SUMMARY OF MATERIAL MODIFICATIONS TO THE SUMMARY PLAN DESCRIPTION
FOR VANGUARD RETIREMENT AND SAVINGS PLAN
IRA ROLLOVERS AND CHANGES FOR TERMINATED PARTICIPANTS
APRIL 18, 2017

This Summary of Material Modifications (SMM) describes certain material changes to the Vanguard Retirement and Savings Plan (RSP or Plan). This SMM supplements the Summary Plan Description (SPD) for the RSP dated July 31, 2015 (including the SMM issued on June 8, 2016), and supersedes any information contained within the SPD regarding the changes described below. Please review this SMM carefully in its entirety as these changes may affect your RSP benefit.

If this SMM has been delivered to you electronically, you have the right to receive a written SMM and may request a paper copy of this SMM at no charge by contacting CrewCentral at Ext. 1CREW or 844-VG-CREW (844-841-2739) (see additional contact information below).

There are four changes to the RSP.

1. Rollover contributions permitted for terminated participants with RSP balances starting May 1, 2017
Starting May 1, 2017, if you terminate employment with Vanguard and have a vested balance in your RSP account, you will be able to roll over assets from a prior eligible employer plan or an IRA into your RSP (please see detailed description regarding rollovers below for more information).

2. Continued loan repayments permitted for terminated participants with RSP balances starting May 1, 2017
Before this May 1, 2017 change, if you terminated employment from Vanguard with an outstanding Plan loan, all remaining loan repayments were due and payable within 90 days of your termination date to avoid taxation of your outstanding loan balance. If you did not repay your loan in full within this 90-day cure period, your RSP account was reduced by your outstanding loan balance and you were treated as having received a taxable distribution of the outstanding loan balance.

Starting May 1, 2017, if you have an outstanding Plan loan when you terminate employment from Vanguard, you may elect to continue repaying your Plan loan through an electronic funds transfer from your personal bank account. Loan repayments may not be made by check and must be paid either monthly or semi-monthly. Once you terminate employment, the term of your loan cannot be extended beyond the original end date of the loan and you must keep a balance in your RSP account.

If you terminated before May 1, 2017 and your 90-day cure period has expired, you are not eligible for continued loan repayments.

If you have a Plan loan when you terminate employment and wish to continue repaying your Plan loan, you will need to take action online to continue your repayments. Your repayments will be reinvested in the Vanguard funds in accordance with your most recent investment directions on file and distributed to you at the time you elect (or are required) to receive a distribution of your Plan account. If you stop your loan repayments before full repayment or an electronic funds transfer request is rejected due to insufficient funds, you will default on your outstanding loan unless you make up all of your missed payments within the 90-day cure period.

Please remember that if you default on your loan, you will be responsible for paying any applicable federal, state, local or foreign taxes on the taxable amount of the defaulted loan. If the defaulted amount includes any earnings on Roth contributions, these earnings are usually taxable unless your initial Roth contribution was made more than five years ago and you are at least 59 ½ years of age at the time your loan defaults. If you default on your loan and you are under the age of 59 ½ you may also be subject to a 10% federal penalty tax (unless you are age 55 or older when you terminate employment) on the taxable amount of the loan. Vanguard will make the appropriate withholding for tax purposes.

3. IRA rollover contributions permitted starting May 1, 2017

Starting May 1, 2017, if you are eligible to participate in the RSP, you will be able to roll over into the RSP before-tax money from an individual retirement account or an individual retirement annuity under sections 408(a) and (b) of the Internal Revenue Code (Code) (both called an IRA). Roth 401(k) monies are eligible for roll over as a Roth rollover into the RSP. However, tax law does not permit Roth IRAs to be rolled over into the RSP. Other types of eligible employer plans permitted as rollover contributions to the RSP are:

- Any plan qualified under Code section 401(a) (e.g. 401(k) plan, defined benefit or pension plan, money purchase pension plan and profit sharing plan)
- Any Code section 403(a) annuity plan
- Any Code section 403(b) tax-sheltered annuity
- Any Code section 457(b) plan sponsored by a state or local government

No after tax amounts, other than Roth 401(k) deferrals, can be rolled over into the Plan. Please refer to the "Contributions To The Plan" section in the SPD for more information.

4. One year time limit to file lawsuits on ERISA claims effective April 1, 2017

If you (or your beneficiaries) wish to file a claim for benefits or seek any other Plan related remedy under ERISA, you need to follow the claims procedures spelled out in more detail in the "Claims Procedure" section of the SPD and Article 13.8 of the Plan document. The Plan's claims procedures include detailed timeframes and require that you submit your claims within these mandatory timeframes. You must follow and complete the claims procedure process before bringing a suit or other legal action in a court. Starting April 1, 2017, if you choose to file a suit or legal action under the Plan you must do so no later than one year following the final determination (or earlier if you do not timely file your claim or appeal) by the Plan Administrator (or its delegate) regarding your claim under the Plan's claims procedures. The one year statute of limitations applies in any forum where you or your beneficiary brings such suit or legal action. If a civil action is not filed within this one year period, you or your beneficiary's claim is deemed permanently waived and abandoned.

Additional information

If you have any questions, you should refer to the RSP Summary Plan Description, found on CrewNet and CrewNet External under Crew Central™ Total Rewards. You may also contact Crew Central at Ext. 1CREW (or (844)-VG1-CREW (844-841-2739)). You may also request information in writing by sending a letter to The Vanguard Group, Inc., Human Resources Dept., Mailport M22, P.O. Box 876, Valley Forge, PA 19496.

Legal Notices & Disclaimers

This SMM supplements the SPD for the RSP. Please remember that this SMM is a summary of certain material changes to the RSP. It is not the RSP plan document itself. Your rights under the RSP are governed exclusively by the RSP plan document and its related trust agreement. If there is any conflict between this SMM and the RSP plan document, the RSP plan document will control.

The Vanguard Group, Inc. ("Vanguard") reserves the right, in its sole discretion, to amend, change, suspend or terminate the RSP, at any time. Vanguard does not have any obligation to – and nothing contained in this SMM or the SPD shall be construed as creating an express or implied obligation or promise on the part of Vanguard to – maintain or continue to offer the RSP.

Eligibility to participate in the RSP or the receipt of RSP benefits does not constitute a promise or right of continued employment or render any person a crew member of Vanguard or constitute any commitment by Vanguard to continue the RSP.

SUMMARY OF MATERIAL MODIFICATION TO THE SUMMARY PLAN DESCRIPTION
CHANGE TO HOURS OF SERVICE CREDIT METHOD FOR VESTING AND MATCH ELIGIBILITY
VANGUARD RETIREE DEFINED
AND
UPDATES TO RSP ELIGIBLE PAY

This Summary of Material Modification (SMM) describes certain material changes to the Vanguard Retirement and Savings Plan (RSP). This SMM supplements the Summary Plan Description (SPD) for the RSP effective July 31, 2015 and supersedes any information contained within the SPD regarding the changes described below.

If this SMM has been delivered to you electronically, you have the right to receive a written SMM and may request a paper copy of this SMM at no charge by contacting CrewCentral™ at Ext. 1CREW or 844-VG1-CREW (844-841-2739).

There are three changes to the Vanguard RSP:

Change to how you are credited with hours of service

Beginning January 1, 2016, for purposes of determining whether you have completed 1,000 hours of service (and thus have completed a year of service) for purposes of the RSP, you will be credited with 190 hours of service for each calendar month that you work at least one hour of service as a Vanguard crew member. This means that you will likely earn a year of service—and therefore receive a year of vesting in your Retirement Plan contributions—earlier than you did with the RSP hours counting method used prior to 2016.

Although the new hours of service counting method also applies for match eligibility, because match eligibility is tied to the one-year service anniversary date, the change in the hours counting method will not (as a general rule) accelerate match eligibility.

Updates to RSP eligible pay

Aside from "trailing pay" such as base salary, overtime, and accrued but unused PTO earned prior to termination of employment and paid shortly thereafter, eligible pay for the RSP does not include pay after termination of employment and thus does not include the special retirement PTO payout. There is a specific exception for already-earned payments to Vanguard Retirees. More specifically, RSP eligible pay includes the performance-based annual bonus paid in January for the prior performance period (November 1 to October 31) that is: (i) paid to crew who qualify as a Vanguard Retiree at the time they terminate employment from Vanguard, and (ii) if such Vanguard Retiree terminates employment on December 31 (or the last business day) of the prior calendar year or in January before the payment of this bonus.

For the purposes of calculating your contributions and Vanguard's contributions to the RSP, your eligible pay will be defined as follows:

Your eligible pay includes:	Your eligible pay does not include:
Base pay election applies to: • Base salary • Paid time off (PTO), including accrued unused PTO paid at termination of employment. • Volunteer time off. • Overtime. • Short-term disability pay. • Paid military leave. **Bonus election applies to:** • Performance-based bonus. • Sales bonuses. • Officers' bonus program.	• Vanguard Partnership Plan payout awards. • Non-performance-related bonuses (including but not limited to sign-on bonuses, departmental awards, and crew referral awards). • Special retirement PTO payout. • Tuition reimbursements. • Relocation-assistance payments. • Foreign assignment-related expense allowance or reimbursements. • Dependent-care subsidy payments. • Long-term disability pay.

Who qualifies as a Vanguard Retiree under the RSP?

If you meet each of the following requirements at the time you terminate employment from Vanguard, you will qualify as a Vanguard Retiree: (i) you are at least age 50; (ii) you have ten or more years of eligible service (as defined below); and (iii) your age plus years of eligible service totals at least 65. A year of eligible service means a 12-month period beginning on the date of your hire, or rehire, in which you are credited with at least 1,000 hours for purposes of the Vanguard Retiree Medical Account (RMA). Please note the method used to count hours for the RMA is different than the method used to count hours for the RSP described above.

Additional information

If you have any questions, you should refer to the SPD for the RSP, found on CrewNet and CrewNet External under Crew Central Total Rewards. You may also contact Participant Services at 800-523-1188 (or Ext. 42000 internally). You may also request information in writing by sending a letter to The Vanguard Group, Inc., Human Resources Dept., Mailport M22, P.O. Box 876, Valley Forge, PA 19496.

Legal notices and disclaimers

This SMM supplements the SPD for the RSP. Please remember that this SMM is a summary of certain material changes to the RSP; it is not the RSP plan document itself. Your rights under the RSP are governed exclusively by the RSP plan document and its related trust agreement. If there is any conflict between this SMM and the RSP plan document, the RSP plan document will control.

The Vanguard Group, Inc. (Vanguard) reserves the right, in its sole discretion, to amend, change, suspend, or terminate the RSP, at any time. Vanguard does not have any obligation to—and nothing contained in this SMM or the SPD shall be construed as creating an express or implied obligation or promise on the part of Vanguard to—maintain or continue to offer the RSP.

Eligibility to participate in the RSP or the receipt of RSP benefits does not constitute a promise or right of continued employment or render any person a crew member of Vanguard or constitute any commitment by Vanguard to continue the RSP.

THE VANGUARD RETIREMENT AND SAVINGS PLAN
SUMMARY PLAN DESCRIPTION
JULY 31, 2015

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INTRODUCTION

The Vanguard Retirement and Savings Plan ("Plan") is designed to encourage long-term savings by Vanguard employees for retirement or other purposes. The Plan is a defined contribution 401(k) profit sharing plan that permits employees to save on a tax-favored basis. This means it does not guarantee a fixed benefit at retirement. Instead, the benefit you ultimately receive will depend on the total contributions that you and Vanguard make to the Plan on your behalf and the earnings or losses on the investment of those contributions.

This Summary Plan Description ("Summary") is designed to introduce you to the most important features of the Plan. The Plan is the product of a merger of the Vanguard Retirement Plan into the Vanguard Thrift Plan. Throughout this Summary, the accounts that were transferred to the Plan from the Vanguard Retirement Plan are referred to as "Pre-2004 Retirement Plan accounts" or sometimes, simply, "Pre-2004 accounts." The Summary is divided into two parts:

1. Part One gives you detailed information about the Plan's provisions on participation, contributions, investments, loans, vesting, withdrawals, and distributions.

2. Part Two gives you information about how the Plan is administered and tells you about your rights under the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

You should take the time to review this Summary carefully. Your benefits under the Plan can play an important role in your (and your family's) financial future. You should understand the benefits available and the choices you can make under the Plan. Your rights under the Plan are governed exclusively by the provisions of the Plan document and related Trust Agreement. <u>If there is any conflict between the provisions of this Summary and the Plan document, the provisions of the Plan document will control. The Plan Administrator retains exclusive authority and discretion to interpret the terms of the Plan.</u>

Any reference to "you" throughout this document is in reference to eligible Employee of Vanguard and Participant in the Plan.

Please remember that this is a **summary** of the provisions of the Plan. It is not the Plan document itself. A summary cannot explain how each Plan provision might apply in every situation, nor can it explain all of the conditions and exceptions that might apply to the Plan provisions that *are* covered. If you have any questions about the Plan that are not addressed in this Summary or you would like to order your own copy of the Plan document, please contact:

Vanguard Human Resources Dept., M-22
P.O. Box 876
Valley Forge, PA 19496
Telephone: (610) 669-6377
(610) 669-8090

Vanguard reserves the right, in its sole discretion, to amend, change or terminate the Plan, and any of its other benefits plans, programs, practices or policies at any time as the company requires. Nothing contained in this Summary shall be construed as creating an express or implied obligation on the part of Vanguard to maintain such benefits plans, programs, practices or policies.

Edition Notice: July 31, 2015:
This Summary supersedes all prior Summaries related to the Plan as well as any Summary of Material Modifications to the Plan. It provides cumulative, updated information regarding the terms of the Plan as in effect as of July 31, 2015. Please note that any benefit you may have earned under the Plan before July 31, 2015 may have been based on plan provisions that are no longer in effect and therefore are not summarized in this version of the Summary. To learn more about the terms applicable for determining benefits provided under the Plan before July 31, 2015, please consult the Summary in effect for the time period in question.

HOW TO CONTACT VANGUARD

- Log on to vanguard.com/retirement plans.
- Call the 24-hour Vanguard VOICE Network using the Personal Identification Number (PIN) provided to you by Vanguard, at 1-800-523-1188 or extension 42000. You should receive your PIN (by mail) within 10 business days of your date of hire. You should call Vanguard Participant Services if you do not receive your PIN within that time frame.
- Call the Vanguard Participant Services Department at 1-800-523-1188 or extension 42000.

ELIGIBILITY AND PARTICIPATION

Who is eligible for the Plan

If you are an employee of Vanguard, you are eligible to participate in the Plan. "Employee" means any full-time or part-time person who is employed by The Vanguard Group, Inc., Vanguard Marketing Corporation, Vanguard Fiduciary Trust Company, Vanguard National Trust Company, and Vanguard Advisers, Inc. (collectively referred to as "Vanguard") and who receives compensation for personal services performed for Vanguard. Once you begin participating in the Plan as an eligible Employee, you will qualify as a Participant under the Plan.

Who is not eligible for the Plan

You are **not** eligible to participate in the Plan if you do not meet the definition of Employee above and/or fall within one of the following categories:

- You are included in a unit of employees whose terms and conditions of employment with Vanguard are governed by a collective bargaining agreement that does not specifically provide such employees with coverage under the Plan;
- You are a contractor who performs contract services for Vanguard and are not treated by Vanguard as an employee for purposes of income and employment-tax withholding (including, but not limited to, any individual classified as an independent contractor or leased employee), regardless of any contrary governmental or judicial determination relating to such employment status. If Vanguard subsequently determines after a governmental or judicial determination that you are a Vanguard Employee, such determination will only be effective prospectively from the reclassification date for purposes of determining eligibility to participate in the Plan; or
- You are classified as an intern.

When you are eligible to participate in the Plan

You may participate in the Plan starting on your first day of employment with Vanguard as an eligible Employee ("Employment Date"), however; there are specific eligibility rules for the different types of contributions under the Plan as described below:

<u>Employee Pre-Tax Contributions</u>
You are eligible to make Employee Pre-Tax Contributions on your Employment Date. If you are classified as a seasonal employee, you are not eligible to make Employee Pre-Tax Contributions until you complete one Year of Service. Unless you elect not to participate or elect to make Employee Pre-Tax Contributions at a different percentage of Base Pay, you will automatically be enrolled to make Employee Pre-Tax Contributions at 4% of your Base Pay once you become eligible.

<u>Employee Roth Contributions</u>
You are eligible to make Employee Roth Contributions on your Employment Date. If you are classified as a seasonal employee, you are not eligible to make Employee Roth Contributions until you complete one Year of Service. If you are automatically enrolled into the Plan, you will not be automatically enrolled to make Employee Roth Contributions.

Vanguard Matching Contributions
You must complete a Year of Service and be making Employee Pre-Tax/Roth Contributions to be eligible to receive Vanguard Matching Contributions.

Retirement Plan Contributions
Eligibility before July 1, 2004 – If your Employment Date was before July 1, 2004, you will be eligible to receive Retirement Plan Contributions after you have completed one Year of Service. Eligibility beginning July 1, 2004 – If your Employment Date was on or after July 1, 2004, you will be eligible to receive Retirement Plan Contributions on your Employment Date.

Once you are eligible to receive Retirement Plan Contributions, an account to hold those contributions will be established for you, regardless of whether you are otherwise contributing to the Plan.

Rollover Contributions
You are eligible to make Rollover Contributions to the Plan on your Employment Date.

How you satisfy the Plan's Year of Service requirement for eligibility for matching contributions

You will satisfy the Plan's Year of Service requirement by completing a 12-consecutive month period of employment with Vanguard ("Eligibility Computation Period") during which you are credited with at least 1,000 hours for which you are paid for services performed for Vanguard ("Hours of Service"). In addition, you will be credited with an Hour of Service for every hour for which Vanguard pays you due to paid time off, holiday, illness (including disability), layoff, jury duty, military duty, or other approved paid leave of absence. However, you will not be credited with more than 501 Hours of Service for any continuous period during which you perform no services for Vanguard as a result of one of the events listed above.

Your Initial Eligibility Computation Period begins on your Employment Date.

Example of meeting Year of Service requirement using the Initial Eligibility Computation Period: Mary's Employment Date was February 3, 2015. During her first 12 months of employment, Mary was paid for 1,950 Hours of Service, including paid time off and holidays. On February 3, 2016, Mary completed her Initial Eligibility Computation Period during which she was credited with at least 1,000 Hours of Service. Mary was credited with a Year of Service for Plan participation purposes on February 3, 2016.

If you do not complete at least 1,000 Hours of Service during your Initial Eligibility Computation Period, your Eligibility Computation Period will shift to the Plan Year, which for this Plan is the calendar year. If you earn Hours of Service during the period that overlaps between your Initial Eligibility Computation Period and the Plan Year, any Hours of Service earned during this overlap period also will count in determining whether you have earned 1,000 Hours of Service in your second Eligibility Computation Period (i.e., the Plan Year), provided that no Hours of Service will be counted more than once in the same Eligibility Computation Period.

Example of meeting Year of Service requirement using the Plan Year as the Eligibility Computation Period: Joe's Employment Date was February 3, 2015. During his first 12 months of employment, Joe was paid for 950 Hours of Service, including paid time off and holidays. On February 3, 2016, Joe completed his Initial Eligibility Computation Period but was not credited with a Year of Service because he was not paid for 1,000 or more Hours of Service during his Initial Eligibility Computation Period.

Joe's second Eligibility Computation Period began on January 1, 2016. During the Plan Year, Joe was paid for 1,950 Hours of Service, including paid time off and holidays. On January 1, 2017, Joe has completed his second Eligibility Computation Period during which he was credited with at least 1,000 Hours of Service. Joe will be credited with a Year of Service for Plan participation purposes on January 1, 2017. If Joe had not completed 1,000 Hours of Service in 2016, his succeeding Eligibility Computation Period would be the calendar year 2017, etc.

Break in Service

For participation purposes, a Break in Service is an Eligibility Computation Period during which you complete less than 501 Hours of Service. If you are on a paid or unpaid leave of absence approved by Vanguard, you will not incur a Break in Service regardless of your actual hours of service.

Eligibility requirements if you are re-employed by Vanguard

In general, the eligibility requirements upon re-employment vary with each type of Plan contribution:

<u>Employee Pre-Tax Contributions and Employee Roth Contributions</u>
If you are re-employed as an eligible Employee (see 'Who is eligible to participate'), you may choose to begin contributing immediately from your salary.

<u>Employer Matching Contributions</u>
If you were eligible to receive matching contributions before you left employment, you will be eligible to receive Employer Matching Contributions immediately upon re-employment as an eligible Employee as long as you are making Employee Pre-Tax and/or Roth Contributions. If you did not meet the Year of Service requirement to receive Employer Matching Contributions during your previous employment with Vanguard, you must meet the Year of Service requirement before you will be eligible for Employer Matching Contributions.

<u>Retirement Plan Contributions</u>
If you are re-employed as an eligible Employee, you will be eligible for Retirement Plan Contributions immediately upon re-employment.

<u>Rollover Contributions</u>
If you are re-employed as an eligible Employee, you will be eligible for Rollover Contributions immediately upon re-employment.

How to participate in the Plan

You may participate by enrolling in the Plan by contacting Vanguard. Unless you elect not to participate or elect to make Employee Pre-Tax Contributions at a different percentage of Base Pay, you will automatically be enrolled to make Employee Pre-Tax Contributions at 4% of your Base Pay once you become eligible.

MAXIMUM CONTRIBUTION AND PLAN LIMITS

Maximum Plan limits

You may make Employee Pre-Tax and Roth Contributions to the Plan in an amount between 1% and 50% of eligible pay however, the Internal Revenue Code ("IRC") places several types of limits on the Plan, as well, that may reduce the amount of contributions that can be made to the Plan by you or Vanguard. If you reach or exceed these limits, your contributions will stop. These IRC limits (which may be indexed annually) include:

Annual maximum 401(k) participant contributions (IRC Section 402(g))

This is the maximum amount of Employee Pre-Tax and Employee Roth Contributions ($18,000 for 2015) you can make to the Plan plus any other employer's tax-qualified retirement plan in any year. Some examples of other employer's tax qualified retirement plans you may have contributed to include: 401(k) plans, 403(b) plans (sometimes called "tax-sheltered annuities"), SIMPLE IRAs, and SARSEPs.

If you are age 50 or older by December 31 of the calendar year, you may make additional Employee Pre-Tax and/or Employee Roth Contributions to the Plan (and any other employer's tax-qualified retirement plan) over and above this annual limit. This additional amount, ($6,000 for 2015) is called a "catch-up" contribution (please refer to Catch-Up Contributions in the Contributions to The Plan section of this Summary).

Annual limit on eligible pay (IRC Section 401(a)(17))

This is the maximum amount of eligible pay that may be included for determining contributions under the Plan on behalf of any participant ($265,000 for 2015). If your eligible pay exceeds this federal compensation limit, contributions to the Plan on your behalf will be calculated based on the federal compensation limit instead.

Annual maximum total contributions (IRC Section 415)

This is the maximum amount of total contributions (Employee Pre-Tax and/or Employee Roth Contributions, Vanguard Matching Contributions and Retirement Plan Contributions) that can be contributed to your account under the Plan. It is the lesser of the annual dollar limit or 100% of the compensation you receive during the calendar year. This limit, $53,000 for 2015, applies only to contributions you defer and those made to your account by Vanguard. This limit does not apply to Rollover Contributions or catch-up contributions.

Limits based on non-discrimination tests

For certain highly compensated employees, as defined by federal tax law, there are other limitations that might reduce the total amount of contributions that may be made to the Plan for them. These limitations are not based on specific dollar figures but rather are based on quantitative non-discrimination tests designed to make sure that employees at all pay levels benefit from the Plan on a relatively equivalent basis.

Generally, if you would exceed these limits, the Vanguard Human Resources Department will notify you. However, if you have made contributions to another employer's retirement plan during the year, it is your responsibility to notify the Human Resources Department as soon as possible to ensure that your total contributions do not exceed indexed limit on employee contributions as described above. As a result of these limits, it is possible that you will not be permitted to make the full amount of Employee Pre-Tax and Employee Roth Contributions to the Plan for any calendar year or that certain excess contributions previously made to the Plan on your behalf will be returned to you, adjusted for earnings and losses. In addition, any Matching Contributions attributable to those excesses must be forfeited back to the Plan.

CONTRIBUTIONS TO THE PLAN

Eligible Pay

Because your contributions to the Plan are based on your eligible pay (often referred to at Vanguard as your gross pay), it is important to understand how eligible pay is defined. For the purpose of calculating your contributions to the Plan, your eligible pay is generally defined as follows:

Your Eligible Pay Includes	Your Eligible Pay Does Not Include
Base Pay Election Applies To: • Base salary • Paid time off (PTO and PTO payout for retirement year) • Volunteer time off • Overtime • Short-term disability pay • Paid Military Leave **Bonus Election Applies To:** • Performance-based bonus • Officers' Bonus Program	• Vanguard Partnership Plan payout awards • Non-performance related bonuses (included but not limited to sign-on bonuses, departmental awards, and crew referral awards) • Tuition reimbursements • Relocation-assistance payments • Foreign assignment-related expense allowance or reimbursements • Dependent-care subsidy payments

Your contributions to the Plan

You have at least two ways to save in the Plan. You can save on a pre-tax basis (Employee Pre-Tax Contributions), after-tax basis (Employee Roth Contributions) or use a combination of the two.

Each payday, your contributions are deducted from your base pay (defined in the table above), deposited into your Plan account and invested according to your elections on file (or if no election is on file, according to the default Target Date fund that most closely corresponds to the year in which you will reach age 65).

Employee Pre-Tax Contributions
You can contribute between 1% and 50% (in whole percentages) of your eligible pay (base pay plus bonus) on a pre-tax basis up to the IRC limits (discussed previously).

Employee Roth Contributions
You can contribute between 1% and 50% (in whole percentages) of your eligible pay with Employee Roth Contributions up to the IRC Limits (discussed previously). This will be on an after-tax basis now – but any investment growth on your Employee Roth Contributions is tax-free provided the following requirements are met when you withdraw the money:

Your first Employee Roth Contribution is at least five years old when you withdraw it; and

You are age 59½ or older

Base Pay election and Bonus elections can be different
In order to provide you with optimal flexibility, you can elect to defer a different percentage from your base pay than you elect to defer from your bonus for Employee Pre-Tax Contributions and Employee Roth Contributions.

Catch-up Contributions
If you will be age 50 or older by December 31 of the current year, you are eligible to make catch-up contributions to the Plan, in addition to the maximum pre-tax and Roth contributions permitted for the year up to the IRS limit ($6,000 in 2015). Your catch-up contributions may be made on either a pre-tax or Roth basis or a combination of the two. See below for additional details on catch-up contributions. You will not receive an Employer Match Contribution on any catch-up contribution made to the Plan.

How Catch-up Contributions work in the Plan
Catch-up contributions are not a separate election under the Plan. Instead, beginning with the Plan Year you become catch-up eligible, catch-up contributions will be withheld from your eligible pay upon the earliest of:

- Your Employee Pre-Tax Contributions and/or Employee Roth Contributions reach the 402(g) Limit, as indexed, for the Plan Year;
- Your total contributions to the Plan – employee and employer – reach the 415 Limit, as indexed, for the Plan Year;
- You elect to defer 50% (the Plan Limit) of base pay. In this case, for any pay period in which you have a total 50% Pre-Tax and/or Roth deferral election on record, 1/26th of the annual catch-up limit will be taken from your base pay in addition to your base pay deferral amount of 50%. For the 2015 Plan Year, this means that an additional $230.77 (IRS Limit of $6,000 divided by 26 pay periods) will be withheld from your base pay each pay period your deferral rate of 50% is effective.

Automatic enrollment and annual savings rate increases

Unless you elect not to participate or elect to make Employee Pre-Tax Contributions at a different percentage of your base pay, you will be automatically enrolled at 4% of your base pay once you become eligible for the Plan. If you are automatically enrolled and do not make any changes to your base pay election, your deferral rate will be increased 2% each year up to a maximum of 12%. If you are eligible for a performance-based bonus and would like to defer any amount of your bonus, you will need to make an election to defer to bonus. There is no automatic enrollment into the Plan for your bonus election.

Depending on when you are hired, it may take one or two payroll periods to establish your account.

If you wish to not participate in the Plan, you may opt out of participating in the Plan (follow details on how you opt out – or make other changes to your Plan). If you do not opt out within the first 2 weeks of your Employment Date (3 weeks if your Employment Date falls during a non-pay week), your contributions will begin. Any contributions made before stopping participation will be held in your accounts under the Plan and cannot be refunded.

If you want to change your contribution rate, annual increase, investment options, or opt out of the Plan, you can contact Vanguard.

How Employee Pre-Tax and Employee Roth Contributions affect your taxable income

Employee Pre-Tax Contributions reduce the amount of your compensation subject to current-year federal income taxes. Since your taxable compensation is reduced, you save on current-year federal income taxes.

Example**:** Sue, a Vanguard Employee earning $40,000 a year, has 4% of her eligible pay or $1,600—contributed to the Plan as Employee Pre-Tax Contributions. As a result of this election, Sue will reduce her pay subject to federal income taxes by $1,600. If Sue is in the 25% tax bracket, this reduction could save Sue up to $400 on current-year federal income taxes.

You should also recognize that the investment earnings on your Plan contributions—including dividends and capital gains—are not subject to federal income taxes until you withdraw those amounts from the Plan. Thus, another important benefit of the Plan is that your savings grow on a tax-deferred basis.

Although Employee Pre-Tax Contributions reduce the amount of your pay subject to current-year federal income taxes, they do not reduce the amount of your pay subject to current-year FICA taxes (Social Security and Medicare) or (possibly) state income taxes. Roth contributions are taxable when made so they do not reduce your current taxes. However, when you take a distribution, your Roth contributions are not taxed and, if certain criteria are met, the earnings on your Roth contributions are tax-free also.

Rollover Contributions

The Plan generally allows a Vanguard employee who is eligible to participate in the Plan to rollover money into the Plan from a prior employer's retirement plan ("Rollover Contribution"). The Plan does not accept rollovers of employee after-tax amounts other than Roth 401(k), and only accepts rollovers from the following types of plans: 401(a) (including 401(k)), 403(a), 403(b), and a 457(b) sponsored by a state or local government). Since there are other requirements that apply to Rollover Contributions, you should contact Vanguard before you attempt to make a Rollover Contribution to the Plan.

Vanguard contributions

Vanguard makes two different types of contributions to the Plan:

(1) Employer Matching Contributions

If you save your eligible pay through Employee Pre-tax Contributions and/or Employee Roth Contributions, Vanguard will match your contributions with Employer Matching Contributions dollar-for-dollar up to 4% of your eligible pay.

You will not receive any Employer Matching Contributions on your contributions to the Plan before you have completed the Year of Service requirement. Similarly, your match will be based only on eligible pay received after you reach your Year of Service requirement.

Each payday, if you are making Employee Pre-Tax Contributions and/or Employee Roth Contributions, your Vanguard Matching Contribution is deposited into your Plan account and invested according to your elections on file (or if no election is on file, according to the default Target Date fund that most closely corresponds to the year in which you will reach age 65).

Example**:** Sue's eligible pay is $44,000 a year; her base pay is $40,000 and her bonus is $4,000. Sue has elected to make Employee Pre-Tax Contributions from her base pay, in the amount of 4% or $1,600, and from her bonus in the amount of 4%, or $160,for a total of $1,760 for the Plan Year. Sue has met the Year of Service requirement to be eligible for the Employer Matching Contribution and will receive the maximum amount of match—$1,760 (4% of eligible pay). As a result, Sue's Employee Pre-Tax Contributions and Employer Matching Contributions to the Plan will be $3,520 for the Plan Year.

Match true-up formula change effective beginning January 1, 2014

Vanguard will continue to match your Employee Pre-tax Contributions and/or your Employee Roth Contributions, dollar for dollar, up to 4% (or if lower, your actual contribution rate) of your Eligible Pay. Starting January 1, 2014, you may no longer have to contribute every payroll period to receive your full match. This means that if you stop or suspend contributions to the Plan during the year for any reason, you may be entitled to a match true-up contribution made shortly after the end of the calendar year. See eligibility rules below, along with examples of how this match true-up calculation works.

If you contribute at least 4% of your Eligible Pay every payroll period throughout the year, you will receive your full 4% match with each match-eligible contribution, rather than after the end of the calendar year when the match true-up contribution is made.

If your annual contribution rate is less than 4%, you will receive a match true-up equal to that lower contribution rate. For example, if your annual contribution rate is 3% and you have only received a 2% match, you will receive a match true-up to bring you up to 3%.

You will see the match true-up contributions listed as "Employer Matching Contributions" on your statement and online account.

Catch-up contributions (for those age 50 and older only) in excess of the IRS contribution limit ($17,500 for 2014; $18,000 for 2015) are not eligible for the company match, therefore they are not eligible for the match true-up contribution.

Additional note for maximum savers: If you reach the IRS 401(k) contribution limit ($18,000 in 2015), the timing of your match true-up will change beginning in 2015. Specifically, you will no longer receive your match true-up on a biweekly basis. Instead, if you're match true-up-eligible, you'll receive your match true-up shortly after the end of the calendar year.

To be eligible for a match true-up contribution, you must be employed by Vanguard on December 31 of the year for which the match true-up is being provided (e.g., you must be employed on December 31, 2015 to receive a match true-up for the 2015 calendar year). This includes crew who are on paid or unpaid leave and who have Eligible Pay for the year. This December 31 rule does not apply if you retire – as defined in the Vanguard Retirement Policy – or die before the end of the year. In this case, you (or your beneficiary(ies)) would be eligible for a match true-up even though you were not employed by Vanguard on December 31. The match true-up will be based on your match-eligible pay earned during the applicable calendar year.

True-up contribution examples

Anna is hired on March 13, 2014, making her match-eligible on March 13, 2015. She makes her first employee pre-tax contribution to the RSP one pay period later on March 27, 2015, contributing 6% of her eligible pay from that date to December 31, 2015 (the final pay period of 2015). Even though Anna waited two weeks to start contributing, her eligible pay is still calculated from her match eligibility date of March 13. Between March 13 and December 31 (the final pay date of 2015), Anna's eligible pay was $21,000. She made $1,200 employee pre-tax contributions to the RSP, which was equal to 5.7% of her eligible pay starting on her match eligibility date through the final pay period; however, she only received matching contributions while she actively contributed to the RSP, beginning on March 27. Since she contributed 5.7% of her match-eligible pay, she is eligible to receive a match true-up of $40 so that her total match for the year is equal to 4% of her eligible pay of $21,000.

Eligible pay	Employee basic contributions	Contribution rate while match-eligible	Actual match received by year-end	Full match based on contribution rate	Match true-up
$21,000	$1,200	5.7%	$800	$840	$40

Matt's employee pre-tax contributions were suspended because he took a hardship withdrawal. He took the withdrawal on January 2, 2015, so he can't contribute again until July 17, 2015, nor does he receive any matching contributions during the suspension. From July 17 through year end (December 31), he saves 10% of his eligible pay of $25,000 (earned during the same period), or $2,500. His contribution rate for 2015, however, is based on his eligible pay of $50,000 earned during the entire year of 2015 because he was match-eligible for the entire year. Matt's contribution rate for the full year is 5% ($2,500 ÷ $50,000). Since Matt only received the company match while he actively contributed to RSP, he is eligible to receive a match true-up of $1,000 so that his total match for the year is equal to 4% of his eligible pay of $50,000.

Eligible pay	Employee basic contributions	Contribution rate while match-eligible	Actual match received by year-end	Full match based on contribution rate	Match true-up
$50,000	$2,500	5.0%	$1,000	$2,000	$1,000

Nikita reaches the IRS 401(k) contribution limit before the end of the year. She contributes 20% of her annual eligible pay of $130,000 each pay period, and her employee pre-tax contributions are suspended as of August 28, 2015, when she reaches $18,000. Her contribution rate for the full year is 13.8% ($18,000 ÷ $130,000). As of the suspension date, she had already received $3,600 in Vanguard match. Nikita is eligible to receive a match true-up of $1,600 so that her total match for the year is equal to 4% of her eligible pay.

Eligible pay	Employee basic contributions	Contribution rate while match-eligible	Actual match received by year-end	Full match based on contribution rate	Match true-up
$130,000	$18,000	13.8%	$3,600	$5,200	$1,600

Max is hired in 2015 and begins contributing to the RSP. His hire date is May 12, and he starts contributing 15% of his eligible pay on May 22. Max contributes $4,800 between May 22 and December 31, the final pay of the year. Max is not eligible to receive matching contributions or a match true-up for 2015 because he has not met the match eligibility requirement (one year of service in which at least 1,000 hours are worked).

Eligible pay	Employee basic contributions	Contribution rate while match-eligible	Actual match received by year-end	Full match based on contribution rate	Match true-up
$32,000	$4,800	0%	$0	$0	$0

Diane contributes 2% to the RSP throughout 2015. She was eligible to receive the match for the full 2015 calendar year, and her eligible pay is $40,000. Because Diane contributed every pay period during the year, she received her full match each pay period and is not eligible for the match true-up.

Eligible pay	Employee basic contributions	Contribution rate while match-eligible	Actual match received by year-end	Full match based on contribution rate	Match true-up
$40,000	$800	2%	$800	$800	$0

(2) Retirement Plan Contributions

Vanguard makes Retirement Plan Contributions to the Plan on your behalf each calendar quarter in an amount equal to 10% of your eligible pay for that quarter, subject to certain legal limitations as explained previously. If your year to-date eligible pay exceeds the Social Security Taxable Wage Base ($118,500 in 2015), Vanguard makes additional contributions on your behalf in an amount equal to 5.7% of the amount of your eligible pay in excess of the Social Security taxable wage base.

Retirement Plan Contributions are made on the last business day of each calendar quarter. The contribution amount is based on the amount of eligible pay you received between the start of the calendar quarter and the end of the calendar quarter. Some calendar quarters have six pay periods and some have seven, so your contributions will vary from quarter to quarter. They may also vary as a result of fluctuations in your eligible pay, including overtime or bonus income, a leave of absence, or a change in your pay rate.

Retirement Plan Contributions are deposited into your Plan account and invested according to your elections on file (or if no election is on file, according to the default Target Date fund that most closely corresponds to the year in which you will reach age 65).

You are eligible to receive Retirement Plan Contributions if you are employed on the last day of the calendar quarter and received eligible pay during the quarter. You will not receive a Retirement Plan Contribution if your employment terminated during the calendar quarter unless your employment was terminated for reason of retirement on or after the date you are eligible to retire (as defined in the Vanguard Retirement Policy), death or when the Social Security

Administration determines that your physical or mental condition renders you disabled ("Disability").

Taxes on employer contributions made to the Plan

The Employer Matching Contributions and Retirement Plan Contributions made to the Plan on your behalf are not included in your income for federal income tax purposes when the contributions are made to the Plan.

PLAN ACCOUNTS AND INVESTMENTS

How you choose to invest your money is as important as how much money you invest. The Plan offers a variety of investment options (also referred to as “funds” in this Summary) to respond to a wide range of investor preferences and to provide different levels of investment risk and return.

The Plan intends to operate as an ERISA Section 404(c) Plan. Because the Plan allows and encourages you to direct your investments among a broad range of options and to have access to all pertinent information concerning your investments, the fiduciaries of the Plan will be relieved of liability for the results of your investment decisions, as provided under Section 404(c) of the Employee Retirement Income Security Act of 1974 (“ERISA”) and Title 29 of the Code of Federal Regulations Section 2550.404c-1.

How contributions to the Plan are held and accounted for

Contributions to the Plan will be credited to one or more separate accounts (sometimes referred to as “sources” on vanguard.com) established in your name. Plan contributions are held in trust by Vanguard Fiduciary Trust Company, the Plan Trustee, for the exclusive benefit of participating Employees and their beneficiaries.

Selecting the investments available in the Plan

You may direct the investment of all contributions to the Plan on your behalf among the investment options available to you under the Plan. Once you become eligible to participate in the Plan, you will receive comprehensive information about the Vanguard investments available under the Plan and will receive updates to this information at least once a year. The list of investments available under the Plan is subject to change, as Vanguard reserves the right to add new funds, remove funds from the list and replace funds that are on this list with other funds. When these changes occur, you will be informed.

Selecting your investment allocation when you enroll in the Plan

When you enroll in the Plan, you determine how your Plan contributions will be allocated among the investment options in the Plan. Your investment allocations must be in whole percentages. If you do not provide investment allocations, all contributions to the Plan will be automatically invested in the Plan’s default fund, the Vanguard Target Retirement Trust Plus with a Target Retirement Date closest to the year you attain age 65 (“Normal Retirement Age”) . For example, if you were born in 1970, you will be placed in the Vanguard Target Retirement Trust Plus 2035. You may exchange out of the default investment option any time by contacting Vanguard.

You should revisit your investment strategy and review where you are investing your account balances regularly to ensure your choices fit with your long-term savings strategy for retirement or other purpose as your needs change.

If you have questions about the Vanguard investments available under the Plan

If you have any questions about the Vanguard investments available under the Plan or you would like more detailed information concerning any specific Vanguard investment portfolio (including a copy of the current prospectus), you may contact Vanguard.

Directing the investment of future contributions

You may change the allocation (sometimes referred to as investment direction) of future contributions to your account at any time, in whole percentages, by contacting Vanguard. Changing the contribution allocations will not change your existing fund balances. You may make separate allocation changes for each type of contribution that is made to your account (i.e., your contributions and Vanguard contributions to your account). Any contribution type for which you did not make an election for will automatically follow the allocation you have selected for other contributions in your account. If you make no allocations for your contributions, your contributions will automatically be allocated to the default Target Date Fund that most closely corresponds to the year in which you will reach age 65.

Directing the investment of your existing balance

You can transfer your existing balances among the Plan investment options (sometimes referred to as an exchange) in whole percentages or in whole dollar amounts as often as you would like subject to the following restrictions:

Code of Ethics
Under Vanguard's Code of Ethics, participants who are currently employed by Vanguard are generally prohibited from exchanging out of any Vanguard fund within 30 days of investing in it. Additional information about the Vanguard Code of Ethics may be located on CrewNet.

Investment Prospectus Guidelines
Each Vanguard investment offered under the Plan has restrictions on exchanging into and out of that investment. Today, if you exchange out of a Vanguard investment, you may not exchange back into that same investment within 60 days. This exchange restriction applies only to existing balances and will not prevent you from directing future contributions into the investment, however. the Vanguard Prime Money Market and Short-Term Investment Grade Funds are not subject to this limit. If you have any questions about an investment's exchange policy, contact Vanguard.

Retirement Savings Trust
Accounts in the Vanguard Retirement Savings Trust are subject to special investment exchange limitations. Contact Vanguard for more details.

Investment earnings credited to your accounts in the Plan are not currently taxable

Because the Plan is tax-qualified the investment earnings credited to your accounts under the Plan are not subject to federal income taxes in the year in which they are earned. Thus, an important advantage of the Plan is that, unlike a conventional taxable savings program, your Plan accounts grow on a tax-deferred basis.

Monitoring your accounts under the Plan

Quarterly participant statements will be provided to you online at vanguard.com. These statements will show the total amount credited to your accounts under the Plan as of the end of each calendar quarter and will reflect all Plan activities—including contributions, earnings, investment exchanges, loans, fees, and distributions—occurring within your Plan accounts during the most recent calendar quarter. In addition, you may log on to retirement plans.vanguard.com or call the Vanguard VOICE Network to obtain your current account balance and the value of the shares of any Vanguard fund held in your account.

PLAN LOANS

Although the primary purpose of the Plan is to help you reach your long-term savings goals, there may be times when you need your savings to meet a more immediate financial need. Recognizing that such financial needs arise, the Plan permits you to take a loan against your account and make payments with interest back to your account.

Who is eligible to take a loan from the Plan

Current employees of Vanguard may borrow amounts from their accounts under the Plan for any reason. However, participants who have terminated employment with Vanguard are not eligible to take loans.

You may not take a loan if your account is frozen as a result of a qualified domestic relations order (QDRO). In addition, a beneficiary of a deceased participant and an alternate payee of a participant (as a result of a QDRO, for example) may not take a loan from the Plan.

Requesting a loan from the Plan

If you are eligible, you may request one loan per calendar year and may only have two loans outstanding at any time. Only one of these outstanding loans may be for a principal residence. After you pay off one loan you must wait 15 calendar days before requesting a new loan.

Before you request your loan, you will need to determine the amount of your loan and the repayment period that you want:

Principal residence loans: For a principal residence loan, you may choose a loan repayment period of up to 360 months (30 years), in monthly increments. To qualify for this type of loan, it must be requested and processed **before** the property settlement, and you will be required to provide a copy of the contract or agreement of sale or other written documentation acceptable to Vanguard to support the amount of the loan request. Due to the documentation and other administrative requirements for principal residence loans, it may take several business days to process a principal-residence loan request.

General purpose loans: For a general purpose loan, you may choose a loan repayment period of up to 60 months (five years), in monthly increments.

While the Plan does permit loans, it is important to recognize that there are risks associated with borrowing from your account and that by selling some of your investments to take a loan could make it difficult to reach your retirement goals. To find out how your retirement savings could be affected by taking a loan, access the Retirement Plan Loan Calculator tool by typing in "loan calculator" in the search box on vanguard.com once you have logged into your account. You can find out how to access your account by going to the Contact Vanguard section of this Summary.

The terms of your loan

Generally, the maximum amount that you may borrow from the Plan is limited to the lesser of: (1) $50,000; or (2) 50% of the total balance in your accounts under the Plan for Employee Pre-Tax Contributions and/or Employee Roth Contributions, Matching Contributions, Rollover

Contributions and Roth Rollover Contributions. The minimum amount of any new loan from the Plan is $1,000 and the minimum loan repayment amount per payroll period is $25. You may have up to two outstanding loans from the Plan at any given time.

Example 1: Mike has accumulated a total of $12,000 in his Employee Pre-Tax and Matching Contribution accounts under the Plan and has no outstanding loans. Mike can borrow between $1,000 and $6,000 from his account.

Example 2: Janice has a total of $30,000 in her Employee Pre-Tax Contribution, Matching Contribution and Rollover Contribution accounts under the Plan. Janice's total account balance includes an existing Plan loan with an outstanding balance of $6,000. The maximum amount that Janice may borrow from the Plan is $9,000. That amount is 50% of her total loan-eligible balance of $30,000—or $15,000—minus her $6,000 outstanding Plan loan. The minimum amount that Janice may borrow is $1,000.

Example 3: Tom has accumulated a total of $120,000 in his Employee Roth Contribution and Matching Contribution accounts under the Plan. He has no outstanding loans from the Plan. The maximum amount that Tom may borrow from the Plan is $50,000. That amount is the lesser of 50% of his $120,000 eligible account balances ($60,000) or $50,000.

For purposes of the $50,000 limit on Plan loans, if you had an outstanding loan from the Plan at any time during the preceding 12 months, the maximum amount that you may borrow as a new Plan loan is limited to the $50,000 limit reduced by your highest outstanding loan balance on your prior Plan loan (or loans) during the preceding 12 months.

Example 4: Cathy has accumulated a total of $150,000 in her Employee Pre-Tax and Matching Contribution accounts under the Plan. Cathy's accounts include an existing Plan loan with a current outstanding balance of $20,000. Cathy's existing Plan loan had a highest outstanding loan balance during the preceding 12 months of $30,000. The maximum amount that Cathy may borrow from the Plan as a second Plan loan is $20,000. That amount is $50,000 minus $30,000, the highest outstanding loan balance on her existing Plan loan during the preceding 12 months.

Loan interest rates

All 401(k) plan loans are subject to interest. The loan interest rate for the Plan is determined monthly by the Vanguard Group, Inc. Benefits Committee and is based on the current prime interest rate plus 1%. You will be charged a fixed rate of interest on your Plan loan based on the Plan interest rate in effect on the day your loan was initiated. You may contact Vanguard for the current interest rate being charged for new Plan loans.

Loan fees

When you apply for a loan from your account, you will be charged a loan application fee. The fee will vary depending on how you apply for the loan. If you apply through vanguard.com or the automated VOICE® Network, the loan application fee is $40. If you call Participant Services and have a phone associate complete the loan application process for you, the loan application fee is $90. The application fee will be deducted from your loan amount before proceeds of your loan are sent to you. This fee is included in the amount of the loan that you pay back to your account. There is a $25 maintenance fee for each outstanding loan deducted from your account once a year. These fees are subject to change at any time; to find out what the loan fees are for the Plan contact Vanguard.

How to apply for a loan

You may apply for a loan by contacting Vanguard.

If you apply for a general purpose loan, the loan payment will be sent to you either via a paper check or via electronic bank transfer, depending on what you requested when you applied for the loan. If you choose to receive your loan payment via paper check, the Promissory Note, a document stating the terms of the Plan including repayment and interest terms, will be mailed with your paper check. If you choose to receive your loan payment via electronic bank transfer, your Promissory Note will be mailed to you.

If you apply for a principal residence loan, you will receive a loan application pre-populated with your loan terms. You will be required to sign and return the loan application to Vanguard with documentation supporting the amount you requested to borrow. Once your loan application and supporting documentation are received in good order, your loan payment will be sent to you either via a paper check or via electronic bank transfer, depending on what you requested when you applied for the loan. If you choose to receive your loan payment via paper check, the Promissory Note will be mailed with your paper check. If you choose to receive your loan payment via electronic bank transfer, your Promissory Note will be mailed to you.

The terms of the Promissory Note, in which you authorized automatic payroll deductions to repay your loan and pledged your loan-eligible accounts under the Plan as security for the loan at the time you applied for your loan, will apply until you have repaid your loan. All Plan loans are administered by Vanguard. Plan loans are approved on a uniform and nondiscriminatory basis with respect to all participants.

How loans affect your Plan contributions

If you take a loan, you can continue to contribute to the Plan provided that you remain eligible to do so under the Plan.

Plan loans are treated as loans, not as taxable withdrawals

It is important to recognize that a Plan loan is considered an investment of your accounts under the Plan, and not a taxable distribution or withdrawal at the time you receive your loan proceeds.

How to repay your loan

It is your responsibility to repay your loan on time. If your automatic payroll deductions do not occur on time, your loan may be defaulted. You should contact Vanguard immediately if a loan payment deduction wasn’t withheld from your pay when it should have been.

All repayments on your Plan loan will be credited to your Plan accounts, allocated proportionately into the contribution types from which the loan was taken and deposited back into your account and invested according to your current investment elections on file for Plan contributions.

You may prepay <u>all</u> of the unpaid principal balance of your Plan loan at any time (within payroll deadline limitations) without penalty.

You may also make partial repayments of the loan. Visit retirementplans.vanguard.com to make a full or partial prepayment.

Repaying a loan while working for Vanguard or on a paid leave of absence

As set forth in your Promissory Note, each pay period your loan repayment amount is automatically deducted from your paycheck on an after-tax basis. *It is your responsibility to ensure that the correct loan repayment amount is deducted from your paycheck.* If the correct loan repayment amount is not taken, you are still responsible for making the repayment. See "Loan Defaults" for more information.

Repaying a loan while on an approved unpaid leave of absence (other than Military Leave)

Your repayments may be suspended for up to 12 months or until you return from leave, whichever is earlier. Interest will continue to accrue on your loan and you must still repay the loan within the original term. When you return from leave or exhaust your 12 month suspension, whichever is earlier, a new installment amount will be calculated (or "reamortized") to reflect the additional interest that accrued during the leave, as well as the number of payments left in the original term of the loan.

Example. In January 2015, John takes a loan with a five-year term (ending January 2020). In February 2016, he goes on an approved unpaid leave of absence for 12 months during which Vanguard suspends his loan repayments. When he returns in February 2017, the outstanding loan balance, including interest that accrued during his leave of absence, is re-amortized, and his payment amount is increased so that his loan will be repaid by January 2020.

Repaying a loan during a military leave

If you have an outstanding loan while on military leave, your loan repayments will continue as scheduled during your leave as long as you are receiving pay from Vanguard that would be sufficient to cover your loan repayment ("Differential Pay"). If your Differential Pay from Vanguard is not sufficient to cover your loan repayment, Vanguard may withhold a partial loan repayment or suspend your loan repayments depending on the amount of your loan repayment and the amount of Differential Pay you received. If you are on unpaid military leave (military leave that lasts more than 12 months), your loan repayments will be suspended.

<u>If your loan repayments are suspended</u>
When you return from military leave, your loan term will be extended by the time of your leave during which your repayments were suspended. Interest on your loan will continue to accrue at the interest rate that was set when you applied for your loan. This accrued interest will increase your loan repayment amount when you return from your military leave.

<u>If you continue loan repayments during a military leave</u>
If you are receiving enough Differential Pay to cover your loan repayment while on military leave, your repayments will continue as scheduled.

How termination of employment impacts your loan

If you terminate employment with an outstanding Plan loan, all remaining loan repayments on your Plan loan will be immediately due and payable. If you do not repay your loan in full upon termination, your accounts under the Plan will be reduced by your outstanding loan balance and you will be treated as having received a taxable distribution of the outstanding loan balance. If you are under age 59½, you generally would be subject to an additional 10% IRS penalty tax on the unpaid loan balance.

If the total amount of your accounts under the Plan (including your outstanding loan balance) exceeds $1,000, you may choose to repay your loan in full upon termination of employment to avoid current taxation of your outstanding loan balance. In that case, your loan repayment will be reinvested in the Vanguard funds in accordance with your current investment directions and distributed to you at the time you elect (or are required) to receive a distribution of your accounts under the Plan.

Failure to make scheduled loan repayments

Although this is unlikely to occur because loan payments are made through payroll deduction, if you fail to make a scheduled loan repayment and you are not on an approved leave of absence, your loan will be in default. However, you will be permitted a “cure period” to make up the missed payment(s) and cure the default. This cure period cannot extend past the end of the calendar quarter following the calendar quarter in which the missed payment was due.

If the default is not cured, the outstanding loan balance will be deemed a taxable distribution to you (a “deemed distribution”) and will be reported on IRS Form 1099-R for the year in which it occurred. You will not be allowed to take out a new loan following a deemed distribution until you have repaid the outstanding balance of the prior loan, including accrued interest from the date of the deemed distribution, in full.

VESTING

Definition of vesting

Vesting refers to your ownership of the amounts allocated to your accounts. Your vested interest is expressed as a percentage and is based on the number of calendar years during which you have completed a Year of Service. The vesting rules vary with the type of contribution, as explained below.

How you are credited with a Year of Service for vesting purposes

You are credited with one Year of Service for vesting purposes for each calendar year during which you are credited with at least 1,000 Hours of Service as a Vanguard Employee.

EXAMPLE: Bob is hired by Vanguard on May 1, 2015 and completes at least 1,000 Hours of Service from May through December 31, 2015. In addition, Bob completes 1,000 Hours of Service in both 2016 and in 2017. At the beginning of 2018, Bob will have completed three Years of Service for vesting purposes.

Vanguard credits Hours of Service for vesting purposes based on the hours worked as shown on your paystub. Therefore, in the above example, if the last pay period for the year ended on December 23, Bob's vesting would be based on the hours reflected on his paystub through December 23, and the hours Bob worked between December 24 and December 31 would be credited to the following Plan Year.

How your vested amount is determined

You are always fully vested in your Employee Pre-Tax Contributions, Employee Roth Contributions, Rollover Contributions, and Employer Matching Contributions, and, if you were employed by Vanguard before January 1, 1987, your Employee After-Tax Contributions (if any).

Retirement Plan Contributions and Pre-2004 Retirement Plan accounts (except Employee After-Tax Contributions), are subject to vesting requirements. The vesting schedule that applies to these accounts varies depending on when you were in Vanguard's employment:

If you were employed by Vanguard as of or after January 1, 2007. Retirement Plan Contributions and any Pre-2004 Retirement Plan accounts (except Employee After-Tax Contributions) are subject to the following <u>6-year</u> graded vesting schedule:

Years of Service	Vested Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

If you terminated employment with Vanguard <u>before</u> January 1, 2007, a 7-year graded vesting schedule applies as follows:

Years of Service	Vested Percentage
Less than 3	0%
3	30%
4	40%
5	60%
6	80%
7	100%

Regardless of the applicable vesting schedule, you will become fully vested in your accounts, regardless of your Years of Service, if any one of the following events occurs while you are still employed by Vanguard: reaching Normal Retirement Age (age 65), Disability, or death. For these purposes, disability means a physical or mental condition that the Social Security Administration has determined renders you permanently disabled. You must submit a copy of the Social Security Administration's determination when claiming Disability.

If you terminate employment and are not fully vested, the unvested portion of your accounts will be forfeited and used to fund contributions for the remaining participants in the Plan.

EXAMPLE: Jane, age 32, terminates employment with Vanguard on December 31, 2015. Because she was employed by Vanguard after January 1, 2007, the six-year graded schedule is used to determine how much she will receive. She has been credited with three Years of Service during each of which she completed 1,000 Hours of Service; therefore, she is 40% vested in her Retirement Plan account. When she submits her distribution request, she has the following account balances under the Plan:

	Balance	Vested %
Employee Pre-Tax & Roth:	$15,000	100%
Employer Matching:	$ 8,000	100%
Retirement Plan:	$10,000	40%

As noted above, Jane is always 100% vested in her Employee Pre-Tax Contribution, Employee Roth Contribution, and Employer Matching Contribution accounts, and receives the full $23,000 ($15,000+$8,000) allocated to those accounts. In addition, she receives $4,000 from her Retirement Plan account (40% of $10,000).

Definition of a break in service for vesting purposes

For vesting purposes, a break in service is any Plan Year during which you complete 500 or fewer Hours of Service, except that you will not incur a break in service during any approved leave of absence granted by Vanguard, even if you do not complete more than 500 Hours of Service. However, approved unpaid time does NOT count towards the 1,000 Hours of Service required for you to be actually credited with a year of vesting; avoiding a break in service merely ensures that you will not actually forfeit any benefits during your period of approved unpaid leave.

How your vested amount will be calculated if are re-employed by Vanguard

Your Years of Service will be reinstated when calculating your vested amount unless you have incurred five consecutive breaks in service. If you have experienced such a break in service, separate accounts will be established to distinguish contributions and earnings related to your previous employment with Vanguard from contributions and earnings related to your current employment with Vanguard. The vested percentage in your previous-employment account will not be increased.

EXAMPLE: Jane has been credited with three Years of Service through 2015 and is 40% vested in her Retirement Plan Contribution account. She separates from service on March 31, 2016 but has completed only 450 Hours of Service in 2016. She does not work for Vanguard in 2017, 2018, and 2019. She returns to Vanguard on October 1, 2020, but only works 475 hours through the end of the year. Jane has incurred five consecutive breaks in service (2016-2020) and will not increase her 40% vested percentage for the period of her prior employment.

Upon re-employment, you will be given vesting credit in your current Retirement Plan account for all prior Years of Service, regardless of whether you incurred a break in service.

Recovering the unvested portion of your previous employment account if you are later re-employed by Vanguard

If you forfeited a portion of your accounts when you previously terminated employment with Vanguard, the unvested portion of your account will be restored —unadjusted for earnings and losses—if both of the following conditions are met: (1) you must be reemployed by Vanguard before experiencing five consecutive breaks in service; and (2) within five years of reemployment by Vanguard, you must repay the full amount of any distribution of your vested portion that you took when you previously terminated employment with Vanguard.

IN-SERVICE WITHDRAWALS

Although the primary purpose of the Plan is to help you reach your long-term savings goals, there may be times when you need to access your Plan savings while you are still working.

Five types of in-service withdrawals are available:

- **Age 59½ Withdrawal** (only available from Employee Pre-Tax Contribution, Employee Roth Contribution and Employer Matching Contribution accounts) - You may withdraw any amount credited to these accounts under the Plan once you have attained 59½. If your withdrawal includes Employee Roth Contributions, the earnings attributable to these contributions may be subject to taxes. See below for more information on when earnings on Roth contributions may be withdrawn from the Plan on a tax-free basis.

- **Age 65 Withdrawal** (only available from Retirement Plan Contribution and Pre-2004 Retirement Plan accounts) - You may withdraw any amount credited to these accounts under the Plan once you have attained age 65. See below for special rules on receiving withdrawals from your Pre-2004 Retirement Plan accounts.

- **Hardship Withdrawal** - Before age 59½, you may withdraw from your Employee Pre-Tax Contribution and Employee Roth Contribution accounts for specific reasons of financial hardship ("Hardship Reasons"). Any earnings attributable to the Employee Pre-Tax Contributions and Employee Roth Contributions you have deferred to the Plan are not available to withdraw, except for earnings attributable to Employee Pre-Tax Contributions made on or before December, 31, 1988. A 10% federal penalty tax might apply to the withdrawal. See below for additional details about this type of withdrawal including the Hardship Reasons approved by the Plan.

- **Rollover Contributions** Withdrawal - You may withdraw from your Rollover Contribution account at any time. A 10% penalty tax might apply to this withdrawal if you are under age 59½.

Employee After-Tax Contributions Withdrawal - If you participated in the Plan before January 1, 1987, and made Employee After-Tax Contributions to the Plan (or to the Pre-2004 Retirement Plan), you may withdraw any amounts credited to your Employee After-Tax Contributions account at any time. Special rules apply to withdrawals of Employee After-Tax Contributions from Pre-2004 Retirement Plan accounts, see below for details.

Note: Vanguard may set a minimum withdrawal amount and may limit the number of in-service withdrawals you may receive each year.

Hardship Withdrawal Eligibility

To be eligible for a hardship withdrawal you must have an immediate and heavy financial need and must have exhausted all other sources of income – including taking all available loans and withdrawals from your Plan accounts before applying for a hardship withdrawal. An immediate and heavy financial need includes the following Hardship Reasons applicable to the Plan:

- Expenses for medical care previously incurred by the you, your spouse, or any of your dependents necessary for these persons to obtain medical care that would be deductible under IRC §213(d);
- Costs directly related to the purchase of your principal residence (not including mortgage payments);
- Payments for tuition, related educational fees, and room and board expenses, for the next 12 months of post-secondary education for you, your spouse, your children, or your dependents;
- Payments necessary to prevent eviction from your principal residence, or to prevent foreclosure on the mortgage on that residence;
- Payments for burial or funeral expenses for the your deceased parent, spouse, children, or dependents; and
- Expenses for the repair of damage to your principal residence that would qualify for the casualty deduction under IRC §165 (determined without regard to whether the loss exceeds 10% of adjusted gross income)

Important: A 10% penalty tax might apply to any hardship withdrawal you receive before age 59½.

How much you can withdraw as a hardship withdrawal

The maximum amount that you may withdraw as a hardship withdrawal is generally limited to the amount of your Employee Pre-Tax Contributions and Employee Roth Contributions to the Plan. This means that you may not withdraw any earnings on your Employee Pre-Tax Contributions and Employee Roth Contributions, nor may you withdraw any of Vanguard's Employer Matching or Retirement Plan Contributions to the Plan on your behalf. One exception to this rule is that if you were a participant in the Vanguard Thrift Plan before 1989, you may withdraw for hardship any amounts—including earnings—credited to your accounts for Employee Pre-Tax Contributions and Employer Matching Contributions as of December 31, 1988.

The amount of your hardship withdrawal may not exceed the amount that is necessary to relieve your immediate and heavy financial need, including any taxes reasonably expected to result from the withdrawal, and that is not reasonably available to you from other financial resources.

Other conditions that apply to hardship withdrawals

To be eligible for a hardship withdrawal, you must have taken the maximum amount available as a loan under the Plan and must have withdrawn all amounts credited to your Employee After-Tax Contribution and Rollover Contribution accounts (if any). You must also sign a statement certifying that you have suffered an immediate and heavy financial need and that your need cannot be relieved by other reasonable means such as:

- selling any assets you might own;
- borrowing from a bank or other commercial lender on reasonable commercial terms;
- reimbursement or compensation by insurance; or
- stopping any Employee Pre-Tax or Roth Contributions that you are currently making to the Plan.

You must also include evidence of your immediate and heavy financial need, such as copies of medical bills, tuition bills, purchase agreement for a principal residence, etc. Only one hardship withdrawal may be taken in a twelve-month period.

The consequences of taking a hardship withdrawal

If you take a hardship withdrawal, you will not be allowed to make any Employee Pre-Tax or Roth Contributions for six months following the date of the withdrawal. Also, as a result of the suspension of your contributions to the Plan, your Employer Matching Contributions will also be suspended. After the suspension period ends, your contributions to the Plan will be automatically reinstated to the rate at which you were deferring when you applied for the hardship withdrawal.

How to apply for an in-service or hardship withdrawal

To withdraw amounts from your accounts under the Plan while employed by Vanguard, you must obtain a withdrawal request form by contacting Vanguard and return the completed form (along with the required certification and evidence of need in the case of a hardship withdrawal) to Vanguard at the address indicated on the form. A determination will be made on your withdrawal request as soon as practicable.

DISTRIBUTIONS AND WITHDRAWALS AFTER TERMINATION

Distributions after termination of employment

You will be eligible to receive the entire vested amount credited to your accounts under the Plan if you retire – as defined in the Vanguard Retirement Policy, incur a Disability, or your employment with Vanguard is otherwise terminated for any reason. See above regarding plan vesting rules.

Forms of distribution

You may receive your distribution in any of several payment forms, depending on your account balance and other criteria.

If your account balance is more than $1,000
If your account balance is more than $1,000 once you terminate employment with Vanguard, the following distribution options may be available to you, depending on the circumstances of your termination.

You may elect to receive your accounts under the Plan as follows:

- Lump-sum distribution – this is the only form of distribution available to you if you incur a Disability
- Partial withdrawal – new payment option for terminated participants effective 1/1/15
- Installment payments – new payment option for terminated participants effective 1/1/15

Each of these distribution options is described below.

<u>Lump-sum distribution</u>
You can request a lump sum distribution of your full Plan account balance any time after you terminate employment with Vanguard. When you take a lump sum distribution, you receive your entire account balance in a single payment. If you elect a lump sum distribution, you may choose to have all or part of the lump sum payment made as a direct rollover to another eligible employer plan or an IRA (including an IRA rollover annuity). Any taxable amount that is eligible for rollover but is not rolled over will be subject to 20% federal income tax withholding.

<u>Rolling over your Plan assets</u>
Generally, you can have all or any portion of an eligible rollover distribution from the Plan paid as a direct rollover to an IRA in your name or to another employer-sponsored retirement plan that accepts rollover contributions. In a direct rollover, your distribution is transferred by the Plan directly to your IRA or employer-sponsored retirement plan, rather than paid to you in cash. When you terminate employment you will be given a comprehensive explanation of the direct rollover option and other tax rules that apply to your distribution.

You can roll over any eligible rollover distribution from the Plan to an IRA or another employer-sponsored retirement plan that accepts rollover contributions. In general, all distributions from the Plan qualify as eligible rollover distributions, except the following:

- annuity or installment payments including payments in the form of a qualified joint-and-survivor annuity, qualified preretirement-survivor annuity, or qualified optional survivor annuity from Pre-2004 Retirement Plan accounts;
- required minimum distributions payable to you at age 70½ or older; and
- distributions taken from the Plan due to financial hardship.

Because Roth contributions may be subject to special tax benefits upon distribution, Roth balances may only be rolled over to a Roth IRA or to a Roth account under another employer's 401(k) plan that will accept the rollover.

New payment options for terminated participants effective beginning January 1, 2015
Vanguard has added two new payment options for the Plan, available to you only after you terminate your employment from Vanguard. (**Note:** These payment options are not available to you if you are considered disabled by the Social Security Administration and therefore meet the Plan definition of disabled.) Previously, terminated participants could only receive their Plan balance in a single lump sum. The two new Plan payment options are:

Installment payments
Upon termination of employment (but not Disability), you are eligible to receive the vested amount of your Plan accounts balance in monthly, quarterly or annual installment payments either (i) for a fixed period based on your life expectancy or (ii) in a fixed dollar amount for a period of up to 20 years. If you are age 55 or older, you can also take installments through the Vanguard Managed Account Program as part of the Income+ feature.

Partial withdrawals
Upon termination of employment (but not Disability), you are eligible to receive partial withdrawals of your vested Plan accounts balance at any time and in any amount you decide. Please remember that you will be responsible for paying any federal, state, or local taxes on any payment from pre-tax account balances. A payment that includes earnings on Roth contributions is usually taxable, unless the initial Roth contribution was made more than five years ago and you are at least 59½ years of age. Any payments received before age 59½ may be subject to a 10% federal penalty tax, unless taken after you terminate employment and you were age 55 or older in the year you terminated.

Spousal consent needed for Pre-2004 Retirement Plan account balances
Any payment of pre-2004 Retirement Plan account balances (with a vested account balance greater than $5,000) will be in the form of a qualified joint and survivor annuity (QJSA) unless you elect to waive the QJSA, and if you are married, your spouse also consents to your election to waive the QJSA.

Deferring distribution of your accounts

Whether you may defer the distribution of your accounts after you terminate employment with Vanguard will depend on the vested balance in your accounts, as described below.

Vested balance over $1,000
If the total vested amount credited to all your Plan accounts exceeds $1,000, you may choose to defer the distribution of your accounts until a later date. However, if your balance later falls below $1,000, your account may be automatically distributed in accordance with the rules below (see "vested balance of $1,000 or less"). In all cases, you may not delay the start of required

minimum distributions (RMD) later than the April 1st of the year following the year in which you reach age 70½ or terminate employment, whichever comes later.

Vested balance of $1,000 or less

Vested balances of $1,000 or less will be paid to you in cash unless you choose a direct rollover to an IRA or another employer's retirement plan. You may request a distribution from your account by contacting Vanguard. See below for special rules on the forms of distribution applicable to Pre-2004 Retirement Plan accounts. If you roll over your Roth account to a Roth IRA, you cannot roll the assets back out to a Roth account under another employer-sponsored retirement plan.

If you die before the complete distribution of your Plan accounts

If you die with a balance in your accounts, your designated Plan beneficiary(ies) will be entitled to receive all undistributed vested amounts credited to your Plan accounts.

Designating a Plan beneficiary

Married Participants

If you are married, your sole primary beneficiary is automatically your spouse unless your spouse executes a notarized spousal waiver consenting to your designation of someone else as your beneficiary under the Plan. Vanguard only accepts beneficiary designations and spousal waivers on forms that it provides. A prenuptial agreement or any other contractual agreement is **not** a valid spousal waiver.

Unmarried Participants

If you are not married, you may name any person (or persons) as your Plan beneficiary. If you later marry, your spouse will automatically become your sole primary beneficiary, regardless of who you previously named as your beneficiary. If you wish to name someone other than your spouse as your beneficiary, your spouse must signs a notarized consent agreeing to this non-spouse beneficiary .

You can name your beneficiary under the Plan by completing a beneficiary form online at vanguard.com and, if necessary, a spousal consent form, which will be [mailed] to you during the online process. You may change your beneficiary at any time while you are still alive by submitting a new beneficiary form (subject to the spousal consent rules).

If you do not have a named beneficiary on file at Vanguard at the time of your death, and you are not married, your beneficiary under the Plan will be your estate. A beneficiary form is effective only if it is filed with Vanguard while you are still alive.

FEDERAL TAXATION ON FINAL DISTRIBUTIONS AND IN-SERVICE WITHDRAWALS

How distributions from the Plan are taxed

Except for Roth accounts, all amounts paid to you or your designated beneficiary(ies) from the Plan are subject to federal income taxes in the year they are distributed, except that if you made any Employee After-Tax Contributions to the Plan before 1987, the portion of any distribution attributable to your after-tax contributions will not be taxable. As explained below, you may defer paying taxes on certain Plan distributions by rolling them over to an IRA or other employer's tax-qualified plan that accepts rollover contributions.

Because Roth contributions are taxable when made, you would not be taxed on those contributions again when they are distributed. The earnings on your Roth contributions may also be distributed tax-free if both of the following conditions have been met at the time of distribution:

(1) your Roth account has been open for at least five calendar years, <u>and</u>
(2) you have attained age 59½ or become permanently disabled.

Distribution of Roth earnings that do not meet these conditions are subject to taxes and possibly penalties just like any of your other pre-tax accounts.

Distributions paid directly to you

Any eligible rollover distribution paid directly to you will be subject to automatic 20% federal income-tax withholding on the taxable portion of the distribution. You can still rollover the distribution within 60 days and avoid current taxation by adding from your own funds the amount of the federal income-tax withholding. If you do not add the amount of the federal income tax withholding to your rollover, the amount withheld will be considered a taxable distribution, and possibly subject to a 10% excise tax if you are under age 59½.

A Roth account can only be rolled over to another employer-sponsored retirement plan through a direct rollover. Therefore, if you don't elect a direct rollover of your Roth account, your only alternative to a cash distribution would be an indirect rollover to a Roth IRA, but you would not then be able to roll over the Roth IRA to another employer-sponsored retirement plan.

When penalty taxes on distributions apply

In general, you will have to pay a 10% federal penalty tax in addition to ordinary income taxes on any taxable distribution you receive from the Plan—including any hardship withdrawal—before attaining age 59½. The 10% penalty tax will not apply to the following types of distributions:

- distributions you timely roll over to an IRA or another tax-favored employer-sponsored retirement plan;
- distributions made to your designated beneficiary(ies) upon your death;
- distributions made on account of your permanent disability:

- distributions made to you if you terminated employment with Vanguard in the year you attained age 55 or older;
- distributions that do not exceed the total amount of medical expenses you may deduct in the tax year of distribution; and
- amounts contributed as Roth contributions. However, earnings on the Roth contributions could be subject to the 10% penalty tax.

Important: Because the tax rules governing distributions from qualified plans are complex and contain many conditions and exceptions, you may want to consult with a tax adviser before taking any substantial distribution from the Plan.

SPECIAL RULES FOR PRE-2004 RETIREMENT PLAN AMOUNTS

The following special rules apply to all amounts transferred to the Plan from The Vanguard Group, Inc. Retirement Plan (the "original" Vanguard Retirement Plan), including any employee after-tax contributions that were made to that plan, unless otherwise specified.

Special limits on withdrawals from Pre-2004 Retirement Plan accounts

The restrictions on the timing and form of distribution that applied to accounts under The Vanguard Group, Inc. Retirement Plan before the 2004 plan merger are required to be maintained on those amounts after transfer to the Plan.

When you can take distributions from these accounts

You may take a distribution from the vested portion of these transferred amounts when you terminate employment with Vanguard or become disabled.

Withdrawing money from pre-2004 Retirement Plan accounts while still employed by Vanguard

Generally, you may withdraw money from this account while employed by Vanguard only if you have reached age 65. Any Employee After-Tax Contributions that were made to The Vanguard Group, Inc. Retirement Plan before 1987 may be withdrawn at any time, but these withdrawals are subject to certain restrictions. If you are eligible, you may take up to two in-service withdrawals in a calendar year. The minimum amount you may withdraw is the *lesser* of $5,500 or 100% of your account balance. These limitations may be changed at any time. Call Participant Services if you have any questions about the rules applicable to in-service withdrawals from transferred amounts.

If you die while employed by Vanguard

Upon your death, the entire amount credited to your Pre-2004 Retirement Plan accounts would be distributed in accordance with the following rules:

Married Participants
If you are married, 50% of the balance in your Pre-2004 Retirement Plan source under the Plan be paid upon your death to your surviving spouse as a special benefit called a "qualified

preretirement survivor annuity" (QPSA) unless you waived this form of benefit during your lifetime, and with the consent of your spouse. This means that 50% of your Pre-2004 Retirement Plan balance will be used to purchase an annuity from a commercial insurance company. Under the annuity contract, your spouse will receive equal monthly payments for as long as he or she lives. If your spouse does not want to receive an annuity, he or she can also elect to receive 50% of your Pre-2004 Retirement Plan balance in another optional form of benefit available under the Plan. The remaining 50% balance in your account will be paid as a lump-sum cash payment to your spouse, unless your spouse previously consented to the designation of another beneficiary.

Unmarried Participants
If you are not married, the entire amount credited to your accounts under the Plan will be paid upon your death to your designated beneficiary under the Plan. If you die after terminating employment with Vanguard, your spouse (and/or other beneficiaries) will only be entitled to receive the vested portion of your account, calculated under the current vesting schedule.

Waiving the qualified preretirement survivor annuity (QPSA)

You may waive the QPSA form of benefit at any time after the first day of the calendar year in which you reach age 35. Generally, a waiver of the QPSA is appropriate only if you are married and want someone other than your spouse to receive your benefits under the Plan in the event of your death. Your waiver of the QPSA will be valid only if your spouse signs a notarized consent to your waiver. If you are eligible, you may waive the QPSA by completing a *Waiver of Preretirement Survivor Annuity Form* and returning the form to the Vanguard Human Resources Department. If you make a valid waiver of the QPSA, your pre-2004 Retirement Plan accounts will be distributed to your designated beneficiary(ies) under the Plan if you die while still employed by Vanguard.

A prenuptial agreement or other contractual agreement is **not** a valid waiver of the QPSA. The waiver must be made on a form provided by Vanguard for this purpose.

Forms of distribution for your Pre-2004 Retirement Plan account

The amount that you are entitled to receive from your Pre-2004 Retirement Plan accounts upon your retirement or other termination of employment will be distributed in accordance with the following rules, unless the vested balance of your Pre-2004 accounts is $5,000 or less, in which case your only option is to receive a lump-sum payment (cash or rollover to an IRA or other retirement plan).

Married Participants
If you are married and the amount of your distribution exceeds $5,000, the law requires that your distribution be made in the form of a "qualified joint and survivor annuity" (QJSA) with your spouse, unless you waive the annuity form of distribution with the consent of your spouse. Under a QJSA, your accounts will be used to purchase an annuity contract from an insurance company. The annuity contract will provide you with periodic payments for life, and, in the event of your death, periodic payments to your spouse (if your spouse survives you) in an amount equal to 50% of the payments you received during your lifetime. You may also choose a QJSA with a survivor benefit for your spouse of more than 50%, but doing so will decrease the amount of the periodic payments that will be made during your life. Alternatively, you can receive a

Qualified Optional Survivor Annuity (QOSA), which is essentially the same as QJSA with additional flexibility on the survivor benefit for your spouse.

EXAMPLE: Jane retires and elects to receive her benefits in the form of a QJSA with a 50% survivor benefit for her husband's life. The annuity pays Jane $1,000/month while she is alive. When Jane dies, her husband (if he is still alive) will continue to receive a payment of $500/month (50% of $1,000).

Unmarried Participants

If you are not married and the amount of your distribution exceeds $5,000, the law requires that your distribution be made in the form of a single-life annuity, unless you waive the annuity form of distribution. Under a single-life annuity, your accounts will be used to purchase an annuity contract that will provide you with periodic payments for life, but with no survivor annuity payable upon your death.

Waiving the qualified joint-and-survivor annuity (QJSA) form of distribution

If you do not want to have your distribution from your Pre-2004 Retirement Plan accounts made in the form of an annuity, you may elect to waive the annuity form of distribution. If you are married, your waiver of the QJSA form of distribution will be valid only if your spouse executes a notarized consent to your election. If you are not married, you may waive the annuity form of distribution simply by electing a different form of payment.

If you make a proper waiver of the annuity form of distribution, you may elect to receive your Pre-2004 Retirement Plan accounts in a lump-sum payment of cash, a rollover to an IRA or another retirement plan, installments, or partial payments.

OTHER INFORMATION

Amendment or termination of the Plan

Vanguard reserves the right to amend or terminate the Plan at any time. If the Plan is amended, the benefits already credited to you under the Plan will not be reduced unless required by the Internal Revenue Service. If the Plan is terminated or if all contributions to the Plan are permanently discontinued, you will become fully vested in all amounts credited to your separate accounts. If the Plan is terminated and Vanguard maintains another tax-qualified defined contribution retirement plan (other than an employee stock ownership plan), your assets in the Plan will be transferred to the other plan, unless you consent to receive an immediate payment of your Plan accounts. If Vanguard does not maintain another tax-qualified defined contribution plan at the time the Plan is terminated, your only option will be to receive an immediate lump-sum payment of your Plan benefits.

Plan benefits not insured

Because the Plan is not a defined benefit pension plan under ERISA, the Plan's benefits are not insured by the Pension Benefit Guaranty Corporation, a governmental agency formed for purposes of insuring certain types of benefits under defined benefit pension plans.

Assigning your benefits under the Plan

Generally, your rights and benefits under the Plan cannot be assigned, sold, transferred, or pledged by you or reached by your creditors or other party except under a qualified domestic relations order (see below).

Qualified domestic relations orders (QDROs)

A QDRO is a court order issued under state domestic relations law relating to divorce, legal separation, custody, or support proceedings. The QDRO recognizes the right of someone other than you to receive all or a part of your Plan benefits. You will be notified if Vanguard receives a QDRO relating to your benefits. Receipt of a QDRO will allow for an earlier-than-normal distribution to the other person(s) (or alternate payee) listed in the order. The Plan maintains documents that describe the procedures for determining whether a domestic relations order meets the requirements to be a QDRO. These documents are available upon request—at no charge—by calling the QDRO Determination Services unit at 610-669-1059.

Uniformed services leaves

The Plan is operated in compliance with the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). In accordance with the provisions of USERRA, if you return to work from a qualified uniformed services leave, you may be permitted to make-up any Employee Pre-Tax and/or Roth Contributions that you could have otherwise made during the period of leave and receive corresponding matching contributions (if eligible), in accordance with the Plan and USERRA. Also, if you are called up for uniformed services duty and have a plan loan outstanding, your loan payments may be suspended during your leave, even if it is longer than twelve months. This suspension will also extend the term of the loan, although interest will continue to accrue.

ADMINISTRATIVE AND ERISA INFORMATION

Administrative Facts

Name of the Plan: The Vanguard Retirement and Savings Plan (the "Plan").

Name and Address of Plan Sponsor: The Vanguard Group, Inc.
P.O. Box 2600
Valley Forge, Pennsylvania 19482
("Vanguard").

Plan Numbers:

(1) **23-1945930**— the employer identification number assigned to Vanguard by the Internal Revenue Service

(2) **002**— the Plan number used for reporting to the Department of Labor and the Internal Revenue Service.

Type of Plan: The Plan is a profit-sharing thrift plan with a cash-or-deferred arrangement under Section 401(k) of the Internal Revenue Code.

Plan Administrator: THE VANGUARD GROUP, INC. BENEFITS COMMITTEE
P.O. Box 876
Valley Forge, Pennsylvania 19496
Telephone: 1-610-669-6377
("Committee")

Plan Trustee: Vanguard Fiduciary Trust Company
P.O. Box 2600
Valley Forge, PA 19496
Telephone: 1-610-669-6377

Annuity Providers
If any part of your distribution is subject to these annuity requirements, you will be informed of the current annuity provider(s) at the time you elect to receive a distribution, and the information is also available at any time, at no charge, upon request to the Committee.

Agent for service of legal process
Service of legal process may be made upon the Vanguard Legal Department (V26), P.O. Box 876, Valley Forge, Pennsylvania 19496. Service of legal process may also be made upon the Plan Trustee or the Plan Administrator.

Plan Documents
This Summary contains a description of the important features of the Plan. If you want more information, you will find complete details in the official Plan document and the related Trust Agreement, which legally govern the operations of the Plan. These documents, and the annual reports for the Plan as filed with the Internal Revenue Service and the U.S. Department of Labor, are available for review by you or your beneficiaries in the offices of Vanguard during regular

working hours. Copies of all Plan documents and copies of the latest annual report are available to you or your beneficiary upon written request to the Vanguard Group, Inc. Benefits Committee ("Committee"), although a reasonable charge to cover reproduction costs may be made.

Plan Year

For purposes of administering the Plan, records are kept on a calendar year basis. Therefore, the Plan Year is from January 1 through December 31.

Claims Procedure

If you or your beneficiary feels that you are not receiving a Plan benefit that you should, you may file a written claim for the benefit with the Committee. If the Committee denies your claim, you will receive written notice within 90 days of the date your claim was received by the Committee telling you why it was denied and on what part of the Plan the denial is based. If special circumstances require more than 90 days to process the claim, you will be so notified within the 90-day period. The notice will also tell you what, if anything, you can do to have your claim approved. You will have a chance within 60 days after the date you receive written notice of the denial to ask for a final review of your claim and its denial by the Committee. You and your representative can review the documents that relate to your claim and can make written comments to the Committee. Your claim will then be reviewed again by the Committee and you will be sent a written notice of the final decision within 60 days after your request for review, unless special circumstances require an extension of time in which case you will be so notified before the expiration of the 60-day period. This extension will not extend past 120 days of the date of your request for review.

STATEMENT OF RIGHTS UNDER ERISA

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:

Receiving information about your Plan and benefits

ERISA gives Plan participants certain rights and protections. You may:

- Look at, without charge, all Plan documents and copies of all papers filed by the Plan with the U. S. Department of Labor, such as detailed reports and Plan descriptions.

- Obtain copies of all Plan documents and other Plan information by asking the Committee in writing. The Committee may assess a reasonable charge for the copies.

- Obtain a summary of the Plan's annual financial report. ERISA requires the Committee to give each participant a copy of this summary annual report each year.

- Obtain a statement telling you the amounts currently credited to your separate accounts in the Plan. The statement will also tell you the vested amount of your account balance (if any); if you are not vested in any portion of your accounts, the statement will tell you how many more years you must work to become vested. This statement must be requested in writing from the Committee. The Committee is only required to give you one such statement in a twelve-month period. The Plan must provide this statement free of charge. However, as explained in this Summary, Vanguard automatically makes *quarterly participant statements* available online at vanguard.com/retirement plans (at no charge). The statements show the total amounts credited to your separate accounts under the Plan as of the end of each calendar quarter and all Plan activities occurring within your separate accounts during each calendar quarter.

Prudent actions by Plan Fiduciaries

ERISA also imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan are called "fiduciaries." They have a duty to act prudently and solely in the interests of you and other Plan participants and beneficiaries. No one, including Vanguard, may dismiss you or otherwise discriminate against you in any way solely because you attempt to obtain a Plan benefit or exercise your rights under ERISA.

Enforcing your rights

If your claim for a pension benefit is denied in whole or in part, you have the right (1) to receive a written explanation of the reason for the denial; (2) obtain copies of documents relating to the decision; and (3) 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 Committee and do not receive them within 30 days, you may file suit in federal court. In that case, the court may require the Vanguard Group, Inc. Benefits Committee to provide you with the materials and pay you up to $110 a day until you receive the requested materials, unless the materials were not sent because of reasons beyond the Committee's control. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in 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, you may file suit in federal or state court. Of course, you should follow the Claims Procedure provided by the Plan as described above before you take legal action.

If the Plan's fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may ask for help from the U.S. Department of Labor or you may sue in federal court. The court will decide who has to pay court costs and legal fees. If you win, 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, if it finds your claim is frivolous).

Assistance with your questions

If you have any questions about the Plan, you should contact:

Vanguard Human Resources Department
P.O. Box 876
Valley Forge, PA 19496
Telephone: (610) 669-6377
(610) 669-8090

If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Committee, you should contact the nearest area office of the Employee Benefits Security Administration division of the U.S. Department of Labor listed in your telephone directory or the Division of Technical Assistance and Inquiries; Employee Benefits Security Administration; U.S. Department of Labor; 200 Constitution Avenue NW; Washington, DC 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.