May, 2016

Summary Plan Description

Prepared for

Azusa Pacific University Defined Contribution Plan

INTRODUCTION

Azusa Pacific University ("APU") sponsors the Azusa Pacific University Defined Contribution Plan (the "Plan") to help you and other Employees save for retirement.

For purposes of this document, Azusa Pacific University ("APU") refers to Azusa Pacific University and certain affiliated organizations that have adopted the Plan, including Azusa Pacific University College ("UC").

This Summary Plan Description (SPD) summarizes the important features of the Plan document, including your benefits and obligations. If you want more detailed information regarding certain plan features or have questions about the information contained in this SPD, you should contact your Human Resources Department ("HR"). You may also obtain a copy of the plan document from HR. Certain terms in the SPD have a special meaning when used in the Plan. These terms are capitalized throughout the SPD and are defined in more detail in the DEFINITIONS section at the end of this SPD. If any information in this SPD conflicts with the terms of the Plan document adopted by APU, the terms of the Plan document – not this SPD - will govern.

This SPD summarizes features of APU's current Plan document. In addition, some provisions under this Plan document may have special effective dates. A summary of special effective dates is provided in the section titled ADMINISTRATIVE INFORMATION AND RIGHTS UNDER ERISA.

TABLE OF CONTENTS

INTRODUCTION

ELIGIBILITY
Am I eligible to participate in the Plan?
What requirements do I have to meet before I am eligible to participate in the Plan?
When can I enter the Plan?
What happens to my Plan eligibility if I terminate my employment and am later rehired?

CONTRIBUTIONS & VESTING
What amount can I contribute to the Plan?
What if I don't make a specific election to contribute some of my Compensation into the Plan?
Can I change my contribution rate or stop making Deferrals after I start participating in the Plan?
What if I contribute too much to the Plan?
If I make Deferrals to the Plan, will APU match any of those contributions?
Will APU make any additional Contributions to the Plan?
If I have money in other retirement plans, can I combine them with my accumulation under this plan?

Are there any limits on how much can be contributed for me?
Will contributions be made for me if I am called into military service?
Will I be able to keep my Employer contributions if I terminate employment or am no longer eligible to participate in the Plan?

WITHDRAWING MONEY FROM THE PLAN (AND LOANS)
When can I take a distribution from the Plan?
How do I request a payout?
If I am married, does my spouse have to approve my distributions from the Plan?
How will my money be distributed to me if I request a payout from the Plan?
Do any penalties or restrictions apply to my payouts?
Can I take a loan from the Plan?
How do I apply for a loan?
What is the interest rate for my loan?
What if I don't repay my loan?
What if I die before receiving all of my money from the Plan?
How long can I leave the money in my Plan?
What if the Plan is terminated?

INVESTING YOUR PLAN ACCOUNT
What investments are permitted?
Who is responsible for selecting the investments for my contributions under the Plan?
How frequently can I change my investment election?

ADMINISTRATIVE INFORMATION & RIGHTS UNDER ERISA
Who established the Plan?
When did the Plan become effective?
Who is responsible for the day-to-day operations of the Plan?
Who pays the expenses associated with operating the Plan?
Does APU have the right to change the Plan?
Can creditors or other individuals request a payout from my Plan balance?
How do I file a claim?
What if my claim is denied?
May I appeal APU's decision?
If I need to take legal action with respect to the Plan, who is the agent for service of legal process?
If the Plan terminates, does the federal government insure my benefits under the Plan?
What are my legal rights and protections with respect to the Plan?

DEFINITIONS

ELIGIBILITY

Am I eligible to participate in the Plan?
As an employee of APU, you are eligible to contribute a portion of your pay to the Plan as a pre-tax Deferral or as a Roth Deferral, unless you fall into one of the following categories of excluded employees.

- You are a nonresident alien and you received no income from within the United States.
- You are a student enrolled and attending classes and working part-time at APU. Full-time APU employees taking classes at APU are not excluded from Plan participation.

What requirements do I have to meet before I am eligible to participate in the Plan?
Unless you fall into one of the categories of excluded employees, you will be immediately eligible to defer a portion of your pay as a pre-tax Deferral or Roth Deferral into the Plan. But you must reach age 18 before you will be eligible to receive contributions made by APU. However, there is no age requirement for deferring a portion of your Compensation as a pre-tax Deferral or Roth Deferral.

In addition to being at least 18, you must complete 1 consecutive year of service with APU before you are eligible to receive contributions made by APU.

Your initial eligibility measuring period will be the 12-month period beginning with your hire date. If you do not satisfy the eligibility requirements during that first measuring period, thereafter eligibility will be calculated based on the Plan Year.

You will be credited with a year of service if you work at least 1,000 hours at APU during the eligibility measuring period.

When can I enter the Plan?
<u>Deferral Contributions</u>
You will be able to contribute a portion of your pay into the Plan as a pre-tax Deferral and Roth Deferral as soon as administratively feasible after your hire date.

<u>Employer Contributions and Matching Contributions</u>
Once you have met the age and service requirements listed above and completed the enrollment process, you will enter the Plan the first day of the next month and become eligible to receive Employer Contributions or Matching Contributions from APU.

CONTRIBUTIONS & VESTING

What amount can I contribute to the Plan?

<u>Deferrals</u>

You will be able to contribute a portion of your Compensation as a pre-tax Deferral or as a Roth Deferral unless you are a member of one of the excluded classes listed previously. The maximum dollar amount that you can contribute to the Plan each year is $18,000 for 2016 and includes contributions you make to certain other deferral plans (e.g., other 401(k) plans, salary deferral SEP plans, and 403(b) tax-sheltered annuity plans), whether or not sponsored by APU. This amount will increase as the cost of living increases. Deferrals (and the related earnings) are always fully vested and cannot be forfeited. So if you were to leave APU, you would be entitled to the full Deferral balance (plus earnings, if any).

The amount of your Compensation that you decide to defer into the Plan generally will be contributed on a pre-tax basis. That means that, unlike the compensation that you actually receive, the pre-tax contribution (and all of the earnings accumulated while it is invested in the Plan) will not be taxed at the time it is paid by APU. Instead, it will be taxable to you when you take a payout from the Plan. These contributions will reduce your taxable income each year that you make a contribution but will be treated as compensation for Social Security taxes.

EXAMPLE: Assume your Compensation is $25,000 per year. You decide to contribute five percent of your Compensation into the Plan. APU will pay you $23,750 as gross taxable income and will deposit $1,250 (five percent) into the Plan. You will not pay federal income taxes on the $1,250 (plus any future earnings on the $1,250) until you withdraw it from the Plan.

You also have the choice of treating your Deferrals as Roth Deferrals rather than pre-tax Deferrals. Roth Deferrals are contributed to the Plan from amounts that have already been treated as taxable income. Roth Deferrals will not reduce your taxable income in the year in which you contribute a portion of your Compensation into the Plan. The benefit of making Roth contributions comes when you take a payout from the Plan. At that point both the original Roth contributions and your earnings on those contributions are paid out tax-free so long as you meet certain requirements for a qualified payout.

EXAMPLE: Your Compensation is $25,000 per year. You decide to contribute five percent of your Compensation into the Plan. APU will pay you $23,750 as income and will deposit $1,250 (five percent) into the Plan. You will include the entire $25,000 in your taxable income for the year it was earned even though you only received $23,750. However, when you withdraw the $1,250 contribution from the Plan, it will be tax free (along with any earnings that have accumulated on that contribution) if you take a qualified payout. The earnings will never be taxed if you take a qualified distribution.

<u>Catch-up Contributions</u>

Age 50 Catch-up Contributions -- If you are eligible to make Deferrals, for any year in which you are age 50 or older, you may defer up to an extra $6,000 (for 2016) each year into the Plan as a pre-tax or Roth contribution once you meet certain Plan limits. The maximum catch-up amount may increase as the cost of living increases.

Special 403(b) Catch-up Contributions – If you have worked at least 15 years for APU, you may make a special catch-up contribution equal to the smallest of the three amounts listed below:

1. $3,000
2. $15,000 minus the amount of Special 403(b) Catch-Up Contributions made in prior years
3. ($5,000 times the number of years you have worked for the Employer) minus (the total amount of Deferrals made while you worked for the Employer)

These catch-up contributions will be eligible for Matching Contributions from APU (if any).

If you qualify for both the age 50 catch-up contributions and the special 403(b) catch-up contributions, your catch-up contributions will be allocated first as special 403(b) catch-up contributions. Catch-up contributions (and the related earnings) are considered Deferrals and are always fully vested. So if you were to leave your Employer, you would be entitled to the full catch-up balance (plus earnings).

What if I don't make a specific election to contribute some of my Compensation into the Plan?
You are not required to defer a portion of your Compensation into the Plan.

Can I change my contribution rate or stop making Deferrals after I start participating in the Plan?
You may change the amount you are deferring into the Plan or stop making Deferrals altogether at any time. You may also change the amount of your Deferrals that are characterized as pre-tax versus Roth Deferrals at any time. This change will apply only to new Deferrals and will not apply to Deferrals already contributed to the Plan.

What if I contribute too much to the Plan?
If you contribute too much to the Plan as a Deferral, you must take the excess amount (plus any earnings on the excess) out of the Plan by April 15 of the year following the year the money was contributed to the Plan. If you do not remove it by the deadline, additional taxes will apply.

If I make Deferrals to the Plan, will APU match any of those contributions?
Each year that you contribute a portion of your Compensation into the Plan and satisfy the additional conditions outlined below, APU will make a contribution to the Plan as a Matching Contribution on your behalf based on the following formula:

If you contribute 3% or more of your Compensation, APU will make a Matching Contribution of 8% of your Compensation.

In addition to making a pre-tax Deferral, you must also work 1,000 hours during the Plan Year to qualify for a Matching Contribution.

The 1,000 hours of service requirement will not apply, however, in the year you terminate employment provided that you are already participating in the Plan.

Will APU make any additional contributions to the Plan?
APU has the option to make Employer Contributions to the Plan but may choose not to make those contributions in certain years.

If I have money in other retirement plans, can I combine them with my accumulation under this Plan?
You may be able to roll over dollars you have saved in other retirement arrangements into this Plan after you become eligible to participate in the Plan. See HR for documents or other information you need to determine whether your prior plan balance is qualified to be rolled into this Plan.

The Plan will accept amounts rolled over from the prior plan to this Plan if the prior plan was a:

- qualified retirement plan (e.g., 401(k) plan, profit sharing plan, money purchase pension plan, target benefit plan)
- 403(b) tax-sheltered annuity plan
- government 457(b) plan
- Traditional IRA

Are there any limits on how much can be contributed for me?
In addition to the Deferral limit described previously, you may not have total contributions (including Deferrals) of more than $53,000, plus any age 50 catch-up contributions, in 2016 or an amount equal to 100% of your Compensation, whichever is less, allocated to the Plan for your benefit each year. The $53,000 limit will be increased as the cost of living increases, and is the total amount that can be contributed across all retirement plans sponsored by APU.

Will contributions be made for me if I am called to military service?
If you are reemployed by APU after completing military service, you may be entitled to receive certain make-up contributions from APU. If your Plan permits Deferrals or Nondeductible Employee Contributions, you may also have the option of making up missed employee contributions and receiving a Matching Contribution, if applicable, on these contributions.

If you are reemployed after military service, contact HR for more information about your options under the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Will I be able to keep my Employer contributions if I terminate employment or am no longer eligible to participate in the Plan?

Contributions that you receive from your Employer will always be fully vested and cannot be forfeited, even if you terminate employment or become ineligible to participate in the Plan.

WITHDRAWING MONEY FROM THE PLAN (AND LOANS)

When can I take a distribution from the plan?
You may always request a distribution of contributions you have received from APU upon termination of employment.

You may request a distribution of Deferrals at the times listed below:

- You terminate employment
- You become Disabled
- You reach age 59½
- On account of hardship

You may request a distribution of the contributions you receive from APU at the times listed below, if they are invested in annuity contracts:

- You terminate employment
- You become Disabled
- You reach age 70½

You may request a distribution of the contributions you receive from APU at the times listed below, if they are invested in custodial accounts:

- You terminate employment
- You become Disabled
- You reach age 70½

Your transfer contributions will also be available to you at the times listed above for contributions you receive from APU, if permitted under the terms of the Individual Agreements.

You may elect a distribution of your rollover contributions at any time subject to the restrictions in the Individual Agreements.

With regard to transfer contributions, distribution restrictions that applied in the plan that held the transferred amount before you moved it to this Plan may limit your payout options. If the distribution options were more limited under the prior plan, the transferred amount will remain subject to those more restrictive distribution rules.

<u>Hardship</u>

You are not permitted to take a hardship distribution from the contributions the university makes to the plan on your behalf. However, if you experience a financial hardship, you may take a distribution from the Employee Deferrals that you have contributed to the Plan, unless restricted under the terms of the Individual Agreements.

The following events qualify as a hardship distribution under the Plan:

- unreimbursed medical expenses for you, your spouse or your dependents, or your beneficiary,
- down payment, (but not monthly payments), to purchase your principal residence,
- tuition and education-related expenses for you, your spouse or your dependents, or your beneficiary,
- payments to prevent eviction from or foreclosure upon your principal residence,
- funeral expenses for you, your spouse or your dependents, or your beneficiary,
- payments to repair your principal residence that would qualify for a casualty loss deduction.

Before you take a hardship distribution, you must take all other distributions and all nontaxable loans available to you under the Plan. If you take a hardship distribution of Deferrals, you may not be eligible to make Deferrals for the next six months. If you are under age 59½, the amount you take out of the Plan as a hardship distribution may be subject to a 10 percent penalty tax.

You may be able to take a penalty-free distribution from your Deferrals if you were called to active military duty after September 11, 2001. In order to qualify for these penalty-free distributions, you must have been ordered or called to active duty for a period of at least 180 days or an indefinite period and your distribution must have been taken after you were called to duty and before your active duty ended.

The Individual Agreements governing the investment options that you selected for your Plan contributions may contain additional limits on when you can take a distribution, the form of distribution that may be available, as well as your right to transfer among approved investment options. Please review both the following information in this Summary Plan Description and the terms of your annuity contracts or custodial agreements before requesting a distribution. Contact HR or the investment vendor if you have questions regarding your distribution options.

How do I request a payout?

You must complete a payout request form provided or approved by APU or follow other procedures established by APU for processing distributions.

If you are taking a hardship distribution, you must provide documents to verify that you have a hardship event that qualifies for a Plan distribution.

If I am married, does my spouse have to approve my distributions from the Plan?

If you are married, you must get written, notarized consent from your spouse to take a distribution from the Plan in any form other than a qualified joint and survivor annuity. Your spouse's consent is also needed if you want to name someone other than your spouse as your beneficiary. The annuity would need to be structured to provide a benefit while you are both alive and then to provide a survivor benefit that is equal to at least 50 percent of the amount you received while you were both living. You can designate a different survivor percentage subject to certain limits under the qualified optional survivor annuity regulations. See HR for more information regarding your annuity options when it comes time for you to make a decision. Follow the procedures to document your spouse's consent to waive the annuity and take the payment in some other form permitted by the Plan. Your spouse must also consent to any Plan loans that you request.

How will my money be distributed to me if I request a payout from the Plan?

If you obtain the proper consents, you may choose from the following options for your payout:

- Lump sum
- Partial payments
- Installment payments
- Annuity contract (if assets are held in a custodial account) or converted to an income option (if your assets are invested in an annuity contract)

The Individual Agreements governing the investment options that you selected for your contributions may further restrict your payout options. Please review the annuity contracts or custodial agreements before requesting a distribution and contact HR or the investment vendor if you have questions regarding your distribution options.

If your distribution is eligible to be rolled over, you may choose to have your distribution paid to another eligible retirement arrangement. Contact HR for information regarding rollover procedures.

Do any penalties or restrictions apply to my payouts?
Generally, if you take a payout from the Plan before you are age 59½, a 10 percent early distribution penalty will apply to the taxable portion of your payout. There are some exceptions to the 10 percent penalty. Your tax adviser can assist you in determining whether you qualify for a penalty exception.

If your payout is eligible to be rolled over, 20 percent of the taxable portion of your payout will be withheld and remitted to the IRS as a credit toward the taxes you will owe on the payout amount unless you do a direct rollover.

EXAMPLE: You request a $10,000 payout from the pre-tax portion of your Plan balance. If the amount is eligible to be rolled over to another plan, but you choose not to roll it over directly, you will receive $8,000 and $2,000 will be remitted to the IRS.

Can I take a loan from the Plan?
Although the Plan is designed primarily to help you save for retirement, you may take a loan from the Employee Deferrals that you have contributed to the Plan and from funds that you have rolled over into the Plan from other plans, subject to the terms and restrictions in the Individual Agreements. Please review your annuity contracts or custodial agreements before requesting a loan. Contact HR or the investment vendor if you have questions regarding your loan options.

Generally the minimum loan amount that you may take is $1,000 and the maximum loan amount is $50,000. The maximum amount you can borrow may be less, however, depending on the amount of your accumulation under the Plan. The maximum total loan balances you can have outstanding at any time is $50,000, and the maximum number of loans you may have outstanding at any time is three.

If your loan is being taken from a TIAA-CREF Annuity, your maximum loan amount is further limited to:

1) 45% of your combined TIAA and CREF accumulation attributable to participation under this Plan; or
2) 90% of your CREF and TIAA Real Estate accumulation attributable to participation under this Plan for Retirement Loan (RL) loans; or
3) 90% of your TIAA Annuity accumulation attributable to participation under this Plan for a Group Supplemental Retirement Annuity (GSRA) loan.

If you default on a loan, your right to a future loan may be restricted. Further, the maximum amount that you can borrow from the Plan will be reduced by the amount in default (plus interest) until the defaulted amount can be deducted from your Plan accumulation. If more than one employer contributed to your TIAA-CREF Annuities, you can only take loans based on the amount you accumulated under the APU plan. You should check with your other employers or TIAA-CREF for the rules that apply to loans from the amounts you accumulated while working for the other employers.

If your loan is used to purchase a primary residence, you must repay it within ten years. Other loans must be repaid within five years.

How do I apply for a loan?
To apply for a loan you must complete the loan application provided (or approved) by APU and pay any applicable loan fees. You may also contact TIAA-CREF to obtain an application.

APU will administer the loan program and will consider the vested portion of your account when reviewing your loan request.

What is the interest rate for my loan?
The interest rate for your loan will vary, as described below, depending upon how your retirement balance is invested.

- Group Supplemental Retirement Unit-Annuity (GSRA) contract - The interest rate is variable and can increase or decrease every three months. The interest rate you pay initially will be the higher of 1) the Moody's Corporate Bond Yield Average for the calendar month ending two months before your loan is issued; or 2) the interest rate credited before your annuity starting date, as stated in the applicable rate schedule, plus 1 percent. Thereafter, the rate may change quarterly, but only if the new rate differs from your current rate by at least ½ percent.

- TIAA-CREF mutual funds - The interest rate for loans from TIAA-CREF mutual funds will be fixed for the term of the loan and will be equal to the Federal Reserve Board Bank prime loan rate plus 1 percent at the time of the loan origination.

What if I don't repay my loan?
You will be required to repay the loan amount (plus interest) to the Plan. If you default on the loan, you will be taxed on the amount of the outstanding loan balance and will be subject to a 10 percent penalty if you are under age 59 ½. In addition, APU has the right to foreclose its security interest in the portion of your vested account under the Plan that you pledged as security for the loan, when an event allowing a Plan distribution occurs. The following events will cause a loan default:

- Not repaying your loan as set forth in your loan agreement.

- Breaching any of your obligations under your loan agreement.

- Severing your employment (for loans from mutual funds in custodial accounts).

If your loan is defaulted, APU has the right to foreclose the security interest in your vested account balance pledged for repayment, when an event which triggers a distribution of your benefits occurs. In addition, the loan administrator will report the loan default to the IRS and the outstanding loan amount and accrued interest will be treated as a taxable distribution. If you are under age 59½, this could result in a 10 percent penalty on the taxable portion of the default.

What if I die before receiving all of my money from the Plan?
If you die before taking all of your assets from the Plan, the remaining balance will be paid to your designated beneficiary. If you are married and decide to name someone other than your spouse as your beneficiary, your spouse must consent in writing to your designation. It is important to review your designation from time to time and update it if your circumstances change (e.g., a divorce, death of a named beneficiary).

If you do not name a beneficiary, 50% of your balance will be paid to your spouse and 50% will be paid to your estate. If you do not name a beneficiary and have no surviving spouse, your remaining balance in the Plan will be paid to your estate, unless a different alternative is provided in the Individual Agreement.

If your Plan balance is $5,000 or less at the time of your death, your beneficiary will generally have the same options regarding the form of the distribution that are available to you as a Participant. If the balance is greater than $5,000, your beneficiary may be required to take the payouts in the form of a life annuity, unless the annuity has been properly waived by you and your spouse during your lifetime. Your beneficiary may also have the option of rolling their distribution into an IRA. The Individual Agreements governing the investment options that you selected for your contributions may further restrict your beneficiary's options regarding the manner in which the accumulation will be distributed.

If you die after beginning age 70½ distributions, as described in the following question, your beneficiary must continue taking distributions from the plan at least annually. If you die before beginning age 70½ payments, your beneficiary may have the option of (1) taking annual payments beginning the year following your death (or the year you would have reached age 70½, if your spouse is your beneficiary), or (2) delaying their distribution until the year containing the fifth anniversary of your death, provided they take the entire amount remaining during that fifth year.

How long can I leave the money in my Plan?
How long you can leave your money in the Plan varies depending on your Plan balance and whether you are still employed.

<u>Balance of $999.99 or less</u>
If your vested balance at the time you terminate from employment is $999.99 or less, you must take it out of the Plan when you terminate employment. If you do not tell APU what to do with your account under the Plan (e.g., roll it over to an IRA), APU will distribute your Plan account as a lump sum.

<u>Balance greater than $999.99</u>
If your balance is greater than $999.99, even if you terminate service, you are not required to take a payout from the Plan until the age 70½ required distribution rules apply to you.

Rollover Contributions will be included in determining your balance for these purposes.

<u>Age 70½ Required Distributions</u>
When you reach age 70½ you will generally need to begin taking a distribution each year based on your balance in the Plan. However, you can delay required distributions until you actually separate from service. Contributions for periods before 1987 (excluding earnings on those contributions) will generally not be subject to the required distribution rules until you reach age 75. You may also have the option to satisfy your required minimum distribution from the Plan by aggregating all your 403(b) plans and taking the required minimum distribution from any one or more of the individual 403(b) plans.

What if the Plan is terminated?
If the Plan is terminated, your entire account balance will be distributed from the Plan. To the extent you are invested in an annuity contract, you will receive a distribution of the contract.

INVESTING YOUR PLAN ACCOUNT

What investments are permitted?
The investment options will be limited to annuity contracts and mutual funds purchased through a custodial account. The list of approved investment options and vendors may change from time to time as APU considers appropriate. You should carefully review the Individual Agreements governing the annuity contracts and custodial accounts, the prospectus, and/or other available information before making investment decisions.

Who is responsible for selecting the investments for my contributions under the Plan?
You have the right to decide how your Plan balance will be invested. APU has established administrative procedures that you must follow to select your investments. Attached hereto is a list of vendors and investment options that you may select for new contributions to the Plan. You will have the ability to transfer your Plan balance among these vendors and investment options, to the extent permitted by the Individual Agreements. Contact HR if you are not certain whether a particular vendor or investment option is permitted under the Plan. If you do not select investments for your Plan account, your account will be invested according to a default investment allocation.

APU intends to operate this Plan in compliance with Section 404(c) of the Employee Retirement Income Security Act (ERISA), and Title 29 of the Code of Federal Regulations Section 2550.404c-1. This means that APU and others in charge of the Plan will not be responsible for any losses that result from investment instructions given by you or your beneficiary.

How frequently can I change my investment elections?
You may change your initial investment selections as frequently as permitted under the Individual Agreements.

ADMINISTRATION INFORMATION AND RIGHTS UNDER ERISA

Who established the Plan?
The official name of the Plan is "Azusa Pacific University Defined Contribution Plan"
The Employer who adopted the Plan is:

Azusa Pacific University
901 East Alosta Avenue
Azusa, CA 91702-7000

Federal Tax Identification Number: 951744369
Fiscal Year End: 12/31

APU has assigned Number 001 to the Plan.

The Plan is a 403(b) defined contribution plan, which means that contributions to the Plan made on your behalf (and earnings) will be separately accounted for within the Plan.

When did the Plan become effective?
APU has amended and restated the Azusa Pacific University Defined Contribution Plan which was originally adopted 09/01/1965. The effective date of this restated Plan is 01/01/2009.

Although as restated the Plan is generally effective on 01/01/2009, special effective dates apply to the following Plan provisions, and you may begin contributing a portion of your Compensation into the Plan as

- Pre-Tax Elective Deferrals starting on 07/01/2009.
- Roth Elective Deferrals starting on 07/01/2009.

Who is responsible for the day-to-day operations of the Plan?
Azusa Pacific University c/o Benefits Manager
Office of Human Resources
568 East Foothill Blvd.
Azusa, CA 91702-7000
626-815-4530

To assist in operating the Plan efficiently and accurately, APU may appoint additional persons or organizations, including investment vendors, if appropriate, to act on its behalf or to perform certain functions.

Who pays the expenses associated with operating the Plan?

All reasonable Plan administration expenses including those involved in retaining necessary professional assistance, may be paid from the assets of the Plan, to the extent permitted by the Individual Agreements. These expenses may be allocated among you and all other Plan participants or, for expenses directly related to you, charged against your account balance. Examples of expenses that may be directly related to you include general recordkeeping fees and expenses related to processing your distributions or loans (if applicable), qualified domestic relations orders, and your ability to direct the investment of your Plan balance, if applicable. Finally, APU may, in its discretion, pay any or all of these expenses. For example, APU may pay expenses for current employees, but may deduct the expenses of former employees directly from their accounts. APU will provide you with a summary of all Plan expenses and the method of payment of the expenses upon request.

Does APU have the right to change the Plan?

The Plan will be amended from time to time to incorporate changes required by the law and regulations governing retirement plans. APU also has the right to amend the Plan to add new features or to change or eliminate various provisions. However, APU cannot amend the Plan to take away or reduce protected benefits under the Plan (e.g., an employer cannot reduce the vesting percentage that applies to your current balance in a plan).

Can creditors or other individuals request a payout from my Plan balance?

Creditors (other than the IRS) and others generally may not request a distribution from your Plan balance. One major exception to this rule is that APU may distribute or reallocate your benefits in response to a qualified domestic relations order ("QDRO"). A qualified domestic relations order is an order or decree issued by a court that requires you to pay child support or alimony or to give a portion of your Plan account to an ex-spouse or legally separated spouse. APU will review the order to ensure that it meets certain criteria before any money is paid from your account. You (or your beneficiary) may obtain, at no charge, a copy of the procedures APU will use for reviewing and qualifying domestic relations orders.

How do I file a claim?

To claim a benefit that you are entitled to under the Plan, you must file a written request with APU. The claim must set forth the reasons you believe you are eligible to receive benefits, and you must authorize APU to conduct any necessary examinations and take the steps to evaluate the claim.

What if my claim is denied?

Except as described below, if your claim is denied, APU will provide you (or your beneficiary) with a written notice of the denial within 90 days of the date your claim was filed. This notice will give you the specific reasons for the denial, the specific provisions of the Plan upon which the denial is based, and an explanation of the procedures for appeal.

In the case of a claim for disability benefits, if APU is making a determination of whether you are Disabled, you will be notified of a denial of your claim within a reasonable amount of time, but not later than 45 days after the Plan receives your claim. The 45-day time period may be extended by the Plan for up to 30 days if APU determines that an extension is necessary due to matters beyond the control of the Plan. APU will notify you, before the end of the 45-day period, of the reason(s) for the extension and the date by which the Plan expects to make a decision regarding your claim.

If, before the end of the 30-day extension, APU determines that, due to matters beyond the control of the Plan, a decision regarding your claim cannot be made within the 30-day extension, the period for making the decision may be extended for an additional 30 days, provided that APU notifies you, before the end of the first 30-day extension, of the circumstances requiring the additional extension and the date as of which the Plan expects to make a decision. The notice will specifically explain the standards on which the approval of your claim will be based, the unresolved issues that prevent a decision on your claim, and the additional information needed to resolve those issues. You will have at least 45 days within which to provide the specified information.

The period of time within which approval or denial of your claim is required to be made generally begins at the time your claim is filed. If the period of time is extended because you fail to submit information necessary to decide your claim, the period for approving or denying your claim will not include the period of time between the date on which the notification of the extension is sent to you and the date on which you provide the additional information.

APU will provide you with written or electronic notification if your claim is denied. The notification will provide the following:

i. The specific reason or reasons for the denial;

ii. Reference to the specific section of the Plan on which the denial is based;

iii. A description of any additional information that you must provide before the claim may continue to be processed and an explanation of why such information is necessary;

iv. A description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act (ERISA) following a claim denial on review; and

v. In the case of a Plan providing disability benefits, if APU used an internal rule or guideline in denying your claim, 1) either the specific rule or guideline, or a statement that the rule or guideline was relied upon in denying your claim, and 2) a statement that a copy of the rule or guideline will be provided free of charge to you upon request.

vi. If the claim denial is based on a medical necessity, experimental treatment, or similar situation, either an explanation of the scientific or clinical basis for the denial, applying the terms of the Plan to your medical circumstances, or a statement that an explanation will be provided free of charge upon request.

May I appeal APU's decision?
You or your beneficiary will have 60 days from the date you receive the notice of claim denial in which to appeal APU's decision. You may request that the review be in the nature of a hearing, and an attorney may represent you.

However, in the case of a claim for disability benefits, if APU is deciding whether you are Disabled under the terms of the Plan, you will have at least 180 days following receipt of notification of a claim denial within which to appeal APU's decision.

You may submit written comments, documents, records, and other information relating to your claim. In addition, you will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information pertaining to your claim.

Your appeal will take into account all comments, documents, records, and other information submitted by you relating to the claim, even if the information was not included originally.

If the claim is for disability benefits:

i. Your claim will be reviewed independent of your original claim and will be conducted by an independent qualified physician who shall give their opinion as to whether you are disabled as defined under the Plan.

ii. APU will provide you with the name(s) of the health care professional(s) who was consulted in connection with your original claim, even if the claim denial was not based on his or her advice. For purposes of your appeal, the health care professional consulted will not be the same professional who worked on your original claim or any of his or her employees.

iii. You will be notified of the outcome of your appeal no later than 45 days after receipt of your request for the appeal, unless APU determines that special circumstances require an extension of time for processing the claim. If APU determines that an extension is required, written notice of the extension will be provided to you before the end of the initial 45-day period. The notice will identify the special circumstances requiring an extension and the date by which the Plan expects to make a decision regarding your claim.

APU will provide you with written or electronic notification of the final outcome of your claim. The notification will include:

i. A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim;

ii. A statement describing any additional voluntary appeal procedures offered by the Plan, your right to obtain the information about such procedures, and a statement of your right to bring an action under Section 502(a) of ERISA; and

iii. If APU used an internal rule or guideline in denying your claim, 1) either the specific rule or guideline, or a statement that the rule or guideline was relied upon in denying your claim, and 2) a statement that a copy of the rule or guideline will be provided free of charge to you upon request.

iv. If the claim denial is based on a medical necessity, experimental treatment, or similar situation, either an explanation of the scientific or clinical basis for the denial, applying the terms of the Plan to your medical circumstances, or a statement that an explanation will be provided free of charge upon request.

If I need to take legal action with respect to the Plan, who is the agent for service of legal process?
APU is the agent to be served with legal papers regarding the Plan. Any correspondence should be addressed to the Office of the General Counsel.

If the Plan terminates, does the federal government insure my benefits under the plan?
The type of plan in which you participate is not insured by the Pension Benefit Guarantee Corporation, the government agency that insures certain pension plan benefits upon plan termination.

What are my legal rights and protections with respect to the Plan?
As a Participant in this Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan Participants shall be entitled to do the following:

Receive Information About Your Plan and Benefits
1. Examine, without charge, at APU's office and at other specified locations, such as worksites, all Plan documents governing the Plan, including insurance contracts and collective bargaining agreements, 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.

2. Obtain, upon request to HR, copies of documents governing the operations of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description (SPD). APU may charge a reasonable fee for the copies.

3. Receive a summary of the Plan's annual financial report. APU is required by law to furnish

each Participant with a copy of this Summary Annual Report.

4. Obtain, once a year, a statement of the total pension benefits accrued and the vested pension benefits (if any) or the earliest date on which benefits will become vested. The Plan may require a written request for this statement, but it must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

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 do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including APU, a union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

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 may take to enforce the above 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 a Federal court. In such a case, the court may require APU 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 APU. If you have a claim for benefits which is denied, or ignored, in whole or in 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 or a medical child support 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 a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay the costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if the court finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact HR. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from APU, you should contact the nearest area 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.

DEFINITIONS

Compensation – The definition of Compensation under the Plan can vary depending upon the purpose (e.g., allocations, nondiscrimination testing, tax deductions).

In general, Compensation taken into account under the Plan is your gross base earnings, which includes amounts that are not included in your taxable income because they were deferred under a cafeteria plan, a 403(b) tax-sheltered annuity plan, or a comparable employee benefit plan. Further, Compensation excludes the following amounts:

- Bonuses that you receive will not be included in the Compensation.
- Overtime pay will not be included in the Compensation.
- Pay to faculty for overload teaching will not be included in the Compensation.
- Pay to staff for adjunct teaching will not be included in the Compensation.

If you receive payments from APU within 2 ½ months after severing your employment, any regular pay for services you performed prior to severance; pay resulting from unused sick, vacation or other leave; and amounts received under a nonqualified deferred compensation plan will be included in Compensation.

The measuring period for Compensation will be the Plan Year.

The maximum amount of Compensation that will be taken into account under the Plan is $265,000 (for 2016). This amount increases as the cost of living rises.

Deferrals – Deferrals are the dollars you choose to contribute to the Plan through payroll deduction on a pre-tax basis or as a Roth after-tax Deferral.

Disabled – You will be considered Disabled if you cannot engage in any substantial, gainful activity because of a medically determined physical or mental impairment that is expected to last at least 12 months.

Early Retirement Age – You will reach the Early Retirement Age under the Plan when you reach age 55.

Employer – The Employer is Azusa Pacific University and certain affiliated organizations that have adopted the Plan, including Azusa Pacific Online University ("APOU"). APU will also serve as the Plan Administrator, as defined in ERISA, who is responsible for the day to day operations and decisions regarding the Plan, unless a separate Plan Administrator is appointed for all or some of the plan responsibilities. The term Employer, as used in this Summary Plan Description, will also mean Plan Administrator, as that term is used in ERISA.

Employer Contributions - APU may choose to make Employer Contributions for Participants who meet the certain eligibility requirements. Your eligibility to receive Employer Contributions is not dependent upon whether you make Deferrals.

Highly Compensated Employee – A Highly Compensated Employee is any employee who for the previous year had Compensation from APU greater than $120,000 (for 2016). The $120,000 threshold is increased as the cost of living rises.

Hour of Service – An Hour of Service, for purposes of determining Plan eligibility, vesting and eligibility to receive Employer contributions, will be based on actual hours for which you are entitled to pay.

If APU continues a plan from a prior employer, you will receive credit for time that you worked for the predecessor employer. Regardless, you will receive credit for your hours of service with

- educational organizations

only for determining

- whether you have satisfied service requirements to participate in this Plan.

Individual Agreements - All contributions to the Plan will be invested either in annuity contracts or in mutual funds held in custodial accounts. The agreements between the vendor and APU or you that constitute or govern the annuity contracts and custodial accounts are referred to as Individual Agreements. The Individual Agreements explain the unique rules that apply to each Plan investment and may, in some cases, limit your options under the Plan, including your transfer and distribution rights.

Matching Contribution – APU may make Matching Contributions to the Plan based on the amount of Deferrals you contribute to the Plan.

Normal Retirement Age – Age 65 is considered the Normal Retirement Age under the Plan.

Participant – An employee of APU who has satisfied the eligibility requirements and entered the Plan is referred to as a Participant.

Plan – The Azusa Pacific University Defined Contribution Plan is the Plan described in this Summary Plan Description.

Plan Administrator – APU has appointed the following Plan Administrator to handle the administrative oversight of the Plan:

Azusa Pacific University c/o Plan Committee
901 East Alosta Avenue
Azusa, CA 91702-7000
626-387-5763

To assist in operating the Plan efficiently and accurately, APU may appoint additional persons or organizations to act on its behalf or to perform certain functions.

Plan Year – The calendar year will serve as the Plan Year.

Qualified Nonelective Contribution – APU may make Qualified Nonelective Contributions to satisfy certain nondiscrimination tests that apply to the Plan. These contributions are discretionary and are 100 percent vested when made.

Taxable Wage Base – The Social Security Administration sets a contribution and benefit base level each year which is referred to as the Taxable Wage Base.