

ECU HEALTH MEDICAL CENTER PARTNERSHIP SAVING PLAN

Notice of Automatic Contribution Arrangement with Permissive Withdrawal Feature

To: Team Members Covered by the ECU Health Medical Center Partnership Savings Plan (the “Plan”) Automatic Contribution Arrangement
From: Plan Administrator
Plan Sponsor: ECU Health Medical Center
Re: Notice of Rights under the Plan

This notice advises you of certain rights and obligations you have under the Plan and explains the Plan’s automatic contribution arrangement. Please read this notice carefully and contact the Plan Administrator (contact information provided below) if you have any questions or need additional information.

Entering the Plan

Team members of ECU Health Medical Center, ECU Health Physicians, and Home Health and Hospice who are regular full-time employees or regular part-time employees with benefits are eligible to become participants in the 401(k) Plan. However, the following classes of team members are not eligible: leased employees, temporary employees, employees classified as part-time without benefits, and physicians who either are employed on a non-salary basis or are engaged in private practice.

Participant Contributions

The Plan allows you to save for retirement by deferring from 1% to 80% of your ‘Eligible Pay’ to the Plan as Pre-Tax 401(k) contributions, as Roth 401(k) contributions, as After-Tax contributions, or some combination of the three. Your 401(k) contributions (both Pre-Tax and Roth) are called “deferrals” or “elective deferrals” in this notice and are subject to different IRS limits than your After-Tax contributions, as explained below.

Generally, Eligible Pay means your W-2 wages. However, Eligible Pay also includes any pre-tax salary reductions (such as premium reductions under the ECU Health Medical Center Full Flexible Cafeteria Plan), and does not include any of the following types of pay: (1) reimbursements or other expense allowances, fringe benefits, moving expenses, deferred compensation, or welfare benefits; (2) pay received before you are eligible to receive the contribution for which Eligible Pay is being used; and (3) pay received after you terminate employment (other than regular pay and leave cashouts received within 2 ½ months of your termination and certain amounts paid while you are on military leave). Contact the Plan Administrator if you have questions about which items of your pay you can defer from.

You may affirmatively elect to contribute a portion of your Eligible Pay to the Plan by contacting a Fidelity Representative at 1-800-343-0860, or you can make these changes on Netbenefits by visiting www.netbenefits.com.

If you were hired by ECU Health Medical Center on or after January 1, 2010, you will be covered by the Plan’s automatic contribution arrangement until you make an affirmative deferral election or otherwise cease to be covered by the automatic contribution arrangement.

If you were eligible for but not deferring to the Vidant Community Hospitals 403(b) Plan as of December 13, 2014 (other than due to a suspension of deferrals following hardship or military service distribution), then you will be covered by the Plan’s automatic contribution arrangement until you make an affirmative deferral election or otherwise cease to be covered by the automatic contribution arrangement.

All other team members, including team members hired before January 1, 2010, and team members who were deferring at least 1% of their pay to the Vidant Community Hospitals 403(b) Plan as of December 31, 2014, are not covered by the Plan’s automatic contribution arrangement.

Regardless of whether you are covered by the automatic contribution arrangement, the IRS limits the amount you may defer each year. For 2023, the maximum amount of 401(k) contributions (combining Pre-Tax and Roth) is \$22,500. However, if you will be at least 50 years old by December 31, you may defer an additional amount as catch-up contributions. For 2023, this additional amount is \$7,500 (for a total of \$30,000 in deferrals). After-Tax Contributions do not count toward these limits, however the total contributions to your account in 2023 (including your deferrals, After-Tax Contributions, and any ECU Health employer contributions, but excluding any catch-up deferrals) may not exceed \$66,000. These limits on contributions may increase each year. Contact the Plan Administrator if you have questions about the current limits on deferrals.

Automatic Contributions

NOTE: *If you affirmatively elect to defer a percentage of your Eligible Pay to the Plan (including zero), the Plan's automatic contribution feature does not cover you and the automatic contributions described below will not be withheld.*

Your employer will automatically defer 5% of your Eligible Pay to the Plan each pay period on a pre-tax basis unless you make a different deferral election. If you do not make a different deferral election, the automatic deferral election will become effective 30 days following your date of hire. Automatic deferrals will begin as soon as administratively practicable after the election becomes effective and will continue until you make an affirmative election to contribute a different percentage of pay (or elect to not contribute) to the 401(k) Plan, or cease to be an employee.

If you wish to defer the automatic deferral percentage, you do not need to make a deferral election. However, you have the right to elect to defer a different percentage of your Eligible Pay (either more or less than the automatic deferral percentage), including zero percent. Your deferral election instructions will be effective as soon as the Plan can reasonably implement your election. To make an election to defer a different percentage to the Plan (or to elect not to defer pay to the Plan), you may contact a Fidelity Representative at 1-800-343-0860, or you can make these changes on Netbenefits by visiting www.fidelity.com/atwork. You may modify or revoke your deferral election at any time.

Limited right to withdraw automatic deferrals. If you do not make an affirmative election and automatic deferrals are withheld, then no later than 90 days after the first automatic deferral is taken from your Eligible Pay, you may elect to have the Plan distribute to you all of the automatic deferrals that were withheld (adjusted for investment gains and losses). To make this election, contact a Fidelity Representative at 1-800-343-0860. If you elect to withdraw all of your prior automatic deferrals, you will pay income tax on the distributed amount, but you will not be subject to the 10% premature distribution penalty tax, even if you receive the distribution prior to age 59½. If you elect to withdraw your prior automatic deferrals, you will forfeit any matching contributions related to those deferrals. If you elect to withdraw all of your prior automatic deferrals, but you have not made an affirmative deferral election, the Plan will treat your request for withdrawal as an affirmative election to defer zero percent of your Eligible Pay until you make an affirmative election to contribute to the Plan.

Rollovers. If you have accumulated benefits under another retirement plan or account (or, if retirement benefits have been distributed to you), you may be able to “roll over” the benefits into this Plan. Contact a Fidelity Representative at 1-800-343-0860 for information on how to roll over your benefits into this Plan.

Employer Contributions

If you are eligible to receive an employer matching contribution, then each payroll period that you make elective deferrals your employer will contribute a matching contribution to your Plan account. Generally, you are eligible for a matching contribution after twelve months of service.

If you are eligible to accrue benefits under the ECU Health Medical Center Pension Plan, then matching contributions will equal 50% of your deferrals that do not exceed 5% of your Eligible Pay. No matching contributions will be made on deferrals that exceed 5% of your Eligible Pay.

If you are not eligible to accrue benefits under the ECU Health Medical Center Pension Plan, then matching contributions will depend on your years of service. The matching contribution will be as follows:

<u>Years of Service</u>	<u>% of Employee Deferrals</u>
1 but less than 5	50%; No match for deferrals in excess of 5%
5 but less than 10	75%; No match for deferrals in excess of 5%
10 or More	100%; No match for deferrals in excess of 5%

Note that After-Tax contributions are not matched, so you must defer at least 5% of your Eligible Pay as Pre-Tax or Roth 401(k) Contributions each pay period to receive the maximum matching contribution. Regardless of which matching contribution formula applies, the amount of your Eligible Pay that is taken into account when determining the applicable matching contribution is limited. For 2023, any Eligible Pay above \$330,000 will not be taken into account (\$490,000 is the amount for those who began participating in the Plan prior to January 1, 1995). This limit on Eligible Pay may be increased each year. Contact the Plan Administrator if you have questions about the current limit on Eligible Pay.

Default Investment Information

Right to direct investment/default investment. You have the right to direct the investment of your entire Plan account in any of the investment choices provided by the Plan. If you do *not* make an election as to how the Plan should invest your Plan account, then your Plan account will be invested in the “default” investment that ECU Health Medical Center has selected. The default investment is the JPMCB SmartRetirement® Passive Blend Fund with the target retirement date closest to the date you attain age 65.

Right to alternative investment. Even if some or all of your Plan account is invested in the default investment, you have the continuing right to direct the investment of your Plan account in one or more of the other investment choices provided by the Plan. You may change your investments from the default investment at any time without cost or penalty.

Where to go for further investment information. You can obtain further investment information about the Plan’s investment alternatives and the procedures for changing your Plan investments by contacting a Fidelity Representative at 1-800-343-0860 or you can make these changes on Netbenefits by visiting www.netbenefits.com.

Additional Information about the Plan

Vesting Provisions.

You are always 100% vested in your account, except that matching contributions may be forfeited if you withdraw all of your automatic deferrals within 90 days of your first automatic deferral contribution.

Loans to Participants

The Plan allows you to borrow from your Plan account. See the “Loans” section of your Plan Summary for information regarding the requirements for obtaining a loan. For more information about obtaining a loan from your Plan account and the applicable restrictions and details, contact a Fidelity representative at 1-800-343-0860.

Withdrawals

Generally, you (or your beneficiary in the event of your death) can withdraw your entire Plan account upon the earliest of your termination of employment with all ECU Health entities or death.

Prior to termination of employment, you may receive a distribution of your:

Elective deferrals, both pre-tax and Roth, if you have a hardship, are performing military service, or reach age 59½.

Matching contributions after you reach age 59½.

Rollover contributions and After-Tax Contributions at any time.

You qualify for a distribution while performing military service only after you have been performing such service for at least 30 days. If you take this type of withdrawal, your deferrals will be suspended for the next 6 months. You must make an affirmative election to resume deferrals after the 6-month suspension period.

To qualify for a hardship distribution, you must have an immediate and heavy financial need. In addition, you must not be able to meet the immediate financial need from other sources. An immediate and heavy financial need includes the following situations:

- (1) To pay certain medical expenses for you, your spouse, or your dependents that are not reimbursed by insurance;
- (2) To purchase a primary residence for yourself (excluding mortgage payments);
- (3) To pay tuition, related educational fees, and room and board expenses, due within the next 12 months for your, your spouse's, your child's, or your dependents' post-secondary education;
- (4) To prevent eviction from, or mortgage foreclosure on, your primary residence;
- (5) To pay for burial or funeral expenses for your deceased parent, spouse, child, or dependent; or
- (6) To pay for the repair of damages to your principal residence that would qualify for the casualty deduction on your income tax return (disregarding Section 165(h)(5) of the tax code and the adjusted gross income limitation); or
- (7) Expenses and losses (including loss of income) incurred by you on account of certain disasters declared by the Federal Emergency Management Agency if your principal residence or principal place of employment at time of disaster is located in the disaster area.

Plan Administrator. Pursuant to the terms of the Plan, the Compensation and Benefits Committee of ECU Health Medical Center is the Plan Administrator. The ECU Health Total Rewards Department administers the Plan on behalf of the committee.

Right to Amend or Terminate the Plan. Pursuant to the terms of the Plan, ECU Health Medical Center has the right, at any time, to amend or terminate the Plan.

For Further Information. Please refer to your Plan Summary for a complete explanation of the Plan features. Please ask the Plan Administrator if you have any questions regarding this notice or your rights or obligations under the Plan, or if you would like to obtain an additional copy of the Plan Summary. You may contact the Plan Administrator at:

ECU Health Total Rewards Department
2000 Venture Tower Drive, 2nd Floor
Greenville, NC 27834
Telephone: 252-816-7446
Fax: 252-847-8773

To contact a Fidelity representative, call 1-800-343-0860.

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