

Abilene Christian University Educational Assistance Plan

Article I -- Purpose of Plan

1.01 The purpose of this Plan is to furnish educational assistance to the Employees of ACU. It is the intention of ACU that the Plan qualify as a plan providing qualified educational assistance under Code Section 127(b)(1), and that the educational assistance under the Plan be eligible for exclusion from the Employees' income under Code Section 127(a).

Article II -- Definitions

2.01 "Benefits" means the value of educational assistance that ACU may provide (but is not required to provide) to a Participant and that is excludable from a Participant's gross income under Code Section 127.

2.02 "Code" means the Internal Revenue Code of 1986, as amended.

2.03 "Educational Course" means any graduate course taken by a Participant, except for a course that instructs the Participant in any sport, game or hobby.

2.04 "Employee" means all current full-time and half-time employees and retirees of ACU. In keeping with the requirements of Code Section 127, this Plan is not available to spouses or dependents of Employees.

2.05 "Month" means a calendar month, consisting of 28, 29, 30 or 31 days.

2.06 "ACU" means Abilene Christian University, a university the primary function of which is the presentation of formal instruction and that normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance at the place where its educational activities are regularly carried on.

2.07 "Participant" means any Employee who has satisfied the eligibility requirements of Section 3.01 and who participates in an Educational Course.

2.08 "Plan" means the Abilene Christian University Educational Assistance Plan.

2.09 "Plan Administrator" means the person designated to administer the Plan under Section 6.01.

Article III -- Eligibility

3.01 Every Employee employed on the effective date of the Plan will automatically be eligible to become a Participant in the Plan on that date, subject

to the limitations of Article V. Other Employees will become Participants in the Plan if they are Employees on the first day of classes of the semester for which they apply for Benefits, subject to the limitations of Article V.

3.02 A Participant will cease being a Participant in the Plan if he or she leaves the employ of ACU. Participants will be considered to have left the employ of ACU if they are not employed at ACU on the first day of classes of the semester for which they apply for Benefits. ACU retirees continue to be Participants regardless of their employment status.

Article IV -- Benefits

4.01 Every Participant in the Plan is eligible to receive Benefits under the Plan, subject to the limitations of Article V.

4.02 A Participant will cease to be eligible to receive Benefits on the date that the person is no longer a Participant. If, however, such person is receiving Benefits at the time that the person becomes ineligible, he or she will remain eligible for Benefits under the Plan until the end of the semester in which eligibility terminates.

Article V -- Limitations on Benefits

5.01 In no event will a Participant be entitled to receive any Benefit under this Plan in lieu of any other compensation he or she might otherwise be entitled to from ACU.

5.02 A Participant may not receive more than \$5,250 in Benefits under the Plan for the calendar year (or such greater or lesser amount as may be subsequently permitted under Code Section 127).

5.03 Highly compensated Employees will not be entitled to Benefits under this Plan in greater proportion to other Employees so as to render the Plan discriminatory, in accordance with Code Section 127(b)(2).

Article VI -- Plan Administrator

6.01 The Human Resources Department is hereby designated as the Plan Administrator. The Plan Administrator will have the authority to control and manage the operation and administration of the Plan, including the authority to make and enforce rules or regulations for the efficient administration of the Plan; to interpret the Plan; and to decide all questions concerning the Plan and the eligibility of any person to participate in the Plan.

6.02 The Plan Administrator will give reasonable notice of the availability and terms of the Plan to eligible Employees.

Article VII -- Miscellaneous

7.01 The Plan Administrator may amend or terminate this Plan at any time, provided, however, that any termination or amendment will not affect the right of any Participant to claim a Benefit for which he or she may have qualified prior to such termination or amendment.

7.02 Except where otherwise indicated by the context, any masculine terminology used will also include the feminine and vice versa, and the definition of any term in the singular will also include the plural, and vice versa.

7.03 This Plan will be effective as of August 15, 2008.

7.04 This Plan will not be deemed to constitute a contract between ACU and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan will be deemed to give any Participant or Employee the right to be retained in the service of ACU or to interfere with the right of ACU to discharge any Participant or Employee at any time regardless of the effect which such discharge will have upon him or her as a Participant of this Plan.

7.05 This Plan will be construed and enforced according to the laws of the State of Texas, other than its laws respecting choice of law, to the extent not preempted by any federal law.

Adopted – President's Council, July 2008