SUMMARY PLAN DESCRIPTION

FOR

DREXEL UNIVERSITY ONLINE

401(k) PLAN

January 2016
This is a summary plan description for the Drexel University Online 401(k) Plan (the “Plan”), which Drexel University Online, LLC (the “Company”) maintains for the benefit of its eligible employees. This booklet describes the Plan as in effect on January 1, 2016.

The Plan is intended to comply with all applicable requirements of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). This is a general description of the terms of the Plan. If there is any conflict between this summary and the Plan document, the terms of the Plan will govern. You should keep this summary with your permanent records.
# SUMMARY PLAN DESCRIPTION

FOR

DREXEL UNIVERSITY ONLINE 401(k) PLAN

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A. ABOUT THE PLAN

This document describes the Drexel University Online 401(k) Plan (the “Plan”). This booklet describes the Plan in effect on January 1, 2016.

The Plan is a defined contribution plan that allows you to make before-tax contributions from your salary or wages through payroll deductions. The Company will make matching contributions based on your contributions to the Plan.

The Company establishes one or more individual accounts in your name in the trust maintained for the Plan. Your ultimate benefit from the Plan will depend on the amounts contributed to your accounts while you are a participant in the Plan, increased by income and gains, and decreased by any losses or expenses. The accumulations in your accounts will provide an important supplement to your other financial resources in the event of your retirement, total disability, or death.

B. PARTICIPATION IN THE PLAN

1. When will I be eligible to participate in the Plan?

You will be eligible to participate in the Plan on the date you are hired (or rehired) by the Company.

You will not be eligible to participate in the Plan if you are covered by a collective bargaining agreement, unless the agreement specifically provides for your participation in the Plan. In addition, you will not be eligible to participate if you are classified by the Company as a leased employee or an independent contractor.

2. How do I participate in the Plan?

Participation in the Plan is voluntary. Once you become eligible to participate in the Plan (see Question 1 above), you may elect to make before-tax contributions in accordance with Plan procedures. The effective date of your election will be the first payroll period that next follows the date the Plan Administrator receives your election.

C. CONTRIBUTIONS TO THE PLAN

1. What kinds of contributions can I make to the Plan?

As discussed above, you contribute to the Plan through payroll deductions. You may change the amount you contribute in accordance with Plan procedures. Your change will take effect as soon as administratively possible following the Plan Administrator’s receipt of instructions for the change. You may also elect to discontinue your contributions. This will take effect as soon as administratively possible following the Plan Administrator’s receipt of instructions for the discontinuance. You may resume your contributions as of any subsequent payroll period.
2. **How much may I contribute to the Plan?**

You may make before-tax contributions of 1% to 100% of your total eligible compensation for each payroll period in which you are eligible for and elect to participate in the Plan.

Plan contributions are determined based on your eligible Plan compensation. Your Plan compensation is your total taxable income (for federal purposes), prior to deductions for before-tax contributions to the Plan and pre-tax contributions for health benefits and to your flexible spending accounts, for the hours you work. Annual compensation in excess of $265,000 is not considered. This limit applies for 2016 and is subject to periodic cost of living adjustments by the IRS.

By law, your total combined before-tax contributions in any calendar year cannot exceed $18,000 (for 2016). Beginning in the year that you turn age 50, if your before-tax contributions reach the annual limit described above, or any other limit imposed by law or the Plan, you may contribute an additional “catch-up” contribution for the year, up to $6,000 (for 2016). The IRS will adjust each of these limits from time to time to reflect increases in the cost of living. In order to comply with these limits, the Plan Administrator will either restrict your contribution percentage or refund the portion of your contributions that is in excess of these limits.

3. **Will the Company make contributions to the Plan on my behalf?**

For each $1.00 dollar of before-tax contributions that you make to the Plan not in excess of 6% of your compensation, the Company will contribute $1.17 to the Plan on your behalf. This is called a matching contribution and will be allocated to your matching contribution account. Matching contributions are contributed on a payroll basis, but the total amount allocated to your matching contribution account for a plan year is based on the total contributions that you make for the plan year. Only compensation earned in the portion of the plan year during which you are eligible to receive matching contributions is taken into account. The Company will not match contributions that you make in excess of 6% of your compensation.

4. **May I roll over amounts distributed from another employer’s retirement plan?**

Yes. Most distributions that you receive from a plan of another employer may be rolled over into this Plan. The administrator of the other employer’s plan will give you information explaining whether a particular distribution may be rolled over. It may be necessary to demonstrate to the Plan Administrator that a particular distribution from another employer’s plan may be rolled over to the Plan under IRS rules. You may also be able to roll over amounts that you hold in a traditional IRA.

Your rollover contribution will be placed in a separate rollover account. You will always be fully vested in your rollover account.
5. **Are there other limitations on contributions made to my account?**

   Yes, in addition to the limits on before-tax contributions described in Question 2 above, Federal law places an overall limit that applies to the total amount of contributions and benefits that you may receive under all plans sponsored by the Company in which you participate.

   The Plan Administrator has the right to take any steps that may be necessary to prevent a violation of the law, which include restricting or reducing the amount of contributions to your account or refunding amounts that exceed the limits. The Plan Administrator will notify you if any of the limits described in this section apply to you in any year.

D. **ABOUT THE TRUST**

1. **Who holds contributions to the Plan?**

   The Plan trustee (see Part L) holds all Plan assets in a trust. The assets are invested by the trustee in investment categories that you choose (see Question 4 below).

2. **What happens to earnings or losses?**

   Your accounts will be adjusted by adding or subtracting your proportionate share of the investment earnings or losses of each investment fund in which your accounts are invested, and by subtracting your share of any operating expenses of the Plan that are paid from the trust fund of the Plan.

3. **How often is the value of my accounts determined?**

   The value of the portion your accounts that is invested in the Plan is determined daily. You can obtain your current account balance at any time by calling TIAA-CREF at 800-842-2252 or by visiting its website at www.tiaa.org. You will receive quarterly statements of your accounts.

4. **How do I choose my investments?**

   Under this Plan, you may choose to invest the amounts in your accounts in one or more investment options that have been selected by the Drexel University Online Benefits Committee. The Plan offers a wide range of investment options that allows you to create an investment program that is right for you.

   When you first enroll in the Plan, you will make an election as to how you want your Plan contributions to be invested. Your investment elections are made in increments of 1%. You may change your initial investment elections at any time. Any change will apply, as you direct, (1) only to existing monies in your account(s), (2) only to future contributions to your account(s), or (3) to both existing monies and to future contributions. Transfers between funds are made in increments of 1% or in any number of fund units and/or shares. If you do not make an affirmative choice as to how you want your Plan contributions to be invested, they are invested in a default fund chosen by the Committee.
You can obtain detailed information (including a prospectus) about each of the investment options offered under the Plan by calling TIAA-CREF at 800-842-2252 or by visiting its website at www.tiaa.org. You can make investment elections and changes in the same manner.

The Plan is intended to comply with section 404(c) of the Employee Retirement Income Security Act of 1974 (“ERISA”) and accompanying regulations. This means that the Plan permits participants to direct the investment of their Plan accounts, and, as long as the Plan complies with the requirements of section 404(c), you will have responsibility for deciding how those accounts are invested and the parties that otherwise would be responsible for making investment decisions (the “fiduciaries” of the Plan) will not be liable for any losses that result directly from investment instructions made by you.

To comply with section 404(c) of ERISA, the Plan must permit participants to choose from a broad range of investment alternatives and must provide participants with certain information about the investment alternatives and the operation of the Plan. In addition to the information included in this summary and in your enrollment package for the Plan, you may request the following information:

- a description of the annual operating expenses of each investment fund, and the aggregate amount of such expenses expressed as a percentage of average net assets of the investment fund;
- copies of any prospectuses, financial statements and reports, and of any other materials relating to the investment funds, to the extent such information is provided to the Plan;
- a list of the assets comprising the portfolio of each investment fund which constitute Plan assets within the meaning of ERISA, and the value of each such asset;
- information concerning the value of shares or units in each investment fund, as well as the past and current investment performance of such investment fund, determined, net of expenses, on a reasonable and consistent basis; and
- information concerning the value of shares or units in investment funds held in the account of the participant or beneficiary.

You may request this information by calling TIAA-CREF at 800-842-2252 or by visiting its website at www.tiaa.org.

E. RETIREMENT BENEFITS

1. When may I retire under the Plan?

You may retire under the Plan on or after your normal retirement date or disability retirement date. Benefits payable if you terminate employment prior to retirement are described in Part F; death benefits are described in Part G.
2. What is my normal retirement date?

Your normal retirement date is your 65th birthday.

3. What is my disability retirement date?

Your disability retirement date is the date on which the Plan Administrator determines that you are eligible for and are receiving benefits under the Company’s long term disability plan.

4. What happens if I work beyond my normal retirement date?

If you work beyond your normal retirement date, you will continue to participate in the Plan until you actually retire. You will begin to receive your benefit from the Plan when you actually retire. If you work beyond the year you reach 70½, you must begin to receive your benefit by the April 1 of the year following the year in which you terminate employment.

5. When will my retirement benefit be paid to me?

Your benefit will normally be paid as soon as administratively practicable after you retire. However, if the total value of your account is more than $1,000 you may delay payment of your benefit until the April 1 of the year following the year in which you reach age 70½. During this time, you are able to direct the investment of your account as described in Part D and take withdrawals as described in Part H. You may request full payment of your account at any time.

6. How will my retirement benefit be paid to me?

Your benefit from the Plan will be paid as a single lump sum payment.

7. May I roll over my payment to another plan?

You have the right to instruct the Plan Administrator to transfer all or a portion of your payment that is an “eligible rollover distribution” directly to either a traditional IRA (individual retirement account or individual retirement annuity) or an eligible employer plan that accepts rollovers. The taxable portion of an eligible rollover distribution that is paid directly to you is subject to mandatory 20% income tax withholding (see Part K, Question 2).

The Plan Administrator should be able to tell you whether your payment is an eligible rollover distribution and the types of plans to which you can transfer your distribution. Prior to making an eligible rollover distribution, the Plan Administrator will provide you with a notice explaining your options for rollover, as well as the withholding requirements and tax consequences of your election.

8. How much will my retirement benefit be?

The amount of your retirement benefit will depend on the balance in your account on the day immediately preceding the date your benefit is paid.
F. VESTING

1. Am I vested in my Plan benefits?

You always have a 100% vested (nonforfeitable) interest in all amounts in your account under the Plan.

G. DEATH BENEFITS

1. What happens if I die before retirement?

If you die before you begin to receive benefits from the Plan, your beneficiary will receive a death benefit equal to the full value of your account. Death benefits will be paid to your beneficiary as soon as possible. However, if you die before the first April 1 following the calendar year in which you reach age 70½, your beneficiary can elect to delay the payment of the death benefit until the December 31 of the calendar year following the calendar year in which you died. If your beneficiary is your spouse, he or she can elect to delay the payment of the death benefit until the December 31 of the calendar year in which you would have reached age 70½. If your Plan beneficiary is your spouse, he or she may be permitted to roll the distribution over to another employer’s plan or a traditional IRA. If your Plan beneficiary is someone other than your spouse, he or she may be able to roll the distribution over to a traditional IRA that is treated as an inherited IRA. (See Part E, Question 7 for more information on rollovers.)

Your beneficiary may direct the investment of your account as described in Part D and is permitted to receive withdrawals under Part H. If your beneficiary is your spouse, he or she may designate a beneficiary to receive benefits in the event of his or her death.

2. Who is my “beneficiary”?

The person who will receive the value of your vested account in the event of your death is called your beneficiary. If you are married, your beneficiary will be your spouse, unless your spouse consents in writing to your choice of an alternate beneficiary. Such a consent must include a statement that your spouse understands the effect of giving his or her consent and must be witnessed by a notary public.

If you are not married, you may name anyone you choose as your beneficiary. You may designate your beneficiary by calling TIAA-CREF at 800-842-2252 or by visiting its website at www.tiaa.org. You may change your beneficiary at any time.

If you do not designate a beneficiary, if your beneficiary dies before you do, or if your designation is invalid for any reason, death benefits will be paid to your surviving spouse, or, if none, to your estate.
H. IN-SERVICE DISTRIBUTIONS AND LOANS

1. May I withdraw any portion of my accounts while I am still working?

Except with respect to hardship withdrawals described below, you are permitted to make up to two withdrawals per calendar year of all or a portion of your rollover contribution account for any reason. The minimum amount of each withdrawal may not be less than $1,000.

Once you have terminated employment, you may withdraw any portion of all of your accounts for any reason.

While you are still working, you may withdraw all or a portion of your before-tax contributions (excluding earnings) only in cases of the following serious financial hardships:

- certain uninsured medical expenses for you, your spouse, or your dependents or non-custodial children;
- the purchase of your principal residence;
- tuition, related educational fees, and room and board expenses for the next 12 months for you, your spouse, or your dependents;
- the need to prevent eviction from your principal residence, or foreclosure on your principal residence;
- funeral expenses for your deceased parent, spouse, or dependents; or
- to repair certain damage to your principal residence.

The amount of your hardship withdrawal may be increased to pay any related taxes or penalties.

Before you receive a hardship withdrawal, you must receive all distributions and non-taxable loans available to you from the Plan and any plan of a related employer. In order to take a hardship withdrawal, you must agree to suspend your contributions to the Plan for six months following your receipt of the withdrawal.

You may request a withdrawal by calling TIAA-CREF at 800-242-2252 or by visiting its website at www.tiaa.org.

2. May I borrow from my account?

You may borrow amounts from your Plan account subject to the rules and procedures for plan loans established by TIAA-CREF. You may request information about plan loans and loan procedures by calling TIAA-CREF at 800-242-2552 or by visiting its website at www.tiaa.org.
I. **CIRCUMSTANCES AFFECTING YOUR BENEFITS**

1. **May the Plan be amended or terminated?**

   Although the Plan is intended to be permanent, the Company retains the right to amend or terminate the Plan at any time for any reason. However, no amendment to the Plan will reduce the benefit you have already earned, or divest you of any entitlement to a benefit.

   If the Plan is terminated or contributions are completely discontinued, you will continue to be fully vested in your accounts.

   Since the Plan is a defined contribution plan, benefits are not guaranteed by the Pension Benefit Guaranty Corporation.

2. **Can the value of my account ever decrease?**

   The value of your Plan account is dependent on the value of the investments you have selected for your account. The value of an investment can increase or decrease at any time.

3. **What if the Plan becomes “top-heavy”?**

   Federal law provides that in the event that the Plan is shown to benefit certain “key employees” disproportionately, the Plan may be declared “top-heavy” and become subject to special rules. If the Plan is declared “top-heavy,” you will receive information concerning the new rules that would apply to the Plan. It is extremely unlikely that the Plan will become top-heavy.

4. **How do I apply for my benefits?**

   After an event that entitles you to benefits has occurred, you may apply for your benefits from this Plan by filing a request with the Plan Administrator.

5. **What if my claim for benefits is denied?**

   If the Plan Administrator denies your claim for benefits, you will be notified, in writing, within 90 days (or 180 days under special circumstances) after receipt of your claim. The notification will include the specific reasons why your claim was denied, specific references to the Plan provisions on which the denial is based, a description of any additional material or information you must provide to perfect the claim and why the information is needed, and a description of the Plan’s review procedures and the time limits applicable to such procedures, including a statement of your rights to bring a civil action.

   You may request review of a denied claim by filing a written request with the Plan Administrator within 60 days after receipt of notification that your claim has been denied. You may submit issues and comments at this time. You will be afforded a full and fair review by the Plan Administrator that does not give deference to the initial determination. You will be able to look at all documents, records, and any other information relevant to your claim.
The Plan Administrator must give you a written decision on your appeal not later than 60 days (or 120 days under special circumstances) after it receives your request for review. If your claim is again denied, the Plan Administrator must give you the specific reasons for the denial and cite the specific Plan provisions on which the denial is based.

You must follow all the steps described above before you may take legal action against the Company. Naturally, both you and the Company will want to avoid legal action. But should you feel that legal action is necessary, any summons or other legal documents should be served on the agent for service of legal process (see Part K).

J. **ERISA RIGHTS**

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (“ERISA”). ERISA provides that all Plan participants shall be entitled to:

- Examine, without charge, at the office of the Plan Administrator and at other specified locations, such as worksites, all plan documents 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.

- Obtain copies of all Plan documents and copies of the latest annual report (Form 5500 Series) and updated summary plan description upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.

- Receive a summary of the Plan’s annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

- Obtain a statement telling you the value of your accounts. The Plan Administrator provides this statement to all participants annually.

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 run the Plan prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer 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.

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 can take to enforce your 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 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 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 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 federal court. The court will decide who should pay court costs and legal fees. If you win the suit, the court may order the person you have sued to pay these costs and 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, 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, 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 at (866) 444-3272. You may seek additional assistance by calling EBSA toll-free at (866) 444-EBSA or by directing electronic inquiries to EBSA’s website at www.askebsa.dol.gov.

K. MISCELLANEOUS

1. **What about my Social Security benefits?**

In addition to any benefits you may receive from the Plan, you may also be entitled to receive Social Security retirement benefits. Your Social Security benefit is provided through contributions made by you and the Company.

2. **Do I pay tax on the money contributed to my account?**

You will not have to pay Federal tax on the money contributed to the Plan on your behalf until you receive your benefit from the Plan. In some states, however, you will have to pay state income tax on all of your before-tax contributions to the Plan for the year in which you make them.

For Federal income tax purposes, the benefit payments that you receive from the Plan are considered taxable income to you for the years in which you receive them. The taxable portion of any payment from the Plan will usually be taxed at ordinary income rates.

Single sum payments from the Plan that are made directly to you or your beneficiary generally will have Federal income taxes withheld at a rate of 20% of the taxable portion of the payment as required by law. The amount withheld will be credited toward the amount of Federal income tax you owe for the year. However, if you elect to transfer the payment directly to either a traditional IRA or another eligible employer plan that accepts
rollovers (as described in Part E, Question 7), no taxes will be withheld currently from your distribution.

In addition, if you receive benefit payments (including withdrawals described in Part H, Question 1) before age 59½, you may owe an additional 10% penalty tax on the taxable portion of your payments.

If your Federal adjusted gross income does not exceed $61,500 for joint returns, $46,125 for head of household returns, or $30,750 for all other tax returns, you may be eligible for a Federal tax credit (called the “Saver’s Credit”) for all or a portion of the contributions you make to the Plan. These amounts are applicable for 2016 and may be increased by the IRS in the future. The Plan Administrator can give you more information on the Saver’s Credit.

The laws that govern the tax treatment of contributions to and benefit payments from retirement plans such as this Plan are quite complex. You are urged to consult with your personal tax advisor about your own situation.

3. May I assign my benefit to some other person?

The Plan was designed to help provide financial security for you and your family in your later years. Therefore, except as described in this summary, you are not permitted to assign your benefit to another person, to use your benefit as collateral for a loan, or to receive any part of your benefit prior to your retirement or other termination of employment within the Company.

However, if you become a party to a divorce property settlement or a court order, or if you become liable for support or alimony payments, the Plan may be legally required to pay all or a portion of your benefit to your spouse, ex-spouse, children, or other dependents in compliance with a court order that is determined to be a qualified domestic relations order (QDRO). You may request a copy of the Plan’s procedures governing QDROs from the Plan Administrator. The procedures will be provided to you free of charge.

4. What happens if I leave the Company for military service?

The Uniformed Services Employment and Reemployment Rights Act (USERRA) provides certain rights and protections to individuals who leave their jobs for military service. You should contact the Plan Administrator if you are absent due to military service and you think you might be protected under USERRA.
L. GENERAL PLAN INFORMATION

Type of Plan

The Plan is a defined contribution retirement plan.

Plan Year

The Plan uses the calendar year as its fiscal year or “plan year.” The books and records of the Plan are maintained on a plan year basis, with quarterly accounting in each plan year.

Plan Sponsor and Administrator

The Plan is sponsored by Drexel University Online, LLC. The address and telephone number of the Company are:

3001 Market Street, Philadelphia PA 19104
215-895-0500

Drexel University Online, LLC is also the Plan Administrator. The Company may delegate its duties as Plan Administrator to an individual or group of individuals.

In addition, the Company has appointed the Drexel University Online Benefits Committee to select and monitor the investment options available under the Plan.

Agents for Service of Legal process

Legal process may be served on the Plan Administrator (see above) or on the Plan trustee (see below).

Trustee

The assets of the Plan are held in trust and are used exclusively to fund benefits for participants in the Plan and to pay proper administrative expenses. The trustee is:

TIAA-CREF.
8500 Andrew Carnegie Blvd, Charlotte, NC 28262

Identification Numbers

The employer identification number (EIN) for the Company is 47-3606161. The Plan number is 001.