DREXEL UNIVERSITY ONLINE 401(K) PLAN

SAFE HARBOR NOTICE
(ENHANCED SAFE HARBOR MATCH)

JANUARY 1, 2017 TO DECEMBER 31, 2017

DATE: NOVEMBER 1, 2016

For the Plan Year that begins January 1, 2017 and ends December 31, 2017, Drexel University Online, LLC will operate the Drexel University Online 401(K) Plan (the "Plan") as a 401(k) "safe harbor" plan in order to satisfy certain non-discrimination testing requirements. This document provides you with the required notice of the "safe harbor" provisions adopted by the Plan, as well as a description of other contributions that may be permitted.

ELECTIVE DEFERRALS

HOW MUCH YOU CAN DEFER

The amount of your Elective Deferrals for any calendar year can't exceed the lesser of 100% of the Compensation you receive during that calendar year, or the annual dollar limit on Elective Deferrals ($18,000 for calendar year 2017).

If you are a "catch-up eligible" Participant and you want to make Elective Deferrals in excess of the annual dollar limit on Elective Deferrals described above, you can make "catch-up contributions" in excess of this limit. The catch-up contribution limit is $6,000 for the calendar year 2017. You may be permitted to make catch-up contributions in excess of other limitations as well, and you should consult your Human Resources Manager for more information. You are a "catch-up eligible" Participant for any taxable year in which you have reached (or will reach) at least age 50 by the end of that taxable year.

HOW YOU BECOME A PARTICIPANT

To become a Participant in the Plan for the purpose of making Elective Deferrals, you must satisfy the following criteria (described in more detail below): (1) you must be an Eligible Employee; (2) you must satisfy the age requirement; (3) you must satisfy the service requirement; and (4) you must be employed by us on the applicable entry date.

- **ELIGIBLE EMPLOYEES.** All employees are considered to be Eligible Employees for Elective Deferral purposes except for the following ineligible classes of employees: (1) any employee covered by a collective bargaining agreement; (2) any employee who is a non-resident alien who does not receive income from us which constitutes income from sources within the United States; (3) leased employees who are not otherwise excluded by law; and (4) independent contractors.

- **AGE REQUIREMENT.** You must be at least 21 years of age.

- **SERVICE REQUIREMENT.** You must be credited with at least 1 Hour of Service.

- **ENTRY DATE.** You may enter the Plan as a Participant for Elective Deferral purposes on the commencement of the first payroll period after you have satisfied the age and service requirements.

DEFERRAL AGREEMENTS

You must file an agreement with the Administrator and Fund Sponsor before you can begin making Elective Deferrals to the Plan. This agreement is where you indicate the amount you want withheld from your Compensation

and contributed to the Plan on your behalf. You can elect to contribute either a percentage of your Compensation or a flat dollar amount.

After your initial election, you can change your election by filing a new agreement with the Fund Sponsor on the first day of a payroll period. You can also cancel your agreement at any time upon reasonable notice to the Administrator and Fund Sponsor. If you do cancel your agreement, you will not be permitted to make a new election until the first available date that you would otherwise be entitled to change an existing agreement as described in the preceding sentence. The Administrator from time to time may establish additional administrative procedures (or change existing procedures) concerning deferral elections, in which case you will be appropriately notified.

The Administrator can temporarily suspend your agreement if you reach the maximum amount that is permitted by law or the Plan, or if the Administrator believes the Plan may fail certain non-discrimination testing requirements (if applicable). You will be notified if your agreement is temporarily suspended.

If you have not elected in your agreement to withhold at the maximum rate permitted for a Plan Year and you want to increase the total amount withheld for that Plan Year up to the maximum permitted rate for that Plan Year, then you can make a supplemental election at any time during the last two months of the Plan Year to withhold an additional amount for one or more pay periods.

How Your Compensation Is Determined

You can make Elective Deferrals from the amount reported on your Form W-2 for the Plan Year, excluding pay in excess of the annual dollar limit, which is $270,000 for the Plan Year beginning in 2017. You also cannot make Elective Deferrals from any amount received prior to becoming a Participant in the Plan; from any amount received while you aren't an Eligible Employee; and from any amount received post- severance from employment.

How Your Vested Interest Is Determined

Your Vested Interest in your Elective Deferral Account is 100% at all times.

ADP Safe Harbor Matching Contributions

How the Contribution Is Determined

Our ADP Safe Harbor Matching Contribution for the Plan Year that begins January 1, 2017 and ends December 31, 2017 will be an amount equal to 117% of each eligible Participant's Elective Deferrals (including "catch-up contributions") that do not exceed 6% of his Compensation for the Plan Year.

How You Qualify For a Contribution

You will receive any ADP Safe Harbor Matching Contribution we make to the Plan for the Plan Year that begins January 1, 2017 and ends December 31, 2017 if (1) you have become a Participant in the Plan for ADP Safe Harbor Matching Contribution purposes as described in the next paragraph, and (2) you are eligible to make Elective Deferrals at any time during that Plan Year and you have filed a valid Elective Deferral agreement with the Administrator and Fund Sponsor. If you have satisfied both of these requirements, you will receive the contribution regardless of the number of Hours of Service with which you are credited during the Plan Year and regardless of whether you are still employed by us on the last day of that Plan Year.

How You Become a Participant

To become a Participant for the purpose of receiving ADP Safe Harbor Matching Contributions, you must satisfy the following criteria (described in more detail below): (1) you must be an Eligible Employee; (2) you must satisfy the age requirement; (3) you must satisfy the service requirement; and (4) you must be employed by us on the applicable entry date.

- **ELIGIBLE EMPLOYEES.** All employees are considered to be Eligible Employees for ADP Safe Harbor Matching Contribution purposes except for the following ineligible classes of employees: (1) any employee covered by a collective bargaining agreement; (2) any employee who is a non-resident alien who does not receive income from us which constitutes income from sources within the United States; (3) leased employees who are not otherwise excluded by law; and (4) independent contractors.

- **AGE REQUIREMENT.** You must be at least 21 years of age.

- **SERVICE REQUIREMENT.** You must be credited with at least 1 Hour of Service.

- **ENTRY DATE.** You may enter the Plan as a Participant for ADP Safe Harbor Matching Contribution purposes on the commencement of the first payroll period after you have satisfied the age and service requirements.

HOW YOUR COMPENSATION IS DETERMINED

ADP Safe Harbor Matching Contributions are based on the amount reported on your Form W-2 for the Plan Year, excluding pay in excess of the annual dollar limit, which is $270,000 for the Plan Year beginning in 2017. Your Compensation as determined for ADP Safe Harbor Matching Contributions purposes will also not include any amount received prior to becoming a Participant in the Plan; any amount received while you aren't an Eligible Employee for ADP Safe Harbor Contribution purposes; and any amount received as any amount received post-severance from employment.

HOW YOUR VESTED INTEREST IS DETERMINED

Your Vested Interest in your ADP Safe Harbor Matching Contribution Account is 100% at all times.

ROLLOVER CONTRIBUTIONS

As an Eligible Employee, you may be able to roll over amounts distributed from another employer's retirement plan. However, you may not roll over contributions that were made on an after-tax basis. You may also be able to roll over amounts that you hold in a traditional IRA.

Your rollover contributions will be held in a separate rollover account. You will always be fully vested in your rollover account. You are permitted to withdraw amounts in your rollover account up to two times in any 12-month period.

The Administrator can provide you with more information on rollover contributions.

DISTRIBUTION OF BENEFITS

DISTRIBUTIONS FOR REASONS OTHER THAN DEATH

If you terminate employment for any reason other than death, your Vested Interest may be distributed within an administratively practicable time after you terminate. Your Vested Interest will generally be distributed in a lump sum. If the amount is at least $200, you can elect to have it paid directly to another qualified plan that agrees to receive the distribution or to an individual retirement account.

LUMP SUM CASH-OUTS

If your Vested Interest (including your Rollover Account) is $1,000 or less, it will be distributed in a lump sum as soon as administratively feasible after you terminate employment. The distribution will be made to you or, at your election, will be rolled over either to another qualified retirement plan that agrees to receive the distribution or to an individual retirement account (IRA) established by you.

DISTRIBUTIONS UPON DEATH

Your Vested Interest will be 100% upon death and will be distributed to your beneficiary as soon as administratively practicable after your death. If you are not married, you can name anyone to be your beneficiary. If you are married,

your spouse by law is your beneficiary unless he or she waives the death benefit in writing. Your Vested Interest will be distributed to your beneficiary in a lump sum payment.

HARDSHIP DISTRIBUTIONS

As long as you are our employee, you can take a distribution to pay for a financial hardship. Financial hardship will be determined based on all relevant facts and circumstances. ADP Safe Harbor Matching Contributions cannot be withdrawn on account of financial hardship.

TERMINATION OF THE PLAN

Although we intend for the Plan to be permanent, we can terminate it at any time, at which time contributions and allocations will cease. Participants will have a 100% Vested Interest in their Accounts as of the termination date. Distribution of the Accounts will occur within a reasonable time after termination.

ADDITIONAL INFORMATION

If you would like to obtain additional information about this notice or about the Plan, or if you would like to obtain an additional copy of the Summary Plan Description, please contact:

Karen Holbrook
Drexel University Online, LLC
3001 Market Street
Suite 315
Philadelphia, PA 19104

Phone: 215.895.3911

Drexel University Online, LLC serves as the Administrator of the Plan.

SUMMARY OF MATERIAL MODIFICATIONS

To the extent this Safe Harbor Notice has modified any existing provisions of the Plan or is in conflict with any existing provisions of the Plan, those provisions are considered to be amended as set for in this Safe Harbor Notice. You should retain a copy of this Notice.