

WAYNE STATE UNIVERSITY

ELIGIBLE 457 PLAN

Effective as of January 1, 2010

WAYNE STATE UNIVERSITY
ELIGIBLE 457 PLAN

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| 1. ESTABLISHMENT AND PURPOSE OF PLAN..... | 1 |
| 1.1 Establishment of Plan..... | 1 |
| 1.2 Purpose of Plan..... | 1 |
| 1.3 Restriction on the University's Use of Funds..... | 1 |
| 2. DEFINITIONS | 1 |
| 2.1 "Account" or "Accounts" | 1 |
| 2.2 "Account Balance" | 2 |
| 2.3 "Annual Deferral" | 2 |
| 2.4 "Applicable Dollar Amount" | 2 |
| 2.5 "Beneficiary" | 2 |
| 2.6 "Code" or "IRC" | 2 |
| 2.7 "Compensation" | 2 |
| 2.8 "Contract" and "Custodial Account" | 2 |
| 2.9 "Date of Employment" | 2 |
| 2.10 "Deferred Amount" or "Deferred Compensation" | 3 |
| 2.11 "Deferred Compensation Account" | 3 |
| 2.12 "Effective Date" | 3 |
| 2.13 "Eligible Employee" | 3 |
| 2.14 "Employee" | 3 |
| 2.15 "Employer" or "University" | 3 |
| 2.16 "Employer Contribution Account" | 3 |
| 2.17 "Includible Compensation" | 3 |
| 2.18 "Normal Retirement Age" | 3 |
| 2.19 "Participant" | 3 |
| 2.20 "Plan Administrator" | 3 |
| 2.21 "Plan Assets" or "Plan Fund" | 4 |
| 2.22 "Product Vendor" | 4 |
| 2.23 "Rollover Contribution Account" | 4 |
| 2.24 "Severance from Employment" | 4 |
| 3. ELIGIBILITY; PARTICIPATION AND CONTRIBUTIONS | 4 |
| 3.1 Eligibility to Participate. | 4 |
| 3.2 Commencement of Participation. | 5 |
| 3.3 Election to Defer Compensation..... | 5 |
| 3.4 Information to be Provided by Employee..... | 6 |
| 3.5 Employer Contributions. | 6 |
| 3.6 Eligible Rollover Contributions..... | 6 |

| | | |
|-----|--|----|
| 3.7 | Vesting..... | 7 |
| 4. | LIMITATION ON ANNUAL DEFERRALS..... | 7 |
| 4.1 | Basic Annual Deferral Limitation..... | 7 |
| 4.2 | Age 50 Catch-up Annual Deferral..... | 7 |
| 4.3 | Special Catch-up Annual Deferral..... | 7 |
| 4.4 | Special Rules..... | 8 |
| 4.5 | Correction of Excess Deferrals..... | 8 |
| 4.6 | Protection of Uniformed Service Persons..... | 9 |
| 5. | ESTABLISHMENT OF SEPARATE ACCOUNTS..... | 9 |
| 5.1 | Establishment of Custodial Accounts and/or Contracts..... | 9 |
| 5.2 | Establishment of Separate Accounts..... | 9 |
| 6. | INVESTMENT OPTIONS; REPORTING AND POWERS..... | 10 |
| 6.1 | Investment Options..... | 10 |
| 6.2 | Directed Investment by Participant..... | 11 |
| 6.3 | Crediting of Earnings to Accounts of Participants..... | 11 |
| 7. | DISTRIBUTION RULES..... | 11 |
| 7.1 | Amount of Benefit..... | 11 |
| 7.2 | Eligibility and Election for Distribution..... | 11 |
| 7.3 | Voluntary In-Service Distribution..... | 12 |
| 7.4 | Unforeseeable Emergency Distributions..... | 12 |
| 7.5 | Minimum Distribution Rules..... | 13 |
| 7.6 | Distribution on Death..... | 14 |
| 7.7 | Method and Timing of Distributions..... | 14 |
| 7.8 | Direct Rollover to Eligible Retirement Plan..... | 14 |
| 8. | ADMINISTRATION..... | 15 |
| 8.1 | Plan Administrator..... | 15 |
| 8.2 | Powers, Duties and Responsibilities of Plan Administrator..... | 15 |
| 8.3 | Determination of Costs and Incurrence of Expenses..... | 16 |
| 8.4 | Review of Claims - Binding Action..... | 16 |
| 8.5 | Delegation of Administrative Authority to Product Vendor..... | 17 |
| 8.6 | QDRO Procedures..... | 17 |
| 8.7 | Required Notices to Participants and Distributees..... | 17 |
| 9. | MISCELLANEOUS RULES..... | 17 |
| 9.1 | Anti-alienation..... | 17 |
| 9.2 | Amendment and Termination..... | 17 |
| 9.3 | Spendthrift Provision..... | 18 |
| 9.4 | Responsibility and Liability of the University..... | 18 |
| 9.5 | Rights and Obligations of Participants..... | 18 |
| 9.6 | Mistaken Contributions..... | 18 |
| 9.7 | Procedure When Distributee Cannot Be Located..... | 18 |
| 9.8 | Entire Document and Governing Law..... | 19 |

GENERAL INFORMATION

NAME OF PLAN: Wayne State University Eligible 457 Plan

NAME OF SPONSOR: Wayne State University,
a Michigan governmental entity

ADDRESS OF SPONSOR: 5700 Cass Avenue
Suite 3638
Detroit, MI 48202

TELEPHONE NUMBER: (313) 577-3717

EMPLOYER ID NUMBER: 38-6028429

TYPE OF PLAN: An eligible deferred compensation plan under IRC
Section 457(b)

PLAN YEAR: Calendar year (January 1 through December 31)

PLAN ADMINISTRATOR AND
AGENT FOR SERVICE OF
LEGAL PROCESS: Plan Administration Committee
c/o Associate Vice President of Human Resources
5700 Cass Avenue
Suite 3638
Detroit, MI 48202

PRODUCT VENDORS: TIAA-CREF Plan Document
P.O. Box 1299
Charlotte, NC 28201-1299

Fidelity Investments
82 Devonshire Street
Boston, MA 02109

This Plan is a government plan, and, therefore, is not subject to Title I or IV of ERISA.

This Plan is intended to qualify as an eligible deferred compensation plan under IRC Section 457(b).

This Plan is supplemented by the terms and conditions of any contract or policy issued by any Product Vendor who offers investment options to Participants under this Plan. Those contracts and policies are incorporated herein by this reference, as modified from time to time.

WAYNE STATE UNIVERSITY
ELIGIBLE 457 PLAN

The Board of Governors of Wayne State University (the "University" or the "Employer") hereby establishes an eligible Section 457 deferred compensation plan effective as of January 1, 2010 as set forth in this document and as supplemented by any contract or policy issued by a Product Vendor offering investment options to Participants under this Plan.

1. ESTABLISHMENT AND PURPOSE OF PLAN

1.1 Establishment of Plan. The University hereby establishes an eligible deferred compensation plan under IRC Section 457(b) effective as of January 1, 2010, which shall be known as the "Wayne State University Eligible 457 Plan" (the "Plan").

1.2 Purpose of Plan. The purpose of the Plan is (a) to allow, as of such Effective Date as determined by the University or the Plan Administrator, Eligible Employees to defer a portion of their Compensation, and receive such deferred Compensation and the investment gains and losses thereon following retirement, death, disability or other Severance from Employment, as provided in this document and (b) to allow the University to make Employer Contributions to the Plan in accordance with any agreements or resolutions adopted by the University or the Plan Administrator. The Plan is intended to constitute an "eligible deferred compensation plan" as that term is defined in IRC Section 457(b), and is to be construed, interpreted and administered in accordance with this intention and the requirements of IRC Section 457.

1.3 Restriction on the University's Use of Funds. To the extent permitted under IRC Section 457(b)(6), the amounts deferred and held under the Plan, and the investment thereof and earnings thereon, will be held for the exclusive benefit of the Participants and their Beneficiaries, as required under IRC Section 457(g), and may not be used by the University for any other purpose.

2. DEFINITIONS

As used in this Plan, the following words and phrases have the meaning set forth below, unless the context or the provisions of IRC Section 457 require otherwise to maintain the status of the Plan as an "eligible deferred compensation plan" under IRC Section 457(b):

2.1 "Account" or "Accounts" means the separate Custodial Accounts or Contracts established for a Participant, including any Deferred Compensation Account, Employer Contribution Account, if any, and Rollover Contribution Account, if any, established for such Participant.

2.2 “Account Balance” means the total of each Account established for a Participant, after taking into account the Deferred Compensation made by such Participant, earnings and losses (net of expenses of the Plan Fund) allocated to the Participant's Accounts under the Plan, transfers made for the Participant's benefit, and distributions made to the Participant or his/her Beneficiary.

2.3 “Annual Deferral” means the amount of Compensation deferred in any calendar year, and includes Employer Contribution where required for limitation and other purposes.

2.4 “Applicable Dollar Amount” means the annual dollar amount specified in IRC Section 457(e)(15), as amended or adjusted from time to time, which is \$16,500 for 2010 and indexed to inflation in \$500 increments for future years, as provided in IRC Section 415(d).

2.5 “Beneficiary” means a Participant's estate or any individual, trust, organization, entity or other person designated by the Participant, or this document, as the one who is entitled to receive a distribution of a Participant's benefits under this Plan upon his/her death. If a Participant fails to file a properly completed beneficiary designation form with the Plan Administrator or Product Vendor, or if there is no designated beneficiary then living, then, unless otherwise provided to the contrary in any Custodial Account agreement or Contract issued by a Product Vendor, such Participant's beneficiary will be his/her spouse if surviving, then his/her then living children, and if none then to his/her estate.

2.6 “Code” or “IRC” means the Internal Revenue Code of 1986, as amended from time to time, and, where appropriate, includes the Treasury Regulations promulgated thereunder.

2.7 “Compensation” means the salary, wages, and overtime paid to an Employee by the University, including elective contributions that are made by the University on behalf of an employee that are not includible in gross income under Sections 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including any salary reduction contributions under this Plan), and shall include additional amounts classified as "administrative attachments" by the University, i.e., additional salary paid for serving in administrative positions, such as chairman of a University department or division, but shall not include other supplemental compensation paid to an employee for additional services not rendered as part of the employee's primary assignment. Bonuses not added to base pay shall be included in Compensation unless the University determines otherwise in advance of payment.

2.8 “Contract” and “Custodial Account” mean any annuity contract, custodial account or other arrangement that is eligible to be treated as a trust under IRC Section 457(g)(3).

2.9 “Date of Employment” means the date that an Employee first renders service for the University as an Employee.

2.10 “Deferred Amount” or “Deferred Compensation” means the amount of Compensation a Participant elects to defer under this Plan.

2.11 “Deferred Compensation Account” means the Account established for a Participant to which Deferred Compensation made by such Participant, and the investment earnings (net of expenses of the Plan Fund), are credited, and from which investment losses, if any, distributions and certain expenses are debited.

2.12 “Effective Date” of the Plan is January 1, 2010 with respect to Employer Contributions under Section 3.5 and the date announced by the Plan Administrator with respect to deferrals by Eligible Employees under Section 3.3 and Rollover Contributions under Section 3.6.

2.13 “Eligible Employee” means any Employee who satisfies the eligibility requirements set forth in Section 3.1 of this Plan.

2.14 “Employee” means any individual who is employed by the University as a common law employee, and excludes any individual who is an independent contractor, as evidenced by the fact that his/her compensation is reported on a Form 1099, and not a Form W-2, irrespective of whether such reporting or characterization is subsequently changed for any reason.

2.15 “Employer” or “University” means Wayne State University.

2.16 “Employer Contribution Account” means the Account established for a Participant to which any Employer Contribution and the investment earnings (net of expenses of the Plan), are credited, and from which investment losses, if any, distributions and certain expenses are debited.

2.17 “Includible Compensation” means an Employee's actual wages reported in box 1 of Form W-2 for services rendered to the University in a calendar year, increased by any compensation reduction election under IRC Sections 125, 132(f), 401(k), 403(b) or 457(b), including under this Plan, but subject to a maximum amount of \$200,000, as adjusted for cost of living increases under IRC Section 401(a)(17). The maximum amount is \$245,000 for 2010.

2.18 “Normal Retirement Age” means age 65.

2.19 “Participant” means any Eligible Employee who elects to defer a portion of his/her Compensation under this Plan or has any Account Balance under this Plan, any Eligible Employee for whom the University has made an Employer Contribution, and includes any former Eligible Employee and any Beneficiary who has an Account Balance, or is entitled to any benefit, under this Plan.

2.20 “Plan Administrator” means the person(s) or committee appointed by the University to supervise the administration of the Plan. The initial Plan Administrator is a committee, consisting of the individuals holding the positions of Associate Vice President of Human Resources, Director Total Compensation & Wellness, and Benefits

Officer, plus such other individuals who are appointed by the committee from time to time.

2.21 "Plan Assets" or "Plan Fund" means the total assets held under this Plan, and includes the Deferred Compensation, Employer Contributions, if any, and Rollover Contributions, if any, of all Participants under this Plan, and the earnings (net of expenses of the Plan) from the investment thereof. Plan Assets also include amounts held by any Product Vendor under any Custodial Account or Contract.

2.22 "Product Vendor" means a company or entity approved by the Plan Administrator or University to offer investment products to Participants under this Plan. The initial Product Vendors are named on page iv at the beginning of this document.

2.23 "Rollover Contribution Account" means the Account established for any Participant to which a Rollover Contribution, and the investment earnings (net of expenses of the Plan), are credited, and from which investment losses, if any, distributions and certain expenses are debited.

2.24 "Severance from Employment" means the termination of a Participant's employment with the University for any reason including the Participant's death, disability or retirement, as determined by the Plan Administrator (taking into account guidance issued under the Code).

3. ELIGIBILITY; PARTICIPATION AND CONTRIBUTIONS

3.1 Eligibility to Participate. Every Employee who meets the following requirements is eligible to participate under this Plan:

3.1.1 The Employee normally works at least 20 hours per week (as that term is defined Section 3.1.4 below), or has a 50% appointment, or in the case of an Employee who is covered by a collective bargaining agreement with the University, such bargaining agreement permits the Employee to participate in the Retirement Plan;

3.1.2 The Employee is not a student performing services for the University described in IRC Section 3121(b)(10), such as a "graduate assistant" or "student assistant." This requirement does not exclude a regular Employee of the University who also is attending University classes; and

3.1.3 The Employee is not included in a unit of employees covered by a collective bargaining agreement between employee representatives and the University which provides that the employee is eligible to participate in an alternate 401(k), 403(b) or 457(b) program which permits an amount to be contributed or deferred at the election of the Employee.

3.1.4 An Employee will not be classified as normally working at least 20 hours per week if, for the 12-month period beginning on the date the Employee's employment commenced, the University reasonably expects the Employee to work

fewer than 1,000 hours of service (as defined under IRC Section 410(a)(3)(C)) and, for each plan year ending after the close of the 12-month period beginning on the date the Employee's employment commenced, the Employee actually worked fewer than 1,000 hours of service in the preceding 12-month period. An Employee, who initially was classified as not normally working at least 20 hours per week and is later found to have completed 1,000 or more hours of service in a plan year will be reclassified as normally working at least 20 hours per week as of the beginning of the plan year following the plan year in which the Employee completed 1,000 hour or more of service.

3.2 Commencement of Participation. After the Effective Date for deferrals, an Eligible Employee will commence participation in the Plan on the first pay period of the calendar month after (a) delivering to the Plan Administrator a completed Election Form, Beneficiary Designation Form and any other administrative form required by the Plan Administrator or Product Vendor, (b) the Plan Administrator accepts such forms and confirms such Eligible Employee's eligibility under this Plan, and (c) the passage of sufficient time after receipt of such application to enable the Plan Administrator to complete the administrative processing necessary to begin withholding from the Employee's Compensation. With respect to Employer Contributions, after the Effective Date for Employer Contributions, an Eligible Employee will commence participation in the Plan after (a) being identified by the Employer or the Plan Administrator as being eligible for an Employer Contribution, (b) delivering to the Plan Administrator a completed Beneficiary Designation Form and any other administrative form required by the Plan Administrator or Product Vendor, and (c) the passage of sufficient time after receipt of such forms to enable the Plan Administrator to complete the administrative processing necessary to begin making Employer Contributions.

3.3 Election to Defer Compensation.

3.3.1 As of the Effective Date and subject to Section 3.3.4 below, an Eligible Employee may elect to defer a portion of his/her Compensation by completing and signing an Election Form approved by the Plan Administrator, and agreeing on such Election Form to abide by all the provisions of this Plan. Such deferral shall be effective for the first pay period of the calendar month following the delivery of such Election Form to the Plan Administrator but only if the Election Form providing for such deferral is completed and filed by the Eligible Employee before the beginning of such period and the Election Form has been accepted by the Plan Administrator in accordance with Section 3.2 above. Deferrals will not be retroactive. An Election Form will remain in effect until a new Election Form is filed with the Plan Administrator.

3.3.2 A Participant may elect to defer a portion of his/her Compensation that is (a) described in Treasury Regulations §1.415(c)-2(e)(3)(ii) [relating to certain Compensation paid within 2½ months following a severance from employment], or (b) described in Treasury Regulations §1.415(c)-2(g)(4) [relating to Compensation paid to a Participant who is totally and permanently disabled]. A Participant may also elect to defer Compensation relating to a period of qualified military service under IRC Section 414(u). Except as otherwise permitted under IRC Section 457(b) or the Treasury Regulations thereunder, an election under this Section 3.3.2 must be made by

completing and signing an Election Form approved by the Plan Administrator, and delivering the Election Form to the Plan Administrator prior to the first day of the calendar month for which the election is to apply.

3.3.3 A Participant may change or terminate an existing election, prospectively, at any time, by completing and delivering to the Plan Administrator a new Election Form. Such change or termination may be made at any time, but only on a prospective basis, and each change will become effective on the first day of the calendar month following the date that a new Election Form is received and accepted by the Plan Administrator, unless a later effective date is specified on the new Election Form.

3.3.4 Notwithstanding anything to the contrary, the minimum annual deferral amount under this Plan is \$200.

3.4 Information to be Provided by Employee. As a condition of eligibility, each Eligible Employee must provide the University with information regarding his/her date of birth, marital status and any other eligible deferred compensation plan under IRC Section 457(b) in which he/she is a participant.

3.5 Employer Contributions. The University, in its discretion, on a year by year basis, may elect to make a matching or non-matching contribution for any Plan Year in accordance with a formula or in a certain amount or percentage to all Participants or only to certain Participants. If the University so elects to make a matching or non-matching employer contribution, it will provide notice to all Employees who are eligible for such contribution prior to the close of the Plan Year for which such contribution is to relate. Employer Contributions will be made to the same Product Vendor and investment choices as the Participant has chosen for the investment of his/her Deferred Compensation, or as chosen by the University, if no such investment election is in effect for a Participant who is entitled to an Employer Contribution in a given Plan Year.

3.6 Eligible Rollover Contributions. A Participant who is an Eligible Employee and who is entitled to an Eligible Rollover Distribution (as defined in Section 7.8) from an eligible plan under IRC Section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state may elect to have all or a portion of such Eligible Rollover Distribution paid to this Plan. The Plan Administrator may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with IRC Section 402, and to confirm that such plan is an eligible plan under IRS Section 457(b). All rollovers and direct transfers to this Plan will be allocated to the Participant's Rollover Contribution Account. The Plan Administrator may require that such direct transfer or rollovers into the Plan be made in cash or other property acceptable to the Plan Administrator or any Product Vendor.

3.7 Vesting. A Participant shall be fully vested at all times in his/her Deferred Compensation Account, Employer Contribution Account, and Rollover Contribution Account under this Plan.

4. LIMITATION ON ANNUAL DEFERRALS

Notwithstanding anything to the contrary, the Annual Deferral that any Participant may elect to defer, and the amount of Employer Contributions, under this Plan are subject to the limitations and rules of IRC Section 457, the rules and procedures imposed by any Product Vendor or under any Custodial Account or Contract issued by such Product Vendor, and such additional rules and limitations as are described below.

4.1 Basic Annual Deferral Limitation. The maximum amount of the Annual Deferral (including Employer Contributions) under this Plan and all other eligible deferred compensation plans under IRC Section 457(b) for any calendar year, for each Participant is the lesser of: (1) the Applicable Dollar Amount, or (2) 100% of such Participant's Includible Compensation for such calendar year. The Applicable Dollar Amount for the 2010 calendar year is \$16,500, and is indexed for inflation in \$500 increments for calendar years after 2010, as provided for in IRC Section 415(d).

4.2 Age 50 Catch-up Annual Deferral. In addition to amounts deferred pursuant to Section 4.1 above, a Participant who will attain age 50 before the end of the calendar year may make an additional amount of Annual Deferral (i.e., a catch-up deferral), up to the maximum "Age 50 Catch-up Annual Deferral" for the calendar year, in accordance with, and subject to the limitations of, IRC Section 414(v). The maximum Age 50 Catch-up Annual Deferral for 2010 is \$5,500, and is indexed for inflation for calendar years after 2010.

4.3 Special Catch-up Annual Deferral. Notwithstanding Sections 4.1 and 4.2, the Annual Deferral limitation amount for a Participant who is in the last three (3) calendar years preceding the calendar year in which he/she will attain his/her Normal Retirement Age will be the amount determined under this Section 4.3, if such amount exceeds the amount determined under Sections 4.1 and 4.2 above. The amount determined under this Section 4.3 is the lesser of:

4.3.1 an amount equal to twice the Applicable Dollar Amount under Section 4.1 for such calendar year; or

4.3.2 the sum of:

a. the difference between (a) the aggregate limit under Section 4.1 for the current year plus each prior calendar year beginning after December 31, 2001 during which such Participant was an Eligible Employee under this Plan, minus (b) the aggregate amount of (1) Compensation that such Participant deferred under this Plan during such years and (2) Employer Contributions allocated to such Participant under this Plan during such years; plus

b. an amount equal to the difference between (a) the aggregate limit referred to in IRC Section 457(b)(2) for each prior calendar year beginning after December 31, 1978 and before January 1, 2002 during which such Participant was an Eligible Employee (determined without regard to Section 4.2 and this Section 4.3), minus (b) the aggregate contributions for pre-2002 years that must be included under Treas. Reg. Section 1.457-4(c)(3)(iv); or

c. such Participant's Compensation for such calendar year.

4.4 Special Rules. Any determination of the special catch-up annual deferral amount of Section 4.3 shall be made in accordance with IRC Section 457(b)(3), the regulations promulgated thereunder, and the following rules:

4.4.1 If a Participant is or has been a participant in one or more other eligible deferred compensation plans under IRC Section 457(b)(2) then this Plan and all such other plans will be considered as one plan for purposes of applying the limitations of Sections 4.1 through 4.3. For this purpose, the Plan Administrator will take into account all IRC Section 457(b) Plans maintained by the University and by other employers of which a Participant has informed the Plan Administrator and provided the Plan Administrator with sufficient information about his/her participation thereunder.

4.4.2 In applying the rules of Section 4.3, a year will be taken into account only if (a) the Participant was eligible to participate in this Plan during all or any portion of the year, and (b) the Compensation deferred, if any, under this Plan during the year was subject to the basic Annual Deferral limitation in Section 4.1 or any other limitation imposed by IRC Section 457(b).

4.4.3 The contributions for any calendar year need only be taken into account for purposes of paragraph b. of Section 4.3.2 to the extent that the total of such contributions does not exceed the aggregate limit referred to in IRC Section 457(b)(2) for that year.

4.4.4 For purposes of Section 4.3, an individual is treated as not having deferred compensation under a plan for a prior taxable year to the extent excess deferrals under the Plan are distributed, as described in Section 4.5. To the extent that the combined deferrals for pre-2002 years exceeded the maximum Annual Deferral limitations, the amount is treated as an excess deferral for those prior years, and is disregarded.

4.5 Correction of Excess Deferrals. If the Annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described in this Section 4, when combined with other amounts deferred by such Participant under another eligible deferred compensation plan under IRC Section 457(b) for which such Participant provides information that is accepted by the Plan Administrator, then the Annual Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto) will be distributed to such Participant.

4.6 Protection of Uniformed Service Persons. An Eligible Employee whose employment is interrupted by, or who is on a leave of absence for, qualified military service under IRC Section 414(u) may elect to make additional Annual Deferrals upon resumption of employment with the University as an Eligible Employee equal to the maximum Annual Deferrals that he/she could have elected during that period if his/her employment with the University had continued (at the same level of Compensation) without the interruption or leave, reduced by the Annual Deferrals, if any, actually made for him/her during the period of interruption or leave. This right will apply for the five (5) calendar years following the resumption of employment (or, if sooner, for a period equal to three (3) times the period of the interruption or leave).

5. ESTABLISHMENT OF SEPARATE ACCOUNTS

5.1 Establishment of Custodial Accounts and/or Contracts. In lieu of creating a separate trust to hold the assets of this Plan, the University will utilize one or more Custodial Accounts and/or Contracts issued from one or more Product Vendors. The Plan Administrator on behalf of the University will enter into an agreement with one or more providers of annuity contracts or financial institutions to provide such Custodial Account or Contract, and the custodian or Product Vendor will offer only such investments and investment vehicles as are permitted by applicable law, and as provided in any agreement between the University and such custodian or Product Vendor. The Plan Administrator on behalf of the University will have the authority to terminate any such Custodial Account or Contract at any time, subject to the terms of the agreement with such third party provider. Upon such termination, the custodian or Product Vendor will render a final accounting to the University with a copy to the Plan Administrator, and will deliver to the University or the Plan Administrator all of the books and records, including all accountings, filings, returns, contracts, policies and other documents pertaining to the Plan Assets held by it. The Plan Administrator on behalf of the University may enter into a separate custodial agreement or other agreement with a custodian or Product Vendor that specifies the services to be rendered, the investment vehicles to be offered, and the fee to be paid for such services and products. Any such agreement is incorporated herein by this reference. In the event of a conflict between the terms of this document and any agreement with a custodian or Product Vendor, this document will prevail, unless contrary to applicable law.

5.2 Establishment of Separate Accounts.

5.2.1 Each Product Vendor, on behalf of the Plan Administrator, will establish and maintain a separate Custodial Account or Contract for each Participant, and keep records of the contribution sources. A Participant's Deferred Compensation, the investment thereof, and the investment gains and losses thereof, will be allocated to a Deferred Compensation Account. Any Employer contributions allocated to a Participant, and the investment thereof, and the investment gains and losses thereof, will be allocated to an Employer Contribution Account for such Participant. Any rollover or direct transfer contributions made by, or received on behalf of, a Participant, and the investment thereof, and the investment gains and losses thereof, will be allocated to a

Rollover Contribution Account for such Participant. Each Product Vendor will establish and maintain a separate account for each Eligible Rollover Distribution paid to the Plan on behalf of a Participant.

5.2.2 The amount deducted from a Participant's Compensation pursuant to an Election Form filed by the Participant will be transferred to the Custodial Account or Contract, whichever is being utilized by the University and elected by the Participant, and will be transferred within a reasonable period of time following deduction of such amount from the Participant's paycheck, but in no event later than 15 business days following the end of the calendar month in which the amount would otherwise have been paid to the Participant.

5.2.3 A Participant's benefit under the Plan shall consist solely of his or her Account Balance with such value being determined under the terms of the applicable Contract or Custodial Account in which the Account Balance has been invested.

5.2.4 If a Participant has more than one Beneficiary at the time of his/her death, the Plan Administrator or each Product Vendor will establish and maintain a separate Custodial Account or Contract for each Beneficiary's separate Account Balance.

6. INVESTMENT OPTIONS; REPORTING AND POWERS

6.1 Investment Options.

6.1.1 The Plan Administrator will select and approve the Product Vendors. The Plan Administrator may add to, remove from, or otherwise change the Product Vendors at any time and for any reason, subject to the terms of any Contract. In addition, in the event the University elects to discontinue offering a Product Vendor or a particular investment option offered by a Product Vendor then, unless the University is willing to pay any surrender charge, it will allow a Participant who has invested with such Product Vendor or in such investment option to remain in such investment until any applicable surrender charge period has expired, but may prohibit any new contributions from being invested in such investment.

6.1.2 Subject to Section 6.1.1 above, any fee, cost or expense associated with any Product Vendor or investment option, and any cost or expense associated with changing any Product Vendor or investment option, including reasonable surrender charges, will be charged directly to the Participants who choose to invest with such Product Vendor or in such investments while offered under this Plan. Neither the Plan Administrator nor the University will be liable for any surrender charge or fee incurred by any Participant in investing with any Product Vendor or in any investment option, or in changing his/her investment choices.

6.1.3 The Plan Administrator will notify all Participants of all Product Vendors available to them. However, it will be up to the Participant to obtain a

prospectus for, and a description of, each such investment in which the Participant chooses to invest with such Product Vendor, so that the Participant will have the opportunity to become familiar with each investment choice before making an investment decision.

6.1.4 Notwithstanding the foregoing, the investment powers under this Plan will be limited to what is permitted under the laws of the State of Michigan, and the Plan may only offer such investment options as are permissible under the laws of the State of Michigan, including, but not limited to, common or preferred stocks, corporate or governmental bonds (other than the University's own securities) or other securities, U.S. treasury notes, real estate, limited partnerships, mutual funds and/or money market accounts.

6.1.5 The Plan Administrator will have the power to open and maintain any type of account (checking, savings or brokerage) at any bank, brokerage firm and/or other financial institution, or with any Product Vendor, and may open and maintain an account with any investment management firm or investment advisor.

6.2 Directed Investment by Participant. Each Participant may direct the investment of his/her Accounts among the Product Vendors and the investment options offered by each Product Vendor. Each Participant may change each investment choice as permitted by rules established by the Plan Administrator, Product Vendor and/or the investment option. The Plan Administrator or Product Vendor may adopt such forms or procedures for directing investments as deemed appropriate for the efficient administration of the Plan.

6.3 Crediting of Earnings to Accounts of Participants. Each Account of each Participant will be credited with earnings, and debited with losses and fees, expenses and charges, attributable to the investment choices made by the Participant. Such crediting and debiting will be done periodically, at least annually, and may be done directly by the Product Vendor on a statement issued by such Product Vendor.

7. DISTRIBUTION RULES

7.1 Amount of Benefit. A Participant's benefit under the Plan is equal to the aggregate value of the vested portion of his/her Account Balance as of any given date. A Beneficiary's benefit under the Plan is equal to the portion of the deceased Participant's Account Balance for which such Beneficiary is named as the beneficiary under a valid Beneficiary Designation Form or under this Plan.

7.2 Eligibility and Election for Distribution.

7.2.1 Upon one of the events listed below, a Participant will be entitled to request a distribution of his/her vested Account Balance under the Plan under any method or form of distribution offered by the Plan under Section 7.7, or a Product Vendor with whom his/her Account Balance is invested. The claim for a distribution

must be in writing, and use the form(s) approved and provided by the Plan Administrator and/or the Product Vendor with whom the Participant's Account Balance is invested.

- a. Severance from Employment with the University; or
- b. The calendar year in which the Participant will attain age 70½.

7.2.2 An alternate payee under a qualified domestic relations order ("QDRO") will be entitled to file a claim and request a distribution of the portion of the Participant's vested Account Balance awarded to the alternate payee at any time following the certification of the QDRO as "qualified" as provided in the QDRO Procedures described in Section 8.6 below. Any distribution under this Section 7.2.2 to an alternate payee before (a) the Participant has a Severance from Employment with the University, or (b) the calendar year in which the alternate payee or the Participant attains age 70½, may only be made as specifically provided for in the QDRO.

7.3 Voluntary In-Service Distribution. In addition to a Participant's, Beneficiary's or alternate payee's right to receive a distribution of the vested portion of his/her Account Balance in or after the calendar year in which he/she will attain age 70½, a Participant, Beneficiary or alternate payee may elect to receive a distribution of his/her vested Account Balance if all of the following requirements are met:

7.3.1 The amount of the Participant's, Beneficiary's or alternate payee's Account Balance that is not attributable to Rollover Contributions does not exceed \$5,000 (or the dollar limit under IRC Section 411(a)(11), if greater); and

7.3.2 No amount has been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the in-service distribution; and

7.3.3 The Participant, Beneficiary or alternate payee elects to receive the distribution; and

7.3.4 No prior distributions have been made at the Participant's, Beneficiary's or alternate payee's election under this Section 7.3.

7.4 Unforeseeable Emergency Distributions. A Participant may request a distribution before he or she would otherwise be eligible for a distribution under Section 7.2.1 in the event of an "unforeseeable emergency". An "unforeseeable emergency" means a severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent of the Participant; loss of the Participant's property due to casualty; the need to pay for the funeral expenses of the Participant's spouse or dependent (as defined in IRC Section 152(a)); 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. Except as otherwise specifically provided in this Section 7.4, neither the purchase of a home nor the payment of college tuition is an unforeseeable emergency. A distribution on account of 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. Distributions because of an unforeseeable emergency may not exceed the amount reasonably necessary to satisfy the emergency need (which may include any amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution). A Participant may request a distribution due to an unforeseeable emergency by submitting a written request to the Plan Administrator or the Product Vendor, accompanied by evidence to demonstrate that the circumstances being experienced qualify as an unforeseeable emergency. The Plan Administrator or Product Vendor shall have the authority to require such evidence as it deems necessary to determine if a distribution shall be warranted.

7.5 Minimum Distribution Rules.

7.5.1 Notwithstanding anything to the contrary herein, the Plan and all Product Vendors will apply the minimum distribution requirements of IRC Section 401(a)(9) in accordance with the regulations under IRC Section 401(a)(9), as they apply to an IRC Section 457 eligible deferred compensation plan.

7.5.2 Subject to IRC Section 401(a)(9) to the contrary, no distribution under this Section 7 may begin later than the later of (a) April 1 of the calendar year following the calendar year in which the Participant, Beneficiary or alternate payee attains age 70½, or (b) in the case of a Participant or Beneficiary, April 1 of the calendar year following the calendar year in which the Participant's Severance from Employment with the University occurs.

7.5.3 If the distributions commence in the calendar year following the calendar year in which the Participant attains age 70½ or severs employment with the University, the distribution on the date it commences must be at least equal to the annual installment for the year that the Severance from Employment occurs, as determined in Section 7.5.4, and an amount at least equal to the annual installment payment for the calendar year following the year that the Severance from Employment occurs, as determined in Section 7.5.4, must also be made before the end of the calendar year in which the distribution commences.

7.5.4 For purposes of Section 7.5.3, the annual installment payment each year is equal to a fraction of the vested Account Balance equal to one (1) divided by the distribution period set forth in the Uniform Lifetime Table at §1.401(a)(9)-9, A-2 of the Income Tax Regulations for the Participant's age on his/her birthday for that calendar year. At the Participant's election, the annual installment payment may be made in monthly or quarterly installments. The Account Balance for purposes of this Section

7.5.4 (other than the calculation of the final payment) is the vested Account Balance as of the end of the calendar year prior to the year for which the distribution is being calculated.

7.6 Distribution on Death. Upon the death of a Participant, his/her benefit under this Plan will be distributed to his/her designated Beneficiary in the same manner as it could have been distributed to the Participant, subject to the minimum distribution rules of IRC Section 401(a)(9), as modified by IRC Section 457(d), which rules are incorporated herein by this reference, as they apply to an IRC Section 457 eligible deferred compensation plan.

7.7 Method and Timing of Distributions. Unless otherwise restricted or prohibited by a Product Vendor or investment option, a Participant's benefit will be paid in a single lump sum amount, commencing as soon as possible following the occurrence of an event described in Section 7.2 above and the written request for a distribution from such Participant or Beneficiary, unless the Participant or Beneficiary elects a different method of distribution or commencement of payment option offered by the Product Vendor for any Accounts of such Participant invested with such Product Vendor. Subject to rules of the Product Vendor, a Participant or Beneficiary may elect a different method of distribution at any time at least thirty days before his/her benefits begin, or such other time as permitted by the Product Vendor, by notifying the Product Vendor in writing of his/her election.

7.8 Direct Rollover to Eligible Retirement Plan. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a "Distributee's" election under this Section, a Distributee may elect, at the time and in the manner prescribed by the Plan Administrator or Product Vendor, to have any portion of an "Eligible Rollover Distribution" paid directly to an "Eligible Retirement Plan" specified by the Distributee in a "Direct Rollover."

7.8.1 "Eligible Rollover Distribution" means any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include:

a. Any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated beneficiary, or for a specified period of 10 years or more;

b. Any distribution to the extent such distribution is required under IRC Section 401(a)(9); and

c. Any distribution made under Section 7.4 as a result of an unforeseeable emergency, if such distributions are allowed by this Plan.

7.8.2 “Eligible Retirement Plan” means an individual retirement account described in IRC Section 408(a), an individual retirement annuity described in IRC Section 408(b), an annuity plan described in IRC Section 403(a), a qualified trust described in IRC Section 401(a) that accepts the Distributee’s Eligible Rollover Distribution, an annuity plan described in IRC Section 403(a) or IRC Section 403(b), and an eligible plan under IRC Section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

7.8.3 “Distributee” means and includes a Participant and the Beneficiary of a deceased Participant, and includes a Participant’s spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in IRC Section 414(p), with regard to the interest awarded to such alternate payee.

7.8.4 “Direct Rollover” means a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

8. ADMINISTRATION

8.1 Plan Administrator. The Plan Administrator will administer the Plan. The University has appointed a committee to act as the Plan Administrator, with such committee consisting of the individuals holding the positions of Associate Vice President of Human Resources, Director Total Compensation & Wellness, and Benefits Officer, plus such other individuals who are appointed by the committee from time to time. The University may remove and replace a Plan Administrator, fill a vacancy, or increase the number of Plan Administrators, at any time. The University will serve as the Plan Administrator during any period that no other individual, committee or third party entity is appointed and serving as Plan Administrator.

8.2 Powers, Duties and Responsibilities of Plan Administrator. The Plan Administrator will have the authority to determine all issues arising in connection with the administration or interpretation of this Plan. In this regard, the Plan Administrator may correct any defect, supply any information or reconcile any inconsistency which arises in the administration of this Plan in such manner, and to such extent, as the Plan Administrator deems necessary or advisable to carry out the purpose of this Plan. The Plan Administrator’s powers will include all powers necessary or appropriate to accomplish the duties and responsibilities of the Plan Administrator under this Plan. In the general administration of the Plan, the Plan Administrator will have the authority to:

8.2.1 Determine all questions relating to the eligibility of an Employee to participate or continue active participation under this Plan;

8.2.2 Adopt such forms, and establish such rules, for the administration of the Plan as the Plan Administrator deems necessary or appropriate;

8.2.3 Determine the Compensation, Includible Compensation and Deferred Compensation of each Participant in accordance with this Plan, and to collect,

through payroll deduction or otherwise, the Deferred Compensation of each Participant and deliver the same to the investment providers for investment;

8.2.4 Determine a Participant's or Beneficiary's right to a distribution from the Plan, and direct any custodian with respect to such distribution and, where the Product Vendor does not maintain beneficiary designation records, the proper Beneficiary thereof, in the case of the death of a Participant;

8.2.5 Negotiate, enter into and/or terminate agreements or contracts to provide services to the Plan, including, but not limited to, legal, accounting and/or investment management services, and agreements with custodians, Product Vendors and/or any Trustee;

8.2.6 Maintain or obtain all necessary records for the administration of the Plan; comply with all federal or state reporting requirements and applicable laws; prepare annual or more frequent reports to Participants with respect to their Deferred Compensation for the calendar year, and the earnings credited to their Accounts for the calendar year; and prepare and furnish annual or more frequent reports to the University regarding the status and administration of the Plan; and

8.2.7 Take any other action that is necessary or appropriate in the administration of the Plan, in order to maintain the Plan as an "eligible deferred compensation plan" under IRC Section 457(b), and carry out the intentions and purposes of this Plan.

8.3 Determination of Costs and Incurrence of Expenses. The Plan Administrator will have the authority to incur reasonable costs on behalf of, or in the administration of, the Plan, including reasonable attorney, accounting, trustee and/or investment management fees. Unless directed otherwise by the Plan Administrator, all of such expenses of administering the Plan (other than investment expenses) will be paid by the University, and will not be charged to or against any Participant's Accounts. However, any fees or expenses directly related to the investment of a Participant's Accounts, including, but not limited to, brokerage fees, commissions, surrender charges and/or investment management fees, will be charged directly to such Participant's Account with respect to which such investment expense relates.

8.4 Review of Claims - Binding Action. The Plan Administrator has the authority to review any claim for benefits from the Plan, and may delegate such authority to the issuer of a Contract or Custodial Account. The actions and decisions of the Plan Administrator in (a) the interpretation and administration of the Plan, (b) the determination with respect to entitlement to, and amount of, any benefit from the Plan, and (c) the review of any claim of eligibility (or continued eligibility) or claim for benefits under the Plan is binding and conclusive upon the Participant, his/her Beneficiary and all other interested parties, and there is no right to appeal the decisions or actions of the Plan Administrator to any other authority. However, any Participant, Beneficiary or interested party may make one (1) written request to the Plan Administrator to reconsider any decision or action.

8.5 Delegation of Administrative Authority to Product Vendor. The Plan Administrator may delegate some or all of the Plan Administrator's administrative authority, including, but not limited to, the establishment and adoption of forms, rules and procedures for investing, accounting for, and distributing Participant's Accounts under this Plan, including unforeseeable emergency distribution rules (if distributions for unforeseeable emergencies are permitted under this Plan), and rollover rules.

8.6 QDRO Procedures. The Plan Administrator will establish and adopt procedures for determining whether a domestic relations order constitutes a "qualified domestic relations order" ("QDRO") under IRC Section 414(q), as it applies to an "eligible deferred compensation plan" under IRC Section 457(b). This Plan will honor and comply with any such QDRO that complies with such procedures adopted by the Plan Administrator or Product Vendor.

8.7 Required Notices to Participants and Distributees. The Product Vendor will comply with IRC Sections 402(f) and 457(e)(16)(B) and provide a written explanation to each recipient of an Eligible Rollover Distribution (as defined in Section 7.8.1). Such written explanation must cover the Direct Rollover rules, the mandatory income tax withholding rules on distributions not directly rolled over, the tax treatment of distributions not rolled over (including the special tax treatment available for certain lump sum distributions), and when distributions may be subject to different restrictions and tax consequences after being rolled over. Such explanation must be given within a reasonable period of time before the Eligible Rollover Distribution is made.

9. MISCELLANEOUS RULES

9.1 Anti-alienation. The Plan Assets will not be subject to any assignment, garnishment or other such proceeding or action by any creditor of any Participant or Beneficiary or the University. Notwithstanding anything to the contrary, a Participant's Accounts will be subject to assignment and distribution in accordance with a domestic relations order that constitutes a QDRO as determined under Section 8.6.

9.2 Amendment and Termination. Except as otherwise provided in this document, the University reserves the right to amend the Plan and this document at any time. However, no amendment may reduce any Participant's vested benefit that was already credited to his/her Account on the date such amendment is adopted or made effective. In addition, the University reserves the right to terminate the Plan and/or the Custodial Account or Contract in lieu thereof, at any time, without prior notice. Upon termination of the Plan, the benefits under the Plan will be paid to the Participants at least as rapidly as they would have been paid had each Participant terminated his/her employment on the date of such Plan termination.

Approval by the University's Board of Governors is required only for amendments that: (i) terminate this plan; (ii) materially increase the University's cost; or (iii) add provisions that otherwise significantly alter the University's rights, liabilities, and burdens with respect to this Plan. All other amendments, such as those (i) for tax qualification

purposes; (ii) for administrative purposes; (iii) that implement the terms of any employment contract approved by the Board of Governors; (iv) that establish the Effective Date for deferrals under Section 3.3 and Rollover Contributions under Section 3.6; or (v) that have a minor effect on the cost of the Plan, including implementing approved Employer Contributions, may be adopted by action of the Plan Administrator. Provided, however, that all amendments shall also be approved by the appropriate University official, as designated by University policy.

9.3 Spendthrift Provision. No amendment may allow the University, or any creditor of the University, to access or use the Plan Assets for any purpose other than the payment of benefits from this Plan. To the maximum extent permitted by law, it is intended that the Custodial Account or Contract referred to in Section 5.1 constitute a spendthrift trust under Michigan law, and prohibit any creditor of the University or any Participant or Beneficiary from obtaining any rights to any portion of the Plan Assets or any benefit of any Participant or Beneficiary, until such benefit is actually distributed from the Custodial Account or Contract in accordance with this document.

9.4 Responsibility and Liability of the University. The University will not be liable to any Participant or Beneficiary or any interested party for the tax treatment of any amount deferred under this Plan. The University will not be liable for any investment decision made by any Participant or Beneficiary.

9.5 Rights and Obligations of Participants. Each Employee who participates under this Plan will be deemed to have read, understood and agreed to the terms and conditions of this document, including the University's right to amend or terminate this Plan and/or any Custodial Account or Contract in lieu thereof, at any time, on a prospective basis.

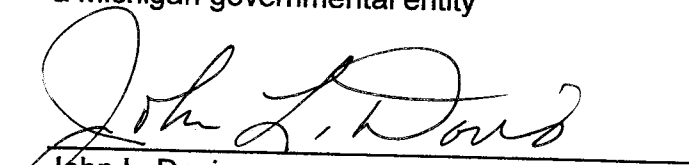
9.6 Mistaken Contributions. If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Plan Administrator, the amount of the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

9.7 Procedure When Distributee Cannot Be Located. The Plan Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown on the University's or the Plan Administrator's records, (b) notification sent to the Social Security Administration or the Pension Benefit Guaranty Corporation (under their program to identify payees under retirement plans), and (c) the payee has not responded within 6 months. If the Plan Administrator is unable to locate such a person entitled to benefits under the Plan, or if there has been no claim made for such benefits, the Custodial Account or Contract shall continue to hold the benefits due such person for the period required by law.

9.8 Entire Document and Governing Law. This document represents the entire Plan. This document will be interpreted and construed in accordance with the laws of the State of Michigan and IRC Section 457(b).

The individual whose signature is set forth below confirms that the foregoing Plan document was approved and adopted by the Board of Governors of Wayne State University, to be effective as of January 1, 2010.

WAYNE STATE UNIVERSITY,
a Michigan governmental entity



John L. Davis
Vice President, Treasurer and Chief Financial
Officer

BLOOMFIELD 25996-2 1038363

FORM APPROVED
AR
7/8/10
OFFICE OF THE
GENERAL COUNSEL