

Doane College
Section 127
Graduate Educational Assistance Plan

ARTICLE I
Establishment and Purpose of Plan

- 1.01** Doane College (the College) hereby establishes this Plan for the purpose of providing tax benefits related to the furnishing of graduate educational assistance to eligible employees in accordance with the College’s benefit policies.
- 1.02** It is the intention of the College that the educational assistance provided under the Plan be eligible for exclusion from a Participant’s income to the maximum extent possible under Internal Revenue Code Section 127(a). The College presently provides, and will continue to provide, to its employees a variety of other benefits, some of which may qualify for exclusion from gross income under provisions other than IRC §127, including the qualified undergraduate tuition reduction provisions of IRC §117(d). The educational assistance offered under this Plan is provided in addition to such other benefits, which shall not constitute a part of this Plan.

ARTICLE II
Definitions

- 2.01** “Educational Institution” means any entity that provides instruction or training that improves or develops the capabilities of an individual, including instruction or training furnished by the College, either along or in conjunction with other employers, or furnished by third parties including other educational institutions.
- 2.02** “Benefits” means the value of educational assistance provided by the College that is excludable from a Participant’s gross income under IRC §127. Such assistance includes (a) the payment, reimbursement, or waiver of tuition, fees and similar payments charged by an Educational Institution, and (b) the cost of books, supplies, or equipment that is paid for or incurred by a Participant in taking an Educational Course. Benefits shall not include the payment, reimbursement, or waiver of costs related to (a) tools or supplies which may be retained by the

Participant after completion of an Educational Course, or (b) meals, lodging or transportation incidental to taking an Educational Course.

- 2.03** “IRC” means the Internal Revenue Code of 1986, as amended.
- 2.04** “Educational Course” means a graduate course taken by the participant under the College’s Employee Educational Assistance Program and Other Approved Educational Assistance Programs, including a graduate course taken by the Participant at another Educational Institution. Educational Courses include graduate-level courses of a kind normally taken by an individual pursuing a program leading to a business, nursing, or other advanced academic or professional degree. Educational Courses do not include courses that instruct the Participant in any sport, game or hobby, unless such course is required as part of a degree program.
- 2.05** “Employer” means Doane College (the College).
- 2.06** “Participant” means any employee receiving graduate-level benefits under the Employee Educational Assistance Program. “Participant” also means any employee taking graduate courses at the College.
- 2.07** “Plan” means the Doane College Section 127 Graduate Educational Assistance Plan.
- 2.08** “Plan Administrator” means the President of the College and those individuals to whom the President has delegated authority for the administration of the Plan.
- 2.09** “Plan Year” means the 12-month period commencing January 1 and ending on December 31 of the calendar year.
- 2.10** “Other Approved Educational Assistance Program” means any formal program approved by the President of the College to provide Benefits to Participants.

ARTICLE III

Eligibility

- 3.01** Every Participant is eligible to receive Benefits under the Plan, subject to the limitations set forth in Article IV below.
- 3.02** A Participant shall 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 quarter or semester in which eligibility terminates.
- 3.03** A Participant who resigns or is terminated as an employee of the College, or who otherwise ceases to be eligible to receive Benefits under the Plan, is not required to reimburse the College for the value of any Benefits provided under the Plan, unless otherwise required by the provisions of a specific educational program governed by the Plan.

ARTICLE IV

Limitations of Benefits

- 4.01** Any Participant who receives during a Plan Year a scholarship, fellowship, or other financial assistance from any public or private source, including a qualified undergraduate tuition reduction as defined in IRC §117(d), shall be entitled to receive Benefits under this Plan for the same Plan Year, but only to the extent that the value of the Benefits supplements but does not supplant the amount of such scholarship, fellowship, or other financial assistance.
- 4.02** In no event shall a Participant be entitled to receive any Benefits under this Plan in lieu of cash or any other taxable compensation that he or she might otherwise be entitled to receive from the College.
- 4.03** As permitted by IRC §127, in any Plan Year during which a person is a Participant in the Plan, the Participant shall be eligible to receive Benefits under the Plan up to an amount of \$5,250.
- 4.04** The Plan is intended not to discriminate in favor of highly compensated employees (as defined in IRC §414(q)) as to eligibility to participate in the Plan or Benefit distributions from the Plan, and

the Plan will in all respects comply with the requirements of IRC §§127(b)(2) and (3) and the underlying Treasury regulations. If, in the judgment of the Plan Administrator, the operation of the Plan in any plan year would result in such discrimination, then such Plan Administrator shall select and exclude from participation in the Plan such Participants as shall be necessary to ensure that, in the judgment of the Plan Administrator, the Plan does not discriminate.

- 4.05** If any Benefit under this Plan becomes taxable, whether as a result of nondiscrimination tests or payment of Benefits in excess of statutory limits, any employment tax withholding owed with respect to the taxable portion of any Benefit shall be deducted from the Participant's other compensation in the same calendar year in which the Benefit is provided.

ARTICLE V

Plan Administrator

- 5.01** The Plan Administrator shall have authority and responsibility to take any reasonable actions necessary to control and manage the operation and administration of this Plan under rules applied on a uniform and nondiscriminatory basis to all Participants, including retaining an independent company to perform administrative services such as Plan recordkeeping or Benefits reimbursement.
- 5.02** The Plan Administrator shall give reasonable notice of the availability and terms of the Plan to such persons who are eligible to be Participants.

ARTICLE VI

Miscellaneous

- 6.01** All Benefits provided under this Plan shall be funded by the College in a manner that the College shall deem appropriate.
- 6.02** This Plan may be amended or terminated at any time by the College, provided, however, that any termination or amendment shall not affect the right of any Participant to claim an award for which he or she may have qualified prior to such termination or amendment.

- 6.03** The Vice President for Administration and Finance shall be responsible for preparing and filing any federal or state information returns required to report any information concerning the Plan.
- 6.04** This Plan shall not be deemed to constitute a contract between the College and any Participant or to be a consideration or an inducement for the employment of any Participant. Nothing contained in this Plan shall be deemed to give any Participant the right to be retained in the service of the College or to interfere with the right of the College to discharge any Participant at any time regardless of the effect that such discharge shall have upon him or her as a Participant of this Plan.
- 6.05** This Plan shall be construed and enforced according to the laws of the State of Nebraska, other than its laws respecting choice of law, to the extent not preempted by any federal law.
- 6.06** This document sets forth the entire Plan. Except as provided in this Plan, no other employee benefit plan, which is, or may hereafter be, maintained by the College shall constitute a part of this Plan.