
SUMMARY PLAN DESCRIPTION
THE FIDELITY BANK DENTAL PLAN

January 1, 2012

IMPORTANT INFORMATION ABOUT THE PLAN

Name of Employer	The Fidelity Bank P.O. Box 8 Fuquay Varina, NC 27526-0008 (919) 552-2242 Employer Identification Number 56-0132040 A list of affiliated or related employers participating in the Plan is set forth in Appendix B.
Plan Sponsor	The Fidelity Bank
Name of Plan	The Fidelity Bank Dental Plan
Plan Number	504
Plan Year	The Plan Year begins on January 1st and ends on December 31st, and Plan records are maintained on that basis.
Effective Date	The Effective Date of this amendment and restatement is January 1, 2012.
Plan Administrator	The Plan Administrator is The Fidelity Bank. The Plan Administrator is responsible for maintaining records on Participants, determining eligibility for benefits, and interpreting and administering the provisions of the Plan.
Type of Administration and Fund	Benefits under the Plan are paid from the group insurance policy described in Appendix A, the premiums for which are funded through employer and employee contributions.
Agent for Service of Legal Process	The Fidelity Bank is the agent for service of legal process.
Request for Plan Information	Requests to review Plan documents, requests for copies of Plan documents, and questions regarding Plan operations should be directed to Plan Administrator at the address and telephone number provided above.

PURPOSE

This document, together with certain other separate Plan documentation (*e.g.*, description of benefits, certificates of insurance, etc.) referenced in Appendix A which is distributed to each individual eligible to elect coverage provided under The Fidelity Bank Dental Plan (the “Plan”), constitutes the Summary Plan Description with respect to the Plan. In turn, this Summary Plan Description is intended to provide you with an overview of important information about the Plan.

In the event of any conflict between the terms of the Summary Plan Description and the terms of the Plan (including, but not limited to, the terms of any insurance policy or contract then in effect with respect to a given welfare or fringe benefit provided under the Plan), the terms of the Plan (and any such insurance policy or contract), along with the rules, regulations, and other procedures developed by the Plan Administrator shall control with respect to such benefits.

ELIGIBILITY, PARTICIPATION, AND BENEFITS

The terms and conditions regarding eligibility and participation under the Plan with respect to the benefits provided under the Plan are set forth in the Plan documentation referenced in Appendix A which is distributed to each eligible employee.

Similarly, the terms and conditions of the benefits provided to Participants under this Plan are described in the underlying Plan documentation referenced in Appendix A which is distributed to each Participant. Such benefits shall be subject to various limitations and exclusions as set forth in the underlying Plan documentation that is distributed to each Participant.

INELIGIBILITY/LOSS OF BENEFITS

Circumstances that may result in disqualification, ineligibility, or other loss or reduction of benefits are described both in this document as well as in the Plan documentation referenced in Appendix A that is distributed to each eligible employee.

REQUESTS FOR PLAN INFORMATION

You have the right to inspect all Plan documents and to make copies of the documents. All Plan documents can be reviewed and copied during normal business hours at the offices of The Fidelity Bank. In accordance with Internal Revenue Service regulations, the Employer may charge a reasonable fee for copies. Any such request or other requests regarding Plan operation should be directed to Plan Administrator as indicated on page 1 of this Summary Plan Description.

EMPLOYMENT RIGHTS

Nothing in the Plan or this Summary Plan Description in any way creates an express or implied contract of employment. Your employment may be suspended, changed, or otherwise terminated by either you or the Employer at any time.

PLAN ADMINISTRATOR POWERS

The Plan Administrator is empowered and authorized to make rules and regulations and establish procedures with respect to the plans and to determine or resolve all questions that may arise as to

the eligibility, benefits, status and right of any person claiming benefits under the Plan. The Plan Administrator has the power and authority to construe and interpret the Plan and to correct any defect, supply any omissions, or reconcile any inconsistencies in the Plan.

You should note, however, any claim which arises under any benefit option offered by or through this Plan will be subject to the claims and review procedures set forth in the plan documentation with respect to such benefit.

PRIVACY OF HEALTH INFORMATION

The Plan Sponsor honors and respects the confidentiality of all individually identifiable health information. Nevertheless, in order to operate the Plan effectively and efficiently, the Plan Sponsor needs access to such protected identifiable health information from group health benefits provided under the Plan to perform certain administrative functions with respect to the Plan. Accordingly, consistent with the terms of the Health Insurance Portability and Accountability Act of 1996 (P.L. 104-191) and its implementing regulations, the Plan Sponsor will limit its use of protected health information from any group health benefit provided under the Plan to the terms set forth in the attached Exhibit I.

In addition, the Plan Sponsor shall distribute periodically to all participants a notice that summarizes all of the Plan Sponsor's group health privacy policies. Contact your Plan Administrator for an additional copy of such group health plan privacy policies, or if you have any questions concerning such privacy policies and practices.

AMENDMENT OR TERMINATION OF THE PLAN

The Employer intends to continue this Plan indefinitely. However, certain circumstances may require that this Plan be amended or terminated. The Employer expressly reserves the right to amend, modify, or terminate this Plan at any time. In the event that any such action results in the termination of coverage, then any claims incurred prior to such action shall be paid; however, to the extent allowed by law, claims incurred on or after such action shall not be paid.

Exhibit I

PROVISION OF PROTECTED HEALTH INFORMATION TO PLAN SPONSOR

Scope and Purpose. The Company (hereinafter the “Plan Sponsor”) sponsors the Plan, which includes certain group health benefits (hereinafter the “Plan”). This Exhibit shall apply with respect to any health benefits that are provided to individuals participating under the Plan (“Health Plan Participants”).

In order for the Plan to operate effectively and efficiently, Plan Sponsor, using its own employees and/or agents and subcontractors, needs access to the individually identifiable health information of Health Plan Participants to perform certain administrative functions with respect to the Plan. When such health information is provided from the Plan to the Plan Sponsor, it is Protected Health Information (“PHI”).

In turn, the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (“HIPAA”), and its implementing regulations restrict Plan Sponsor’s ability to use and disclose PHI. For purposes of this Exhibit, PHI is individually identifiable health information related to a Health Plan Participant’s past, present, or future health condition, the health care services provided to a Health Plan Participant, or the past, present, or future payments made for a Health Plan Participant’s health care, which is created or received by a health care provider that electronically transmits such information, a health care clearinghouse, or a health plan.

Plan Sponsor shall have access to PHI from the Plan only as permitted under this Exhibit, or as otherwise required or permitted by HIPAA.

Permitted Disclosure of Enrollment/Disenrollment Information. The Plan (or a health insurance issuer or HMO with respect to the Plan) may disclose to Plan Sponsor information on whether the individual is participating in the Plan, or is enrolled in or has disenrolled from a health insurance issuer or HMO offered by the Plan.

Permitted Uses and Disclosures of Summary Health Information. The Plan (or a health insurance issuer or HMO with respect to the Plan) may disclose Summary Health Information to Plan Sponsor, provided Plan Sponsor requests the Summary Health Information for the purpose of (a) obtaining premium bids from health plans for providing health insurance coverage under the Plan; or (b) modifying, amending, or terminating the Plan.

For purposes of this Exhibit, “Summary Health Information” means information that (a) summarizes the claims history, claims expenses, or type of claims experienced by individuals for whom Plan Sponsor has provided health benefits under the Plan (or predecessor health care arrangement); and (b) from which various identifying elements described in 45 C.F.R. §164.514(b)(2)(i) has been deleted, except that the geographic information described in 45 C.F.R. §164.514(b)(2)(i)(B) need only be aggregated to the level of a five-digit zip code.

Permitted Uses and Disclosure of PHI for Certain Other Plan Administration Functions. Unless otherwise permitted by law, and subject to the conditions of disclosure and obtaining written certification as described below, the Plan (or a health insurance issuer or HMO on behalf of the Plan) may disclose PHI to Plan Sponsor, provided Plan Sponsor uses or discloses such PHI only for certain Plan Administration Functions. “Plan Administration Functions” means certain

administration functions performed by Plan Sponsor on behalf of the Plan, such as claims processing, quality assurance, auditing of the Plan and its vendors, and management of carve-out health plans (such as vision or dental). In no event, however, shall Plan Administration Functions include functions performed by Plan Sponsor in connection with any other benefit or benefit plan of Plan Sponsor, or any employment-related functions. For purposes of this section, "claims processing" shall include investigating, auditing, and otherwise administering and facilitating the payment of Plan claims with respect to health benefits from payers of such claims (including, but not limited to, providing advocacy and troubleshooting assistance to Health Plan Participants and beneficiaries, the coordination of benefits, determination of cost sharing amounts, and subrogation of health benefit claims), and obtaining payment on behalf of Plan Sponsor under a contract for stop-loss or reinsurance being utilized with respect to the health care benefits being provided under the Plan.

Notwithstanding the provisions of this Plan to the contrary, in no event shall Plan Sponsor be permitted to use or disclose PHI in a manner that is inconsistent with 45 C.F.R. §164.504(f).

Conditions of Disclosure for Certain Other Plan Administration Functions. Plan Sponsor agrees that with respect to any PHI (other than enrollment / disenrollment information and Summary Health Information, which are not subject to these restrictions) disclosed to it by the Plan (or a health insurance issuer or HMO on behalf of the Plan) Plan Sponsor shall:

- (1) Not use or further disclose the PHI other than as permitted or required by the Plan or as required by law.
- (2) Ensure that any agent, including a subcontractor, to whom it provides PHI received from the Plan, agrees to the same restrictions and conditions that apply to Plan Sponsor with respect to PHI.
- (3) Not use or disclose the PHI for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of Plan Sponsor.
- (4) Report to the Plan any use or disclosure of the information that is inconsistent with the uses or disclosures provided for of which it becomes aware.
- (5) Make available PHI to comply with HIPAA's right to access in accordance with 45 C.F.R. §154.524.
- (6) Make available PHI for amendment and incorporate any changes to PHI in accordance with 45 C.F.R. §164.526.
- (7) Make available the information required to provide an accounting of disclosures in accordance with 45 C.F.R. §164.528.
- (8) Make its internal practices, books, and records relating to the use and disclosure of PHI received from the Plan available to the Secretary of the United States Department of Health and Human Services for purposes of determining compliance by the Plan with HIPAA's privacy requirements.
- (9) If feasible, return or destroy all PHI received from the Plan that Plan Sponsor still maintains in any form and retain no copies of such information when no longer needed

for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.

- (10) Ensure that the adequate separation between the Plan and Plan Sponsor (*i.e.*, the “firewall”), required in 45 C.F.R. §504(f)(2)(iii), is satisfied.

Adequate Separation Between Plan and Plan Sponsor. Plan Sponsor shall allow only the following employees or other persons (including third parties) access to PHI:

- Vice President of Human Resources
- HR Generalist
- HR/Payroll Coordinator
- HR Administrative Assistant

No other persons shall have access to PHI. These specified persons (or classes of persons) shall only have access to and use PHI to the extent necessary to perform the plan administration functions that Plan Sponsor performs on behalf of the Plan. In the event that any of these specified persons do not comply with the provisions of this Section EIII.5, then (a) if such person is an employee of Plan Sponsor, that person shall be subject to disciplinary action by Plan Sponsor for non-compliance pursuant to Plan Sponsor’s employee discipline and termination procedures, and (b) if such person is not an employee of Plan Sponsor, that person shall be subject to disciplinary action by Plan Sponsor pursuant to the terms of the business associate agreement that shall be in place between such person and the Plan and Plan Sponsor.

Certification of Plan Sponsor The Plan (or a health insurance issuer or HMO with respect to the Plan) shall disclose PHI to Plan Sponsor only upon the receipt of a certification by Plan Sponsor that the Plan has been amended to incorporate the provisions of 45 C.F.R. §164.504(f)(2)(ii), and that the Plan Sponsor agrees to the conditions of disclosure as set forth above.

Appendix B

PARTICIPATING AFFILIATED OR RELATED EMPLOYERS

Effective as of January 1, 2012

Name and Address of Primary Location	Employer Identification Number	Benefits Provided
NONE		