by applicable federal and state law in connection with distributions and loans. .

4.03 Maximum Loan Amount. No Plan loan to a Participant may exceed the lesser of:

- (a) \$50,000, reduced by the greater of (1) the outstanding balance of any loan from the Plan to the Participant on the date the loan is made or (2) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Administrator (not taking into account any payments made during such one-year period); or
- (b) one half of the value of the Participant's vested Account Balance (as of the valuation date determined by the Vendor immediately preceding the date on which such loan is approved by the Administrator).

For purposes of this Section 4.03, 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 Section 4.03 shall not be applied so as to allow the amount of the loan to exceed the amount that would otherwise be permitted in the absence of this Section 4.03.

ARTICLE V BENEFIT DISTRIBUTIONS

5.01 Benefit Distributions At Severance from Employment or Other Distribution Event. Except as permitted under Section 3.06 above (relating to excess Elective Deferrals), Section 5.04 below (relating to hardship), or Section 9.03 below (relating to termination of the Plan), distributions from a

Participant's Account may not be made earlier than the earliest of the date on which the Participant has a Severance from Employment, becomes disabled, or attains age 59 ½. For distribution purposes only, the term "disabled" shall be defined in the applicable Individual Agreement, or in absence of any such definition, shall be defined as described in Code section 72(m)(7). Distributions shall otherwise be made in accordance with the terms of the Individual Agreements. The federal income tax treatment of distributions of a Roth Elective Deferral account shall be governed by Code section 402A and determined by the applicable Vendor.

5.02 Small Account Balances. The terms of the Individual Agreement may permit distributions to be made in the form of a lump sum payment at the occurrence of a distribution event under Section 5.01 above, without the consent of the Participant or Beneficiary, but no such payment may be made without the consent of the Participant or Beneficiary unless the Account Balance does not exceed \$5,000 (determined without regard to any separate account that holds rollover contributions under Section 6.01 below). Any such distribution made without the consent of the Participant or Beneficiary shall comply with the requirements of Code section 401(a)(31)(B), relating to automatic distributions as a direct rollover to an individual retirement plan for distributions in excess of \$1,000.

5.03 Minimum Distributions. Notwithstanding any other provision of the Plan to the contrary, this Plan shall comply with the minimum distribution requirements of Code section 401(a)(9) and applicable Treasury Regulations, as such apply to a governmental plan (as defined in Code section 414(d)). In addition, each Individual Agreement shall comply with the minimum distribution requirements of section 401(a)(9) of the Code and applicable Treasury Regulations. For purposes of applying the distribution rules of section 401(a)(9) of the Code, each Individual Agreement is treated as an individual retirement account ("IRA") and distributions shall be made in accordance with the provisions of Treasury Regulations section 1.408-8, except as provided in Treasury Regulations section 1.403(b)-6(e).

5.04 Hardship Withdrawals. Hardship withdrawals shall be permitted under the Plan when no loan option is available to the participant and to the extent permitted by the Individual Agreements controlling the Account. Withdrawals will be made available only after the Vendor has received written authorization for such hardship withdrawal. However, Individual Agreements may not permit a hardship withdrawal for a purpose other than those automatically deemed an immediate and heavy financial need pursuant to Treasury Regulations section 1.401(k)-1(d)(3)(iii)(B). No Elective Deferrals shall be allowed under the Plan during the 6-month period beginning on the date the Participant receives a distribution on account of hardship. Hardship withdrawals are limited to the aggregate amount of Elective Deferrals made by the Participant (not including any income thereon), reduced by the amount of any prior distributions from the Plan. The Individual Agreements shall provide for the exchange of information among the Employer and the Vendors to the extent necessary to implement the Individual Agreements, including the Vendor notifying the Employer of the withdrawal in order for the Employer to implement the resulting 6-month suspension of the Participant's right to make Elective Deferrals under the Plan.

5.05 Rollover Distributions.

- (a) A Participant or the Beneficiary of a deceased Participant (or a Participant's spouse or former spouse who is an alternate payee under a domestic relations order, as defined in section 414(p) of the Code) who is entitled to an eligible rollover distribution may elect to have any portion of an eligible rollover distribution (as defined in section 402(c)(4) of the Code) from the Plan paid directly to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Code) specified by the Participant or Beneficiary in a direct rollover. For purposes of a rollover distribution an eligible retirement plan shall also include a Roth IRA described in Code section 408A, subject to restrictions that currently and may in the future apply to rollovers from a traditional IRA into a

Roth IRA. In the case of a distribution to a Beneficiary who at the time of the Participant's death was neither the spouse of the Participant nor the spouse or former spouse of the Participant who is an alternate payee under a domestic relations order, a direct rollover is payable only to an IRA or individual retirement annuity that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of section 408(d)(3)(C) of the Code).

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

ARTICLE VI ROLLOVERS TO THE PLAN AND TRANSFERS

6.01 Eligible Rollover Contributions to the Plan.

- (a) To the extent provided in the Individual Agreements, an Employee who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the Plan. Such rollover contributions shall be made in the form of cash only. The Vendor may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with section 402 of the Code and to confirm that such plan is an eligible retirement plan within the meaning of section 402(c)(8)(B) of the Code.
- (b) For purposes of this Section 6.01, an eligible rollover distribution means any distribution of all or any portion of a Participant's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include: (1) any installment payment for a period of 10 years or more; (2) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the Employee; or (3) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code. In addition, an eligible retirement plan means an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, or an eligible governmental plan described in section 457(b) of the Code, that accepts the eligible rollover distribution.
- (c) The Vendor shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan. In addition, to the extent provided in Individual Agreements, any rollover contribution that includes after-tax employee contributions and/or any designated Roth contributions under Code section 402A must be accounted for separately from other rollover contributions and the Vendor must obtain information regarding the Participant's Code section 72 basis in the amount rolled over. Rollovers of Roth Elective Deferrals will be subject to the provisions of Subsection 2.03(c) above. Rollover accounts will be subject to the distribution requirements set forth in Article V.

6.02 Plan-to-Plan Transfers to the Plan.

- (a) For Employees who are participants or beneficiaries in another plan under section 403(b) of the Code, the Vendor may permit a transfer of assets to the Plan as provided in this Section 6.02. Such a transfer is permitted only if the other plan provides for the direct transfer to the Plan and the Participant is an employee or former employee of the Employer. Any Vendor accepting such

transferred amounts may require that the transfer be in cash, and may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with Treasury Regulations section 1.403(b)-10(b)(3) and to confirm that the other plan is a plan that satisfies section 403(b) of the Code.

- (b) The amount so transferred shall be credited to the Participant's Account Balance, so that the Participant or Beneficiary whose assets are being transferred has an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to that Participant or Beneficiary immediately before the transfer.
- (c) To the extent provided in the Individual Agreements holding such transferred amounts, the amount transferred shall be held, accounted for, administered and otherwise treated in the same manner as an Elective Deferral by the Participant under the Plan, except that (1) the Individual Agreement which holds any amount transferred to the Plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the Individual Agreement must impose restrictions on distributions to the Participant or Beneficiary whose assets are being transferred that are not less stringent than those imposed on the transferor plan and (2) the transferred amount shall not be considered an Elective Deferral under the Plan in determining the maximum deferral under Article III.

6.03 Plan-to-Plan Transfers from the Plan.

- (a) The Vendor shall permit Participants and Beneficiaries to elect, after a Severance from Employment or other distribution event described in Section 5.01 above, to have all or any portion of their Account Balance transferred to another plan that satisfies section 403(b) of the Code in accordance with Treasury Regulations section 1.403(b)-10(b)(3). A transfer is permitted under this Section 6.03 only if the Participants or Beneficiaries are employees or former employees of the employer (or the business of the employer) under the receiving plan and the other plan provides for the acceptance of plan-to-plan transfers with respect to the Participants and Beneficiaries and for each Participant and Beneficiary to have an amount deferred under the other plan immediately after the transfer at least equal to the amount transferred.
- (b) The other plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the other plan shall impose restrictions on distributions to the Participant or Beneficiary whose assets are transferred that are not less stringent than those imposed under the Plan. In addition, if the transfer does not constitute a complete transfer of the Participant's or Beneficiary's interest in the Plan, the other plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).
- (c) Upon the transfer of assets under this Section 6.03, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Vendor shall require such documentation from the receiving plan as appropriate or necessary to comply with this Section 6.03 (for example, to confirm that the receiving plan satisfies section 403(b) of the Code and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Treasury Regulations section 1.403(b)-10(b)(3).

6.04 Contract and Custodial Account Exchanges.

- (a) A Participant or Beneficiary is permitted to exchange the investment of his or her Account Balance among the Vendors under the Plan, subject to the terms of the Individual Agreements. A Vendor that is not eligible to receive Elective Deferrals under Article II may not be a receiving Vendor of any contract, custodial account, or investment exchange. An investment exchange that includes an investment exchange from a Vendor that is not eligible to receive contributions under Article II (referred to below as an exchange) is permitted only if the conditions in Subsections (b) through (d) of this Section 6.04 are satisfied.
- (b) The Participant or Beneficiary must have an Account Balance immediately after the exchange that is at least equal to the Account Balance of that Participant or Beneficiary immediately before the exchange (taking into account the Account Balance of that Participant or Beneficiary under each Code section 403(b) contract or custodial account immediately before the exchange).
- (c) The Individual Agreement with the receiving Vendor has distribution restrictions with respect to the Participant that are not less stringent than those imposed on the investment being exchanged.
- (d) The Employer enters into an agreement with the receiving Vendor for the other contract or custodial account under which the Employer and the Vendor will from time to time in the future provide each other with the following information:
 - (1) Information necessary for the resulting contract or custodial account, or any other contract or custodial accounts to which contributions have been made by the Employer, to satisfy section 403(b) of the Code, including the following: (i) the Employer providing information as to whether the Participant's employment with the Employer is continuing, and notifying the Vendor when the Participant has had a Severance from Employment (for purposes of the distribution restrictions in Section 5.01 above); and (ii) the Vendor notifying the Employer of any hardship withdrawal under Section 5.04 above which results in a 6-month suspension of the Participant's right to make Elective Deferrals under the Plan; and
 - (2) Information necessary in order for the resulting contract or custodial account and any other contract or custodial account to which contributions have been made for the Participant by the Employer to satisfy other tax requirements, including the following: (i) the amount of any plan loan that is outstanding to the Participant in order for a Vendor to determine whether an additional plan loan satisfies the loan limitations of Section 4.03 above, so that any such additional loan is not a deemed distribution under Code section 72(p)(1); (ii) information concerning the Participant's after-tax employee contributions in order for a Vendor to determine the extent to which a distribution is includible in gross income; and (iii) information concerning the Participant's Roth Elective Deferrals in order for the Vendor to satisfy the reporting and recordkeeping requirements under Treasury Regulations section 1.402A-2.
- (e) If any Vendor ceases to be eligible to receive Elective Deferrals under the Plan, the Employer will enter into an information sharing agreement as described in Subsection 6.04(d) above to the extent the Employer's contract with the Vendor does not provide for the exchange of information described in Subsections 6.04(d)(1) and (2) above.

6.05 Permissive Service Credit Transfers.

- (a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in section 414(d) of the Code) that provides for the acceptance of plan-to-plan transfers

with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account Balance transferred to the defined benefit governmental plan. A transfer under this Section 6.05 may be made before the Participant has had a Severance from Employment.

- (b) A transfer may be made under this Section 6.05 only if the transfer is either for the purchase of permissive service credit (as defined in section 415(n)(3)(A) of the Code) under the receiving defined benefit governmental plan or a repayment to which section 415 of the Code does not apply by reason of section 415(k)(3) of the Code.
- (c) In addition, if a plan-to-plan transfer does not constitute a complete transfer of the Participant's or Beneficiary's interest in the transferor plan, the Plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).

ARTICLE VII INVESTMENT OF CONTRIBUTIONS

7.01 Manner of Investment. All Elective Deferrals or other amounts contributed to the Plan, all property and rights purchased with such amounts under the Funding Vehicles, and all income attributable to such amounts, property, or rights shall be held and invested in one or more Annuity Contracts or Custodial Accounts. Each Custodial Account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Custodial Account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries.

7.02 Investment of Contributions. Each Participant or Beneficiary shall direct the investment of his or her Account among the investment options available under the Annuity Contract or Custodial Account and may change his or her investment direction with respect to future contributions in accordance with the terms of the Individual Agreements. The Administrator shall maintain a list of all available Funding Vehicles. Transfers and exchanges among Annuity Contracts and Custodial Accounts may be made to the extent provided in the Individual Agreements and permitted under applicable Treasury Regulations, but only after the Vendor has received written authorization from the Employer for such transfer or exchange.

7.03 Current and Former Vendors. The Administrator shall maintain a list of all Vendors under the Plan eligible to receive Elective Deferrals under Article III. Only Vendors eligible to receive Elective Deferrals under Article III shall be eligible to receive exchanges in accordance with Section 6.04 above. Such list is hereby incorporated as part of the Plan. Each Vendor and the Employer shall exchange such information as may be necessary to satisfy section 403(b) of the Code or other requirements of applicable law. In the case of a Vendor not eligible to receive Elective Deferrals (including a Vendor which has ceased to be a Vendor eligible to receive Elective Deferrals under the Plan and a Vendor holding assets under the Plan in accordance with Sections 6.02 or 6.04 above), the Employer shall keep the Vendor informed of the name and contact information of the Administrator in order to coordinate the information necessary to satisfy section 403(b) of the Code or other requirements of applicable law.

ARTICLE VIII
ADMINISTRATION

8.01 Powers and Responsibilities of the Employer. The Employer shall be the Administrator. The Employer shall have the authority to appoint any other person or entity as the Administrator and remove the Administrator and appoint a successor from time to time as it deems necessary for the proper administration of the Plan to ensure that the Plan is being operated for the exclusive benefit of Participants and Beneficiaries in accordance with the terms of the Plan and the Code.

8.02 Powers and Responsibilities of the Administrator.

- (a) The primary responsibility of the Administrator is to administer the Plan for the exclusive benefit of Participants and Beneficiaries, subject to the specific terms of the Plan. The Administrator shall have the power and discretion to construe the terms of the Plan and to determine all questions arising in connection with the administration, interpretation and application of the Plan. Any such determination by the Administrator shall be conclusive and binding upon all persons. The Administrator may establish procedures, correct any defect, supply any information or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan. The Administrator shall have all powers necessary or appropriate to accomplish the Administrator's duties under the Plan.
- (b) The Administrator shall select at least four Vendors who shall provide and establish Funding Vehicles available to Participants and Beneficiaries under the Plan. In making such determination, the Administrator and Vendors shall be restricted to Funding Vehicles which satisfy applicable law for investment of contributions under Code section 403(b). The Administrator may allocate to such Vendors the authority necessary to carry out the terms of the Plan including, but not limited to, administering rollovers, transfers and/or exchanges, processing distributions, determining eligibility for and enforcing loans and hardship distributions, and administering qualified domestic relations orders (including determining the qualified status of domestic relations orders).
- (c) The Administrator may appoint advisers and other persons the Administrator deems necessary or desirable in connection with administration of the Plan, including a third-party administrator or common remitter or other compliance entity to coordinate transactions between Vendors, as required under applicable Treasury Regulations, and recordkeeper(s) and investment adviser(s).
- (d) The Administrator shall establish and maintain a list of current and former Vendors, in accordance with Section 7.03 above, as well as a list of currently available Funding Vehicles, in accordance with Section 7.02 above.

ARTICLE IX
AMENDMENT AND PLAN TERMINATION

9.01 Termination of Contributions. The Employer has adopted the Plan with the intention and expectation that Elective Deferrals will be continued indefinitely. However, the Employer may discontinue contributions under the Plan at any time without any liability hereunder for any such discontinuance, subject to applicable state law.

9.02 Amendment and Termination. The Employer reserves the authority to amend or terminate this Plan at any time.

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

ARTICLE X MISCELLANEOUS

10.01 Non-Assignability. Except as provided in Sections 10.02 and 10.03 below, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors; and neither the Participant nor any Beneficiary shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Plan, which payments and interest are expressly declared to be non-assignable and non-transferable.

10.02 Domestic Relations Orders. Notwithstanding Section 10.01 above, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments or the marital property rights of a spouse or former spouse, child or other dependent is made pursuant to the domestic relations law of any state (a "qualified domestic relations order" within the meaning of Code section 414(p)), benefits may be paid in the manner so directed in the order to an alternate payee from such Participant's Annuity Contracts and/or Custodial Accounts that constitutes the Participant's Account, or a new Annuity Contract or Custodial Account may be established on behalf of an alternate payee from a Participant's Annuity Contracts and/or Custodial Accounts, even if the Participant is not otherwise entitled to benefits at the time of such payment or establishment. The Administrator shall allocate to the Vendors the authority to administer qualified domestic relations orders (including determining the qualified status of domestic relations orders), the authority to administer distributions under qualified orders, and the authority to administer any offset of payments pursuant to a qualified domestic relations order.

10.03 IRS Levy. Notwithstanding Section 10.01 above, the Administrator may pay from a Participant's or Beneficiary's Account Balance the amount that the Vendor finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

10.04 Tax Withholding. Contributions to the Plan are subject to applicable employment taxes (including, if applicable, Federal Insurance Contributions Act (FICA) taxes with respect to Elective Deferrals, which constitute wages under section 3121 of the Code). Any benefit payment made under the Plan is subject to applicable income tax withholding requirements (including section 3401 of the Code and the Treasury Regulations thereunder). A payee shall provide such information as the Vendors may need to satisfy income tax withholding obligations, and any other information that may be required by guidance issued under the Code.

10.05 Not Employment Contract. The Plan is not a contract between the Employer and any Employee or other person, nor is it a consideration for, an inducement to, or a condition of the employment of any Employee or other person. Nothing contained in the Plan shall give any Employee or other person the right to be retained in the service of the Employer or shall interfere with the right of the Employer to terminate the employment of any Employee. No Participant or other person shall have any right or claim to benefits beyond those expressly provided by the Plan.

10.06 Payments to Minors and Incompetents. If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, benefits will be paid to a personal representative appointed by a court of competent jurisdiction or, if no court has appointed a representative, to such personal representative as may, in Vendor's sole discretion, be legally qualified to act on behalf of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

10.07 Mistaken Contributions. If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the Participant or, to the extent required or permitted by the Administrator, to the Employer.

10.08 Procedure When Distributee Cannot Be Located. The Vendors shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown on the Employer's or Vendor's records, (b) notification sent to the Social Security Administration or the Pension Benefit Guaranty Corporation (under their programs to identify payees under retirement plans), and (c) the payee has not responded within 6 months. If the Vendor is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the Funding Vehicle shall continue to hold the benefits due such person.

10.09 Priority. Each Individual Agreement shall comply with section 403(b) of the Code and shall include a provision that in the event of a conflict between the terms and conditions of this document and the Individual Agreement, the terms and conditions of this document shall control.

10.10 Amendment. This document may be amended from time to time by the adopting party hereto. Any amendment shall not be effective until reduced to writing and signed by an authorized representative.

10.11 Severability. Each provision hereof shall be independent of each other provision and if any provision of the Plan proves to be a violation of section 403(b) of the Code or of the rules of the Treasury Regulations thereunder, so as to disqualify the Plan created herein as a plan under section 403(b) of the Code, such provisions shall be disregarded and shall be deemed to be null and void and not part of this Plan; but such invalidation of any such violating provision shall not otherwise impair or affect the Plan or any of the other provisions or terms hereof.

10.12 Governing Law. The Plan will be construed, administered and enforced according to the Code and the laws of the State of Texas.

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

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

10.15 Plan Documents. The "Plan" shall consist of this document, as amended from time to time, together with the Individual Agreements. The Plan, together with the Individual Agreements, is intended to satisfy the requirements of section 403(b) of the Code and Treasury Regulations thereunder.

IN WITNESS WHEREOF, this Plan is adopted effective January 1, 2009, and amended effective September 1, 2012, by the University of North Texas System.

UNIVERSITY OF NORTH TEXAS SYSTEM

By:

Lee F. Jackson, Chancellor