

Plan Loan Administration Policy

Plan Name: WellSpan 403(b) Retirement Savings Plan (the "Plan")

Plan Number: 95814-01

Article I. Loan Eligibility

Section 1.01

Loans may be requested by a participant via a Plan Administrative Form, the participant's account online and/or by speaking with a Participant Call Center representative, as determined by the Plan's administration procedures.

Only active participants in the Plan may request a loan.

Article II. Loan Origination and Administration Fees

Section 2.01

Loan origination and administration fees, as applicable may be assessed and deducted from the participant's account, as directed by the Plan Administrator. Applicable loan fees are disclosed and agreed to by the Plan Sponsor and are also disclosed and agreed to by the participant at the time the loan is requested.

Article III. Minimum and maximum loan amounts

Section 3.01

The minimum loan amount that a participant may request is \$1000.

Section 3.02

The maximum loan amount that a participant may request is \$50,000.00 or 50% of the vested account balance, whichever is less. The \$50,000.00 is reduced by the highest outstanding loan balance during the past 12 months or any existing loan balances on the date a new loan is made, whichever is greater.

Section 3.03

The Plan Administrator is solely responsible for ensuring that the aggregated loan amount available to participants in all plans sponsored by the same employer (or by a member of the employer's controlled group) is the lesser \$50,000.00 or 50% of the vested account balance and for reducing the maximum loan amount available from the Plan by the highest outstanding loan balance during the past 12 months for any loan(s) issued by such other plan(s). The Plan Administrator is solely responsible to direct the Plan's recordkeeper to aggregate Plan loans with loans issued by such other plan(s) and to provide loan data from such other plan(s) which is required by the recordkeeper in order to process and administer loans from the Plan for purposes of this section.

Article IV. Number of loans permitted

Section 4.01

The number of loans a participant may have outstanding at one time is two (2).

Only one (1) loan(s) in twelve (12) Monthly periods is allowed.

Article V. Loan Requests and Loan Refinancing

Section 5.01 Loans require an Enforceable Agreement

An enforceable agreement between the participant and the Plan is required for all loans. Loans will not be issued by the Plan unless the participant acknowledges and agrees to the Loan terms. If the loan proceeds are issued from the Plan via a check, the participant must acknowledge and agree to the loan terms which appear with the check by endorsing and depositing the loan proceeds. If the loan proceeds are issued from the Plan via an ACH transfer to the participant, the participant must acknowledge and agree to the loan terms at the time the loan is requested.

Section 5.02 Loan Refinancing

A participant may not request an additional loan amount by refinancing and replacing the existing loan(s) with a new loan. The refinanced loan term cannot exceed the shortest term of all replaced loan(s) and cannot be refinanced if the term of replacement loan is less than the minimum term for a new loan as allowed under this Loan Policy. Participants may not refinance a loan that has been reported as a deemed distribution.

Section 5.03 Plan Administrator Approval

The Plan Administrator must adopt the Plan Loan Policy before loan requests will be processed by the Plan’s recordkeeper. Participant loan requests require the approval of the Plan Administrator prior to issuance by the Plan, consistent with the Plan’s administration procedures.

Article VI. Distribution of loan amount

Section 6.01

Loan distribution amounts will be depleted across the available money sources in a prorated manner pursuant to the plan’s procedures or as otherwise instructed by the Plan Administrator.

Account balances found in the following money types will be excluded in the calculation to determine the available loan amount and excluded from the debit:

Money Type	Description
ERB	EMPLOYER CONTRIBUTION
ERB	EMPLOYER CONTRIB PRIOR EPHRATA PLAN-TERMINATED PARTICIPANTS
ERB	EMPLOYER MATCH PRIOR EPHRATA PLAN - ACTIVE PARTICIPANTS
ERB	EMPLOYER CORE CONTRIBUTION- PRIOR GOOD SAM PLAN

ERB	EMPLOYER MATCHING PRIOR PLAN WAYNESBORO
QNE	EMPLOYER QNEC PRIOR EPHRATA PLAN
ERB	EMPLOYER DISCRETIONARY PRIOR CHAMBERSBURG NON-BARG PLAN
ERB	CHAMBERSBURG NON-BARGAINING TRANSITION
ERB	401K EMPLOYER MONEY 3 YEAR CLIFF - FROZEN
ERB	EMPLOYER MATCH PRIOR PLAN WAYNESBORO
ERB	EMPLOYER MATCH PRIOR CHAMBERSBURG NON-BARGAINING PLAN
ERB	EMPLOYER MATCH
ERB	EMPLOYER CONTRIB PRIOR EPHRATA PLAN-ACTIVE PARTICIPANTS
ERB	EMPLOYER MATCH PRIOR EPHRATA PLAN - TERMINATED PARTICIPANTS
ERB	EMPLOYER MATCH- PRIOR GOOD SAM PLAN

Article VII. Types of loans available

Section 7.01 General Purpose Loan

A General Purpose Loan has a term of one (1) - five (5) years. No reason or documentation is required when a participant requests a General Purpose Loan. The interest rate for this type of loan is fixed for the life of the loan. The interest rate is 2% over the Prime Rate published in the Wall Street Journal on the first business day of the month the loan is originated.

Section 7.02 Principal Residence Loan

A Principal Residence Loan has a term of six (6) - fifteen (15) years. This type of loan must be utilized for the purchase of a primary residence. The interest rate is 2% over the Prime Rate published in the Wall Street Journal on the first business day of the month the loan is originated.

Article VIII. Deduction of Interest on Plan Loans

Section 8.01

Interest paid on Plan loans is not eligible for an income tax deduction by the participant.

Article IX. Loan Payment Requirements

9.01 Repayments in General

Active employees must make timely loan repayments as per the amortization schedule. Further, where this loan policy allows partial repayments and early loan payoff, the administrative policies of the plan allow for repayments to be made via a method other than payroll deduction. Loan repayments will be allocated to the participant's account according to the investment election in effect at the time the payment is processed. Loan repayments are generally deposited pro rata into the money sources originally used to fund the loan proceeds.

9.02 Repayment Method

The Plan Sponsor will deduct and remit loan repayments following the plan's issuance of a loan. The Plan Sponsor is responsible for providing the recordkeeper information regarding the employment status of the participant in a timely manner. The Plan Sponsor will ensure that loan repayments are deducted in full and remitted on a timely basis in accordance with the loan amortization schedule. However, the Plan Administrator may determine, on a uniform and nondiscriminatory basis, to allow such Participants to remit loan installment repayments via Automated Clearing House (ACH) transfer subject to the recordkeeper's requirements for such ACH transfers. Any repayment amount remitted and credited to the loan that is less than the full installment payment amount required per the amortization schedule, plus accrued interest, results in a loan in arrears and subject to default. Exceptions to this Section appear in Section 10.02.

9.03 Delinquent Loans and Repayment Grace Period

Loans are in arrears and delinquent when any payment is missed, an amount remitted and credited to the loan is less than that required under the amortization schedule, plus accrued interest, or as otherwise treated as delinquent pursuant to this loan policy. Subject to any restrictions on repayments after termination of employment described in Section 9.06 and the conditions under which a loan will be automatically offset under Section 9.07 of this policy, the Plan's grace period allows for the late loan repayment(s) to be cured by the applicable deadline. The late loan repayments, plus any accrued interest, must be made by the end of the grace period. The Plan's loan grace period shall be the end of the calendar quarter following the calendar quarter in which payment is first delinquent. If the late loan payment plus accrued interest is not repaid to the Plan by the end of the Plan's grace period, the entire outstanding loan balance, consisting of the missed payments, remaining principal and accrued but unpaid interest, will be treated as a deemed distribution from the Plan.

9.04 Deemed Distribution in General

A loan delinquency that is not cured by the end of the plan's grace period results in a loan default and treatment of the loan under this policy as a deemed distribution. A deemed distribution of a defaulted loan is not an actual plan distribution, but is treated as a distribution for tax purposes. IRS regulations require the defaulted loan to be reported to the IRS as a deemed distribution and as taxable income to the participant on IRS Form 1099-R in the year in which the loan defaulted.

Since a deemed distribution is not treated as an actual distribution, the loan obligation against the participant's account remains and the participant's obligation to repay the loan shall continue. In addition, interest on the loan shall continue to accrue until such time as the loan is either offset or fully paid.

Participants with a previously defaulted loan are generally not allowed to take a new loan under this policy until such loan is fully paid. However, the Plan Administrator may determine, on a uniform and nondiscriminatory basis, to allow such Participants to take a new loan(s) and will direct the recordkeeper accordingly. Participants may not refinance a loan that has been reported as a deemed distribution. Any loan payments made after the loan is treated as a deemed distribution will be recorded on an after-tax cost basis within the Participant's account.

9.05 Repayment upon Distributable Event other than Termination of Employment

If a Participant has not terminated service, but is otherwise eligible for a distributable event (e.g., age 59 ½ partial withdrawal), the repayment obligation continues under the terms of the amortization schedule and any outstanding loan amount will reduce the amount available for partial distribution(s) and any new loan, as applicable.

If the loan is not timely repaid in accordance with Sections 9.01 and 9.02, the Plan Administrator may direct the recordkeeper to offset the unpaid loan obligation against the participant's vested balance. In addition, the participant may elect to offset the loan balance when a distributable event occurs under the plan.

9.06 Repayment of Outstanding Loan upon Termination of Employment

Repayment via installment of an outstanding loan upon termination of service is not allowed under this policy. Participants who leave service prior to the end of the loan term will be required to pay off the loan at termination of employment. The loan shall be due and payable upon termination of employment and will be offset in accordance with Section 9.07.

9.07 Loan Offset Following Termination of Employment

The participant's outstanding loan balance will be offset upon the Participant receiving any form of distribution after termination of employment. Notwithstanding the above, prior to receiving a distribution, the participant may elect to offset the loan balance against the vested account balance. In such event unless the delinquent loan has not already been reported as a deemed distribution on IRS Form 1099-R, the entire amount of the outstanding loan balance (plus accrued interest) will be reported as a loan offset distribution on IRS Form 1099-R in the year the offset occurs.

9.08 Death

The Plan Administrator may direct the recordkeeper to offset the loan of a deceased participant. If the recordkeeper is not notified a participant is deceased, outstanding loans of a deceased participant remain subject to the provisions of this policy that address the reporting of a delinquent loan as a deemed distribution and the reporting of a deemed distribution as taxable income to the participant on IRS Form 1099-R. At the time a claim for benefits deemed to be in good order is made by the beneficiary, the outstanding loan principal and accrued interest shall be treated as an offset distribution from the plan. Unless the delinquent loan has not already been reported as a deemed distribution on IRS Form 1099-R, the entire amount of the outstanding loan balance (plus accrued interest) will be reported as a loan offset distribution and as taxable income to the participant on IRS Form 1099-R in the year the offset occurs. A deceased participant's loan may not be transferred or assumed by the participant's beneficiary(ies).

9.09 Leaves of Absence

Suspension of loan repayments administered by the Plan Sponsor via payroll deduction is permitted during a participant's leave of absence approved by the Plan Sponsor for a period not exceeding one (1) year either without pay from the employer or at a rate of pay that is less than the amount of the installment payments required under the terms of the loan. The Plan Administrator must provide information to the plan's recordkeeper concerning the start and stop dates of an approved leave of absence and to the extent the participant does not elect to continue making repayments, the Plan Administrator directs the recordkeeper to reamortize the loan effective when the participant returns from the approved leave of absence. Notwithstanding the plan loan leave of absence policies described above, the participant must repay the loan in full by the original maturity date of the loan. Interest on the loan continues to accrue during the leave of absence.

If the participant takes a military leave of absence and the interest rate on the loan is greater than 6% during the leave period, the Plan Administrator may direct the recordkeeper to reduce the interest rate on the loan to 6%. Upon the participant's return from military leave, the Plan Administrator may direct the recordkeeper to extend the term of the loan by the term of the military leave, not to exceed five (5) years. The loan will be reamortized to reflect the new payment schedule, as applicable. Interest on the loan continues to accrue during the leave of absence.

Article X. Loan Payoffs

10.01 Loan Payoffs in Full

A loan can be repaid at any time. The participant may obtain a loan payoff quote via the participant website or a participant services representative. Where a loan is paid in full, but a trailing payment is received, the recordkeeper will return the excess back to the participant.

Repayment in full of the outstanding loan principal and accrued interest may be made at any time. If payment is made by any means other than certified funds, then subsequent loans and distributions will be held for ten (10) calendar days following the receipt of the payment.

10.02 Exceptions to Standard Loan Repayment Policies

A participant may make loan repayments via payroll deduction or by other means in order to catch-up on a past due amount or to reduce the principal amount of the loan. Additional loan repayments in advance of the applicable due date reflected on the amortization schedule are credited to the loan in accordance with the administrative policies of the Plan. Any loan repayments will first be applied to the accrued interest and remaining principal amount of any payment in arrears.

Article XI. Adoption of the Loan Policy by the Plan Administrator

Section 11.01

The Plan Administrator is responsible for adopting, amending, interpreting and administering the provisions of the Plan's Loan Policy. The Plan Administrator has developed this Loan Policy consistent with the requirements of the Plan's recordkeeper and will consult with the recordkeeper prior to making any changes.