

January 1, 2015
SUMMARY PLAN DESCRIPTION
FOR
MAGELLAN HEALTH, INC. RETIREMENT SAVINGS PLAN

Employer Identification Number: 58-1076937
Plan Number: 001

This is only a summary intended to familiarize you with the major provisions of the Plan. You should read this summary closely. If you have any questions and before you make any important decisions based on your understanding of the Plan from this summary, you should contact the Plan Administrator.

HOW TO USE THIS SUMMARY

TABLE OF CONTENTS

The table of contents gives a detailed description of where specific information concerning a particular topic may be found.

GLOSSARY

Some terms used in the summary have special meanings. These terms are identified by capitalizing the term's first letter. To find out the exact meaning of a special term, there is a glossary at the end of this summary.

EFFECTIVE DATE

This booklet describes in easy-to-understand terms the principal features of the Plan as in effect on January 1, 2015. It updates and replaces any prior descriptions of the Plan. Some Plan provisions may be different for employees whose employment terminated before January 1, 2015.

SPECIAL PROVISIONS APPLICABLE TO PUERTO RICAN RESIDENTS

If you are a resident of Puerto Rico, Puerto Rican law applies to your Account as well as United States law. Therefore, some Plan provisions may be different for you than for other Participants. These special provisions are described in the applicable section of the booklet.

MORE SPECIFIC INFORMATION

Some technical details and legal expressions contained in the formal Plan documents have been omitted in this summary. The formal Plan documents govern in administering and interpreting the rights of participants and their beneficiaries.

DAILY ADMINISTRATIVE CONTACT

The person or entity handling the day-to-day operations of the Plan is:

Christine Barnard
VP, Benefits
Magellan Health
14100 Magellan Plaza
Maryland Heights, MO 63043
(888) 411-6343

Any questions concerning the day-to-day operations of the Plan should be directed to the person or entity identified above.

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INTRODUCTION TO YOUR PLAN

The Magellan Health, Inc. Retirement Savings Plan helps you provide for your retirement security by making it simple and convenient for you to contribute to your retirement savings regularly. Your Employer may also make contributions to your Account to provide you with additional savings. The Plan is intended to meet federal tax law qualification requirements, allowing your savings to accumulate on a tax-deferred basis and permitting you to save more dollars for your retirement.

How You Save

- You may contribute a percentage of your pay to the Plan as 401(k) Contributions. You may make Pre-Tax 401(k) Contributions and/or Roth 401(k) Contributions. For information on making 401(k) Contributions, see **YOUR CONTRIBUTIONS: 401(k) CONTRIBUTIONS**.
- If you will be age 50 by the end of the year, you may make Catch Up 401(k) Contributions to the Plan. Catch Up 401(k) Contributions are additional 401(k) Contributions that are not subject to annual limits imposed on 401(k) Contributions under the Plan. For more information on making Catch Up 401(k) Contributions, see **YOUR CONTRIBUTIONS: 401(k) CONTRIBUTIONS** and **LIMITATIONS ON CONTRIBUTIONS**.
- If you could receive a distribution from your Account that is eligible for direct rollover, you may elect to convert any portion of the distributable amount that is not already attributable to Roth 401(k) Contributions to Roth 401(k) Contributions through an in-plan rollover. For more information on the types of distributions that may be converted and the terms and conditions for making In-Plan Roth Rollover Contributions, see **YOUR CONTRIBUTIONS: IN-PLAN ROTH ROLLOVER CONTRIBUTIONS**.
- You are not permitted to make employee contributions to the Plan on a post-tax basis (after-tax contributions). However, your Account may include Prior After-Tax Contributions that were made to another plan and transferred directly to the Plan. For more information, see **YOUR CONTRIBUTIONS: Prior AFTER-TAX CONTRIBUTIONS**.
- If you have savings from another retirement plan or annuity, you may be able to roll those savings into the Plan as Rollover Contributions. For more information on the types of savings that may be rolled over into the Plan and the terms and conditions for making Rollover Contributions, see **YOUR CONTRIBUTIONS: ROLLOVER CONTRIBUTIONS**.
- If you contribute to the Plan, your Employer may add a Regular Matching Contribution. For information on the amount of your Employer's Regular Matching Contribution and the terms and conditions for receiving Regular Matching Contributions, see **EMPLOYER CONTRIBUTIONS: MATCHING CONTRIBUTIONS**.
- Your Employer may also make Discretionary Contributions to the Plan for you. For information on the amount of your Employer's Discretionary Contribution and the terms and conditions for receiving Discretionary Contributions, see **EMPLOYER CONTRIBUTIONS: NON-MATCHING EMPLOYER CONTRIBUTIONS**.
- If you are not a Highly Compensation Employee, your Employer may make special contributions to the Plan for you that can be used to help it satisfy nondiscrimination rules applicable to 401(k) plans. These contributions are called Qualified Nonelective Contributions. For information on the terms and conditions for receiving Qualified Nonelective Contributions, see **EMPLOYER CONTRIBUTIONS: NON-MATCHING EMPLOYER CONTRIBUTIONS**.
- If you contribute to the Plan, your Employer may make special contributions to the Plan for you that can be used to help it satisfy nondiscrimination rules applicable to 401(k) plans. These contributions are called Qualified Matching Contributions. For information on the terms and conditions for receiving Qualified Matching Contributions, see **EMPLOYER CONTRIBUTIONS: MATCHING CONTRIBUTIONS**.
- Your Account may include Prior Matching Contributions that were either (1) made under the terms of another plan and then transferred directly to the Plan or (2) made under terms of the Plan that are no longer in effect. These prior contributions may be subject to different rules than other amounts held under the Plan.

- Your Account may include Prior Nonelective Contributions that were either (1) made under the terms of another plan and then transferred directly to the Plan or (2) made under terms of the Plan that are no longer in effect. These prior contributions may be subject to different rules than other amounts held under the Plan.
- Dollars you save as Pre-Tax 401(k) Contributions and dollars your Employer contributes on your behalf are not currently included as part of your federal taxable income. Dollars saved as Prior After-Tax Contributions or Roth 401(k) Contributions, including Designated Roth Rollover Contributions and In-Plan Roth Rollover Contributions, are taxed before contributed, but are not taxed when they are distributed to you. Taxes are also deferred on investment earnings on all contributions held in your Account. Therefore, you pay no federal income taxes on your Plan savings, except dollars saved as Prior After-Tax Contributions or Roth 401(k) Contributions, including Designated Roth Rollover Contributions and In-Plan Roth Rollover Contributions, until they are distributed to you. If you satisfy certain rules, you will not pay taxes on investment earnings on your Roth 401(k) Contributions, Designated Roth Rollover Contributions and In-Plan Roth Rollover Contributions even when they are distributed to you.

YOUR PLAN ACCOUNT

You have your own Account under the Plan to hold all contributions you make to the Plan and any contributions your Employer makes for you. Your Account also holds any investment earnings on those contributions. Your Account keeps track of your share of the assets held in the Plan.

VESTING OF YOUR ACCOUNT

Your Vested Interest in your Account is the percentage of your Account that you would receive if your employment terminated.

Your Vested Interest in the balance of your Account resulting from your contributions is always 100%.

Your Vested Interest in the balance of your Account resulting from Employer Contributions is determined under the applicable vesting schedule, which may require you to complete a specified number of years of Vesting Service to earn a Vested Interest. (For more information about Vesting Service and vesting schedules, see **EMPLOYER CONTRIBUTIONS: VESTED INTEREST IN EMPLOYER CONTRIBUTIONS and VESTING SERVICE.**)

DISTRIBUTION OF BENEFITS

You may receive distributions from your Vested Interest in your Account when any of the following happens:

- You satisfy the requirements for an in-service withdrawal. (For more information about withdrawals, see **IN-SERVICE WITHDRAWALS.**)
- You retire from employment after you reach your Normal Retirement Date.
- You die (distribution will be made to your Beneficiary).
- Your employment terminates. (For more information about distributions following termination of employment, see **DISTRIBUTION OF YOUR ACCOUNT.**)

SPONSOR DISCRETION

The Sponsor has discretionary authority to interpret and construe the provisions of the Plan, to determine your eligibility for benefits under the Plan, and to resolve any disputes that arise under the Plan. The Sponsor may delegate this authority as provided under the Plan.

PLAN IDENTIFICATION INFORMATION

TYPE OF PLAN

The Plan is a "**defined contribution plan**". Under a defined contribution plan, all contributions you make to the plan or that are made on your behalf are held in an account that is invested on your behalf. When you retire, your retirement benefit from the plan will be based on the value of your account (including investment earnings and losses) at the time distribution is made to you.

The Plan is a type of defined contribution plan called a "**profit-sharing plan**". Contributions under a profit-sharing plan are **not** subject to funding requirements under federal tax law. Therefore, contributions may be discretionary with the employer and may be conditioned on the employer's profits. However, any contributions made under a profit-sharing plan must be allocated among participants under a formula that is described in the plan.

The Plan is also a "**401(k) plan**". Under a 401(k) plan, you may elect to make contributions to the plan from your pay. Your contributions (called "401(k) Contributions" in this summary) may be either Pre-Tax 401(k) Contributions or Roth 401(k) Contributions. You do not pay any taxes on your Pre-Tax 401(k) Contributions or earnings until they are distributed to you. You pay taxes on your Roth 401(k) Contributions for the year of the contribution, but earnings accumulate tax-free and, if you satisfy certain requirements, are also excluded from your taxable income when distributed to you.

The Plan is also intended to be a "**404(c) plan**". Under a 404(c) plan, you may select the investments for all or a portion of your account under the plan. For the accounts over which you control investments, fiduciaries who would otherwise be responsible for assuring that your account is invested appropriately are relieved of responsibility for your investment choices. For more information, see **PLAN INVESTMENTS: 404(c) PROTECTION**.

ADMINISTRATOR

(This is the Plan Administrator for purposes of ERISA and the Internal Revenue Code.)

Magellan Health, Inc.
4800 North Scottsdale Road, Suite 4400
Scottsdale, AZ 85251
(888) 411-6343

SPONSOR

Magellan Health, Inc.
4800 North Scottsdale Road, Suite 4400
Scottsdale, AZ 85251

SPONSOR'S EMPLOYER IDENTIFICATION NUMBER

58-1076937

PLAN NUMBER

001

OTHER ADOPTING EMPLOYERS

Other employers may adopt the Plan with the Sponsor's consent. For a list of the Employers that have adopted the Plan, contact the Administrator at the address shown above. You may also see the list at the Sponsor's principal office during regular business hours. (Notice may be required to guarantee the list is available.)

FUNDING MEDIUM

Plan assets are held in a trust maintained by the Trustee.

TRUSTEE

Prudential Bank & Trust, FSB
280 Trumbull Street, H16T
Hartford, CT 06103
(888) 244-6295

AGENT FOR SERVICE OF LEGAL PROCESS

Legal process may be served on the Sponsor at its address listed above.

ELIGIBILITY TO PARTICIPATE

You may make contributions to the Plan and will be eligible to receive Employer Contributions (provided you satisfy any allocation requirements) immediately upon becoming a Covered Employee, as described below.

COVERED EMPLOYEES

You are a Covered Employee if:

- you are a common law employee of the Employer

OR

- you are self-employed (e.g., a partner) and receive income for personal services performed for the Employer (but are not an independent contractor with respect to the Employer)

AND

- you have **not** executed a contract, letter of agreement, or other document acknowledging your status as an independent contractor and are **not** otherwise treated by the Employer as an independent contractor with respect to whom the Employer does not withhold income taxes and file Form W-2 (or any replacement Form) with the Internal Revenue Service. If the Employer treats you as an independent contractor and you are later adjudicated to be a common law employee of the Employer, you will not be considered a Covered Employee unless and until the Employer extends Plan coverage to you.
- you are **not** a nonresident alien, or you are a nonresident alien who receives United States source income.
- you are **not** a Leased Employee.
- beginning April 30, 2015, you are **not** a union employee.
- you are **not** employed and paid by a temp agency (so you are not on the Magellan payroll).
- you are **not** classified as PRN Clinical Staff.
- you are **not** classified as an "as needed Employee", unless you are classified as a "Furlough" or "Float" Employee.
- you do **not** work in Puerto Rico.
- you are **not** an Employee of Group Practice Affiliates, Inc., unless you are classified as a headquarter Employee of Group Practice Affiliates, Inc.
- you are **not** employed by Magellan Health, Inc. and leased to a joint venture hospital.

YOUR CONTRIBUTIONS

401(k) CONTRIBUTIONS

If you elect to make 401(k) Contributions, you authorize your Employer to reduce the Compensation you would regularly receive by a specified amount. This amount is then deposited in your Account as a 401(k) Contribution. You may elect to make Pre-Tax 401(k) Contributions and/or Roth 401(k) Contributions to the Plan. Once you have designated a 401(k) Contribution as either a Pre-Tax or Roth 401(k) Contribution, you may not later change its designation, unless you elect to convert Pre-Tax 401(k) Contributions to Roth 401(k) Contributions, as provided in **YOUR CONTRIBUTIONS: IN-PLAN ROTH ROLLOVER CONTRIBUTIONS** below. You may, however, change your designation with respect to future 401(k) Contributions. (See **Change in Amount and/or Treatment of 401(k) Contributions** below).

Pre-Tax 401(k) Contributions

You do not pay federal income taxes (or, in many states, state income taxes) on Compensation you contribute to the Plan as Pre-Tax 401(k) Contributions for the year in which you make the contribution. Instead, your Pre-Tax 401(k) Contributions and earnings on your Pre-Tax 401(k) Contributions are only taxable when they are distributed from the Plan.

Roth 401(k) Contributions

Please Note: If you are a resident of Puerto Rico, you may only make Pre-Tax 401(k) Contributions to the Plan. You are not eligible to make Roth 401(k) Contributions.

You pay federal income taxes and state income taxes on Compensation you contribute to the Plan as Roth 401(k) Contributions for the year in which you make the contribution. However, your Roth 401(k) Contributions are not taxable when they are distributed from the Plan. In addition, if certain conditions are satisfied, the earnings on your Roth 401(k) Contributions are also not taxable when distributed from the Plan.

There are 2 separate sets of requirements that must be satisfied in order for the distribution of the earnings on your Roth 401(k) Contributions to be non-taxable:

- First, distribution must be made at least 5 years after the first day of the calendar year in which you first made Roth 401(k) Contributions to the Plan or, if earlier, you first converted a portion of your Account by making an In-Plan Roth Rollover Contribution, as described in **YOUR CONTRIBUTIONS: IN-PLAN ROTH ROLLOVER CONTRIBUTIONS**. Special rules apply for determining this 5-year period if you make Designated Roth Rollover Contributions.
- Second, the distribution must be a "qualified distribution." A "qualified distribution" is a distribution made to you after you reach age 59 1/2 or become disabled or made to your Beneficiary after your death. For this purpose, you are considered disabled if you are unable to engage in **any** substantial gainful activity because of a medically determinable physical or mental impairment that can be expected to result in your death or to be of long-continued and indefinite duration.

Automatic Contribution Arrangement – Automatic Enrollment

If you are hired or rehired on or after January 1, 2012, unless you elect otherwise, your Employer will automatically withhold 3% of your Compensation each payroll period as 401(k) Contributions.

401(k) Contributions made under the automatic contribution arrangement will be treated as Pre-Tax 401(k) Contributions.

You may elect instead to make 401(k) Contributions in a different amount or not at all. You may also elect to have your automatic contributions treated as Roth 401(k) Contributions instead of Pre-Tax 401(k) Contributions. To make such an election, you must notify the Administrator as described in **How to Make an Election** below. To avoid having any 401(k) Contributions made under the automatic arrangement, your election must be made before the end of the declination period specified by the Administrator.

Please note: Affirmative elections out of the automatic contribution arrangement expire under certain circumstances. If you terminate employment and are rehired, your affirmative election will expire and 401(k) Contributions will be made for you under the automatic contribution arrangement, unless you make another election.

If you do not make an affirmative election otherwise, your Employer will continue to withhold 3% of your Compensation each payroll period as 401(k) Contributions until you suspend or change the amount of your contributions, as described in **Change in Amount and/or Treatment of 401(k) Contributions** below.

How to Make an Election

To make 401(k) Contributions in a different amount than under the automatic contribution arrangement (or not at all), you must contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100), access your Account at the Insurance Company's internet site – www.Prudential.com/online/retirement, or notify the Administrator of your election in accordance with the rules established by the Administrator within the prescribed election period. Your election must specify the portion of your 401(k) Contributions to be treated as Pre-Tax 401(k) Contributions and the portion to be treated as Roth 401(k) Contributions.

Amount of 401(k) Contributions

You may contribute from 1% to 75% of your Compensation (in whole percentages) as 401(k) Contributions.

Commencement of 401(k) Contributions

401(k) Contributions will be made from your Compensation as provided in your election beginning with the first payment of Compensation made to you on or after the date your election is effective.

Change in Amount and/or Treatment of 401(k) Contributions

You may change the amount your Employer withholds from your future Compensation or change the portion of your 401(k) Contributions treated as Pre-Tax and Roth 401(k) Contributions effective as of any business day during the Plan Year. To change the amount or treatment of your 401(k) Contributions, you must contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100), access your Account at the Insurance Company's internet site – www.Prudential.com/online/retirement, or notify the Administrator in accordance with the rules established by the Administrator. Any change in your election must specify the portion of your future 401(k) Contributions to be treated as Pre-Tax 401(k) Contributions and the portion to be treated as Roth 401(k) Contributions.

Suspension of 401(k) Contributions

You may direct your Employer to stop withholding amounts from your future Compensation and suspend your 401(k) Contributions at any time. To suspend your 401(k) Contributions, you must contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100), access your Account at the Insurance Company's internet site – www.Prudential.com/online/retirement, or notify the Administrator in accordance with the rules established by the Administrator. The suspension will take effect as soon as reasonably practicable after you notify the Administrator.

If you suspend your 401(k) Contributions, the suspension will remain in effect until you elect to resume making 401(k) Contributions again.

Resumption of 401(k) Contributions

If you suspend your 401(k) Contributions, you may resume making 401(k) Contributions effective as of any business day during the Plan Year. To resume your 401(k) Contributions you must contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100), access your Account at the Insurance Company's internet site – www.Prudential.com/online/retirement, or notify the Administrator in accordance with the rules established by the Administrator. Your notice to resume 401(k) Contributions must specify the portion of your future 401(k) Contributions to be treated as Pre-Tax 401(k) Contributions and the portion to be treated as Roth 401(k) Contributions.

Annual Federal Limit on Amount of 401(k) Contribution

Federal law limits the amount of 401(k) Contributions (including both Pre-Tax and Roth 401(k) Contributions) that you can make to the Plan each calendar year. For 2015, the maximum amount is \$18,000. The IRS may adjust this limit for future years. Any adjustment will be in increments of \$500. If the Administrator determines that the amount you authorize your Employer to withhold from your Compensation would exceed the maximum amount permitted for the year, the Administrator will adjust the amount withheld so that it does not exceed the maximum.

Please Note: Puerto Rican law limits the total contributions you may make each year to the Plan and to an IRA. Therefore, if you are a resident of Puerto Rico and make contributions to an IRA, the amount you may contribute to the Plan as 401(k) Contributions may be further limited because of your contributions to the IRA. The combined limit under Puerto Rican law is the total of the limit applicable under United States law (described above) plus the limit applicable to plans that are qualified only in Puerto Rico. For 2015, this limit is \$15,500. Therefore, your 401(k) Contributions for 2015 plus your 2015 contributions to an IRA cannot exceed 33,500.

Catch-Up 401(k) Contributions

If you will be age 50 or older by the end of the calendar year, you may make Catch-Up 401(k) Contributions for that year that exceed the annual Federal limit above. Your total Catch-Up 401(k) Contributions for a year cannot exceed the Catch-Up Limit in effect for the year. For 2015 the Catch-Up Limit is \$6,000. The IRS may adjust this limit each year. **Please Note:** If you are a resident of Puerto Rico, the Catch-Up Limit is \$1,500 for years beginning after 2011.

ROLLOVER CONTRIBUTIONS

If you are a Covered Employee, you may elect to roll over qualified distributions into the Plan.

Your Rollover Contributions are subject to all the terms and conditions of the Plan and are only distributable to you under the terms of the Plan.

Savings Eligible for Direct Rollover

The Plan permits "direct rollovers" from the following:

- "qualified plans" (these are plans that meet the requirements of Section 401(a) or annuities that meet federal tax law qualification requirements, such as 401(k) or profit-sharing plans). Your "direct rollover" may include Roth contributions.
- 403(b) retirement plans (these are retirement plans maintained for employees of tax exempt organizations or governments). Your "direct rollover" may include Roth contributions.
- 457 deferred compensation plans (these are deferred compensation plans for employees of state or local governments)
- IRAs

A "direct rollover" is a rollover made directly from another plan or annuity without being distributed to you first. You may not make a direct rollover to the Plan of after-tax employee contributions.

If you have an outstanding loan under another plan or annuity, you may roll over the loan note as part of your Rollover Contribution.

Savings Eligible for Indirect Rollover

The Plan permits "indirect rollovers" from the following:

- "qualified plans" (these are plans that meet the requirements of Section 401(a) or annuities that meet federal tax law qualification requirements, such as 401(k) or profit-sharing plans). Your "indirect rollover" may include the taxable portion of any Roth contributions, but may not include non-taxable Roth contributions.
- 403(b) retirement plans (these are retirement plans maintained for employees of tax exempt organizations or governments). Your "indirect rollover" may include the taxable portion of any Roth contributions, but may not include non-taxable Roth contributions.
- 457 deferred compensation plans (these are deferred compensation plans for employees of state or local governments)
- IRAs

An "indirect rollover" is a rollover you make to the Plan of amounts you have actually received as a distribution from another plan or annuity. You may not make an indirect rollover to the Plan of after-tax employee contributions or, except as provided above, Roth contributions.

Rollover Procedures

The Administrator may require you to provide information to show that the savings you want to roll over meet the Plan requirements.

If the distribution qualifies, you may roll it over into the Plan by having it delivered to the Trustee. If you actually receive distribution of the amount you are rolling over, your Rollover Contribution must be delivered to the Trustee within 60 days of the date you receive it.

Treatment of Designated Roth Rollover Contributions

If you make Designated Roth Rollover Contributions to the Plan, those amounts will be accounted for separately from your other Rollover Contributions. This is required so that the Plan can keep track of the non-taxable portion of the rollover.

IN-PLAN ROTH ROLLOVER CONTRIBUTIONS

You may elect to make an In-Plan Roth Rollover Contribution of any part of your Account that is eligible for direct rollover and that is not already attributable to Roth 401(k) Contributions. In-Plan Roth Rollover Contributions are treated similarly to Roth 401(k) Contributions. Thus, your In-Plan Roth Rollover Contributions and, if certain conditions are satisfied, the earnings on your In-Plan Roth Rollover Contributions, are not taxable when distributed from the Plan.

Please Note: Once any part of your Account is converted to In-Plan Roth Rollover Contributions, you may not later undo your election.

In-Plan Roth Rollover Procedures

If you, your surviving Spouse, or your Spouse who is an alternate payee under a qualified domestic relations order could receive a non-hardship withdrawal, as described in **IN-SERVICE WITHDRAWALS** or, a distribution because of your termination of employment that would be eligible for direct rollover (as described in **FORM OF PAYMENT: FORM OF PAYMENT TO YOU**) and that is not already attributable to Roth 401(k) Contributions, you or your eligible Spouse may elect, in accordance with rules prescribed by the Administrator, to convert that distributable amount to an In-Plan Roth Rollover Contribution.

If you or your eligible Spouse elect to make an In-Plan Roth Rollover Contribution, the taxable amount of the converted distribution will be included in federal taxable income for the taxable year in which the In-Plan Roth Rollover Contribution is made. Later distributions of your In-Plan Roth Rollover Contributions will be taxable as described in **DISTRIBUTION OF YOUR ACCOUNT: SPECIAL TAX RULES APPLICABLE TO DISTRIBUTIONS**.

For additional information regarding, or to make, an In-Plan Roth Rollover Contribution, you should contact the Administrator, call the Interactive Voice Response service (IVR), or access the Online Retirement Center

Special Rules

The following special rules apply to your In-Plan Roth Rollover Contributions.

- **Separate accounting:** Your In-Plan Roth Rollover Contributions will be separately accounted for under the Plan.
- **5-year period for tax exclusion:** The 5-year period that must elapse in order for the earnings on your In-Plan Roth Rollover Contributions to be tax-free upon distribution runs from the first day of the calendar year in which you make the In-Plan Roth Rollover Contribution or, if earlier, the date you first made Roth 401(k) Contributions to the Plan. Special rules apply for determining this 5-year period if you make Designated Roth Rollover Contributions. (Remember, for a distribution of earnings to be tax free, it must also be a "qualified distribution" as described above under Roth 401(k) Contributions in **YOUR CONTRIBUTIONS: 401(k) CONTRIBUTIONS**.)
- **Protected rights:** Any special distribution rules (e.g., in-service withdrawal rights) that applied to the amounts you elect to convert to In-Plan Roth Rollover Contributions are preserved after the conversion.

PRIOR AFTER-TAX CONTRIBUTIONS

Your Account may include Prior After-Tax Contributions you made to another plan that were transferred to the Plan. You are not otherwise permitted to make after-tax contributions to the Plan. The Prior After-Tax Contributions in your Account will be held under the Plan until they are distributable under the Plan's terms.

VESTED INTEREST IN YOUR CONTRIBUTIONS

Your Vested Interest in the Value of your contributions to the Plan is always 100%.

EMPLOYER CONTRIBUTIONS

In addition to your contributions, your Employer may make Employer Contributions to your Account. You are not taxed on any Employer Contributions made to your Account until distribution is made to you.

MATCHING CONTRIBUTIONS

Regular Matching Contributions

Once you have met the requirements to participate in the Plan with respect to Regular Matching Contributions, as described in **ELIGIBILITY TO PARTICIPATE: ELIGIBILITY REQUIREMENTS** above, you will receive Regular Matching Contributions for a payroll period if you are a Covered Employee at any time during that payroll period.

If you are eligible, each payroll period your Employer will make a Regular Matching Contribution to your Account equal to 50% of your 401(k) Contributions for the payroll period.

Your Employer will **not** match your Catch-Up 401(k) Contributions to the Plan.

True-Up Matching Contributions

Once you have met the requirements to participate in the Plan with respect to True-Up Matching Contributions, as described in **ELIGIBILITY TO PARTICIPATE: ELIGIBILITY REQUIREMENTS** above, you may receive True-Up Matching Contributions for a Plan Year if you are a Covered Employee at any time during that Plan Year.

If the sum of the Regular Matching Contributions made to your Account each Plan Year is less than the maximum amount that could have been made based on your 401(k) Contributions for the full Plan Year, your Employer may, in its discretion, make an additional True-Up Matching Contribution to your Account. The True-Up Matching Contribution will be equal to the amount needed to make your total Matching Contributions for the full Plan Year equal the maximum described above, taking into account the limitations described in ***Limitations on Regular Matching Contributions*** below.

Limitations on Regular Matching Contributions

Your 401(k) Contributions are **not** included in determining the amount of the Regular Matching Contributions your Employer makes to your Account if:

- They exceed 6% of your Compensation.

Qualified Matching Contributions

Your Employer may characterize all or a portion of the Matching Contribution it makes to your Account as a Qualified Matching Contribution. Qualified Matching Contributions are treated as if they were 401(k) Contributions to satisfy federal nondiscrimination rules. (These rules require contributions for Highly Compensated Employees not to exceed contributions for other employees by more than a specified amount.) Therefore, like 401(k) Contributions, your Vested Interest in the Value of the Qualified Matching Contributions in your Account is always 100%. Qualified Matching Contributions are also subject to withdrawal restrictions.

If you are not a Highly Compensated Employee, your Employer may also make a special "failsafe" Qualified Matching Contribution to your Account in order to satisfy federal nondiscrimination rules. Your Employer may further limit the employees eligible to receive failsafe Qualified Matching Contributions. As described above, Qualified Matching Contributions are always 100% vested and are subject to withdrawal restrictions.

NON-MATCHING EMPLOYER CONTRIBUTIONS

Discretionary Contributions

Once you have met the requirements to participate in the Plan with respect to Discretionary Contributions, as described in **ELIGIBILITY TO PARTICIPATE: ELIGIBILITY REQUIREMENTS** above, you may receive Discretionary Contributions for a Plan Year only if you are employed as a Covered Employee on the last day of the Plan Year.

If you are eligible, each Plan Year your Employer may, in its discretion, make a Discretionary Contribution to your Account equal to a percentage of your Compensation, determined by your Employer, for the Plan Year.

Qualified Nonelective Contributions

Your Employer may re-characterize all or a portion of the Nonelective Contribution it makes to your Account as a Qualified Nonelective Contribution. Qualified Nonelective Contributions may be used to satisfy federal nondiscrimination rules. Your Vested Interest in the Value of the Qualified Nonelective Contributions in your Account is always 100%.

Once you have met the requirements to participate in the Plan with respect to Qualified Nonelective Contributions, as described in **ELIGIBILITY TO PARTICIPATE: ELIGIBILITY REQUIREMENTS** above, you may receive separate Qualified Nonelective Contributions for a Plan Year if you are a Covered Employee at any time during that Plan Year.

If you are eligible, each Plan Year your Employer, in its discretion, may make a separate Qualified Nonelective Contribution to your Account equal to either a dollar amount or a percentage of your Compensation for the Plan Year.

Your Employer will **not** make a separate Qualified Nonelective Contribution to your Account for a Plan Year , if you are a Highly Compensated Employee for that Plan Year.

VESTED INTEREST IN EMPLOYER CONTRIBUTIONS

Vesting Schedule

Your Vested Interest in the following contributions is always 100%:

- ESOP Rollover Contributions
- Prior Discretionary Employer Contributions
- Prior National Imaging Matching Contributions
- Qualified Nonelective Contributions
- Qualified Matching Contributions

Unless (1) you were eligible to become a participant in the Green Spring Plan on or before July 1, 1993, (2) you were an employee of TAO, Inc. on July 17, 1994 and became a participant in the Green Spring Plan as of July 18, 1994, (3) you were eligible to participate in the Pierce County Medical 401(k) Retirement Savings Plan on October 24, 1993, or (4) you are a former employee of Partners RX Management, LLC, your Vested Interest in the Value of the Discretionary Contributions in your Account is 0% until you have completed 3 years of Vesting Service. Upon completion of 3 years of Vesting Service, your Vested Interest in the Value of the Discretionary Contributions in your Account will be 100%.

If you are a former employee of Partners RX Management, LLC, your Vested Interest in the Value if the Discretionary Contributions in your Account is determined by the following schedule:

Years of Vesting Service	Vested Interest
Less than 1	0%
1, but less than 2	20%
2, but less than 3	40%
3 or more	100%

Unless (1) you were eligible to become a participant in the Green Spring Plan on or before July 1, 1993, (2) you were an employee of TAO, Inc. on July 17, 1994 and became a participant in the Green Spring Plan as of July 18, 1994, or (3) you were eligible to participate in the Pierce County Medical 401(k) Retirement Savings Plan on October 24, 1993, your Vested Interest in the Value of the Regular Matching and True-Up Matching Contributions in your Account is determined using the following schedule:

Years of Vesting Service	Vested Interest
Less than 1	0%

1, but less than 2	33 2/3%
2, but less than 3	66 2/3%
3 or more	100%

If (1) you were eligible to become a participant in the Green Spring Plan on or before July 1, 1993, (2) you were an employee of TAO, Inc. on July 17, 1994 and became a participant in the Green Spring Plan as of July 18, 1994, or (3) you were eligible to participate in the Pierce County Medical 401(k) Retirement Savings Plan on October 24, 1993, your Vested Interest in the Discretionary Contributions and Regular Matching Contributions in your Account is always 100%.

Your Vested Interest in the Value of the Prior ICORE Employer Contributions in your Account is 0% until you complete 2 years of Vesting Service, at which time your Vested Interest in the Prior ICORE Employer Contributions in your Account will be 100%.

Your vested interest in the Value of the Prior National Imaging Employer Nonelective Contributions in your Account is determined by the following schedule:

Years of Vesting Service	Vested Interest
Less than 1	0%
1, but less than 2	50%
2 or more	100%

Special Vesting Events

Notwithstanding the foregoing, if you are employed by the Employer (or a Related Company) on your Normal Retirement Date or the date you die or become Disabled, your Vested Interest in your full Account will be 100%. If you are absent from employment because of military service and you die while performing "qualified" military service (as described in the Uniformed Services Employment and Reemployment Rights Act of 1994), you are treated as if you died while employed by the Employer.

VESTING SERVICE

Vesting Service is used to determine your Vested Interest under the applicable schedule above.

Crediting of Vesting Service

You are credited with Vesting Service from your hire (or rehire) date until your Severance Date. If your employment terminates but you are rehired before you have been absent from work for 12 months, you are credited with Vesting Service for the period that you were absent from work.

If you are a former Value Option Employee assigned to the Maricopa County Regional Behavioral Health Authority account, your Vesting Service includes all service you performed while assigned to that account.

Effective August 1, 2009, if you are a former employee of First Health Service Corporation, your Vesting Service includes all service you performed while employed at First Health Service Corporation.

Effective January 1, 2014, if you are a former employee of Partners RX Management, LLC, your Vesting Service includes all service you performed while employed at Partners RX Management, LLC.

You are credited with Vesting Service for employment with the Employer, any Related Company, and a Predecessor Employer (provided the Employer maintains a plan of that Predecessor Employer). In addition, you are credited with Vesting Service for employment with certain companies that are treated as Predecessor Employers under the Plan. For further information concerning the companies treated as Predecessor Employers, see the definition of "Predecessor Employer" in the **GLOSSARY**.

If you are absent from employment with an Employer (or a Related Company) because of military service, and you die while performing "qualified" military service (as described in the Uniformed Services Employment and Reemployment Rights Act of 1994), you will be credited with Vesting Service for the period you were absent as if you returned to work immediately before your death.

PLAN INVESTMENTS

WHERE PLAN CONTRIBUTIONS ARE INVESTED

You direct how the contributions made to your Account are invested. You may direct that contributions be invested in any of the funds made available to you under the Plan. The Administrator will provide you with a description of the different investment funds available. New investment funds may be added and existing funds changed. The Administrator will update the description of the available funds to reflect any changes.

404(C) PROTECTION

Because you direct how contributions to your Account are invested, the Employer, the Investment Fiduciary, and the Trustee, who might otherwise be responsible under federal rules for directing investments, are relieved of this responsibility with respect to those contributions. Therefore, they are no longer liable under the law for any losses to your Account that are the direct and necessary result of your investment directions. They are still responsible, however, for providing you with diverse investment opportunities and sufficient opportunity to direct the investment of your Account.

MAKING INVESTMENT ELECTIONS

Investment Elections

When you become eligible to participate in the Plan, you must notify the Administrator of your investment elections in accordance with the rules established by the Administrator. Your investment election must specify the percentage of contributions (in 1% increments) to your Account that will be invested among the available investment funds.

Failure to Direct Investments

If you do not direct how contributions to your Account should be invested, the contributions will be invested among the investment funds selected by the Investment Fiduciary.

Change of Investment Elections

You may change how contributions to your Account are invested effective as of the date or dates prescribed by the Administrator. To perform this transaction you must contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100), access your Account at the Insurance Company's internet site – www.Prudential.com/online/retirement, or notify the Administrator in accordance with the rules established by the Administrator.

Transfers Between Funds

You may transfer any amount held in your Account from one investment fund to another investment fund. You must specify the amount (in 1% increments) that is to be transferred.

A transfer may be made effective as of the date or dates prescribed by the Administrator. To make a transfer, you must contact a customer service associate by calling 1-877-PRU-2100 (1-877-778-2100), access your Account at the Insurance Company's internet site – www.Prudential.com/online/retirement, or notify the Administrator in accordance with the rules established by the Administrator.

Restrictions on Transfers

The Insurance Company expects that, under most circumstances, unrestricted transfers will be available into any competing fixed income fund. Also, these provisions will not affect new contributions to, or transfers from, a competing fixed income fund.

In addition, if the Securities and Exchange Commission (SEC) has suspended or otherwise restricted trading, or another emergency outside of our control exists, the Insurance Company may defer investment transfers for up to 6 months. Interest (or gains or losses, as applicable) will continue to apply during the deferral period. In addition, the Insurance Company reserves the right to monitor participant's investment fund transfer activities to determine whether there are any inappropriate market timing activities. If the Insurance Company determines that a plan participant has engaged in inappropriate market timing, it may restrict his or her ability to make investment transfers in or out of particular funds.

If you intend to transfer amounts from one investment fund to another investment fund, there may be special rules pertaining to transfers to and from such funds. For more information, you should contact the Administrator.

Prudential Retirement's Internet Site

The Prudential Retirement® Online Retirement Center allows Internet access to your Account using your personal computer. The Prudential Retirement® Online Retirement Center is available 24 hours a day, 7 days a week. You can access the Prudential Retirement® Online Retirement Center through the Internet site at www.Prudential.com/online/retirement.

VALUING YOUR ACCOUNT

The Value of your Account is periodically adjusted to show any earnings or losses on your investments, any distributions that you have received, and any contributions that have been made to your Account since the preceding adjustment date. Legal rules require this adjustment to be made at least annually.

The Value of your Account may increase or decrease at any time due to investment earnings or losses. You are only entitled to receive from the Plan the Value of your Vested Interest in your Account on the date distribution is made to you. That Value will be determined on the adjustment date immediately preceding the date of distribution and may be larger or smaller than the Value determined on any other adjustment date. The Plan fiduciaries and functionaries handling Plan assets (including the Sponsor, the Employer, the Investment Fiduciary, the Administrator, and the Trustee) do **not** guarantee your Account from investment losses.

LOANS FROM YOUR ACCOUNT

The Plan provides for loans to participants from their vested Accounts. Loans from the Plan are governed by a separate loan policy adopted by the Administrator. The Administrator can provide you with a copy of the policy governing Plan loans.

APPLICATION FOR LOAN

You may apply for a loan from your Account in accordance with the rules prescribed by the Administrator if you are a "party in interest" (generally, any employee of the Employer or a Related Company or certain individuals who have an ownership interest in the Employer or a Related Company).

FEDERAL TAX RULES GOVERNING PLAN LOANS

For the Plan to retain its tax-qualified status (that allows your retirement savings to accumulate on a tax-deferred basis), any Plan loan must meet the following minimum requirements:

- **Interest rate:** must be a reasonable rate similar to the rate charged for a loan made under similar circumstances by persons in the business of lending money. (If you are absent because of military leave, federal law limits the interest rate that can apply to your loan.)
- **Loan amount:** cannot exceed specified limits when added to the outstanding balance of all other loans made to you from the Plan or any other plan maintained by your Employer or a Related Company
- **Loan term:** cannot exceed 5 years, unless it is used to purchase your principal residence.
- **Repayment schedule:** must be substantially equal installments made not less frequently than quarterly. Some exceptions are made for unpaid leaves.

The loan guidelines provided by the Administrator may have more stringent requirements than the federally required minimum. In that case, any Plan loan must meet the more stringent requirements set forth in the loan guidelines.

COLLATERAL FOR LOAN

If you receive a Plan loan, a portion of your Vested Interest in your Account will be used as collateral for the loan. You may not receive a loan in excess of 50% of your Vested Interest. If a Plan loan is still outstanding at the time distribution of your Account is to be made, the amount distributed will be reduced by the portion of your Account being held as collateral for the loan, but only to the extent necessary to repay the loan.

DEFAULT ON LOAN

You will not receive a Plan loan unless you agree that your Account may be charged for unpaid principal and interest if you default on the loan. A Plan loan will be declared to be in default if either (1) you fail to make a required payment before the end of the calendar quarter following the calendar quarter in which the payment was due or (2) there is an outstanding principal balance after the last scheduled repayment date.

SPECIAL LOAN RULES

- **Repayment:** if you are employed by the Employer, repayment will be made by payroll withholding
- **Minimum loan amount:** \$1,000.
- **Limit on outstanding loans:** only 2 outstanding Plan loans are permitted at any time (Effective January 1, 2016, only 1 outstanding loan is permitted.)
- **Prepayment of full outstanding balance:** permitted without penalty.
- **Wait period to apply for new loan:** you may not apply for a new loan until 12 months after paying off a prior loan.
- **Due on termination:** outstanding balance immediately due and payable on termination of employment.
- **Principal residence loans:** may not exceed 10 years.

IN-SERVICE WITHDRAWALS

Under certain circumstances, you may make a cash withdrawal from your Account while you are still employed by your Employer.

WITHDRAWALS OF YOUR CONTRIBUTIONS

If you meet the applicable requirements indicated below, if any, you may withdraw all or part of the Value of the following contributions you made (or were made on your behalf) to your Account:

- ***Prior After-Tax Contributions.***
- ***Rollover Contributions.***
- ***Designated Roth Rollover Contributions.***
- ***In-Plan Roth Rollover Contributions.***
- ***Pre-Tax 401(k) Contributions*** at age 59 1/2.
- ***Roth 401(k) Contributions*** at age 59 1/2.

Your withdrawal will be effective as soon as administratively practicable after your election is received.

WITHDRAWALS OF EMPLOYER CONTRIBUTIONS

If you meet the applicable requirements indicated below, you may withdraw all or part of the Value of your Vested Interest in the following Employer Contributions held in your Account:

- ***Qualified Nonelective Contributions*** at age 59 1/2.
- ***Qualified Matching Contributions*** at age 59 1/2.
- ***Discretionary Contributions*** at age 59 1/2.
- ***Regular Matching Contributions*** at age 59 1/2.
- ***True-Up Matching Contributions*** at age 59 1/2.
- ***Prior Discretionary Employer Contributions*** at age 59 1/2.

Your withdrawal will be effective as soon as administratively practicable after your election is received.

WITHDRAWALS WHILE ABSENT ON MILITARY DUTY

If you are absent from employment with your Employer or a Related Company to perform military service, you may be entitled to withdraw amounts from your Account.

Standard Military Withdrawals

If you are absent from employment because of service with the uniformed services (as described in United States Code, Title 38, Chapter 43), you may withdraw all or part of the Value of your Vested Interest in the following contributions held in your Account:

- ***After-Tax Contribution.***
- ***Rollover Contributions.***
- ***Designated Roth Rollover Contributions.***
- ***Discretionary Contributions.***
- ***Prior Discretionary Employer Contributions.***
- ***Matching Contributions***, other than Qualified Matching Contributions.
- ***Prior Matching Contributions.***

Your withdrawal will be effective as soon as administratively practicable after your election is received.

Deemed Severance of Employment Withdrawals

If you are absent from employment for more than 30 days because of service with the uniformed services (as described in United States Code, Title 38, Chapter 43), federal law permits the Plan to treat you as if you had terminated employment, ***but solely*** to allow you to withdraw amounts from your Account that are not otherwise available for withdrawal. (This summary does not address the effect of military leave on your other employer-provided benefits.) If you are deemed to have terminated employment for this purpose, you may withdraw all or part of the Value of the following contributions:

- your Pre-Tax 401(k) Contributions.
- your Qualified Nonelective Contributions.
- your Qualified Matching Contributions.

Your withdrawal will be effective as soon as administratively practicable after your election is received.

If you take a withdrawal because of your deemed severance of employment, you will not be permitted to make 401(k) Contributions to the Plan (or any other plan maintained by the Employer or a Related Company) for 6 months from the date of the withdrawal. This suspension requirement will ***not*** apply if your withdrawal qualifies as a qualified reservist distribution, as described below.

Qualified Reservist Distributions

If you are a reservist or national guardsman and are called to active duty either (1) for an indefinite period or (2) for a period longer than 179 days, any withdrawal you make because of your deemed severance of employment, as described above, will qualify as a "qualified reservist distribution." You may also elect to make a separate withdrawal of all or a portion of the Value of the following contributions as a "qualified reservist distribution":

- your Pre-Tax 401(k) Contributions.
- your Roth 401(k) Contributions.

A qualified reservist distribution must be made during the period beginning on the date you are ordered or called to active duty and ending on the date your period of active duty ends. Your distribution is not subject to the 10% penalty tax on early distributions described in **DISTRIBUTION OF YOUR ACCOUNT: SPECIAL TAX RULES APPLICABLE TO DISTRIBUTIONS**. In addition, federal law permits you to repay the amount of a qualified reservist distribution to an IRA within 2 years after you cease active duty. This permits you to build back your retirement funds. Finally, if your withdrawal is a qualified reservist distribution, you will not be subject to the 6 months suspension on making 401(k) Contributions to the Plan that applies to withdrawals

because of a deemed severance from employment, as described in ***Deemed Severance from Employment Withdrawals*** above.

Your qualified reservist distribution will be effective as soon as administratively practicable after your election is received.

HARDSHIP WITHDRAWALS

If you incur an immediate and heavy financial need, you may withdraw all or part of the Value of the following contributions held in your Account:

- Pre-Tax 401(k) Contributions (excluding investment earnings);
- Roth 401(k) Contributions (excluding investment earnings);
- CAP Rollover Contributions; and
- ESOP Rollover Contributions.

You may only make a hardship withdrawal if the Administrator determines that the withdrawal is necessary to meet your financial need. Generally, the amount of your hardship withdrawal cannot exceed the amount of your financial need, except it may include amounts necessary to pay any federal, state, or local income taxes or penalties reasonably expected to result from the withdrawal.

Your hardship withdrawal will be effective as soon as administratively practicable after your election is received.

Financial Needs For Which Hardship Withdrawals Are Available

The financial needs for which you can get a hardship withdrawal are:

- medical expenses of you, your Spouse, your primary Beneficiary, or your dependents for the diagnosis, cure, mitigation, treatment, or prevention of disease.
- purchase of your principal residence (excluding mortgage payments).
- tuition payments, related educational fees, and room and board expenses for post-secondary education for you, your Spouse, your primary Beneficiary, or your dependents.
- prevention of your eviction from your principal residence or foreclosure on the mortgage of your principal residence.
- funeral or burial expenses for your deceased parent, Spouse, child, primary Beneficiary, or dependent.
- expenses for the repair of damages to your principal residence that would qualify for a casualty loss deduction (determined without regard to whether the loss exceeds 10% of your adjusted gross income).

Generally, for purposes of a hardship withdrawal, your dependent is as defined for purposes of receiving an income tax deduction, without regard to the rules (1) prohibiting persons treated as dependents from claiming dependents of their own, (2) precluding persons who file a joint return with their Spouse from being claimed as dependents, and (3) precluding persons who have gross income for the year equal to or greater than the exemption amount from being claimed as dependents. Your primary Beneficiary is a person you have named as having an unconditional right to all or part of your Account upon your death.

For purposes of determining whether you have a financial need for which a hardship withdrawal is available, your "Spouse" does ***not*** include your Domestic Partner.

Demonstrating Need for Hardship Withdrawal

The Administrator will approve your hardship withdrawal if all of the following requirements are met:

- the withdrawal amount does not exceed the amount you need to meet your financial need.
- you have obtained all other distributions and all non-taxable loans available to you from any plan maintained by your Employer or any Related Company.

- you suspend your 401(k) Contributions (including both Pre-Tax and Roth 401(k) Contributions) to the Plan (and any other plan maintained by the Employer or any Related Company) for at least 6 months after receipt of the withdrawal.

Limitations on Hardship Withdrawals

You must apply for a hardship withdrawal such number of days before the effective date as the Administrator prescribes.

FORFEITURE OF NON-VESTED AMOUNTS

If your employment terminates with the Employer (and all Related Companies) and you are not 100% vested in the Value of the Employer Contributions in your Account at that time, you will forfeit the non-vested portion of your Account.

Timing of Forfeiture

- If you have no Vested Interest in your Account, your Account will be forfeited on the date your employment terminates.
- If you have a Vested Interest in your Account and receive distribution of that amount because of your termination, the non-vested portion of your Account will be forfeited on the date distribution is made to you.
- If you have a Vested Interest in your Account, but do not receive distribution of that interest because of your termination, the non-vested portion of your Account will be forfeited on the last day of the 5-year period that begins on your Severance Date.

If you are reemployed by the Employer (or a Related Company) before the non-vested portion of your Account is forfeited, the forfeiture will not occur.

Recrediting of Forfeited Amounts

If you are reemployed by the Employer (or a Related Company) after forfeiting the non-vested portion of your Account, the amount you forfeited will be recredited to your Account if you meet all of the following conditions:

- you are reemployed before the last day of the 5-year period that begins on the date distribution was made to you (or the date your employment terminated, if you did not receive a distribution because you had no Vested Interest in your Account);
- you become an employee covered under the Plan within 5 years of your reemployment date; and
- if you received distribution of the vested portion of your Account, you repay the full amount of the distribution attributable to Employer Contributions within 5 years of your reemployment date.

Treatment of Forfeited Amounts

Amounts forfeited during a Plan Year are used to meet the Employer's contribution obligations to the Plan or to pay Plan expenses.

DISTRIBUTION OF YOUR ACCOUNT

DISTRIBUTION TO YOU

If your employment with the Employer (and all Related Companies) terminates, you may receive distribution of your Account. Distribution may be made as soon as reasonably practicable following the date your employment terminates.

You may postpone distribution until your Normal Retirement Date.

Request for Distribution

Unless your Account is cashed out as described below, distribution of your Account will not be made before your Normal Retirement Date unless you request an earlier distribution.

If you keep your Account in the Plan after your employment terminates, you must pay for all fees and expenses to maintain your Vested Interest in the Plan. These expenses will be withdrawn directly from your Account.

Effect of Reemployment

If you are reemployed by the Employer (or a Related Company) before distribution of your full Vested Interest in your Account has been made, distribution of your Account will be suspended until your reemployment terminates.

Required Distribution

Federal tax law requires distribution of your Account to begin no later than April 1 of the calendar year following the year in which you reach age 70 1/2 or retire, whichever is later. Special rules apply if you are a 5% owner of the Employer (see the Administrator for details).

SPECIAL TAX RULES APPLICABLE TO DISTRIBUTIONS

If you terminate employment before reaching age 55 and elect to receive distribution of your Account before reaching age 59 1/2, you may be subject to a 10% penalty tax on your distribution. The penalty tax does not apply to amounts that are rolled over to another eligible retirement program. You should consult your own tax advisor to determine whether this tax applies to you.

If you receive distribution of your Roth 401(k) Contributions, Designated Roth Rollover Contributions or In-Plan Roth Rollover Contributions fewer than 5 years after you first made Roth 401(k) Contributions to the Plan, first converted funds through an In-Plan Roth Rollover Contribution or if you made a Designated Roth Rollover Contribution, the date you first made Roth contributions to the other plan, whichever is earliest, the earnings on your Roth 401(k) Contributions, Designated Roth Rollover Contributions or In-Plan Roth Rollover Contributions will be taxable. (The 5-year period is counted from January 1 of the year in which you made the contribution.) In addition, if distribution of your Roth 401(k) Contributions, Designated Roth Rollover Contributions or In-Plan Roth Rollover Contributions is made to you before you reach age 59 1/2 or become disabled, the earnings on your Roth 401(k) Contributions, Designated Roth Rollover Contributions or In-Plan Roth Rollover Contributions will be taxable. For this purpose, you are considered disabled if you are unable to engage in **any** substantial gainful activity because of a medically determinable physical or mental impairment that can be expected to result in your death or to be of long-continued and indefinite duration.

DISTRIBUTION TO YOUR BENEFICIARY

If you die before distribution of the full Value of your Account has been made to you, distribution of your Account will be made to your Beneficiary as soon as reasonably practicable following the date your Beneficiary requests distribution.

Unless distribution of your Account is to be made to your Beneficiary in a series of installment payments, federal tax law requires distribution to your Beneficiary to be made in full no later than the end of the fifth calendar year beginning after your death or, if your Beneficiary is your Spouse, the end of the calendar year in which you would have reached age 70 1/2, if later.

If distribution of your Account is to be made to your Beneficiary in a series of installment payments, federal tax law requires distribution to your Beneficiary to begin:

- if your Beneficiary is your Spouse, no later than the end of the first calendar year beginning after your death or the end of the calendar year in which you would have reached age 70 1/2, whichever is later; or
- if your Beneficiary is someone other than your Spouse, no later than the end of the first calendar year beginning after your death.

Your Spouse may only delay distribution under the federal tax law requirements described above if your Spouse is your sole Beneficiary. Generally, your Spouse is your sole Beneficiary only if (1) your Spouse is entitled to your full Account or a segregated portion of your Account and (2) no other Beneficiary is entitled to any portion of your Spouse's interest unless your Spouse dies before receiving full distribution of that interest.

CASH OUTS OF ACCOUNTS AND CONSENT TO DISTRIBUTION

If the Value of your Vested Interest in your Account is \$5,000 or less, your Account will be "cashed out" by distributing your Vested Interest in your Account in a single-sum payment or by direct rollover to an IRA or other eligible retirement plan as soon as reasonably practicable following the date your employment terminates. Your Account will be cashed out even if you do not consent to the distribution.

If the Value of your Vested Interest in your Account is more than \$5,000, distribution of your Account cannot be made before your Normal Retirement Date without your written consent.

AUTOMATIC ROLLOVERS

If the Value of your Vested Interest in your Account is \$5,000 or less, the Administrator will notify you of the cashout rules and give you the opportunity to elect whether to (1) receive payment yourself or (2) have the payment rolled over directly to the IRA or other eligible plan that you select. If you do not make an election within the period prescribed by the Administrator, tax rules require that your Vested Interest in your Account be rolled over directly to an IRA maintained by a provider selected by your Employer (an "automatic rollover IRA").

The automatic rollover rules only apply to you if the Value of your Vested Interest in your Account is more than \$1,000. If the Value of your Vested Interest is \$1,000 or less, and you do not make an election, payment will be made directly to you.

You are the beneficial owner of any automatic rollover IRA established for you. The automatic rollover IRA must initially be invested in products that are designed to preserve principal (the amount of the initial investment) and provide a reasonable rate of return, consistent with retaining liquidity (so that you can change investments readily). Examples of this kind of investment product are money market funds and certificates of deposit. As the IRA owner, you will be able to change your future investments.

All fees and expenses of maintaining the automatic rollover IRA will be paid directly from your IRA. For more information regarding automatic rollover IRAs, contact the Administrator at the telephone number and address shown at the beginning of this booklet.

FORM OF PAYMENT

FORM OF PAYMENT TO YOU

- **Single-sum payment:** Distribution of your Account will be made in one payment.
- **Installment payments:** Distribution of your Account will be made in a series of installment payments over the period you specify. Under federal law, however, the maximum period over which installment payments may be paid cannot exceed your life expectancy or the joint life expectancies of you and your Beneficiary. Installment payments will be made in reasonably equal amounts, except as necessary to reflect increases or decreases in the Value of your Account. Subject to the requirements of federal law, you may modify the rate and amount of your installment payments at any time.
- **Direct rollover:** If your distribution is eligible for rollover into an IRA or other eligible retirement plan, you can elect to have the distribution transferred directly into the IRA (including a Roth IRA) or other eligible plan. If you do not elect a direct rollover of your eligible distributions, a 20% mandatory federal income tax withholding applies to the distribution. You may not elect a direct rollover if the total value of any distribution is less than \$200 or with respect to a portion of a distribution eligible for rollover if the value of such portion is less than \$500. All or any portion of a distribution from your Account is eligible for rollover except:
 - any minimum distribution that is required under federal tax law;
 - any distribution that is one of a series of installment payments made over your life, the life of you and your Beneficiary, or for a specified period of 10 or more years; and
 - any hardship withdrawal.

FORM OF PAYMENT TO YOUR BENEFICIARY

If you die before distribution of your Account is made, your Beneficiary may elect among the same forms of payment that are available to you.

If your Beneficiary receives distribution in a single-sum payment or in installments over a period of less than 10 years, your Beneficiary may also elect a direct rollover, as described above. If your Beneficiary is your Spouse or a former Spouse, he or she may roll over the distribution to an IRA (including a Roth IRA) or to any other eligible plan. Your non-Spouse Beneficiary may only roll over the distribution to an IRA (including a Roth IRA) that is treated as an inherited IRA for required distribution purposes. For this purpose, your "Spouse" does **not** include your Domestic Partner.

YOUR BENEFICIARY UNDER THE PLAN

Beneficiary if You Have No Spouse

You may designate a Beneficiary to receive distribution of your Account if you die. Unless your marital status changes or you enter into a domestic partnership elect an annuity form of payment, your Beneficiary will not change until you designate a different Beneficiary. To designate a Beneficiary or change a prior designation, you must contact the Administrator.

Beneficiary if You Have a Spouse

If you have a Spouse, including a Domestic Partner, your Beneficiary under the Plan is your Spouse. You may designate a non-Spouse Beneficiary with your Spouse's consent. To designate a non-Spouse Beneficiary or change a prior designation, you must contact the Administrator.

Effect of Marriage or Entry into Domestic Partnership on Prior Beneficiary Designation

If you designate a non-Spouse Beneficiary and then get married or enter into a domestic partnership, your prior Beneficiary designation will be ineffective.

Effect of Divorce or Dissolution of Domestic Partnership on Prior Beneficiary Designation

If your Spouse, including a Domestic Partner, is your Beneficiary under the Plan and you get divorced or, in the case of a domestic partnership, you dissolve the partnership, your Spouse will cease to be your Beneficiary on the date of the final divorce or similar decree or order, unless either (i) you re-designate your former Spouse as your Beneficiary or (ii) your former Spouse is designated as your Beneficiary under a qualified domestic relations order. If your Spouse is designated as your Beneficiary under a qualified domestic relations order, he or she will be treated as your Beneficiary only to the extent required under the order.

Beneficiary Where There is No Designated Beneficiary

If you die without properly designating a Beneficiary or if no Beneficiary survives you, your Beneficiary will be your surviving Spouse or, if you have no surviving Spouse your surviving children in equal shares, or if you have no surviving children, your estate.

SPOUSAL CONSENT

If you make an election that requires your Spouse's consent, your Spouse's consent must acknowledge the effect of providing the consent and must be witnessed by a Plan representative or a notary public. Your Spouse's written consent will not be required if you make a good faith attempt to find your Spouse and your Spouse cannot be located, you have a court order stating that you are legally separated from your Spouse, or you have a court order stating that your Spouse has abandoned you.

ERISA CLAIMS PROCEDURES

The procedures in this section of the booklet apply if you file (or your Beneficiary files) a claim for benefits with the Administrator.

INITIAL RESPONSE TO CLAIM

Unless additional time is required, the Administrator (or other fiduciary responsible for reviewing claims) will notify you in writing regarding your claim within 90 days of the date your claim was received. If special circumstances require an extension of the 90-day review period, you will be notified. In no event will the initial period for reviewing your claim exceed 180 days.

CLAIM DENIAL

If your claim is denied, the Administrator's notice will include all of the following:

- the specific reason(s) for the denial;
- identification of the Plan provisions that support the denial;
- any additional information needed to complete your application and an explanation of why it is needed; and
- information on how to have your claim reviewed.

REVIEW OF ADMINISTRATOR'S DECISION

If you disagree with a decision made by the Administrator regarding a claim under the Plan, you have the right to ask the Administrator for a review of its decision. You should contact the Administrator at its business address or at its business phone number within 60 days of the date on which you receive notice of denial of the claim. A request for review must contain all of the following information:

- the date you received notice of denial of your claim and the date your request for review is filed;
- the specific part of the claim you want reviewed;
- a statement describing why you think the decision should be reversed; and
- any written material that you think is pertinent to your claim and that you want the Administrator to examine.

Unless additional time is required, the Administrator (or other fiduciary responsible for reviewing claims) will review the denial of your claim and notify you in writing of its final decision, within 60 days of the filing of your request. If additional review time is needed, you will be notified. In no event will the review period exceed 120 days.

If your claim is denied on review, the notice will include all of the following:

- the specific reason(s) for the denial;
- identification of the Plan provisions that support the denial;
- a statement that you are entitled to receive reasonable access to and copies of all documents, records, and other information relevant to your claim for benefits;
- information on any voluntary appeal procedures; and
- a statement of your right to bring a civil action under ERISA.

BRINGING A CIVIL ACTION UNDER ERISA

If your claim is denied and you want to bring a civil claim under ERISA, you must file your claim within 1 year of the date you receive a final adverse determination of your claim on review. If you do not pursue or exhaust the claims review procedures under the Plan, the 1-year period runs from the date you would allegedly have become entitled to the benefit you are claiming.

You cannot bring a civil claim under ERISA unless you have first exhausted your remedies under the Plan. This means that before filing you must have (1) submitted a timely claim for benefits under the Plan, (2) received notice that your claim was denied, (c) filed a written request for review of your claim, as described in **REVIEW OF ADMINISTRATOR'S DECISION** above, and (d) received an adverse benefit determination on review.

AMENDMENT AND TERMINATION OF THE PLAN

PLAN AMENDMENT

The Sponsor reserves the right to amend the Plan, either prospectively or retroactively.

PLAN TERMINATION

The Sponsor reserves the right to terminate the Plan at any time. Under federal law, if all contributions under the Plan cease, the Plan will be deemed to have terminated. In addition, an Employer may withdraw from the Plan

at any time. If an Employer withdraws from the Plan, the Employer will determine whether the withdrawal should be treated as a termination of the Plan with respect to its employees.

If the Plan is terminated, you will be 100% vested in the Value of the Employer Contributions (including any investment gains or losses on them) in your Account and distribution of your Account will be made as permitted under federal law.

MISCELLANEOUS INFORMATION

PLAN BOOKLET DOES NOT CREATE EMPLOYMENT CONTRACT

The only purpose of this booklet is to provide you with information about the benefits available under the Plan. The booklet is not intended to create an employment contract between you and your Employer. Nothing in this booklet should be construed as a limitation on your right or your Employer's right to terminate your employment at any time, with or without cause.

NO GUARANTEES REGARDING INVESTMENT PERFORMANCE

The Plan fiduciaries and functionaries handling Plan assets (including the Sponsor, the Employer, the Investment Fiduciary, the Administrator, and the Trustee) do not guarantee any particular investment gain or appreciation on your Account nor guarantees your Account against investment losses or depreciation.

IF CIRCUMSTANCES REQUIRE DELAY OF A WITHDRAWAL

All withdrawals may be delayed by the Insurance Company under certain circumstances. A description of these situations may be obtained from your Administrator. Regardless of the circumstances, there will be no delay in payment in cases of death, retirement, termination of employment, or becoming disabled.

TRANSFERS FROM GUARANTEED INCOME FUND MAY BE LIMITED

Under certain circumstances, the amount transferred from the Guaranteed Income Fund to other investment funds may be limited by the Insurance Company. Please see your Administrator for further information on transferring funds from the Guaranteed Income Fund.

PAYMENT OF ADMINISTRATIVE EXPENSES

Generally, the expenses of administering the Plan are paid from Plan assets, unless your Employer elects to make the payment. If administrative expenses are paid from Plan assets, they will first be reduced by any forfeitures the Administrator has directed to be used for payment of expenses. Any remaining expenses will be shared among all participants' Accounts. Your Account's share of each expense will be either a flat fee for all Accounts or a percentage of the expense (determined in the ratio that the Value of your Account bears to the total Value of all Accounts).

Although expenses are generally shared among the Accounts, administrative expenses incurred as a direct result of your activities under the Plan are allocated to, and may be deducted, from your Account. These expenses may include any or all of the following, if applicable:

- Any expenses incurred in connection with your request for a hardship withdrawal.
- Any expenses incurred in connection with your request for a non-hardship withdrawal.
- Any expenses incurred in processing your loan request.
- Any expenses incurred in determining whether a domestic relations order received for you meets certain requirements.
- Any expenses incurred in connection with distributing your Account.
- Any expenses incurred as a result of you exercising an investment election.
- Any expenses incurred as a result of you utilizing the Plan's investment advice services.
- Any expenses incurred in calculating the benefit amounts payable to you under different forms of payment.
- Any expenses incurred in processing your request for payment in the form of installments.

QUALIFIED DOMESTIC RELATIONS ORDERS

Generally, federal law prohibits payment of your Account to someone other than you, unless you have died. An exception to this rule is made for qualified domestic relations orders. A qualified domestic relations order may require that a portion of your Account be paid to someone other than you or your Beneficiary.

"Qualified domestic relations orders" are court judgments, decrees, etc. that pertain to child support, alimony, or marital property and that meet specific legal requirements. The Administrator has procedures for determining whether a court judgment or decree meets the specific legal requirements to be a qualified domestic relations order. You or your Beneficiary may obtain, without charge, a copy of these procedures from the Administrator.

MILITARY LEAVE

If you return to employment following a military leave, you may be entitled to benefits under the Plan for the period that you were absent from employment. You should consult the Administrator for information regarding Plan benefits during military leave.

If you die while absent from employment with the Employer or a Related Company because of "qualified" military service (as described in the Uniformed Services Employment and Reemployment Rights Act of 1994), you will be treated for purposes of the Plan as if you died while employed by the Employer (or Related Company). However, no additional contributions will be made to your Account.

RETURN OF CONTRIBUTIONS TO YOUR EMPLOYER

If your Employer makes a contribution to your Account by mistake or if your Employer cannot deduct a contribution made to the Plan on its tax return, that contribution will be returned to your Employer in accordance with federal law.

TOP-HEAVY PROVISIONS

Federal law requires that the Plan contain certain provisions that become effective only if the Plan becomes top-heavy. The Plan will become "top-heavy" if the aggregate Value of Accounts for certain officers and shareholders is 60% or more of the Value of all assets held under the Plan. If the Plan becomes top-heavy, specific minimum vesting and minimum benefits provisions become effective. If the Plan becomes top-heavy, the Administrator will notify you and give you additional details regarding these provisions.

LIMITATIONS ON CONTRIBUTIONS

As described above in **YOUR CONTRIBUTIONS: 401(k) CONTRIBUTIONS**, federal law limits the dollar amount of 401(k) Contributions that you can make each calendar year. For 2015, the maximum contribution amount is \$18,000.

If you are a Highly Compensated Employee, federal law also limits the amount of 401(k) Contributions you may make to the Plan and the amount of Matching Contributions your Employer may make to your Account compared to the contributions made to the Plan for employees who are not Highly Compensated Employees. If the Administrator determines that contributions for Highly Compensated Employees would impermissibly exceed the contributions for other employees, it may adjust the amount of 401(k) Contributions and Matching Contributions that would otherwise be made for Highly Compensated Employees.

In addition, total contributions to the Plan are subject to annual limitations under federal law. Your Employer is required to restrict total contributions to the Plan so they do not exceed the annual limitation.

If you will be age 50 or older by the end of the year, you may make Catch-Up 401(k) Contributions that exceed any of the above limits. The total amount of your Catch-Up 401(k) Contributions cannot exceed the Catch-Up Limit for the year.

MORE THINGS YOU SHOULD KNOW

Contributions you make to the Plan and contributions your Employer makes for you are held for the exclusive benefit of you and your Beneficiaries.

If your employment terminates with the Employer (and all Related Companies) before you are fully vested in your Account, you will lose the non-vested portion of your Account.

Because the Plan assets are held in individual Accounts and are never less than the total benefits payable to participants, no insurance of benefits by the Pension Benefit Guaranty Corporation under Title IV of ERISA is necessary or available. The Plan is subject, however, to the applicable provisions of Title I of ERISA (protection of employee benefit rights) and Title II of ERISA (amendments to the Internal Revenue Code relating to retirement plans).

YOUR RIGHTS UNDER THE PLAN

The Plan is covered by ERISA, which was designed to protect employees' rights under benefit plans. As a participant in the Plan, you should know as much as possible about your Plan benefits.

RIGHT TO INFORMATION

You are entitled to:

- Examine, without charge, at the Administrator's office during normal business hours and at other specified locations, such as worksites and union halls, copies of all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Administrator is required by law to furnish each participant with a copy of this summary at no charge.
- Receive a quarterly statement of your benefits under the Plan, and, if you are not fully vested, the earliest date on which you will have a nonforfeitable right to such benefits. The statement must include a description of any limitations or restrictions on your ability to direct investment of your Account.
- Obtain information as to whether a particular employer has adopted the Plan and, if so, the employer's address, upon written request addressed to the Administrator.
- Receive a written explanation with respect to any denied benefit claim regarding the reasons for such denial and the steps that must be taken in order to have such denial reviewed.

PRUDENT ACTIONS BY FIDUCIARIES

In addition to creating rights for employees participating in the Plan, ERISA imposes duties upon the people who are responsible for the operation of the Plan. These people are called "fiduciaries" and have a duty to act prudently and in the best interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

ENFORCING YOUR RIGHTS

If your claim for a benefit is denied in whole or in part, you have a right to know why this was done, to obtain copies (without charge) of documents relating to the decision, and to appeal any denial, all within certain time schedules. See **ERISA CLAIMS PROCEDURES** above.

Under ERISA, there are steps you can take to enforce your rights under the Plan. For example, if you request a copy of Plan documents or the latest annual report for the Plan and you do not receive them within 30 days, you have the right to file suit in federal court. In such a case, a court may require the Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not provided for reasons outside the Administrator's control. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. However, you cannot bring an action at law or in equity unless you have exercised your appeal rights (see **ERISA CLAIMS PROCEDURES** above) and your benefits requested in the appeal have been denied in whole or in part. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If you believe a Plan fiduciary has misused Plan funds, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court.

After deciding your case, the court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if the court finds your claim to be frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions, you should contact the Administrator at the address indicated in **PLAN IDENTIFICATION INFORMATION** at the front of this booklet. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Administrator, you may contact the nearest Office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

GLOSSARY

Account	The account established to track the contributions made to the Plan on your behalf and the investment earnings and losses on those contributions.
Administrator	The fiduciary responsible for the administration of the Plan.
Beneficiary	The person (or persons) entitled to receive distribution of your Account if you die before your Account has been fully distributed to you.
CAP Rollover Contribution	Any contribution transferred to the Plan from the Magellan Health Services, Inc. Cash Accumulation Plan.
Catch-Up 401(k) Contribution	Any 401(k) Contribution that you make to the Plan for any year (beginning with the year you reach age 50) that exceeds an applicable limit by no more than the Catch-Up Limit in effect for the year.
Catch-Up Limit	The maximum amount by which your Catch-Up 401(k) Contributions for a particular year may exceed the limitations applicable to 401(k) Contributions for the year. The Catch-Up Limit for 2015 is \$6,000. The IRS may adjust this limit for future years. Please Note: If you are a resident of Puerto Rico, the Catch-Up Limit is \$1,500 for years beginning after 2011.
Compensation	<p>The compensation from your Employer that is taken into account in determining the amount of contributions that you or your Employer can make to your Account.</p> <p>Your Compensation for any period means your wages, salaries, fees for professional service, and all other amounts received for personal services actually rendered in the course of employment with your Employer paid to you for such period for services as a Covered Employee, including (i) transportation fringe benefits you receive from your Employer that are excluded from your taxable gross income, (ii) amounts described in Code Section 104(a)(3), 105(a), or 105(h), but only to the extent that they are includible in your gross income, (iii) amounts paid or reimbursed by your Employer for moving expenses you incurred, but only to the extent that at the time of the payment it is reasonable to believe that such amounts are not deductible by you under Code Section 217, (iv) the value of a non-qualified stock option granted to you by your Employer, but only to the extent that the value of the option is includible in your gross income for the taxable year in which granted, and (v) the amount includible in your gross income upon making the election described in Code Section 83(b) with respect to property transferred to you by your Employer, and excluding (i) contributions made by your Employer to a plan of deferred compensation to the extent that, before application of the limitations of Code Section 415 to such plan, the contributions are not includible in your gross income for the taxable year in which contributed, (ii) contributions made by your Employer to a simplified employee pension described in Code Section 408(k), (iii) any distributions from a plan of deferred compensation (except amounts received pursuant to an unfunded non-qualified plan in the year such amounts are includible in your gross income), (iv) amounts received from the exercise of a non-qualified stock option or when restricted stock you hold becomes freely transferable or is no longer subject to substantial risk of forfeiture, (v) amounts received from the sale, exchange or other disposition of stock acquired under a qualified or incentive stock option, and (vi) any other amounts which receive</p>

special tax benefits, such as premiums for group term life insurance (but only to the extent that the premiums are not includible in your gross income).

Compensation includes the following:

- pay you receive after your termination of employment for your services before termination, including your regular pay and, if otherwise included in Compensation, overtime, differential pay, etc., provided payment is made before the later of 2 1/2 months following termination or the end of the year in which termination occurs;
- for contributions other than your 401(k) Contributions, pay you receive after termination of employment for accrued vacation or other leave, provided payment is made before the later of 2 1/2 months following termination or the end of the year in which termination occurs; and
- deferred compensation you receive from a non-qualified plan after termination of employment, provided payment is made before the later of 2 1/2 months following termination or the end of the year in which termination occurs **and** you would have received the payment even if your employment had continued.

Notwithstanding the foregoing, Compensation does not include the following:

- reimbursements and other expense allowances, fringe benefits (cash and non-cash), moving expenses, deferred compensation, and welfare benefits;
- 401(k) Contributions you make to the Plan, amounts you contribute on a pre-tax basis to a cafeteria plan, and amounts you contribute as salary reduction contributions to a 403(b) account or other plan; and
- differential pay you receive from the Employer for periods you are absent because of military service.

Your Compensation if you are self-employed means your earnings for personal services you performed for the business covered by the Plan.

Legal rules limit the Compensation that may be included under the Plan each year. For 2015, the maximum amount is \$265,000. (The IRS may adjust this limit for future years.)

Covered Employee

You are employed by the Employer in a job category and at a location that is covered by the Plan. Only employees who are Covered Employees may make and receive contributions under the Plan.

Designated Roth Rollover Contributions

A Rollover Contribution that consists of designated Roth contributions you made to another plan or annuity contract and/or earnings on those contributions.

Disabled

You have a mental or physical condition that is likely to result in death or is expected to be of long-continued or indefinite duration and that prevents you from continuing in employment with your Employer. You are Disabled only if:

- you are eligible for Social Security disability payments

**Discretionary
Contribution**

Any Employer Contribution made to the Plan by your Employer as described in detail in **EMPLOYER CONTRIBUTIONS: NON-MATCHING EMPLOYER CONTRIBUTIONS**. Discretionary contributions do not include Matching Contributions or Qualified Nonelective Contributions.

Domestic Partner

The person with whom you maintain a domestic partnership, as determined by the Administrator. You should contact the Administrator for further information about the criteria used to determine whether you maintain a domestic partnership with a person.

Employer

A company that participates in the Plan. The term "Employer" includes the Sponsor and any Related Company that has adopted the Plan with the Sponsor's consent. The Administrator can provide you with a list of the adopting Employers. The companies that participate in the Plan are referred to collectively in this booklet as "the Employer."

**Employer
Contribution**

Any contribution that your Employer makes to your Account.

**ESOP Rollover
Contribution**

Any contribution transferred to the Plan from the Magellan Health Services, Inc. Employee Stock Ownership Plan.

ERISA

The Employee Retirement Income Security Act of 1974.

**401(k)
Contribution**

Any contributions you make to the Plan as provided in your salary reduction election or under the automatic contribution provisions described in this booklet.

**Highly
Compensated
Employee**

An employee who is treated as highly compensated for purposes of the federal tax law governing retirement plans. Generally, you may be a Highly Compensated Employee if you are a 5% owner in the current or preceding year or you were paid more than the applicable limit set by the federal government during the preceding year and are in the top-paid 20% of employees. For 2014 (the look back year used to determine who is a Highly Compensated Employee for 2015), this limit is \$115,000. If you are concerned that you may be a Highly Compensated Employee, you should consult the Administrator.

Please Note: If you are a resident of Puerto Rico, the definition of "Highly Compensated Employee" is slightly different. For example, officers of an Employer are included as Highly Compensated Employees and Highly Compensated Employees are not limited to the top-paid 20% of employees. If you are concerned that you may be a Highly Compensated Employee under Puerto Rican law, you should consult the Administrator.

**In-Plan Roth
Rollover
Contribution**

Any amount that is distributable from your Account and that you elect to convert to a Roth 401(k) Contribution as described in detail in **YOUR CONTRIBUTIONS: IN-PLAN ROTH ROLLOVER CONTRIBUTIONS**.

**Insurance
Company**

Prudential Retirement Insurance and Annuity Company.

Investment Fiduciary	The fiduciary responsible for determining the investment options available under the Plan.
Matching Contribution	Any Employer Contribution your Employer makes to your Account because of your 401(k) Contributions to the Plan, as described in detail in EMPLOYER CONTRIBUTIONS: MATCHING CONTRIBUTIONS .
Normal Retirement Date	The date you are entitled to retire with full benefits. Generally, your Normal Retirement Date is the date you reach age 65. However, if you formerly participated in the National Imaging Associates, Inc. 401(k) Retirement Plan, your Normal Retirement Date is the date you reach age 55.
Plan	The Magellan Health, Inc. Retirement Savings Plan.
Plan Year	The period on which the Plan's records are kept. The Plan Year is the 12-month period beginning each January 1st.
Pre-Tax 401(k) Contribution	Any 401(k) Contribution made to the Plan on a before-tax basis.
Predecessor Employer	Any company that is a predecessor to the Employer, under federal tax rules, provided the Employer maintains a Plan of that company. In addition, for purposes of crediting Vesting Service and Eligibility Service, any entity acquired by an Employer will be treated as a Predecessor Employer under the Plan, unless otherwise specifically provided in the purchase agreement.
Prior After-Tax Contribution	Any after-tax employee contribution made under the terms of the Human Affairs International 401(k) Plan or the Merit Behavioral Care Corporation 401(k) Plan that was transferred directly to the Plan.
Prior Discretionary Employer Contribution	Any employer contribution which was made under the terms of the Green Spring Plan, the Human Affairs International 401(k) Plan, the Mainstay Savings Plan, or the Merit Behavioral Care Corporation 401(k) Plan and transferred to the Plan, or any Matching Contribution, other than a Qualified Matching Contribution, or discretionary nonelective contribution made under the terms of the Plan prior to October 1, 2006.
Prior ICORE Employer Contribution	Any matching contribution, other than a Qualified Matching Contribution, or nonelective employer contribution made under the terms of the ICORE Health Care, LLC 401(k) Profit Sharing Plan and transferred to the Plan on or after January 1, 2007.
Prior National Imaging Employer Nonelective Contribution	Any nonelective employer contribution made under the terms of the National Imaging Associates, Inc. 401(k) Retirement Plan and transferred to the Plan on or after January 1, 2007.
Prior National Imaging	

Matching Contribution	Any matching contribution, other than a Qualified Matching Contribution, made under the terms of the National Imaging Associates, Inc. 401(k) Retirement Plan and transferred to the Plan on or after January 1, 2007.
Prudential Retirement's Internet Site	The Internet service where, among other services, participants have access to view a 90-day account history, transfer between investment funds, change contribution percentages, check investment performances and project their investments. You can access Prudential Retirement's Internet site at www.Prudential.com/online/retirement .
Qualified Matching Contributions	Any Matching Contribution that can be used to satisfy federal limitations on 401(k) Contributions of Highly Compensated Employees.
Qualified Nonelective Contributions	Any Employer Contribution that can be used to satisfy federal limitations on 401(k) and Matching Contributions of Highly Compensated Employees, as described in detail in EMPLOYER CONTRIBUTIONS: NON-MATCHING EMPLOYER CONTRIBUTIONS .
Regular Matching Contributions	Any Matching Contribution other than: <ul style="list-style-type: none"> • a True-Up Matching Contribution • a Qualified Matching Contribution • a Prior National Imaging Matching Contribution
Related Company	Any company or business that is considered to be related to an Employer under federal tax law.
Rollover Contribution	Any qualified cash contribution that you elect to roll over to the Plan from another retirement plan or from a rollover IRA.
Roth 401(k) Contribution	Any 401(k) Contribution you made to the Plan that is taxable under federal law for the year in which contributed, but is not taxable upon distribution from the Plan. If certain conditions are met, earnings on Roth 401(k) Contributions are also not taxable upon distribution from the Plan.
Severance Date	The date your employment terminates or you are absent from work (without terminating employment) for 1 year.
Sponsor	The company that maintains the Plan and has the power to amend the Plan. The Sponsor of the Plan is Magellan Health, Inc.
Spouse	The person to whom you are legally married in accordance with the laws of the State, Commonwealth, or foreign country in which the marriage was celebrated. Your Spouse also includes your Domestic Partner, if applicable.
Discretionary Contribution	Any Employer Contribution made to the Plan that is not contingent on your contributions to the Plan, other than: <ul style="list-style-type: none"> • a Qualified Nonelective Contribution. • a Prior Discretionary Employer Contribution.

True-Up Matching Contribution

A Matching Contribution made to the Plan at your Employer's discretion for a Plan Year that when added to the Regular Matching Contributions made to your Account will provide Matching Contributions at the maximum rate specified in the Plan

Trustee

The entity that holds the Plan assets for the benefit of covered employees. The entity may be a trust company, a bank, an insurance company, or a group of individuals chosen by the Sponsor.

Value

The monetary worth of the contributions and investment earnings and losses on such contributions in your Account.

Vested Interest

The percentage of the Value of your Account that you are entitled to receive upon distribution.

Vesting Service

The service credited to you that is used for determining your Vested Interest in the Value of the following contributions:

- Discretionary Contributions.
- Prior National Imaging Employer Nonelective Contributions.
- Prior ICORE Employer Contribution.
- Regular Matching Contributions.
- True-Up Matching Contributions.

ADDENDUM RE: PARTICIPANT LOAN POLICY

The Magellan Health, Inc. Retirement Savings Plan permits loans to be made to Participants. However, before any loan is made, the Plan requires that a written loan program be established which sets forth the rules and guidelines for making Participant loans. This document shall serve as the required written loan program. In addition, the Plan Administrator may use this document to serve as, or supplement, any required notice of the loan program to Participants. All references to Participants in this loan program shall only include Participants with respect to the Plan. Furthermore, it shall only include those individuals to the extent they are "parties in interest" as defined by ERISA Section 3(14).

The Plan Administrator is authorized to administer the Participant loan program.

1. LOAN APPLICATION. All loan applications will be considered by the Plan Administrator within a reasonable time after the Participant makes formal application in accordance with elections made by the Plan Sponsor in the Administrative Services Agreement between the Plan Sponsor and the service provider ("Prudential") as follows:

- If the Loan Initiation Outsourcing Service has been selected, a Participant may apply for a loan by submitting a loan application ("Application"), in a form prescribed by Prudential and consistent with the terms of this Loan Policy as authorized by the Plan Administrator, to Prudential by authorized electronic means. The date and time of receipt will be appropriately recorded.
- If the Participant Transaction Center (PTC) Loan Service has been selected, a Participant may apply for a loan by submitting a loan application ("Application"), in a form prescribed by Prudential and consistent with the terms of this Loan Policy as authorized by the Plan Administrator, to Prudential by authorized electronic means. The request will be reviewed and approved and/or denied by an authorized representative of the Employer by electronic means. The date and time of receipt will be appropriately recorded.
- If the Non-Automated Loan Service has been selected, a Participant may apply for a loan by submitting a duly completed loan application ("Application") to the Plan Administrator or authorized plan representative that has been signed by the Participant, within the 90-day period prior to the making of the loan. If spousal consent is required, the application must be signed by the spouse and witnessed by a notary public or an authorized plan representative. An authorized plan representative must approve the loan.

A Participant who has repaid a prior Plan loan may not apply for another loan until 12 months from the date of his last loan payment.

2. LOAN LIMITATIONS. The Plan Administrator will not approve any loan to a Participant in an amount which exceeds 50% of his or her nonforfeitable Account balance. The maximum aggregate dollar amount of loans outstanding to any Participant may not exceed \$50,000, reduced by the excess (if any) of (i) the Participant's highest outstanding balance of loans during the one year period ending on the day before the date on which a loan is made over (ii) the Participant's outstanding balance of loans on the date on which such loan is made.

With regard to any loan made pursuant to this program, the following rule(s) and limitation(s) shall apply, in addition to such other requirements set forth in the Plan:

- The minimum loan available from the Plan is \$1,000.
- A Participant may only have one loan outstanding from the Plan. A Participant with an outstanding loan may not apply for another loan until the existing loan is paid in full and may not refinance an existing loan or obtain a second loan for the purpose of paying off the existing loan. Note that a loan in default, including a loan that is deemed distributed, is treated as an outstanding loan for purposes

of determining the number of loans outstanding to a Participant until it is repaid or actually offset against the Participant's Account balance.

- All loans made pursuant to this program will be considered a directed investment of the Participant's Account under the Plan. As such, all payments of principal and interest made by the Participant will be credited only to the Account of such Participant. The Plan also will charge the Participant's Account with expenses directly related to the origination, maintenance and collection of the note.

3. LOAN FEES/SOURCES. Please refer to the Administrative Services Agreement for applicable loan initiation and maintenance fees. The Plan Administrator, as to new loans, may increase these fees by notice to or agreement with the record keeper or other party administering loans and repayments.

The loan will be processed from all Sub-Accounts, as prescribed by the Plan Administrator

4. TERMS OF LOAN. Any loan under this program will bear a rate of interest equal to the prime rate charged for a loan made under similar circumstances by persons in the business of lending money plus 1%.

The Plan Administrator will require that the Participant repay the loan by agreeing to payroll deduction.

The Plan Administrator will fix the term for repayment of any loan. Generally, the term of repayment may not be greater than 5 years. However, if the loan qualifies as a Primary Residence loan, the term may be longer than 5 years. The term of repayment of a "Primary Residence loan" may not be greater than 10 years.

- Note that the amount of any loan (other than a "Primary Residence loan") not repaid within 5 years may be treated as a taxable distribution on the last day of the 5 year period, including any available cure period or if sooner, at the time the loan is in default. If a Participant extends a non-Primary Residence loan having a 5 year or less repayment term beyond 5 years, the balance of the loan at the time of the extension is deemed to be a taxable distribution to the Participant.

Loans may be prepaid in their entirety at any time.

A loan, if not otherwise due and payable, is due and payable on termination of the Plan, notwithstanding any contrary provision in the promissory note. Nothing in this loan policy restricts the Employer's right to terminate the Plan at any time.

5. SECURITY FOR LOAN. The Plan will require that adequate security be provided by the Participant before a loan is granted. For this purpose, the Plan will consider a Participant's interest under the Plan to be adequate security. However, in no event will more than 50% of a Participant's vested interest in the Plan (determined immediately after origination of the loan) be used as security for the loan. The Plan will not make loans which require security other than the Participant's vested interest in the Plan. The Plan Administrator will not investigate the Participant's creditworthiness before making the loan as the loan will be treated as a directed investment of the borrower's Account.

The 50% limit is based on the Participant's full Account.

6. FORM OF PLEDGE. The pledge and assignment of a Participant's Account balances will be made in the manner prescribed by the Plan Administrator.

7. MILITARY SERVICE. If a Participant takes a leave of absence from the Employer because of service in the military and does not receive a distribution of his or her Account balances, the Plan may suspend loan repayments until the Participant's completion of military service. While the Participant is on active duty in the United States military, the interest rate on any loan in existence before such leave shall not exceed 6%, compounded annually.

8. LEAVE OF ABSENCE/SUSPENSION OF PAYMENT. The Plan Administrator may suspend loan

repayments for a period not exceeding one year which occurs during an approved leave of absence, either without pay from the Employer or at a rate of pay (after applicable employment tax withholdings) that is less than the amount of the installment payments required under the terms of the loan. The Plan Administrator will provide the Participant with a written explanation of the effect of the leave of absence upon his or her Plan loan.

9. PAYMENTS AFTER LEAVE OF ABSENCE. When payments resume following a payment suspension in connection with a leave of absence authorized in 7 or 8 above, the Participant shall increase the amount of the required installments to an amount sufficient to amortize the remaining balance of the loan, over the remaining term of the loan. Further, if the Participant's loan term was not the maximum permissible, then he may extend the maturity date of the loan and re-amortize the payments over the remaining time of the new term. If the leave of absence was due to a Qualified Military Leave of Absence described in item 7 above, the revised term of the loan shall not exceed the maximum term permitted in item 4 above, augmented by the time the Participant was actually in United States Military Service.

10. DEFAULT. The Plan Administrator will treat a loan in default if any scheduled payment remains unpaid beyond the last day of the calendar quarter following the calendar quarter in which the Participant missed the scheduled payment. If the balance of the loan is not paid at termination of employment, the remaining balance will be offset against the Participant's Account upon the earlier of (1) a partial or total distribution of the Account to the Participant or (2) expiration of the grace period.

If a Participant is still employed upon default, a deemed distribution will be declared. The amount of loan outstanding upon default will be treated as a deemed distribution and will be taxable to the Participant in the year of the default, which will result in a Form 1099-R being issued to the Participant.

A Participant who continues employment following default may (i) repay the full amount of the loan, with interest, (ii) resume current status of the loan by paying any missed payment plus interest, or (iii) if distribution is available under the Plan, request distribution of the promissory note. If the loan remains in default, when the Participant's Account is distributed, the Plan Administrator will offset the Participant's vested Account balance by the outstanding balance of the loan to the extent permitted by law. The Plan Administrator will treat the note as repaid to the extent of any permissible offset. Pending final disposition of the note, the Participant remains obligated for any unpaid principal and accrued interest.

11. MEANING OF TERMS. Generally, capitalized terms have the meaning provided in the Summary Plan Description. The following terms, which are not defined in the Summary Plan Description, have the following meanings:

- "Participant" means an individual on whose behalf contributions were made to the Plan and who retains an Account under the Plan.
- "Primary Residence loan" means a loan used to acquire a dwelling unit that will, within a reasonable period of time, be used as the Participant's principal residence.
- "Sub-Account" means a sub-account maintained under a Participant's Account.