SUMMARY PLAN DESCRIPTION

FOR THE

DREXEL UNIVERSITY

457(b) DEFERRED COMPENSATION PLAN

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Drexel University

457(b) Deferred Compensation Plan

Summary Plan Description

Introduction

The following is a summary of the Drexel University 457(b) Deferred Compensation Plan, amended and restated effective as of May 1, 2005 (the "Plan"). The Plan is designed for participation by certain executives and highly compensated employees of Drexel University (the "University"). This summary applies to employees of the University who participate in the Plan and highlights some of the important provisions of the Plan. This summary is based on a formal plan document. If a question of interpretation of a specific Plan provision arises, the official wording of the Plan document will always govern. If you wish to see a copy of the official Plan document, you may do so by contacting the Human Resources Department.

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What Is The Purpose Of The Plan?

The purpose of the Plan is to provide certain executives and highly compensated employees of the University the opportunity to defer current cash compensation to be paid at a later date. Eligible employees may utilize the Plan as a before-tax deferred compensation opportunity in addition to the eligible employee's contributions made to the University's 403(b) Defined Contribution Plan. Participation in the Plan is limited to the President, Senior Vice Presidents, Vice Presidents, Provost and Academic Deans, and individuals whose annual salary rate exceeds $150,000 during a calendar year.

The Plan is a nonqualified deferred compensation arrangement. The assets held pursuant to the Plan will be subject to the claims of all unsecured creditors of the University if the University becomes bankrupt or insolvent. You can invest your contributions to the Plan in investment products maintained by TIAA, similar to the TIAA choices you have under the University's 403(b) Defined Contribution Plan.

<u>How Do I Elect to Participate in The Plan?</u>

You elect to participate in the plan and make salary deferral contributions by completing a Voluntary Salary Deferral Agreement. The University will provide you with the appropriate form for this purpose. The Salary Deferral Agreement will apply to amounts earned after the effective date of your deferral election. You may change or cancel your deferral election at any time. Your change or cancellation will be effective as of the first payroll period in the month following the month in which you make your change or cancellation.

<u>What Contributions May I Make to The Plan?</u>

You may elect to make salary deferrals in any amount, up to the legal annual limit described below. The minimum amount you may contribute to the plan is $25 per pay period.

The most that can be contributed to the Plan for 2022 is $20,500. This annual limit is set by the Internal Revenue Service and may increase in future years.

The Plan also allows for special catch-up contributions. You may make a catch-up contribution to the Plan in one or more of your last three years of employment before your normal retirement age (age 65). Your permitted catch-up contribution is the lesser of (a) twice the dollar amount in effect under Code section 457(b) for the year or (b) the sum of (i) the Code section 457(e) limit plus (ii) that portion of the Code section 457(e) limit that you did not use in prior taxable years. The total percentage of your salary that you elect to defer will be withheld from your pay throughout the year and will be credited to your account under the Plan.

In addition, the University may make an employer contribution to the Plan for any Plan Year with respect to any Eligible Employee so designated by the University, in an amount as the University will determine in its sole and absolute discretion. These University Contributions will be credited to the account of each Eligible Employee who has been designated by the University to be eligible to receive University Contributions for the Plan Year. The annual contribution limits described above apply to <u>both</u> employee and employer contributions. You will always be 100% fully vested in employee and employer contributions made to the Plan on your behalf.

<u>How May I Invest My Plan Contributions?</u>

You may invest your contributions under the Plan in options offered by TIAA under the TIAA Group Annuity that you may select. TIAA and the University will determine which investment options it will make available to Plan participants and will maintain an account or accounts representing your interest in the Plan that it holds in TIAA investment products. The University reserves the right to limit the available investment options.

You should designate a beneficiary to receive your Plan account in the event of your death.

It is your responsibility to decide how to invest your Plan account, to make sure it is properly diversified and to monitor from time to time the progress of your investments. To make investment changes or to obtain information about your Plan account and available investment options, contact TIAA at 800-842-2776. TIAA can provide you with detailed information about the available investment options. Please read the TIAA materials carefully and consult with your personal financial advisor. The University is not responsible for the investment choices you make.

<u>How Is My Account Distributed from The Plan?</u>

The Plan is designed to afford you an additional opportunity to save for your retirement. Except in the case of a distribution due to an unforeseeable emergency (see below), you cannot withdraw or otherwise take distributions from your Plan account while you are employed by the University. Once you leave the University (and all affiliates), you can choose to receive the value of your vested Plan account in a single sum, in installments, or as a lifetime annuity, as may be permitted by the TIAA funding vehicle(s) within which you have invested your Plan account.

Ordinarily, your Plan account is distributable at any time following 60 days after you retire or otherwise leave employment with the University and all affiliates. You can, however, during that 60-day period, elect to postpone distribution to a later date, which cannot be later than April 1 of the calendar year following the calendar year in which you attain age 70½ or, if later, retire from the University. If you do not make a deferral election during the 60-day period following your severance from employment with the University, you will receive a lump sum distribution after the 60-day period and within 90 days following your severance from employment. If you make an election during the 60-day period to postpone distribution to a later date, you may make a second election to defer payment to a date later than the initial distribution date you elected. This second deferral election must be made in writing prior to the initial distribution date you selected.

<u>What Is an Unforeseeable Emergency Withdrawal?</u>

Under a special rule, you may be able to withdraw a portion of your vested Plan account prior to your separation from the University in the event of an "unforeseeable emergency." This means a serious financial hardship due to an unforeseeable event or emergency such as death or illness of you or a family member. Any requests for an unforeseeable emergency withdrawal will be considered in accordance with IRS rules and will require such documentation as the University may require for this purpose. An unforeseeable emergency withdrawal must be limited to an amount sufficient to meet the unforeseeable emergency and cannot be obtained for the purchase of a home, the payment of college tuition or other foreseeable events.

<u>What Are the Tax Effects Of A Withdrawal Or Distribution From The Plan?</u>

The following is a brief discussion of the income tax implications of benefit distributions under the Plan. Complex rules govern the tax effects of withdrawals and distributions from the Plan. You should consult your personal tax advisor to obtain information regarding the tax consequences before you request a withdrawal or distribution of any portion of your Plan account.

In general, your deferrals under the Plan and the investment earnings on your deferrals are income tax-deferred while held in your account under the Plan. Taxes become payable when your account is distributed to you. The Plan is a nonqualified plan and withdrawals and distributions are not eligible for the special tax treatment that may be available for distributions from the University's 403(b) Defined Contribution Plan. You may not roll over distributions from the Plan into an IRA or plan maintained by another employer.

The University is required to withhold income taxes from all Plan distributions. But if a distribution substantially increases your annual taxable income, it will be your responsibility to pay the additional taxes that may be due for the year of the distribution.

How Is the Plan Administered?

The Plan is sponsored and maintained by Drexel University. If you have questions about whether you are eligible to participate in the Plan or to make changes in the amount you contribute to the Plan, contact the University's Human Resources Department. The University has the power and discretion to interpret and construe the terms of the Plan and to make decisions on eligibility for benefits.

If you have questions regarding your Plan investments, or if you want to obtain information or to make changes in your Plan investments, contact TIAA at 800-842-2776. You deal directly with TIAA regarding your Plan investments; the University is not responsible for the information TIAA may make available to you regarding your investment options and the choices you make are entirely your own.

May The Plan Be Amended or Discontinued?

The University reserves the right to amend or discontinue the Plan at any time. If the Plan is discontinued, the time and manner of distribution of your account balance shall be determined by the University in accordance with the provisions of the Plan. The University may amend the Plan by action of the Board of Trustees or a delegate of the Board.

General Information

The administrator and sponsor of the Plan is Drexel University, 3141 Chestnut Street, Philadelphia, PA 19104, telephone (215) 895-2850.

The Plan is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

If you have any questions about the Plan, please contact Joyce Vuocolo Director of Total Rewards, in the Human Resources Department at 215-895-1271 or jhv26@drexel.edu.

Contact information for TIAA is as follows: Sabrina Evenosky at 267-675-8161.