Plan B Conversion FAQs

1. **What has changed in Plan B?**
   - New (off-shore) choices for employee investment selections
   - Addition of hardship withdrawal provision
   - New method for calculating the interest return on your memo account
   - As of January 2010, you will have internet access to your account

2. **What are the new investment choices?**

   Please refer to the Plan B “Enrollment Form” available on this web page. Annual returns on the new investment choices are available in the powerpoint presentation on this web page. Fact sheets on all the investments are also available on this web page.

3. **What is the new method of calculating the interest return on our memo account?**

   Your interest return will be calculated on an annual basis using the return from a “moderate memo account portfolio” comprised of 40% bonds and 60% global stock index. Returns for the last five years are listed below:

   **PLAN B - MEMORANDUM ACCOUNT**
   "Memorandum Account Portfolio" Performances

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<tbody>
<tr>
<td>Vanguard Euro Government Bond Index</td>
<td>14%</td>
<td>1.88</td>
<td>0.47</td>
<td>1.78</td>
<td>1.56</td>
<td>-1.25</td>
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<tr>
<td>Vanguard US Government Bond Index</td>
<td>26%</td>
<td>0.24</td>
<td>3.07</td>
<td>2.16</td>
<td>0.83</td>
<td>0.65</td>
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<tr>
<td>Vanguard Global Stock Index</td>
<td>60%</td>
<td>16.31</td>
<td>-24.51</td>
<td>5.18</td>
<td>11.79</td>
<td>5.45</td>
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<tr>
<td>TOTAL PORTFOLIO</td>
<td>100%</td>
<td>18.43</td>
<td>-20.97</td>
<td>9.11</td>
<td>14.18</td>
<td>4.85</td>
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4. **Are there any fees associated with the revised plan and what are they?**

   As in the previous Merrill Lynch portfolio, there are fees. Each mutual fund within the plan is a managed portfolio of assets, and as such does incur operating costs. These costs are outlined on the fund facts sheets as the "Expense Ratio". This expense ratio is the approximate expense of the fund to cover asset management and other operational costs. All returns and performance information is reported net of this fee, and reflected in the NAV (or share price) of the fund. Members will not see these expenses deducted from their fund position for this reason.
5. I am not very knowledgeable in financial matters, how do I decide which investment is right for me?

Before deciding upon an investment strategy, it may be helpful to you to identify what type of investor you are and how much risk you are willing to assume. Kindly refer to the documents titled “AUB Portfolios” and “AUB Education Mailer” to assist you in making your decision(s). The AUB Education Mailer contains a risk assessment tool to help you identify what type of investor you are.

6. How much may I contribute?

At least 5% of your salary but you may contribute more than 5% with the understanding that the amount in excess of 6% will be subject to Lebanese Income tax.

7. May I select more than one investment portfolio at a time?

No, you may select only one investment portfolio at a time.

8. May I select an investment portfolio and “A La Carte” funds at the same time?

No, you either invest 100% in one of the portfolios or a total of 100% in 1 or more of the funds under the “A La Carte” Investment Funds.

9. How do I make investment changes?

For those who register for online access with GGSI, instructions will be forthcoming in early January 2010. Once you are enrolled online you will be able to make changes over the Internet. Otherwise, you will need to fill out the “Payroll Change” form and send it to HR.

10. How often can I make investment changes?

It is advisable not to exceed one change per month, for record keeping purposes.

11. How long will it take for the changes to take effect?

Bearing in mind that securities need to be sold and bought, the period could range from 3-10 working days, depending on the funds selected.
12. Are there any plans to introduce “green” and/or “socially responsible” funds?

If there are sufficient plan participants who have an interest in this, then we will do our best to satisfy their needs.

13. What will happen if I do not fill out an enrollment form?

We need to have your completed Enrollment Form by December 17, 2009; otherwise, you will be automatically enrolled in the Moderate Portfolio as the default fund.

14. If I am automatically enrolled in the Moderate Portfolio, will I be able to change to other investment selections? And when?

Yes, you will be able to change from the default Moderate Portfolio to your investment of choice starting January 2010.

15. Is there a death benefit in the revised Plan?

Since all faculty members are now covered by a life insurance/end of service benefit, then there is no need for a death benefit in the Plan.