The Administrator of The Duke University Faculty and Staff Retirement Plan ("Plan") adopts the following loan policy pursuant to the terms of the Plan and the applicable Internal Revenue Service regulations. Loans from the Plan are available as set forth below. Before applying for a loan, please read this entire Loan Policy.

1. APPLYING FOR A LOAN
You must apply for a loan by calling Fidelity Investments at 1-800-343-0860.

You may take a loan only from account balances that are recordkept by Fidelity Investments.¹

Be aware that the amount of the loan that you receive may change due to changes in the market value of your vested account, contributions added to your account, and withdrawals or deductions made from your account.

If you are married, your spouse must consent to your loan. You and your spouse must sign the application for the loan to be processed. Your spouse’s signature must be witnessed by a notary public, and the signed application must be submitted within 90 days of the date the loan application was initiated.

2. PERSONS ELIGIBLE TO REQUEST A LOAN
You may be eligible to apply for a loan from the Plan. For purposes of this loan policy, subject to the terms of any underlying annuity contract, the term “You” means:
   (a) Any active participant who has a vested account balance.
   (b) Any former participant who has a vested account balance.
   (c) Any person who has a beneficiary account.
   (d) Any person who has a vested alternate payee account.

3. AVAILABLE LOAN SOURCES
You may receive a loan only from account balances that are recordkept by Fidelity Investments. You may borrow from the following contribution sources in your account with Fidelity Investments:
   (a) Salary Deferral Source
   (b) Roth Deferral Source
   (c) After-tax Source
   (d) Rollover Sources

¹ No loans may be taken from TIAA or AIG Retirement Services.
4. LIMITATION ON LOAN AMOUNT
The minimum amount you may borrow is $1,000.

The maximum amount you may borrow is 50% of your vested account balance from the available loan contribution sources at Fidelity or $50,000, whichever is less. The loan amount will be reduced by the highest outstanding loan balance of all loans from the Plan during the 12-month period immediately preceding the date of this loan. If your available balance at Fidelity does not provide sufficient funds and you have an account balance at other vendor(s), you may transfer vested account balances – subject to the terms and conditions of any underlying contracts – to Fidelity to obtain a loan.

Limitation on the Number of Outstanding Loans
The maximum number of outstanding Plan loans at Fidelity at one time, including any loans in default, is one per loan type (described below). However, loans taken on or before January 14, 2019, will not be counted as an outstanding loan for this purpose.

Treatment of Default Loans for Purpose of Applying for a New Loan
If you have a loan that had been defaulted due to failure to make loan payments, that loan will be included in the number of outstanding loans and the current outstanding loan balance is included in the calculations above.

Payment of Loan Amount
Any loan obtained from the Plan in accordance with this Loan Policy shall be paid to you in the form of a lump sum and will not be made through the use of a credit card or any other similar arrangement.

5. PURPOSE OF LOAN
You will be able to have one outstanding loan for each of the following loan types:
- General Loan - You may request a general loan for any reason. A general loan may be for a period of not less than 12 months nor more than five years.

- Home Loan - A “home loan” is a loan used to acquire and own a dwelling unit (free standing house, condominium, or mobile home), land, or pay for construction of a primary residence home. When you purchase land or have a home constructed, the primary residence must be planned to be constructed within 18 months of the loan date. You may request a primary residence loan if you currently have a primary residence so long as the new location will become your primary residence within 18 months. A primary residence loan does not include investment property, vacation property, timeshare property, or a residence where you will not be living, such as a home for a parent or for a dependent. Be aware that you will need to provide documentation as proof. A loan to purchase a home as the primary residence may be for a period of not less than 12 months nor more than 15 years.
6. **LOAN PAYMENT SCHEDULE**

Your loan payments will be made by monthly deductions from your bank account (ACH). Recurring payments by check are not allowed. However, if you are paying off a loan, you may write a check for the amount to cover the outstanding balance. You may not make a loan payment with a credit card. Early repayment of a loan is permitted at any time, but only if the full balance is repaid. You may continue to repay your loan even after you have terminated your employment with Duke.

7. **LOAN INTEREST RATE AND FEES**

The notional interest rate will be based on 1 percent above the prime interest rate as reported by Reuters when the loan is made. The interest rate is fixed; it will not increase or decrease during the term of the loan.

Upon approval and issuance of the loan, there will be a $50 loan initiation fee and a quarterly loan administrative fee of $6.25. These fees will be deducted from your account. The annual effective rate of interest reflects the loan set-up fees and quarterly administrative fees.

8. **SECURITY FOR LOAN**

You must secure your loan with an irrevocable pledge and assignment of your vested account balance under the Plan on the date the loan is issued.

9. **LEAVE OF ABSENCE DUE TO MILITARY LEAVE**

If you take a leave of absence from the Employer because of service in the United States military and you do not receive a distribution of your account balance, upon your request, your loan repayments can be suspended.

While you are on active duty in the United States military, the interest rate on the loan shall not exceed 6%, compounded annually.

10. **PAYMENTS AFTER MILITARY LEAVE OF ABSENCE**

When payments resume following a payment suspension in connection with a military leave of absence authorized above, you will select one of the following methods to repay the loan, plus accumulated interest:

(a) You may have the loan re-amortized over its remaining term, which will increase the amount of your required installments to an amount sufficient to repay the remaining balance of the loan, plus accrued interest;

(b) You may pay a balloon payment of the remaining unpaid principal and interest at the conclusion of the term of the loan (as determined by the promissory note); or

(c) You may extend the maturity of the loan and re-amortize the payments over the remaining term of the loan subject to IRS regulations that require a level amortization payment. The revised term of the loan shall not exceed the original term of the loan plus the time you were actually in United States military service.
11. DEFAULT/RISK OF LOSS
The loan will be considered in default if:

(a) Any scheduled payment remains unpaid beyond the last day of the calendar quarter following the calendar quarter in which the you missed the scheduled payment; or

(b) There is the making or furnishing of any representation or statement to the Plan by you or on your behalf which proves to have been false in any material respect when made or furnished.

Prior to the date of default described above, you may bring the loan current by paying the missed payment(s) plus accrued interest. Once a loan is in default it will be deemed distributed, under Federal and state tax law and you will have to pay taxes on the deemed distribution. Upon the later occurrence of a distributable event such as your termination of employment, the distribution you receive from the plan will be offset by the outstanding balance of your defaulted loan. Fidelity will treat the loan as repaid to the extent of any permissible offset. Pending final disposition of the note, you are obligated for any unpaid principal and accrued interest.

12. PARTICIPANT-DIRECTED INVESTMENT/SOURCE OF LOAN PROCEEDS
Any participant loan will be administered as a participant directed-investment of that portion of your vested account balance equal to the outstanding principal balance of the loan. The Plan will take the loan from the non-Roth portion of your account(s) first. If the loan amount requested exceeds the non-Roth portion of your account(s), then the remainder of the loan is taken from your other account(s).

The Plan will credit that portion of your account balance with the interest accrued on the note and with principal payments received from you. The Plan also will charge that portion of your account balance with expenses directly related to the origination, maintenance and collection of the note. Loan payments will be credited to the investments that currently apply to selections for each investment provider.

13. EVIDENCE AND TERMS OF LOAN
The loan will be documented with a promissory note (a pledge of your vested account balance). The promissory note will specify the amount of the loan, together with a commercially reasonable rate of interest.

You will receive a loan amortization schedule that will provide you an estimate on the reduction of your outstanding loan balance as scheduled loan payments are made to your account.

When you cash the check for the loan or the check is deposited into your bank account, you have accepted the terms of the loan.

14. AMENDMENT AND INTERPRETATION OF POLICY
The Administrator is charged under the Plan with establishing and administering this loan policy. The Administrator may modify this policy from time to time.
The Administrator has discretion to interpret the provisions of this loan policy. The Administrator’s decisions regarding the application or interpretation of this loan policy are final and binding on participants.

Fidelity or the Administrator may discontinue providing new loans at any time or may modify its procedures in regards to new or existing loans.

Notwithstanding any other provision in this Policy, the loan program will be administered in accordance with Section 72(p) of the Internal Revenue Code, and the Treasury Regulations promulgated thereunder. If there is a conflict between the Loan Policy and any applicable, binding statute, regulation or ruling, the provisions of the applicable, binding statute, regulation or ruling will control.