

**SPECIMEN
SECTION 457(b) DEFERRED COMPENSATION PLAN
PRIVATE TAX-EXEMPT EMPLOYERS**

This specimen plan document is intended to meet the requirements of an eligible deferred compensation plan under Section 457(b) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated there under, that is sponsored by a private tax-exempt employer, as defined there under. This document is provided for consideration by the employer and its legal counsel. Modifications may be required depending on the specific facts and circumstances of the employer, including any applicable state or local laws, rules or regulations regarding deferred compensation or retirement benefits for employees of private tax-exempt employers. VALIC cannot and does not provide legal or tax advice.

DEFERRED COMPENSATION PLAN
(Private Tax-Exempt)

ARTICLE I. INTRODUCTION

Drury University (hereinafter the "Employer") hereby establishes, or amends and restates, as applicable, the Drury University 457(b) Deferred Compensation Plan Deferred Compensation Plan (hereinafter the "Plan"). The Plan is intended to be an eligible deferred compensation plan under section 457 of the Internal Revenue Code of 1986, as amended. The primary purpose of this Plan is to attract and retain qualified personnel by permitting them to provide for benefits in the event of their retirement or death. Nothing contained in this Plan shall be deemed to constitute an employment agreement between any Participant and the Employer and nothing contained herein shall be deemed to give any Participant any right to be retained in the employ of the Employer.

ARTICLE II. PLAN ELECTIONS

2.01 **Plan Effective Date.** (Hereinafter the "Effective Date.") (Check one.)

- This Plan is being established by the Employer effective _____.
- This Plan amends and restates the Plan previously established by the Employer and, except as provided in Section 10.02, is effective as of the date of its execution by Employer. The Plan was originally established by the Employer effective June 1, 2012.

2.02 **Default Distribution Date.** If, pursuant to Section 7.01, the Participant does not elect a benefit commencement date within 60 days following Severance from Employment, or if the Participant's election cannot be given effect, then distribution of the Participant's Account shall commence in accordance with the option selected below (or if no selection is made, in accordance with the first option).

- Distribution of the Participant's Account shall commence April 1st of the calendar year following the calendar year of the Participant's Retirement. "Retirement" means the Participant has had a Severance from Employment and attained age 65.
- Distribution of the Participant's Account shall commence on the 61st day following the Participant's Severance from Employment. (Check one.)
- This option shall apply *only* to Participants terminating employment after the Effective Date of this Plan document.
- This option shall apply to all Participants.

2.03 **Default Payment Option.** If the Participant does not elect a payment option under Section 7.03, then the Participant's Account shall be distributed in accordance with the option selected below (or if no selection is made, in accordance with the first option).

- Installments over a period of 10 years.
- Lump sum.

2.04 **Unforeseeable Emergency Withdrawals.** (Check one.)

- Yes. Withdrawals under Section 7.07 shall be available under this Plan. (Check one.)
- Withdrawals on account of an illness, accident or need to pay for the funeral expenses of the Participant's primary Beneficiary shall be available effective the later of (a) August 17, 2006, (b) the original effective date of the Plan or (c) _____, _____ (insert date this option first available).
- Withdrawals on account of an illness, accident or need to pay for funeral expenses of the Participant's primary Beneficiary shall not be available.
- No. Withdrawals under Section 7.07 shall not be available under this Plan.

2.05 **Participant's Election to Receive In-Service Distribution.** A Participant may elect to receive an in-service distribution of his account balance as described in Section 7.09. (Check one.)

- Yes, if the total amount payable to a Participant under the Plan does not exceed the dollar amount under section 411(a)(11)(A) of the Code (currently \$5,000).

- No. Section 7.09 shall not apply to this Plan.
- 2.06 Distribution without Participant's Consent. Small accounts of certain inactive Participants may be distributed without the Participant's consent as described in Section 7.10. (Check one.)
- Yes, if the total amount payable to a Participant under the Plan does not exceed the dollar amount under section 411(a)(11)(A) of the Code (currently \$5,000).
- No. Section 7.10 shall not apply to this Plan.
- 2.07 Governing Law. This Plan shall be construed under the laws of the State/Commonwealth of Missouri (insert state/commonwealth). This Plan shall be subject to any applicable State/Commonwealth, county or local deferred compensation rules and regulations.

ARTICLE III. DEFINITIONS

- 3.01 Account: The account maintained for each Participant reflecting the cumulative amount of each Participant's Deferred Compensation, including any income, gains, losses, or increases or decreases in market value attributable to the investment of the Participant's Deferred Compensation, and further reflecting any distributions to the Participant or the Beneficiary and any fees or expenses charged against the Participant's Deferred Compensation.
- 3.02 Annuity Contract: If selected by the Employer as an investment option, one or more group fixed, variable or combination fixed and variable annuity contracts issued by The Variable Annuity Life Insurance Company (VALIC) and approved for sale in the Employer's state, or by another insurance company qualified to do business in the Employer's state, which provide for periodic payments at regular intervals, whether for a period certain or during one or more lives, and which are non-transferable.
- 3.03 Beneficiary or Beneficiaries: The person or persons designated by the Participant in his Deferred Compensation Agreement who shall receive any benefits payable hereunder in the event of the Participant's death. If more than one designated Beneficiary survives the Participant, payments shall be made equally to the surviving Beneficiaries, unless otherwise provided in the Deferred Compensation Agreement. If no Beneficiary is designated in the Deferred Compensation Agreement or if no designated Beneficiary survives the Participant, then the estate of the Participant shall be the Beneficiary. However, a Participant may designate a contingent Beneficiary (or Beneficiaries) who shall become the primary Beneficiary (or Beneficiaries) under this Plan in the event that no primary Beneficiary survives the Participant.
- 3.04 Code: The Internal Revenue Code of 1986, as amended, and regulations thereunder.
- 3.05 Deferred Compensation: The amount of Normal Compensation otherwise payable to the Participant that the Participant and the Employer mutually agree to defer hereunder, any amount credited to a Participant's Account by reason of a transfer under Section 9.01, or any other amount that the Employer in its discretion credits to a Participant's Account which credit need not be the same amount or percentage for all Participants and that does not exceed the Maximum Limitation.
- 3.06 Deferred Compensation Agreement: An agreement entered into between a Participant and the Employer and any amendments or modifications thereof, which agreement shall fix the amount of Deferred Compensation; specify the Participant's investment selection with respect to his Deferred Compensation; designate the Participant's Beneficiary or Beneficiaries and incorporate the terms, conditions, and provisions of this Plan by reference.
- 3.07 Employee: A member of a select group of management or highly compensated employees, defined by the Employer as Employees whose Compensation is greater than \$100,000, and as described in sections 201, 301 and 401 of the Employee Retirement Security Act of 1974 ("ERISA"), as amended. If Employer is a church or convention or association of churches that is exempt from tax under Code section 501 and described in ERISA section 3(33), but not including a church or qualified church controlled organization ("QCCO") as defined in Code section 3121(w)(3)(A) and (B), respectively, and that has not elected under Code section 410(d) to be subject to ERISA, then any individual, whether appointed, elected or under contract, providing services for the Employer for which compensation is paid. In addition, an individual providing services to the Employer as an independent contractor shall be considered an Employee for purposes of this Plan, provided that the Employer designates such individual as eligible to participate hereunder.
- 3.08 Employer: The entity identified in Article I, which entity is an eligible employer as defined in Code section 457(e)(1)(B) (an organization, other than a government unit, exempt from tax).
- 3.09 Includible Compensation: Includible Compensation of a Participant shall mean, with respect to a taxable year, the Participant's compensation, as reported in Box 1 of the Participant's W-2, for services performed for the Employer, and for years beginning after 2008, shall include "differential wage payments," as defined in Code section 3401(h)(2) (a payment by the Employer to an individual with respect to any period during which the individual is performing service

in the uniformed services while on active duty for a period of more than 30 days, and which payment represents all or a portion of the wages the individual would have received from the Employer if the individual were performing service for the Employer). The amount of Includible Compensation shall be determined without regard to any community property laws.

- 3.10 **Maximum Limitation:** The maximum amount that may be deferred under this Plan for the taxable year of a Participant. Such amount shall be the Normal Limitation.
- (a) **Normal Limitation:** The maximum amount deferred shall not exceed the lesser of the applicable dollar amount (as described in Section 3.10(b) below) or 100% of the Participant's Includible Compensation, as adjusted by Section 3.10(d) below. Notwithstanding the preceding provisions of this paragraph, for calendar years prior to 2002, the maximum amount deferred shall not exceed such limit or limits in effect for the applicable year pursuant to section 457 of the Code.
- (b) **Applicable Dollar Amount:** For contributions in 2002 and in subsequent years, the applicable dollar amount shall be the amount determined in accordance with the following table:
- | <u>For taxable years beginning
in calendar year:</u> | <u>The applicable
dollar amount:</u> |
|--|--|
| 2002 | \$11,000 |
| 2003 | \$12,000 |
| 2004 | \$13,000 |
| 2005 | \$14,000 |
| 2006 | \$15,000 |
- In the case of taxable years beginning after December 31, 2006, the applicable dollar amount shall be adjusted for cost-of-living increases in accordance with Code section 457(e)(15). The applicable dollar amount for 2007 and 2008 is \$15,500 and for 2009 and 2010 is \$16,500.
- (c) **Coordination with Other Plans:** For contribution years prior to 2002, the amount excludible from a Participant's gross income for any taxable year under this Plan or any other plan under section 457(b) of the Code shall not exceed \$7,500 (as adjusted for cost-of-living increases in accordance with section 457(e)(15) of the Code), less any amount excluded from gross income under sections 403(b), 402(e)(3), or 402(h)(1)(B) or (k) of the Code, or any amount with respect to which a deduction is allowable by reason of a contribution to an organization under section 501(c)(18) of the Code.
- (d) **Excess Deferrals:** Any amount deferred in excess of the Maximum Limitation shall be distributed to the Participant, with allocable net income, not later than the first April 15TH following the close of the taxable year of the excess deferral. An excess deferral as a result of a failure to comply with the individual limitation under Treas. Reg. section 1.457-5 for a taxable year may be distributed to the Participant, with allocable net income, as soon as administratively practicable after the Plan determines that the amount is an excess deferral.
- 3.11 **Normal Compensation:** The amount of compensation that would be payable to a Participant by the Employer if no Deferred Compensation Agreement were in effect to defer compensation under this Plan.
- 3.12 **Participant:** Any Employee who has enrolled in this Plan pursuant to the requirements of Article V or who has previously deferred compensation under this Plan and who has not received a distribution of his entire benefit under the Plan.
- 3.13 **Plan Year:** The 12-month period commencing each June 1ST and ending on the following May 31ST.
- 3.14 **Retirement:** The first date upon which each of the following shall have occurred: Severance from Employment and attainment of age 65.
- 3.15 **Severance from Employment:** Termination of the Participant's employment relationship with the Employer. For years prior to 2002, references in this Plan to Severance from Employment shall mean severance of the Participant's employment with the Employer, within the meaning of Code section 402(e)(4)(D)(i)(III), rather than termination of the Participant's employment relationship with the Employer.
- 3.16 **Service Provider:** The Variable Annuity Life Insurance Company (VALIC) or its affiliates or such other entity as the Employer designates to perform administrative services under this Plan.

ARTICLE IV. ADMINISTRATION

- 4.01 **Plan Administrator:** This Plan shall be administered by the Employer or one or more persons designated by the Employer. The Plan Administrator, if other than the Employer, shall act as the agent of the Employer in all matters concerning the administration of this Plan. The Plan Administrator shall have full power to adopt, amend, and revoke

such rules and regulations consistent with and as may be necessary to implement, operate and maintain this Plan, to enter into contracts on behalf of the Employer under this Plan, and to make discretionary decisions affecting the rights or benefits of Participants under Section 7.07 of this Plan.

- 4.02 Employee with Administrative Responsibilities. Any Employee who is charged with administrative responsibilities hereunder may participate in the Plan under the same terms and conditions as apply to other Employees. However, he shall not have the power to participate in any discretionary action taken with respect to his participation under Section 7.07 of this Plan.
- 4.03 Administrative Services. The Employer may enter into an agreement with a Service Provider to provide nondiscretionary administrative services under this Plan for the convenience of the Employer, including, but not limited to, the enrollment of Employees as Participants, the maintenance of Accounts and other records, the making of periodic reports to Participants, and the disbursement of benefits to Participants.

ARTICLE V. PARTICIPATION IN THE PLAN

- 5.01 Participant. An Employee becomes a Participant when he has executed and entered into a Deferred Compensation Agreement with the Employer. An Employee is not precluded from becoming a Participant by reason of having received a pre-1997 cash-out distribution (upon separation from service) of \$3,500 or less from a Code section 457(b) plan.
- 5.02 Deferral by Salary Reduction. An Employee may elect to defer compensation for a calendar month by entering into a Deferred Compensation Agreement before the first day of the month in which the compensation is paid or made available. A new Employee may defer compensation payable in the calendar month which includes the first day of employment by entering into a Deferred Compensation Agreement on or before the first day of employment.
- 5.03 Minimum Deferral Amount. At the time of entering into or amending a Deferred Compensation Agreement hereunder, a Participant must agree to defer a minimum periodic amount as specified by the Plan Administrator.
- 5.04 Change in Amount of Deferred Compensation or Beneficiary. A Participant may not amend or modify an executed Deferred Compensation Agreement to change the amount of Deferred Compensation except with respect to compensation to be earned in the subsequent calendar month and provided that notice is given prior to the beginning of the month for which such change is to be effective. A Participant may change the Beneficiary designated in his Deferred Compensation Agreement at any time by giving written notice to the Plan Administrator.
- 5.05 Revocation of Deferred Compensation Agreement. A Participant may revoke his Deferred Compensation Agreement and thereafter be restored to his Normal Compensation in the subsequent calendar month, by giving notice to the Employer prior to the beginning of the month for which such revocation is to be effective.
- 5.06 New Deferred Compensation Agreement Upon Return to Service or After Revocation. A Participant who returns to active service with the Employer after a Severance from Employment, or who has revoked his Deferred Compensation Agreement under Section 5.05, may again become an active Participant by executing a new Deferred Compensation Agreement with the Employer prior to the beginning of the calendar month as to which it is to be effective.
- 5.07 Leave of Absence; Other Absences. Compensation may continue to be deferred under this Plan with respect to a Participant who is on an approved leave of absence from the Employer with compensation, and all of the rules of this Article shall apply with respect to making, amending or revoking any Deferred Compensation Agreement for such a Participant.
- 5.08 Deferrals of Sick, Vacation, and Back Pay. Subject to approval of the Employer, a Participant who has not had a Severance from Employment may elect to defer accumulated sick pay, accumulated vacation pay, and back pay under this Plan in accordance with the requirements of Code section 457(b). These amounts may be deferred for any calendar month only if an agreement providing for the deferral is entered into before the beginning of the month in which the amounts would otherwise be paid or made available and the Participant is an Employee on the date the amounts would otherwise be paid or made available.
- 5.09 Deferrals of Amounts Paid After Severance from Employment. Subject to the approval of the Employer:
- (a) A Participant may elect to defer certain amounts that are paid after Severance from Employment, but only if such amounts are:
 - (1) paid by the later of 2½ months after Severance from Employment or the end of the calendar year that includes the date of Severance from Employment, and
 - (2) one of the following types of compensation:

- (i) regular compensation for services rendered by the Participant (including base pay, overtime, shift differential, commission, bonus or other similar pay), so long as these amounts would have been paid to the Participant prior to termination of employment if the Participant had not had a Severance from Employment; or
 - (ii) payments for accrued but unused sick, vacation or other leave, but only if the Participant would have been able to use such leave if employment had continued.
- (b) A Participant may also elect to defer amounts paid to the Participant during periods when the Participant is not performing services for the Employer by reason of qualified military service (as that term is used in Code section 414(u)(1)), but only to the extent those payments do not exceed the amount the Participant would have received if the Participant had continued to perform services for the Employer rather than entering qualified military service.
- (c) A Participant may also elect to defer amounts paid to the Participant during a period when the Participant is not performing services for the Employer because the Participant is permanently and totally disabled (as that term is defined in Code section 22(e)(3)), so long as either
- (1) the Participant was not a highly compensated employee (as defined in Code section 414(q)) immediately before becoming permanently and totally disabled, or
 - (2) the plan under which the disability payments are made provides for payments to all Participants who are permanently and totally disabled for a fixed or determined period.

ARTICLE VI. INVESTMENT OF DEFERRED COMPENSATION

- 6.01 Annuity Contracts and Other Plan Investments. For the purposes of satisfying its obligation to provide benefits under this Plan, the Employer may invest the amount of compensation deferred by each Participant in Annuity Contracts and other Plan investments as specified in the Participants' Deferred Compensation Agreements. However, nothing in this section shall require the Employer to invest Deferred Compensation in any particular form of investment. Except as otherwise permitted by the Code as applicable to plans of unfunded deferred compensation and elected by the Employer, all Annuity Contracts and other Plan investments held by the Employer with respect to this Plan, including all property or rights purchased with Deferred Compensation and all income attributable thereto, shall be the sole property of the Employer. Any such investments shall be subject to the claims of all creditors of the Employer, and no Participant or Beneficiary shall have any vested interest or secured or preferred position with respect to such investments or have any claim against the Employer except as a general creditor. Responsibility for the selection of investment alternatives for Plan assets shall be retained by the Employer, and the Employer shall have the right to modify the selection of investment alternatives from time to time. However, Participants and Beneficiaries may allocate amounts held in their Accounts or otherwise credited for their benefit under the Plan among the investment alternatives selected by the Employer, and the Employer shall cause such amounts to be so allocated within a reasonable time after the receipt of Participant instructions, or may instruct the issuer, trustee, or custodian to accept such allocation instructions directly from Participants and Beneficiaries as representatives of the Employer.
- 6.02 Benefits Based on Participant's Account Value. The benefits paid to a Participant or Beneficiary pursuant to Article VII of this Plan shall be based upon the value of the Participant's Account. In no event shall the Employer's liability to pay benefits exceed the value of the Participant's Account, and the Employer shall not be liable for losses arising from depreciation or other decline in the value of any investments acquired under this Plan.
- 6.03 Periodic Reports. Each Participant shall receive periodic reports, not less frequently than annually, showing the then-current value of his Account.
- 6.04 Employer-Directed Accounts. Notwithstanding any provision of the Plan to the contrary, the Employer shall direct the issuer, trustee or custodian with respect to the investment of any contributions that are forwarded to the issuer, trustee or custodian prior to the date on which the Participant or Beneficiary completes the necessary paperwork with the issuer, trustee or custodian (or takes such other action or actions as may be necessary) to direct the investment of such amounts. Such direction shall be communicated to the issuer, trustee or custodian by means of a separate written agreement between the Employer and issuer, trustee or custodian, which agreement shall include a default investment option and a default beneficiary designation. This direction shall be effective only until such time as the Participant or Beneficiary exercises his right to direct the investment of such amounts and to designate a Beneficiary in accordance with the terms of the Plan.

ARTICLE VII. BENEFITS

- 7.01 Distribution of Benefits and Election on Severance from Employment. Except as otherwise provided in this Article, the distribution of a Participant's Account shall commence on the benefit commencement date elected in writing by the Participant in the Participant's Deferred Compensation Agreement or such other form as the Employer may prescribe. The Participant may elect to have the distribution of benefits commence on a date that is (i) no earlier than sixty-one (61) days after the Participant's Severance from Employment and (ii) no later than April 1ST of the calendar year

following the later of the calendar year of the Participant's Retirement or the calendar year in which the Participant attains age 70½. A Participant's election of a benefit commencement date may be made or changed at any time up until the 60th day following the Participant's Severance from Employment, after which the election shall become irrevocable (subject to Section 7.02). If the Participant fails to make an election by the 60th day following Severance from Employment or the Participant's election cannot be given effect under the terms of this section, then the distribution of the Participant's Account shall commence as of the default distribution date set forth under Section 2.02. Such distributions shall be made in accordance with one of the payment options described in Section 7.03. Distribution of benefits shall begin as soon as administratively practicable after the benefit commencement or default distribution date, but in no event later than the time required under Section 7.04.

7.02 Additional Distribution Election. Notwithstanding a Participant's prior irrevocable election to defer payment of any or all amounts under this Plan as provided by section 457 of the Code, any such Participant may elect to defer commencement of distributions under this Plan if:

- (a) the election is made after amounts may be available under the Plan in accordance with section 457(d)(1)(A) of the Code, and before commencement of such distributions; and
- (b) there has been no prior election by such Participant under this Section 7.02.

7.03 Payment Options. A Participant (or a Beneficiary as provided in Section 7.06) may elect to have the value of the Participant's Account distributed in accordance with one of the following payment options provided that such option is available under the investment and consistent with the limitations set forth in Section 7.04:

- (a) life annuity;
- (b) life annuity with 60, 120, or 180 monthly payments guaranteed;
- (c) unit refund life annuity;
- (d) joint and last survivor annuity (spouse only);
- (e) lump sum;
- (f) term certain annuity with 36, 48, 60, 72, 84, 96, 108, 120, 132, 144, 156, 168 or 180 monthly payments guaranteed;
- (g) withdrawals for a specified number of years;
- (h) withdrawals of a specified amount; or
- (i) any other method of payment agreed upon between Participant and Employer and accepted by the investment provider or Service Provider.

The election of a payment option must be made at least thirty (30) days before the payment of benefits is to commence. If a Participant fails to elect a payment option at least thirty (30) days before benefit payments are to commence, then payments shall be made under the payment option set forth under Section 2.03.

Notwithstanding the options above, any option that involves a life contingency (or a joint life contingency) shall only be available under an Annuity Contract offered or obtained under the terms of the Plan.

7.04 Required Minimum Distributions.

- (a) No payment option may be selected by the Participant (or a Beneficiary) unless it satisfies the requirements of Code section 401(a)(9) and any additional Code limitations applicable to the Plan. The provisions of this section shall apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year. The requirements of this section shall take precedence over any inconsistent provisions of the Plan. All distributions required under this section shall be determined and made in accordance with the regulations under section 401(a)(9) of the Code. Notwithstanding the other provisions of this section, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to section 242(b)(2) of TEFRA.
- (b) The Participant's entire interest shall be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date. If the Participant dies before distributions begin, the Participant's entire interest shall be distributed, or begin to be distributed, no later than as follows:
 - (1) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, then unless the surviving spouse elects to apply the 5-year rule (pursuant to subsection (f), below), distributions to the surviving spouse

shall begin by December 31ST of the calendar year immediately following the calendar year in which the Participant died, or by December 31ST of the calendar year in which the Participant would have attained age 70½, if later.

- (2) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then unless the designated Beneficiary elects to apply the 5-year rule (pursuant to subsection (f)), below), distributions to the designated Beneficiary shall begin by December 31ST of the calendar year immediately following the calendar year in which the Participant died.
- (3) If there is no designated Beneficiary as of September 30TH of the year following the year of the Participant's death, the Participant's entire interest shall be distributed by December 31ST of the calendar year containing the fifth anniversary of the Participant's death.
- (4) If the Participant's surviving spouse is the Participant's sole designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this subsection (b), other than paragraph (b)(1), shall apply as if the surviving spouse were the Participant.

For purposes of this subsection (b) and subsection (d), unless paragraph (b)(4) applies, distributions are considered to begin on the Participant's required beginning date. If paragraph (b)(4) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under paragraph (b)(1). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under paragraph (b)(1)), the date distributions are considered to begin is the date distributions actually commence.

Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions shall be made in accordance with subsections (c) and (d) of this section. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder shall be made in accordance with the requirements of section 401(a)(9) of the Code.

- (c) During the Participant's lifetime, the minimum amount that shall be distributed for each distribution calendar year is the lesser of:
 - (1) the quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or
 - (2) if the Participant's sole designated Beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

Required minimum distributions shall be determined under this subsection (c) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

- (d) (1) If the Participant dies on or after the date distributions begin and there is a designated Beneficiary, the minimum amount that shall be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated Beneficiary, determined as follows:
 - (i) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
 - (ii) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.
 - (iii) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

- (2) If the Participant dies on or after the date distributions begin and there is no designated Beneficiary as of September 30TH of the year after the year of the Participant's death, the minimum amount that shall be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
- (3) Except as otherwise elected (pursuant to subsection (f), below), if the Participant dies before the date distributions begin and there is a designated Beneficiary, the minimum amount that shall be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's designated Beneficiary, determined as provided in paragraphs (d)(1) and (d)(2).
- (4) If the Participant dies before the date distributions begin and there is no designated Beneficiary as of September 30TH of the year following the year of the Participant's death, distribution of the Participant's entire interest shall be completed by December 31ST of the calendar year containing the fifth anniversary of the Participant's death.
- (5) If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under paragraph (b)(1), this subsection (d) shall apply as if the surviving spouse were the Participant.

(e) Definitions.

- (1) "Designated Beneficiary" means the individual who is designated as the Beneficiary under Section 6.02 of the Plan and is the designated Beneficiary under section 401(a)(9) of the Code and section 1.401(a)(9)-1, Q&A-4, of the regulations.
- (2) "Distribution calendar year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year that contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under subsection (b). The required minimum distribution for the Participant's first distribution calendar year shall be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, shall be made on or before December 31ST of that distribution calendar year.
- (3) "Life expectancy" means life expectancy as computed by use of the Single Life Table in section 1.401(a)(9)-9 of the regulations.
- (4) "Participant's account balance" means the account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.
- (5) "Required beginning date" means April 1ST of the calendar year following the later of:
 - (i) the calendar year in which the Participant attains age 70½; or
 - (ii) the calendar year in which the Participant retires.
- (f) Participants or Beneficiaries may elect, on an individual basis, whether the 5-year rule or the life expectancy rule in subsections (b) and (d) applies to distributions after the death of a Participant who has a designated Beneficiary. The election must be made no later than the earlier of September 30TH of the calendar year in which distribution would be required to begin under subsection (b), or by September 30TH of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, the surviving spouse's) death. If neither the Participant nor the Beneficiary makes an election under this paragraph, distributions shall be made in accordance with subsections (b) and (d).

7.05 Post-Retirement Death Benefits. Should the Participant die after he has begun to receive benefits under a payment option, the guaranteed or remaining payments, if any, under the payment option shall be payable to the Participant's Beneficiary commencing with the first payment due after the death of the Participant. Payment to the Participant's Beneficiary must comply with the minimum distribution requirements of Section 7.04, and with any additional Code

limitations applicable to the Plan. If the Beneficiary does not continue to live for the remaining period of payments under the payment option, then the remaining benefits under the payment option shall be paid to the Beneficiary's beneficiary or, if none, the Beneficiary's estate. In no event shall the Employer be liable for any payments made in the name of the Participant or a Beneficiary before the Employer or its agent receives proof of the death of the Participant or Beneficiary.

7.06 Pre-Retirement Death Benefits. Should the Participant die before he has begun to receive benefits under Section 7.01, a death benefit equal to the value of the Participant's Account shall be payable to the Beneficiary. Such death benefit shall be paid as soon as administratively practicable after the 61ST day following the Participant's death, unless the Beneficiary elects a later commencement date within sixty (60) days of the Participant's death. Such death benefit shall be paid in a lump sum unless the Beneficiary makes a timely election of a different payment option. Payment to the Participant's Beneficiary must comply with the minimum distribution requirements of Section 7.04, and with any additional Code limitations applicable to the Plan. Should the Beneficiary die before the completion of payments under the payment option, the value of the remaining payments under the payment option shall be paid to the Beneficiary's beneficiary or, if none, the Beneficiary's estate.

7.07 Unforeseeable Emergency Withdrawals. If the Employer so elects under Section 2.04, then in the event of an unforeseeable emergency, a Participant (or, following the Participant's death, the Participant's Beneficiary) may apply to the Employer to receive that part of the value of his Account that is reasonably needed to satisfy the emergency need (including any amounts that may be necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution). In the event of an application by a Beneficiary (after the death of the Participant), the Beneficiary shall be treated as the "Participant" for purposes of the definition of "unforeseeable emergency" below. If such application for withdrawal is approved by the Employer, the Employer shall direct the issuer, trustee or custodian to pay the Participant such value as the Employer deems necessary to meet the emergency need.

The regulations under section 457(d)(1)(A)(iii) of the Code define an unforeseeable emergency as a severe financial hardship of the Participant resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's dependent (as defined in Code section 152, and, for taxable years beginning on or after January 1, 2005, without regard to Code section 152(b)(1), (b)(2), and (d)(1)(B)) or, if the Employer so elects under Section 2.04, the Participant's primary Beneficiary; loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. For example, the imminent foreclosure of or eviction from the Participant's primary residence may constitute an unforeseeable emergency. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an unforeseeable emergency. Finally, the need to pay for the funeral expenses of a spouse or a dependent (as defined in Code section 152, and, for taxable years beginning on or after January 1, 2005, without regard to Code section 152(b)(1), (b)(2), and (d)(1)(B)) or, if the Employer so elects under Section 2.04, the Participant's primary Beneficiary, may also constitute an unforeseeable emergency. Except as otherwise specifically provided in this Section 7.07, neither the purchase of a home nor the payment of college tuition is an unforeseeable emergency.

A distribution on account of an unforeseeable emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or by cessation of deferrals under the Plan.

7.08 Transitional Rule for Annuity Payment Option Elections. If this Plan document constitutes an amendment and restatement of the Plan as previously adopted by the Employer and if a Participant or Beneficiary has commenced receiving benefits under an annuity payment option, that annuity payment option shall remain in effect notwithstanding any other provision of this Plan.

7.09 Participant's Election to Receive In-Service Distribution. If the Employer so elects under Section 2.05, a Participant may elect to receive an in-service distribution of the total amount payable to him under the Plan if:

- (a) such amount does not exceed the dollar amount under section 411(a)(11)(A) of the Code,
- (b) no amount has been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the distribution, and
- (c) there has been no prior distribution under the Plan to the Participant under this Section 7.09 or under Section 7.10.

7.10 Distribution without Participant's Consent. If the Employer so elects under Section 2.06, the total amount payable to a Participant under the Plan may be distributed to the Participant without his consent if:

- (a) such amount does not exceed the dollar amount under section 411(a)(11)(A) of the Code,

- (b) no amount has been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the distribution, and
- (c) there has been no prior distribution under the Plan to the Participant under this Section 7.10 or under Section 7.09.

ARTICLE VIII. NON ASSIGNABILITY

- 8.01 In General. Except as provided in Section 8.02, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors; and no Participant or Beneficiary shall have any right to commute, sell, assign, pledge, transfer or otherwise convey or encumber the right to receive any payments hereunder or any interest under the Plan, which payments and interests are expressly declared to be non-assignable and non-transferable.
- 8.02 Domestic Relations Orders.
- (a) Allowance of Transfers: Notwithstanding Section 8.01, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to a State/Commonwealth domestic relations law ("domestic relations order"), then the amount of the Participant's Account shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Plan Administrator shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order. Where necessary to carry out the terms of such an order, a separate Account may be established with respect to the spouse, former spouse, child, or other dependent of the Participant who shall be entitled to make investment selections with respect thereto in the same manner as the Participant.
 - (b) Release from Liability to Participant: The Employer's liability to pay benefits to a Participant shall be reduced to the extent that amounts have been paid or set aside for payment to a spouse, former spouse, child, or other dependent pursuant to paragraph (a) of this section. No such transfer shall be effectuated unless the Employer or Service Provider has been provided with satisfactory evidence that the Employer and the Service Provider are released from any further claim by the Participant with respect to such amounts. The Participant shall be deemed to have released the Employer and the Service Provider from any claim with respect to such amounts, in any case in which (i) the Employer or Service Provider has been served with legal process or otherwise joined in a proceeding relating to such transfer, (ii) the Participant has been notified of the pendency of such proceeding in the manner prescribed by the law of the jurisdiction in which the proceeding is pending by service of process in such action or by mail from the Employer or Service Provider to the Participant's last known mailing address, and (iii) the Participant fails to obtain an order of the court in the proceeding relieving the Employer or Service Provider from the obligation to comply with the judgment, decree, or order. The Participant shall also be deemed to have released the Employer or Service Provider if the Participant has consented to the transfer pursuant to the terms of a property settlement agreement and/or a final judgment, decree, or order as described in paragraph (a).
 - (c) Participation in Legal Proceedings: The Employer and the Service Provider shall not be obligated to defend against or seek to have set aside any judgment, decree, or order described in paragraph (a) or any legal order relating to the garnishment of a Participant's benefits, unless the full expense of such legal action is borne by the Participant. In the event that the Participant's action (or inaction) nonetheless causes the Employer or Service Provider to incur such expense, the amount of the expense may be charged against the Participant's Account and thereby reduce the Employer's obligation to pay benefits to the Participant. In the course of any proceeding relating to divorce, separation, or child support, the Employer and Service Provider shall be authorized to the extent permitted by applicable laws to disclose information relating to the Participant's Account to the Participant's spouse, former spouse, or child (including the legal representatives of the spouse, former spouse, or child), or to a court.

ARTICLE IX. TRANSFERS

- 9.01 Transfers from Other Plans. This Plan shall not accept transfers, pursuant to section 457 of the Code, of amounts deferred by an individual under another eligible deferred compensation plan of a tax-exempt employer.
- 9.02 Transfers to Other Plans. A Participant may not elect to have any portion of the amount payable to him transferred to another eligible Code section 457(b) deferred compensation plan of a tax-exempt employer.

ARTICLE X. AMENDMENT OR TERMINATION OF PLAN

- 10.01 Amendment or Termination. The Employer may at any time amend this Plan or terminate this Plan and distribute the Participants' Accounts in conformity with the Code; provided, however, that such amendment or termination shall not

impair the rights of Participants or their Beneficiaries with respect to any compensation deferred before the date of the amendment or termination of this Plan except as may be required to maintain the tax status of the Plan under the Code. In the event that the Plan is terminated, amounts deferred under the Plan (and all Plan assets) shall be distributed to all Plan Participants and Beneficiaries as soon as administratively practicable after the termination of the Plan and Participants shall thereafter receive their Normal Compensation.

- 10.02 Amendment and Restatement of Previously Adopted Plan. If this Plan document constitutes an amendment and restatement of the Plan as previously adopted by the Employer, the amendments contained herein shall be effective as of the Effective Date, and the terms of the preceding plan document shall remain in effect through such date. Notwithstanding the preceding sentence, the terms of this amended and restated Plan reflect requirements under the Code that have been in effect since January 1, 2002, and shall have retroactive effect to that date if and to the extent that the terms or operation of the Employer's Plan were not consistent with those requirements on or after January 1, 2002.

ARTICLE XI. USERRA

An Employee whose employment is interrupted by qualified military service under Code section 414(u) or who is on a leave of absence for qualified military service under Code section 414(u) may defer additional compensation upon resumption of employment with the Employer equal to the maximum amount of compensation that could have been deferred during that period if the Employee's employment with the Employer had continued (at the same level of compensation) without the interruption of leave, reduced by the amount of compensation, if any, actually deferred during the period of the interruption or leave. This right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).

ARTICLE XII. PARTICIPANT CLAIMS

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

- (a) The specific reason or reasons for the adverse determination.
- (b) Reference to the specific Plan provisions on which the determination is based.
- (c) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary.
- (d) A description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

If the claimant receives an adverse benefit determination (*i.e.*, if the claim is denied) and the claimant wishes to challenge that determination, the claimant must exhaust the Claims Review Procedure below before the claimant files a civil claim. If the disposition of the claim is not communicated to the claimant by the Administrator within the time frames outlined in this section, the claimant will be deemed to have exhausted the Claims Review Procedure of the Plan.

- 12.02 Claims Review Procedure. If the claimant receives an adverse benefit determination, and the claimant wishes to challenge the adverse benefit determination, the claimant must file the claim for review, in writing, with the Plan Administrator pursuant to the following procedures:
- (a) THE CLAIMANT MUST FILE THE CLAIM FOR REVIEW NO LATER THAN 60 DAYS AFTER THE CLAIMANT HAS RECEIVED WRITTEN NOTIFICATION OF THE DENIAL OF THE CLAIM FOR BENEFITS.
 - (b) The claimant may submit written comments, documents, records, and other information relating to the claim for benefits.

- (c) The claimant will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim for benefits.
- (d) The claim for review must be given a full and fair review. This review will take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

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

- (a) The specific reason or reasons for the adverse determination.
- (b) Reference to the specific Plan provisions on which the benefit determination is based.
- (c) A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim for benefits.
- (d) A statement describing any voluntary appeals procedures offered by the Plan and the claimant's right to obtain the information about such procedures, and a statement of the claimant's right to bring an action under Section 502(a) of ERISA after the claimant has exhausted the Plan's Claims Review Procedure set forth above.

The claimant must exhaust the Plan's Claims Review Procedure before challenging an adverse benefits determination in court. If the claimant has exhausted the Plan's Claims Review Procedure, or the claim has not been decided within the time frames required above, then the claimant may file suit in state or federal court.

ARTICLE XIII. RELATIONSHIP TO OTHER PLANS

This Plan serves in addition to any other retirement, pension or benefit plan or system presently in existence or hereinafter established.

IN WITNESS WHEREOF, the Employer has caused this instrument to be executed by its duly authorized representative on this 11 day of JUNE, 20 15.

Employer (Please Print): Drury University

Employer's Signature: Bill Scorse

Name (Please Print): Bill Scorse

Title (Please Print): VP, Administration