Qualified Default Investment Alternative (QDIA)
Annual Notice

Davidson College Defined Contribution Plan
Default Investment Notice

You are receiving this notice to inform you how your contributions under the plan are being invested and how they will continue to be invested if you have not provided investment instructions. Please disregard this notice if you have already elected the investment allocations for your contributions.

If you are eligible for Davidson College retirement contributions and you did not elect the investment allocations for your contributions, contributions under the Davidson College Defined Contribution Plan (the "Plan") by Davidson College (the "Employer") are being invested on your behalf in the default investment as described in this notice because we did not receive investment instructions from you, or because the instructions that we received from you were incomplete or inadequate.

This notice gives you important information about some Plan rules, including:

• What amount the Employer is contributing to your account;
• How your contributions are currently being invested on your behalf (because we did not receive investment instructions from you);
• When your account will be vested (that is, not surrendered when you leave your job), and when you can withdraw your account; and
• How you can change the allocation of your contributions.

You can find out more about the Plan in the Summary Plan Description (SPD), which can be obtained from the Plan Administrator at the address listed at the end of this notice.

1. What amounts is Davidson College contributing to my account?

If you are eligible to receive contributions under the terms of the Plan, your Employer is making the following contributions to your account:

When you begin participation in the Plan, the Institution will make contributions automatically to the funding vehicles that you’ve chosen. The Institution’s contributions are based on a percentage of your compensation, according to the schedule shown below. If you participate in the Plan for only a part of a year, your allocation will be based on the portion of compensation earned during the period in which you participate.

Contributions By the Institution as a Percentage of Compensation On the Portion of Compensation within the Social Security Earnings Base

8.5% or 9.5%*

*The Institution will increase base contribution to 9.5% if you defer 1% of Your Compensation into the Davidson College 403(b) Tax-Deferred Annuity (TDA) Plan.

Plan Contributions by The Institution on any Compensation above the
Social Security Earnings Base (up to the annual IRC limit)

12.5%

For faculty, compensation means the salary stated in the academic year contract or appointment letter. For exempt employees, compensation means the annual base salary as designated in writing by the Institution. For all other employees, compensation means all cash compensation that is includable in your gross income for the calendar year, including salary and overtime pay but excluding bonuses and other non-budgeted compensation. It also includes compensation that is not currently includable in your gross income because of the application of IRC Sections 125 or 403(b) through a salary reduction agreement. Compensation taken into account under the Plan cannot exceed the limits of IRC Section 401(a)(17). The annual limit under IRC Section 401(a)(17) is $245,000 in 2009, and is adjusted by the Internal Revenue Service for increases in cost-of-living.

In addition, to the extent permitted by the Internal Revenue Code, you may elect to have your salary reduced on a tax-deferred basis pursuant to a salary deferral agreement and have the amount you elected contributed by your Employer to your account. Remember, you can always change the amount you contribute to the Plan by completing and submitting in a new salary deferral agreement.

2. How will my Plan account being invested?

TIAA-CREF and Fidelity have been selected by Davidson College as the investment providers for your Plan contributions. The Plan lets you invest your account in a number of different investment choices. Because you did not choose a different investment fund or funds, your Plan account is invested in the default investment option for the Davidson College Defined Contribution Plan, which is the age-based TIAA-CREF Lifecycle Funds that corresponds to your estimated date of retirement. The Lifecycle Funds provide a ready-made diversified portfolio using TIAA-CREF’s family of broadly diversified mutual funds as the underlying investment. The allocation strategy for the underlying equity, fixed-income and short-term mutual funds is based on the number of years expected to reach the target retirement dates. These funds seek to provide high total returns until the target retirement date. Each fund’s goal is to seek high current income and as a secondary objective, capital appreciation. Each fund’s target asset allocation percentages automatically changes over time to become more conservative by gradually reducing the allocation to equity funds and increasing the allocation to fixed-income and short-term funds. If the default investment fund changes at any time in the future, you will be notified.

The attached fact sheet for the TIAA-CREF Lifecycle Funds provide additional information, including the investment objectives, risk and return characteristics, and fees and expenses. You can obtain updated information on fee expenses and a more detailed explanation of the TIAA-CREF Lifecycle Funds at www.tiaa-cref.org/davidsoncollege or by contacting TIAA-CREF at 800 842-2776.

To learn more about the Plan’s investment choices, you can review the Plan’s SPD. Also, you can contact the Plan Administrator using the contact information at the end of this notice.
3. **How can I change the investment allocation of the contributions that are being made on my behalf by Davidson College to another investment choice available under the Plan?**

The Plan allows you to choose from a diverse set of investment options. A list of the Plan's available funds and a copy of the prospectus or information statement for each fund may be obtained from TIAA-CREF at **800 842-2776** or at [www.tiaa-cref.org/davidsoncollege](http://www.tiaa-cref.org/davidsoncollege).

You have the right to change the investment allocation of your account at any time. If you elect to change the investment allocation of your account from one of the TIAA-CREF Lifecycle Funds there are no fees or expenses imposed in connection with that transfer. But certain restrictions may apply if multiple transfers are made from any one account during any 60-day period. See the prospectus for more details on restrictions on frequent transfers at [www.tiaa-cref.org/davidsoncollege](http://www.tiaa-cref.org/davidsoncollege).

You can change how your account is invested, among the Plan’s offered investment funds, by contacting TIAA-CREF at **800 842-2776** or accessing your account online at [tiaa-cref.org](http://tiaa-cref.org).

4. **When will my account be vested and available to me?**

Benefits attributable to contributions made on your behalf by the Institution shall be fully vested and nonforfeitable upon completion of three (3) years of service at the Institution.

To be fully vested in Plan contributions means that the contributions (together with any investment gain or loss) will always belong to you, and you will not lose them when you leave your job. For more information about years of service, you can review the Plan’s SPD, which is available from the Plan Administrator using the contact information at the end of this notice.

Even if you are vested in your Plan account, there are limits on when you may withdraw your funds. Generally, you may only withdraw vested money after you leave your job, reach age 59½, or become disabled. Also, there is generally an extra 10% tax on distributions before age 59½. Your beneficiary can get any vested amount remaining in your account when you die.

5. **Who should I call if I have any questions?**

If you have any questions about the Plan’s investment choices, how the Plan works or your rights and obligations under the Plan, or if you would like a copy of the Plan’s SPD or other Plan documents, please contact the Plan Administrator at:

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