

Kettering University Supplemental Tax Deferred Annuity Plan

Summary Plan Description

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INTRODUCTION

Kettering University adopted the Kettering University Supplemental Tax Deferred Annuity Plan (the "Plan") to help you and other Employees save for retirement. To become a Participant in the Plan, you must meet the Plan's eligibility requirements. Once you become a Participant, your Deferrals will be credited to an individual account for you. Each Plan Year, your account will be adjusted to reflect contributions, gains, losses, etc. You direct how your account will be invested. These features are explained further in the following pages.

The Plan is a complex legal agreement which contains all of the provisions that the Internal Revenue Service ("IRS") requires. The Plan document must follow certain federal laws and regulations that apply to retirement plans. The Plan document may change as new or revised laws or regulations take effect. The University also has the right to modify certain features of the Plan from time to time. You will be notified about changes affecting your rights under the Plan.

This Summary Plan Description ("SPD") summarizes the important features of the Plan document, including your benefits and obligations under the Plan. If you want more detailed information regarding certain plan features or have questions about the information contained in this SPD, you may contact the Plan Administrator, or the Plan's recordkeeper, TIAA-CREF. You may also examine a copy of the plan document by making arrangements with the Plan Administrator. Certain terms in the SPD have a special meaning when used in the Plan. These terms are capitalized throughout the SPD and are defined in more detail in the DEFINITIONS section of the SPD. If any information in this SPD conflicts with the terms of the Plan document adopted by the University, the terms of the Plan document – not this SPD - will govern.

All dollars contributed to the Plan will be invested at your direction either in annuity contracts or in mutual funds held in custodial accounts. The agreements constituting or governing the annuity contracts and custodial accounts (the "Individual Agreements") explain your rights under the contracts and accounts and the unique rules that apply to each Plan investment which may, in some cases, limit your options under the Plan. For example, the Individual Agreement may contain a provision which prohibit loans, even if the Plan generally allows loans. If this is the case, you would not be able to take a loan from the accumulation in an investment option governed by that Individual Agreement. You should review the Individual Agreements along with this SPD to gain a full understanding of your rights and obligations under the Plan. Contact TIAA-CREF to obtain copies of the Individual Agreements or to receive more information regarding the investment options available under the Plan. TIAA-CREF can be reached at 1-800-842-2776 (Monday - Friday 8 a.m. - 11 p.m., Saturday and Sunday 9 a.m. - 6 p.m.) or via the internet at www.tiaa-cref.org.

ELIGIBILITY

Am I eligible to participate in the Plan?

You will be eligible to contribute a portion of your pay to the Plan as a pre-tax Deferral, unless you fall into one of the following categories of excluded employees.

- You are a nonresident alien and you received no earned income from within the U.S.
- You are primarily a student enrolled in and attending classes offered by the University.

What requirements do I have to meet before I am eligible to participate in the Plan?

Unless you fall into one of the categories of excluded employees, you will be immediately eligible to participate in the Plan. There are no special age or service requirements that you need to satisfy.

When can I enter the Plan?

Unless you fall into one of the categories of excluded employees, you may enter the Plan on the first day of the month following your date of hire.

What happens to my Plan eligibility if I terminate my employment and am later rehired?

If you terminate employment and are later rehired, you will be able to defer a portion of your Compensation as a Deferral on the first day of the month following your date of rehire.

CONTRIBUTIONS & VESTING

What amount can I contribute to the Plan?

Deferrals

You will be able to contribute a portion of your Compensation as a pre-tax Deferral unless you are a member of one of the excluded classes listed previously. The maximum dollar amount that you can contribute to the Plan in 2009 is \$16,500 and includes contributions you make to certain other deferral plans (e.g., other 401(k) plans, salary deferral SEP plans, and 403(b) tax-sheltered annuity plans, including the Kettering University Retirement Plan). This annual limit may increase based on IRS guidance. Deferrals (and the related earnings) are always fully vested and cannot be forfeited. So if you were to leave the University, you would be entitled to the full Deferral balance (plus earnings).

The amount of your Compensation that you decide to defer into the Plan will be contributed on a pre-tax basis. That means that, unlike the compensation that you actually receive, the pre-tax contribution (and all of the earnings accumulated while it is invested in the Plan) will not be taxed at the time it is paid by the University. Instead, it will be taxable to you when you take a payout from the Plan. These contributions will reduce your taxable income each year that you make a contribution but must be treated as compensation for Social Security taxes.

EXAMPLE: Assume your Compensation is \$25,000 per year. You decide to contribute five percent of your Compensation into the Plan. The University will pay you \$23,750 as gross taxable income and will deposit \$1,250 (five percent) into the Plan. You will not pay federal or state income taxes on the \$1,250 (plus earnings on the \$1,250) until you withdraw it from the Plan.

Catch-up Contributions

Age 50 Catch-up Contributions - If you are eligible to make Deferrals and you turn age 50 before the end of any calendar year, you may defer up to an extra \$5,500 each year (for 2009) into the Plan as a pre-tax contribution once you meet certain Plan limits. The maximum annual catch-up amount may increase as the cost of living increases.

Special 403(b) Catch-up Contributions – If you have worked at least 15 years for the University, and the University is a qualified organization, you may make a special catch-up contribution equal to the smallest of the three amounts listed below:

1. \$3,000
2. \$15,000 minus the amount of Special 403(b) Catch-Up Contributions made in prior years
3. (\$5,000 times the number of years you have worked for the University) minus (the total amount of Deferrals made while you worked for the University)

If you qualify for both the age 50 catch-up contributions and the special 403(b) catch-up contributions, your catch-up contributions will be allocated first as special 403(b) catch-up contributions. Catch-up contributions (and the related earnings) are considered Deferrals and are always fully vested. So if you were to leave the University, you would be entitled to the full catch-up balance (plus earnings).

How do I start making contributions?

To begin deferring a portion of your Compensation into the Plan, you must complete an enrollment form and a salary reduction agreement which are available from the Plan Administrator.

What if I don't make a specific election to contribute some of my Compensation into the Plan?

You are not required to defer a portion of your Compensation into the Plan. If you elect 0% or you simply fail to follow the procedures established by the Plan Administrator for making a Deferral election, you will not be enrolled in the Plan as a deferring Participant (i.e., 0% of your Compensation will be deferred into the Plan).

Can I change my contribution rate or stop making Deferrals after I start participating in the Plan?

You may change the amount you are deferring into the Plan or stop making Deferrals altogether at any time by completing a new salary reduction agreement which is available from the Plan Administrator.

What if I contribute too much to the Plan?

If you contribute too much to the Plan as a Deferral, you must take the excess amount (plus any earnings on the excess) out of the Plan by April 15 of the year following the year the money was contributed to the Plan. You must notify the Plan Administrator, in writing, of the excess amount by March 1 and request that it be removed. The excess amount is taxable to you in the year you contributed it to the Plan. If you do not remove it by the deadline, additional taxes will apply.

If I have money in other retirement plans, can I combine them with my accumulation under this Plan?

The Plan Administrator may allow you to roll over dollars you have saved in other retirement arrangements into this Plan after you become eligible to participate in the Plan. Contact the Plan's recordkeeper, TIAA-CREF, to determine whether your prior plan balance is qualified to be rolled into this Plan. TIAA-CREF can be reached at 1-800-842-2776 (Monday - Friday 8 a.m. - 11 p.m., Saturday and Sunday 9 a.m. - 6 p.m.) or via the internet at www.tiaa-cref.org.

The Plan will accept amounts rolled over from the prior plan to this Plan if the prior plan was a:

- qualified retirement plan (e.g., 401(k) plan, profit sharing plan, money purchase pension plan, target benefit plan)
- 403(b) tax-sheltered annuity plan
- government 457(b) plan
- Traditional IRA

Plan to Plan Transfers

The Plan Administrator may allow you to transfer dollars you have saved in other 403(b) retirement arrangements into this Plan if you are currently working for the University. The Plan Administrator will establish certain procedures that you must follow if you are making a plan to plan transfer. Limits on the timing of distribution that existed in the prior plan will continue to apply to the assets that you transfer to this Plan.

Rollover and Transfer contributions are always 100 percent vested and nonforfeitable.

Are there any limits on how much can be contributed for me?

In addition to the Deferral limit described previously, you may not have total contributions (including Deferrals) of more than \$49,000, plus any age 50 catch-up contributions, in 2009 or an amount equal to 100% of your Compensation, whichever is less, allocated to the Plan for your benefit each year. The \$49,000 limit will be increased as the cost of living increases, and is the total amount that can be contributed across all retirement plans sponsored by the University.

Will contributions be made for me if I am called to military service?

If you are reemployed by the University after completing military service, you may have the option of making up missed employee Deferral contributions.

If you are reemployed after military service, contact your Plan Administrator for more information about your options under the Uniformed Services Employment and Reemployment Rights Act (USERRA).

WITHDRAWING MONEY FROM THE PLAN AND LOANS

When can I take a distribution from the Plan?

You may always request a distribution of Deferrals at the times listed below.

- You terminate employment
- You become Disabled
- When you reach age 59½
- When you reach age 65
- On account of hardship

You may elect a distribution of your transfer contributions and/or rollover contributions at any time subject to the restrictions in the Individual Agreements.

With regard to transfer contributions, distribution restrictions that applied in the plan that held the transferred amount before you moved it to this Plan may limit your payout options. If the distribution options were more limited under the prior plan, the transferred amount will remain subject to those more restrictive distribution rules.

Hardship

If you experience a financial hardship, you may take a distribution from the Deferrals you have contributed to the Plan, unless restricted under the terms of the Individual Agreements.

The following events qualify as a hardship distribution under the Plan:

- medical expenses for you, your spouse, your dependents, or your beneficiary;
- payment to purchase your principal residence;
- tuition and education-related expenses for you, your spouse, your dependents, or your beneficiary;
- payments to prevent eviction from your principal residence;
- funeral expenses for you, your spouse, your dependents, or your beneficiary;
- payments to repair your principal residence that would qualify for a casualty loss deduction.

Before you take a hardship distribution, you must take all other distributions and all nontaxable loans available to you under the Plan. If you take a hardship distribution of Deferrals, you may not be eligible to make Deferrals for the next six months. If you are under age 59½, the amount you take out of the Plan as a hardship distribution may be subject to a 10 percent penalty tax.

You may be able to take a penalty-free distribution from your Deferrals if you were called to active military duty after September 11, 2001. In order to qualify for these penalty-free distributions, you must have been ordered or called to active duty for a period of at least 180 days or an indefinite period and your distribution must have been taken after you were called to duty and before your active duty ended.

The Individual Agreements governing the investment options that you selected for your Plan contributions may contain additional limits on when you can take a distribution, the form of distribution that may be available as well as your right to transfer among approved investment options. Please review both the following information in this Summary Plan Description and the terms of your annuity contracts or custodial agreements before requesting a distribution. Contact the Plan's recordkeeper, TIAA-CREF if you have questions regarding your distribution options. TIAA-CREF can be

reached at 1-800-842-2776 (Monday - Friday 8 a.m. - 11 p.m., Saturday and Sunday 9 a.m. - 6 p.m.) or via the internet at www.tiaa-cref.org.

How do I request a payout?

You must complete a payout request form provided by the Plan's recordkeeper, TIAA-CREF. TIAA-CREF can be reached at 1-800-842-2776 (Monday - Friday 8 a.m. - 11 p.m., Saturday and Sunday 9 a.m. - 6 p.m.) or via the internet at www.tiaa-cref.org.

If you are taking a hardship distribution, you must provide documents to verify that you have a hardship event that qualifies for a Plan distribution.

If I am married, does my spouse have to approve my distributions from the Plan?

If you are married, you must get written consent from your spouse to take a distribution from the Plan in any form other than a qualified joint and survivor annuity. Your spouse's written consent is also needed if you want to name someone other than your spouse as your beneficiary. The annuity would need to be structured to provide a benefit while you are both alive and then to provide a survivor benefit that is equal to 50 percent of the amount you received while you were both living. You can designate a different survivor percentage subject to certain limits under the qualified optional survivor annuity regulations. The Plan's recordkeeper, TIAA-CREF, will provide you with more information regarding your annuity options when it comes time for you to make a decision. TIAA-CREF can be reached at 1-800-842-2776 (Monday - Friday 8 a.m. - 11 p.m., Saturday and Sunday 9 a.m. - 6 p.m.) or via the internet at www.tiaa-cref.org. The law requires that your spouse's written consent be witnessed by a notary or the Plan Administrator.

How will my money be distributed to me if I request a payout from the Plan?

If you obtain the proper consents, you may choose from the following options for your payout.

- Lump sum
- Partial payments
- Installment payments
- Annuity contract (if assets are held in a custodial account) or converted to an income option (if your assets are invested in an annuity contract)

The Individual Agreements governing the investment options that you selected for your contributions may further restrict your payout options. Please review the annuity contracts or custodial agreements before requesting a distribution and contact TIAA-CREF if you have questions regarding your distribution options. TIAA-CREF can be reached at 1-800-842-2776 (Monday - Friday 8 a.m. - 11 p.m., Saturday and Sunday 9 a.m. - 6 p.m.) or via the internet at www.tiaa-cref.org.

If your distribution is eligible to be rolled over, you may choose to have your distribution paid to another eligible retirement arrangement. Contact TIAA-CREF for information regarding rollover procedures.

Do any penalties or restrictions apply to my payouts?

Generally, if you take a payout from the Plan before you are age 59½, a 10 percent early distribution penalty will apply to the taxable portion of your payout. There are some exceptions to the 10 percent penalty. Your tax adviser can assist you in determining whether you qualify for a penalty exception.

If your payout is eligible to be rolled over, 20 percent of the taxable portion of your payout will be withheld and remitted to the IRS as a credit toward the taxes you will owe on the payout amount unless you do a direct rollover.

EXAMPLE: You request a \$10,000 payout from the pre-tax portion of your Plan balance. If the amount is eligible to be rolled over to another plan, but you choose not to roll it over directly, you will receive \$8,000 and \$2,000 will be remitted to the IRS.

Can I take a loan from the Plan?

Although the Plan is designed primarily to help you save for retirement, you may take a loan from the Plan as outlined below, subject to the terms and restrictions in the Individual Agreements. Please review your annuity contracts or custodial agreements before requesting a loan. Contact TIAA-CREF if you have questions regarding your loan options.

The Individual Agreements governing the investment options that you selected for your Plan contributions may contain additional limits on when you can take a loan. Please review both the following information in this Summary Plan Description and your annuity contracts or custodial agreements before requesting a loan. Contact TIAA-CREF if you have questions regarding your loan options.

Generally the minimum loan amount that you may take is \$1,000 and the maximum loan amount is \$50,000. The maximum amount you can borrow may be less, however, depending on two factors: 1) the amount of your accumulation under the Plan, and 2) whether you have taken other loans from any of the University's plans within the last year. If you have not had a plan loan in the previous year, your maximum loan cannot be greater than one-half of your vested account balance or \$50,000, whichever is less. If you have had another loan, the \$50,000 maximum will be reduced by the highest outstanding loan balance in the 12 month period prior to the new loan.

If your loan is being taken from a TIAA-CREF Annuity, your maximum loan amount is further limited to

1) 45% of your combined TIAA and CREF accumulation attributable to participation under this Plan; or

2) 90% of your CREF and TIAA Real Estate accumulation attributable to participation under this Plan for Retirement Loan (RL) loans; or

3) 90% of your TIAA Annuity accumulation attributable to participation under this Plan for a Group Supplemental Retirement Annuity (GSRA) loan.

If you default on a loan, your right to a future loan may be restricted. Further, the maximum amount that you can borrow from the Plan will be reduced by the amount in default (plus interest) until the defaulted amount can be deducted from your Plan accumulation. If more than one employer contributed to your TIAA-CREF Annuities, you can only take loans based on the amount you accumulated under the University's plan. You should check with your other employers for the rules that apply to loans from the amounts you accumulated while working for the other employers.

If your loan is based on amounts invested in your TIAA-CREF mutual funds, you may not have more than three loans at any one time (from all plans of all employers).

If your loan is used to purchase a primary residence, you must repay it within ten years. Other loans must be repaid within one to five years.

How do I apply for a loan?

To apply for a loan you must complete the loan application provided by TIAA-CREF and pay any applicable loan fees. TIAA-CREF administers the loan program, and is responsible for determining the amount that you may borrow and the interest rate that you must pay.

What is the interest rate for my loan?

The interest rate for your loan will vary, as described below, depending upon how your retirement balance is invested.

- Group Supplemental Retirement Unity-Annuity (GSRA) contract - The interest rate is variable and can increase or decrease every three months. The interest rate you pay initially will be the higher of 1) the Moody's Corporate Bond Yield Average for the calendar month ending two months before your loan is issued; or 2) the interest rate credited before your annuity starting date, as stated in the applicable rate schedule, plus 1 percent. Thereafter, the rate may change quarterly, but only if the new rate differs from your current rate by at least ½ percent.
- Retirement Loan (RL) contract - The interest rate you pay initially will be the higher of 1) the Moody's Corporate Bond Yield Average for the calendar month ending two months before your loan is issued; or 2) the interest credited before your annuity starting date, as stated in the applicable rate schedule, plus 1 percent. Thereafter the rate will change annually, but only if the Moody's Corporate Bond Yield Average for the calendar month ending two months before the anniversary of your loan differs from your current rate

by at least a half percent. If the latest average differs by less, your interest rate will remain the same for the next year.

- TIAA-CREF mutual funds - The interest rate for loans from TIAA-CREF mutual funds will be fixed for the term of the loan and will be equal to the Federal Reserve Board Bank prime loan rate plus 1 percent at the time of the loan origination.

What if I don't repay my loan?

You will be required to repay the loan amount (plus interest) to the Plan. If you default on the loan, you will be taxed on the amount of the outstanding loan balance and will be subject to a 10 percent penalty if you are under age 59 ½. In addition, the Plan Administrator has the right to foreclose its security interest in the portion of your vested account under the Plan that you pledged as security for the loan, when an event allowing a Plan distribution occurs. The following events will cause a loan default:

- Not repaying your loan as set forth in your loan agreement.
- Breaching any of your obligations under your loan agreement.
- Severing your employment (for loans from mutual funds in custodial accounts)

If your loan is defaulted, the Plan Administrator has the right to foreclose the security interest in your vested account balance pledged for repayment, when an event which triggers a distribution of your benefits occurs. In addition, the loan administrator will report the loan default to the IRS and the outstanding loan amount and accrued interest will be treated as a taxable distribution. If you are under age 59½, this could result in a 10 percent penalty on the taxable portion of the default.

What if I die before receiving all of my money from the Plan?

If you die before taking all of your assets from the Plan, the remaining balance will be paid to your designated beneficiary. When you initially enroll in the Plan, you must designate your beneficiary on the enrollment form. If you are married and decide to name someone other than your spouse as your beneficiary, your spouse must consent in writing to your designation. It is important to review your designation from time to time and update it if your circumstances change (e.g., a divorce, death of a named beneficiary). If you want to change your beneficiary, contact TIAA-CREF at 1-800-842-2776 (Monday - Friday 8 a.m. - 11 p.m., Saturday and Sunday 9 a.m. - 6 p.m.) or via the internet at www.tiaa-cref.org.

If your named beneficiary does not survive you, 50% of your balance will be paid to your spouse and 50% will be paid to your estate. If your named beneficiary does not survive you, and you have no surviving spouse, your remaining balance in the Plan will be paid to your estate, unless a different alternative is provided in the Individual Agreement.

If your Plan balance is \$5,000 or less at the time of your death, your beneficiary will generally have the same options regarding the form of the distribution that are available to you as a Participant. If the balance is greater than \$5,000, your beneficiary may be required to take the payouts in the form of a life annuity, unless the annuity has been properly waived by you and your spouse during your lifetime. Your beneficiary may also have the option of rolling their distribution into an IRA. The Individual Agreements governing the investment options that you selected for your contributions may further restrict your beneficiary's options regarding the manner in which the accumulation will be distributed.

If you die after beginning age 70½ distributions, as described in the answer to the following question, your beneficiary must continue taking distributions from the Plan at least annually. If you die before beginning age 70½ payments, your beneficiary may have the option of (1) taking annual payments beginning the year following your death (or the year you would have reached age 70½, if your spouse is your beneficiary), or (2) delaying their distribution until the year containing the fifth anniversary of your death, provided they take the entire amount remaining during that fifth year.

How long can I leave the money in my Plan?

When you terminate from employment, your balance will generally not be paid out of the Plan until you request a payout.

Age 70½ Required Distributions

When you reach age 70½ you will generally need to begin taking a distribution each year based on your balance in the Plan. However, you can delay required distributions until you actually separate from service. Contributions for periods before 1987 (excluding earnings on those contributions) will generally not be subject to the required distribution rules until you reach age 75. You may also have the option to satisfy your required minimum distribution from the Plan by aggregating all your 403(b) plans and taking the required minimum distribution from any one or more the individual 403(b) plans.

What if the Plan is terminated?

If the Plan is terminated, your entire account balance will be distributed from the Plan. To the extent you are invested in an annuity contract, you will receive a distribution of the contract. If your distribution is eligible to be rolled over, you may choose to have your distribution paid to another eligible retirement arrangement.

INVESTING YOUR PLAN ACCOUNT

What investments are permitted?

The Plan Administrator will select the investment vendors and investment options that will be available under the Plan. The investment options will be limited to annuity contracts and mutual funds purchased through a custodial account. The list of approved investment options and vendors may change from time to time as the Plan Administrator considers appropriate. To obtain a current list of the approved investment options, contact TIAA-CREF at 1-800-842-2776 (Monday - Friday 8 a.m. - 11 p.m., Saturday and Sunday 9 a.m. - 6 p.m.) or via the internet at www.tiaa-cref.org. The Plan Administrator may restrict the list of vendors who may accept new contributions to the Plan and it may be different from the list of vendors and investment options available once the contributions have been made to the Plan through a contract exchange. You should carefully review the Individual Agreements governing the annuity contracts and custodial accounts, the prospectus, or other available information before making investment decisions.

Who is responsible for selecting the investments for my contributions under the Plan?

You decide how your Plan balance will be invested among the vendors and investment options approved by the Plan Administrator. To select your investments, contact TIAA-CREF at 1-800-842-2776 (Monday - Friday 8 a.m. - 11 p.m., Saturday and Sunday 9 a.m. - 6 p.m.) or via the internet at www.tiaa-cref.org. You may transfer your Plan balance among the approved vendors and investment options, to the extent permitted by the Individual Agreements. Contact TIAA-CREF at 1-800-842-2776 (Monday - Friday 8 a.m. - 11 p.m., Saturday and Sunday 9 a.m. - 6 p.m.) or via the internet at www.tiaa-cref.org to ascertain if a particular vendor or investment option is permitted under the Plan.

The University intends to operate this Plan in compliance with Section 404(c) of the Employee Retirement Income Security Act ("ERISA"), and Title 29 of the Code of Federal Regulations Section 2550.404c-1. This means that the University, the Plan Administrator and others in charge of the Plan will not be responsible for any losses that result from investment instructions given by you or your beneficiary.

Can I Obtain Other Information About the Investment Funds?

Yes, upon your request, the Plan's recordkeeper, TIAA-CREF, will provide to you any of the following:

- A description of the annual operating expense of each investment fund if these expenses will reduce your rate of return, and the aggregate amount of such expenses expressed as a percentage of average net investments of the investment fund.

- Copies of any mutual fund profiles, prospectuses, financial statements and reports, and any other materials relating to the investment funds available under the Plans.
- A list of the assets comprising the portfolio of each investment fund, the value of each such asset (or the portion of the investment fund which it comprises), and, with respect to each asset which is a fixed rate investment contract issued by a bank, savings and loan association, or insurance company, the name of the issuer of the contract, the term of the contract, and the rate of return of the contract.
- Information concerning the value and current investment performance of shares or units in the available investment funds (or those funds in which you have invested) as well as the past and current investment performance of the available alternatives, net of expenses.

How frequently can I change my investment elections?

You may change your initial investment selections as frequently as permitted under the Individual Agreements.

ADMINISTRATION INFORMATION

Who established the Plan?

The entity which adopted the Plan is:

Kettering University
1700 West University Ave., Attn: Human Resources
Flint, MI 48504
810-762-9891
Federal Tax Identification Number: 38-2410852
Fiscal Year End: 06/30

The official name of the Plan is Kettering University Supplemental Tax Deferred Annuity Plan

The University has assigned number 002 to the Plan.

The Plan is a 403(b) defined contribution plan, which means that contributions to the Plan made on your behalf (and earnings) will be separately accounted for within the Plan.

When did the Plan become effective?

The Plan was originally adopted as of January 1, 1982. The University has amended and restated the Kettering University Supplemental Tax Deferred Annuity Plan, effective as of January 1, 2009.

Who is the Plan Administrator and what responsibilities does it have?

The Board of Trustees of the University has appointed as Plan Administrator an Employee Benefits Committee which consists of the three individuals who from time to time hold the positions of President, Vice President for Administration and Finance, and Vice President for Human Resources. The Plan Administrator has discretionary authority to determine eligibility for benefits and to interpret the terms of the Plan.

The Plan Administrator has delegated responsible for the day-to-day administration of the Plan to the University's Human Resources Department, which can be reached at the following address: 1700 W. University Avenue, Flint, MI 48504. To assist in operating the Plan efficiently and accurately, the Plan Administrator may appoint others to act on its behalf or to perform certain functions.

Who pays the expenses associated with operating the Plan?

All reasonable Plan administration expenses including those involved in retaining necessary professional assistance, may be paid from the assets of the Plan, to the extent permitted by the Individual Agreements. These expenses may be allocated among you and all other Plan participants or, for expenses directly related to you, charged against your account balance. Examples of expenses that may be directly related to you include general recordkeeping fees and expenses related to processing your distributions or loans (if applicable), qualified domestic relations orders, and your ability to direct the investment of your Plan balance, if applicable. Finally, the University may, in its discretion, pay any or all of these expenses. For example, the University may pay expenses for current employees, but may deduct the expenses of former employees directly from their accounts.

Does the University have the right to change the Plan?

The Plan will be amended from time to time to incorporate changes required by the law and regulations governing retirement plans. The University also has the right to amend the Plan to add new features or to change or eliminate various provisions. The University cannot amend the Plan to take away or reduce your account balance.

Does participation in the Plan provide any legal rights regarding my employment?

The Plan does not intend to, and does not provide, any additional rights to employment or constitute a contract for employment. The purpose of the Summary Plan Description is to help you understand how the Plan operates and the benefits available to you under the Plan. The Plan document is the controlling legal document with respect to the operation of and rights granted under the Plan and if there are any inconsistencies

between this Summary Plan Description and the Plan document, the Plan document will be followed.

Does the Plan provide benefits to employees who are covered by a collective bargaining agreement?

Employees covered by Local 1811, International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) and Local 118, International Union, Security, Police and Fire Professionals of America (IUSPFPA) are eligible to participate in the Plan. A union participant may obtain a copy of the applicable bargaining agreement from his or her bargaining unit representative, supervisor, or the Human Resources office.

Can creditors or other individuals request a payout from my Plan balance?

Creditors (other than the IRS) and others generally may not request a distribution from your Plan balance. One major exception to this rule is that the Plan Administrator may distribute or reallocate your benefits in response to a qualified domestic relations order. A qualified domestic relations order is an order or decree issued by a court that requires you to pay child support or alimony or to give a portion of your Plan account to an ex-spouse or legally separated spouse. The Plan Administrator will review the order to ensure that it meets certain criteria before any money is paid from your account. You (or your beneficiary) may obtain, at no charge, a copy of the procedures the Plan Administrator will use for reviewing and qualifying domestic relations orders.

How do I file a claim?

To claim a benefit that you are entitled to under the Plan, you must file a written request with the Plan Administrator. The claim must set forth the reasons you believe you are eligible to receive benefits and you must authorize the Plan Administrator to conduct any necessary examinations and take the steps to evaluate the claim.

What if my claim is denied?

Except as described below, if your claim is denied, the Plan Administrator will provide you (or your beneficiary) with a written notice of the denial within 90 days of the date your claim was filed, unless the Plan Administrator determines that special circumstances require an extension of time for processing your claim. If the Plan Administrator determines that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the termination of the initial 90-day period. In no event will such extension exceed a period of 90 days from the end of such initial period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the benefit determination.

In the case of a claim for disability benefits, if the Plan Administrator is making a determination of whether you are Disabled, you will be notified of a denial of your claim within a reasonable amount of time, but not later than 45 days after the Plan receives

your claim. The 45-day time period may be extended by the Plan for up to 30 days if the Plan Administrator determines that an extension is necessary due to matters beyond the control of the Plan. The Plan Administrator will notify you, before the end of the 45-day period, of the reason(s) for the extension and the date by which the Plan expects to make a decision regarding your claim.

If, before the end of the 30-day extension, the Plan Administrator determines that, due to matters beyond the control of the Plan, a decision regarding your claim cannot be made within the 30-day extension, the period for making the decision may be extended for an additional 30 days, provided that the Plan Administrator notifies you, before the end of the first 30-day extension, of the circumstances requiring the additional extension and the date as of which the Plan expects to make a decision. The notice will specifically explain the standards on which the approval of your claim will be based, the unresolved issues that prevent a decision on your claim, and the additional information needed to resolve those issues. You will have at least 45 days within which to provide the specified information.

The period of time within which approval or denial of your claim is required to be made generally begins at the time your claim is filed. If the period of time is extended because you fail to submit information necessary to decide your claim, the period for approving or denying your claim will not include the period of time between the date on which the notification of the extension is sent to you and the date on which you provide the additional information.

The Plan Administrator will provide you with written or electronic notification if your claim is denied. The notification will provide the following:

- i. The specific reason or reasons for the denial;
- ii. Reference to the specific section of the Plan on which the denial is based;
- iii. A description of any additional information that you must provide before the claim may continue to be processed and an explanation of why such information is necessary;
- iv. A description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act (ERISA) following a claim denial on review; and
- v. In the case of disability benefits, if the Plan Administrator used an internal rule or guideline in denying your claim, either 1) the specific rule or guideline, or a statement that the rule or guideline was relied upon in denying your claim, and that 2) a copy of the rule or guideline will be provided free of charge to you upon request.

If the claim denial is based on a medical necessity, experimental treatment, or similar situation, either an explanation of the scientific or clinical basis for the denial, applying

the terms of the Plan to your medical circumstances, or a statement that an explanation will be provided free of charge upon request.

If your claim has been denied and you want to submit your claim for review, you must follow the claims review procedure in the next question and answer.

May I appeal the decision of the Plan Administrator?

You or your beneficiary will have 60 days from the date you receive the notice of claim denial in which to appeal the Plan Administrator's decision. You may request that the review be in the nature of a hearing and an attorney may represent you.

However, in the case of a claim for disability benefits, if the Plan Administrator is deciding whether you are Disabled under the terms of the Plan, you will have at least 180 days following receipt of notification of a claim denial within which to appeal the Plan Administrator's decision.

You may submit written comments, documents, records, and other information relating to your claim. In addition, you will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information pertaining to your claim.

Your appeal will take into account all comments, documents, records, and other information submitted by you relating to the claim, even if the information was not included originally.

If the claim is for disability benefits:

- i. Your claim will be reviewed independent of your original claim and will be conducted by a named fiduciary of the Plan other than the individual who denied your original claim or any of his or her employees.
- ii. In deciding an appeal of a claim denial that is based in whole or in part on a medical judgment, the appropriate named fiduciary will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment;
- iii. The Plan Administrator will provide you with the name(s) of the health care professional(s) who was consulted in connection with your original claim, even if the claim denial was not based on his or her advice. The health care professional consulted for purposes of your appeal will not be the same person or any of his or her employees.
- iv. You will be notified of the outcome of your appeal no later than 45 days after receipt of your request for the appeal, unless the Plan Administrator determines that special circumstances require an extension of time for processing the claim. If the Plan Administrator determines that an extension is required, written notice of the extension will be provided to you before the end of the initial 45-day period.

The notice will identify the special circumstances requiring an extension and the date by which the Plan expects to make a decision regarding your claim.

The Plan Administrator will provide you with written or electronic notification of the final outcome of your claim. The notification will include:

- i. A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim;
- ii. A statement describing any additional voluntary appeal procedures offered by the Plan, your right to obtain the information about such procedures, and a statement of your right to bring an action under Section 502(a) of ERISA; and
- iii. If the Plan Administrator used an internal rule or guideline in denying your claim, either 1) the specific rule or guideline, or a statement that the rule or guideline was relied upon in denying your claim, and 2) that a copy of the rule or guideline will be provided free of charge to you upon request.

If the claim denial is based on a medical necessity, experimental treatment, or similar situation, either an explanation of the scientific or clinical basis for the denial, applying the terms of the Plan to your medical circumstances, or a statement that an explanation will be provided free of charge upon request.

If you have a claim for benefits which is denied under the appeal process, then you may file suit in a Federal court. However, in order to do so, you must file the suit no later than 180 days after the date of the Plan Administrator's final determination denying your claim.

If I need to take legal action with respect to the Plan, who is the agent for service of legal process?

Legal papers regarding the Plan may be served on the University's Vice President for Administration and Finance or the Plan Administrator.

If the Plan terminates, does the federal government insure my benefits under the plan?

If the Plan terminates, you will be entitled to take your entire balance from the Plan following termination.

The type of plan in which you participate is not insured by the Pension Benefit Guarantee Corporate, the government agency that insures certain pension plan benefits upon plan termination.

YOUR RIGHTS UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT (ERISA)

What are my legal rights and protections with respect to the Plan?

As a Participant in this Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan Participants shall be entitled to do the following.

Receive Information About Your Plan and Benefits

1. Examine, without charge, at the University's office and at other specified locations, such as worksites and union halls, all Plan documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
2. Obtain, upon request to the University, copies of documents governing the operations of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description (SPD). The University may charge a reasonable fee for the copies.
3. Receive a summary of the Plan's annual financial report. The University is required by law to furnish each Participant with a copy of this Summary Annual Report.
4. Obtain, once a year, a statement of the total pension benefits accrued and the vested pension benefits (if any) or the earliest date on which benefits will become vested. The Plan may require a written request for this statement, but it must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

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 without charge, and to appeal any denial, all within certain time schedules. Under ERISA, there

are steps you may take to enforce the above 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 University 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 University. If you have a claim for benefits which is denied, or ignored, in whole or in part, you may file suit in 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 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 you 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 the costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if the court finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your 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 area 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 D.C. 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.

DEFINITIONS

Compensation - For faculty, compensation means base annual salary stated in the academic year contract plus any salary earned for teaching or administrative services performed at the request of the University during a non-teaching term. For all other employees, compensation means the base annual salary or wages of the employee, excluding overtime. For each employee, base annual salary or wages shall not be reduced by amounts not currently included in income because of the application of Code Section 125, 132(f)(4), 457(b) or 403(b) nor increased by payments made by the University which are not intended to increase an employee's base annual salary or wages.

The definition of Compensation used under the Plan has been further adjusted to exclude the following amounts.

- Bonuses that you receive will not be considered Compensation.
- Overtime pay will not be included in the Compensation.

- Amounts deemed to be compensation that relate to an automatic enrollment cafeteria plan where you fail to provide proof of insurance will be excluded when determining your Compensation.

If you receive payments from the University within 2 ½ months after severing your employment, any regular pay for services you performed prior to severance will be included in Compensation. Other post-severance payments will affect your Compensation as described below.

- Unused accrued sick, vacation or other leave that you are entitled to cash out will be excluded from Compensation
- Amounts received under a nonqualified unfunded deferred compensation program will be excluded from Compensation.

The measuring period for Compensation will be the Plan Year (January 1 through December 31).

The maximum amount of Compensation that will be taken into account under the Plan is \$245,000 (for 2009). This annual limit may increase based on IRS guidance.

Deferrals – Deferrals are the dollars you choose to contribute to the Plan through payroll deduction on pre-tax basis.

Disabled – You will be considered Disabled if you cannot engage in any substantial, gainful activity because of a medically determined physical or mental impairment that is expected to last at least 12 months.

Highly Compensated Employee – A Highly Compensation Employee is any employee who for the previous year had Compensation from the University greater than \$110,000 (for 2009).

The \$110,000 threshold is increased as the cost of living rises.

Individual Agreements - All contributions to the Plan will be invested either in annuity contracts or in mutual funds held in custodial accounts. The agreements between the vendor and the University or you that constitute or govern the annuity contracts and custodial accounts are referred to as Individual Agreements. The Individual Agreements explain the unique rules that apply to each Plan investment and may, in some cases, limit your options under the Plan, including your transfer and distribution rights.

Normal Retirement Age – Age 65 is considered the Normal Retirement Age under the Plan.

Participant – An employee of the University who has satisfied the eligibility requirements and entered the Plan is referred to as a Participant.

Plan – The Kettering University Supplemental Tax Deferred Annuity Plan is the Plan described in this Summary Plan Description.

Plan Administrator – The University has appointed the Employee Benefits Committee as the Plan Administrator. The Plan Administrator has delegated responsible for the day-to-day administration of the Plan to the University's Human Resources Department. To assist in operating the Plan efficiently and accurately, the Plan Administrator may appoint others to act on its behalf or to perform certain functions.

Plan Year – The calendar year will serve as the Plan Year.

University – The University is Kettering University.