

Atrium Health

401(k) Retirement Savings Plan Summary Plan Description

January 2020

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The Retirement Program

While your paycheck is your family's current link to financial security, your personal plan for building retirement income for the future is just as important. The Charlotte-Mecklenburg Hospital Authority, doing business as Atrium Health (or "Atrium"), recognizes this and offers you a market competitive and contemporary 401(k) Retirement Savings Plan to help you prepare for your financial future. The 401(k) Retirement Savings Plan lets you set aside part of your total pay on a pretax or Roth 401(k) after-tax basis, receive a match on a portion of your savings, receive employer basic and performance-based contributions, and invest your Account in a variety of investment options, with a broad range of risk characteristics and potential returns.

In addition, you may be eligible to participate in other retirement plans, such as the ATRIUM HEALTH ADVANTAGE Retirement Account and the CHS MG Plan (for eligible physicians). For more information about these plans, contact Benefits Administration.

About this Booklet

This summary plan description (SPD) contains a summary of the major provisions of the 401(k) Retirement Savings Plan. As a summary, the description included here cannot contain all the details. A more detailed description is contained in the official plan document. If the wording of this summary should disagree with the wording contained in the official plan document, the plan document will always govern.

In addition, you (and your beneficiaries) should not rely on any oral descriptions of the Plan, because the written terms of the plan documents will always govern. The Plan Administrator has discretionary authority to interpret the provisions of the Plan. See the heading **Plan Administrator** for more information. Finally, this summary does not in any way represent a contract of employment.

Atrium reserves the right, in its discretion, to change, amend, modify, or terminate the Plan at any time. If you have any questions about your retirement benefits, please contact Benefits Administration.

Limits on Benefits

Federal law places certain limits on retirement benefits and your contributions and benefits will be determined in accordance with these limits.

The Atrium Health 401(k) Retirement Savings Plan

Atrium offers The Atrium Health 401(k) Retirement Savings Plan (called the “401(k) Retirement Savings Plan” or the “Plan”) to give you an opportunity to build your financial future. With the Plan, you save money on a pretax or Roth 401(k) after-tax basis for your retirement and Atrium makes contributions to your retirement Account.

The 401(k) Retirement Savings Plan was originally established effective August 1, 1985. The Plan is intended to be qualified under the Internal Revenue Code, as amended, and changes may be required at times to maintain its qualified status, and to conform to new laws and regulations. The Plan was most recently amended and restated effective January 1, 2019.

With the 401(k) Retirement Savings Plan, you may:

- Save money on a regular basis through payroll deductions — choose between 1% and 75% of your total pay on a pretax or Roth 401(k) after-tax basis, subject to the annual IRS limit;
- Receive matching contributions made by Atrium Health on a portion of your savings;
- Receive basic and performance-based contributions made by Atrium Health;
- Choose from a variety of investment options;
- Defer taxes on Atrium Health contributions, your own pretax deferrals, and all earnings in your Account until you withdraw them; and
- Monitor your Account:
 - Online by visiting **www.atriumhealth.org/retirement**;
 - Using the automated Empower Retirement services, by calling 1-866-247-0970;
 - Speaking with an Empower Retirement representative by calling 1-866-247-0970 (follow the prompts on the voice system), Monday through Friday, between the hours of 8 am and 9 pm; or
 - Through quarterly participant statements, available at www.atriumhealth.org/retirement; delivered electronically or by mail if you choose this method of delivery

When you participate in the 401(k) Retirement Savings Plan, you invest your savings in investment funds along with all other plan participants on a pooled basis.

Keep in mind that your 401(k) Retirement Savings Plan funds may fluctuate with market conditions, and past performance is not a guarantee of future results.

Participating in the Plan

Who is Eligible

You are eligible to participate in the 401(k) Retirement Savings Plan if you:

- Are a regular active employee (including officers) who is reported on the payroll records of Atrium and who is regularly scheduled to work at least 16 hours per week;
- Are at least 18 years of age; and
- Have completed three months of service.

If you are rehired or were considered ineligible and become eligible, and you previously satisfied the eligibility requirements, you will be eligible to participate in the Plan immediately. If you are hired directly from the CHS School of Anesthesia, you do not have to complete three consecutive months of service to be eligible to participate in the Plan.

If you are a physician, on-call hours and hours making rounds visiting patients at medical facilities do not count toward the 16-hour per week requirement.

Who is not Eligible

You are not eligible to participate in the 401(k) Retirement Savings Plan if you are a temporary employee, leased employee, or independent contractor.

Automatic Enrollment in the 401(k) Retirement Savings Plan

You are automatically enrolled in the 401(k) Retirement Savings Plan after you satisfy the Plan's eligibility requirements described earlier under the heading **Who is Eligible**. Your automatic deferral will be equal to 3% of your regular cash pay.

Your deferrals will be automatically invested in the appropriate JPMorgan SmartRetirement Fund family based on your current age and a retirement age of 65, until you make alternative investment elections.

Unless you change your automatic enrollment, your contributions will begin with the next administratively practical pay period after you satisfy the Plan's eligibility requirements.

Notwithstanding the above described automatic enrollment rules, you have the right to elect to not participate in the Plan and you can make changes to your deferral at any time.

Changing Your Automatic Enrollment

If you wish, you may change your automatic deferral (increase or decrease) or stop your deferrals. You may also change your investments as you wish. If you do not change your automatic enrollment deferral, your automatic enrollment will remain in effect until you make a change.

To change your enrollment at any time, visit www.atriumhealth.org/retirement or call Empower Retirement at 1-866-247-0970.

Naming a Beneficiary

When you begin participating in the Plan, you must designate a beneficiary. Your beneficiary is the person or entity who will receive your Account balance if you die before receiving your entire Account balance.

You can name one or more beneficiaries or change your beneficiary information at any time by logging onto your retirement Account at www.atriumhealth.org/retirement or by requesting beneficiary forms from Empower Retirement by calling 1-866-247-0970.

Highlights of the Atrium Health 401(k) Retirement Savings Plan

The following table provides some general information on the Plan. More information about how these features work is provided after the chart.

<p>How Much You Can Contribute</p>	<p>Tax-deferred or Roth 401(k) after-tax savings — up to the annual dollar limit established by the federal government (\$19,500 for 2020).</p> <p>Keep in mind that you are automatically enrolled for 3% of your pretax pay after your third month of employment. You may change this deferral level at any time.</p> <p>If you will be age 50 or older by the end of the plan year, you may also be able to make a “catch-up” contribution of up to the annual dollar limit established by the federal government (\$6,500 for 2020).</p>
<p>Employer Contributions</p>	<p>Atrium makes matching contributions on each paycheck from which you make a contribution as follows: 75% of the first 4% of pay that you save and 50% of the next 2% of pay that you save, making the total maximum match 4% of your pay.</p> <p>In order to receive the full 4% match, you must save 6% of your pay through the plan.</p> <p><u>Eligibility for Basic and Performance-Based Contributions</u></p> <p>Teammates must receive credit for 1,000 hours of service over a 12-month period to meet eligibility for Atrium Health basic and performance-based contributions. Teammates become a participant, with respect to basic and performance-based contributions, on the last day of the 12-month period in which 1,000 hours of service are credited — not as soon as 1,000 hours of service are credited. Teammates must (1) receive credit for 1,000 hours of service during a calendar year, and (2) be employed on the last day of the calendar year (except when employment is terminated due to the teammate’s reaching a Normal Retirement Date, permanent disability or death) in order to receive basic and performance-based contributions for that calendar year.</p> <p><u>Basic contribution</u></p> <p>Each year, Atrium Health will contribute 2% of your pay to your account, regardless of whether you save through the plan.</p>

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	<p><u>Performance-Based contribution</u></p> <p>This contribution is based on System performance, similar to the Performance Plus program. When we meet certain targets, your account can receive an additional contribution, based on your service, as shown below:</p> <ul style="list-style-type: none"> • If you have less than 10 years of service, your account receives a 1% of pay contribution • If you have 10 to 19 years of service, your account receives a 1.5% of pay contribution • If you have 20 years of service or more, your account receives a 2% of pay contribution
<p>Vesting</p>	<p>Vesting is the non-forfeitable right to receive the money in your Account.</p> <p>You are always 100% vested in your own deferrals, as well as Atrium Health matching and performance-based contributions to your Account. You are vested in any basic contributions made by Atrium Health after 3 years of service credit. Service credit is any calendar year in which you are credited with at least 1,000 hours.</p> <p>In addition, you are always 100% vested in any money you roll over or transfer to the Plan.</p>
<p>Investment Options</p>	<p>You have a variety of investment options to choose from when deciding how to invest your Account balance. The Plan offers a broad range of investment funds, including self-directed brokerage. The funds available to you are subject to change by the Plan Administrator.</p> <p>For more information about the investment choices available to you, please visit the Empower Retirement website at www.atriumhealth.org/retirement.</p>
<p>Account Statements</p>	<p>Quarterly statements are available at www.atriumhealth.org/retirement showing:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Your Account balance at the beginning of the period; <input type="checkbox"/> Any activity in your Account during the period (contributions, distributions, etc.); <input type="checkbox"/> Gains and/or losses on your Account; <input type="checkbox"/> How current contributions are invested; <input type="checkbox"/> Any outstanding loan balance; and <input type="checkbox"/> Your account balance at the end of the period. <p>You may elect to receive your statements electronically or by mail by making your delivery preference at www.atriumhealth.org/retirement.</p>

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Loans	<p>If you wish, you may borrow from your Account and pay yourself back through payroll deductions on an after-tax basis with interest.</p> <p>You may take up to five years to repay a loan (or longer, if you borrow to buy a primary residence). You may have only one loan outstanding at any one time. You may only apply for a loan once every 12 months.</p> <ul style="list-style-type: none"><input type="checkbox"/> Minimum loan: \$1,000<input type="checkbox"/> Maximum loan: Generally, 50% of your vested account balance, up to \$50,000<input type="checkbox"/> If you receive a loan and pay off the loan in full, you cannot request a new loan until at least 30 days beyond the date on which the loan was paid in full and settled.
Withdrawals	<p>You may withdraw funds from your Account:</p> <ul style="list-style-type: none"><input type="checkbox"/> At retirement;<input type="checkbox"/> After you reach age 59½;<input type="checkbox"/> If you leave Atrium Health;<input type="checkbox"/> If you become permanently disabled;<input type="checkbox"/> In the event of an immediate and heavy financial need (after you have exhausted all loans under the plan), for the following reasons:<ul style="list-style-type: none">— Paying for unreimbursed medical expenses due to your illness or injury or that of an immediate family member, or expenses necessary to incur medical care;— Purchasing your principal residence (except mortgage payments);— Paying tuition, related education fees, and room and board expenses for up to the next 12 months of post-secondary education for you, your spouse, or a dependent; or— Preventing eviction from your primary residence or foreclosure on the mortgage of your primary residence.

Contributions to the 401(k) Retirement Savings Plan

The 401(k) Retirement Savings Plan is designed to help you save for retirement. Several types of contributions may be made to the plan and each contribution type is held as a sub-account within your total Account, as follows:

- Your pretax deferrals;
- Your after-tax Roth 401(k) deferrals;
- Matching contributions made by Atrium Health;
- Basic and performance-based contributions made by Atrium Health; and
- Rollover contributions you make to the plan, if any.

Your Account balance is held in a trust consisting of a number of different investment funds from which you may choose. Refer to the **Your Investment Options** section of this booklet for more information about your investment options.

Your Account will be adjusted to reflect contributions, as well as any loans, withdrawals, or payments from the Account. Your Account also will be adjusted daily, upward or downward, to reflect your share of earnings, losses, expenses, appreciation, and depreciation of the investment funds in which your Account is invested.

Your Deferrals to the 401(k) Retirement Savings Plan

Unless you elect otherwise, you are automatically enrolled in the 401(k) Retirement Savings Plan at a 3% deferral rate, beginning with the first administratively practical pay period after you satisfy the Plan's eligibility requirements. You may change (increase, decrease or stop) this deferral rate at any time by contacting Empower Retirement.

If you are changing your automatic 3% deferral, you may elect to defer from 1% up to 75% of your pay, in whole percentage increments, up to IRS annual limits. If you do not make a change in your automatic deferral, your 3% deduction will begin with the first administratively practicable pay period upon satisfying the Plan's eligibility requirements.

Your automatic deferrals are deducted from your pay and contributed to your Account before federal and state taxes are withheld. However, your deferrals are subject to FICA tax.

You may also make Roth 401(k) after-tax deferrals.

A designated Roth 401(k) contribution is made to a separate account in an employer-sponsored 401(k) plan. The Roth 401(k) source operates much like a Roth IRA — contributions are made on an after-tax basis, and a qualified distribution is tax-free. Unlike a Roth IRA, there are no income limits that restrict employees from making Roth 401(k) contributions.

When considering Roth 401(k) after-tax contributions, you should take into account several factors such as your current tax bracket, cash flow, age and expected income at retirement. Roth contributions are deducted from your pay after income tax is withheld.

You may change the percentage of your deferrals at any time by contacting Empower Retirement. Your new deferral rate will take effect with the next administratively practical pay period, provided your change is received before payroll processing.

Auto Increase Program

If your deferral percentage as of December 31 of the previous plan year is less than 6% of your pay (unless you have elected not to participate in the Auto Increase Program by opting out online), your deferral percentage will be automatically increased by 1% as of the following July 1 until your deferral percentage reaches 6% of your pay. Your first increase will occur in July the year after you are auto-enrolled, and then every July thereafter, until you reach the 6% limit.

The Auto Increase program occurs each year; however, you can increase or decrease your contribution at any time, set up different amounts, schedule your own automatic increases or opt out in the future by accessing your account at www.atriumhealth.org/retirement.

Age-50 Catch-Up Contributions

Beginning in the calendar year in which you reach age 50, you may elect to make additional deferrals (either pre-tax or Roth after-tax) — known as “catch-up contributions.” Catch-up contributions are designed to help you boost your savings as you near retirement.

Catch-up contributions are entirely in addition to your regular deferrals, and are not eligible for matching contributions. The annual catch-up contribution limit for 2020 is \$6,500.

You can make a catch-up contribution election online at www.atriumhealth.org/retirement or by calling Empower Retirement at 1-866-247-0970. You must elect a dollar amount to be deducted per pay period (biweekly or monthly based on your pay schedule) as a catch-up contribution throughout the calendar year. This per pay period contribution will continue into the next plan year unless you make a new catch-up contribution.

Deferral Limits

Your deferrals are subject to IRS limits, which are subject to change by the federal government. You can find the annual deferral and catch-up contribution limits by visiting www.atriumhealth.org/retirement.

Once you reach the annual limit, contributions will automatically stop. Your deferrals will resume the following year at the same deferral percentage you previously elected, unless you contact Empower Retirement to change or stop your deferral percentage.

How is Pay Determined?

For purposes of 401(k) Retirement Savings Plan, your **pay** means your compensation as reported on your W-2, plus any employee pretax contributions to a cafeteria benefit plan (e.g., medical plan premium, Health Savings account (HSA) or Flexible Spending Account (FSA) contribution) or the 401(k) Retirement Savings Plan. Pay excludes any reimbursements or other expense allowances, fringe benefits (cash and non-cash), moving expenses, deferred compensation payments, welfare benefits, recruitment sign-on bonuses, and amounts paid under the Atrium Health Long Term Incentive Plan. Pay includes housing allowances for ministers employed by Atrium Health.

By federal law, there is a limit on the annual compensation on which your contributions from Atrium Health may be based. For 2020, the annual compensation limit is \$285,000. This limit is indexed for inflation.

Note: If you became a participant in the 401(k) Retirement Savings Plan before January 1, 1996, different compensation limits apply. For 2020, this limit is \$425,000.

Rollover Contributions

If you participated in a qualified savings (including a 403(b) plan or a governmental 457(b) plan) or pension plan with a former employer, you may roll the otherwise taxable portion of the distribution you received from that plan into the 401(k) Retirement Savings Plan. You may also roll over Roth 401(k) contributions.

Contributions made on your behalf by your former employer, as well as earnings on both the employer's and your contributions, are eligible to be rolled over. If you roll this money into the plan within 60 days after you receive a distribution from the previous plan (or if you transfer the distribution in a direct rollover), you will not have to pay taxes on that amount until you withdraw it.

To arrange to make a rollover contribution, contact Empower Retirement at 1-866-247-0970 or visit www.atriumhealth.org/retirement.

Contributions from Atrium Health

Matching contribution

When you save through the plan, Atrium Health will match:

75% of the first 4% of pay that you save and 50% of the next 2% of pay that you save, making the total maximum match 4% of your pay. In order to receive the full 4% match, you must save 6% of your pay through the plan.

Eligibility for Basic and Performance-Based Contributions

Teammates must receive credit for 1,000 hours of service over a 12-month period to meet eligibility for Atrium Health basic and performance-based contributions. Teammates become a participant, with respect to basic and performance-based contributions, on the last day of the 12-month period in which 1,000 hours of service are credited — not as soon as 1,000 hours of service are credited. Teammates must (1) receive credit for 1,000 hours of service during a calendar year, and (2) be employed on the last day of the calendar year (except when employment is terminated due to the teammate's reaching a Normal Retirement Date, permanent disability or death) in order to receive basic and performance-based contributions for that calendar year.

Basic contribution

Each year, Atrium Health will contribute 2% of your pay to your account, regardless of whether you save through the plan. You are vested in any Basic contributions after 3 years of service credit. Service credit is any calendar year in which you receive credit for at least 1,000 hours.

Performance-Based contribution

This contribution is based on System performance, similar to the Performance Plus program. When we meet certain targets, your account can receive an additional contribution, based on your service, as shown below:

- If you have less than 10 years of service, your account receives a 1% of pay contribution
- If you have 10 to 19 years of service, your account receives a 1.5% of pay contribution
- If you have 20 years of service or more, your account receives a 2% of pay contribution

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How Matching Contributions Add to Your Savings – an Example

Let's assume that your annual salary is \$40,000.

The following table illustrates how the Atrium Health matching contribution can help boost your retirement savings.

Your deferral percentage	Your annual deferral amount	Atrium Health matching contribution	Total annual savings
1%	\$400	\$300	\$700
2%	\$800	\$600	\$1,400
3%	\$1,200	\$900	\$2,100
4%	\$1,600	\$1,200	\$2,800
5%	\$2,000	\$1,400	\$3,400
6%	\$2,400	\$1,600	\$4,000
8%	\$3,200	\$1,600*	\$4,800
10%	\$4,000	\$1,600*	\$5,600

* *The Atrium Health matching contribution is 75% of the first 4% of pay that you save and 50% of the next 2% of pay that you save through the plan; therefore, for this example, the maximum matching contribution is \$1,600.*

Note: Atrium Health credits your account with a matching contribution for each pay date that you make a deferral to the plan. If you stop your contributions during the year, you will not receive a matching contribution for any pay date that you do not make a deferral to the plan.

Your Investment Options

When you enter the Plan, you choose how to invest your Account — your contributions, the matching contributions and any basic or performance-based contributions you receive from Atrium Health, plus any rollover contributions you may have. Investment elections must be made in 1% increments.

If you do not make any investment elections, the Plan Administrator will direct your contributions to the appropriate JPMorgan SmartRetirement Fund based on your current age and a retirement age of 65. If you want to select other investment options, you must contact Empower Retirement at 1-866-247-0970 or visit www.atriumhealth.org/retirement to arrange for the investment of your funds according to your preferences.

A variety of investment funds are available, allowing you to select investments that match your personal goals. You should read and learn about the Plan's investment options before deciding how to invest your Account. The value of your Account is subject to increases and decreases based on the investments you elect. There are no guarantees against losses.

Atrium Health may change the list of available investment funds at any time. Atrium Health may also remap your current investments and investment elections in the event your existing funds / elections are removed or replaced. If this happens, you will be notified of any changes to your investment options.

Risk and Return

Each of the investment funds available to you differs in its potential return and in the level of risk it carries. As you make your investment elections, it is important that you consider the risk of loss against the potential for gain. In general, higher risk means a higher potential return over the long term. However, there are no guarantees on any fund's performance in terms of risk level or potential return.

Your investment options include funds in a variety of different types of investments, or asset classes. As you create an investment strategy, you will discover that the available funds fall in three major asset categories:

- **Cash reserves** offer stability of the amount you invest — they carry minimal risk of decreasing in value — and provide income that rises and falls with short-term interest rates. Examples of cash reserve funds include those that primarily invest in treasury bills, guaranteed investment contracts, and money market instruments.
- **Bonds**, which represent a loan to the issuer, provide income during their lifetime and then repay principal upon maturity. Bonds generally offer higher and steadier income than cash reserves, but their value is subject to greater fluctuation as interest rates change. In general, bond prices rise when interest rates decline, and bond prices decline when interest rates increase. Examples of these funds include those that primarily invest in government or investment grade corporate bonds.
- **Common stocks** represent ownership in a corporation. Stocks offer the potential for current income from the dividends that some stocks pay, and growth in value from increases in their stock price. Stocks are much more susceptible to fluctuations in value — prices may increase or decrease sharply over short periods of time.
- **Self-Directed Brokerage Account** allows you to select from thousands of publicly-traded mutual funds, exchange traded funds (ETFs) and individual securities, in addition to the Plan's core investment options.

You may change your investment options at any time by calling Empower Retirement at 1-866-247-0790 or visiting www.atriumhealth.org/retirement.

Diversification

In addition to considering the risk and return of each fund, you should also consider diversifying the investments in your Account. Diversifying means spreading your assets across a variety of different investments — in other words, not putting all of your eggs in one basket.

Since no one investment performs well under all economic conditions, you may want to lower your risk by balancing your investments. If you diversify your portfolio, your investment performance may fluctuate less, because losses from some investments may be offset by gains in others.

Making Your Investment Elections

You may invest your Account in one fund, or in any combination of the investment options available to you (in whole percentages). If you do not make an investment election, the Plan Administrator will direct your contributions to the appropriate JPMorgan SmartRetirement Fund based on your date of birth.

You may change the way your future contributions will be invested at any time. The change will take effect as soon as administratively practical.

Transfers Between Investment Funds

You may also transfer all or a part of your existing balances from one fund to another at any time, by visiting www.atriumhealth.org/retirement or by calling Empower Retirement at 1-866-247-0970. Your transfer may be a dollar amount or any whole percentage amount. The transfer will take effect as soon as administratively practical after you notify Empower Retirement.

For example, if you are nearing retirement and want to move some of your savings from a higher risk to a lower risk fund, you may transfer the entire balance in a given fund, or a portion of this balance. You must indicate either a whole dollar amount or a whole percentage increment to transfer.

Some funds may be subject to a short-term trading fee or restrictions if shares are held for less than a certain period of time, as described in the fund's prospectus. If you have questions about these fees / restrictions, please contact Empower Retirement.

How Your Savings Can Grow

When you participate in the plan, your savings may grow in several different ways:

- If your deferrals are made on a pretax basis, you can save more than you could have on only an after-tax basis; however, you do have the option to make Roth 401(k) after-tax deferrals, or a combination of pretax and Roth 401(k) after-tax deferrals.
- Your savings may grow over time through matching, basic and performance-based contributions, and the investment earnings on them. The more money you add to your Account, the faster your savings may grow. And, the sooner you begin investing, the more you can earn (subject to fluctuations in the investment market); and
- Over a period of time, your investments can make money for you through compounding. Compounding is the process by which earnings on your investments are reinvested in your Account and have the potential to earn future income.

Vesting

Vesting is the process of earning a non-forfeitable right to receive the money in your Account. If your employment ends, your vested benefits are portable.

You are always 100% vested in the value of your own personal deferrals, catch-up contributions, (if any), matching and performance-based contributions, plus or minus investment results on those contributions. This includes any money you roll over or transfer to the plan. You are vested in any basic contributions made by Atrium Health after 3 years of service credit. Service credit is any year in which you are credited with at least 1,000 hours.

Breaks in Service

You will have a break in service if you have a calendar year in which you are not credited with more than 500 hours of service and you are not an employee on the last day of the year (December 31). Breaks in service are important if you ever separate from service and then are rehired.

Years of Continuous Service

Continuous service means each calendar year during which you are credited with 1,000 or more hours of service.

An *hour of service* is any hour for which you are paid or entitled to payment for the performance of duties, including hours for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by Atrium Health.

Hours of service also include time when no duties are performed due to:

- Vacation;
- Holiday;
- Illness;
- Incapacity (including disability);
- Layoff;
- Jury duty;
- Military duty; or
- Leave of absence (when applicable).

In most circumstances, the total number of credited hours of service will be limited to 501 for the period of absence.

For purposes of determining hours of service, for employees whose hours are either required to be counted and recorded by the Fair Labor Standards Act, or whose hours are counted and recorded for payroll purposes, hours of service shall be determined from records of hours worked or from hours for which payment is made or owed by Atrium Health.

For other employees, hours of service will be credited based on the number of hours the employee is allocated for a calendar year. For a full-time equivalent (FTE) employee, for each full month the employee is employed by Atrium Health, the employee will receive credit for 173.33 hours (based on 2,080 hours for a full calendar year). For any employee who is allocated a number of hours for the calendar year that is less than the number of hours allocated for an FTE employee, the employee will receive credit for one-twelfth (1/12) of his annually allocated hours for each full month the employee is employed by Atrium Health. If an employee begins or ends employment during a month, the employee will receive credit for a prorated number of hours for the month based on the number of days employed, the number of days in the month, and the number of hours the employee would receive credit for if employed for the full month.

Service with Other Companies

Years of continuous service also include service with certain other entities as authorized by the Chief Executive Officer or President of The Charlotte-Mecklenburg Hospital Authority.

Returning to Work

If you return to work for Atrium Health after a break in service, your years of continuous service after you are rehired will be counted in determining vesting service.

Years of continuous service before your break in service may also be counted, as follows:

- If you had at least three years of continuous service when your break in service occurred, your prior service will be counted when you return to work with Atrium Health.
- If you had fewer than three years of continuous service when your break in service occurred, your prior service will only be counted provided the number of breaks in service is not greater than your number of years of continuous service before your break in service.

If you have any questions, you should contact Benefits Administration.

Loans

Although the plan is designed to help you save for long-term goals, there may be times when you need access to your money — for example, to help you pay the down payment on a new home. Loans are available only to active employees who are eligible to contribute, and may offer certain advantages while you are employed by Atrium Health, such as:

- Loans are generally not taxable;
- The 20% withholding rules do not apply to loans; and
- When you take a loan, you borrow money from your 401(k) Retirement Savings Plan Account. You then pay yourself back with after-tax payroll deductions, plus interest.

The interest rate charged on your loan will be determined at the time you initiate the loan process.

A portion of your Account balance equal to the principal amount of the loan will be used as security for the loan.

Employees classified as PRN (work as needed) are not eligible for loans. If a participant takes a loan from his or her Account and later changes to PRN status, payroll-deducted loan payments will end. Such participants must continue to make loan payments pursuant to such rules and procedures as are established by Atrium Health.

How Loans Work

You may apply for a loan from your 401(k) Retirement Savings Plan Account once every 12 months. You may take from six months up to five years to repay a loan (or longer, if you use the loan proceeds to purchase a primary residence). You may have only one loan outstanding at a time.

Loan Limits

The minimum amount you may borrow from your Account is \$1,000. You may borrow the lesser of:

- 50% of your Account balance as of the date the loan is made; or
- \$50,000, minus the highest outstanding loan balance you had in the one-year period ending on the day before your loan is made.

Loan Request Procedure

To find out how much you may borrow or to check the current interest rate, contact Empower Retirement at 1-866-247-0970 or visit www.atriumhealth.org/retirement. If you are eligible to borrow against your Account, you may initiate the loan either by phone or by visiting www.atriumhealth.org/retirement.

There may be fees associated with loans from your Account, which will be deducted directly from your Account. Contact Empower Retirement at 1-866-247-0970 for more information about applicable loan fees.

Loan Repayment Procedure

You repay your loan through regular equal payroll deductions at least as frequently as quarterly. Your repayments will be invested according to your current investment elections at the time of each repayment. You may prepay your loan in full at any time without penalty, but partial payoffs are not accepted.

If you prepay a loan in full, you may not initiate a new loan before 30 days following the date your loan is paid off and the account is settled.

You do not pay taxes on money you borrow from your Account, as long as you meet all of the terms of the loan.

If you are performing military service, your loan payments may be suspended during any part of the period of service, provided that loan payments resume when your military service ends and you return to work. In addition, your payment schedule may also be adjusted.

If you leave Atrium Health while you have an outstanding loan balance, no distribution may be made to you or your beneficiary until the outstanding loan is paid in full.

Withdrawals

Under certain circumstances, you may be permitted to withdraw funds from your Account during active employment. However, because the plan is designed for long-term savings and retirement, these withdrawals are restricted by the Internal Revenue Code and carry tax consequences, including early withdrawal penalties.

Hardship Withdrawals

Hardships may only be taken from the portion of your Account consisting of your deferral contributions (not including rollover contributions).

Hardship withdrawals are only available in the event of an immediate and heavy financial need (after you have exhausted all loans under the plan), which includes the following:

- Expenses for medical care (described in Section 213(d) of the Internal Revenue Code) previously incurred by you, your spouse, or your dependent or necessary for you, your spouse, or your dependent to obtain medical care;
- Costs directly related to the purchase of your principal residence (excluding mortgage payments);
- Payment of tuition, related educational fees, and room and board expenses for up to the next 12 months of post-secondary education for yourself, your spouse, or dependent; or
- Amounts necessary to prevent your eviction from your principal residence or foreclosure on the mortgage of your principal residence.

If you have one of the above expenses, you may make a hardship withdrawal up to 100% (minimum \$500) of your deferral contributions (not including rollover contributions), subject to any adjustment required because of an outstanding loan from your Account. In addition, you must certify and agree that all of the following conditions are satisfied:

- The amount of your hardship withdrawal does not exceed the amount of your immediate and heavy financial need. The amount of your immediate and heavy financial need may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution; and
- You have obtained all available distributions, other than hardship withdrawals, and all non-taxable loans currently available under all plans maintained by Atrium Health.

To Request a Hardship Withdrawal

To request a hardship withdrawal, contact Empower Retirement at 1-866-247-0970.

Tax Treatment of Hardship Withdrawals

Hardship withdrawals are taxable as ordinary income in the year in which they are received. They are also subject to the 10% early withdrawal penalty if you are under age 59½. See the heading **Penalty Tax for Early Withdrawal** for details. You may not roll over a hardship withdrawal into an IRA or other qualified plan.

You should consult with a professional financial or tax advisor for additional information on your own tax status before you receive any payment from the plan.

Distribution at Age 59½

After reaching age 59½, you may withdraw amounts from your Account at any time.

Distribution Upon Permanent Disability

If you become permanently disabled, you may withdraw amounts from your Account.

Penalty Tax for Early Withdrawal

Unless one of the exceptions listed below applies, you will be liable for a 10% penalty tax on the taxable portion of any plan distribution you receive before you reach age 59½.

This 10% penalty tax is in addition to the regular income taxes you will be required to pay on the taxable portion of your withdrawal when you file your IRS Form 1040. This 10% penalty tax applies to any taxable distribution, whether or not you terminate employment, and will apply even if you make a hardship withdrawal.

The 10% penalty tax does not apply to certain distributions. Some of these are:

- Distributions because of your death or disability;
- Distributions after you reach age 59½;
- Distributions to an alternate payee as directed by a domestic relations order; or
- Lump sum distributions that you roll into an Individual Retirement Arrangement (IRA) or the tax qualified savings plan of another employer within 60 days.

For other exceptions, you should consult with your tax advisor.

20% Federal Tax Withholding

IRS regulations also require an automatic 20% federal tax withholding on all taxable distributions from qualified plans that are eligible for rollover. When you receive such a distribution, Empower Retirement is required by law to withhold 20% of the distribution.

You can avoid the 20% withholding if you directly roll over the distribution into an IRA or another employer's qualified plan and have your distribution check made payable to the trustee of the IRA or plan. If you do not directly roll over the distribution and have the check made payable to you, the 20% will be automatically withheld.

Required Distribution Beginning Date

By law, the Plan is required to begin distributing your Account balance to you by April 1 of the calendar year following the later of:

- The calendar year in which you reach age 70½; or
- The calendar year in which you retire.

Final Distribution of Funds

You or your beneficiary may receive distributions from the Plan under the following circumstances:

- When you retire;
- If you leave Atrium Health; or
- If you die.

If Your Account Balance Is Over \$5,000

If your Account balance is over \$5,000 (including rollover contributions and any earnings on those contributions), you may:

- Continue to keep your money in your Account at Empower Retirement; or
- Choose a direct rollover and transfer all of your taxable balance to an IRA or other qualified plan which will accept the transfer; or
- Have the balance paid directly to you. Keep in mind that your distribution may be subject to 20% tax withholding, and also may be subject to the 10% early withdrawal penalty tax if you are under age 59½.

If you make no active distribution request, your account will remain in the Plan.

If Your Account Balance Is Over \$1,000

If your Account balance is over \$1,000 (including rollover contributions and any earnings on those contributions), you may:

- Choose a direct rollover and transfer all of your taxable balance to an IRA or other qualified plan which will accept the transfer; or
- Have the balance paid directly to you. Keep in mind that your distribution may be subject to 20% tax withholding, and also may be subject to the 10% early withdrawal penalty tax if you are under age 59½.

If you make no active distribution request, your account will automatically roll into an Individual Retirement Account (IRA) as directed by the Plan.

If Your Account Balance Is \$1,000 or Less

If your Account balance in the Plan (including rollover contributions and any earnings on those contributions) is less than or equal to \$1,000 at the time your employment terminates (including retirement, death, or disability), then you or your beneficiary will automatically receive payment of your Account balance in a single lump sum, unless you elect to roll your balance over to an IRA or another qualified plan.

If You Die

If you have a balance in your Account when you die, the full value of your Account will be paid in the following order:

- To the beneficiary you have designated (rules for naming beneficiaries are described earlier in this summary, under the heading **Naming a Beneficiary**);
- To your spouse; or
- To your estate.

Your beneficiary or spouse must contact the Plan Administrator to claim benefits.

Before Distributions Have Begun

If you die before plan distributions have begun payment of your Account will be made or begin as soon as practicable after your death. Except as provided below, the distribution will be made in a lump sum payment.

If your beneficiary is not your spouse, he or she may elect to receive your Account balance either in a lump sum or in substantially equal quarterly, semi-annual, or annual installments for a specified number of years not to exceed 10 years. If your beneficiary chooses an installment option, he or she may elect at any time to accelerate payment of all, or any portion, of the balance of your Account. Any election by your beneficiary must comply with the Internal Revenue Service code's minimum distribution rules. Also, your beneficiary may be eligible to elect a rollover distribution.

Requesting a Final Distribution

To request a final distribution, contact Empower Retirement at 1-866-247-0970. You may not request your final distribution until after you have ended your employment.

Taxation of Your Distribution

When you receive a distribution from the plan, you will receive an IRS form 1099-R. This form is sent to you in January following your distribution. The information is also filed with the IRS. You will need this form when filing your income taxes. Keep in mind that your benefits are subject to 20% withholding (and any applicable state income tax withholding), and a 10% penalty may apply if you are younger than 59½. Your distribution is taxable at ordinary income rates.

General Information about Your Plan

Domestic Relations Orders

Your 401(k) Retirement Savings Plan Account can become subject to a property or other financial settlement in case of a divorce. The court may then issue a domestic relations order — a court order related to divorce or separation — which could award a portion of your Account to your former spouse, your child, or another dependent. The order may require the assigned benefit to be distributed immediately.

Your 401(k) Retirement Savings Account Cannot Be Assigned

You may not assign your 401(k) Retirement Savings Plan Account to Atrium Health or to any person or business to pay or secure a debt.

Loss of Benefits

The value of your Account may vary — both up and down — based on the performance of your investments.

Funding of the Plan

The Atrium Health 401(k) Retirement Savings Plan is a defined contribution plan. The plan is funded through participants' pretax deferrals or after-tax Roth 401(k) deferrals, and by Atrium Health with respect to Atrium Health matching, basic and performance-based contributions.

Future of the Plan

While Atrium Health intends to continue The Atrium Health 401(k) Retirement Savings Plan into the future, it reserves the right to discontinue contributions, to amend or terminate a subsidiary organization's participation in the Plan, or to amend, suspend, discontinue, or terminate the Plan at any time.

In addition, the Plan is subject to the continuing approval of the IRS so that the plan may offer you and Atrium Health certain tax advantages.

A decision to amend or end the Plan could be due to:

- Changes in federal or state law;
- The installation of a revised, successor plan;
- Consolidating with another plan;
- Splitting the Plan into two or more parts; or
- A change in economic conditions or corporate structure that makes the Plan no longer feasible as it currently exists.

Other Important Information

Additional information about the Plan and your investment options is available from Empower Retirement and on its website: **www.atriumhealth.org/retirement**. Please read these materials carefully before making your enrollment and investment decisions. The information presented here is a summary of plan benefits and features and is not intended to be a detailed description of all plan provisions. In the event of any discrepancy or omission, the plan document governing The Atrium Health 401(k) Retirement Savings Plan will govern.

Administrative Information

The Atrium Health 401(k) Retirement Savings Plan is designed to comply with the requirements of the Internal Revenue Code.

Plan Name and Type

The plan, as described in the summary, is officially named The Atrium Health 401(k) Retirement Savings Plan.

The plan is a defined contribution plan.

Plan Administrator

The Plan Administrator manages the plan on a day-to-day basis and answers questions about plan details. The Plan Administrator for The Atrium Health 401(k) Retirement Savings Plan is:

Charlotte-Mecklenburg Hospital Authority d/b/a Atrium Health
P.O. Box 32861
Charlotte, NC 28232-2861

The Plan Administrator (and its delegates) has full discretion to construe and interpret the Plan and this summary plan description, and to decide all matters arising under the plan, including whether you are eligible for participation and/or entitled to benefits. The determinations of the Plan Administrator (and its delegates) are final and binding on you and all other parties, except as otherwise provided by law.

Plan Funding

Under the Atrium Health 401(k) Retirement Savings Plan, you are provided with an individual Account to which you make deferrals, which could consist of pretax or Roth 401(k) after-tax deferrals. Atrium Health will also contribute through matching contributions on a portion of your savings, according to the terms of the Plan. In addition, you may be eligible to receive basic and performance-based contributions made by Atrium Health to your Account. The benefits you receive are determined by the amounts you and Atrium Health contribute to your Account, plus or minus any investment gains or losses, as well as any applicable fees deducted from your Account. Plan funds are held in trust for 401(k) participants. Plan funds are invested in the available investment funds, per your instructions, and are used for the sole purpose of paying benefits and operating expenses.

Plan Trustee

Funds for the plan are held in trust for the sole purpose of paying benefits and operating expenses. The trustee is:

Great-West Trust Company, LLC
8515 East Orchard Road
Greenwood Village, CO 80111

ADMINISTRATIVE INFORMATION

Employer Identification Number

The Internal Revenue Service assigns each employer an employer identification number (EIN). The EIN assigned to Atrium Health is 56-0529945.

Plan Identification Number

The plan identification number (PIN) assigned to The Atrium Health 401(k) Retirement Savings Plan is 002.

Plan Year

All records for the plan are kept on a calendar year basis. The plan year begins each January 1st and ends each December 31st.

Agent for Service of Legal Process

Legal process may be served upon the Plan Administrator or the plan trustee.

Claiming Benefits

If you think you are eligible for a benefit from the Plan, you (or, in the case of your death, your beneficiary) will need to contact Empower Retirement. Empower Retirement will provide the appropriate claim forms and any other information you need to apply for distribution of your Account.

If your claim is granted, the appropriate distribution or payment from your Account will be made as soon as administratively practical.

If your claim is denied, you will be given written notice within 90 days (or longer as may be reasonably necessary) pointing out any additional information which might change the denial, including:

- The specific reason or reasons for the denial;
- Specific references to the pertinent plan provisions on which the denial is based;
- A description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is necessary;
- An explanation of the Plan's claims review procedure.

Appealing Claim Denials

If your claim is denied, you may request in writing that the Claims Review Committee conduct a full and fair review of the denial of your claim. You or your duly authorized representative may:

- Request a review upon written application to the Claims Review Committee;
- Review pertinent documents; and
- Submit issues and comments in writing.

The Claims Review Committee may establish the time limits within which you may request review of a denied claim, however, you have at least 60 days from the time you receive the written notice that your claim was denied.

You will receive the Claims Review Committee's decision regarding the appeal normally no later than 60 days following the receipt of your request for review. However, in certain circumstances (for example, if the Claims Review Committee decides to hold a hearing on the appeal), the decision will be rendered as soon as possible, but not later than 120 days following the receipt of your request for review. The final decision and a written explanation will be sent to you and it will include specific references to the plan provisions on which the decision is based.

The Plan Administrator has the discretionary authority and responsibility to interpret and construe the Plan and any rules or regulations under the Plan, and the rights of participants, former participants, and beneficiaries to receive benefits from the Plan. The Plan Administrator's decision (subject to review) is final and binding on all parties. No legal or equitable action for benefits under this plan may be brought unless you have exhausted all claims procedures.

No legal or equitable action for Plan benefits, or to enforce or clarify rights under the Plan, may be brought by any claimant on any matter regarding this Plan unless the legal or equitable action is commenced in the proper forum before the earlier of (i) three (3) years after the claimant knew or reasonably should have known of the primary facts on which the claim is based, or (ii) one hundred and eighty (180) days after the date the Claims Review Committee issues the final adverse benefit determination. Knowledge of all facts that the participant knew or reasonably should have known shall be imputed to every claimant who claims to derive an entitlement by reference to the participant for the purpose of applying the previously specified periods.

Any action or suit brought or filed in court or any other tribunal in connection with the Plan shall only be brought and filed in the courts for the federal district or county in which Atrium Health has its principal place of business.