

THE ARIZONA UNIVERSITY SYSTEM
VOLUNTARY §403(b) PLAN

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THE ARIZONA UNIVERSITY SYSTEM VOLUNTARY §403(b) PLAN

WITNESSETH:

WHEREAS, the Employer desires to recognize the contribution made to its successful operation by its employees and to reward such contribution by means of a voluntary §403(b) plan for those employees who shall qualify as Participants hereunder;

NOW, THEREFORE, effective January 1, 2003, (hereinafter called the "Effective Date"), the Employer established The Arizona University System Voluntary §403(b) Plan (the "Plan") for the exclusive benefit of Participants and Beneficiaries on the following terms. Effective November 1, 2008, the Plan is hereby amended and restated as set forth herein.

ARTICLE I DEFINITIONS

1.1 "Account". The account or accumulation maintained for the benefit of any Participant or Beneficiary under an Annuity Contract or a Custodial Account.

1.2 "Account Balance". The bookkeeping account maintained for each Participant which reflects the aggregate amount credited to the Participant's Account under all Accounts, including the Participant's Elective Deferrals, the earnings or loss of each Annuity Contract or Custodial Account (net of expenses) allocable to the Participant, any transfers for the Participant's benefit, and any distribution made to the Participant or Participant's Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes any account established under Article VI for rollover contributions and plan-to-plan transfers made for a Participant, the account established for a Beneficiary after a Participant's death, and any account or accounts established for an alternate payee (as defined in section 414(p)(8) of the Code).

1.3 "Administrator". The Employer shall be the Administrator, subject to the provisions of Article VIII.

1.4 "Annuity Contract". A nontransferable contract as defined in section 403(b)(1) of the Code, established for each Participant by the Employer, or by each Participant individually, that is issued by an insurance company qualified to issue annuities in Arizona and that includes payment in the form of an annuity.

1.5 "Beneficiary". The designated person who is entitled to receive benefits under the Plan after the death of a Participant, subject to such additional rules as may be set forth in the Individual Agreements.

1.6 "Code". The Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.

1.7 "Compensation". All cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee's gross income for the calendar year, plus amounts that would be cash compensation for services to the

Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under Code sections 125, 132(f), 401(k), 403(b), or 457(b), and Employee contributions described in Code section 414(h)(2) that are treated as Employer contributions.

1.8 "Custodial Account". The group or individual custodial account or accounts, as defined in section 403(b)(7) of the Code, established for each Participant by the Employer, or by each Participant individually, to hold assets of the Plan.

1.9 "Elective Deferral". The Employer contributions made to the Plan at the election of the Participant in lieu of receiving cash compensation.

1.10 "Employee". Each individual who is a common law employee performing services for the Employer.

1.11 "Employer". The Arizona Board of Regents, Arizona State University, University of Arizona and Northern Arizona University, which have adopted this Plan, including any successor which maintains this Plan and any predecessor which has maintained this Plan. An Employer participating in this Plan must at all times satisfy the requirements for an eligible employer as set forth in Code section 403(b)(1)(A).

1.12 "Funding Vehicle". The Annuity Contracts or Custodial Accounts issued for funding amounts held under the Plan and specifically approved by Employer for use under the Plan.

1.13 "Includible Compensation". An Employee's actual wages in box 1 of the Form W-2 for a year for services to the Employer, but subject to a maximum of \$200,000 (or such higher maximum as may apply under section 401(a)(17) of the Code) and increased (up to the dollar maximum) by any compensation reduction election under Code sections 125, 132(f), 401(k), 403(b), or 457(b), and Employee contributions described in Code section 414(h)(2) that are treated as Employer contributions.

1.14 "Individual Agreement". The agreement between a Vendor and the Employer or a Participant that constitutes or governs a Custodial Account or an Annuity Contract.

1.15 "Participant". An individual for whom Elective Deferrals are currently being made, or for whom Elective Deferrals have previously been made, under the Plan and who has not received a distribution of his or her entire benefit under the Plan.

1.16 "Plan". The Arizona University System Voluntary §403(b) Plan, as set forth herein.

1.17 "Plan Year". The calendar year.

1.18 "Related Employer". The Employer and any other entity which is under common control with the Employer under Code section 414(b) or (c). To the extent this Plan includes only employees who perform services for a public school, for this purpose, the Employer shall determine which entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under IRS Notice 89-23. For purposes of the Section 1.18, the term "public school" means an educational organization described in Code section 170(b)(1)(A)(ii) which is part of State, a political subdivision of a State, or an agency or instrumentality of any one or more of the foregoing, and includes post-secondary educational organizations.

1.19 “Roth Elective Deferral”. An Elective Deferral that is (1) designated irrevocably by the Participant at the time of the Compensation reduction election (or any change thereto) as a Roth Elective Deferral that is being made in lieu of all or a portion of the pre-tax Elective Deferrals the Participant is otherwise eligible to make under the Plan; and (2) treated by the Employer as includible in the Participant’s income at the time the Participant would have received that amount in cash if the Participant had not made a Compensation reduction election.

1.20 “Severance from Employment”. For the purpose of the Plan, Severance from Employment means Severance from Employment with the Employer and any Related Employer. However, a Severance from Employment also occurs on any date on which an Employee ceases to be an employee of a public school, even though the Employee may continue to be employed by a Related Employer that is another unit of the State or local government that is not a public school or in a capacity that is not employment with a public school. For purposes of the Section 1.20, the term “public school” means an educational organization described in Code section 170(b)(1)(A)(ii) which is part of State, a political subdivision of a State, or an agency or instrumentality of any one or more of the foregoing, and includes post-secondary educational organizations.

1.21 “Valuation Date”. Each December 31 and/or such other date(s) deemed necessary or appropriate by the Administrator for the valuation of Participants’ Accounts during the Plan Year.

1.22 “Vendor”. The provider of an Annuity Contract or Custodial Account specifically approved by the Employer to establish and maintain a Funding Vehicle under this Plan.

ARTICLE II PARTICIPATION AND CONTRIBUTIONS

2.1 Eligibility. Each Employee shall be eligible to participate in the Plan and elect to have Elective Deferrals made on his or her behalf hereunder immediately upon becoming employed or re-employed by the Employer.

2.2 Compensation Reduction Election. An Employee elects to become a Participant by executing an election to reduce his or her Compensation (and have that amount contributed as an Elective Deferral) and filing it with the Administrator. This Compensation reduction election shall be made on the form of agreement provided by the Administrator under which the Employee agrees to be bound by all terms and conditions of the Plan. The Employer may establish an annual minimum deferral amount no higher than \$200, and may change such minimum to a lower amount from time to time. The Compensation reduction election shall include a designation of the Funding Vehicles and Accounts therein to which Elective Deferrals are to be made and a designation of Beneficiary. Any such election shall remain in effect until a new election is filed. Each Employee will become a Participant in accordance with the terms and conditions of the Individual Agreements. The Compensation reduction election shall become effective for the first pay period administratively practicable following the date the election is filed with the Administrator, unless a later date is indicated therein.

2.3 Roth Elective Deferrals.

(a) Effective November 1, 2008, the Plan will accept Roth Elective Deferrals, as defined in Section 1.19, made on behalf of Participants, subject to the provisions of applicable Individual Agreements. Unless specifically stated otherwise, Roth Elective Deferrals will be treated as Elective Deferrals for all purposes under the Plan. Roth Elective Deferrals shall comply with all applicable requirements under Code sections 402A and 403(b) and related Treasury Regulations.

(b) Contributions and withdrawals of Roth Elective Deferrals will be credited and debited to a separate Roth Elective Deferral account maintained for each Participant. The Vendors will maintain a record of the amount of Roth Elective Deferrals in each Participant's account. Gains, losses and other credits or charges must be separately allocated on a reasonable and consistent basis to each Participant's Roth Elective Deferral account and the Participant's other accounts under the Plan.

(c) Notwithstanding Section 5.5, a direct rollover of a distribution from a Roth Elective Deferrals account under the Plan will only be made to another Roth Elective Deferral account under an applicable retirement plan described in Code section 402A(e)(1) or to a Roth IRA described in Code section 408A, and only to the extent the rollover is permitted under the rules of Code section 402(c).

Notwithstanding Section 6.1, the Plan will accept a rollover contribution to a Roth Elective Deferral account only if it is a direct rollover from another Roth Elective Deferral account under an applicable retirement plan described in Code section 402A(e)(1) and only to the extent the rollover is permitted under the rules of Code section 402(c), subject to the provisions of applicable Individual Agreements.

2.4 Information Provided by the Employee. Each Employee enrolling in the Plan should provide to the Administrator and/or Vendor at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the Plan, including any information required under the Individual Agreements.

2.5 Change in Elective Deferrals Election. Subject to the provisions of applicable Individual Agreements, an Employee may at any time revise his or her participation election, including a change of the amount of Elective Deferrals, his or her investment direction, and Beneficiary designation. A change in the investment direction shall take effect as of the date provided by the Administrator on a uniform basis for all Employees. A change in the Beneficiary designation shall take effect when the election is accepted by the Vendor.

2.6 Contributions Made Promptly. Elective Deferrals under the Plan shall be transferred to the applicable Funding Vehicle within a period that is not longer than is reasonable for the proper administration of the Plan, but in any event within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant.

2.7 Leave of Absence. Unless an election is otherwise revised, if an Employee is absent from work by leave of absence, Elective Deferrals under the Plan shall continue to the extent that Compensation continues.

2.8 Vesting. The Account Balance of each Participant and Beneficiary shall be fully vested at all times and, except as otherwise provided herein, shall not be subject to forfeiture for any reason.

2.9 Employer Contributions. The Employer shall not make any contributions to the Plan other than the Elective Deferrals they transmit on behalf of the Participants in accordance with the Compensation reduction elections then in force.

ARTICLE III LIMITATIONS ON AMOUNTS DEFERRED

3.1 Basic Annual Limitation. Except as provided in Sections 3.2 and 3.3, the maximum amount of Elective Deferrals for any Participant under the Plan for any calendar year shall not exceed the lesser of (a) the applicable dollar amount or (b) the Participant's Includible Compensation for the calendar year. The applicable dollar amount is established under section 402(g)(1)(B) of the Code, which is \$15,500 for 2008, and is adjusted for cost-of-living after 2008 to the extent provided under section 415(d) of the Code.

3.2 Special Section 403(b) Catch-up Limitation for Employees With 15 Years of Service. Because the Employer is a qualified organization (within the meaning of Treasury Regulations section 1.403(b)-4(c)(3)(ii)), the applicable dollar amount under Section 3.1(a) for any "qualified employee" is increased (to the extent provided in the Individual Agreements) by the least of:

- (a) \$3,000;
- (b) The excess of:
 - (1) \$15,000, over
 - (2) The total special 403(b) catch-up elective deferrals made for the qualified employee by the qualified organization for prior years; or
- (c) The excess of:
 - (1) \$5,000 multiplied by the number of years of service of the qualified employee with the qualified organization, over
 - (2) The total Elective Deferrals made for the qualified employee by the qualified organization for prior years.

For purposes of this Section 3.2, a "qualified employee" means an Employee who has completed at least 15 years of service taking into account only employment with the Employer.

NOTE: An Employee who has at least 15 years of service with the Employer may increase their Elective Deferrals in a year by up to \$3,000 as a special 403(b) catch up until they reach a maximum of \$15,000 in total catch up contributions. The amount of catch-up contributions permitted will be reduced to an amount equal to total Elective Deferrals made by the Employee to this Plan minus \$5,000 times years of service. For example, the total catch-up contributions permitted for an Employee who has contributed at least \$5,000 each year would be \$0.

3.3 Age 50 Catch-up Elective Deferral Contributions. An Employee who is a Participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of Elective Deferrals, up to the maximum age 50 catch-up Elective Deferrals for the

year. The maximum dollar amount of the age 50 catch-up Elective Deferrals for a year is \$5,000 for 2008, and is adjusted for cost-of-living after 2008 to the extent provided under the Code.

3.4 Coordination. Amounts in excess of the limitations set forth in Section 3.1 shall be allocated first to the special 403(b) catch-up under Section 3.2 and next as an age 50 catch-up contribution under Section 3.3. However, in no event can the amount of the Elective Deferrals for a year be more than the Participant's Compensation for the year.

3.5 Special Rule for a Participant Covered by Another Section 403(b) Plan. For purposes of this Article III, if the Participant is or has been a participant in one or more other plans under 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Article III. For this purpose, the Administrator shall take into account any other such plan maintained by any Related Employer and shall also take into account any other such plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan. Notwithstanding the foregoing, another plan maintained by a Related Employer shall be taken into account for purposes of Section 3.2 only if the other plan is a 403(b) plan.

3.6 Correction of Excess Elective Deferrals. If the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above, or the Elective Deferral on behalf of the Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another plan of the employer under section 403(b) of the Code (and any other plan that permits elective deferrals under 402(g) of the Code for which the Participant provides sufficient information to the Administrator), then the Elective Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant within 2 ½ months after the end of the calendar year.

3.7 Protection of Persons Who Serve in a Uniformed Service. An Employee whose employment is interrupted by qualified military service under section 414(u) of the Code or who is on a leave of absence of qualified military service under section 414(u) of the Code may elect to make additional Elective Deferrals upon resumption of employment with the Employer equal to the maximum Elective Deferrals that the Employee could have elected during that period if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Elective Deferrals, if any, actually made for the Employee during the period of interruption or leave. Except to the extent provided under section 414(u) of the Code, this right applies for 5 years following the resumption of employment (or, if sooner, for a period equal to 3 times the period of the interruption or leave).

3.8 Code Section 415 Limitations. Annual additions to the Plan (as defined in Code section 415(c)(2)) in a limitation year shall not exceed the limitations under Code section 415(c), which is incorporated herein by reference. The dollar limit under Code section 415(c)(1)(A) shall be automatically adjusted for cost-of-living to the extent provided under section 415(d) of the Code. To the extent there are any excess annual additions made on behalf of a Participant in any limitation year, such excess shall be corrected in accordance with applicable provisions of the Employee Plan Compliance Resolution System (EPCRS) of the Internal Revenue Service.

ARTICLE IV LOANS

4.1 Loans. Loans shall be permitted under the Plan to the extent permitted by the Individual Agreements controlling the Account assets from which the loan is made and by which the loan will be secured.

4.2 Information Coordination Concerning Loans. Each Vendor is responsible for all information reporting and tax withholding required by applicable federal and state law in connection with distributions and loans. To minimize the instances in which Participants have taxable income as a result of loans from the Plan, the Administrator shall take such steps as may be appropriate to coordinate the limitations on loans set forth in Section 4.3, including the collection of information from Vendors, and transmission of information requested by any Vendor, concerning the outstanding balance of any loans made to a Participant under the Plan or any other plan of the Employer. The Administrator shall also take steps as may be appropriate to collect information from Vendors, and transmit information to any Vendor, concerning any failure by a Participant to repay timely any loans made to a Participant under the Plan or any other plan of the Employer.

4.3 Maximum Loan Amount. No loan to a Participant under the Plan may exceed the lesser of:

(a) \$50,000, reduced by the greater of (1) the outstanding balance of any loan from the Plan to the Participant on the date the loan is made or (2) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Administrator (not taking into account any payments made during such one-year period); or

(b) one half of the value of the Participant's vested Account Balance (as of the valuation date determined by the Vendor immediately preceding the date on which such loan is approved by the Administrator).

For purposes of this Section 4.3, any loan from any other plan maintained by the Employer and any Related Employer shall be treated as if it were a loan made from the Plan, and the Participant's vested interest under any such other plan shall be considered a vested interest under this Plan; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of the loan to exceed the amount that would otherwise be permitted in the absence of this paragraph.

NOTE: A Participant's maximum loan amount is 50% of their Account Balance, or \$50,000, whichever is the lesser amount. The \$50,000 amount is generally reduced by unpaid amounts on existing loans.

ARTICLE V BENEFIT DISTRIBUTIONS

5.1 Benefit Distributions At Severance from Employment or Other Distribution Event.

Except as permitted under Section 3.6 (relating to excess Elective Deferrals), Section 5.5 (relating to hardship), or Section 9.3 (relating to termination of the Plan), distributions from a Participant's Account may not be made earlier than the earliest of the date on which the Participant has a Severance from Employment, dies, becomes disabled, or attains age 59 ½. For distribution purposes only, the term "disabled" shall be defined in the applicable Individual Agreement, or in absence of any such definition, shall mean a physical or mental condition resulting from bodily injury, disease or mental disorder which renders the Participant incapable of continuing any gainful occupation and which condition constitutes total disability under the federal Social Security Act. Distributions shall otherwise be made in accordance with the terms of the Individual Agreements.

5.2 Small Account Balances. The terms of the Individual Agreement may not permit mandatory distributions to be made in the form of a lump sum payment at the occurrence of a distribution event under Section 5.1, without the consent of the Participant or Beneficiary, even where the Account Balance does not exceed \$5,000.

5.3 Minimum Distributions. Notwithstanding any other provision of the Plan to the contrary, this Plan shall comply with the minimum distribution requirements of Code section 401(a)(9) and applicable Treasury Regulations, as such apply to a governmental plan (as defined in Code section 414(d)). In addition, each Individual Agreement shall comply with the minimum distribution requirements of section 401(a)(9) of the Code and applicable Treasury Regulations. For purposes of applying the distribution rules of section 401(a)(9) of the Code, each Individual Agreement is treated as an individual retirement account (IRA) and distributions shall be made in accordance with the provisions of Treasury Regulations section 1.408-8, except as provided in Treasury Regulations section 1.403(b)-6(e).

5.4 Hardship Withdrawals. Hardship withdrawals shall be permitted under the Plan to the extent permitted by the Individual Agreements controlling the Account assets to be withdrawn to satisfy the hardship. However, Individual Agreements may not permit a hardship withdrawal for a purpose other than those automatically deemed an immediate and heavy financial need pursuant to Treasury Regulations section 1.401(k)-1(d)(3)(iii)(B). No Elective Deferrals shall be allowed under the Plan during the 6-month period beginning on the date the Participant receives a distribution on account of hardship.

The Individual Agreements shall provide for the exchange of information among the Employer and the Vendors to the extent necessary to implement the Individual Agreements, including the Vendor notifying the Employer of the withdrawal in order for the Employer to implement the resulting 6-month suspension of the Participant's right to make Elective Deferrals under the Plan. In addition, the Vendor shall obtain information from the Administrator or other Vendors to determine the amount of any plan loans that are available to the Participant under the Plan to satisfy the financial need.

5.5 Rollover Distributions. A Participant or the Beneficiary of a deceased Participant (or a Participant's spouse or former spouse who is an alternate payee under a domestic relations order, as defined in section 414(p) of the Code) who is entitled to an eligible rollover distribution may elect to have any portion of an eligible rollover distribution (as defined in section 402(c)(4) of the Code) from the Plan paid directly to an eligible retirement plan (as defined in section

402(c)(8)(B) of the Code) specified by the Participant in a direct rollover. In the case of a distribution to a Beneficiary who at the time of the Participant's death was neither the spouse of the Participant nor the spouse or former spouse of the participant who is an alternate payee under a domestic relations order, a direct rollover is payable only to an individual retirement account or individual retirement annuity (IRA) that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of section 408(d)(3)(C) of the Code). Effective for distributions made after December 31, 2007, for purposes of a rollover distribution an eligible retirement plan shall also include a Roth IRA described in Code section 408A, subject to restrictions that currently and may in the future apply to rollovers from a traditional IRA into a Roth IRA.

Each Vendor shall be separately responsible for providing, within a reasonable time period before making an initial eligible rollover distribution, an explanation to the Participant of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

ARTICLE VI ROLLOVERS TO THE PLAN AND TRANSFERS

6.1 Eligible Rollover Contributions to the Plan.

(a) To the extent provided in the Individual Agreements, an Employee who is a Participant who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the Plan. Such rollover contributions shall be made in the form of cash only. The Vendor may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with section 402 of the Code and to confirm that such plan is an eligible retirement plan within the meaning of section 402(c)(8)(B) of the Code.

(b) For purposes of this Section 6.1, an eligible rollover distribution means any distribution of all or any portion of a Participant's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include (1) any installment payment for a period of 10 years or more, (2) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the Employee, or (3) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code. In addition, an eligible retirement plan means an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, or an eligible governmental plan described in section 457(b) of the Code.

The Vendor shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan. In addition, to the extent provided in Individual Agreements, any rollover contribution that includes after-tax employee contributions and/or any designated Roth contributions must be accounted for separately from other rollover contributions and the Vendor must obtain information regarding the Participant's Code section 72 basis in the amount rolled over. Rollover accounts will be subject to the distribution requirements set forth in Article V.

6.2 Plan-to-Plan Transfers to the Plan.

(a) For Employees who are participants or beneficiaries in another plan under section 403(b) of the Code, the Vendor may permit a transfer of assets to the Plan as provided in this Section 6.2. Such a transfer is permitted only if the other plan provides for the direct transfer to the Plan and the Participant is an employee or former employee of the Employer. Any Vendor accepting such transferred amounts may require that the transfer be in cash, and may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with Treasury Regulations section 1.403(b)-10(b)(3) and to confirm that the other plan is a plan that satisfies section 403(b) of the Code.

(b) The amount so transferred shall be credited to the Participant's Account Balance, so that the Participant or Beneficiary whose assets are being transferred has an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to that Participant or Beneficiary immediately before the transfer.

(c) To the extent provided in the Individual Agreements holding such transferred amounts, the amount transferred shall be held, accounted for, administered and otherwise treated in the same manner as an Elective Deferral by the Participant under the Plan, except that (1) the Individual Agreement which holds any amount transferred to the Plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the Individual Agreement must impose restrictions on distributions to the Participant or Beneficiary whose assets are being transferred that are not less stringent than those imposed on the transferor plan and (2) the transferred amount shall not be considered an Elective Deferral under the Plan in determining the maximum deferral under Article III.

6.3 Plan-to-Plan Transfers from the Plan.

(a) The Vendor may permit Participants and Beneficiaries to elect, after a Severance from Employment or other distribution event described in Section 5.1, to have all or any portion of their Account Balance transferred to another plan that satisfies section 403(b) of the Code in accordance with Treasury Regulations section 1.403(b)-10(b)(3). A transfer is permitted under this Section 6.3 only if the Participants or Beneficiaries are employees or former employees of the employer (or the business of the employer) under the receiving plan and the other plan provides for the acceptance of plan-to-plan transfers with respect to the Participants and Beneficiaries and for each Participant and Beneficiary to have an amount deferred under the other plan immediately after the transfer at least equal to the amount transferred.

(b) The other plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the other plan shall impose restrictions on distributions to the Participant or Beneficiary whose assets are transferred that are not less stringent than those imposed under the Plan. In addition, if the transfer does not constitute a complete transfer of the Participant's or Beneficiary's interest in the Plan, the other plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).

(c) Upon the transfer of assets under this Section 6.3, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Vendor may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section 6.3 (for example, to confirm that the receiving plan satisfies section 403(b) of the Code

and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Treasury Regulations section 1.403(b)-10(b)(3).

6.4 Contract and Custodial Account Exchanges.

(a) A Participant or Beneficiary is permitted to change the investment of his or her Account Balance among the Vendors under the Plan, subject to the terms of the Individual Agreements. However, an investment change that includes an investment with a Vendor that is not eligible to receive contributions under Article III (referred to below as an exchange) is not permitted unless the conditions in paragraphs (b) through (d) of this Section 6.4 are satisfied.

(b) The Participant or Beneficiary must have an Account Balance immediately after the exchange that is at least equal to the Account Balance of that Participant or Beneficiary immediately before the exchange (taking into account the Account Balance of that Participant or Beneficiary under both Code section 403(b) contracts or custodial accounts immediately before the exchange).

(c) The Individual Agreement with the receiving Vendor has distribution restrictions with respect to the Participant that are not less stringent than those imposed on the investment being exchanged.

(d) The Employer enters into an agreement with the receiving Vendor for the other contract or custodial account under which the Employer and the Vendor will from time to time in the future provide each other with the following information:

(1) Information necessary for the resulting contract or custodial account, or any other contract or custodial accounts to which contributions have been made by the Employer, to satisfy section 403(b) of the Code, including the following: (i) the Employer providing information as to whether the Participant's employment with the Employer is continuing, and notifying the Vendor when the Participant has had a Severance from Employment (for purposes of the distribution restrictions in Section 5.1); (ii) the Vendor notifying the Employer of any hardship withdrawal under Section 5.4 which results in a 6-month suspension of the Participant's right to make Elective Deferrals under the Plan; and (iii) the Vendor providing information to the Employer or other Vendors concerning the Participant's or Beneficiary's Code section 403(b) contracts or custodial accounts or qualified employer plan benefits (to enable a Vendor to determine the amount of any plan loans that are available to the Participant under the Plan in order to satisfy the financial need under the hardship withdrawal rules of Section 5.4); and

(2) Information necessary in order for the resulting contract or custodial account and any other contract or custodial account to which contributions have been made for the Participant by the Employer to satisfy other tax requirements, including the following: (i) the amount of any plan loan that is outstanding to the Participant in order for a Vendor to determine whether an additional plan loan satisfies the loan limitations of Section 4.3, so that any such additional loan is not a deemed distribution under Code section 72(p)(1); (ii) information concerning the Participant's after-tax employee contributions in order for a Vendor to determine the extent to which a distribution is includible in gross income; and (iii) information concerning the Participant's Roth Elective Deferrals in order for the Vendor to satisfy the reporting and recordkeeping requirements under Treasury Regulations section 1.402A-2.

(e) If any Vendor ceases to be eligible to receive Elective Deferrals under the Plan, the Employer will enter into an information sharing agreement as described in Section 6.4(d) to the extent the Employer's contract with the Vendor does not provide for the exchange of information described in Section 6.4(d)(1) and (2).

6.5 Permissive Service Credit Transfers.

(a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in section 414(d) of the Code) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account Balance transferred to the defined benefit governmental plan. A transfer under this Section 6.5 may be made before the Participant has had a Severance from Employment.

(b) A transfer may be made under this Section 6.5 only if the transfer is either for the purchase of permissive service credit (as defined in section 415(n)(3)(A) of the Code) under the receiving defined benefit governmental plan or a repayment to which section 415 of the Code does not apply by reason of section 415(k)(3) of the Code.

(c) In addition, if a plan-to-plan transfer does not constitute a complete transfer of the Participant's or Beneficiary's interest in the transferor plan, the Plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).

ARTICLE VII INVESTMENT OF CONTRIBUTIONS

7.1 Manner of Investment. All Elective Deferrals or other amounts contributed to the Plan, all property and rights purchased with such amounts under the Funding Vehicles, and all income attributable to such amounts, property, or rights shall be held and invested in one or more Annuity Contracts or Custodial Accounts. Each Custodial Account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Custodial Account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries.

7.2 Investment of Contributions. Each Participant or Beneficiary shall direct the investment of his or her Account among the investment options available under the Annuity Contract or Custodial Account and may change his or her investment direction with respect to future contributions in accordance with the terms of the Individual Agreements. The Administrator shall maintain a list of all available Funding Vehicles. Transfers among Annuity Contracts and Custodial Accounts may be made to the extent provided in the Individual Agreements and permitted under applicable Treasury Regulations.

7.3 Current and Former Vendors. The Administrator shall maintain a list of all Vendors under the Plan (see Appendix A and B). Such list is hereby incorporated as part of the Plan. Each Vendor and the Employer shall exchange such information as may be necessary to satisfy section 403(b) of the Code or other requirements of applicable law. In the case of a Vendor which is not eligible to receive Elective Deferrals under the Plan (including a Vendor which has ceased to be a Vendor eligible to receive Elective Deferrals under the Plan and a Vendor holding

assets under the Plan in accordance with Section 6.2 or 6.4), the Employer shall keep the Vendor informed of the name and contact information of the Administrator in order to coordinate the information necessary to satisfy section 403(b) of the Code or other requirements of applicable law.

ARTICLE VIII ADMINISTRATION

8.1 Powers and Responsibilities of the Employer. The Employer shall be the Administrator. The Employer shall have the authority to appoint any other person or entity as the Administrator and remove the Administrator and appoint a successor from time to time as it deems necessary for the proper administration of the Plan to ensure that the Plan is being operated for the exclusive benefit of Participants and Beneficiaries in accordance with the terms of the Plan and the Code.

8.2 Powers and Responsibilities of the Administrator.

(a) The primary responsibility of the Administrator is to administer the Plan for the exclusive benefit of Participants and Beneficiaries, subject to the specific terms of the Plan. The Administrator shall have the power and discretion to construe the terms of the Plan and to determine all questions arising in connection with the administration, interpretation and application of the Plan. Any such determination by the Administrator shall be conclusive and binding upon all persons. The Administrator may establish procedures, correct any defect, supply any information or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan. The Administrator shall have all powers necessary or appropriate to accomplish the Administrator's duties under the Plan.

(b) The Administrator shall select one or more Vendors who shall provide and establish Funding Vehicles available to Participants and Beneficiaries under the Plan. In making such determination, the Administrator shall be restricted to Funding Vehicles which satisfy applicable law for investment of contributions under Code section 403(b). Vendors shall ensure that all Funding Vehicles conform with the decision of the Supreme Court of the United States in the case known as Norris vs. State of Arizona. The Administrator shall allocate to such Vendors the discretionary power necessary to carry out the terms of the Plan including, but not limited to, authorizing transfers and/or exchanges, processing distributions, determining eligibility for and enforcing loans and hardship distributions, and administering qualified domestic relations orders (including determining the qualified status of domestic relations orders).

(c) The Administrator may appoint advisers and other persons the Administrator deems necessary or desirable in connection with administration of the Plan, including a third-party administrator or common remitter to coordinate transactions between vendors, as required under applicable Treasury Regulations, and recordkeeper(s) and investment adviser(s).

(d) The Administrator shall establish and maintain a list of current and former Vendors, in accordance with Section 7.3, as well as a list of currently available Funding Vehicles, in accordance with Section 7.2.

ARTICLE IX AMENDMENT AND PLAN TERMINATION

9.1 Termination of Contributions. The Employer has adopted the Plan with the intention and expectation that Employee Elective Deferrals will be continued indefinitely. However, the Employer has no obligation or liability whatsoever to maintain the Plan for any length of time and may discontinue contributions under the Plan at any time without any liability hereunder for any such discontinuance.

9.2 Amendment and Termination. The Employer reserves the authority to amend or terminate this Plan at any time.

9.3 Distribution upon Termination of the Plan. The Employer may provide that, in connection with a termination of the Plan and subject to any restrictions contained in the Individual Agreements, all Accounts will be distributed, provided that the Employer and any Related Employer on the date of termination do not make contributions to an alternative Code section 403(b) contract that is not part of the Plan during the period beginning on the date of plan termination and ending 12 months after the distribution of all assets from the Plan, except as permitted by applicable Treasury Regulations.

ARTICLE X MISCELLANEOUS

10.1 Non-Assignability. Except as provided in Sections 10.2 and 10.3, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors; and neither the Participant nor any Beneficiary shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Plan, which payments and interest are expressly declared to be non-assignable and non-transferable.

10.2 Domestic Relations Orders. Notwithstanding Section 10.1, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments or the marital property rights of a spouse or former spouse, child or other dependent is made pursuant to the domestic relations law of any State (a "qualified domestic relations order" within the meaning of Code section 414(p)), benefits may be paid in the manner so directed in the order to an alternate payee from such Participant's Annuity Contracts and/or Custodial Accounts that constitutes the Participant's Account, or a new Annuity Contract or Custodial Account may be established on behalf of an alternate payee from a Participant's Annuity Contracts and/or Custodial Accounts, even if the Participant is not otherwise entitled to benefits at the time of such payment or establishment. The Vendors shall adopt procedures to determine the qualified status of domestic relations orders, to administer distributions under qualified orders, and to administer any offset of payments pursuant to a qualified domestic relations order and shall make copies of such procedures available to Participants.

10.3 IRS Levy. Notwithstanding Section 10.1, the Administrator may pay from a Participant's or Beneficiary's Account Balance the amount that the Vendor finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or

Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

10.4 Tax Withholding. Contributions to the Plan are subject to applicable employment taxes (including, if applicable, Federal Insurance Contributions Act (FICA) taxes with respect to Elective Deferrals, which constitute wages under section 3121 of the Code). Any benefit payment made under the Plan is subject to applicable income tax withholding requirements (including section 3401 of the Code and the Treasury Regulations thereunder). A payee shall provide such information as the Vendors may need to satisfy income tax withholding obligations, and any other information that may be required by guidance issued under the Code.

10.5 Not Employment Contract. The Plan is not a contract between the Employer and any Employee or other person, nor is it a consideration for, an inducement to, or a condition of the employment of any Employee or other person. Nothing contained in the Plan shall give any Employee or other person the right to be retained in the service of the Employer or shall interfere with the right of the Employer to terminate the employment of any Employee. No Participant or other person shall have any right or claim to benefits beyond those expressly provided by the Plan.

10.6 Payments to Minors and Incompetents. If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

10.7 Mistaken Contributions. If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the Participant or, to the extent required or permitted by the Administrator, to the Employer.

10.8 Procedure When Distributee Cannot Be Located. The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown on the Employer's or Administrator's records, (b) notification sent to the Social Security Administration or the Pension Benefit Guaranty Corporation (under their program to identify payees under retirement plans), and (c) the payee has not responded within 6 months. If the Administrator is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the Funding Vehicle shall continue to hold the benefits due such person.

10.9 Incorporation of Individual Agreements. The Plan, together with the Individual Agreements, is intended to satisfy the requirements of section 403(b) of the Code and Treasury Regulations thereunder. Terms and conditions of the Individual Agreements are hereby incorporated by reference into the Plan, excluding those terms that are inconsistent with the Plan or section 403(b) of the Code.

10.10 Severability. Each provision hereof shall be independent of each other provision and if any provision of the Plan proves to be a violation of section 403(b) of the Code or of the rules of the Treasury Regulations thereunder, so as to disqualify the Plan created herein as a plan under section 403(b) of the Code, such provisions shall be disregarded and shall be deemed to be null and void and not part of this Plan; but such invalidation of any such violating provision shall not otherwise impair or affect the Plan or any of the other provisions or terms hereof.

10.11 Governing Law. The Plan will be construed, administered and enforced according to the Code and the laws of the State of Arizona in which the Employer has its principal place of business.

10.12 Headings. Headings of the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

10.13 Gender. Pronouns used in the Plan in the masculine or feminine gender include both genders unless the context clearly indicates otherwise.

IN WITNESS WHEREOF, this Plan is adopted effective November 1, 2008 by the Arizona Board of Regents, Arizona State University, University of Arizona and Northern Arizona University.

ARIZONA BOARD OF REGENTS

By: Joel Sideman

Print Name: JOEL SIDEMAN

Title: EXECUTIVE DIRECTOR

ARIZONA STATE UNIVERSITY

By: Carol N. Campbell

Print Name: Carol N. Campbell

Title: Executive VP & Chief Financial Officer

UNIVERSITY OF ARIZONA

By: Robert N. Shelton

Print Name: Robert N. Shelton

Title: President

NORTHERN ARIZONA UNIVERSITY

By: John D. Haeger

Print Name: John D. Haeger

Title: President

APPENDIX A

**LIST OF CURRENT VENDORS
AS OF NOVEMBER 1, 2008
FOR ARIZONA UNIVERSITY SYSTEM**

AIG Retirement
Fidelity Investments
TIAA-CREF

APPENDIX B
LIST OF HISTORIC VENDORS
AS OF NOVEMBER 1, 2008

Arizona State University

Ameriprise Financial
AXA Advisors
CitiStreet (formerly Travelers)
Dollarhide Financial Group (Mass Mutual)
Financial Directions, LLC
First Investors Corporation
Great American Life Insurance Co
Great West Life & Annuity
GWN Securities
ING (Aetna) Life Insurance and Annuity
Life Insurance of the Southwest
Lincoln National
Metropolitan Life
Money Concepts Financial Planning
Prudential Insurance Company of America
Security Benefit Group
The Legend Group of Companies

Northern Arizona University

Ameriprise (Travelers/Citistreet)
MetLife
ING
Massachusetts Mutual
National Western Life Insurance
Ascendant Financial
Oppenheimer
Security Benefits

University of Arizona

American General Life Insurance Company, California Western Life
Ameriprise Financial
AXA Advisors
Charles Schwab & Co Inc
Commonwealth Annuity and Life Insurance Company
Delta Life & Annuity Company
Financial Directions, LLC
First Investors Corporation
Great American Life Insurance Company
ING Life Insurance and Annuity
ING Retirement (Reliastar)
Lincoln Investment Planning, Inc.
Lincoln National
MetLife, MetLife - Chicago

MetLife, New England Life
MetLife, Travelers Copeland Insurance
Metropolitan Life
Nationwide Life Insurance Company
Old Mutual Financial Life
PFS Investments Inc.
Security Benefit Group
Sun Life Financial, Keystone/Copeland
Sun Life of Canada
Tax Deferred Services
The Hartford Financial Services Group, Inc
The Legend Group of Companies
Waddell & Reed