AUI Supplemental Retirement Annuity Plan

Summary Plan Description

November 2011

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AUI Supplemental Retirement Annuity Plan

Associated Universities, Inc. maintains the AUI Supplemental Retirement Annuity Plan (the "Plan") for the benefit of its eligible employees. Associated Universities, Inc. is referred to in this Summary Plan Description as "AUI" or the "Institution." The purpose of the Plan is to help participants save for retirement.

Whether you are a new participant or have participated in the Plan for years, you should read this summary plan description carefully. This document is a brief description of the Plan and your rights, obligations and benefits under the Plan as in effect on June 1, 2011. It is not meant to interpret, extend or change the provisions of the Plan in any way. With respect to benefits provided by TIAA-CREF annuity contracts or certificates, all rights of a participant under the contracts or certificates will be determined by the terms of such contracts or certificates. If there is a difference between the provisions of the Summary Plan Description and the Plan document, the Plan document will control.

1. What kind of plan is this?

The Plan is a defined contribution plan that operates under Section 403(b) of the Internal Revenue Code ("Code"). The amount of benefits you may receive is based on the balance in your accounts in the Plan. Your Plan accounts are credited with the contributions you make to the Plan. Your account balance is adjusted for any expenses, gains, or losses which may be allocated to your account, and for any distributions you receive.

As a defined contribution plan, benefits provided by the Plan are not insured by the Pension Benefit Guaranty Corporation. Your benefits depend solely on contributions made to your account and investment earnings or losses on such amounts.

2. Who is eligible to participate in the Plan?

All employees of the Institution are eligible to participate in the Plan.

3. Do I need to enroll in the Plan?

Yes, you must complete the enrollment materials before you can begin to make contributions. You must select the vendor - TIAA-CREF or Fidelity - to whom your contributions are sent. You should also select how contributions to your account are invested and designate the beneficiary or beneficiaries to receive your benefits in the event of your death.

4. What contributions can I make to the Plan?

Elective Deferrals. As a Participant in the Plan, you may elect to reduce your Compensation and have that amount contributed to the Plan on a pre-tax basis instead of receiving that amount in cash. This is called a Pre-Tax Contribution. The amount you elect to defer will be deducted from your pay and will not be subject to federal income tax until it is actually distributed to you. This money will, however, be subject to Social Security taxes in the year it is earned. Earnings on your Plan accounts will also not be subject to taxation until they are actually distributed to you.

Changing your Contribution Percentage

You may change your contribution election or discontinue making contributions at any time by contacting the HR Department and completing a new election form.

Limits on Contributions

Your total Pre-Tax Contributions to the Plan (and any other 403(b) or 401(k) plan) in any year (other than Catch-Up contributions) may not exceed $16,500 for 2011. This limit is set by the tax law and may be increased in the future by the IRS to account for inflation. If you have exceeded this limit (for example, by contributing to a plan of a former employer), you should request in writing to the Plan Administrator that any excess deferrals to this Plan be returned to you no later than

March 1st following the close of the calendar year in which the excess deferrals were made.

Catch-Up Contributions

If you are or will become age 50 during the calendar year, you may also make "Catch-Up Contributions" to the Plan, up to an additional $5,500 for 2011. (This limit may be increased by the IRS in the future to account for inflation.) These contributions, like your normal Pre-Tax Contributions, are not subject to current federal income tax.

Definition of "Compensation"

For purposes of the Plan, your "Compensation" means your taxable salary (as reported on IRS Form W-2) determined <u>before</u> reduction for certain pre-tax salary reduction contributions you make (such as your contributions under this Plan, or pre-tax health premiums and Flexible Spending Account contributions), <u>but excluding</u> leave cashouts and other payments of accrued vacation upon termination. However, Compensation over a certain limit set by law ($245,000 for 2011) is not counted for purposes of the Plan.

Rollover Contributions

You may also make a Rollover Contribution to the Plan. If you are entitled to receive a benefit from another qualified retirement plan, the Rollover Contribution must be made to the Plan within 60 days after you receive it from the other plan, or it can be paid directly to this Plan from the other plan or from a "rollover" individual retirement account.

5. Am I "vested" in my Plan Account?

You are always 100% vested in your account under the Plan. This means that you have an interest in your Plan account that is not forfeitable if you terminate employment with the Institution.

6. How are my accounts in the Plan invested?

You may direct the investment of your account balances among the various investment options offered by the Plan Administrator. Currently, all contributions to the Plan are held either in an annuity contract or certificate with TIAA-CREF or in a custodial account with Fidelity.

Your initial investment choices, and any changes to your investments, must be made with the vendor via its voice response unit or website. You can reach TIAA-CREF at www.tiaa-cref.org or by telephone at 1-800-842-2776. You can reach Fidelity at www.mysavingsatwork.com or by telephone at 1-800-343-0860. You will receive a confirmation of your changes a few days after you make them. Please note that certain funds may have frequent trading policies which may restrict your ability to make trades in funds offered as investment options under the Plan.

If you do not make an investment election, your contributions will automatically be invested in the applicable TIAA-CREF or Fidelity life cycle fund. However, you are always free to allocate your account balances as you choose.

The Plan is intended to be a plan described in Section 404(c) of the Employee Retirement Income Security Act of 1974 (ERISA). This means that the fiduciaries of the Plan will be relieved of any legal liability for any losses which are the result of the investment directions that you give. There are no guarantees of investment performance, and neither the Institution nor any Plan fiduciaries provide investment advice or insure or otherwise guarantee the value or performance of any investment you choose.

The Plan Administrator is the “Section 404(c) fiduciary” responsible for providing you information about the available funds, including prospectuses, investment history, and other information about the funds. If you have any questions about the investment options, contact TIAA-CREF or Fidelity at the website or telephone number listed above.

7. Can I access my accounts before I terminate employment?

You can make a withdrawal from your accounts in the Plan while you are employed if: (a) you have a financial hardship or (b) you are age 59-1/2 or older. You may also withdraw any Rollover Contributions you made to the Plan at any time. In some circumstances, if you are called to active military duty, you may be eligible to take a "qualified reservist distribution." You can also take a loan from your TIAA-CREF accounts while you are in employment.

Hardship Withdrawal

Hardship Withdrawal. In order to take a hardship withdrawal from the Plan, you must have an immediate and heavy financial need as a result of one of the expenses described below, that you cannot meet from other sources, including a participant loan and other available withdrawals from the Plan. The withdrawal amount cannot exceed the amount of your need (plus the tax on the withdrawal). Contact TIAA-CREF or Fidelity to initiate a hardship withdrawal.

The types of expenses that can qualify for a hardship distribution are:

- certain unreimbursed medical expenses incurred by you, your spouse or a dependent;
- funeral or burial expenses for your deceased parent, spouse, child or dependent;
- expenses to repair damage to your principal residence from a fire, storm or other casualty;
- college tuition and related educational fees for the next 12 months for you or your spouse, child or dependent;
- purchase of a principal residence; and
- prevention of eviction from your principal residence, or foreclosure on the mortgage for your principal residence.

If you take a hardship withdrawal, you must suspend your contributions for at least 6 months. If you want to resume contributions after the six-month period, you must make a new contribution election to enroll.

Age 59 1/2 Withdrawals

Age 59-1/2 Withdrawal. You may also withdraw all or any portion of your accounts once you turn age 59-1/2. These withdrawals are not subject to an additional tax penalty.

Rollover Withdrawals

Withdrawals of Rollovers. You may also withdraw all or any portion of your Rollover Contribution account.

Qualified Reservist Distributions

Qualified Reservist Distributions. If you are in the military reserves or National Guard, and are called to active duty for at least 180 days (or for an indefinite period), you may qualify for a "qualified reservist distribution." This would allow you to withdraw all or part of your Pre-Tax Contributions and Catch-Up Contributions. You must request and take the withdrawal before your period of active duty ends.

If you take a qualified reservist distribution, you may re-contribute the withdrawal to an individual retirement account within two years following the end of your active duty period. You cannot, however, re-contribute the amount to the Plan.

A qualified reservist distribution is exempt from the 10% additional tax that is normally due on premature distributions from the Plan.

8. Can I borrow from my accounts?

You can request a loan, only from your TIAA Annuity account. (Loans are not available from Fidelity.) Your outstanding loan balances from the Plan may not exceed the lesser of: (1) 50% of the vested interest in your accounts; or (2) $50,000 (reduced by the highest outstanding loan balance during the preceding 12 months). You may find out what dollar amount is available for a loan or request a loan by contacting TIAA-CREF.

All Plan loans must be evidenced by a loan agreement and must be repaid within five years (unless the proceeds are used to purchase, construct or rehabilitate your principal residence, in which case the loan may have a 30-year term). All loans will bear a reasonable rate of interest, as determined by the Plan Administrator, and will be secured by your accounts. Loan repayments are made directly to TIAA-CREF.

If the interest in your accounts becomes distributable before the loan is repaid, or if you do not repay your loan after you terminate employment, you benefit will be reduced by the amount outstanding under the loan. Special rules apply for participants who are called to active military duty while a loan from the Plan is outstanding, and you should contact the Plan Administrator to get a description of these rules if they might apply to you.

If loan payments are determined to be in default, the outstanding balance due on your loan will be treated as taxable income to you and will reduce your Plan distribution.

9. When and how are benefits distributed when I terminate employment?

If your benefits exceed $5,000 and you are married when your benefits begin, your benefits must be paid in the form of a joint and survivor annuity with your spouse, unless you elect a different form of payment with your spouse’s consent. Your spouse’s consent must be in writing and be witnessed by a notary and consent to the alternative form of distribution you selected.

Under this joint and survivor annuity, the benefits payable to you during your lifetime are reduced, but at least 50% of your benefits continue after your death to your spouse for his or her lifetime.

If you are not married, or if you are married but your spouse consents, you may choose any of the forms of payment available under the investment option you selected. The distribution options may vary, but generally include:

- a lump sum,
- installments,
- an annuity for your lifetime, or
- an annuity for your lifetime, with a portion of your benefits continuing after your death to your beneficiary for his or her lifetime.

If your benefits are paid in a lump sum or installments, you can elect to roll your distribution over to a traditional individual retirement account, a Roth individual retirement account, another qualified plan, a section 403(b) annuity or governmental section 457(b) plan in a direct rollover.

Although you may request your benefit any time after you leave employment, if your account balance is $5,000 or more when you terminate (not including any rollover contributions), your benefits cannot be paid before your normal retirement age (age 65) without your consent. After your retirement, you must begin receiving benefits no later than April 1 of the year after you reach age 70 1/2.

As your benefit payment date approaches, you should request a payment election form. To initiate a distribution, contact TIAA-CREF or Fidelity.

10. What happens if I die?

Your beneficiary will be entitled to 100% of your vested account balances if you die before you have begun to receive your benefits.

If you are married at the time of your death, your spouse will be the beneficiary of at least 50% of the death benefit, unless you have designated a different beneficiary with your spouse's consent. If you wish to designate a beneficiary other than your spouse, however, you may do so only if your spouse irrevocably consents to waive any right to the death benefit. Your spouse's consent must be in writing, be witnessed by a notary, and must acknowledge the specific nonspouse beneficiary.

If your beneficiary is not your spouse, benefits must either (a) begin to be paid by December 31 of the calendar year after your death and be paid over a period that does not exceed the beneficiary's life expectancy, or else (b) be fully paid out by December 31 of the fifth year after your death.

11. Can benefits be transferred?

Your benefits under the Plan are not subject to transfer, sale, or alienation. However, as required by law, all or a portion of your benefits may be distributed to a former spouse or child if required by a valid qualified domestic relations order (QDRO). The Plan Administrator will determine whether a domestic relations order is "qualified" for purposes of the Plan. To obtain a copy of the Plan's QDRO procedures, contact the Plan Administrator.

12. How will my distribution be taxed?

Distributions from the Plan are generally subject to income taxation. But there are a number of special rules that may defer — and sometimes increase — the tax on your distribution, which may affect your distribution. You will receive additional guidance concerning the federal taxation of your benefits at the time of your distribution, and you are encouraged to consult a tax specialist.

<u>Rollovers</u>. The tax laws permit a participant to defer taxation on any portion of an eligible distribution by rolling it over into another qualified retirement plan that accepts rollover contributions or into a traditional IRA. Rollovers may also be made into a Section 403(b) annuity or governmental Section 457 plan. There are specific and technical requirements set forth in the tax laws that must be satisfied in order for a plan distribution to be rolled over. Eligible distributions may also be rolled over to

a Roth IRA, but would be subject to tax at the time of the rollover.

10% Penalty for distributions before Age 59½

Additional Tax. Cash distributions that are not rolled over are subject to a 10% additional income tax if they are received by the employee before age 59½. Distributions after age 59½, or distributions as a result of the death, disability, or termination of employment after attaining age 55 are not subject to the additional penalty tax. Also, amounts you rollover into a traditional IRA or another qualified plan will not be taxed until they are later distributed to you.

13. How is the Plan administered?

The Plan is administered by the Institution's Retirement Committee (the "Committee" or "Plan Administrator"), appointed by the Board of Trustees of the Institution. The functions of the Committee include, but are not limited to, resolving claims for benefits and interpreting and construing the terms of the Plan document and trust agreement. The Committee has the absolute and exclusive authority to interpret the provisions of the Plan.

14. How can I make a claim for a benefit under the Plan?

To request a distribution or withdrawal of your benefits under the Plan, contact TIAA-CREF or Fidelity. If your request is denied, or if you have another claim for benefits, submit your claim to the Human Resources Department. The Retirement Committee (or its designee) will make a decision on your claim.

If your claim is denied in whole or in part, you will receive written notice within 90 days of the date the Retirement Committee received your claim, stating the specific basis the claim was denied in whole or in part, a reference to the Plan section upon which the denial was based, any additional material or information necessary for you to perfect your claim, and an explanation of the Plan's claims procedure so that you may submit the claim for review of the denial.

If you believe that you have not received all of the rights or benefits to which you are entitled under the Plan, you can request review of your entitlement to benefits in writing to the Retirement Committee. You may, within 60 days after receiving the notice of denial of your claim for benefits, file an appeal of such denial in writing to the Retirement Committee. The Retirement Committee will make its decision on the appeal within 60 days after it receives the request for a review, unless special conditions require extra time for processing. If this happens, a decision will be made as soon as possible, but not later than 120 days after the Retirement Committee receives the appeal. The Retirement Committee's decision on the review will be written and is final.

15. Can the Plan be amended or terminated?

The Plan is intended to be permanent, but the Institution reserves the right to amend or terminate the Plan at any time by resolution of the Institution's Board or its delegate. No amendment to the Plan may adversely affect any right a participant may have to his or her accrued benefit or permit the assets of the Plan to be used for a purpose other than the exclusive benefit of the participants and their beneficiaries.

16. What else should I know?

When you become a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 ("ERISA"). The following is a summary, required by ERISA, of those rights:

- You may examine, without charge, at the Plan Administrator's office and at other specified locations, all Plan documents, including insurance contracts and copies of all documents filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration, such as detailed annual reports (Form 5500 Series) and plan descriptions. These documents are available during regular business hours.
- You may obtain copies of all Plan documents, including insurance contracts, copies of the latest annual report (Form 5500 Series) and an updated summary plan description, by writing to the Plan Administrator. There will be a reasonable charge for duplicating documents.
- Each year you will receive a summary of the Plan's annual financial reports. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- Upon your written request, you may obtain a statement telling whether you have a right to receive a benefit under the Plan, and if so, the amount of the benefit. If you are not eligible for a benefit, the statement will tell how many more years you have to work to get a right to a benefit. This statement is not required to be given more than once every twelve (12) months. It is provided free of charge.

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision free of charge, and to appeal any denial, all within certain time schedules.

In addition to creating rights for Plan participants, ERISA imposes duties on the people who are responsible for the operation of employee benefit plans. The people who operate the Plan are called "fiduciaries." Fiduciaries have a duty to operate the Plan prudently and in the interest of all Plan participants and beneficiaries. No one, including the Institution or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Under ERISA, there are steps you can take to enforce these rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court.

If it should happen that the Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and legal fees. If you lose, the court may order you to pay these costs and fees; for example, if it finds that your claim is frivolous.

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

GENERAL INFORMATION

Plan Sponsor:	Associated Universities, Inc. 1400 16th Street, N.W., Suite 730 Washington, DC 20036
Federal Identification Number / Plan Number:	11-3630900; Plan Number 002
Type of Plan:	A defined contribution plan that operates under Section 403(b) of the Internal Revenue Code
Plan Administrator:	Retirement Committee of Associated Universities, Inc. c/o Sr. Benefits Analyst 520 Edgemont Road Charlottesville, VA 22903
Section 404(c) Fiduciary:	Retirement Committee of Associated Universities, Inc. c/o Sr. Benefits Analyst 520 Edgemont Road Charlottesville, VA 22903
Agent for Service of Legal Process:	Sr. Benefits Analyst 520 Edgemont Road Charlottesville, VA 22903 Service of legal process may also be made upon the Plan Administrator or the Trustee.
Plan Year:	January 1 to December 31

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