

**ILLINOIS STATE UNIVERSITY
TAX DEFERRED COMPENSATION PLAN**

V2247551.5

Effective January 1, 2009

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**ILLINOIS STATE UNIVERSITY
TAX DEFERRED COMPENSATION PLAN**

ARTICLE I.

PLAN ESTABLISHMENT

The Board of Trustees of Illinois State University ("University") is a public university established under Illinois law and an educational organization described in section 170(b)(1)(A)(ii) of the Internal Revenue Code of 1986, as amended ("Code"), as well as a tax-exempt organization under the Code. The University has offered employees the opportunity to voluntarily defer their salary to a 403(b) program since July, 1967, at which time the University was governed by the Illinois Board of Regents of the Universities System. The Board of Trustees of Illinois State University replaced the Illinois Board of Regents of the Universities System effective January 1, 1996. At that time, the Board approved the establishment of a new set of policy statements which set forth the principles and philosophies the Board would use in governing the University. These principles and philosophies included the Illinois State University Tax Deferred Compensation Plan ("Plan").

The Plan is now being formalized effective January 1, 2009, except as otherwise provided herein, to update the Plan to comply with the final Income Tax Regulations issued under section 403(b) of the Code and to make certain other desired changes. The Plan is a voluntary defined contribution plan designed to have tax favored status under section 403(b) of the Code, and is a governmental plan within the meaning of section 414(d) of the Code, and is exempt from the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), as a governmental plan within the meaning of section 3(32) of ERISA.

Except as otherwise specifically provided herein, the Plan as hereinafter set forth establishes the rights and obligations with respect to individuals who are Employees on and after January 1, 2009, and to transactions under the Plan on and after January 1, 2009.

ARTICLE II.

DEFINITION OF TERMS USED

The following words and terms, when used in the Plan, have the meaning set forth below.

Section 2.01. Account. The account(s) maintained for the benefit of any Participant or Beneficiary under an Annuity Contract or a Custodial Account reflecting his or her interest in such Annuity Contract or Custodial Account as follows:

(a) "Pre-Tax Contribution Account" means the account maintained to reflect the interest of the Participant in the Funding Vehicle attributable to Pre-Tax Contributions made to the Plan on behalf of the Participant pursuant to Section 4.01. Such account may be further divided into a "Pre-1987 Pre-Tax Contribution Account" reflecting Pre-Tax Contributions made to the Plan prior to 1987, and a "Post-1986 Pre-Tax Contribution Account" reflecting Pre-Tax Contributions made to the Plan after 1986, including any earnings on the pre-1987 Pre-Tax Contributions.

(b) "Roth Contribution Account" means the account maintained to reflect the interest of the Participant in the Funding Vehicle attributable to Roth Contributions made to the Plan on behalf of the Participant pursuant to Section 4.02.

(c) "Post Retirement Contributions Account" means the account maintained to reflect the interest of the Participant in the Funding Vehicle attributable to Post Retirement Contributions made to the Plan on behalf of the Participant pursuant to Section 4.03.

(d) "Rollover Account" means the account maintained to reflect the interest of the Participant in the Funding Vehicle attributable to his or her Rollover Contributions made to the Plan pursuant to Section 4.04.

Section 2.02. Account Balance. The balance in all Accounts maintained for each Participant which reflects the aggregate amount credited to or debited from the Participant's Accounts, including Pre-Tax Contributions, Roth Contributions, Post-Retirement Contributions, Rollover Contributions, the earnings or losses of each Annuity Contract or Custodial Account (net of expenses) allocable to the Participant, any transfers for the Participant's benefit, and any distribution made to the Participant or the Participant's Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account shall be maintained for each Beneficiary after a Participant's death. A separate Account shall be established for an alternate payee (as defined in section 414(p)(8) of the Code).

Section 2.03. Administrator. The University; provided, however, to the extent that the University has delegated any of its responsibilities as Administrator to any other person or persons, the term "Administrator" will be deemed to refer to that person or persons.

Section 2.04. Annuity Contract. A nontransferable contract as defined in section 403(b)(1) of the Code, established for Participants by the University, or by each Participant individually, that is issued by a Vendor who is a company licensed as an insurance company in a state and qualified to issue annuities in the State of Illinois and that includes payment in the form of an annuity.

Section 2.05. Beneficiary. The designated person or persons, institution, trustee, or estate entitled to receive benefits under the Plan after the death of a Participant. Unless otherwise provided under the Individual Agreements, in the event that there is no designated Beneficiary or the Beneficiary predeceases the Participant, the Participant's surviving spouse shall be the Beneficiary, or if no surviving spouse, the Participant's estate shall be the Beneficiary.

Section 2.06. Board. The Board of Trustees of Illinois State University.

Section 2.07. Code. The Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.

Section 2.08. Committee. A committee comprised of members designated by the President which shall make recommendations to the President relating to the Plan.

Section 2.09. Compensation. All cash compensation for services to the University, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee's gross W-2 income for the calendar year, plus amounts that would be cash compensation for services to the University includible in the Employee's gross W-2 income for the calendar year but for a compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including Elective Contributions under the Plan). Compensation does not include amounts "picked up" by the University within the meaning of section 414(h) of the Code. Compensation includes any compensation described in paragraphs (a) or (b), paid after the Employee's Severance from Employment, provided it is paid by the later of 2½ months after the Employee's Severance from Employment or the end of the calendar year in which the Employee has a Severance from Employment:

(a) any payment that would have been paid to the Employee prior to a Severance from Employment if the Employee continued in employment with the University and that is regular compensation for services during the Employee's regular working hours, compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and

(b) a payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued and the payment would be Compensation if paid prior to the Employee's Severance from Employment.

Notwithstanding the above, Compensation shall not exceed the limits under section 401(a)(17) of the Code.

Section 2.10. Custodial Account. The group or individual custodial account or accounts, as defined in section 403(b)(7) of the Code, established for each Participant by the University, or by each Participant individually, with a Vendor to hold assets of the Plan.

Section 2.11. Disabled. The definition of disability provided in the applicable Individual Agreement that satisfies section 72(m)(7) of the Code.

Section 2.12. Elective Contributions. Pre-Tax Contributions and Roth Contributions, except where specifically stated otherwise.

Section 2.13. Employee. Each individual who is a common law employee of the University who receives Compensation reportable on a Form W-2 for services provided to the University, other than non-resident aliens with no U.S. source income. This definition is not applicable unless the employee's Compensation for performing services is paid by the University.

Section 2.14. Former Vendor. Any provider that was approved by the University to offer annuity contracts or custodial accounts under the Plan, but that ceases to be eligible to receive new contributions under the Plan on or after January 1, 2005.

Section 2.15. Funding Vehicles. The Annuity Contracts or Custodial Accounts issued for funding amounts held under the Plan and specifically approved by the University for use under the Plan.

Section 2.16. Includible Compensation. An Employee's compensation received from the University that is includible in the Employee's gross income for Federal income tax purposes (computed without regard to section 911 of the Code) for the most recent period that is a Year of Service which precedes the taxable year by no more than five years within the meaning of section 403(b)(3) of the Code. Includible Compensation also includes any amounts excludable from taxable income because of an election under section 403(b), 457(b), 125, 401(k) or 132(f) of the Code (including Elective Contributions under this Plan). The amount of Includible Compensation is determined without regard to any community property laws. Includible Compensation does not include any amounts "picked-up" by the University within the meaning of section 414(h) of the Code. Includible Compensation includes any compensation described in paragraphs (a) or (b), provided the compensation is paid by the later of 2½ months after the Employee's Severance from Employment or the end of the calendar year in which the Employee has a Severance from Employment:

(a) any payment that would have been paid to the Employee prior to a Severance from Employment if the Employee had continued in employment with the University and that is regular compensation for services during the Employee's regular working hours, compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and

(b) a payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued and the payment would have been included in the definition of Includible Compensation if paid prior to the Employee's Severance from Employment.

Section 2.17. Individual Agreement. The agreements between a Vendor and the University or a Participant that constitutes or governs a Custodial Account or an Annuity Contract.

Section 2.18. Investment Options. The mutual funds and other investment options available for investing amounts held in Funding Vehicles under the Plan and specifically approved by the University under the Plan.

Section 2.19. Participant. An individual who is or may become eligible to receive a benefit of any type under the Plan, and who has not received a distribution of his or her entire Account under the Plan.

Section 2.20. Plan. Illinois State University Tax Deferred Compensation Plan, as amended from time to time.

Section 2.21. Plan Year. The calendar year.

Section 2.22. Post Retirement Contribution. University contributions made to the Plan on behalf of a Participant following the Participant's Severance from Employment in the sole and absolute discretion of the University.

Section 2.23. Pre-Tax Contribution. University contributions made to the Plan at the election of the Participant in lieu of receiving cash Compensation. Pre-Tax Contributions reduce

the Participant's salary on a pre-tax basis and are not subject to income tax when made to the Plan. However, Pre-Tax Contributions, together with any investment earnings, are subject to income tax at the time that they are paid to the Participant or Beneficiary.

Section 2.24. Qualified Distribution. A distribution from a Roth Contribution Account after the Participant has satisfied a five year tax holding period and has attained age 59 ½, died, or become Disabled, in accordance with section 402A(d) of the Code. The five year tax holding period is the period of five consecutive taxable years that begins with the first day of the first taxable year in which the Participant makes a designated Roth Contribution under the Plan or to another retirement plan which amount was directly rolled over to the Plan, and ends when five consecutive taxable years have been completed.

Section 2.25. Related Employer. The University and any other entity which is under common control with the University as determined by the Board.

Section 2.26. Rollover Contribution. An eligible rollover distribution as discussed in Section 4.03(b) that is contributed to the Plan pursuant to Section 4.03.

Section 2.27. Roth Contribution.

(a) An Elective Contribution that is:

(1) designated irrevocably by the Participant on the Salary Reduction Agreement as a Roth Contribution that is being made in lieu of all or a portion of the Pre-Tax Contributions the Participant is otherwise eligible to make under the Plan;

(2) treated by the University as includible in the Participant's gross income at the time the Participant would have received that amount in cash if the Participant had not made such election; and

(3) excluded from gross income, together with any investment earnings, at the time Roth Contributions are paid to the Participant or his or her Beneficiary, provided that they are Qualified Distributions.

(b) Participant Roth Contributions shall be treated as Pre-Tax Contributions for all purposes under the Plan, except as set forth in Section 4.02.

(c) Distributions from a Roth Contribution Account that are not Qualified Distributions shall be subject to Federal income tax to the extent that the amount distributed exceeds the value of the Roth Contributions.

Section 2.28. Severance from Employment. For purposes of the Plan, Severance from Employment means severance from employment with the University and any Related Employer. However, a Severance from Employment also occurs on any date on which an Employee ceases to be an employee of a public school, even though the Employee may continue to be employed by a Related Employer that is another unit of the State or local government that is not a public school or in a capacity that is not employment with a public school (e.g., ceasing to be an employee performing services for a public school but continuing to work for the same

State or local government employer). Notwithstanding the preceding, effective January 1, 2009 and for purposes of Section 7.01 only, a Participant shall be treated as having had a Severance from Employment during any period the Participant is performing service in the uniformed services described in section 3401(h)(2)(A) of the Code.

Section 2.29. Third Party Administrator. The organization or entity, which may be a Vendor, selected by the University to provide common remitter, Plan-level administrative services, and other recordkeeping or administrative services, as set forth in the Plan and the service agreement between the University and such organization or entity.

Section 2.30. Vendor. The provider of an Annuity Contract or Custodial Account as selected by the Administrator and listed in Appendix A, as amended from time to time in the Administrator's sole discretion.

Section 2.31. Vesting. The interest of the Participant in his or her Account that is unconditional, legally enforceable, and nonforfeitable.

Section 2.32. Valuation Date. Each business day that the New York Stock Exchange is open.

Section 2.33. Work Period. For an Employee that is a faculty member, the academic year. For all other Employees, the University's fiscal year.

Section 2.34. Year of Service. Each year during which the Employee is a full-time Employee of the University for the entire Work Period, and a fraction of a year for each part of a Work Period during which the Employee is a full-time or part-time Employee of the University, determined in accordance with the rules under section 1.403(b)-4(e) of the Income Tax Regulations.

ARTICLE III.

ELIGIBILITY

Each Employee is eligible to participate in the Plan and elect to have Elective Contributions made on his or her behalf to the Plan immediately upon becoming employed by the University. Participation in the Plan is voluntary.

ARTICLE IV.

ELECTIVE CONTRIBUTIONS

Section 4.01. Elective Contributions.

(a) **General Rule.** An Employee becomes a Participant by executing an election to reduce his or her Compensation in any whole percentage (and have that amount contributed to the Plan as an Elective Contribution on his or her behalf) and filing it with Human Resources. This election shall be made on the forms provided by the University under which the Employee agrees to be bound by all the terms and conditions of the Plan. The Employee must also execute

an agreement provided by the Vendor designating the Investment Options under the Funding Vehicles to which Contributions are to be made and designating a Beneficiary, and file it with the Vendor. Any such elections or designations shall remain in effect until a new election is filed with the Administrator or the Vendor, as applicable.

(b) **Minimum Contribution.** The Administrator may establish an annual minimum deferral amount no higher than \$200, and may change such minimum to a lower amount from time to time.

(c) **Conditions of Elections.** An Employee shall become a Participant the first day of a pay period starting as soon as administratively practicable following the date of the Employee's election. A Pre-Tax Contribution Account and/or Roth Contribution Account shall be established for each Participant. Participation is subject to the rules of the Internal Revenue Service, the Code, and the terms of the Funding Vehicles. Contributions to this Plan are in addition to any contributions which may be made to the State Universities Retirement System.

(d) **Information Provided by the Employee.** Each Employee enrolling in the Plan should provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the Plan, including any information required under the Individual Agreements.

(e) **Change in Elective Contribution Election.** Subject to the provisions of the applicable Individual Agreements, an Employee may at any time revise his or her participation elections, including changing the amount of his or her Elective Contributions, his or her investment direction, and his or her designated Beneficiary, as well as a termination of his or her Elective Contributions. A change in or termination of the Elective Contribution amount shall take effect as of the date provided by the Administrator on a uniform basis for all Employees. A change in investment direction or Beneficiary designation shall take effect when the election is accepted by the Vendor. All changes shall be filed with the University's Human Resources and/or the Vendor, as applicable.

(f) **Contributions Made Promptly.** Elective Contributions under the Plan shall be transferred by the University's Payroll Department to the Third Party Administrator and/or Vendor, as applicable, within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant.

(g) **Leave of Absence.** Unless an election is otherwise revised, if an Employee is absent from work by leave of absence, Elective Contributions under the Plan shall continue to the extent that Compensation continues. No Elective Contributions shall be made during a leave of absence without pay or when an Employee's pay for any period of work is insufficient to cover the Elective Contribution amount.

(h) **Default Investment Option.** In the event that an Employee fails to designate the Investment Options under the Funding Vehicles to which Elective Contributions are to be made, the Elective Contributions shall be invested in a default fund established by the Vendor selected by the Employee. In the event a Vendor does not prescribe a default fund, the University may designate a default fund.

Section 4.02. Roth Contributions. Effective as of a date specified by the President (but no earlier than January 1, 2009), the Plan shall accept Roth Contributions made on behalf of Participants. Unless specifically stated otherwise, Roth Contributions shall be treated as Elective Contributions for all purposes under the Plan. A Participant's Roth Contributions shall be allocated to a separate Account maintained for such deferrals as described below:

(a) Contributions and withdrawals of Roth Contributions shall be credited and debited to the Roth Contribution Account maintained for each Participant.

(b) The Vendor shall maintain a record of the amount of Roth Contributions in each Participant's Roth Contribution Account.

(c) Gains, losses, and other credits or charges must be separately allocated on a reasonable and consistent basis to each Participant's Roth Contribution Account and the Participant's other Accounts under the Plan.

(d) No contributions other than Roth Contributions and properly attributable earnings shall be credited to each Participant's Roth Contribution Account.

Section 4.03. Eligible Rollover Contributions to the Plan.

(a) **Eligible Rollover Contributions.** To the extent provided in the Individual Agreements, an Employee who is a Participant who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the Plan. Such rollover contributions shall be made in the form of cash only, not in-kind. The Vendor may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with section 402 of the Code and to confirm that such plan is an eligible retirement plan within the meaning of section 402(e)(8)(B) of the Code. The Plan shall accept a rollover contribution to a Roth Contribution Account only if it is a direct rollover from another Roth contribution account under an applicable retirement plan described in section 402A(e)(1) of the Code and only to the extent the rollover is permitted under the rules of section 402(c) of the Code.

(b) **Eligible Rollover Distribution.** For purposes of paragraph (a), an eligible rollover distribution means any distribution of all or any portion of a Participant's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include (i) any installment payment for a period of 10 years or more, (ii) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the employee, or (iii) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code. An eligible retirement plan means an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, or an eligible governmental plan described in section 457(b) of the Code, that accepts the eligible rollover distribution.

(c) **Separate Accounts.** The Vendor shall establish and maintain for the Participant a separate Rollover Contribution Account for any eligible rollover distribution paid to the Plan. Rollover Contributions to the Plan are subject to the distribution restrictions under Article VIII.

Section 4.04. Protection of Persons Who Serve in a Uniformed Service.

(a) Notwithstanding any provisions of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended; effective January 1, 2009, the Heroes Earnings Assistance and Relief Tax Act of 2008; section 401(a)(37) of the Code; and section 414(u) of the Code. For purposes of this section, "qualified military service" means any service in the uniformed services as defined in USERRA by an individual if such individual is entitled to reemployment rights under USERRA with respect to such service.

(b) An Employee whose employment is interrupted by qualified military service or who is on a leave of absence for qualified military service may elect to make additional Elective Contributions upon resumption of employment with the University up to the maximum Elective Contributions that the Employee could have elected during that period if the Employee's employment with the University had continued (at the same level of Compensation) without the interruption or leave, reduced by the Elective Contributions, if any, actually made for the Employee during the period of the interruption or leave. Except to the extent provided under section 414(u) of the Code, this right applies for the lesser of (i) five years following the resumption of employment or (ii) a period equal to three times the period of the interruption or leave.

(c) Effective January 1, 2009, an Employee whose employment is interrupted by qualified military service or who is on a leave of absence for qualified military service who receives a differential wage payment within the meaning of section 414(u)(12)(D) of the Code from the University, shall be treated as an Employee of the University who is an Employee eligible to make Elective Contributions during such service and the differential wage payment shall be treated as Compensation and Includible Compensation. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

ARTICLE V.

LIMITATIONS ON CONTRIBUTIONS

Section 5.01. Basic Annual Limitation for Elective Contributions. Except as provided in Sections 5.02 and 5.03, the maximum amount of Elective Contributions contributed to the Plan for any calendar year shall not exceed the applicable dollar amount for the calendar year. The applicable dollar amount is the amount established under section 402(g)(1)(B) of the Code, which is \$16,500 for 2009, and is adjusted for cost-of-living after 2009 to the extent provided under section 402(g) of the Code.

Section 5.02. Special Section 403(b) Elective Deferral Catch-up Limitation for Employees With 15 Years of Service. To the extent that an University is a "qualified

organization" (within the meaning of section 1.403(b)-4(c)(3)(ii) of the Income Tax Regulations), the applicable dollar amount under Section 5.01 for any "qualified employee" is increased (to the extent provided in the Individual Agreements) by the least of:

- (a) \$3,000;
- (b) The excess of:
 - (1) \$15,000, over
 - (2) The total special 403(b) catch-up Contributions made for the qualified employee by the University for all prior years of employment with the University; or
- (c) The excess of:
 - (1) \$5,000 multiplied by the number of Years of Service of the qualified employee with the University, over
 - (2) the total Contributions made for the qualified employee by the University for prior years.

For purposes of this Section 5.02, a "qualified employee" means an Employee who has completed at least 15 Years of Service taking into account only employment with the University.

Section 5.03. Age 50 Catch-up Contributions. A Participant who shall attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of Elective Contributions, up to the maximum age 50 catch-up Elective Contributions for the year. The maximum dollar amount of the age 50 catch-up Elective Contributions is \$5,500 for 2009, and is adjusted for cost-of-living after 2009 to the extent provided under section 414(v) of the Code.

Section 5.04. Elective Contribution Catch-up Provision Coordination. Elective Contributions in excess of the limitation set forth in Section 5.01 will be allocated first to the special 403(b) catch-up under Section 5.02 (if applicable) and next as an age 50 catch-up contribution under Section 5.03 (if applicable).

Section 5.05. Special Rule for a Participant Covered by Another Defined Contribution Plan. For purposes of this Article V, if the Participant is or has been a participant in one or more other plans under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Article IV. For this purpose, the Administrator shall take into account any other such plan maintained by any Related Employer and shall also take into account any other such plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan. Notwithstanding the foregoing, another plan maintained by a Related Employer will be taken into account for purposes of Section 5.02 only if the other plan is a section 403(b) plan.

Section 5.06. Correction of Excess Contributions.

(a) If the Elective Contribution on behalf of a Participant for any calendar year exceeds the limitations described above, or the Elective Contribution on behalf of a Participant for any calendar year exceeds these limitations when combined with other amounts deferred by the Participant under another plan of the University under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code for which the Participant provides information that is accepted by the Administrator), then the Elective Contribution, to the extent in excess of the applicable limitations (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant. If a Participant who made both Pre-Tax Contributions and Roth Contributions for a calendar year has excess amounts for that year, unless the Individual Agreements provide otherwise, the excess amounts shall be distributed out of the Roth Contribution Account unless the Participant elects to instead have the excess amounts distributed out of the Pre-Tax Contribution Account.

(b) Notwithstanding Section 5.06(a), to the extent that the Elective Contribution on behalf of a Participant for any calendar year exceeds the limitations described above only when combined with other amounts deferred by the Participant under a plan of a Related Employer, then the plan of the Related Employer is responsible for distributing the excess amounts for the year.

Section 5.07. Annual Additions Limitation.

(a) Notwithstanding any provision of the Plan to the contrary, annual additions to the Plan and to any other section 403(b) plan (or, if required by section 415 of the Code and Income Tax Regulations thereunder, to any other defined contribution plan) for a Participant shall not exceed the limitation set forth in section 415(c) of the Code, except to the extent permitted under section 414(v) of the Code.

(b) The limitation on annual additions set forth in section 415(c) of the Code for any calendar year is the lesser of:

(1) \$40,000, adjusted for cost-of-living to the extent provided under section 415(d) of the Code; or

(2) 100% of the Participant's Includible Compensation.

(c) For purposes of this Section, "annual addition" has the meaning provided in section 415(c) of the Code, as modified by sections 415(l)(1) and 419A(d)(2) of the Code. In general, section 415(c) of the Code defines the annual addition as the sum of the following amounts credited to a Participant's Accounts for any calendar year under this Plan and to any section 403(b) plan (or, if required by section 415 of the Code and the Income Tax Regulations thereunder, to any other defined contribution plan): (i) University contributions; (ii) employee contributions; and (iii) forfeitures. Annual additions shall not include: (i) any Elective Contributions made by a Participant who is age 50 or older in accordance with, and subject to, section 414(v) of the Code; (ii) excess Elective Contributions distributed in accordance with section 1.402(g)-1(e)(2) of the Income Tax Regulations; or (iii) rollover contributions. Annual additions shall include:

(1) amounts allocated to an individual medical account, as defined in section 415(l)(2) of the Code, which is part of a pension or annuity plan maintained by the University or a Related Employer, or both (as applicable); and

(2) mandatory employee contributions to a defined benefit plan maintained by the University, unless the contributions are "picked-up" by the University pursuant to section 414(h)(2) of the Code.

Section 5.08. Excess Annual Additions. Excess annual additions will be allocated to an excess annual additions Account under the Annuity Contract or Custodial Account in accordance with sections 1.403(b)-3(b)(2) and 1.403(b)-4(f)(2) of the Income Tax Regulations for the year of excess and each year thereafter. An excess annual addition due solely to aggregation with a Related Employer's plan shall be treated as an excess annual addition to that other plan; provided, however, that to the extent that an excess annual addition occurs due solely to aggregation with a Related Employer's qualified plan as set forth under section 415(k)(4) of the Code and section 1.415(f)-1(f) of the Income Tax Regulations, the excess annual addition shall be treated as an excess annual addition to this Plan. The Participant shall be liable for any excise taxes on his or her Account Balance pursuant to section 4973 of the Code.

ARTICLE VI.

VESTING

A Participant (or in the event of the Participant's death, the Beneficiary) shall always be 100% Vested in his or her Account at all times.

ARTICLE VII.

LOANS

Section 7.01. Loans. Loans will be permitted under the Plan in accordance with section 72(p) of the Code to the extent (i) that the Vendor has been approved by the Administrator to offer loans with respect to its Funding Vehicles and (ii) permitted by the Individual Agreements controlling the Account assets from which the loan is made and by which the loan will be secured. Loans will be subject to separate loan procedures issued by the University as well as any issued by the Vendor(s) under the Plan. Participants may be charged a reasonable processing fee per loan.

Section 7.02. Information Coordination Concerning Loans.

(a) Each Vendor is responsible for all information reporting and tax withholding required by applicable Federal and State law in connection with distributions and loans. To minimize the instances in which Participants have taxable income as a result of loans from the Plan, the Administrator shall take such steps as may be appropriate to coordinate the limitations on loans set forth in Section 7.03, including the collection of information from Vendors and Former Vendors, and transmission of information requested by any Vendor or Former Vendor, concerning the outstanding balance of any loans made to a Participant under the Plan or any other plan of the University.

(b) The Administrator shall also take such steps as may be appropriate to collect information from Vendors and/or Former Vendors, and to transmit any information to any Vendor or Former Vendor, concerning any failure by a Participant to timely repay any loans made to a Participant under the Plan or any other plan of the University. In the event that a loan is determined by the Vendor to be in default due to failure to repay the loan, the Vendor shall be responsible for issuing the proper IRS tax forms (Form 1099) to the Participant as determined by IRS guidelines and for notifying the Administrator of all loan defaults.

(c) The Administrator may delegate any of its responsibilities under this Section 7.02 to a Third Party Administrator pursuant to Section 10.02 of the Plan.

Section 7.03. Maximum Loan Amount. No loan to a Participant under the Plan may exceed the lesser of:

(a) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Administrator (not taking into account any payments made during such one-year period); or

(b) one half of the value of the Participant's Vested Account Balance (as of the valuation date immediately preceding the date on which such loan is approved by the Administrator).

For purposes of this Section 7.03, any loan from any other section 403(b) plan maintained by the University shall be treated as if it were a loan made from the Plan, and the Participant's vested interest under any such other plan shall be considered a Vested interest under this Plan; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of a loan to exceed the amount that would otherwise be permitted in the absence of this paragraph.

ARTICLE VIII.

ACCOUNT DISTRIBUTIONS

Section 8.01. Distribution of Elective Contributions.

(a) A Participant may request a distribution of Elective Contributions from his or her Account at such time that the Participant has a Severance from Employment, dies, becomes Disabled, attains age 59½, or has a financial hardship as set forth in Section 8.06. The University shall certify if a Participant has had a Severance from Employment.

(b) The distribution restrictions in Section 8.01(a) do not apply to Pre-Tax Contributions to the Plan prior to January 1, 1989 (not including earnings thereon) provided such Pre-Tax Contributions are separately accounted for under the Plan.

(c) Participants may elect to have either Roth Contributions or Pre-Tax Contributions distributed from the Plan first. Unless provided otherwise under the Individual Agreements, if

the Participant fails to make an election, Pre-Tax Contributions will be distributed from the Plan first.

(d) Effective January 1, 2009, if a Participant performing service in the uniformed services described in section 3401(h)(2)(A) of the Code receives a distribution under the Plan, the Participant may not make Elective Contributions to the Plan for the six month period beginning on the date of the distribution.

(e) Distributions will otherwise be made in accordance with the terms of the Individual Agreements.

Section 8.02. Forms of Payment. A Participant may elect to receive his or her Account under any payment option available under and subject to the terms and conditions of the Individual Agreements.

Section 8.03. Small Account Balances. The terms of the Individual Agreement may permit distributions to be made in the form of a lump sum payment without the consent of the Participant or Beneficiary, but no such payment may be made without the consent of the Participant or Beneficiary unless the Account Balance does not exceed \$1,000 (determined without regard to any separate Account that holds Rollover Contributions).

Section 8.04. Minimum Distributions. For purposes of applying the distribution rules of section 401(a)(9) of the Code, each Individual Agreement is treated as an individual retirement account (IRA) and distributions shall be made in accordance with the provisions of section 1.408-8 of the Income Tax Regulations, except as provided in section 1.403(b)-6(e) of the Income Tax Regulations. Notwithstanding the preceding sentence, each Vendor will separately comply with the minimum distribution requirements under section 401(a)(9) of the Code and the regulations thereunder with respect to its Funding Vehicles under the Plan.

Section 8.05. In-Service Distribution from Rollover Contribution Account. If a Participant has a separate account attributable to Rollover Contributions to the Plan, to the extent permitted by the applicable Individual Agreement, the Participant may at any time elect to receive a distribution of all or any portion of the amount held in the Rollover Contribution Account.

Section 8.06. Hardship Withdrawals.

(a) Hardship withdrawals of Elective Contributions (excluding any earnings on such Elective Contributions after December 31, 1988) shall be permitted under the Plan for financial hardship in accordance with the safe harbor rules under sections 1.401(k)-1(d)(3)(iii)(B) and 1.401(k)-1(d)(3)(iv)(E) of the Income Tax Regulations, but only to the extent (i) that the Vendor has been approved by the Administrator to permit hardship withdrawals with respect to its Funding Vehicles and (ii) permitted by the Individual Agreements controlling the Account assets to be withdrawn to satisfy the hardship.

(b) Hardship withdrawals shall be permitted to a Participant only if the financial hardship is incurred by (i) the Participant, (ii) the Participant's spouse, (iii) the Participant's tax dependent, or (iv) the Participant's domestic partner, as defined in the University's Domestic

Partner Benefit Program Policy, but only if the domestic partner is the Participant's Beneficiary and to the extent permitted by the Funding Vehicle.

(c) Participants are required to provide substantiation of the reason for the hardship and the amount of the hardship. As required under the safe harbor rules, hardship withdrawals shall not be permitted for events eligible for reimbursement or payment by insurance.

(d) No Elective Contributions will be allowed under the Plan during the six month period beginning on the date the Participant receives a distribution on account of hardship. Participants are required to complete a Compensation reduction election in accordance with Section 4.01 following the end of the six month suspension.

(e) The Administrator shall take such steps as may be appropriate to provide for the exchange of information among the University and the Vendors and/or the Former Vendors to the extent necessary to comply with the hardship rules, including the Vendor and/or Former Vendor notifying the University of the withdrawal in order for the University to implement the resulting six month suspension of the Participant's right to make Elective Contributions under the Plan. The Administrator may delegate this responsibility to a Third Party Administrator pursuant to Section 10.02 of the Plan.

(f) Participants may be charged a reasonable processing fee per hardship withdrawal.

(g) Hardship withdrawals shall also be subject to any hardship procedures issued by the University, which shall be communicated to the Vendors to the extent applicable.

Section 8.07. Death Benefits. If a Participant dies before the entire distribution of his or her Account has been made, his or her remaining Account, if any, shall be distributed to his or her Beneficiary as soon as administratively feasible after the Participant's death, unless the Beneficiary elects a later payment date on the appropriate form as designated and furnished by the Vendor, subject to the minimum distribution requirements of section 401(a)(9) of the Code and regulations thereunder. A Beneficiary may elect to receive the deceased Participant's Account under any payment option available under and subject to the terms and conditions of the Individual Agreements.

Section 8.08. Rollover Distributions from the Plan.

(a) A Participant or the Beneficiary of a deceased Participant (or a Participant's spouse or former spouse who is an alternate payee under a domestic relations order, as defined in section 414(p) of the Code) who is entitled to an eligible rollover distribution may elect to have any portion of an eligible rollover distribution (as defined in section 402(c)(4) of the Code) from the Plan paid directly to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Code) specified by the Participant in a direct rollover. In the case of a distribution to a Beneficiary who at the time of the Participant's death was neither the spouse of the Participant nor the spouse or former spouse of the participant who is an alternate payee under a domestic relations order, a direct rollover is payable only to an individual retirement account or individual retirement annuity (IRA) that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of section 408(d)(3)(C) of the Code).

(b) Each Vendor shall be separately responsible for providing, within a reasonable time period before making an initial eligible rollover distribution, an explanation to the Participant of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

(c) A direct rollover of a distribution from a Roth Contribution Account under the Plan shall only be made to another Roth Contribution Account under an applicable retirement plan described in section 402A(e)(1) of the Code or to a Roth IRA described in section 408A of the Code, and only to the extent the rollover is permitted under the rules of section 402(c) of the Code.

Section 8.09. Permissive Service Credit Transfers.

(a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in section 414(d) of the Code) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account Balance, subject to the terms of the Funding Vehicles, transferred to the defined benefit governmental plan; provided, however, that no portion of the Participant's Account Balance attributable to Roth Contributions may be transferred under this Section. A transfer under this Section may be made before the Participant has had a Severance from Employment.

(b) A transfer may be made under this Section only if the transfer is either for the purchase of permissive service credit (as defined in section 415(n)(3)(A) of the Code) under the receiving defined benefit governmental plan or a repayment to which section 415 of the Code does not apply by reason of section 415(k)(3) of the Code.

ARTICLE IX.

INVESTMENT OF CONTRIBUTIONS

Section 9.01. Manner of Investment. All Elective Contributions, Rollover Contributions, or other amounts contributed to the Plan, all property and rights purchased with such amounts under the Funding Vehicles, and all income attributable to such amounts, property, or rights shall be held and invested in one or more Annuity Contracts or Custodial Accounts. Each Custodial Account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Custodial Account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries.

Section 9.02. Investment of Contributions. Each Participant or Beneficiary shall direct the investment of his or her Account among the Investment Options available under the Annuity Contract or Custodial Account in accordance with the terms of the Individual Agreements. Transfers among Annuity Contracts and Custodial Accounts may be made to the extent provided in the Individual Agreements and permitted under applicable Income Tax Regulations in accordance with Section 9.03; provided, however, that transfers are not permitted

between the Participant's Roth Contribution Account, Pre-Tax Contribution Account, and Rollover Contribution Account.

Section 9.03. Investment Changes. A Participant or Beneficiary is permitted to change the investment of his or her Account among the Investment Options available under the Plan, subject to the terms of the Individual Agreements. An investment change that includes an investment with a Former Vendor or other vendor that is not eligible to receive contributions under the Plan is not permitted; provided, however, that a Participant who is an Employee is permitted to change the investment of his or her Account from an investment with a Former Vendor to an Investment Option with a current Vendor. A change of investment of a Participant's Account among the Vendors under the Plan (or from a Former Vendor to a current Vendor as provided in Appendix A) must satisfy the conditions of this Section:

(a) the Participant or Beneficiary has an Account Balance immediately after the exchange that is at least equal to the Account Balance of that Participant or Beneficiary immediately before the exchange (taking into account the Account Balance of that Participant or Beneficiary under both Annuity Contracts or Custodial Accounts immediately before the exchange); and

(b) the Individual Agreement with the receiving Vendor has distribution restrictions with respect to the Participant that are not less stringent than those imposed on the investment being exchanged.

Section 9.04. Current Vendors. The Administrator will maintain a list of all Vendors under the Plan. Such list is hereby incorporated as part of the Plan and set forth in Appendix A. Each Vendor and the Administrator will exchange such information as may be necessary to satisfy section 403(b) of the Code or other requirements of applicable law.

Section 9.05. Former Vendors. The University shall make a good faith reasonable effort to enter into an information sharing agreement with each Former Vendor to the extent that any existing agreement with that Former Vendor does not already provide for such information sharing on a continuing basis. The agreement shall provide for mutual sharing of the following information:

(a) Information necessary for the resulting Annuity Contract or Custodial Account, or any other Annuity Contract or Custodial Account to which contributions have been made by the University, to satisfy section 403(b) of the Code, including the following: (i) the University providing information as to whether the Participant's employment with the University is continuing, and notifying the Former Vendor when the Participant has had a Severance from Employment (for purposes of the Plan benefit distribution restrictions); (ii) the Former Vendor notifying the University of any hardship withdrawal if the withdrawal results in a six month suspension of the Participant's right to make Elective Contributions under the Plan; and (iii) the Former Vendor providing information to the University or other Vendors or Former Vendors concerning the Participant's or Beneficiary's Annuity Contracts or Custodial Accounts (to enable a Vendor or Former Vendor to determine the amount of any plan loans and any rollover accounts that are available to the Participant under the Plan in order to satisfy the financial need under the Plan's hardship withdrawal rules); and

(b) Information necessary in order for the resulting Annuity Contract or Custodial Account and any other Annuity Contract or Custodial Account to which contributions have been made for the Participant by the University to satisfy other tax requirements, including the following: (i) the amount of any Plan loan that is outstanding to the Participant in order for a Vendor or Former Vendor to determine whether an additional Plan loan satisfies the applicable loan limitations, so that any such additional loan is not a deemed distribution under section 72(p)(1) of the Code; and (ii) information concerning the Participant's or Beneficiary's after-tax employee contributions in order for a Vendor or Former Vendor to determine the extent to which a distribution is includible in gross income.

ARTICLE X.

PLAN ADMINISTRATION

Section 10.01. Administrator.

(a) The Administrator shall have the authority to control and manage the operation and administration of the Plan. The Administrator is authorized to accept service of legal process.

(b) The Administrator shall have such power and authority (including discretion with regard to the exercise of that power and authority) as may be necessary, advisable, desirable, or convenient to enable the Administrator to carry out its duties under the Plan. By way of illustration and not limitation, the Administrator is empowered and authorized:

(1) to make rules and regulations with respect to the Plan not inconsistent with the Plan or the Code, and to amend or rescind such rules and regulations;

(2) to determine, consistently therewith, all questions of law or fact that may arise as to the eligibility, benefits, status, and rights of any person claiming benefits or rights under the Plan, including without limitation, Participants, former Participants, surviving spouses of Participants, Beneficiaries, Employees, and former Employees;

(3) to direct the Vendors to make payments to Participants, their Beneficiaries, and other persons as the Administrator may determine pursuant to the terms of the Plan;

(4) subject to and consistent with the Code, to construe and interpret the Plan and to determine all questions of fact or law arising hereunder; and

(5) to correct any defects, supply any omissions, or reconcile any inconsistencies in the Plan to such extent as the Administrator deems expedient.

(c) Any action by the Administrator which is not found to be an abuse of discretion, shall be final, conclusive, and binding on all individuals affected thereby. The Administrator may take any such action in such manner and to such extent as the Administrator, in its sole discretion, may deem expedient.

(d) Benefits are payable under the Plan only if the Administrator, in its sole discretion, determines the benefits are payable under the provisions of the Plan.

Section 10.02. Delegation by Administrator.

(a) The Administrator may from time to time delegate in writing certain of its fiduciary duties or other responsibilities under the Plan. The delegate shall be a fiduciary until the Administrator revokes such delegation. A delegation of the Administrator's duties or responsibilities may be revoked without cause or advance notice. To the extent permitted under applicable law, such delegate shall have the same power and authority with respect to such delegated fiduciary or other responsibilities as the Administrator has under the Plan. The Administrator shall not be liable for any act of omission of such fiduciary in carrying out such responsibilities.

(b) The Administrator has designated Human Resources and Payroll to be responsible for (i) initiating payroll reductions, (ii) sending Elective Contributions for each Participant to the Third Party Administrator or Vendor(s) selected by the Participant, as applicable, and (iii) for performing other administrative duties for the operation of the Plan.

(c) The Administrator has designated the Vendors to be responsible for (i) providing information to Participants regarding enrollment, investment options, and performance, (ii) processing contributions, withdrawal requests, transfers, and changes in investment options, (iii) providing record keeping services, and (iv) providing such other services as set forth under agreements between the Vendors and the University.

(d) The Administrator may designate a Third Party Administrator to provide for the collection and coordination of information relating to hardship withdrawals, loans, contribution limits, and any other administrative function under the Plan, including but not limited to: (i) common remittance of contributions across Vendors; (ii) monitoring contribution limits, including any applicable catch-up contributions; (iii) directing the cessation and/or refund of excess contributions, to the extent applicable; (iv) authorizing hardship distributions across Vendors and/or Former Vendors, as provided under the Plan and in accordance with the Code; (v) authorizing loans across Vendors and/or Former Vendors, as provided under the Plan and in accordance with the Code; (vi) tracking loan repayment across Vendors and/or Former Vendors and notifying the Administrator, affected Participants, Vendors, and Former Vendors of loan defaults; and (vii) approving distributions across Vendors and/or Former Vendors, as provided under the Plan and in accordance with the Code.

Section 10.03. Employment of Consultants. The Administrator may employ one or more persons to render advice with regard to its responsibilities under the Plan.

Section 10.04. Requests for Information Concerning Eligibility, Participation and Contributions. Requests for information concerning eligibility, participation, contributions, or any other aspects of the operation of the Plan, and service of legal process, should be in writing and directed to the Administrator of the Plan. If a written request is denied, the Administrator shall, within a reasonable period of time, provide a written denial to the Participant. A Participant may request in writing a review of a claim denied by the Administrator and may

submit issues and comments in writing to the Administrator. The Administrator shall provide to the Participant a written decision upon such request for review of a denied claim.

Section 10.05. Requests for Information Concerning Annuity Contracts and Custodial Accounts. Requests for information concerning the Annuity Contracts and Custodial Accounts and their terms, conditions, and interpretations thereof, claims thereunder, any requests for review of such claims, and service of legal process, should be in writing and directed to the Vendor. If a written request is denied, the Vendor shall, within a reasonable period of time, provide a written denial to the Participant. A Participant may request in writing a review of a claim denied by the Vendor and may submit issues and comments in writing to the Vendor. The Vendor shall provide to the Participant a written decision upon such request for review of a denied claim.

Section 10.06. Plan Expenses. All reasonable expenses of administering the individual Accounts in the Plan shall be charged against and paid from the Participants' Accounts, subject to the terms of the Funding Vehicles, and unless paid by the University.

ARTICLE XI.

AMENDMENT AND PLAN TERMINATION

Section 11.01. Termination of Contributions. The University has adopted the Plan with the intention and expectation that contributions shall be continued indefinitely. However, the University has no obligation or liability whatsoever to maintain the Plan for any length of time and may discontinue contributions under the Plan at any time without any liability hereunder for any such discontinuance by resolution of the Board.

Section 11.02. Amendment and Termination. The University has reserved the authority to amend or terminate this Plan at any time. The University has delegated authority to amend the Plan to the President.

Section 11.03. Distribution upon Termination of the Plan. The Administrator may provide that, in connection with a termination of the Plan and subject to any restrictions contained in the Individual Agreements, all Accounts shall be distributed, provided that the University and any Related Employer on the date of termination do not make contributions to an alternative section 403(b) contract that is not part of the Plan during the period beginning on the date of plan termination and ending 12 months after the distribution of all assets from the Plan, except as permitted by the Income Tax Regulations. For purposes of distributing all accumulated benefits under the Plan in the event of Plan termination, delivery of a fully paid individual insurance annuity contract shall be treated as a distribution.

ARTICLE XII.

MISCELLANEOUS

Section 12.01. Non-Assignability. Except as provided below for a domestic relation order or IRS levy, 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 neither the Participant nor any

Beneficiary shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Plan, which payments and interest are expressly declared to be non-assignable and non-transferable.

Section 12.02. Domestic Relation Orders. Notwithstanding Section 12.01, 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 40 ILCS 5/1-119 and Section 503(b)(2) of the Illinois Marriage and Dissolution of Marriage Act ("a qualified Illinois domestic relations order" or "QILDRO"), then the amount of the Participant's Account Balance shall be paid in the manner and to the person or persons so directed in the QILDRO. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan, but is subject to the terms of the Individual Agreements. The Vendor shall establish reasonable procedures for determining the status of any such decree or order as a QILDRO and for effectuating distribution pursuant to the QILDRO. A Participant may be charged a reasonable processing fee per domestic relations order.

Section 12.03. IRS Levy. Notwithstanding Section 12.01, the Administrator may pay from a Participant's or Beneficiary's Account Balance, in accordance with the terms of the Funding Vehicles, the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

Section 12.04. Tax Withholding. Elective Contributions to the Plan are subject to applicable employment taxes (including, if applicable, Federal Insurance Contributions Act (FICA) taxes with respect to Elective Contributions, which constitute wages under section 3121 of the Code). Any benefit payment made under the Plan is subject to applicable income tax withholding requirements (including section 3401 of the Code and the Employment Tax Regulations thereunder), except to the extent that it is a Qualified Distribution. A payee shall provide such information as the Administrator may need to satisfy income tax withholding obligations, and any other information that may be required by guidance issued under the Code.

Section 12.05. Payments to Minors and Incompetents. If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator or the Vendor, benefits shall be paid to a court appointed guardian or in accordance with the terms of a court order. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

Section 12.06. Mistaken Contributions. If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) will be returned to the University.

Section 12.07. Procedure When Distributee Cannot Be Located. The Vendor shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. If the Vendor is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the Funding Vehicle shall continue to hold the benefits due such person, subject to any applicable state law.

Section 12.08. Incorporation of Individual Agreements. The Plan, together with the Individual Agreements, is intended to satisfy the requirements of section 403(b) of the Code and the Income Tax Regulations thereunder. Terms and conditions of the Individual Agreements are hereby incorporated by reference into the Plan, excluding those terms that are inconsistent with the Plan or section 403(b) of the Code.

Section 12.09. Governing Law. The Plan will be construed, administered and enforced according to the Code and, when not inconsistent with the Code, or expressly provided otherwise herein, the laws of the State of Illinois without regard to conflict of law principles.

Section 12.10. Headings. Headings of the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

Section 12.11. Gender. Pronouns used in the Plan in the masculine or feminine gender include both genders unless the context clearly indicates otherwise.

Section 12.12. Federal and State Taxes. It is intended that contributions under this Plan, plus any earnings thereunder, are excludable from gross income for federal and state income tax purposes until paid to Participants or Beneficiaries, except to the extent that the contribution is a Roth Contribution. However, the Administrator does not guarantee that any particular Federal or state income, payroll, or other tax consequence shall occur as a result of participation in this Plan.

Section 12.13. Erroneous Payments. If the Vendor makes any payment that, according to the terms of the Plan and the benefits provided thereunder, should not have been made, the Vendor may recover that incorrect payment by whatever means necessary, whether or not it was made due to the error of the Administrator or the Vendor, from the person to whom it was made, or from any other appropriate party. For example, if any such incorrect payment is made directly to a Participant, the Vendor may deduct it when making any future payments directly to that Participant.

Section 12.14. Limitation on Rights and Obligations. Neither the establishment nor maintenance of the Plan nor any amendment thereof, nor the purchase of any Annuity Contract or Custodial Account, nor any act or omission under the Plan or resulting from the operation of the Plan shall be construed:

(a) as conferring upon any Participant, Beneficiary, or any other person any right or claim against the University or the Administrator, except to the extent that such right or claim shall be specifically expressed and provided in the Plan;

(b) as creating any responsibility or liability of the University for the validity or effect of the Plan;

(c) as a contract or agreement between the University and any Participant or other person;

(d) as being consideration for, or an inducement or condition of, employment of any Participant or other person, or as affecting or restricting in any manner or to any extent whatsoever the rights or obligations of the University or any Participant or other person to continue or terminate the employment relationship at any time; or

(e) as giving any Participant the right to be retained in the service of the University or to interfere with the right of the University to discharge any Participant or other person at any time; provided, however, that the foregoing shall not be deemed to modify the provisions of any collective bargaining agreements which may have been entered into by the University with the bargaining representatives of any Participant.

Section 12.15. Counterparts. The Plan may be executed in any number of counterparts, each of which will be deemed to be an original. All counterparts shall constitute but one and the same instrument and will be evidenced by any one counterpart.

IN WITNESS WHEREOF, the University has caused this Plan amendment and restatement to be executed by its duly authorized representative as of the date written below, but effective as of January 1, 2009.

THE BOARD OF TRUSTEES OF
ILLINOIS STATE UNIVERSITY

Date: 12-18-08

By: _____

Title:

By: _____

Title:

ILLINOIS STATE UNIVERSITY TAX DEFERRED COMPENSATION PLAN

APPENDIX A

PLAN VENDORS

The purpose of this Appendix A is to set forth the approved Vendors, as well as the Former Vendors, under the Plan. This Appendix A may be amended from time to time; provided, however, that any changes to approved Vendors under the Plan shall be effective on the date that the Board or person with authority to approve Vendors approves such changes, and not on the date of the amended Appendix A.

1.1 List of Approved Vendors

Effective January 1, 2010, the University approves the following Vendors to provide Annuity Contracts and/or Custodial Accounts under the Plan:

Fidelity Investments Institutional Services Company, Inc.

Teachers Insurance Annuity Association/College-Retirement Equities Fund
(TIAA-CREF)

1.3 List of Former Vendors

Effective January 1, 2009, the following are Former Vendors under the Plan:

State Farm

Effective January 1, 2010, the following are Former Vendors under the Plan:

AIG Retirement / VALIC
American Century
American United Life/ING
Lincoln National
NorthwesternPrudential
Putnam

Appendix A is hereby dated January 1, 2010

AMENDMENT 1

The Board of Trustees of Illinois State University ("University") hereby amends the Illinois State University Tax Deferred Compensation Plan ("Plan") pursuant to Section 11.02 thereof. This Amendment changes the definition of Compensation to conform to University business practices. The effective date of this Amendment is January 1, 2009.

Section 2.09, Compensation, is hereby amended to read as follows:

Section 2.09 Compensation. All cash compensation for services to the University, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee's gross W-2 income for the calendar year, plus amounts that would be cash compensation for services to the University includible in the Employee's gross W-2 income for the calendar year but for a compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including Elective Contributions under the Plan). Compensation includes any compensation described in paragraphs (a) or (b), paid after the Employee's Severance from Employment, provided it is paid by the later of 2½ months after the Employee's Severance from Employment or the end of the calendar year in which the Employee has a Severance from Employment: and section (a) and (b) remain as.

Executed by the University:

THE BOARD OF TRUSTEES OF
ILLINOIS STATE UNIVERSITY

Date: 8/26/11

By: _____
Title: _____

By: _____
Title: _____

AMENDMENT 2

The Board of Trustees of Illinois State University ("University") hereby amends the Illinois State University Tax Deferred Compensation Plan ("Plan") pursuant to Section 11.02 thereof. This Amendment changes the minimum distribution section to comply with the Worker, Retiree, and Employer Recovery Act of 2008. The effective date of this Amendment is January 1, 2009.

Section 8.04 of the Plan, regarding required distributions, is hereby amended to be and read as follows:

Section 8.04. Minimum Distribution.

(a) For purposes of applying the distribution rules of section 409(a)(9) of the Code each Individual Agreement is treated as an individual retirement account (IRA) and distributions will be made in accordance with the provisions of section 1.408-8 of the Income Tax Regulations, except as provided in section 1.403(b)-6(e) of the Income Tax Regulations. Notwithstanding the preceding sentence, each Vendor shall separately comply with the minimum distribution requirements under section 401(a)(9) of the Code and the regulations thereunder with respect to its Funding Vehicles under the Plan.

(b) For 2009, unless otherwise provided in the Individual Agreements, the minimum distribution requirements set forth under paragraph (a) will be satisfied as provided in either subsection (1) or (2) below, as determined by the Vendor responsible for the Participant's required minimum distribution and in accordance with the Individual Agreements:

(1) A Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of section 401(a)(9)(H) of the Code ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are (i) equal to the 2009 RMDs or (ii) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated Beneficiary, or for a period of at least ten (10) years ("Extended 2009 RMDs"), will receive those distributions for 2009 unless the Participant or Beneficiary chooses not to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to stop receiving the distributions described in the preceding sentence.

(2) A Participant or Beneficiary who would have been required to receive 2009 RMDs, and who would have satisfied that requirement by

receiving distributions that are (i) equal to the 2009 RMDs or (ii) Extended 2009 RMDs, will not receive those distributions for 2009 unless the Participant or Beneficiary chooses to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence.

Further, if provided by the Individual Agreement, the 2009 RMDs and Extended 2009 RMDs will be treated as eligible rollover distributions in 2009.

**THE BOARD OF TRUSTEES OF
ILLINOIS STATE UNIVERSITY**

Date: 12-18-12

Title:

Title

AMENDMENT 3

The Board of Trustees of Illinois State University ("University") hereby amends the Illinois State University Tax Deferred Compensation Plan ("Plan") pursuant to Section 11.02 thereof. This Amendment changes the loan section to make clear that all loans under all retirement plans maintained by the University must be coordinated for purposes of the applicable loan rules. This Amendment changes the hardship section to make clear that all hardships under all retirement plans maintained by the University must be coordinated. The effective date of this Amendment is January 1, 2012.

Section 7.03 of the Plan, regarding maximum loan amounts, is hereby amended to be and read as follows:

Section 7.03. Maximum Loan Amount. No loan to a Participant under the Plan may exceed the lesser of:

(a) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Administrator (not taking into account any payments made during such one-year period); or

(b) one half of the value of the Participant's Vested Account Balance (as of the valuation date immediately preceding the date on which such loan is approved by the Administrator).

For purposes of this Section 7.03, any loan from any other qualified retirement plan, as defined in Internal Revenue Code Sections 72(p)(4)(A) and (B), maintained by the University will be treated as if it were a loan made from the Plan, and the Participant's vested interest under any such other plan will be considered a Vested interest under this Plan; provided, however, that the provisions of this paragraph will not be applied so as to allow the amount of a loan to exceed the amount that would otherwise be permitted in the absence of this paragraph.

Subsection 8.06(d) of the Plan, regarding hardship withdrawals, is hereby amended to be and read as follows:

(d) No Elective Contributions will be allowed under this Plan or under any other qualified or nonqualified retirement plans maintained by the University, during the six month period beginning on the date the Participant receives a distribution on account of hardship. Participants are required to complete a Compensation reduction election in accordance with Section 4.01 following the end of the six month suspension.