CASE WESTERN RESERVE UNIVERSITY
DEFERRED COMPENSATION PLAN

HIGHLIGHTS

- The Case Western Reserve University Deferred Compensation Plan (the "Plan") is a voluntary plan and is independent of other retirement/deferral plans sponsored by Case Western Reserve University (the "University"). The Plan was established to provide eligible employees with the opportunity to defer a portion of the compensation otherwise payable to them by the University.

- Eligible Employees. The University will determine the group of employees who are eligible to make compensation deferrals under the Plan for each plan year (July 1 through June 30).

- Conditions for Active Participation. You are eligible to defer compensation under the Plan for a plan year if you have submitted a Compensation Deferral Agreement and Election Form to the University and you meet all of the following requirements:

    a. You are designated by the University as eligible to make compensation deferrals under the Plan for the plan year; and

    b. You are eligible for the Case Western Reserve University Faculty and Key Administrative Employees' Retirement Plan (Plan A); and

    c. You are contributing the maximum amount allowable to your Case Western Reserve University supplemental retirement account.

    If you become a participant in the Plan and thereafter cease to qualify for active participation, you will cease to be eligible to defer compensation under the Plan for the plan year. The Plan benefits of a participant whose participation is suspended will continue to be maintained under the Plan.

    Your active participation in the Plan will cease upon your termination of employment for any reason.

- General Deferrals. You may elect to defer a portion of your compensation from the University on a pre-tax basis. You may defer the maximum amount allowed by law.

    In order to defer compensation under the Plan, you must enter into a compensation reduction agreement with the University whereby you agree to have a portion of your "basic compensation" deferred. For purposes of the Plan, “basic compensation” is the annualized cash compensation, including summer salary, that is to be paid or is payable as salary in respect of your service to the University, for faculty members as stated by the faculty appointment letter or salary authorization letter and for staff members as stated by the notification of approved annual salary. Basic compensation includes your salary deferrals to this Plan, Plan A, and any Code Section 125 cafeteria plan maintained by the University. Basic compensation excludes consulting fees, professional fees, honorariums or monies paid over and above the annual appointment compensation or salary.

    A compensation deferral agreement is irrevocable with respect to amounts earned while it is in effect, but may be revoked at any time by you upon 30 days' notice to the University with respect to amounts not yet earned. You may prospectively change the amount of your compensation reduction once per calendar quarter. A compensation deferral agreement will remain in effect until it is revoked or upon your termination of employment from the University.

- Catch-up Deferrals. If you are within 3 years of your normal retirement age (age 65), then you may be able to defer amounts ("catch up" contributions) that are greater than the maximum amounts described above. These catch-up contributions cannot exceed the lesser of (i) twice the normal annual dollar limitation (described above) or (ii) the sum of the normal annual limitation for the calendar year plus the unused normal annual limitations for previous years.

- Coordination With Other Plans. If you participate in more than one eligible deferred compensation plan (as defined in Section 457(b) of the Internal Revenue Code), the maximum deferral under all such plans may not exceed the contribution limitations described above. If there is an excess contribution for any taxable year because you deferred compensation in an eligible deferred compensation plan of an employer other than the University, you will be deemed to have contributed any excess contributions first to the other plan.

- Timing of Payment. In general, you may not receive your benefit under the Plan until you terminate employment. However, under limited circumstances (e.g., attainment of age 72 or an “unforeseeable emergency”), you may receive all or part of your benefits from the Plan while still employed.

- Payment Options. Unless you elect otherwise, you will receive your benefit under the Plan in the form of a lump sum payment, commencing within 90 days after you terminate employment. Alternatively, if your Plan benefits exceed $5,000, you may elect within 60 days after your termination of employment (i) to receive your benefit under the Plan in an installment form of payment based on the available distribution forms of TIAA-CREF or Vanguard, as applicable, in effect with respect to your benefits under the Plan, or (ii) to defer commencement of your benefit until a specified later date, or (iii) execute a plan-to-plan transfer to an eligible deferred compensation plan that provides for acceptance of such transfers. However, distribution of benefits is required to commence by April 1 following the later of (i) the calendar year in which you attain age 72, or (ii) the calendar year in which you terminate employment. To the extent required for the administration of the Plan, the terms of the agreement with the Teachers Insurance and Annuity Association (“TIAA”) and/or the College Retirement Equities Fund (“CREF”) or the Vanguard Group of Investments Corporation (“Vanguard”) applicable to your benefits under the Plan, as currently in effect or as hereafter modified, are hereby fully incorporated herein by reference.

- Valuation of Account. Amounts deferred under the Plan will be credited with investment experience based on variable indices that are keyed to investment performance alternatives from which you select. A bookkeeping account record will be maintained to track the value of your deferrals and the investment experience. The bookkeeping account will also reflect any reductions due to expense charges applied to, and distributions made from, such account. The amount you receive from the Plan will be based on the value of your bookkeeping account.

- Unfunded Benefit. The benefits provided under the Plan are paid from the general assets of the University. The Plan is, therefore, considered to be an "unfunded" arrangement.

- Investment Options. As a participant in the Plan, you will have the opportunity to select how you wish to have your compensation deferrals allocated among the pre-selected investment alternatives from TIAA-CREF or Vanguard, thereby giving you the opportunity to decide the investment return/risk factors with which you are comfortable. You may select the same funds or different funds at TIAA-CREF or Vanguard that you presently are using for your Plan A deferrals.

You will need to make an election regarding the investment alternatives in your Compensation Deferral Agreement and Election Form. Your investment election may be changed during any month to be effective as of the first day of the following month by making an election in a manner acceptable to the Retirement Committee, TIAA-CREF or Vanguard, as applicable. You may not make more than four changes in investments during each year. The timing and amount of investment changes are subject to the rules and procedures of the Retirement Committee, TIAA-CREF, or Vanguard, as applicable, then in effect. Any investment election will remain in effect until a new election is made.

The University has the right to change the investment alternatives at any time.

- <u>Rate of Return</u>. There is no guaranteed rate of return. The change in value of your Plan benefits will be tied to the performance of the investment alternatives that you select. There is no guarantee that the investment objectives of the funds will be achieved, and your Plan benefits may be less than your original deferral amount if investment losses occur.

- <u>Getting Started</u>. You will be asked to sign a Compensation Deferral Agreement and Election Form under which you agree to the terms of the Plan and elect your deferral amount. While the University does not guarantee the Plan will continue to be offered, it is presently the University's intent to allow eligible employees an opportunity to enroll prior to each Plan Year (July 1 through June 30). Please be aware that the University is not obligated to provide this Plan every year.

- <u>Deferral Changes</u>. You may change the amount of your compensation deferral by completing a Change in Deferral Form and submitting it to the University. Your compensation deferral amount may be changed only once per calendar quarter. The University must receive your signed form prior to the first business day of the month in which the change in the deferral amount is to be effective.

- <u>Vesting</u>. You will be 100% vested in your own benefits under the Plan.

- <u>Hardship Withdrawals</u>. As a participant in the Plan, if you are experiencing an immediate and heavy financial need resulting from an unforeseen emergency, you may submit a written application to the Retirement Committee for a hardship withdrawal. Examples of an "unforeseen emergency" include a sudden and unexpected illness or accident of you or a dependent, loss of your property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond your control. The need to send your child to college or your desire to purchase a home are not "unforeseen emergencies."

  Before the Plan can award a hardship distribution, you must show that the hardship cannot be relieved (i) through other forms of financial assistance, such as insurance, (ii) by liquidating your assets (to the extent that liquidation of such assets does not itself cause severe financial hardship), or (iii) by stopping deferrals under the Plan.

- <u>Death</u>. If you die prior to receiving payments, your beneficiaries will receive your Plan benefits in one of the forms of benefit payment then available under the Plan. If you die after payments have commenced, but before receiving all of the payments due you, the remaining payments will be paid to your designated beneficiary in accordance with the payment method in effect at the time of your death.

IMPORTANT INFORMATION

The amount you elect to defer is treated as excluded from your income subject to federal and state income taxes. Benefits that you receive or your beneficiary receives will be taxable as ordinary income in the year received.

RISK FACTORS

- Under the Case Western Reserve University Deferred Compensation Plan, you are an unsecured creditor of the University with no rights in any assets in which the University may invest.

- The amount of your benefit is tied to a variable investment alternative with no guaranteed rate of return. If the vehicles of investment that you elect show negative returns, your Plan benefits may be less than your original deferral amount.

- As with all benefit plans, the University may amend, modify, suspend or terminate the Plan at any time in its sole discretion. If the University elects to suspend or terminate the Plan, your compensation deferrals will cease. The University will retain your Plan benefits until you are eligible to have your benefit distributed (generally, at termination of employment).

This is a summary of the Plan and any conflict between this summary and the terms of the Plan shall be governed by the terms of the Plan and not this summary. This summary does not describe every detail of the Plan.

PLAN ADMINISTRATION

The Plan is administered by a committee appointed by the Board of Trustees of the University (the "Retirement Committee"). The Retirement Committee has the authority and discretion to construe and interpret the terms of the Plan.

IMPORTANT NAMES, ADDRESSES, AND OTHER INFORMATION

1.	University	Case Western Reserve University 10900 Euclid Avenue Cleveland, Ohio 44106
	Business Phone:	(216) 368-6964
2.	Agent for Legal Process: (The Plan Administrator also may be Served.)	Office of General Counsel Case Western Reserve University 10900 Euclid Avenue Cleveland, Ohio 44106
3.	Federal Tax ID Number of University	34-1018992
4.	Plan Administrator:	Retirement Committee c/o Case Western Reserve University 10900 Euclid Avenue Cleveland, Ohio 44106
5.	Funding Agencies	TIAA 730 Third Avenue New York, New York 10017 The Vanguard Group of Investment Companies P.O. Box 1101 Valley Forge, Pennsylvania 19482
6.	Plan Year:	July 1 to June 30
7.	Effective Date of Plan:	July 1, 2002

FREQUENTLY ASKED QUESTIONS AND ANSWERS

Q. Why has the University introduced this Plan?

A. The University has developed the Plan to provide certain "highly compensated" employees an opportunity to supplement their retirement savings through the deferral of pretax income.

Q. How does the deferral work?

A. You may elect to defer a portion of your basic compensation. You generally have the option to change your deferral amount each calendar quarter.

Q. How much can I defer?

A. You can defer the lesser of 100% of your compensation or the maximum amount allowed by law. If you are within 3 years of your normal retirement age (generally, age 65), then you may be able to defer an even larger amount ("catch-up contributions"). These catch-up contributions cannot exceed the lesser of (i) twice the normal annual dollar limitation (described above) or (ii) the sum of the normal annual limitation for the calendar year plus the unused normal annual limitations for previous years.

Q. How do I defer compensation under the Plan?

A. To defer compensation you will need to complete and submit a Compensation Deferral Agreement and Election Form to the University.

Q. Can I join the Plan at a later date?

A. There is no guarantee the Plan will continue to be offered. However, it is presently the University's intent to allow selected employees an opportunity to enroll throughout each Plan Year (July 1 through June 30). Please be aware that the University is not obligated to provide this Plan every year.

Q. Can I change the amount of my deferral?

A. Yes, you may change the amount of your compensation deferral by completing a Change in Deferral Form which the University must receive prior to the first business day of the month in which a change in the deferral amount is to be effective.

Q. What determines the returns on my deferrals?

A. You will choose among various performance alternatives selected by the University that will be used to determine your rate of return.

Q. When do I vest under the Plan?

A. You will be immediately vested in your deferral contribution and the investment return associated with your deferral.

Q. What happens if I leave the University?

A. If the total value of your benefit under the Plan is $5,000 or less, you will receive a lump sum distribution of your benefit as soon as administratively practicable after your termination of employment. If your benefit is greater than $5,000, unless you elect otherwise during the 60-day election period following your termination of employment, you will receive your benefit under the Plan in the form of a lump sum payment within 90 days after you terminate employment. Alternatively, you may elect during the 60-day election period (i) to receive your benefit in the form of a single lump sum payment or in installment payments, or (ii) to defer commencement of your benefit until a specified later date, or (iii) execute a plan-to-plan transfer to an eligible deferred compensation plan that accepts such transfers. Your benefit payment(s) will be subject to ordinary income tax in the year(s) received.

Q. What do I need to do in order to defer payments or to elect a different form of distribution?

A. You must submit a distribution election form within 60 days after your termination of employment with the University. You will designate whether you wish to begin receiving benefits, defer payment of your benefits, or initiate a plan-to-plan transfer. If you choose to begin receiving benefit payments, you will designate the form of distribution (i.e., lump sum or installment payments). Again, if you do not make a designation, you will be paid in a lump sum payment.

If you choose to defer payment, you must specify a later date to commence your benefit distribution(s), for example, the date that you attain age 55. Your election to defer payment may not be revoked once you are past the initial 60-day election period following your termination of employment. Prior to the date that you have elected to receive your benefit, you will be given the opportunity to elect the form of distribution (i.e., lump sum or installment payments).

If you choose to make a plan-to-plan transfer, you will need to include the appropriate acceptance authorization from the receiving plan.

Q. Once I have elected a form of distribution, can I elect a different distribution form later?

A. If you are within the 60-day election period following termination of employment, or if you are within the 30-day election period preceding the scheduled date that you are to receive benefits (after a deferral election), then you may revoke a previous election by filing a new distribution election form. After the applicable election period, you may not change your distribution election. However, if you are receiving annual installment payments and experience an "unforeseeable emergency" that you can demonstrate has caused a severe financial hardship, you have the ability to accelerate your installment payments to the extent necessary to alleviate the financial hardship.

Q. What happens if I die prior to the commencement of payments?

A. If you die prior to receiving payments, your beneficiary will receive your Plan benefits.

Q. What happens if I die after the commencement of payments?

A. If you die after payments have commenced, but before receiving all the payments due to you, the remaining payments will be paid to your designated beneficiary in accordance with the payment method in effect at the time of your death.

Q. May I change my beneficiary?

A. Yes, you may change your beneficiary at any time by filing a new Beneficiary Designation form.

Q. Can I withdraw deferred amounts from my account while I am still employed?

A. Only under limited circumstances. If you experience a severe financial hardship due to an "unforeseeable emergency," you may request distribution(s) from your account in accordance with procedures established by the University. In addition, the University may make in-service distributions from all or a portion of your account to your spouse or ex-spouse pursuant to a qualified domestic relations order.

Q. What constitutes an “unforeseeable emergency”?

A. An “unforeseeable emergency” is a severe financial hardship resulting from a sudden and unexpected illness or accident of you or your dependent, loss of your property due to casualty, or other similar extraordinary and unforeseeable circumstances beyond your control. The need to send your child to college or the desire to purchase a home does not constitute an unforeseeable emergency. In addition, you must show that the financial hardship cannot be relieved (i) through other forms of financial assistance, such as insurance, (ii) by liquidating your assets (to the extent that such liquidation does not itself cause severe financial hardship), or (iii) by stopping deferrals under the Plan.

Q. Can I borrow from my account?

A. No, plan loans are not allowed.

Q. Do I pay income taxes on money deferred during the year?

A. No, your deferral is taken from your base compensation before any federal or state income taxes are withheld, so it will not be included in your taxable income for the year it would have been received. However, the amount of your deferral will be subject to the Social Security and Medicare Taxes (known as the FICA Tax), as required, which will be deducted from your remaining salary. Your deferrals may also be subject to applicable municipal income taxes, too. Your benefits under the Plan will generally be subject to federal and state income taxes in the year in which you or your beneficiary receives them.

Q. Can the University terminate this Plan?

A. Yes, the University may amend, suspend or terminate the Plan at any time in its sole discretion. If the University elects to suspend or terminate the Plan, your compensation deferrals will cease. The University will retain your account (and earnings and losses thereon) until you are eligible to have your benefit distributed (generally, at termination of employment).

Q. Should I review the Plan with my lawyer, accountant, or other financial advisors?

A. Yes, the University suggests that you review the Plan with your advisors.