

**TEAM HEALTH, INC., 401(K) PLAN
SUMMARY PLAN DESCRIPTION**

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TEAM HEALTH, INC., 401(K) PLAN

SUMMARY PLAN DESCRIPTION

INTRODUCTION TO YOUR PLAN

What kind of Plan is this?

Team Health, Inc., 401(k) Plan ("Plan") has been adopted to provide you with the opportunity to save for retirement on a tax-advantaged basis. This Plan is a type of qualified retirement plan commonly referred to as a 401(k) Plan. As a participant under the Plan, you may elect to contribute a portion of your compensation to the Plan. In addition, the Employer may make contributions to the Plan on your behalf.

What information does this Summary provide?

This Summary Plan Description ("SPD") contains information regarding when you may become eligible to participate in the Plan, your Plan benefits, your distribution options, and many other features of the Plan. You should take the time to read this SPD to get a better understanding of your rights and obligations under the Plan.

In this SPD, the Employer has addressed the most common questions you may have regarding the Plan. If this SPD does not answer all of your questions, please contact the Administrator or other plan representative. The Administrator is responsible for responding to questions and making determinations related to the administration, interpretation, and application of the Plan. The name of the Plan Administrator can be found at the end of this SPD in the Article entitled "General Information about the Plan."

This SPD describes the Plan's benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language and is designed to comply with applicable legal requirements. If the non-technical language in this SPD and the technical, legal language of the Plan document conflict, the Plan document always governs. If you wish to receive a copy of the legal Plan document, please contact the Plan Administrator.

The Plan and your rights under the Plan are subject to federal laws, such as the Employee Retirement Income Security Act (ERISA) and the Internal Revenue Code, as well as some state laws. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service (IRS) or Department of Labor (DOL). The Employer may also amend or terminate this Plan. If the provisions of the Plan that are described in this SPD change, the Employer will notify you.

ARTICLE I PARTICIPATION IN THE PLAN

How do I participate in the Plan?

If you are a leased employee, you are not entitled to participate in the Plan.

If you are a reclassified employee (an employee who was previously not treated as an employee of the Employer but you are reclassified as being an employee), you are not entitled to participate in the Plan.

Provided you are not an Excluded Employee, you may begin participating under the Plan once you have satisfied the eligibility requirements and reached your Entry Date, except as indicated above for leased and reclassified employees. The following describes Excluded Employees, if any, the eligibility requirements and Entry Dates that apply. You should contact the Plan Administrator if you have questions about the timing of your Plan participation.

Elective Deferrals and Employee (After-Tax) Contributions

Excluded Employees. If you are a member of a class of employees identified below, you are an Excluded Employee and you are not entitled to participate in the Plan for purposes of elective deferrals and Employee (after-tax) contributions. The Excluded Employees are:

- certain nonresident aliens who have no earned income from sources within the United States

See "Additional Excluded Employee provisions" below at the end of this question section for special provisions that may apply in determining who is an Excludable Employee.

Eligibility Conditions. You will be eligible to participate for purposes of elective deferrals and Employee (after-tax) contributions when you have completed One (1) months of service. However, you will actually participate for purposes of elective deferrals and Employee (after-tax) contributions once you reach the Entry Date as described below.

Entry Date. For purposes of elective deferrals and Employee (after-tax) contributions, your Entry Date will be the first day of the month coinciding with or next following the date you satisfy the eligibility requirements.

See "Additional Entry Date provisions" below at the end of this question section for special provisions that may apply in determining Entry Dates.

Matching Contributions

Excluded Employees. If you are a member of a class of employees identified below, you are an Excluded Employee and you are not entitled to participate in the Plan for purposes of matching contributions. The Excluded Employees are:

- certain nonresident aliens who have no earned income from sources within the United States

See "Additional Excluded Employee provisions" below at the end of this question section for special provisions that may apply in determining who is an Excludable Employee.

Eligibility Conditions. You will be eligible to participate for purposes of matching contributions when you have completed one (1) Period of Service. However, you will actually participate in matching contributions once you reach the Entry Date as described below.

Entry Date. For purposes of matching contributions, your Entry Date will be the first day of the Plan Year quarter coinciding with or next following the date on which you satisfy the eligibility requirements.

See "Additional Entry Date provisions" below at the end of this question section for special provisions that may apply in determining Entry Dates.

Nonelective Contributions

Excluded Employees. If you are a member of a class of employees identified below, you are an Excluded Employee and you are not entitled to participate in the Plan for purposes of nonelective contributions. The Excluded Employees are:

- certain nonresident aliens who have no earned income from sources within the United States

See "Additional Excluded Employee provisions" below at the end of this question section for special provisions that may apply in determining who is an Excludable Employee.

Eligibility Conditions. You will be eligible to participate for purposes of nonelective contributions on your date of hire. However, you will actually participate in nonelective contributions once you reach the Entry Date as described below.

Entry Date. For purposes of nonelective contributions, your Entry Date will be the date on which you satisfy the eligibility requirements.

See "Additional Entry Date provisions" below at the end of this question section for special provisions that may apply in determining Entry Dates.

Additional Excluded Employee provisions

Exclude: AG from all contributions; MDs & TPA NHCEs from match; NHCEs (except non-MDs employed by TPA & BC1; TPA MDs employed before 7-1-2006; & TPA MDs classified AA employed 7-1-2006 or after) and HCEs (except TPA MDs employed prior to 7-1-2006; & TPA MDs classified AA employed 7-1-2006 or after) from nonelective See the Plan Administrator for additional information if you are not sure if this affects you.

Additional Entry Date provisions

SCA Employers of SHN, SHR and SPC Entry Dates for Match are first day of each month See the Plan Administrator for additional information if you are not sure if this affects you.

How is my service determined for purposes of Plan eligibility?

Period of Service. You will be credited with a Period of Service once twelve months have passed since your date of hire.

Months of Service. You will have completed the required number of months if you are employed by the Employer at any time after you have completed that number of months.

What service is counted for purposes of Plan eligibility?

Service with the Employer. In determining whether you satisfy the minimum service requirements to participate under the Plan, all service you perform for the Employer will be counted.

Service with another Employer. For eligibility purposes, your Periods of Service with any entity acquired by Team Health, Inc. or any of its predecessor organizations may be counted. See the Plan Administrator for details if you think you may be affected by this provision.

Military Service. If you are a veteran and are reemployed under the Uniformed Services Employment and Reemployment Rights Act of 1994, your qualified military service may be considered service with the Employer. If you may be affected by this law, ask the Plan Administrator for further details.

What happens if I'm a participant, terminate employment and then I'm rehired?

If you are no longer a participant because of a termination of employment, and you are rehired, then you will be able to participate in the Plan on the date on which you are rehired if you are otherwise eligible to participate in the Plan.

ARTICLE II EMPLOYEE CONTRIBUTIONS

What are elective deferrals and how do I contribute them to the Plan?

Elective Deferrals. As a participant under the Plan, you may elect to reduce your compensation by a specific percentage or dollar amount and have that amount contributed to the Plan on a pre-tax basis as an elective deferral. Your taxable income is reduced by the deferral contribution so you pay less in federal income taxes (however, the amount you defer is still counted as compensation for purposes of Social Security taxes). Later, when the Plan distributes the deferrals and earnings, you will pay the taxes on those deferrals and the earnings. Therefore, federal income taxes on the deferral contributions and on the earnings are only postponed. Eventually, you will have to pay taxes on these amounts.

Deferral procedure. The amount you elect to defer will be deducted from your pay in accordance with a procedure established by the Plan Administrator. You may elect to defer a portion of your compensation payable on or after your Entry Date. Such election will become effective as soon as administratively feasible after it is received by the Plan Administrator. Your election will remain in effect until you modify or terminate it.

Deferral modifications. You may revoke or make modifications to your salary deferral election in accordance with procedures that the Employer provides. See the Plan Administrator for further information.

Annual dollar limit. Your total deferrals in any taxable year may not exceed a dollar limit which is set by law. The limit for 2008 is \$15,500. After 2008, the dollar limit may increase for cost-of-living adjustments.

Deferrals limited by nondiscrimination testing. In addition to the annual dollar limit just described, the law requires testing of the deferrals to ensure that deferrals by HCEs do not exceed certain limits. If you are a highly compensated employee (generally more than 5% owners or individuals receiving wages in excess of certain amounts established by law), a distribution of amounts attributable to your elective deferrals or certain excess contributions may be required to comply with the law. The Plan Administrator will notify you if and when a distribution of deferrals is required.

Catch-up contributions. If you are at least age 50 or will attain age 50 before the end of a calendar year, then you may elect to defer additional amounts (called "catch-up contributions") to the plan for that year. The additional amounts may be deferred regardless of any other limitations on the amount that you may defer to the plan. The maximum "catch-up contribution" that you can make in 2008 is \$5,000. After 2008, the maximum may increase for cost-of-living adjustments. Any "catch-up contributions" that you make will be taken into account in determining any Employer matching contribution made to the Plan.

You should be aware that each separately stated annual dollar limit on the amount you may defer (the annual deferral limit and the "catch-up contribution" limit) is a separate aggregate limit that applies to all such similar elective deferral amounts and "catch-up contributions" you may make under this Plan and any other cash or deferred arrangements (including tax-sheltered 403(b) annuity contracts, simplified employee pensions or other 401(k) plans) in which you may be participating. Generally, if an annual dollar limit is exceeded, then the excess must be returned to you in order to avoid adverse tax consequences. For this reason, it is desirable to request in writing that any such excess elective deferral amounts be returned to you.

If you are in more than one plan, you must decide which plan or arrangement you would like to return the excess. If you decide that the excess should be distributed from this Plan, you must communicate this in writing to the Administrator no later than the March 1st following the close of the calendar year in which such excess deferrals were made. However, if the entire dollar limit is exceeded in this Plan or any other plan the Employer maintains, then you will be deemed to have notified the Administrator of the excess. The Plan Administrator will then return the excess deferral and any earnings to you by April 15th.

Automatic Deferral. Effective October 1, 2007, the Plan includes an automatic deferral feature. Accordingly, the Employer will automatically withhold a portion of your compensation from your pay each payroll period and contribute that amount to the Plan as an elective deferral unless you make a contrary election.

- **Application to existing Participants.** For those Participants in the Plan as of the automatic deferral effective date, the automatic deferral provisions apply to all Participants except those who have a salary reduction agreement in effect (regardless of their deferral amount) on the automatic deferral provisions effective date.

Automatic deferral provisions. The following provisions apply as to automatic deferrals:

- The amount to be automatically withheld from your pay each payroll period will be equal to 1% of your compensation, and that amount will continue to be automatically withheld from your pay in succeeding Plan years unless the Employer amends the Plan or you enter a salary reduction agreement.
- You may enter a salary reduction agreement at any time to select an alternative deferral amount or to elect not to defer under the Plan.

Additional automatic deferral provisions

Notwithstanding 21(b)(1), automatic deferral for SHR, SHN or SPC is 2%. Automatic deferral applies only to Participants whose annual rate of salary for benefits is less than 414(q)(1)(B) Compensation for Plan Year. Except for SHR, SHN or SPC, automatic deferral does not apply to Participants classified by Employer as AB or AC. In addition to 21(b)(2)c., automatic deferral applies to each Employee, not otherwise excluded, whose Entry Date is on or following Automatic Deferral Effective Date

Contact the Plan Administrator if you have any questions concerning the application of this automatic deferral provision.

What are Employee (after-tax) contributions?

Employee (after-tax) contributions. As a participant under the Plan, you may make contributions to the Plan on an after-tax basis. Employee (after-tax) contributions are subject to current taxation even though they are contributed to the Plan. However, any earnings you receive on your after-tax contributions made to the Plan will generally not be taxed until you withdraw those amounts from the Plan. When you retire or otherwise become eligible for Plan benefits, the value of your Employee Contribution Account will be used to provide additional benefits for you or your beneficiaries.

You will always be 100% vested in your after-tax contributions (see the Article in this SPD entitled "Vesting"). This means that you will always be entitled to all of your after-tax contributions. Your Employee Contribution Account will, however, be affected by any investment gains or losses.

Limitations. There are certain limitations imposed by law on the amount of Employee (after-tax) contributions you may contribute to the Plan. These limitations will change from year to year depending upon the level of such contributions made by other participants during the year. If your after-tax contributions exceed these limitations, the Administrator will return the excess contributions to you. In addition, if you take certain hardship distributions, you may be required to suspend making after-tax contributions for six months.

Withdrawal of Employee (after-tax) contributions. You may withdraw amounts in your Employee Contribution Account at any time. You will only be taxed on the portion of a distribution that consists of investment gains. You should see the Articles in this SPD entitled "Distributions Prior to Termination of Employment," "Distributions upon Termination of Employment," and "Distributions upon Death" for an explanation of how benefits (including your Employee Contribution Account) are paid from the Plan.

What are rollover contributions?

Rollover contributions. At the discretion of the Plan Administrator, you may be permitted to deposit into the Plan distributions you have received from other plans and certain IRAs. Such a deposit is called a "rollover" and may result in tax savings to you. You may ask the administrator or trustee of the other plan or IRA to directly transfer (a "direct rollover") to this Plan all or a portion of any amount that you are entitled to receive as a distribution from such plan. Alternatively, if you received a distribution from a prior plan, you may elect to deposit any amount eligible to be rolled over within 60 days of your receipt of the distribution. You should consult qualified counsel to determine if a rollover is permitted and in your best interest.

Rollover account. Your rollover will be accounted for in a "rollover account." You will always be 100% vested in your "rollover account" (see the Article in this SPD entitled "Vesting"). This means that you will always be entitled to all amounts in your rollover account. Rollover contributions will be affected by any investment gains or losses.

**ARTICLE III
EMPLOYER CONTRIBUTIONS**

In addition to any deferrals you elect to make, the Employer may make additional contributions to the Plan on your behalf. This Article describes Employer contributions that may be made to the Plan and how your share of the contributions is determined.

What is the Employer matching contribution and how is it allocated?

Matching Contribution. The Employer may make a discretionary matching contribution equal to a uniform percentage or dollar amount of your elective deferrals each Plan Year. Each year, the Employer will determine the formula for the discretionary matching contribution.

The Plan will match all catch-up deferrals.

If any related employers (related to the employer by common ownership) elect to participate in the Plan, the employees of those related employers may become participants. If this occurs, the related employers' matching contributions to the Plan will be SHN, SHR and SPC. Participants who are Service Contract Act (SCA) Employees receive a Match of 50% of Elective Contributions each Plan Year quarter, disregarding Elective Contributions exceeding 3% of Compensation. Any matching contribution made by a related employer will be allocated only among the employees of the contributing employer who participate in the Plan.

Allocation conditions. In order to share in the matching contribution for a Plan Year, you must satisfy the following conditions:

- If you are employed on the last day of the Plan Year, you will share regardless of the amount of service you complete during the Plan Year.

Additional allocation conditions

1,000 HOS for physicians classified AB or AC. No allocation condition for SCA Employees of SHR, SHN and SPC.

What is the Employer nonelective contribution and how is it allocated?

Nonelective contribution. Each year, the Employer may make a discretionary nonelective contribution to the Plan. Your share of any contribution is determined below.

If any related employers (related to the employer by common ownership) elect to participate in the Plan, the employees of those related employers may become participants. If this occurs, the related employers' nonelective contributions to the Plan will be made based on the same formula as applies to the employer.

Allocation conditions. In order to share in the nonelective contribution you must satisfy the following conditions:

- If you are employed on the last day of the Plan Year, you will share regardless of the amount of service you complete during the Plan Year.

Additional allocation provisions

1,000 HOS for physicians classified AB or AC. No allocation condition for SCA Employees of SHR, SHN and SPC.

Waiver of allocation conditions

You will share in the nonelective contribution for the year you terminate employment regardless of the amount of service you complete during the Plan Year if you terminate on or following your attainment of Normal Retirement Age.

Your share of the contribution. The nonelective contribution will be "allocated" or divided among participants eligible to share in the contribution for the Plan Year.

Your share of the nonelective contribution will depend on how much compensation you received during the year as well as the group to which you are assigned (see below). The Employer may contribute a different amount on behalf of each group. The amount contributed on behalf of your group will be allocated to you proportionately based on your compensation compared to the total compensation of all participants in your group. You will be categorized into one of the following groups:

- Groups will consist of: Group A consisting of physicians employed by TPA; Group B consisting of TPA NHCEs (excluding any physicians in Group A); and Group C consisting of BC1 NHCEs

If any related employers (related to the employer by common ownership) elect to participate in the Plan, the employees of those related employers may become participants. If this occurs, the related employers' nonelective contributions to the Plan will be allocated based on

the same method as applies to the employer. Any nonelective contribution made by a related employer will be allocated among all employees participating in the plan, regardless of which employer they work for.

- Forfeitures may first be used to pay any administrative expenses.

ARTICLE IV COMPENSATION AND ACCOUNT BALANCE

What compensation is used to determine my Plan benefits?

Elective Deferrals and Employee (after-tax) contributions

Definition of compensation. Compensation is defined as your total compensation that is subject to income tax and paid to you by the Employer. Amounts paid to you after you terminate employment may or may not be included as compensation for plan allocations as described below. If you are a self-employed individual, your compensation will be equal to your earned income. The following describes the adjustments to compensation that may apply for the contribution(s) noted above.

Adjustments to compensation. The following adjustments to compensation will be made for purposes of elective deferrals and Employee (after-tax) contributions:

- elective deferrals to this Plan and to any other plan or arrangement (such as a cafeteria plan) will be included.
- compensation paid while not a participant in this component of the Plan will be excluded.
- compensation paid by a related employer that is not a participating employer will be excluded.

Matching Contributions

Definition of compensation. Compensation is defined as your total compensation that is subject to income tax and paid to you by the Employer. Amounts paid to you after you terminate employment may or may not be included as compensation for plan allocations as described below. If you are a self-employed individual, your compensation will be equal to your earned income. The following describes the adjustments to compensation that may apply for the contributions noted above.

Adjustments to compensation. The following adjustments to compensation will be made for purposes of matching contributions:

- elective deferrals to this Plan and to any other plan or arrangement (such as a cafeteria plan) will be included.
- compensation paid while not a participant in this component of the Plan will be excluded.
- compensation paid by a related employer that is not a participating employer will be excluded.

Nonelective Contributions

Definition of compensation. Compensation is defined as your total compensation that is subject to income tax and paid to you by the Employer. Amounts paid to you after you terminate employment may or may not be included as compensation for plan allocations as described below. If you are a self-employed individual, your compensation will be equal to your earned income. The following describes the adjustments to compensation that apply for the contributions noted above.

Adjustments to compensation. The following adjustments to compensation will be made for purposes of nonelective contributions:

- elective deferrals to this Plan and to any other plan or arrangement (such as a cafeteria plan) will be included.
- compensation exceeding \$120,000 will be excluded for highly compensated employee participants only.
- compensation paid while not a participant in this component of the Plan will be excluded.
- compensation paid by a related employer that is not a participating employer will be excluded.

Is there a limit on the amount of compensation which can be considered?

The Plan, by law, cannot recognize annual compensation in excess of a certain dollar limit. The limit for the Plan Year beginning in 2008 is \$230,000. After 2008, the dollar limit may increase for cost-of-living adjustments.

Is there a limit on how much can be contributed to my account each year?

Generally, the law imposes a maximum limit on the amount of contributions including elective deferrals that may be made to your account and any other amounts allocated to any of your accounts during the Plan Year, excluding earnings. Beginning in 2008, this total cannot exceed the lesser of \$46,000 or 100% of your annual compensation (as limited under the previous question). After 2008, the dollar limit may increase for cost-of-living adjustments.

How is the money in the Plan invested?

The Trustee of the Plan has been designated to hold the assets of the Plan for the benefit of Plan participants and their beneficiaries in accordance with the terms of this Plan. The trust fund established by the Plan's Trustee will be the funding medium used for the accumulation of assets from which Plan benefits will be distributed.

Participant direction of investments. You will be able to direct the investment of your entire interest in the Plan. The Plan Administrator will provide you with information on the investment choices available to you, the procedures for making investment elections, the frequency with which you can change your investment choices and other important information. You need to follow the procedures for making investment elections and you should carefully review the information provided to you before you give investment directions. If you do not direct the investment of your applicable Plan accounts, then your accounts will be invested in accordance with the default investment alternatives established under the Plan. These default investments will be made in accordance with specific rules under which the fiduciaries of the Plan, including the Employer, the Trustee and the Plan Administrator, will be relieved of any legal liability for any losses resulting from the default investments. The Plan Administrator has or will provide you with a separate notice which details these default investments and your right to switch out of the default investment if you so desire.

The Plan is intended to comply with Section 404(c) of ERISA (the Employee Retirement Income Security Act). If the Plan complies with this Section, then the fiduciaries of the Plan, including the Employer, the Trustee and the Plan Administrator, will be relieved of any legal liability for any losses which are the direct and necessary result of the investment directions that you give. Procedures must be followed in giving investment directions. If you fail to do so, then your investment directions need not be followed. If you do not direct the investment of your applicable Plan accounts, your accounts will be invested in accordance with the default investment alternatives established under the Plan.

Earnings or losses. When you direct investments, your accounts are segregated for purposes of determining the earnings or losses on these investments. Your Participant-directed Account does not share in the investment performance of other participants who have directed their own investments. You should remember that the amount of your benefits under the Plan will depend in part upon your choice of investments. Gains as well as losses can occur and the Employer, the Plan Administrator, and the Trustee will not provide investment advice or guarantee the performance of any investment you choose.

Will Plan expenses be deducted from my account balance?

The Plan will pay some or all Plan related expenses except for a limited category of expenses which the law requires the employer to pay. The category of expenses which the Employer must pay are known as "settlor expenses." Generally, settlor expenses relate to the design, establishment or termination of the Plan. See the Plan Administrator for more details. The expenses charged to the Plan may be charged pro rata to each Participant in relation to the size of each Participant's account balance or may be charged equally to each Participant. In addition, some types of expenses may be charged only to some Participants based upon their use of a Plan feature or receipt of a plan distribution. Finally, the Plan may charge expenses in a different manner as to Participants who have terminated employment with the Employer versus those Participants who remain employed with the Employer.

ARTICLE V VESTING

What is my vested interest in my account?

You are always 100% vested in all of your Plan accounts.

What happens if the Plan becomes a "top-heavy plan"?

Top-heavy plan. A retirement plan that primarily benefits "key employees" is called a "top-heavy plan." Key employees are certain owners or officers of the Employer. A plan is generally a "top-heavy plan" when more than 60% of the plan assets are attributable to key employees. Each year, the Plan Administrator is responsible for determining whether the Plan is a "top-heavy plan."

Top-heavy rules. If the Plan becomes top-heavy in any Plan Year, then non-key employees may be entitled to certain "top-heavy minimum benefits," and other special rules will apply. These top-heavy rules include the following:

- The Employer may be required to make a contribution on your behalf in order to provide you with at least "top-heavy minimum benefits."
- If you are a participant in more than one Plan, you may not be entitled to "top-heavy minimum benefits" under both Plans.

**ARTICLE VI
DISTRIBUTIONS PRIOR TO TERMINATION OF EMPLOYMENT**

Can I withdraw money from my account while working?

In-service distributions. You may be entitled to receive an in-service distribution. However, this distribution is not in addition to your other benefits and will therefore reduce the value of the benefits you will receive at retirement. This distribution is made at your election subject to possible administrative limitations on the frequency and actual timing of such distributions.

Conditions. Generally you may receive a distribution from the Plan prior to termination of employment provided you satisfy any of the following conditions:

- you have attained age 59-1/2. Satisfying this condition allows you to receive distributions from all contribution accounts.
- you have incurred a financial hardship as described below.

Limitations. The following additional limitations apply to in-service distributions:

- In-service distributions can only be made from accounts which are 100% vested.

Can I withdraw money from my account in the event of financial hardship?

Hardship distributions. You may withdraw money on account of financial hardship if you satisfy certain conditions. This hardship distribution is not in addition to your other benefits and will therefore reduce the value of the benefits you will receive upon termination of employment or other event entitling you to distribution of your account balance. You may not receive a hardship distribution from your qualified nonelective or qualified matching contribution accounts, if any.

Qualifying expenses. A hardship distribution may be made to satisfy certain immediate and heavy financial needs that you have. A hardship distribution may only be made for payment of the following:

- Expenses for medical care (deductible under Section 213(d) of the Internal Revenue Code but without regard to the 7.5% AGI limit) for you, your spouse or your dependents. This also includes medical expenses for the death beneficiary of your Plan account.
- Costs directly related to the purchase of your principal residence (excluding mortgage payments).
- Tuition, related educational fees, and room and board expenses for the next twelve (12) months of post-secondary education for you, your spouse, your children or your dependents. This also includes such education expenses for the death beneficiary of your Plan account.
- Amounts necessary to prevent your eviction from your principal residence or foreclosure on the mortgage of your principal residence.
- Payments for burial or funeral expenses for your deceased parent, spouse, children or dependents. This also includes burial or funeral expenses for the death beneficiary of your Plan account.
- Expenses for the repair of damage to your principal residence (that would qualify for the casualty loss deduction under Internal Revenue Code Section 165).

For this purpose, your beneficiary is the person you designate under the Plan (or the Plan otherwise designates in the absence of your designation) to receive your death benefit and who is not necessarily your spouse or dependent.

Conditions. If you have any of the above expenses, a hardship distribution can only be made if you certify and agree that all of the following conditions are satisfied:

- (a) The distribution is not in excess of 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;
- (b) You have obtained all distributions, other than hardship distributions, and all nontaxable loans currently available under all plans that the Employer maintains; and
- (c) Your elective deferrals and Employee (after-tax) contributions will be suspended for six (6) months after your receipt of the hardship distribution.

Account restrictions. You may request a hardship distribution only from the following accounts provided the account is 100% vested:

- elective deferral accounts

Elective Deferral account restrictions. In addition, there are restrictions placed on hardship distributions which are made from your elective deferral accounts. Generally, the earnings on your elective deferrals may not be distributed to you on account of a hardship as the amount of any hardship distribution from your deferral account is limited to the amount of your prior deferrals, less any deferrals previously distributed. Ask the Plan Administrator if you need further details.

ARTICLE VII DISTRIBUTIONS UPON TERMINATION OF EMPLOYMENT

When can I get money out of the Plan?

You may receive a distribution of some or all of your accounts in the Plan when you terminate employment with the Employer. The rules regarding the payment of death benefits to your beneficiary are described in the Article in this SPD entitled "Distributions upon Death."

As to the possibility of receiving a distribution while you are still employed with the Employer, see the Article in this SPD entitled "Distributions Prior to Termination of Employment."

Termination and distribution before Normal Retirement Age (or age 62 if later)

If your vested account balance exceeds \$5,000, your consent is required to distribute your account before you reach Normal Retirement Age (or age 62 if later). You may elect to have your vested account balance distributed to you as soon as administratively feasible following your termination of employment. (See the question entitled "In what method and form will my benefits be paid to me?" below for an explanation of the method of payment.)

If you terminate employment with a vested account balance exceeding \$5,000, you may elect to postpone your distribution until your "required beginning date" described below.

If your vested account balance does not exceed \$5,000, a distribution of your vested account balance will be made to you, regardless of whether you consent to receive it, as soon as administratively feasible following your termination of employment. (See the question entitled "In what method and form will my benefits be paid to me?" below for an explanation of the method of payment.)

Amounts in your rollover account will be considered as part of your benefit in determining whether the \$5,000 threshold for timing of payments described above has been exceeded as well as for determining if the value of your vested account balance exceeds the \$5,000 threshold used to determine whether you must consent to a distribution.

Automatic Rollover of Certain Account Balances. If your vested account balance does not exceed \$5,000, the Plan will distribute your account without your consent. If the amount of the distribution exceeds \$1,000 and you do not elect to either receive or roll over the distribution, the law requires that your distribution be directly rolled over to an IRA. See the Article in this SPD entitled "Automatic Rollover of Certain Account Balances."

Distribution on or after Normal Retirement Age (or age 62 if later)

If you terminate employment with the Employer and will receive distribution on or after the later of age 62 or Normal Retirement Age, the Plan will distribute your account without your consent. The distribution will occur as soon as administratively feasible at the same time described above for other pre-62/Normal Retirement Age distributions not requiring your consent, but in any event distribution will be made no later than 60 days after the end of the Plan Year in which you terminate employment. Notwithstanding the foregoing, if your vested account balance exceeds \$5,000 (including rollover contributions), you may elect to postpone your distribution until your "required beginning date" described below.

What is Normal Retirement Age and what is the significance of reaching Normal Retirement Age?

You will attain your Normal Retirement Age when you reach age 65.

You will become 100% vested in all of your accounts under the Plan (assuming you are not already fully vested) if you terminate employment on or after your Normal Retirement Age.

What happens if I terminate employment due to disability?

Definition of disability. Under the Plan, disability is defined as the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months. The permanence and degree of such impairment must be supported by medical evidence. The Plan Administrator may require that your disability be determined by a licensed physician.

Payment of benefits. If you terminate employment because you become disabled, the Plan will distribute your account balance in the same manner as for any other non-death related termination.

In what method and form will my benefits be paid to me?

Termination and distribution before Normal Retirement Age (or age 62 if later)

If you terminate employment and will receive a distribution before the later of age 62 or Normal Retirement Age and your vested account balance does not exceed \$5,000, then your vested account balance may only be distributed to you in a single lump-sum payment in cash.

If you terminate employment and will receive a distribution before the later of age 62 and Normal Retirement Age and your vested account balance exceeds \$5,000, you may elect to receive a distribution of your vested account balance in:

- a single lump-sum payment in cash
- installments over a period of not more than your assumed life expectancy (or the assumed life expectancies of you and your beneficiary)

In determining whether your vested account balance exceeds the \$5,000 dollar threshold, "rollovers" (and any earnings allocable to "rollover" contributions) will be taken into account.

Distribution on/after Normal Retirement Age (or age 62 if later)

If you terminate employment and will receive distribution on or following the attainment of the later of age 62 or Normal Retirement Age, and your vested account balance, (including rollovers) does not exceed \$5,000, you will receive distribution in the form of a single lump-sum payment in cash. If your balance exceeds \$5,000, you may elect to receive distribution as described above relating to termination before the later of age 62 and Normal Retirement Age. In determining whether your vested account balance exceeds the \$5,000 dollar threshold, "rollovers" (and any earnings allocable to "rollover" contributions) will be taken into account.

Delaying distributions/required beginning date. If described above, you may delay the distribution of your vested account balance. However, if you elect to delay the distribution of your vested account balance, there are rules that require that certain minimum distributions be made from the Plan. If you are a 5% owner, distributions are required to begin not later than the April 1st following the end of the year in which you reach age 70 1/2. If you are not a 5% owner, distributions are required to begin not later than the April 1st following the later of the end of the year in which you reach age 70 1/2 or terminate employment. You should see the Plan Administrator if you think you may be affected by these rules.

**ARTICLE VIII
DISTRIBUTIONS UPON DEATH**

What happens if I die while working for the Employer?

If you die while still employed by the Employer, then 100% of your account balance will be used to provide your beneficiary with a death benefit.

Who is the beneficiary of my death benefit?

You may designate a beneficiary of your Plan account on a form provided to you for this purpose by the Plan Administrator. If you do not designate a beneficiary, your account will be distributed as described below under "No beneficiary designation." If you are married, your spouse has certain rights to the death benefit. You should immediately report any change in your marital status to the Plan Administrator.

Married Participant. If you have been married at least one year at the time of your death, your spouse will be the beneficiary of the entire death benefit unless you designate in writing a different beneficiary. IF YOU WISH TO DESIGNATE A BENEFICIARY OTHER THAN YOUR SPOUSE, YOUR SPOUSE OF AT LEAST ONE YEAR MUST IRREVOCABLY CONSENT TO WAIVE ANY RIGHT TO THE DEATH BENEFIT. YOUR SPOUSE'S CONSENT MUST BE IN WRITING, BE WITNESSED BY A NOTARY OR A PLAN REPRESENTATIVE AND ACKNOWLEDGE THE SPECIFIC NON-SPOUSE BENEFICIARY.

Changes to designation.

If, with spousal consent as required, you have designated someone other than your spouse as beneficiary and now wish to change your designation, see the Plan Administrator for details. In addition, you may elect a beneficiary other than your spouse without your spouse's consent if your spouse cannot be located. A divorce decree or decree of legal separation automatically revokes your designation of your spouse or former spouse as your beneficiary under the Plan unless a Qualified Domestic Relations Order provides otherwise. You should complete a form to make a new beneficiary designation if a divorce decree or decree of legal separation is issued. See the Plan Administrator for details if you think you may be affected by this provision.

Unmarried Participant. If you are not married or have not been married at least one year, you may designate a beneficiary of your choosing.

No beneficiary designation. At the time of your death, if you have not designated a beneficiary or your beneficiary is not alive, the death benefit will be paid in the following order of priority to:

- (a) your surviving spouse
- (b) your children, including adopted children in equal shares (and if a child is not living, that child's share will be distributed to that child's living descendants)
- (c) your surviving parents, in equal shares
- (d) your estate

How will the death benefit be paid to my beneficiary?

Method/form of distribution. The form of payment of the death benefit will be in cash. If the death benefit payable to a beneficiary does not exceed \$5,000, then the benefit may only be paid as a lump-sum. If the death benefit exceeds \$5,000, your beneficiary may elect to have the death benefit paid in:

- a single lump-sum payment in cash
- annual installments at least equal to the required minimum distribution amount

When must the last payment be made to my beneficiary (required minimum distributions)?

The law generally restricts the ability of a retirement plan to be used as a method of deferring taxation for an unlimited period beyond the participant's life. Thus, there are rules that are designed to ensure that death benefits are distributable to beneficiaries within certain time periods. The application of these rules depends upon whether you die before or after your "required beginning date" as described above under "Delaying distributions/required beginning date."

Death before required beginning date.

Regardless of the method of distribution a beneficiary might otherwise be able to elect, if your designated beneficiary is a person (other than your estate or certain trusts), then minimum distributions of your death benefit must begin by the end of the calendar year which follows the year of your death and must be paid over a period not extending beyond your beneficiary's life expectancy. If your spouse is the sole beneficiary, your spouse may delay the start of payments until the year in which you would have attained age 70 1/2. However, instead of a life expectancy based distribution, your designated beneficiary may elect to have the entire death benefit paid by the end of the fifth year following the year of your death. Generally, if your beneficiary is not a person, then your entire death benefit must be paid within five years after your death.

Death after required beginning date.

If you die on or after your required beginning date, regardless of the method of distribution a beneficiary might otherwise be able to elect, payment must be made over a period which does not exceed the greater of the beneficiary's life expectancy or your remaining life expectancy (determined in accordance with applicable life expectancy tables and without regard to your actual death). If your beneficiary is not a person, your entire death benefit must be paid over a period not exceeding your remaining life expectancy (determined in accordance with applicable life expectancy tables and without regard to your actual death).

What happens if I terminate employment, commence payments and then die before receiving all of my benefits?

Your beneficiary will be entitled to your remaining vested interest in the Plan at the time of your death. See the Plan Administrator for more information regarding the timing and method of payments that apply to your beneficiary.

ARTICLE IX TAX TREATMENT OF DISTRIBUTIONS

What are my tax consequences when I receive a distribution from the Plan?

Generally, you must include any Plan distribution in your taxable income in the year in which you receive the distribution. The tax treatment may also depend on your age when you receive the distribution. Certain distributions made to you when you are under age 59 1/2 could be subject to an additional 10% tax. You will not be taxed on your Employee (after-tax) contributions to the Plan when they are distributed from the Plan. You will, however, be taxed on income attributable to those contributions.

Can I elect a rollover to reduce or defer tax on my distribution?

Rollover. As to most types of distributions, you may defer the tax due on your distribution by rolling the distribution over to an IRA or other plan. A hardship distribution, a required minimum distribution and certain other distribution types are not eligible for rollover. There are two types of rollovers.

60-day rollover. You may roll over all or a portion of the distribution to an Individual Retirement Account or Annuity (IRA) or another employer retirement plan willing to accept the rollover. This will result in no tax being due until you begin withdrawing funds from the IRA or other qualified employer plan. The rollover of the distribution, however, **MUST** be made within strict time frames (normally, within 60 days after you receive your distribution). A distribution which may be rolled over but which you do not directly roll over (see below) will be subject to mandatory federal income tax withholding at a rate of 20%. This will reduce the amount you actually receive. For this reason, if you wish to roll over all or a portion of your distribution amount, the direct rollover option described below would be the better choice.

Direct rollover. For most distributions, you may request that a direct rollover (sometimes referred to as a direct transfer) of all or a portion of a distribution be made to either an Individual Retirement Account or Annuity (IRA) or another employer retirement plan willing to accept the rollover. A direct rollover will result in no tax being due until you withdraw funds from the IRA or other employer plan.

Automatic Rollover of Certain Account Balances

If a mandatory distribution is being made to you before the later of age 62 or Normal Retirement Age and your vested account balance does not exceed \$5,000 (including any rollover contribution), the Plan will distribute your vested portion in a single lump-sum payment in cash. However, you may elect whether to receive the distribution or to roll over the distribution to another retirement plan such as an individual retirement account ("IRA"). At the time of your termination of employment, the Plan Administrator will provide you with further information regarding your distribution rights. If the amount of the distribution is more than \$1,000 (including any rollover contribution) and you do not elect either to receive or to roll over the distribution, the Plan automatically will roll over the distribution to an IRA. The IRA provider will invest the rollover funds in a type of investment designed to preserve principal and to provide a reasonable rate of return and liquidity (e.g., an interest-bearing account, a certificate of deposit or a money market fund). The IRA provider will charge your account for any expenses associated with the establishment and maintenance of the IRA and with the IRA investments. In addition, your beneficiary designation under the Plan, if any, will not apply to the rollover IRA. The IRA's terms will control in establishing a designated beneficiary under the IRA. You may transfer the IRA funds, at any time and without cost, to any other IRA you choose. You may contact the Plan Administrator at the address and telephone number indicated in this SPD for further information regarding the Plan's automatic rollover provisions, the IRA provider and the fees and charges associated with the IRA.

Tax Notice. WHENEVER YOU RECEIVE A DISTRIBUTION, THE PLAN ADMINISTRATOR WILL DELIVER TO YOU A MORE DETAILED EXPLANATION OF THESE OPTIONS. HOWEVER, THE RULES WHICH DETERMINE WHETHER YOU QUALIFY FOR FAVORABLE TAX TREATMENT ARE VERY COMPLEX. YOU SHOULD CONSULT WITH QUALIFIED TAX COUNSEL BEFORE MAKING A CHOICE.

ARTICLE X LOANS

Is it possible to borrow money from the Plan?

Yes. Loans are permitted in accordance with the Plan Loan Policy.

ARTICLE XI PROTECTED BENEFITS AND CLAIMS PROCEDURES

Are my benefits protected?

As a general rule, your interest in your account, including your "vested interest," may not be alienated. This means that your interest may not be sold, used as collateral for a loan (other than for a Plan loan), given away or otherwise transferred (except at death to your beneficiary). In addition, generally your creditors may not attach, garnish or otherwise interfere with your account.

Are there any exceptions to the general rule?

There are two exceptions to this general rule. The Plan Administrator must honor a qualified domestic relations order (QDRO). A QDRO is defined as a decree or order issued by a court that obligates you to pay child support or alimony, or otherwise allocates a portion of your assets in the Plan to your spouse, former spouse, child or other dependent. If a QDRO is received by the Plan Administrator, all or a portion of your benefits may be used to satisfy that obligation. The Plan Administrator will determine the validity of any domestic relations order received. You and your beneficiaries can obtain, without charge, a copy of the QUALIFIED DOMESTIC RELATIONS ORDER PROCEDURE from the Plan Administrator.

The second exception applies if you are involved with the Plan's operation. If you are found liable for any action that adversely affects the Plan, the Plan Administrator can offset your benefits by the amount that you are ordered or required by a court to pay the Plan. All or a portion of your benefits may be used to satisfy any such obligation to the Plan.

Can the Employer amend the Plan?

The Employer has the right to amend the Plan at any time. In no event, however, will any amendment authorize or permit any part of the Plan assets to be used for purposes other than the exclusive benefit of participants or their beneficiaries. Additionally, no amendment will cause any reduction in the amount credited to your account.

What happens if the Plan is discontinued or terminated?

Although the Employer intends to maintain the Plan indefinitely, the Employer reserves the right to terminate the Plan at any time. Upon termination, no further contributions will be made to the Plan and all amounts credited to your accounts will continue to be 100% vested. The Employer will direct the distribution of your accounts in a manner permitted by the Plan as soon as practicable. You will be notified if the Plan is terminated.

How do I submit a claim for Plan benefits?

Benefits will be paid to you and your beneficiaries without making a formal claim. However, if you think an error has been made in determining your benefits, then you or your beneficiaries may make a request for any Plan benefits to which you believe you are entitled. Any such request should be in writing and should be made to the Plan Administrator.

If the Plan Administrator determines the claim is valid, then you will receive a statement describing the amount of benefit, the method or methods of payment, the timing of distributions and other information relevant to the payment of the benefit.

What if my benefits are denied?

Your request for Plan benefits will be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Plan Administrator will provide you with a written or electronic notification of the Plan's adverse determination. This written or electronic notification must be provided to you within a reasonable period of time, but not later than 90 days after the receipt of your claim by the Plan Administrator, unless the Plan Administrator determines that special circumstances require an extension of time for processing your claim. If the Plan Administrator determines that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the termination of the initial 90-day period. In no event will such extension exceed a period of 90 days from the end of such initial period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the benefit determination.

In the case of a claim for disability benefits, if disability is determined by a physician (rather than relying upon a determination of disability for Social Security purposes), then instead of the above, the Plan Administrator will provide you with written or electronic notification of the Plan's adverse benefit determination within a reasonable period of time, but not later than 45 days after receipt of the claim by the Plan. This period may be extended by the Plan for up to 30 days, provided that the Plan Administrator both determines that such an extension is necessary due to matters beyond the control of the Plan and notifies you, prior to the expiration of the initial 45-day period, of the circumstances requiring the extension of time and the date by which the Plan expects to render a decision. If, prior to the end of the first 30-day extension period, the Plan Administrator determines that, due to matters beyond the control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional 30 days, provided that the Plan Administrator notifies you, prior to the expiration of the first 30-day extension period, of the circumstances requiring the extension and the date as of which the plan expects to render a decision. In the case of any such extension, the notice of extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and you will be afforded at least 45 days within which to provide the specified information.

The Plan Administrator's written or electronic notification of any adverse benefit determination must contain the following information:

- (a) The specific reason or reasons for the adverse determination.
- (b) Reference to the specific Plan provisions on which the determination is based.

- (c) 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.
- (d) Appropriate information as to the steps to be taken if you or your beneficiary wants to submit your claim for review.
- (e) In the case of disability benefits where disability is determined by a physician:
 - (i) If an internal rule, guideline, protocol, or other similar criterion (collectively "rule") was relied upon in making the adverse determination, either the specific rule or a statement that such rule was relied upon in making the adverse determination and that a copy of that rule will be provided to you free of charge upon request.
 - (ii) If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that such explanation will be provided to you free of charge upon request.

If your claim has been denied, and you want to submit your claim for review, you must follow the claims review procedure in the next question.

What is the claims review procedure?

Upon the denial of your claim for benefits, you may file your claim for review, in writing, with the Plan Administrator.

- (a) YOU MUST FILE THE CLAIM FOR REVIEW NO LATER THAN 60 DAYS AFTER YOU HAVE RECEIVED WRITTEN NOTIFICATION OF THE DENIAL OF YOUR CLAIM FOR BENEFITS.

HOWEVER, IF YOUR CLAIM IS FOR DISABILITY BENEFITS AND DISABILITY IS DETERMINED BY A PHYSICIAN, THEN INSTEAD OF THE ABOVE, YOU MUST FILE THE CLAIM FOR REVIEW NO LATER THAN 180 DAYS FOLLOWING RECEIPT OF NOTIFICATION OF AN ADVERSE BENEFIT DETERMINATION.
- (b) You may submit written comments, documents, records, and other information relating to your claim for benefits.
- (c) You may review all pertinent documents relating to the denial of your claim and submit any issues and comments, in writing, to the Plan Administrator.
- (d) You will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.
- (e) Your claim for review must be given a full and fair review. This review will take into account all comments, documents, records, and other information submitted by you relating to your claim, without regard to whether such information was submitted or considered in the initial benefit determination.

In addition to the claims review procedure above, if your claim is for disability benefits and disability is determined by a physician, then:

- (a) Your claim will be reviewed without deference to the initial adverse benefit determination and the review will be conducted by an appropriate named fiduciary of the Plan who is neither the individual who made the adverse benefit determination that is the subject of the appeal, nor the subordinate of such individual.
- (b) In deciding an appeal of any adverse benefit determination that is based in whole or part on medical judgment, the appropriate named fiduciary will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment.
- (c) Any medical or vocational experts whose advice was obtained on behalf of the Plan in connection with your adverse benefit determination will be identified, without regard to whether the advice was relied upon in making the benefit determination.
- (d) The health care professional engaged for purposes of a consultation under (b) above will be an individual who is neither an individual who was consulted in connection with the adverse benefit determination that is the subject of the appeal, nor the subordinate of any such individual.

The Plan Administrator will provide you with written or electronic notification of the Plan's benefit determination on review. The Plan Administrator must provide you with notification of this denial within 60 days after the Administrator's receipt of your written claim for review, unless the Plan Administrator determines that special circumstances require an extension of time for processing your claim. If the Plan Administrator determines that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the termination of the initial 60-day period. In no event will such extension exceed a period of 60 days from the end of the initial period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects

to render the determination on review. However, if claim relates to disability benefits and disability is determined by a physician, then 45 days will apply instead of 60 days in the preceding sentences. In the case of an adverse benefit determination, the notification will set forth:

- (a) The specific reason or reasons for the adverse determination.
- (b) Reference to the specific Plan provisions on which the benefit determination is based.
- (c) A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.
- (d) In the case of disability benefits where disability is determined by a physician:
 - (i) If an internal rule, guideline, protocol, or other similar criterion (collectively "rule") was relied upon in making the adverse determination, either the specific rule or a statement that such rule was relied upon in making the adverse determination and that a copy of that rule will be provided to you free of charge upon request.
 - (ii) If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that such explanation will be provided to you free of charge upon request.

If you have a claim for benefits which is denied, then you may file suit in a state or Federal court. However, in order to do so, you must file the suit no later than 180 days after the date of the Plan Administrator's final determination denying your claim.

What are my rights as a Plan participant?

As a participant in the Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants are entitled to:

- (a) Examine, without charge, at the Plan Administrator's office and at other specified locations, all documents governing the Plan, including collective bargaining agreements and insurance contracts, if any, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- (b) Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including collective bargaining agreements and insurance contracts, if any, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.
- (c) Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- (d) Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age and, if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a pension benefit, the statement will tell you how many years you have to work to earn a right to a pension. **THIS STATEMENT MUST BE REQUESTED IN WRITING AND IS NOT REQUIRED TO BE GIVEN MORE THAN ONCE EVERY TWELVE (12) MONTHS.** The Plan must provide this statement free of charge.

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

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

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110.00 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. You and your beneficiaries can obtain, without charge, a copy of the Plan's QDRO procedures from the Plan Administrator.

If it should happen that the Plan's fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, it finds your claim is frivolous.

What can I do if I have questions or my rights are violated?

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

**ARTICLE XII
GENERAL INFORMATION ABOUT THE PLAN**

There is certain general information which you may need to know about the Plan. This information has been summarized for you in this Article.

Plan Name

The full name of the Plan is Team Health, Inc., 401(k) Plan.

Plan Number

The Employer has assigned Plan Number 002 to your Plan.

Plan Effective Dates

This Plan was originally effective on October 1, 1999. The amended and restated provisions of the Plan become effective on January 1, 2002.

Other Plan Information

Valuations of the Plan assets are made annually on the last day of the Plan Year.

The Plan's records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year ends on December 31st.

The Plan and Trust will be governed by the laws of the state of the Employer's principal place of business to the extent not governed by federal law.

Benefits provided by the Plan are NOT insured by the Pension Benefit Guaranty Corporation (PBGC) under Title IV of the Employee Retirement Income Security Act of 1974 because the insurance provisions under ERISA are not applicable to this type of Plan.

Service of legal process may be made upon the Employer. Service of legal process may also be made upon the Trustee or Plan Administrator.

Employer Information

The Employer's name, address, business telephone number and identification number are:

Team Health, Inc.
1900 Winston Road
Knoxville, Tennessee 37919
865-293-5261
62-1562558

Plan Administrator Information

The Plan Administrator is responsible for the day-to-day administration and operation of the Plan. For example, the Administrator maintains the Plan records, including your account information, provides you with the forms you need to complete for Plan participation, and directs the payment of your account at the appropriate time. The Administrator will also allow you to review the formal Plan document and certain other materials related to the Plan. If you have any questions about the Plan or your participation, you should contact the Administrator. The Plan Administrator is the Employer. See "Employer Information" above for the Plan Administrator's (Employer's) name, address, and business telephone number. The Plan Administrator may designate other parties to perform some duties of the Administrator.

The Plan Administrator has the complete power, in its sole discretion, to determine all questions arising in connection with the administration, interpretation, and application of the Plan (and any related documents and underlying policies). Any such determination by the Plan Administrator is conclusive and binding upon all persons.

Plan Trustee Information and Plan Funding Medium

All money that is contributed to the Plan is held in a trust fund. The Trustee is responsible for the safekeeping of the trust fund and must hold and invest Plan assets (unless the investment of assets is subject to Participant or other direction) in a prudent manner and in the best interest of you and your beneficiaries. The trust fund established by the Plan's Trustee(s) will be the funding medium used for the accumulation of assets from which benefits will be distributed. While all the Plan assets are held in a trust fund, the Administrator separately accounts for each Participant's interest in the Plan. If there is more than one Trustee, they will collectively be referred to as Trustee throughout this Summary Plan Description.

The name and address of the Plan's Trustee is:

The Charles Schwab Trust Company
One Montgomery Street, 7th Floor
San Francisco, California 94102

TEAM HEALTH, INC., 401(K) PLAN
COMMON QUESTIONS ABOUT OUR 401(K) PLAN

Introduction

The following questions and answers highlight some of the important parts of our Plan. Remember, these are only highlights. The Summary Plan Description ("SPD") describes the Plan in much greater detail. If you have any questions about these highlights, the SPD, or the Plan, you should ask the Plan Administrator.

Q. Why is the Employer sponsoring a 401(k) plan?

A. The Employer is sponsoring this Plan so that you may save for retirement. This Plan is a type of qualified retirement plan commonly referred to as a 401(k) Plan. As a participant under the Plan, you may elect to contribute a portion of your compensation to the Plan. In addition, the Employer may make contributions to the Plan on your behalf.

Q. How do I participate in the Plan?

A. If you are a leased employee, you are not entitled to participate in the Plan.

If you are a reclassified employee (an employee who was previously not treated as an employee of the Employer but you are reclassified as being an employee), you are not entitled to participate in the Plan.

Provided you are not an Excluded Employee, you may begin participating under the Plan once you have satisfied the eligibility requirements and reached your Entry Date, except as indicated above for leased and reclassified employees. The following describes Excluded Employees, if any, the eligibility requirements and Entry Date that apply.

Elective Deferrals and Employee (After-Tax) Contributions

Excluded Employees. If you are a member of a class of employees identified below, you are an Excluded Employee and you are not entitled to participate in the Plan for purposes of elective deferrals and Employee (after-tax) contributions. The Excluded Employees are:

- certain nonresident aliens who have no earned income from sources within the United States

See "Additional Excludable Employee provisions" below at the end of this question section for special provisions that may apply in determining who is an Excludable Employee.

Eligibility Conditions. You will be eligible to participate for purposes of elective deferrals and Employee (after-tax) contributions when you have completed One (1) months of service. However, you will actually participate for purposes of elective deferrals and Employee (after-tax) contributions once you reach the Entry Date as described below.

Entry Date. For purposes of elective deferrals and Employee (after-tax) contributions, your Entry Date will be the first day of the month coinciding with or next following the date you satisfy the eligibility requirements.

See "Additional Entry Date provisions" below at the end of this question section for special provisions that may apply in determining Entry Dates.

Matching Contributions

Excluded Employees. If you are a member of a class of employees identified below, you are an Excluded Employee and you are not entitled to participate in the Plan for purposes of matching contributions. The Excluded Employees are:

- certain nonresident aliens who have no earned income from sources within the United States

See "Additional Excludable Employee provisions" below at the end of this question section for special provisions that may apply in determining who is an Excludable Employee.

Eligibility Conditions. You will be eligible to participate for purposes of matching contributions when you have completed one (1) Period of Service. However, you will actually participate in matching contributions once you reach the Entry Date as described below.

Entry Date. For purposes of matching contributions, your Entry Date will be the first day of the Plan Year quarter coinciding with or next following the date on which you satisfy the eligibility requirements.

See "Additional Entry Date provisions" below at the end of this question section for special provisions that may apply in determining Entry Dates.

Nonelective Contributions

Excluded Employees. If you are a member of a class of employees identified below, you are an Excluded Employee and you are not entitled to participate in the Plan for purposes of nonelective contributions. The Excluded Employees are:

- certain nonresident aliens who have no earned income from sources within the United States

See "Additional Excludable Employee provisions" below at the end of this question section for special provisions that may apply in determining who is an Excludable Employee.

Eligibility Conditions. You will be eligible to participate for purposes of nonelective contributions on your date of hire. However, you will actually participate in nonelective contributions once you reach the Entry Date as described below.

Entry Date. For purposes of nonelective contributions, your Entry Date will be the date on which you satisfy the eligibility requirements.

See "Additional Entry Date provisions" below at the end of this question section for special provisions that may apply in determining Entry Dates.

Additional Excludable Employee provisions

Exclude: AG from all contributions; MDs & TPA NHCEs from match; NHCEs (except non-MDs employed by TPA & BC1; TPA MDs employed before 7-1-2006; & TPA MDs classified AA employed 7-1-2006 or after) and HCEs (except TPA MDs employed prior to 7-1-2006; & TPA MDs classified AA employed 7-1-2006 or after) from nonelective See the Plan Administrator for additional information if you are not sure if this affects you.

Additional Entry Date provisions

SCA Employers of SHN, SHR and SPC Entry Dates for Match are first day of each month See the Plan Administrator for additional information if you are not sure if this affects you.

Q. What are elective deferrals and how do I contribute them to the Plan?

A. **Elective Deferrals.** As a participant under the Plan, you may elect to reduce your compensation by a specific percentage or dollar amount and have that amount contributed to the Plan on a pre-tax basis as an elective deferral. Your taxable income is reduced by the deferral contribution so you pay less in federal income taxes. Later, when the Plan distributes the deferrals and earnings, you will pay the taxes on those deferrals and the earnings. Therefore, federal income taxes on the deferral contributions and on the earnings are only postponed. Eventually, you will have to pay taxes on these amounts. However, the amount you defer is counted as compensation for Social Security taxes.

Automatic Deferral. The Employer will automatically withhold a portion of your compensation if you fail to make an affirmative elective deferral election. You may enter a salary reduction agreement at any time to select an alternative deferral amount or to elect not to defer under the Plan. If you have any questions concerning the application of this automatic contribution provision, please read the section in the SPD entitled "What are elective deferrals and how do I contribute them to the Plan?."

In addition to making contributions as described above, you also may make Employee (after-tax) contributions to the Plan. Even though these contributions are made on an after-tax basis, any earnings on them will grow tax-free until you receive these amounts from the Plan.

You may receive additional amounts from the Employer if you do contribute.

Q. When will I receive payments from the Plan?

A. The Plan is designed to encourage you to stay with the Employer until retirement. If you terminate employment with the Employer on or after Normal Retirement Age (or age 62 if later), the Plan will distribute your account without your consent. The distribution will occur as soon as administratively feasible at the same time described below for other (pre 62/Normal Retirement Age) distributions made after termination of employment not requiring your consent, but in any event distribution will be made no later than 60 days after the end of the Plan Year in which you terminate. Notwithstanding the foregoing, if your vested account balance exceeds \$5,000 (including rollover contributions), you may elect to postpone your distribution until your "required beginning date" for required minimum distributions. (See "Delaying distributions/required beginning date" under "In what method and form will my benefits be paid to me?" in the Article in the SPD entitled "Distributions upon Termination of Employment?" for an explanation of the commencement of minimum required distributions.)

You will attain your Normal Retirement Age when you reach age 65.

Q. How much will I be paid when I terminate employment?

A. The amount you are paid when you terminate employment will be based upon the amount of money the Employer has put into the Plan for you (including your elective deferrals and Employee (after-tax) contributions), plus or minus any earnings or losses and also on your vesting. You should review the Article in the SPD entitled "Employer Contributions" for an explanation of how the Employer makes contributions to the Plan and how they are shared by eligible employees.

Q. How will payments be made when I terminate employment?

A. If your vested account balance does not exceed \$5,000, then your vested account balance may only be distributed to you in a single lump-sum payment in cash. In determining whether your vested account balance exceeds the \$5,000 dollar threshold, "rollovers" (and any earnings allocable to "rollover" contributions) will be taken into account.

If your vested account balance exceeds \$5,000, you may elect to receive a distribution of your vested account balance in:

- a single lump-sum payment in cash
- installments over a period of not more than your assumed life expectancy (or the assumed life expectancies of you and your beneficiary)

You should review the Article in the SPD entitled "Distributions upon Termination of Employment" for a further explanation of the rules associated with the payment of benefits.

Q. What if I stop working before I reach Normal Retirement Age?

A. You are always 100% vested in all of your Plan accounts.

Q. If I stop working before my Normal Retirement Age (or age 62 if later), when will my vested amount be paid?

A. If your vested account balance exceeds \$5,000, your consent is required to distribute your account before you reach your Normal Retirement Age (or age 62 if later). You may elect to have your vested account balance distributed to you as soon as administratively feasible following your termination of employment. (See "In what method and form will my benefits be paid to me?" in the Article in the SPD entitled "Distribution upon Termination of Employment" for an explanation of the method of payment.)

If you terminate employment with a vested account balance exceeding \$5,000, you may elect to postpone your distribution until your "required beginning date" for required minimum distributions. (See "Delaying distributions/required beginning date" under "In what method and form will my benefits be paid to me?" in the Article in the SPD entitled "Distributions upon Termination of Employment?" for an explanation of the commencement of minimum required distributions.)

If your vested account balance does not exceed \$5,000, a distribution of your vested account balance will be made to you, regardless of whether you consent to receive it, as soon as administratively feasible following your termination of employment. (See the question entitled "In what method and form will my benefits be paid to me?" below for an explanation of the method of payment.)

Amounts in your rollover account will be considered as part of your benefit in determining whether the \$5,000 threshold for timing of payments described above has been exceeded as well as for determining if the value of your vested account balance exceeds the \$5,000 threshold used to determine whether you must consent to a distribution.

Q. What if I die before I terminate employment?

A. Your beneficiary will be entitled to 100% of your interest in the Plan upon your death. If you are single, you may name anyone you like to be your beneficiary. If you are married and have been married for one year at the time of your death, in general, your spouse is your beneficiary of your death benefit unless you and your spouse name someone else as your beneficiary. You should review the question entitled "Who is the beneficiary of my death benefit?" in the Article in the SPD entitled "Distributions upon Death."

Q. Can I withdraw money from the Plan while I'm still working?

A. Generally you may receive a distribution from the Plan prior to your termination of employment provided you satisfy any of the following conditions:

- you have attained age 59-1/2. Satisfying this condition generally allows you to receive distributions from all contribution accounts

Limitations. The following additional limitations apply to in-service distributions:

- In-service distributions can only be made from accounts which are 100% vested

This distribution is not in addition to your other benefits and will therefore reduce the value of the benefits you will receive at retirement.

In certain instances you may receive an in-service distribution if you incur a financial hardship. This hardship distribution is not in addition to your other benefits and will therefore reduce the value of the benefits you will receive at retirement.

There are various rules and restrictions regarding withdrawing money from your accounts in the Plan while you are still employed. Please review the SPD for more information on these rules and restrictions.

NOTE: THESE QUESTIONS AND ANSWERS ARE NOT MEANT TO BE A SUBSTITUTE FOR A THOROUGH READING OF THE SUMMARY PLAN DESCRIPTION. THE PROVISIONS OF THE 401(K) PLAN ARE VERY COMPLEX. IT IS NOT POSSIBLE TO FULLY EXPLAIN ALL ASPECTS OF THE PLAN IN THESE SHORT QUESTIONS AND ANSWERS. YOU SHOULD ALWAYS CONSULT THE SUMMARY PLAN DESCRIPTION IF YOU HAVE ANY QUESTIONS ABOUT THE PLAN. IF, AFTER READING THE SUMMARY PLAN DESCRIPTION, YOU STILL HAVE QUESTIONS, YOU SHOULD CONTACT THE PLAN ADMINISTRATOR.