

Online Kit Contents

Click the links below to move quickly through this document.

Opening a Vanguard® 403(b)(7) Custodial Account

1 Getting Started

- [Introduction](#)
 - [Establishing a Vanguard 403\(b\)\(7\) Custodial Account](#)
 - [Managing Your Vanguard 403\(b\)\(7\) Account](#)
-

2 Forms

- [Vanguard® Funds for Small Business Retirement Plans](#)
 - [Vanguard 403\(b\)\(7\) New Account Application](#)
 - [Vanguard 403\(b\)\(7\) Custodial Account Salary Reduction Agreement](#)
 - [Vanguard 403\(b\)\(7\) Custodial Account Agreement](#)
-

To print this kit:

You can print selected pages by clicking your browser's printer icon and entering the appropriate PDF page numbers. You can also print this kit in its entirety by clicking the printer icon and selecting "All."



Thank you for considering Vanguard for your retirement plan needs.

When you do business with us, you can expect high-quality, low-cost investment options and a long-term approach to investing. You can also count on prompt, courteous service from our Small Business Services associates, who will answer any questions regarding your retirement plan and assist with transactions.

In addition, you will have convenient, 24-hour access to your account through our website at www.vanguard.com. Registering for online access is fast and easy. On our Personal Investors homepage, click "Sign up for account access," and then follow the instructions.

This kit contains everything you need to establish your retirement plan. If you have questions, call our retirement specialists at **1-800-662-2003** on business days from 8 a.m. to 7 p.m., Eastern time. We look forward to serving you.

Sincerely,

A handwritten signature in black ink that reads "F. William McNabb, III".

F. William McNabb, III
Managing Director
Client Relationship Group

Establishing a Vanguard® 403(b)(7) Custodial Account

You've made a wise decision to entrust your retirement assets to Vanguard. Follow these steps to enroll and start saving toward the retirement you deserve.

Step 1

Choose your investments.

You may select up to five Vanguard funds for your account. (For a list of available funds, review the enclosed Vanguard Funds for Small Business Retirement Plans. For more information, visit www.vanguard.com/visit/funds.) Vanguard charges a custodial fee of \$15 per fund annually, which will be withdrawn directly from your fund accounts unless you prepay the fee.

Step 2

Complete a Vanguard 403(b)(7) New Account Application.

Mail the application in the enclosed postage-paid envelope. Vanguard will notify you by mail when your account has been established.

Step 3

Determine how much you want to contribute.

The minimum contribution is \$50 per fund per pay period. In 2006, you may contribute up to \$15,000 (up to \$20,000 if you are age 50 or older).^{*} To begin contributing, complete either your employer's salary reduction agreement or the *Vanguard 403(b)(7) Custodial Account Salary Reduction Agreement* included in the kit (whichever form your employer prefers), and return it to your employer. Keep a copy of the signed form for your records; **do not send it to Vanguard.**

^{*}If you have been with your employer for more than 15 years, you may be eligible to make an additional service-based catch-up contribution.

For more information about Vanguard funds, visit www.vanguard.com, or call 800-662-7447, to obtain a prospectus. Investment objectives, risks, charges, expenses, and other important information about a fund are contained in the prospectus; read and consider it carefully before investing.

Managing Your Vanguard 403(b)(7) Account

Here's how to handle common transactions after your account is established. As noted, many transactions can be performed securely online at www.vanguard.com. You can also use our website to view your account values, recent transactions, and account statements and to review fund reports and prospectuses.

To reach a Vanguard retirement specialist, call **800-662-2003** on business days from 8 a.m. to 7 p.m., Eastern time.

Transaction	How to Handle
Account Changes Update your name Change your address Change your beneficiary	Complete and submit a Vanguard Name Change Authorization. Choose one of the following methods: <ul style="list-style-type: none"> Log on to your account at Vanguard.com®, select "My Profile," then "Address Information." Send a <i>secure</i> e-mail from Vanguard.com by selecting "Contact Us," then "By E-Mail." Include your name, Social Security number, old address, and new address. Choose one of the following methods: <ul style="list-style-type: none"> Log on to your account at Vanguard.com and select "My Profile," then "Beneficiaries." Complete and submit a Vanguard 403(b)(7) Beneficiary Designation Form.*
Contributions Change your contribution amount Change the funds for your future contributions	Complete a <i>Vanguard 403(b)(7) Custodial Account Salary Reduction Agreement</i> or your employer's salary reduction agreement, and submit it to your employer. Do not send the form to Vanguard. Log on to your account at Vanguard.com and select "Account Options," then "Exchange Funds." Then follow the online instructions.
Exchanges Move money from one fund to another	Log on to your account at Vanguard.com . Select "Buy & Sell," then follow the link under "Employer Plan Investments." <i>Note:</i> This will not change how your future contributions are invested.
Asset Transfer or Rollover Asset transfer (move money from another 403(b) account) Rollover (move money from another type of retirement plan)	Complete and submit a <i>Vanguard 403(b)(7) Account Asset Transfer Authorization</i> .* Complete and submit a <i>Vanguard Direct Rollover Form</i> .*
Withdrawals Take a single distribution Take installment distributions	Complete and submit a <i>Vanguard 403(b)(7) Custodial Account Single Distribution Request</i> .* Complete and submit a <i>Vanguard 403(b)(7) Custodial Account Installment Distribution Request</i> .*
Duplicate Statement Send a copy of your account statements to others	Submit the names and addresses of up to three people, in writing, to Vanguard.
E-Mail Change your e-mail address Have confirmations sent via e-mail	Log on to your account at Vanguard.com and select "My Profile," then "E-Mail Address." Log on to your account at Vanguard.com and select "My Profile," then "Mail Delivery Preferences."

* *Important:* If your plan is subject to ERISA (the Employee Retirement Income Security Act of 1974), your plan administrator must approve the transaction by signing this form.

Vanguard Funds for Small Business Retirement Plans

Fund Name	Number	Ticker	Fund Name	Number	Ticker
Money Market Funds					
Admiral™ Treasury Money Market Fund (\$50,000)	0011	VUSXX	Prime Money Market Fund	0030	VMMXX
Federal Money Market Fund	0033	VMFXX	Treasury Money Market Fund	0050	VMPXX
Bond Funds					
Short-Term					
Short-Term Bond Index Fund*	0132	VBISX	Short-Term Investment-Grade Fund*	0039	VFSTX
Short-Term Federal Fund*	0049	VSGBX	Short-Term Treasury Fund*	0032	VFISX
Intermediate-Term					
GNMA Fund*	0036	VFIIX	Intermediate-Term Investment-Grade Fund*	0071	VFICX
High-Yield Corporate Fund*	0029	VWEHX	Intermediate-Term Treasury Fund*	0035	VFITX
Intermediate-Term Bond Index Fund*	0314	VBIIX	Total Bond Market Index Fund*	0084	VBMFX
Long-Term					
Long-Term Bond Index Fund	0522	VBLTX	Long-Term Treasury Fund*	0083	VUSTX
Long-Term Investment-Grade Fund*	0028	VWESX			
Inflation-Indexed					
Inflation-Protected Securities Fund*	0119	VIPSX			
Balanced Funds					
Asset Allocation Fund*	0078	VAAPX	Target Retirement 2005 Fund	0302	VTOVX
Balanced Index Fund*	0002	VBINX	Target Retirement 2015 Fund	0303	VTXVX
LifeStrategy® Conservative Growth Fund	0724	VSCGX	Target Retirement 2025 Fund	0304	VTTVX
LifeStrategy Growth Fund	0122	VASGX	Target Retirement 2035 Fund	0305	VTTHX
LifeStrategy Income Fund	0723	VASIX	Target Retirement 2045 Fund	0306	VTIVX
LifeStrategy Moderate Growth Fund	0914	VSMGX	Target Retirement Income Fund	0308	VTINX
STAR® Fund	0056	VGSTX	Wellesley® Income Fund*	0027	VWINX
			Wellington™ Fund*	0021	VWELX

- For 403(b)(7) plans no minimum investment applies, except where noted.
- For Vanguard retirement investment plans no minimum investment applies, except where noted. Please see the "How to Enroll" section of the Vanguard Retirement Investment Program booklet for more information.

(over, please)

*If your investment in a Vanguard Retirement Investment Plan is for \$100,000 or more, we will automatically open your account in Admiral Shares, which feature lower expense ratios than our already low-cost Investor Shares. (This does not apply to 403(b)(7), Profit-Sharing, or Money Purchase Pension Plans.)

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in such a fund.

Mutual funds are subject to market risk.

Fund Name	Number	Ticker	Fund Name	Number	Ticker
Stock Funds					
Domestic					
General Funds					
500 Index Fund*	0040	VFINX	Morgan™ Growth Fund*	0026	VMRGX
Convertible Securities Fund (\$10,000)	0082	VCVSX	PRIMECAP Core Fund (\$10,000)	1220	VPCCX
Diversified Equity Fund	0608	VDEQX	Strategic Equity Fund	0114	VSEQX
Dividend Growth Fund	0057	VDIGX	Total Stock Market Index Fund*	0085	VTSMX
Equity Income Fund*	0065	VEIPX	U.S. Growth Fund*	0023	VWUSX
FTSE Social Index Fund	0213	VFTSX	U.S. Value Fund	0124	VUVLX
Growth and Income Fund*	0093	VQNPX	Value Index Fund*	0006	VIVAX
Growth Index Fund*	0009	VIGRX	Windsor™ Fund*	0022	VWNDX
Large-Cap Index Fund*	0307	VLACX	Windsor II Fund*	0073	VWNFEX
More Aggressive Funds					
Capital Opportunity Fund (closed to new accounts)	0111	VHCOX	Mid-Cap Index Fund*	0859	VIMSX
Capital Value Fund	0328	VCVLX	PRIMECAP Fund (closed to new accounts)	0059	VPMCX
Explorer™ Fund*	0024	VEXPX	Selected Value Fund (\$25,000)	0934	VASVX
Extended Market Index Fund*	0098	VEXMX	Small-Cap Growth Index Fund	0861	VISGX
Growth Equity Fund (\$10,000)**	0544	VGEQX	Small-Cap Index Fund*	0048	NAESX
Mid-Cap Growth Fund (\$10,000)**	0301	VMGRX	Small-Cap Value Index Fund	0860	VISVX
Industry-Specific Funds					
Energy Fund (\$25,000)*	0051	VGENX	Precious Metals and Mining Fund (\$10,000)	0053	VGPMX
Health Care Fund* (closed to new accounts)	0052	VGHGX	REIT Index Fund*	0123	VGSIX
International/Global					
Developed Markets Index Fund	0227	VDMIX	International Growth Fund*	0081	VWIGX
Emerging Markets Stock Index Fund	0533	VEIEX	International Value Fund	0046	VTRIX
European Stock Index Fund*	0079	VEURX	Pacific Stock Index Fund*	0072	VPACX
Global Equity Fund	0129	VHGEX	Total International Stock Index Fund	0113	VTGSX
International Explorer Fund (closed to new accounts)	0126	VINEX			

Questions? Visit our website at www.vanguard.com/visit/funds, or call a Vanguard retirement specialist at **800-662-2003** on business days from 8 a.m. to 7 p.m., Eastern time.

*If your investment in a Vanguard Retirement Investment Plan is for \$100,000 or more, we will automatically open your account in Admiral Shares, which feature lower expense ratios than our already low-cost Investor Shares. (This does not apply to 403(b)(7), Profit-Sharing, or Money Purchase Pension Plans.)

**The minimum investment for 403(b)(7) accounts is \$1,000 where noted.

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For more information about Vanguard funds, visit www.vanguard.com, or call 800-662-7447, to obtain a prospectus. Investment objectives, risks, charges, expenses, and other important information about a fund are contained in the prospectus; read and consider it carefully before investing.

Small Business Services

Vanguard 403(b)(7) New Account Application

IMPORTANT INFORMATION ABOUT OPENING A NEW ACCOUNT. Vanguard is required by federal law to obtain from each person who opens an account certain personal information—including name, street address, and date of birth among other information—that will be used to verify identity. If you do not provide us with this information, we will not be able to open the account. If we are unable to verify your identity, Vanguard reserves the right to close your account or take other steps we deem reasonable.

- Print clearly, preferably in capital letters and black ink.
- Complete this form to establish a Vanguard® 403(b)(7) account.

Most forms, as well as booklets that provide details on our retirement services, can be downloaded from our website at www.vanguard.com/visit/serviceforms. Or you can call us to order them—or get assistance in filling out this form—at **800-662-2003**. Return this form and any other required documents to **The Vanguard Group, Small Business Services, P.O. Box 1106, Valley Forge, PA 19482-1106**. For overnight delivery, mail to **The Vanguard Group, Small Business Services, 455 Devon Park Drive, Wayne, PA 19087-1815**.

1. Employee Information

Name (first, middle initial, last)

U.S. Citizen
 Resident Alien
 Nonresident Alien
 Country of Residence (for nonresident alien)

-- Social Security Number
 OR
 -- Individual Taxpayer Identification Number (if a resident or nonresident alien)
 Applied for. Date of application: _____

-- Birth Date (month, day, year)

E-Mail Address

-- Daytime Telephone Number
 -- Evening Telephone Number

Street Address or APO/FPO (a P.O. box or rural route number is **not** acceptable)

City
 State
 - Zip

Account's Mailing Address if Different From Above (used both as the account's address of record and for all account mailings)

City
 State
 - Zip

6. Beneficiary Designation *(If you need more space, provide the information on a separate sheet.)*

If you have more than one primary beneficiary, your primary beneficiaries will share equally in your custodial account unless you specify otherwise in the percentage boxes below. Your secondary beneficiaries will share in your custodial account only if there are no surviving primary beneficiaries at the time of your death. If you have no surviving primary or secondary beneficiaries at the time of your death, your spouse will be entitled to any undistributed assets in your account.

The designations you make on this form will **not** affect the beneficiary designations of other accounts you may hold at Vanguard. Detailed information on these designations can be found on our website at www.vanguard.com/visit/beneficiary.

Note to ERISA plan participants: If you are married and your plan is subject to the Employee Retirement Income Security Act (ERISA), at least 50% of your account balance may be required to be paid to your surviving spouse in the form of a preretirement survivor annuity unless your spouse consents to a nonspouse beneficiary designation in the presence of a plan representative or a notary public. If you plan to name a beneficiary other than your spouse, contact your plan administrator (not Vanguard) to determine if these annuity requirements apply to you and, if so, to obtain an explanation of these rules and a spousal consent form.

■ **Primary Beneficiaries** *(Check all that apply.)*

- Those you list as primary beneficiaries will inherit your account following your death.
- Unless you choose to name an individual under Option 6 below, the executor or administrator of your estate (or the trustee if you designate a trust as a beneficiary) will be the one responsible for providing Vanguard with the names of your beneficiaries.
- If you choose more than one primary beneficiary option without indicating percentages, or if the percentages you allocate to your primary beneficiaries combined do not total 100%, we will allocate equal percentages totaling 100%.
- **If you choose option 1, 2, or 3, do not list the name(s) of the individual(s) in option 6.**

1. To my spouse who survives me. *(The person you're married to at the time of your death.)* □ □ □ %

2. To my descendants who survive me, *per stirpes*. *(Divides the percentage you specify equally among your children. If a child is deceased, that child's children, if any, will share your deceased child's portion equally.)* □ □ □ %

3. Equally to my grandchildren who survive me. □ □ □ %

4. To the trustee of an existing trust that was created under an agreement known as □ □ □ %
 , dated --
Name of Trust Trust Date (month, day, year)

5. To the trustee of a trust created under my last will. The trust is known as □ □ □ %
 or is located at
Name of Trust Section of Will

6. Other *(Choose this category to specify by name individuals or charities not covered by the previous options.)* □ □ □ %

Name of Individual *(first, middle initial, last) or Charity*

Relationship --
Spouse Other Individual's Birth Date (month, day, year)

□ □ □ %

Name of Individual *(first, middle initial, last) or Charity*

Relationship --
Spouse Other Individual's Birth Date (month, day, year)

TOTAL 1 0 0 %

I do not want to name beneficiaries at this time. **(Important:** *If you choose this option, your beneficiary will be what is stated as the default under the Vanguard 403(b)(7) Custodial Account Agreement in effect at the time of your death. Skip to the signature section on page 5.)*

7. Signature—YOU MUST SIGN BELOW

I hereby adopt The Vanguard 403(b)(7) Custodial Account Agreement that is incorporated herein by reference and that I acknowledge having received and read. I further acknowledge having received and read a prospectus for each Vanguard fund elected under this application.

▶ SIGNATURE

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Signature of Employee *(Important: Check with your employer or Vanguard to determine if your employer or plan administrator's signature is required below.)*

Date (month, day, year)

The employer named in **Section 3** hereby agrees to the terms and conditions of the Vanguard Section 403(b)(7) Custodial Account Agreement and certifies that it is an educational institution or tax-exempt organization as described in Section 403(b)(1)(A) of the Internal Revenue Code. The employer recognizes that if the accounts established under this application are part of an employee benefit plan subject to Title I of ERISA, it is the responsibility of the employer to ensure that the plan complies with Title I of ERISA, including the qualified joint and survivor annuity and preretirement survivor annuity requirements.

▶ SIGNATURE

--

Signature of Employer or Plan Administrator

Date (month, day, year)

Title

The Vanguard 403(b)(7) Custodial Account Agreement

The Vanguard® 403(b)(7) Custodial Account Agreement is hereby amended and restated effective as of January 1, 2002, except where otherwise effective under applicable law or under the terms of this Agreement.

Article I

Definitions

The following terms when used herein with initial capital letters shall be defined as follows:

- 1.1 Account.** The custodial account established under this Agreement for the benefit of the Participant for the purpose of receiving contributions and any income, expenses, gains, or losses incurred thereon.
- 1.2 Adopted Person.** A person adopted through the legal process of the United States and/or any state, commonwealth, or possession of the United States. An Adopted Person shall be considered to be the descendant or issue of the adopting person.
- 1.3 Agreement.** The Vanguard Section 403(b)(7) Custodial Account Agreement as set forth herein, including the provisions set forth in the Application and any Beneficiary designation filed with and acceptable to the Custodian, as either may be amended from time to time.
- 1.4 Application.** The Application for Vanguard Section 403(b)(7) Custodial Account executed by the Eligible Employee, a duly authorized representative of the Employer, and the Custodian providing for the establishment of the Account in accordance with the terms and conditions of this Agreement. The information set forth in the Application shall be considered an integral part of this Agreement as if set forth fully herein.
- 1.5 Authorized Party.** The executor, administrator, or personal representative of the Participant's estate, the trustee of a trust beneficiary, or any other person deemed appropriate by the Custodian to act on behalf of the Participant's Account after the Participant's death.
- 1.6 Beneficiary.** The individuals or entities designated in accordance with the provisions of Article 5.10 to receive any undistributed amounts credited to the Account upon the Participant's death.
- 1.7 Children.** Descendants in the first generation below the individual, including those born in or out of wedlock, and those legally adopted by the individual. This term excludes stepchildren and foster children.
- 1.8 Code.** The Internal Revenue Code of 1986, as amended, and including any regulations thereunder.
- 1.9 Custodian.** Vanguard Fiduciary Trust Company, a trust company incorporated under Pennsylvania banking laws, or any successor thereto appointed in accordance with the provisions of Article 7.1.
- 1.10 Descendants.** All descendants of all generations of an individual.
- 1.11 Disabled.** A Participant who is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that can be expected to result in death or to be of long-continued and indefinite duration.
- 1.12 Eligible Employee.** Any individual who is either a full-time or a part-time employee of the Employer (or who is a self-employed minister as defined in Section 414(e)(5) of the Code) and who meets the eligibility requirements for participation under the Plan.
- 1.13 Eligible Rollover Distribution.** Any distribution qualifying as an "eligible rollover distribution" under Section 403(b)(8) of the Code, as described in Article 5.13.
- 1.14 Employer.** The organization that is identified in the Application as the Employer of the Participant and that is:
- (a) An organization described in Section 501(c)(3) of the Code and exempt from tax under Section 501(a) of the Code; or
 - (b) A state, a political subdivision of a state, or an agency or instrumentality thereof, but only with respect to employees who perform or have performed services for an educational organization described in Section 170(b)(1)(A)(ii) of the Code.
- 1.15 Employer Matching Contribution.** A contribution to the Account by the Employer made in accordance with Article 3.4 on account of any Salary Reduction Contributions by the Participant.
- 1.16 Employer Nonelective Contribution.** A contribution to the Account by the Employer made in accordance with Article 3.6.
- 1.17 ERISA.** The Employee Retirement Income Security Act of 1974, as amended, and including any regulations issued thereunder.
- 1.18 ERISA Plan.** An "employee pension benefit plan" as defined under Section 3(2) of ERISA that is established or maintained by the Employer within the meaning of Department of Labor Regulations Section 2510.3-2(f).
- 1.19 Financial Hardship.** An immediate and heavy financial need requiring a distribution from the Account. The determination of the existence of a Financial Hardship on the part of the Participant and the amount required to be distributed to meet the need created by the hardship shall be made by the Plan Administrator in accordance with the rules and regulations under Section 403(b)(7) of the Code.
- 1.20 Grandchildren.** Descendants in the second generation below the individual, including those born in or out of wedlock, and those legally adopted by Children of the Participant. This term excludes stepgrandchildren and foster grandchildren.
- 1.21 Issue.** All descendants of all generations of an individual.
- 1.22 Participant.** Any Eligible Employee or former Eligible Employee of the Employer who has established an Account pursuant to this Agreement.
- 1.23 Per Stirpes.** A way of dividing the Account of a deceased Participant as follows: The Account shall be divided into as many equal shares as there are surviving Descendants in the generation nearest to the decedent that contains at least one surviving Descendant and deceased Descendants in the same generation who left surviving Descendants, if any. The share of each deceased Descendant who leaves surviving Descendants is divided in the same manner, with the subdivision repeating until the property is fully allocated among surviving Descendants. A Descendant who dies before the decedent and who leaves no surviving Descendants is disregarded.

1.24 Plan. A program or arrangement established pursuant to Section 403(b) of the Code, as amended, that serves as the funding vehicle for the custodial Account.

1.25 Plan Administrator. If the Participant's Account is part of an ERISA Plan, the Plan Administrator shall be the individuals or committee designated by the Employer to be responsible for the administration of the Plan. The Plan Administrator shall be designated in a form and manner acceptable to the Custodian. If no such designation is made, the Employer shall be deemed to be the Plan Administrator. If the Participant's Account is not part of an ERISA Plan, the Participant shall be deemed to be the Plan Administrator, except with respect to Article 5.12.

1.26 Salary Reduction Contribution. A contribution to the Account made by the Employer on behalf of the Participant pursuant to a salary reduction agreement in accordance with Article 3.1.

1.27 Service Agreement. An agreement executed by the Custodian and Plan Administrator or Employer for the purpose of outlining the Custodian's duties under this Agreement.

1.28 Spouse. For purposes of entitlement to distribution of the Account at the Participant's death, Spouse means the person to whom the Participant was married at the time of the Participant's death in accordance with the law of the state of the Participant's domicile. If the Participant is not married at the time of the Participant's death, any designation of a Spouse by relationship to the Participant shall be deemed to have lapsed, and any designation of a Spouse by name shall be deemed to have survived divorce.

1.29 Successor Beneficiary. The individuals or entities designated in accordance with the provisions of Article 5.10 to receive any undistributed amounts credited to the Account upon the death of the Beneficiary.

1.30 Vanguard® Funds. One or more of the regulated investment companies offered by The Vanguard Group, a Pennsylvania corporation, as available investments under this Agreement.

Article II

Establishment of Custodial Account

2.1 Purpose. This Agreement is intended to provide for the establishment and administration of an Account to receive contributions from the Employer on behalf of the Participant in accordance with Section 403(b)(7) of the Code.

2.2 Acceptance by Custodian. The Account shall be established upon the receipt and acceptance by the Custodian of the Application executed by the Participant and a duly authorized representative of the Employer. The Custodian's acceptance of the Application shall be evidenced by a written notice or other confirmation delivered or made available to the Participant. The Custodian shall maintain the Account for the benefit of the Participant according to the terms and conditions of this Agreement.

Article III

Contributions

3.1 Salary Reduction Contributions. The Employer shall make contributions to the Account on behalf of the Participant in accordance with a salary reduction agreement between the Employer and Participant as described in Article 3.2, subject to the limitations of Articles 3.3 and 3.7.

3.2 Salary Reduction Agreement. The salary reduction agreement referred to in Article 3.1 shall be a legally binding agreement between the Employer and Participant whereby the Participant agrees to a reduction in salary, bonuses, or wages (or to forego an increase in salary or wages) with

respect to amounts not yet payable to the Participant, and the Employer agrees to contribute the amount of salary or wages reduced or foregone by the Participant to the Account on behalf of the Participant. The salary reduction agreement may be amended at any time (as permitted under the terms of any applicable employee benefit plan sponsored by the Employer) or terminated at any time, by either the Employer or Participant, with respect to amounts not yet payable to the Participant.

3.3 Limitation on Salary Reduction Contributions.

(a) Limit. The Salary Reduction Contributions to the Account on behalf of the Participant shall not exceed the amount permitted under Section 402(g)(1) of the Code, as indexed periodically for cost-of-living increases, except to the extent permitted under Sections 402(g)(7) and 414(v) of the Code.

(b) Catch-Up Contributions. All Participants who have attained age 50 before the close of the calendar year shall be eligible to make catch-up contributions in accordance with, and subject to the limitations of, Section 414(v) of the Code. Such catch-up contributions shall not be taken into account for purposes of the provisions of the Agreement implementing the required limitations of Sections 402(g) and 415 of the Code.

(c) Allocation of Excess Deferrals. If the Participant has made "excess deferrals" as described in Section 402(g)(2)(A) of the Code for any taxable year, the Participant may assign to the Account any portion of such excess deferrals by notifying the Plan Administrator or Custodian in writing no later than March 1 following the close of the taxable year. Such written notification shall certify that the Participant has made excess deferrals for the taxable year and specify the amount of such excess deferrals to be allocated to the Account for the taxable year.

(d) Distribution of Excess Deferrals. Notwithstanding any provision of the Agreement to the contrary, if the Participant assigns any excess deferrals to the Account in accordance with the procedures described in (c) above or if the Plan Administrator determines that the Participant has made excess deferrals to the Account on the basis of the Participant's total contributions to the Account and all other plans of the Employer, the Plan Administrator may provide written instructions to the Custodian to distribute the amount of such excess deferrals, adjusted for any income or loss allocable thereto. If the Custodian receives timely written notification of the excess deferral, the amount of such excess deferral, adjusted for any income or loss allocable thereto, shall be distributed to the Participant no later than the first April 15 following the close of the taxable year in accordance with the procedures of Section 402(g)(2)(A) of the Code and the regulations thereunder.

(e) Responsibility to Correct Excess Deferrals. The Participant and the Plan Administrator shall be responsible for timely allocating any excess deferrals to the Account and timely providing the Custodian written instructions to remove the excess in accordance with the procedures described above. Neither the Custodian nor The Vanguard Group, Inc., nor any affiliate of either the Custodian or The Vanguard Group, Inc., shall have any responsibility for determining whether any contributions to the Account constitute excess deferrals as described in Section 402(g)(2)(A) of the Code or ensuring that any excess deferrals are timely allocated to the Account and distributed to the Participant in accordance with the procedures of Section 402(g)(2)(A) of the Code and the regulations thereunder.

3.4 Employer Matching Contributions. To the extent provided under any Employer-sponsored employee benefit plan that covers the Participant, the Employer may make Employer Matching Contributions to the Account on behalf of the Participant on account of any Salary Reduction Contributions that are made by the Participant under the Employer's employee benefit plan, subject to the limitations of Article 3.7. Any such Employer Matching Contributions that are made in accordance with the Employer's employee benefit plan shall be subject to the nondiscrimination tests of Section 401(m) of the Code and the regulations thereunder.

3.5 Correction of Excess Aggregate Contributions.

(a) Distribution of Excess Aggregate Contributions. If any Employer Matching Contributions are made to the Account under an Employer-sponsored employee benefit plan and the Employer's plan does not satisfy the nondiscrimination tests of Section 401(m) of the Code for a plan year, the Employer (or the Plan Administrator if the Employer-sponsored plan is an ERISA Plan) may direct the Custodian to distribute the amount of any "excess aggregate contributions" (as defined in Section 401(m)(6)(B) of the Code) allocated to the Custodial Account on behalf of the Participant for the plan year, adjusted for any income or loss allocable thereto, to the Participant no later than 12 months following the close of such plan year in accordance with Section 401(m)(6) of the Code and the regulations thereunder.

(b) Responsibility to Correct Excess Aggregate Contributions. The Employer or the Plan Administrator shall have the responsibility for determining whether any Employer Matching Contributions to the Account constitute excess aggregate contributions within the meaning of Section 401(m)(6)(B) of the Code and for directing the Custodian to distribute any such excess aggregate contributions to the Participant in accordance with the procedures of Section 401(m)(6) of the Code and the regulations thereunder. Neither the Custodian, The Vanguard Group, Inc., nor any affiliate of either shall have any responsibility for determining whether any contributions to the Account constitute excess aggregate contributions or ensuring that any excess aggregate contributions are timely corrected.

3.6 Employer Nonelective Contributions. To the extent provided under any Employer-sponsored employee benefit plan that covers the Participant, the Employer may make Employer Nonelective Contributions to the Account on behalf of the Participant, subject to the limitations of Article 3.7.

3.7 Contribution Limitations.

(a) Overall Limit. Except to the extent permitted under Section 415(c)(7) or Section 414(v) of the Code, if applicable the total amount of annual additions that may be made to the Account on behalf of the Participant for any year shall not exceed the lesser of:

- (i)** \$40,000, as adjusted for cost-of-living increases under Section 415(d) of the Code; or
- (ii)** 100% of the Participant's compensation (within the meaning of Section 415(c)(3)(E) of the Code).

(b) Definition of Annual Additions. The term "annual additions" shall include Employer Matching Contributions, Employer Nonelective Contributions, Salary Reduction Contributions, and forfeitures that are allocated to the Account for the year.

(c) Definition of Compensation. The term "Participant's compensation" means the Participant's includible compensation as determined under section 403(b)(3) of the Code. Generally, includible compensation means the amount of compensation the Participant receives from the Employer that is includible in gross income for the most recent year of service, and

that precedes the tax year by no more than five years. Includible compensation includes wages, salaries, and other amounts (including commissions, overtime, and bonuses) received by a Participant for personal services actually rendered to the Employer. Includible compensation also includes any elective deferrals (as defined in 402(g)(3) of the Code) and any amount that is contributed or deferred on behalf of the Participant and that is not includible in the gross income of the Participant by reason of Section 125, 132(f)(4), or 457 of the Code.

(d) Participant Responsibility. Neither the Custodian, The Vanguard Group, Inc., nor any affiliate of either the Custodian or the Vanguard Group, Inc. shall have any duty or responsibility to determine whether any contributions to the Account exceed the limits of this Article.

3.8 Excess Contributions. Excess contributions (as defined in Section 4973(c) of the Code) that are made to the Account may be corrected using the methods described in Sections 415 and 4973 of the Code and the regulations thereunder, or pursuant to any other guidance issued by the Internal Revenue Service or, in the case of an ERISA plan, the Department of Labor. If the Participant has an excess contribution, the Custodian shall follow the Plan Administrator's written directions regarding the correction of the excess contribution. Neither the Custodian, The Vanguard Group, Inc., nor any affiliate of either the Custodian or The Vanguard Group, Inc., shall have any responsibility for determining whether any contributions to the Account may be excluded from the Participant's gross income or ensuring that any contributions to the Account do not constitute excess contributions for purposes of Code Section 4973.

3.9 Rollover Contributions and Transfers to Custodial Account.

(a) Rollover Contributions. To the extent permitted under any Employer-sponsored employee benefit plan that covers the Participant, the Participant shall be permitted to make a rollover contribution or a direct rollover contribution to the Participant's Account of an eligible rollover distribution from the following types of plans:

- (i)** An annuity contract or custodial account described in section 403(b) of the Code, excluding employee after-tax contributions.
- (ii)** A qualified plan described in section 401(a) or 403(a) of the Code, excluding employee after-tax contributions.
- (iii)** An eligible plan under section 457(b) of the Code that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

To the extent permitted under any Employer-sponsored employee benefit plan that covers the Participant, the Participant shall also be permitted to make a rollover contribution of a portion of a distribution from an individual retirement account or annuity described under section 408(a) or 408(b) of the Code that is eligible to be rolled over and that would otherwise be includible in income. All Participant rollover contributions shall be made in a form and manner acceptable to the Custodian, and when applicable, in accordance with any rules and procedures approved by the Plan Administrator.

(b) Transfers of Assets. The Custodian may accept a direct transfer of assets to the Account on behalf of the Participant from another custodial account or an annuity contract described in Section 403(b) of the Code to the extent permitted by the Code, the rulings thereunder, and any Employer-sponsored employee benefit plan that covers the Participant. All transfers of assets shall be made in a manner acceptable to the Custodian and, where applicable, in accordance with any rules and procedures approved by the Plan Administrator.

- (c) **Investment of Rollover Contributions and Transferred Assets.** If the rollover or transfer is not accompanied by investment instructions or if, in the opinion of the Custodian, the investment instructions are unclear, incomplete, or not in good order, the Custodian will invest the assets in accordance with the contribution allocation instructions currently in effect at the time the transfer or rollover is received, unless the Plan Administrator directs the Custodian otherwise. If no contribution allocation instructions are in effect, the Custodian may invest such amount in the Vanguard® Treasury Money Market Fund without liability for loss of income or appreciation, pending receipt of investment directions from the Participant.
- (d) **Participant Responsibility.** The Participant shall be responsible for ensuring that any rollover contribution or transfer of assets pursuant to this Article 3.9 is a proper rollover contribution or transfer of assets under the Code that is excludable from the Participant's gross income and does not constitute an excess contribution under section 4973 of the Code. Neither the Custodian, The Vanguard Group, Inc., nor any affiliate of either the Custodian or the Vanguard Group, Inc., shall be responsible for any adverse tax consequences that may result to the Participant should any rollover contribution or transfer of assets duly authorized by the Participant be determined not to constitute a proper rollover contribution or transfer of assets under the Code.

3.10 Manner of Making Contributions. All contributions to the Account shall be paid directly to the Custodian by the Employer or in such other manner as deemed acceptable by the Custodian. Each contribution shall be accompanied by instructions from the Employer or the Plan Administrator that designate whether the amount contributed on behalf of the Participant represents a Salary Reduction Contribution under Article 3.1, an Employer contribution (which may include both Employer Matching Contributions under Article 3.4 and Employer Nonelective Contributions under Article 3.6), or a rollover contribution or transfer of assets under Article 3.9.

Article IV

Investments

4.1 Investment of Account.

- (a) **Participant-Directed Investments.** All contributions to the Account shall be invested and reinvested by the Custodian exclusively in shares of one or more of the Vanguard Funds as directed by the Participant. The Custodian may prescribe the form and manner in which such investment directions by the Participant shall be given. In making any investment of the assets of the Account, the Custodian shall be fully entitled to rely on the directions properly furnished to it by the Participant and shall be under no duty to make any inquiry or investigation with respect thereto.
- (b) **Missing or Unclear Investment Directions.** If the Custodian receives any contribution or other amount to the Account that is not accompanied by instructions directing its investment or that is accompanied by instructions that, in the opinion of the Custodian, are unclear, incomplete, or not in good order, the Custodian may hold or return all or a portion of the contribution or other amount uninvested without liability for loss of income or appreciation pending receipt of proper investment instructions.
- (c) **Investment Exchanges.** The Participant may direct the Custodian to redeem any or all shares of any Vanguard Fund held in the Account and to reinvest the proceeds in any other Vanguard Fund. Any such exchange transaction shall conform with the provisions and limitations imposed by the underlying investment provider. All investment exchange directions by the Participant shall be made in a manner acceptable to the Custodian.

- (d) **Reliance by Custodian.** In making any investment of the assets of the Account, the Custodian shall be fully entitled to rely on the directions furnished to it by the Participant in accordance with this Agreement and shall be under no duty to make any inquiry or investigation with respect thereto. The Custodian shall not be responsible for providing any investment advice to the Participant with respect to the investment of the Account, and the Custodian shall not be liable for any losses that may occur as a result of the investments of the Account.

4.2 Investment Advice. The Participant agrees that neither the Custodian, The Vanguard Group, Inc., nor any of its affiliates undertakes to provide any advice with respect to the investment of the Account unless otherwise agreed to in writing by the Participant and, where applicable, the Plan Administrator, and that the responsibility of the Custodian to invest in shares of a particular Vanguard Fund pursuant to the Participant's directions does not constitute an endorsement by the Custodian of that Vanguard Fund.

4.3 Account Earnings. All dividends, capital gains distributions, and other earnings received by the Custodian on any shares of a Vanguard Fund held in the Account shall be automatically reinvested in additional shares of such Vanguard Fund.

4.4 Record Ownership; Voting of Shares. All shares of the Vanguard Funds held by the Custodian pursuant to this Agreement shall be registered in the name of the Custodian or its nominee. The Custodian shall cause to be delivered to the Participant all periodic notices, prospectuses, financial statements, reports, proxies, and proxy soliciting materials relating to the Vanguard Fund shares held in the Account. The Custodian shall vote any such shares at shareholder meetings of the Vanguard Funds in accordance with instructions received from the Participant or, in the event the Participant is deceased, the Beneficiary. By establishing (or by having established) the Account, the Participant hereby directs the Custodian to vote any Vanguard Fund shares held in the Account for which no timely voting instructions are received in proportionately the same manner as shares timely voted by such Fund's other shareholders.

Article V

Distribution of Assets of Custodial Account

5.1 Limitations on Distributions.

- (a) **General Limitations.** Except as otherwise provided in Articles 3.3, 3.5, 3.8, and 5.12, the assets of the Account shall not be distributed before the Participant:
- (i) Separates from service with the Employer;
 - (ii) Attains age 59½;
 - (iii) Encounters Financial Hardship;
 - (iv) Becomes Disabled; or
 - (v) Dies.
- (b) **Limitation on Financial Hardship Withdrawals.** Any distribution that is made to the Participant from the Account for reason of Financial Hardship shall not exceed an amount equal to the amount of Employer contributions made to the Account pursuant to a salary reduction agreement with the Participant, excluding any earnings thereon, and reduced by the amount of any prior distributions from the Account for reason of Financial Hardship.

5.2 Manner of Making Distributions.

- (a) **Distributions at Plan Administrator Direction.** The Custodian has no responsibility to make any distribution, including a required minimum distribution, until it receives directions from the Plan Administrator in a form and manner acceptable to the Custodian. Notwithstanding the preceding, however, if the Participant's Account is not part of an ERISA Plan, distributions after the Participant's death shall be made by the Custodian upon receipt of directions from the Beneficiary. In making any distributions from the Account, the Custodian shall be fully entitled to rely on the directions or authorization properly furnished to it in accordance with this Article 5.2 and shall be under no duty to make any inquiry or investigation with respect thereto.
- (b) **Participant Requests for Distribution.** The Participant may file a request with the Plan Administrator, or the Custodian (if the Participant's Account is not part of an ERISA Plan), for a distribution from the Account. Any such request shall be made in a manner acceptable to the Plan Administrator or, where applicable, the Custodian. Where applicable, the Plan Administrator shall approve a request for distribution from the Account by the Participant in accordance with the applicable requirements of the Code and ERISA (as set forth in this Agreement) and the provisions of any employee benefit plan sponsored by the Employer that controls the making of Contributions to the Account. If this Agreement is determined to constitute part of an "employee benefit plan" established or maintained by the Employer subject to Title I of ERISA, then the Employer is solely responsible for assuring that such distribution request complies with the requirements of Title I of ERISA.
- (c) **Optional Forms of Distribution.** If the Participant's request for a distribution from the Account is approved or authorized, the Participant may elect to have the distribution from the Account made in one or a combination of the following forms, subject to the requirements of Articles 5.3, 5.4, and 5.5:
- (i) Single-sum payment;
 - (ii) Monthly, quarterly, semiannual, or annual installments; or
 - (iii) By the purchase and distribution of an annuity contract from an insurance company designated by the Participant or Plan Administrator providing for fixed or variable annuity payments over the life of the Participant, or the lives of the Participant and his or her Spouse (or over a period not extending beyond the life expectancy of the Participant or the joint and last survivor life expectancy of the Participant and his or her Spouse).
- (d) **Requirement of Participant Consent.** If this Agreement is part of an employee benefit plan sponsored by the Employer that is subject to the requirements of Section 203(e) of ERISA and the amount credited to the Account exceeds \$5,000, no distribution shall be made to the Participant from the Account without the consent of the Participant, except as may otherwise be required under Article 5.3. At least 30 days (but no more than 90 days) before the date of any distribution to the Participant, the Plan Administrator or Employer shall furnish to the Participant a general explanation of the material features of the optional forms of distribution available under (c) above and of the Participant's right to defer such distribution to the Participant's required beginning date under Article 5.3(a). Notwithstanding the notice period described herein, distributions may commence less than 30 days after the notice is provided if the requirements in Article 5.7(b) are satisfied.

- (e) **Distribution Upon Death of Participant.** In the event the Participant dies before the complete distribution of the assets of the Account, the Participant's Beneficiary shall be entitled to receive all undistributed amounts credited to the Account, which amounts shall be determined after the payment of any preretirement survivor annuity required under Article 5.6. Distribution to the Beneficiary shall be made in the form of a single-sum payment, periodic installments, or annuity payments as elected by the Beneficiary, subject to the requirements of Article 5.4. To the extent that the Beneficiary elects to defer distribution of the Account in accordance with the limitations of Article 5.4, the Beneficiary shall be permitted to direct the investment of the Account in the same manner as the Participant was permitted under Article 4.1. If a Beneficiary dies before receiving a complete distribution of any amount that the Beneficiary is entitled to receive under this Article 5.2(e), such remaining amount shall be distributed to the Successor Beneficiary in accordance with this Article 5.2(e) and Article 5.4(d). If a Successor Beneficiary has not been designated in accordance with Article 5.10(d) or if the Successor Beneficiary predeceases the Beneficiary, such remaining amount will be distributed to the Beneficiary's estate.

5.3 Minimum Distributions During Participant's Lifetime.

- (a) **Required Beginning Date.** Distributions of the Account shall commence no later than April 1 of the calendar year following the calendar year in which the Participant attains age 70½ or the calendar year the Participant retires, whichever is later.
- (b) **Annual Minimum Amount.** The amount to be distributed each year, beginning with the calendar year in which the Participant attains age 70½ and continuing through the year of death, may not be less than the amount determined by dividing the value of the Account as of the end of the preceding year by the distribution period in the Uniform Lifetime Table in Q&A-2 of Section 1.401(a)(9)-9 of the Income Tax Regulations, using the Participant's age as of his or her birthday in the year. However, if the Participant's sole designated Beneficiary is his or her surviving Spouse and such Spouse is more than ten years younger than the Participant, then the distribution period is determined under the Joint and Last Survivor Table in Q&A-3 of Section 1.401(a)(9)-9 of the Income Tax Regulations, using the ages as of the Participant's and Spouse's birthdays in the year.
- (c) **Timing of Minimum Distributions.** The required minimum distribution for the year the Participant attains age 70½ or retires, whichever is later, can be made as late as April 1 of the following year. The required minimum distribution for any other year must be distributed no later than December 31 of that calendar year.
- (d) **Aggregation of 403(b)s.** The Participant may satisfy the distribution requirements under Section 403(b)(10) of the Code by receiving a distribution from one 403(b) custodial account or annuity contract that is equal to the amount required to satisfy the minimum distribution requirements for two or more 403(b) custodial accounts or annuity contracts in accordance with Q&A-4 of Section 1.403(b)-3 of the Income Tax Regulations.
- (e) **Payment of Minimum Distribution Amount.** The Custodian shall be fully entitled to rely on the Plan Administrator's direction to initiate required minimum distribution payments and the Custodian assumes no responsibility for ensuring that such payments satisfy the distribution requirements under Section 401(a)(9) of the Code.

- (f) **Value of Account.** The “value” of the Account includes the amount of certain rollovers and transfers in accordance with Section 1.401(a)(9)-7 of the Income Tax regulations.

5.4 Minimum Distributions After the Participant’s Death. In the event the Participant dies prior to the complete distribution of the Account, the remaining balance of the Account will be distributed to the Beneficiary at such time and in such manner as the Beneficiary shall direct, in a form and manner acceptable to the Custodian, subject to the following rules:

- (a) **Participant Dies Before Required Beginning Date.** If the Participant dies before his or her required beginning date, the Participant’s interest must be distributed at least as rapidly as follows:

- (i) If the designated Beneficiary is someone other than the Participant’s surviving Spouse, the entire interest must be distributed, starting by December 31 of the calendar year following the calendar year of the Participant’s death, over the remaining life expectancy of the designated Beneficiary (with such life expectancy of the designated Beneficiary determined using the age of the Beneficiary as of his or her birthday in the year following the year of the Participant’s death), or, if elected, in accordance with paragraph (a)(iii) below.
- (ii) If the Participant’s sole designated Beneficiary is the Participant’s surviving Spouse, the entire interest must be distributed, starting by December 31 of the calendar year following the calendar year of the Participant’s death (or by the end of the calendar year the Participant would have attained age 70½, if later), over such Spouse’s life, or, if elected, in accordance with paragraph (a)(iii) below. If the surviving Spouse dies before distributions are required to begin, the remaining interest must be distributed, starting by December 31 of the calendar year following the calendar year of the Spouse’s death, over the Spouse’s designated Beneficiary’s remaining life expectancy determined using such Beneficiary’s age as of his or her birthday in the year following the death of the Spouse, or, if elected, will be distributed in accordance with paragraph (a)(iii) below. If the surviving Spouse dies after distributions are required to begin, any remaining interest will be distributed over the Spouse’s remaining life expectancy determined using the Spouse’s age as of his or her birthday in the year of the Spouse’s death.
- (iii) If there is no designated Beneficiary, or if applicable by operation of paragraph (a)(i) or (a)(ii) above, the remaining interest must be distributed by the end of the calendar year containing the fifth anniversary of the Participant’s death (or of the Spouse’s death in the case of the surviving Spouse’s death before distributions are required to begin under paragraph (a)(ii) above).
- (iv) The amount that must be distributed under paragraphs (a)(i) or (ii) above is the amount determined by dividing the value of the Account as of the end of the preceding year by the remaining life expectancy specified in such paragraph. Life expectancy is determined using the Single Life Table in Q&A-1 of Section 1.401(a)(9)-9 of the Income Tax Regulations. If distributions are being made to a surviving Spouse as the sole designated Beneficiary, such Spouse’s remaining life expectancy for a year is the number in the Single Life Table corresponding to such Spouse’s age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the Beneficiary’s age in the year specified in paragraph (a)(i) or (ii) and reduced by one for each subsequent year.

- (b) **Participant Dies On or After Required Beginning Date.** If the Participant dies on or after the required beginning date, the remaining portion of his or her interest in the Account must be distributed at least as rapidly as follows:

- (i) If the designated Beneficiary is someone other than the Participant’s surviving Spouse, the remaining interest must be distributed over the remaining life expectancy of the designated Beneficiary, with such life expectancy determined using the Beneficiary’s age as of his or her birthday in the year following the year of the Participant’s death, or over the period described in paragraph (b)(iii) below if longer.
 - (ii) If the Participant’s sole designated Beneficiary is the Participant’s surviving Spouse, the remaining interest will be distributed over such Spouse’s life or over the period described in paragraph (b)(iii) below if longer. Any interest remaining after such Spouse’s death will be distributed over such Spouse’s remaining life expectancy determined using the Spouse’s age as of his or her birthday in the year of the Spouse’s death or, if the distributions are being made over the period described in paragraph (b)(iii) below, over such period.
 - (iii) If there is no designated Beneficiary or if applicable by operation of paragraph (b)(i) or (b)(ii) above, the remaining interest will be distributed over the Participant’s remaining life expectancy determined in the year of the Participant’s death.
 - (iv) The amount to be distributed each year under paragraph (b)(i), (ii), or (iii), beginning with the calendar year following the calendar year of the Participant’s death, is the amount determined by dividing the value of the Account as of the end of the preceding year by the remaining life expectancy specified in such paragraph. Life expectancy is determined using the Single Life Table in Q&A-1 of Section 1.401(a)(9)-9 of the Income Tax Regulations. If distributions are being made to a surviving Spouse as the sole designated Beneficiary, such Spouse’s remaining life expectancy for a year is the number in the Single Life Table corresponding to such Spouse’s age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the Beneficiary’s or Participant’s age in the year specified in paragraph (b)(i), (ii), or (iii) and reduced by one for each subsequent year.
- (c) **Designated Beneficiary for Minimum Distribution Purposes.** The “designated Beneficiary” for purposes of determining the distribution period for required minimum distributions after the Participant’s death is determined in accordance with section 1.401(a)(9)-4 of the Income Tax Regulations. In general, the Participant’s designated Beneficiary for required minimum distribution purposes is determined based on the Beneficiaries designated as of the date of the Participant’s death who remain Beneficiaries as of September 30 of the calendar year following the Participant’s death.
- (d) **Death of Beneficiary.** If the Beneficiary dies while receiving payments from the Account, all remaining assets in the Account shall be distributed to the Successor Beneficiary at least as rapidly as distributions were required to be made to the Beneficiary under Articles 5.4(a) and 5.4(b) above. If no Successor Beneficiary is in effect at the time of the Beneficiary’s death, all remaining assets shall be distributed to the Beneficiary’s estate.

5.5 Joint and Survivor Annuity Requirement.

- (a) **General Rule.** In the event this Agreement is part of an employee benefit plan sponsored by the Employer that is subject to the requirements of Section 205 of ERISA, any amount that the Participant is entitled to receive from the Account shall be distributed in the form of a qualified joint and survivor annuity, except as otherwise provided in Articles 5.8 and 5.9.
- (b) **Definition of Qualified Joint and Survivor Annuity.** For purposes of this Article V, the term “qualified joint and survivor annuity” means, if the Participant is married, an annuity payable for the life of the Participant with a survivor annuity payable for the life of the Participant’s surviving Spouse that is not less than 50% nor more than 100% of the annuity payable for the life of the Participant, as designated by the Participant during his or her lifetime. If no such designation is made by the Participant, the percentage shall be 50%. If the Participant is not married, the term “qualified joint and survivor annuity” means an annuity payable for the life of the Participant. If a distribution is required to be paid in the form of a qualified joint and survivor annuity under this Article 5.5, the Plan Administrator shall be responsible for arranging the purchase of the annuity contract and for directing the Custodian to transfer Account assets for the purposes of making any such purchase. The Custodian shall be fully entitled to rely on instructions furnished to it by the Plan Administrator and shall be under no duty to make any inquiry or investigation with respect thereto.

5.6 Preretirement Survivor Annuity Requirement.

- (a) **General Rule.** If this Agreement is part of an employee benefit plan sponsored by the Employer that is subject to the requirements of Section 205 of ERISA and the Participant dies before distribution of the Account has begun, a qualified preretirement survivor annuity shall be payable to the surviving Spouse of the Participant, except as otherwise provided in Articles 5.8 and 5.9. The surviving Spouse may elect to have such annuity distributed within a reasonable time after the Participant’s death.
- (b) **Definition of Qualified Preretirement Survivor Annuity.** For purposes of this Article V, the term “qualified preretirement survivor annuity” means an annuity payable for the life of the Participant’s surviving Spouse that is provided under an annuity contract purchased by the Custodian with 50% of the total amount credited to the Account at the time of the Employee’s death. If a distribution is required to be paid in the form of a qualified preretirement survivor annuity under this Article 5.6, the Plan Administrator shall be responsible for arranging the purchase of the annuity contract and for directing the Custodian to transfer Account assets for the purposes of making any such purchase. The Custodian shall be fully entitled to rely on instructions furnished to it by the Plan Administrator and shall be under no duty to make any inquiry or investigation with respect thereto.

5.7 Notice and Explanation to Employee.

- (a) **Explanation of Joint and Survivor Annuity.** If this Agreement is part of an employee benefit plan sponsored by the Employer that is subject to the requirements of Section 205 of ERISA, the Plan Administrator or the Employer shall furnish to the Participant a written notice at least 30 days, but no more than 90 days, before the start of any distribution from the Custodial Account that explains: (i) the terms and conditions of the qualified joint and survivor annuity under Article 5.5; (ii) the Participant’s right to make, and the effect of, an election to waive the qualified joint and survivor annuity form of distribution in accordance with Article 5.8; (iii) the rights of the Participant’s Spouse; and (iv) the right to make, and the effect of, a revocation of a previous election to waive the qualified joint and survivor annuity method of distribution.

- (b) **Timing of Distributions.** Notwithstanding the foregoing, the Participant may elect (with spousal consent) to waive the 30-day notice period, provided that the following requirements are met:

- (i) The Participant has been provided information that clearly indicates the Participant has 30 days to consider waiving the qualified joint and survivor annuity and elects, with spousal consent, a form of distribution other than the qualified joint and survivor annuity;
- (ii) The Participant is entitled to revoke the affirmative distribution election at least until the annuity starting date, or if later, at any time before the end of the seven-day period that begins the day after the qualified joint and survivor annuity notice is provided;
- (iii) Distributions do not begin before the end of the seven-day period beginning the day after the notice is provided; and
- (iv) The annuity starting date is after the date the explanation of the qualified joint and survivor annuity is provided to the Participant, except as otherwise provided by Section 417(a)(7) of the Code.

- (c) **Explanation of Preretirement Survivor Annuity.** If this Agreement is part of an employee benefit plan sponsored by the Employer that is subject to the requirements of Section 205 of ERISA, the Plan Administrator or the Employer shall furnish to the Participant a written notice during the time period beginning with the first day of the calendar year in which the Participant attains age 32 and ending with the close of the calendar year in which the Participant attains age 34 explaining the qualified preretirement survivor annuity of Article 5.6 in such terms and in such a manner as would be comparable to the explanation required under subsection (a) above with respect to the qualified joint and survivor annuity. If the Participant begins employment after attaining age 32, the written notice required by the preceding sentence shall be furnished no later than the close of the year following the date the Participant begins employment. If the Participant terminates employment with the Employer before attaining age 35, the required written notice shall be furnished during the period beginning one year before the Participant’s termination of employment and ending one year after such termination of employment, provided that if the Participant thereafter resumes employment with the Employer, the required written notice shall be furnished during the period otherwise required above.

5.8 Waiver of Qualified Joint or Survivor Annuity or Qualified Preretirement Survivor Annuity.

- (a) **General Rule.** The Participant may elect at any time during the applicable election period (as defined in (e) below) to waive the qualified joint and survivor annuity form of distribution or the qualified preretirement survivor annuity (or both), and may revoke any such election at any time during the applicable election period.
- (b) **Spousal Consent Required.** Any election by the Participant to waive the qualified joint and survivor annuity form of distribution or the qualified preretirement survivor annuity shall not be effective unless:
- (i) The Participant’s Spouse consents in writing to the Participant’s election;
 - (ii) The Participant’s election designates the specific nonspouse Beneficiary (including any class of Beneficiaries or contingent Beneficiaries) to receive the Participant’s benefits under the Account upon the Participant’s death, which Beneficiary designation shall not be thereafter changed by the Participant without further spousal consent (unless the Spouse expressly permits subsequent Beneficiary designations by the Participant without further spousal consent);

- (iii) In the case of a waiver of the qualified joint and survivor annuity, the Participant's election specifies the optional form of distribution elected by the Participant under Article 5.2(c), which may not be thereafter changed by the Participant without further spousal consent (unless the Spouse expressly permits subsequent changes by the Participant without further spousal consent);
- (iv) The Spouse's consent acknowledges the effect of the Participant's election; and
- (v) The Spouse's consent is witnessed by a Plan representative or a notary public.

Notwithstanding the preceding, if the Participant establishes to the satisfaction of the Plan Administrator that there is no Spouse or that the Spouse cannot be located, the Participant's election to waive the qualified joint and survivor annuity form of distribution or the qualified preretirement survivor annuity shall be deemed a qualified election for which no spousal consent is required.

- (c) **Effect of Spousal Consent.** Any consent by a Spouse, or establishment that the consent of a Spouse may not be obtained, shall not be effective with respect to any other Spouse. Any spousal consent that permits subsequent changes by the Participant to the Beneficiary designation or optional form of distribution without the requirement of further spousal consent shall acknowledge that the Spouse has the right to limit such consent to a specific Beneficiary or optional form of distribution, and that the Spouse voluntarily elects to relinquish such right.
- (d) **Revocation of Waiver.** The Participant may revoke any prior waiver of the qualified joint and survivor annuity or qualified preretirement survivor annuity at any time before the start of distributions from the Account without the consent of his or her Spouse, and the number of such revocations shall not be limited. Any new waiver of the qualified joint and survivor annuity or qualified preretirement survivor annuity, or any change to an existing Beneficiary designation by the Participant that was in effect at the time of a waiver of the qualified joint and survivor annuity or qualified preretirement survivor annuity, shall require a new spousal consent in accordance with this Article 5.8.
- (e) **Applicable Election Period Defined.** For purposes of this Article 5.8, the term "applicable election period" means: (i) in the case of an election to waive the qualified joint and survivor annuity form of distribution, the 90-day period ending on the date the Participant's benefits from the Account begin; or (ii) in the case of an election to waive the qualified preretirement survivor annuity, the period that begins on the first day of the calendar year in which the Participant attains age 35 and ends on the date of the Participant's death. If the Participant separates from service before the first day of the calendar year in which he or she attains age 35, the applicable election period for purposes of (ii) shall begin on the date of the Participant's separation from service.

5.9 Cash-Outs.

- (a) **Distributions Not in Excess of \$5,000.** If the total amount otherwise required to be distributed in the form of a qualified joint and survivor annuity or a qualified preretirement survivor annuity to the Participant or his or her surviving Spouse under Article 5.5 or 5.6 does not exceed \$5,000, such distribution may be made in the form of a lump-sum payment without the consent of the Participant or his or her Spouse. No distribution shall be made under the preceding sentence after the first day of the first period for which an amount is received as an annuity unless the Participant and his or her Spouse (or the Participant's surviving

Spouse if the Participant has died) consents in writing to such distribution.

- (b) **Distributions in Excess of \$5,000 Only With Consent.** If the total amount otherwise required to be distributed in the form of a qualified joint and survivor annuity or a qualified preretirement survivor annuity to the Participant or his or her surviving Spouse under Article 5.5 or 5.6 exceeds \$5,000, such distribution shall be made in the form of a lump-sum payment if the Participant and his or her Spouse (or the Participant's surviving Spouse if the Participant has died) consent in writing to such distribution.

5.10 Designation of Beneficiary.

- (a) **General Rules.** The Participant may designate from time to time any person or persons, entities, such as a trust, or other recipient acceptable to the Custodian as his or her primary or contingent Beneficiaries. To be entitled to receive any undistributed amounts credited to the Account at the Participant's death, any person or persons designated as a Beneficiary must be alive and any entity designated as a Beneficiary must be in existence at the time of the Participant's death. The primary Beneficiary shall be entitled to receive, except as otherwise required under Article 5.5 or 5.6, any undistributed assets held in the Account at the time of the Participant's death. If the Participant has designated more than one primary Beneficiary, the Beneficiaries shall be entitled to receive, except as otherwise required under Article 5.5 or 5.6, any undistributed amount credited to the Account at the time of the Participant's death in the proportions indicated by the Participant. In the event that the Participant has not indicated the proportions to which multiple Beneficiaries may be entitled or has indicated percentages that do not exactly equal 100%, payment will be made to the surviving Beneficiaries in equal shares. Except as described in the next sentence, if any primary Beneficiary has not survived the Participant, that Beneficiary's share of the Participant's Account will be divided proportionately among the surviving primary Beneficiaries. Notwithstanding anything to the contrary in this paragraph 5.10(a), if the Participant has indicated that any Beneficiary designation is made on a Per Stirpes basis and the deceased primary Beneficiary has surviving Issue, the share of the deceased primary Beneficiary shall be divided into equal shares for each such surviving Issue. In the event that there are no surviving primary Beneficiaries at the time of the Participant's death, the contingent Beneficiaries shall be entitled to receive, except as otherwise required under Article 5.5 or 5.6, any undistributed amount credited to the Account at the time of the Participant's death and shall succeed to the rights of a primary Beneficiary in accordance with this Agreement. If multiple contingent Beneficiaries become entitled to any amounts credited to the Account, distribution shall be made in the same manner as if the Beneficiaries were multiple primary Beneficiaries. If no Beneficiary designation is in effect, or if there are no surviving Beneficiaries, at the time of the Participant's death, the Beneficiary shall be the Participant's surviving Spouse. If the Participant has no surviving Spouse, the Participant's Beneficiary shall be the Participant's estate.

Any Beneficiary designation by the Participant shall be made in a form and manner prescribed by or acceptable to the Custodian and shall be effective only when received by the Custodian during the Participant's lifetime. The Participant may change or revoke his or her Beneficiary designation at any time prior to his or her death by making a new Beneficiary designation with the Custodian. Any designation of a Spouse by name shall be deemed to have survived divorce.

- (b) **Minors.** If upon the death of the Participant a Beneficiary known to the Custodian to be a minor is entitled to receive any undistributed assets of the Account, the Custodian may, in its absolute discretion, transfer assets to an inherited Account for the benefit of the minor Beneficiary controlled by a parent of such Beneficiary, the guardian, conservator, or other legal representative of such Beneficiary, a custodian appointed under a Uniform Gifts to Minors Act, Uniform Transfers to Minors Act, or similar act, or any person having control or custody of such person.
- (c) **Marital Trusts.** The Participant or, as permitted by law, the spousal Beneficiary following the death of the Participant, may designate as Beneficiary a trust for the benefit of the surviving Spouse intended to satisfy the conditions of Sections 2056(b) (pertaining to qualified terminable interest property trusts or "QTIP" trusts) or 2056A (pertaining to qualified domestic trusts or "QDOT" trusts) of the Code (collectively, referred to as "Marital Trusts.") To the extent such QTIP or QDOT trust is a Beneficiary of the Account, the following provisions shall apply until the earlier of the death of the surviving Spouse or the termination of the Account: (1) all of the income of the Account shall be payable to the Marital Trust or directly to the surviving Spouse, at the direction of the trustee of the Marital Trust, at least annually or at such more frequent intervals as may be directed by the trustee of the Marital Trust; and (2) no person, other than the surviving Spouse, shall have the right to assign any part of the Account to any person other than the Marital Trust or the surviving Spouse.
- (d) **Rights of Primary Beneficiaries Upon Participant's Death.** In addition to rights otherwise conferred upon Beneficiaries under this Agreement, all individual Beneficiaries shall be entitled to designate Successor Beneficiaries of their inherited Account. Any Successor Beneficiary designation by the Beneficiary shall be made in accordance with the provisions of paragraph (a) above. If a Beneficiary dies after the Participant but prior to receipt of the entire interest in the Account and has Successor Beneficiaries, the Successor Beneficiaries shall succeed to the rights of the Beneficiary. If a Beneficiary dies after the Participant but prior to receipt of the entire interest in the Account and no Successor Beneficiary designation is in effect at the time of the Beneficiary's death, the Beneficiary shall be the Beneficiary's estate. Upon instruction to the Custodian, each multiple Beneficiary may receive his, her, or its interest as a separate account, within the meaning of Regulation Section 1.401(a)(9)-8, Q & A-3, to the extent permissible by law. The trustee of a trust Beneficiary shall exercise the rights of such trust Beneficiary.

5.11 Responsibility of Custodian and Vanguard.

- (a) **Identification of Beneficiaries.** The Custodian shall not be responsible for determining the identity or interest of any Beneficiary designated by relationship to the Participant. The Custodian is fully entitled to rely on any representations made by the Authorized Party with respect to the identity of the Beneficiaries of the Account, and shall be under no duty to make any inquiry or investigation thereto. The Participant agrees that the Custodian and Vanguard shall have no liability for, and shall be fully indemnified against, any cost or damage they incur in connection with their good faith reliance upon such representations.
- (b) **Further Obligations.** The Custodian shall not be responsible for (1) the interpretation of any formula clause or trust provision contained in any Beneficiary designation filed with the Custodian, (2) the determination of the legal effect of any disclaimer or renunciation made by any Beneficiary to the Account, or (3) the enforcement of any legal obligation, including tax obligations, of the Participant or any Beneficiary. The mere acceptance of

any Beneficiary designation submitted by a Participant shall not limit the Custodian's rights or increase its responsibilities under this Agreement and under law. The Custodian is fully entitled to rely on any instructions or representations made by the Plan Administrator, Beneficiary, or the Authorized Party with respect to any of the responsibilities identified in this Article 5.11(b). The Participant agrees that the Custodian and Vanguard shall have no liability for, and shall be fully indemnified against, any cost or damage they incur in connection with their good-faith reliance upon such representations. Except with respect to this Article 5.11(b), the terms of any Beneficiary designation accepted by the Custodian shall control over the terms of this Agreement to the extent of any inconsistency.

- (c) **Additional Information.** The Custodian reserves the right to request such additional information and documentation from the Participant, the Plan Administrator, the Beneficiary, or the Authorized Party as the Custodian deems may be needed in respect of establishment, maintenance, and distribution of the Account.

5.12 Distributions Pursuant to Qualified Domestic Relations Orders.

- (a) **In General.** Notwithstanding any provision of this Agreement to the contrary, the Plan Administrator may direct the Custodian to distribute all or a portion of the Account to an alternate payee in accordance with the terms and conditions of a "qualified domestic relations order" (QDRO) as defined in Section 414(p) of the Code. This Agreement hereby specifically permits and authorizes distributions from the Account to an alternate payee in accordance with a QDRO before the date the Participant terminates employment with the Employer or before the date the Participant attains his or her earliest retirement age as defined in Section 414(p)(4)(B) of the Code.
- (b) **Applicable Procedures.** The Plan Administrator shall be responsible for establishing reasonable procedures for determining whether any domestic relations order received with respect to the Account qualifies as a QDRO and for administering distributions in accordance with the terms and conditions of a QDRO. If any domestic relations order is received with respect to the Account, the Plan Administrator shall promptly notify the Participant and each alternate payee identified in the order, and the Plan Administrator shall determine within a reasonable period after receipt of the domestic relations order whether the order qualifies as a QDRO, and notify the Participant and each alternate payee of such determination. In making any distribution to an alternate payee pursuant to the Plan Administrator's directions under this Article 5.12, the Custodian shall be fully entitled to rely on such directions furnished by the Plan Administrator and shall be under no duty to make any inquiry or investigation with respect thereto. If the Participant's account is not part of an ERISA Plan, distributions pursuant to a QDRO shall be made in accordance with the rules and procedures prescribed by the Custodian.

5.13 Direct Rollovers and Transfers From the Custodial Account.

- (a) **Direct Rollovers.** Notwithstanding any provision of the Account to the contrary that would otherwise limit a distributee's election under this article, a distributee may elect, at the time and in the manner prescribed by the Custodian, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover. For purposes of this Article 5.13, the following definitions shall apply:
- (i) **Eligible Rollover Distribution.** An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include:

- (a) Any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee, or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period of ten years or more;
- (b) Any distribution to the extent that such distribution is required under Section 401(a)(9) of the Code;
- (c) Any distribution made for reason of Financial Hardship.

(ii) Eligible Retirement Plan. An eligible retirement plan is a traditional individual retirement account described in Section 408(a) of the Code; an individual retirement annuity described in Section 408(b) of the Code; a tax-sheltered annuity or custodial account described in Section 403(b) of the Code; a plan qualified under section 401(a) of the Code, including a 401(k) plan, profit-sharing plan, stock bonus plan, and money purchase plan; and an eligible plan under section 457(b) of the Code that is maintained by a state or a political subdivision of a state and that agrees to separately account for amounts transferred into such plan from this custodial Account. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving Spouse, or to a Spouse or former Spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code.

(iii) Distributee. A distributee includes a Participant or former Participant. In addition, the Participant's or former Participant's surviving Spouse, and the Participant's or former Participant's Spouse or former Spouse who is the alternate payee under a QDRO, as defined under Section 414(p) of the Code, are distributees with regard to the interest of the Spouse or former Spouse.

(iv) Direct Rollover. A direct rollover is a payment by the Account to the eligible retirement plan specified by the distributee.

- (b) **Transfers.** The Participant shall be permitted to direct the Custodian to transfer all or any part of the assets of the Account directly to the sponsor of another annuity contract or custodial account described in Section 403(b) of the Code to the extent permitted by the Code and the regulations thereunder and in accordance with any employee benefit plan sponsored by the Employer that governs the making of transfers from the Account. In accordance with IRS Revenue Ruling 90-24, the transferred assets must continue to be subject to the same or more stringent distribution restrictions as under the current Account.
- (c) **Participant's Responsibilities.** The Participant shall be responsible for ensuring that any direct rollover or transfer of assets from the Account pursuant to this Article 5.13 is a proper rollover or transfer of assets under the Code. The Custodian shall not be liable for any adverse tax consequences that may result to the Participant should any rollover or transfer duly authorized by the Participant be determined not to constitute a proper rollover or transfer under the Code.

Article VI

Responsibilities and Duties of Custodian

6.1 Asset Retention. The Custodian shall hold all contributions to the Account that are received by it subject to the terms and conditions of this Agreement and for the purposes set forth herein. The Custodian shall be responsible only for such assets as shall actually be received by it.

6.2 Recordkeeping and Reports. Subject to the provisions of this Agreement, the Custodian shall maintain such records as may be necessary for

the proper administration of the custodial Account. The Custodian shall submit all reports to the Internal Revenue Service, Department of Labor, Employer, and Participant at such times and in such manner as may be prescribed as the responsibility of the Custodian by the applicable statutes and regulations thereunder.

6.3 Limitations on Responsibilities and Duties. The Custodian shall not be responsible for the collection of contributions provided for under this Agreement, the selection of the investments for the Account, the purpose or propriety of any distribution made at the direction of the Plan Administrator pursuant to Article V hereof, or any other action properly taken at the direction of the Employer, Plan Administrator, or Participant in accordance with the terms and conditions of this Agreement. The Custodian shall be under no obligation to determine the accuracy or propriety of any such directions received from the Employer, Plan Administrator, or Participant and shall be fully protected in acting in accordance therewith.

6.4 Indemnification of Custodian. The Participant shall at all times fully indemnify and save harmless the Custodian, its successors, and assigns from any and all liability arising from actions taken at the request of the Participant and from any and all other liability that may arise in connection with this Agreement, except liability arising from the Custodian's breach of its responsibilities or duties hereunder. The Custodian may conclusively rely upon and shall be protected in acting upon any direction from the Participant or any other notice, request, consent, certificate, or other instrument or paper believed by it to be genuine and to have been properly executed, so long as the Custodian acts in good faith in taking or omitting to take any action.

6.5 Liability of Custodian. The Custodian's liability under this Agreement and matters that it contemplates shall be limited to matters arising from the Custodian's negligence or willful misconduct. The Custodian shall not be obligated or expected to commence or defend any legal action or proceeding in connection with this Agreement unless agreed upon by the Custodian and Participant, and unless fully indemnified for so doing to the Custodian's satisfaction.

Article VII

Resignation or Removal of Custodian

7.1 Resignation or Removal. The Custodian may resign at any time by written notice to the Participant and Employer, which shall be effective 30 days after delivery thereof unless prior thereto a successor Custodian shall have been appointed. The Custodian may be removed by the Employer, or by the Participant (if the Account is not part of an Employer-sponsored employee benefit plan), at any time upon 30 days' written notice to the Custodian. However, the Custodian may waive such notice. Upon such resignation or removal, the Custodian shall transfer and deliver all assets of the Account and all records relative thereto to the successor Custodian appointed by the Employer or, if applicable, the Participant. If a successor Custodian shall not have been so appointed within 30 days from the date of said resignation or removal, the resigning or removed Custodian may designate any bank or trust company to be successor Custodian under this Agreement.

7.2 Liability for Successor's Acts. Upon its resignation or removal, the Custodian shall not be liable for the acts or omissions of any successor Custodian. Upon the transfer of the assets of the Account to a successor Custodian, the resigning or removed Custodian shall be relieved of any further liability with respect to this Agreement, the Account, and the assets thereof.

7.3 Bank as Custodian. The Custodian and any successor Custodian appointed to serve under this Agreement shall be a bank, as defined in Section 408(n) of the Code, or such other person who is qualified to serve as Custodian under Section 401(f)(2) of the Code.

Article VIII

Amendment and Termination

8.1 Amendment of Agreement.

- (a) The Participant and Employer hereby delegate to the Custodian the power to amend this Agreement, including any retroactive amendment necessary to assure that the Agreement will continue to satisfy the applicable requirements of the Code and ERISA. The Custodian is also authorized to amend this Agreement to reflect any other changes to the terms of this Agreement that the Custodian deems appropriate. The Custodian shall promptly deliver written notice of any such amendment to the Participant and Employer.
- (b) No amendment to this Agreement shall cause or permit:
- (i) Any part of the assets of the Account to be used for, or diverted to, purposes other than for the exclusive benefit of the Participant or Beneficiary;
 - (ii) The Participant to be deprived of any accrued benefits under this Agreement unless such amendment is required for the purpose of conforming the Agreement to the requirements of the Code; or
 - (iii) The imposition of any additional duties or obligations on the Employer, Plan Administrator, or Participant without their consent, unless such amendment is required for the purpose of conforming the Agreement to the requirements of the Code.

8.2 Amendment of Salary Reduction Agreement. The Participant and the Employer may agree to amend the salary reduction agreement referred to in Article 3.2 at any time.

8.3 Termination of Agreement. The Employer may at any time terminate this Agreement upon delivery to the Custodian of a written notice of termination signed by the Employer. If such notice does not request the Custodian to transfer the assets of the Account directly to another custodial account as described in Section 403(b)(7) of the Code or an insurance company under an annuity contract described in Section 403(b) of the Code, the Custodian shall distribute the assets of the Account to the Participant in accordance with the provisions of Article V.

Article IX

Miscellaneous

9.1 Employer's Plan Provisions Shall Control. If contributions are being made to the Account pursuant to an employee benefit plan sponsored by the Employer that covers the Participant, to the extent the Custodian has received notification from the Employer, in a manner acceptable to the Custodian, that any provisions of this Agreement are inconsistent with the provisions of such employee benefit plan, the provisions of the Employer's employee benefit plan shall control, provided that:

- (a) Such provisions of the Employer's employee benefit plan are not contrary to the rules and regulations under Section 403(b)(7) of the Code or the provisions of ERISA;
- (b) Such provisions of the Employer's employee benefit plan do not impose any additional responsibilities or duties on the Custodian without its prior written consent; and
- (c) The Employer has delivered the most recent copy of such employee benefit plan to the Custodian.

The Custodian shall be fully entitled to rely on the Employer's or Plan Administrator's representation of the contents of the applicable Plan document and shall be under no duty to make inquiry or to determine the accuracy of the Employer's or Plan Administrator's instructions.

9.2 ERISA Requirements. If this Agreement is determined to constitute part of an employee benefit plan established or maintained by the Employer that is subject to Title I of ERISA, the Employer shall be responsible for assuring that such employee benefit plan complies at all times with the requirements of Title I of ERISA. The Custodian shall be under no duty to determine whether a plan constitutes an employee benefit plan that is subject to Title I of ERISA and shall be fully entitled to rely on the Employer's or Plan Administrator's representation of the Plan's ERISA status.

9.3 Custodian Fees. The Custodian shall be entitled to reasonable compensation for its services with respect to the maintenance and administration of the Account as set forth in the Application or any fee schedule delivered to the Participant. The Custodian may change its fees payable under this Agreement at any time upon notice to the Participant. The Custodian's fees shall be collected from the assets of the Account unless they are paid directly to the Custodian by the Participant or the Employer.

9.4 Exclusive Benefit. The assets of the Account shall not be used for, or diverted to, purposes other than for the exclusive benefit of the Participant or his or her Beneficiary. The assets of the Account shall not be subject to the claims of the Employer's creditors. The interest of the Participant in the balance of the Account shall at all times be nonforfeitable and nontransferable.

9.5 Nonalienation. The assets of the Account shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution, or levy of any kind, either voluntary or involuntary, provided, however, that the Custodian shall not be hereby precluded from complying with any qualified domestic relations order as defined in Section 414(p) of the Code in accordance with the procedures set forth in Article 5.12 of this Agreement. Any attempt by the Participant or Beneficiary to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, or otherwise dispose of any right to distributions hereunder shall be void, except as otherwise required by law.

9.6 Simultaneous Death. In the event that the order of the deaths of the Participant and any primary Beneficiary cannot be determined or are deemed to have occurred simultaneously under the law of the state of the Participant's domicile, the survivor shall be that person who is determined to survive in accordance with the law of the state of the Participant's domicile at the time of the Participant's death.

9.7 Qualified Military Service. Notwithstanding any provision of this Agreement to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with section 414(u) of the Code.

9.8 Investment Management and Advisory Fees. Notwithstanding anything contained herein to the contrary, the Participant may authorize the direct payment of investment management or advisory expenses and fees from the Account to the Custodian or other third party provided that the Account is solely liable for the payment of such expenses or fees.

9.9 Notices. Any notice, accounting, or other communication that the Custodian may give to the Participant shall be deemed given when mailed to the Participant at the latest address furnished to the Custodian. Any notice or other communication that the Employer or Participant may give to the Custodian shall not become effective until actual receipt of said notice by the Custodian.

9.10 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, to the extent not preempted by federal law. No provision of this Agreement shall be construed to conflict with any provision of an Internal Revenue Service regulation, ruling, release, or other order that affects, or could affect, the terms of this Agreement or its qualification under Section 403(b)(7) of the Code.

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