AMERICAN MATHEMATICAL SOCIETY
EXECUTIVE COMMITTEE AND BOARD OF TRUSTEES MEETING
NOVEMBER 16-17, 2012

MINUTES

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MINUTES

A joint meeting of the Executive Committee of the Council (EC) and the Board of Trustees (BT) was held Friday-Saturday, November 16-17, 2012, at the AMS Headquarters in Providence, Rhode Island.

All members of the EC were present: Hélène Barcelo, Ralph L. Cohen, Robert J. Daverman, Eric M. Friedlander, Bryna Kra, Joseph H. Silverman, and David A. Vogan, Jr.

All members of the BT were present: Ruth M. Charney, Eric M. Friedlander, Mark L. Green, Jane M. Hawkins, William H. Jaco, Zbigniew H. Nitecki, Ronald J. Stern, and Karen Vogtmann.

Carla D. Savage (Secretary Elect) was also present.

Also present were the following AMS staff members: Thomas J. Blythe (Chief Information Officer), Graeme Fairweather (Executive Editor, Mathematical Reviews), Sergei Gelfand (Publisher), Ellen H. Heiser (Assistant to the Executive Director [and recording secretary]), Robin Marek (Director of Development), Ellen J. Maycock (Associate Executive Director, Meetings and Professional Services), Donald E. McClure (Executive Director), Emily D. Riley (Chief Financial Officer), and Samuel M. Rankin (Associate Executive Director, Washington Office).

President Eric Friedlander presided over the EC and ECBT portions of the meeting (items beginning with 0, 1, or 2). Board Chair Ronald Stern presided over the BT portion of the meeting (items beginning with 3).

Items in these minutes occur in numerical order, which is not necessarily the order in which they were discussed at the meeting.

0 CALL TO ORDER AND ANNOUNCEMENTS

0.1 Opening of the Meeting and Introductions.

President Friedlander called the meeting to order and asked those present to introduce themselves.

0.2 2012 AMS Election Results.

Secretary Daverman announced the following election results:

Vice President
Christoph Thiele, University of California, Los Angeles
Term is three years (1 February 2013 - 31 January 2016)

Trustee
Karen Vogtmann, Cornell University
Term is five years (1 February 2013 - 31 January 2018)

Members at Large of the Council
Jesús A. De Loera, University of California, Davis
Allan Greenleaf, University of Rochester
Nataša Pavlović, University of Texas at Austin
Amber L. Puha, California State University, San Marcos
Kenneth A. Ribet, University of California, Berkeley
Terms are three years (1 February 2013 - 31 January 2016)

Nominating Committee
Craig Huneke, University of Virginia
Ken Ono, Emory University
Amie Wilkinson, University of Chicago
Terms are three years (1 January 2013 - 31 December 2015)

Editorial Boards Committee
Walter Craig, McMaster University
Walter D. Neumann, Columbia University
Terms are three years (1 February 2013 - 31 January 2016)

0.3 Housekeeping Matters.

Executive Director McClure mentioned some details about the schedule and arrangements for the events that took place during this meeting.

1 EXECUTIVE COMMITTEE ACTION/DISCUSSION ITEMS

1.1 Draft Agenda for January 2013 Council Meeting.

The EC reviewed the draft agenda for the January 2013 Council meeting and approved it.

The EC designated "Implementing online course materials in college/university education" as the discussion topic for the April 2013 Council meeting.

1I EXECUTIVE COMMITTEE INFORMATION ITEMS

1I.1 Secretariat Business by Mail. Att. #2.

Minutes of Secretariat business by mail during the months June 2012 – November 2012 are attached (#2).

2 EXECUTIVE COMMITTEE AND BOARD OF TRUSTEES ACTION/DISCUSSION ITEMS

2.1 Report on Mathematical Reviews Editorial Committee (MREC). Att. #3.

The ECBT received the attached report on the October 8, 2012 MREC meeting (#3).

2.2 Report on Committee on Publications (CPub). Att. #4.

The ECBT received the attached report on the September 28-29, 2012 CPub meeting (#4).

2.3 Report on Committee on the Profession (CoProf). Att. #5.

The ECBT received the attached report on the September 29-30, 2012 CoProf meeting (#5).

2.4 Report on Committee on Meetings and Conferences (COMC).

The ECBT was informed that the last COMC meeting was held on March 24, 2012 at the AMS Headquarters in Providence. A report of that meeting was given at the May 2012 ECBT meeting. The next COMC meeting will be held on Saturday, March 23, 2013 at the Hilton Chicago O'Hare Airport. The Chair of COMC for February 1, 2011 – January 31, 2012 is David Farmer of the American Institute of Mathematics.

2.5 Report on Committee on Education (COE). Att. #6.

The ECBT received the attached report (#6) on the October 18-20, 2012 COE meeting.

2.6 Report on Committee on Science Policy (CSP).

The ECBT was informed that the next CSP meeting will be held March 14-15, 2013 in Washington, DC. The summary report of the 2012 CSP meeting was previously provided to the ECBT. CSP will host a panel discussion at the Joint Mathematics Meetings in San Diego on January 11, 2013 entitled “Who will pay for the papers we publish?” which will provide discussion on open access publishing and various scenarios for recouping the cost of journal production.

2.7 Washington Office Report. Att. #7.

The ECBT received the attached report (#7) on the activities of the Washington Office.

2.8 Report from the President.

President Friedlander commented as follows:

- In his opinion, the biggest concern for the mathematical community is undergraduate mathematics education. Change is happening rapidly in this arena. The AMS should lead the way in addressing the national imperative of training more well-prepared STEM (Science, Technology, Engineering, and Mathematics) graduates and should showcase creative academic programs in order to encourage more innovation and collaboration in college-level mathematics teaching. [For reference see www.ams.org/programs/edu-support/edu-support.]
- Another issue that’s very important is the future of scholarly publishing and, in particular, the “gold” open-access “pay in advance” model of publishing. The AMS should follow a path that accommodates open access and also ensures that good venues for publication are available to all, without regard to the financial circumstances of the author. [See also item 2E.1 of the Executive Session Minutes of this meeting and the AMS’s “Policy on Author Charges” (www.ams.org/about-us/governance/policy-statements/policy-author-charges).]
- President Friedlander received a message from the President of the Japanese Mathematical Society expressing sympathy and concern for those affected by Hurricane Sandy.
- The AMS’s website is now being treated more like a free-standing publication, as opposed to a database of information about the Society. The vision is that ams.org be the portal to the mathematical research community. It is now overseen by a Web Advisory Group (WAG) and a Web Editorial Group (WEG). The WAG is an internal group composed mainly of staff. The WEG is composed of volunteers and supplements the efforts of the WAG by advising on, and possibly soliciting, mathematical content.

2.9 Report on Long Range Planning Committee (LRPC).

It was reported that the LPRC met on November 16, 2012 and had a preliminary discussion of a proposal for new open-access journals (see item 2E.1 of the executive session minutes of this ECBT meeting).

2.10 2014 Individual Member Dues. Att. # 8.

The ECBT reviewed Att. #8, which presents the principles and procedures for setting individual member dues and information used by staff in formulating the recommendation that the 2014 dues rate for individual members be increased $4 above the 2013 level.

The ECBT concurred with the staff and voted to recommend to the January 2013 Council that 2014 regular high dues be increased by $4 (from $176 to $180).

2.11 Review Amount and Frequency of Research Prizes.

The ECBT was reminded that, in November 2007, a policy for administering research prizes was adopted and it was agreed that the BT and Council should review research prizes every five years, after the Society reviews its spending rate. The spending rate was acted on at the current meeting (see item 3.3), so it is now time to initiate the periodic review of the amount and frequency of research prizes. The Committee on the Profession's standing Subcommittee on Prize Oversight will conduct this review during the academic year 2012-2013 and will report back to CoProf at its September 2013 meeting.

2.12 Update on Student Chapters. Att. #9.

The ECBT was informed that a pilot program of AMS Student chapters was launched in October 2012. A letter from President Eric Friedlander was sent to 13 departments, inviting them to participate in the first year of the program. Att. #9 contains a short summary of the program. It also contains a copy of the letter, the (private) web page with more information for potential chapters and a list of the 13 departments invited. The full program of AMS Student Chapters will be launched for the 2013-2014 academic year.

It was pointed out that in the procedures for establishing a student chapter it states the organizers must submit a petition to the AMS Board of Trustees for approval. In order to streamline the process, the BT voted to delegate the approval of petitions to the Secretariat and asked to be informed at regular BT meetings of any petitions so approved. The BT further agreed that applications for renewals should be handled by staff (with the understanding that any unusual issues would be brought to the attention of the BT as needed).

2.13 Update on Fellows of the AMS. Att. #10.

The ECBT received the following report:

The AMS membership voted to approve Fellows of the AMS in the fall of 2011. A list of proposed Fellows was created by staff members, and augmented by the nominations of a special committee chaired by George Andrews. Invitations were sent to 1,213 proposed Fellows at the beginning of September, by regular mail and by email. The list of those who have accepted the invitation to become a Fellow was posted on the AMS web site on November 1, 2012: www.ams.org/profession/fellows-list. The reception for the inaugural group will take place on Friday, January 11, 2013 at the Joint Mathematics Meetings in San Diego. Nominations for the second class of Fellows of the AMS will be accepted online beginning February 1, 2013. Att. #10 contains a more complete description of the program.

The staff involved in implementing this program was acknowledged by acclamation by the ECBT for a job very well done!

2.14 Registration Fees for Sectional Meetings.

Registration fees for Sectional Meetings are routinely reviewed by the ECBT every three years.

The ECBT reviewed the history of Sectional Meetings since 2000, which included information on attendance, registration fees, revenues, expenses, the loss per meeting, and the loss per registrant.

The following registration fees were approved. These represent an increase of approximately 2.5% per year, with the exception of the fee for students/unemployed/retired which will remain at $5.

Year	Member	Non-member	Student/ Unemployed/ Retired
2013 – 2014	$54	$76	$5
2014 – 2015	$56	$78	$5
2015 - 2016	$57	$80	$5

2.15 Additional Benefit for International Institutional Members. Att. #12.

AMS is prohibited from offering discounts on print editions of its books to international institutional members because of agreements with its overseas distributors. However, since these agreements do not extend to e-book products, the Director of Sales and Member Services recommended that international institutional members be offered the same discount on e-book products that domestic institutional members currently have: a 20% reduction off the list price. The ECBT reviewed the background information in Att. #12 and approved the proposal.

2.16 Proposal to Simons Foundation for Planning Grant for Internships in Industry.

In late summer 2011, Philippe Tondeur circulated a white paper suggesting that the AMS take the lead in organizing a national program of internships in Business, Industry and Government (Math-BIG) for graduate students in the mathematical sciences. The program is patterned after a Canadian program administered by MITACS.

At the November 2011 ECBT meeting it was agreed to pursue a possible planning grant from the Simons Foundation to assess the feasibility of such an internship program, define the necessary network, recruit some key people, and perhaps draft a larger scale proposal for a pilot program. The Simons Foundation had expressed enthusiasm for such a planning project.

In February 2012, the AMS agreed to partner with SIAM if the planning project was going to be undertaken. At the end of April, several AMS representatives met with counterparts from SIAM at the time of the JPBM meeting. The main topic was identification of people from academic and non-academic communities who might contribute effectively to planning.

In June 2012, Don McClure, Jim Crowley and David Eisenbud held a conference call to discuss the status and current thinking of AMS, SIAM, and the Simons Foundation. In August, Eisenbud was succeeded by Yuri Tschinkel as Director of the Mathematics and Physical Sciences Division at Simons. David had discussed the possibility of a planning grant with Yuri. In follow-up conversations with SIAM and the Simons Foundation in October, it was concluded that the project is not currently a high priority of any of the three organizations and should not be pursued unless enthusiasm is later renewed.

2.17 Approval of Proposals Submitted to Funding Agencies. Att. #22.

The ECBT is normally informed of all proposals that are being contemplated. The May 2012 BT approved the following procedure regarding proposals of $100,000 or more:

> Board authorization is required for the planning, preparation, and submission of proposals of $100,000 or more intended for submission to a government agency or private foundation.

The ECBT was informed that the following four proposals are in various stages of planning or preparation:

1. Mathematics Research Communities, 2014-2016, second renewal
2. Travel Grants for the 2014 International Congress of Mathematicians
3. AMS-Simons Travel Grants, first renewal
4. CBMS2015: A Study of Undergraduate Programs in the Mathematical and Statistical Sciences in the United States.

Details of the plans are attached (#22), including an estimated amount for the request and the agency, program, or foundation to which a proposal will be submitted. Prior to actual submission, the Board will be provided with a project summary and the actual amount to be requested.

The BT approved the preparation and submission of proposals 1-3 above and approved proceeding with the planning and preparation proposal 4.

2.18 2013 Operating Plan and Program Plans.

The ECBT was informed that the following documents had been posted for their perusal:

- 2013 Operating Plan
- Update on 2010 Facilities Program Plan
- Update on 2011 Journal Program Plan

A program plan for Mathematical Reviews is under way and will be available in 2013.

[It is noted for the record that after the final Section of the 2013 Operating Plan (Section VI - Report on Projects and Activities) is completed in spring 2014, a complete, official copy of the 2013 Operating Plan will be attached to record copies of the May 2014 ECBT minutes.]

2.19 Motions of the Secretary.

The following motions were approved by acclamation:

*The Executive Committee and Board of Trustees of the American Mathematical Society record their thanks to **Joseph H. Silverman** for his service to the Society as a member of the Executive Committee during the past four years. The ECBT expresses its gratitude to Professor Silverman for his thoughtful participation and hopes that he will continue to be available to serve the Society in other ways.*

*The Executive Committee and Board of Trustees of the American Mathematical Society record their thanks to **Eric M. Friedlander** for his leadership as President of the Society and for his contribution to the management of the Society as a member of the Board of Trustees. The ECBT is grateful for Professor Friedlander's thoughtful participation and trusts that he will continue to be available to the Society as needed.*

*The Executive Committee and Board of Trustees of the American Mathematical Society record their thanks to **Sandra Golden** for her faithful service to the Secretary and the Society over a period of fourteen years. During that time, she has worked effectively to assist the Secretary in carrying out the duties of that office. In particular, she has been instrumental in maintaining a valuable database of AMS committees and has sent thousands of committee appointment letters. She has provided invaluable support for the Council at all of its regular meetings. The ECBT wishes her much good luck in her future endeavors.*

2.20 Motions of the President.

The following motion was approved by acclamation:

*The Executive Committee and Board of Trustees of the American Mathematical Society record with thanks their appreciation of **Robert J. Daverman's** fourteen years of devoted service to the Society as Secretary.*

Professor Daverman has been the embodiment of the Society's historical memory and has played a critical role in advising AMS officers and committees about currents, deliberations, and actions in other venues. His accomplishments as Secretary are many, including a lively program of international joint meetings, an invaluable database of AMS committee *members past and present, and active participation in over seventy policy committee meetings.*

The Secretary is one of the most important officers of the Society. As Secretary, Professor Daverman has served in an exemplary fashion, raising to new levels the Society's expectations for service in that office.

The ECBT offers their special thanks to Professor Daverman for his service and heartfelt good wishes for a happy and productive future.

2C EXECUTIVE COMMITTEE AND BOARD OF TRUSTEES CONSENT ITEMS

2C.1 May 2012 ECBT Meeting.

The ECBT approved the minutes of the meeting of the Executive Committee and Board of Trustees held May 19, 2012, in Providence, Rhode Island, which had been distributed separately. These minutes include:

- ECBT open minutes prepared by the Secretary of the Society http://www.ams.org/secretary/ecbt-minutes/ecbt-minutes-0512.pdf
- ECBT "open" executive session minutes prepared by the Secretary of the Society

See also item 3C.1 (May 2012 BT closed executive session minutes).

2I EXECUTIVE COMMITTEE AND BOARD OF TRUSTEES INFORMATION ITEMS

2I.1 Congressional Fellow.

The American Mathematical Society (AMS) is sponsoring Carla Cotwright-Williams as the AMS-AAAS Congressional Fellow for 2012-2013. Carla began her fellowship year with a two-week orientation session provided by the AAAS and accepted a position in the office of Rep. Anna Eshoo (D-CA-14).

The AMS plans to sponsor a Congressional Fellow again in 2013-14. The deadline for receipt of applications for that fellowship is February 15, 2013. An announcement and information on the application process has been sent to mathematical sciences department chairs, in addition to being publicized in the *Notices*, on the AMS website, in *Headlines & Deadlines* and through AMS social media outlets.

2I.2 AAAS-AMS Mass Media Fellowship.

The AMS sponsored Evelyn Lamb, Ph.D., who graduated from Rice University in 2012, as the AMS-AAAS Mass Media Fellow this past summer. She worked at *Scientific American*. Her work there included reporting on such diverse subjects as a new paint-on battery, geometry labs, health screenings and concealed-carry gun laws. She was hired to continue at the magazine following her fellowship.

The AMS plans to sponsor a Mass Media Fellow again in 2013. The deadline for receipt of applications for that fellowship is January 15, 2013. An announcement and information on the application process has been sent to graduate students in the mathematical sciences, in addition to being publicized in the *Notices*, on the AMS website in *Headlines & Deadlines* and through AMS social media outlets.

2I.3 Public Policy Award.

Nancy Pelosi was chosen to receive the first AMS Public Policy Award in 2009. Her office was contacted and asked if the Speaker would be able to accept the award at the January 2010 Joint Mathematics Meetings held in San Francisco, part of her congressional district. She declined this invitation. As it turned out, this declination was timely in that Helaman Ferguson, the mathematician and sculptor who designed and created the award memento, had a serious accident preventing him from completing the award by our agreed upon date. The sculpture was finally finished in September of 2010. Speaker Pelosi's office was again contacted about scheduling a date for a reception and presentation of the award in Washington. Her office did not respond to this inquiry. The uncertainty of when the award would be ready contributed to a delay in contacting Speaker Pelosi's office. This lack of response was probably due to the pending 2010 congressional election, the change in party leadership in the U.S. House of Representatives, and a focus by the Speaker and her staff on pressing policy issues and legislation at the end of 2010.

The AMS Washington office will make an effort to try to schedule a presentation in Minority Leader Pelosi's office soon. At this time, there is no other candidate that has been identified to receive the award.

2I.4 Changes in Registration Fees for Conferences, Employment Center or Short Course.

The Executive Director is authorized to make changes in the above-mentioned registration fees and then inform the ECBT. There have been no changes made since the May 2012 ECBT meeting.

2I.5 New Delivery Method for MR Sections.

At the November 2011 ECBT meeting, the ECBT approved the following recommendations regarding the print versions of publications derived from the Mathematical Reviews (MR) database:

- The publication of the paper edition of *Mathematical Reviews* should cease at the end of 2012.
- *Current Mathematical Publications* should be distributed electronically in PDF format starting in 2013.
- Mathematical Reviews Sections should be redesigned to be distributed electronically, perhaps as a URL sent by email, starting in 2013.

MR Sections have been redesigned and implemented in a PDF format for launch in 2013. Samples were available at the ECBT meeting.

When current subscribers to *Current Mathematical Publications* were contacted, it was quickly determined that there is no longer a need for this publication. e-CMP: Electronic Notification Service for *Current Mathematical Publications* will continue to be available as a benefit of individual membership in the AMS.

2I.6 AMS's Quasquicentennial. Att. #13. *McCLURE.*

The AMS will celebrate its 125th anniversary in 2013. A staff task force has been appointed to develop and implement various special activities that will take place throughout the year. Several events will take place at the Joint Mathematics Meetings in San Diego in January 2013; in particular, all members of the ECBT are encouraged to attend the gala reception and dinner that will take place on Saturday, January 12, starting at 6:00 PM. See Att. #13 for a list of what has been planned so far and visit ams.org/about-us/ams-125th throughout the year to see what other events will take place.

3 BOARD OF TRUSTEES ACTION/DISCUSSION ITEMS

3.1 Budget Review.

The BT discussed items 3.1.1 through 3.4 and then voted to approve the 2013 budget as presented (subject to the discussion of item 3E.4 [Salary Increments for 2013] in closed executive session).

3.1.1 Discussion of Fiscal Reports.

The BT received and discussed various fiscal reports, as well as a memo discussing major variances between 2012 projections and the 2012 budget, and between 2012 projections and the 2013 budget. See 3.1.

3.1.2 Capital Expenditures – 2012 and 2013 Capital Purchase Plans.

The BT reviewed the 2012 and 2013 capital purchase plans and approved the 2013 plan as part of the 2013 budget. See item 3.1.

3.1.3 Capital Expenditures - Approval of Specific Purchases.

This item is reserved for requests for authorization to make specific large purchases (items costing $100,000 or more). It was noted that there is an estimated facility renovation cost of $125,000 included in the capital plan for 2013. The BT will be asked to approve this expenditure when plans for the renovation are finalized in 2013.

3.2 Spendable Income, Operations Support Fund, and other Related Items. Att. #14.

The Society uses its long-term investments for several purposes, and for that reason it divides its investments into various funds. The following five standing items deal with those funds – additions, transfers and spending.

The description of the way in which the AMS uses its long-term investment portfolio is summarized in Att. #14.

3.2.1 Addition to Operations Support Fund (OSF).

The BT approved the following recommendations from the Chief Financial Officer:

- that $500,000 of the amount due operations from the long-term investment portfolio at 12/31/12 (estimated to be approximately $2,150,000) be used in accordance with the Investment Committee recommendations (see item 3.3 below).
- that $400,000 be used to create a board-designated fund for retro-digitization (see item 3.4 below)
- that any remaining operating funds in the long-term investment portfolio remain there and be officially added to the OSF

3.2.2 Rebalancing of Economic Stabilization and Operational Support Funds.

Under the policy adopted by the May 2006 Board of Trustees, at the end of each fiscal year the allocated values of the Economic Stabilization Fund (ESF) and the Operations Support Fund (OSF) are rebalanced such that the ESF always equals the target balance.

The amount and direction of the rebalancing required at each year end is principally dependent upon the return on the long-term investment portfolio. If the long-term investment portfolio maintains a positive return through year end, it is likely that the transfer will return to the direction of ESF to OSF in 2012.

3.2.3 Allocation of Operations Support Fund (OSF) Spendable Income.

The May 2001 Board of Trustees approved the following (see item 2E.5 of those minutes):

Income from reserves should be allocated to each year's budget to service and outreach programs of the Society (without specifying exactly which programs). The total amount should be approved by the May ECBT, when revenue projections for the following year are made.

The income from the OSF for 2012 and 2013, determined according to the guidelines approved by the BT are $1,744,100 and 1,798,000, respectively. Both the 2012 and 2013 amounts had been previously approved. However, as a consequence of the BT's decision to lower the spending rate from 5% to 4% (see item 3.3), the Chief Financial Officer recommended that the OSF spendable income be changed to $1,438,000 for 2013. The BT approved the recommendation.

3.2.4 Appropriation of Spendable Income from Unrestricted Endowment. Att. #15.

The May 2001 Board of Trustees approved the following (see item 2E.5 of those minutes):

> *Each year, the budgeting process will include recommendations for allocating spendable income from the Unrestricted Endowment for specific projects. The allocated income will be treated as revenue for operations, offsetting (part of) the expenses. These recommendations will be brought to the Board for approval at its November meeting in the normal budgeting process. The goal will not be to use all the income from such funds each year, but rather to use some of the income every year for the support of mathematical research and scholarship. Using such income should be a regular part of our operations rather than an exceptional situation.*

With a spending rate of 4%, the 2013 revenue budget includes $201,000 of spendable income from true endowment funds whose use of income is unrestricted. The BT approved the appropriations as presented in Att. #15.

3.2.5 Report on Changes in Appropriated Spendable Income.

The Executive Director has the authority to transfer spendable income that will not be used on an approved project to another approved project, in case additional support is needed.

The following changes in appropriated spendable income designated for projects were reported:

- For 2012, $20,000 was appropriated for Mathematical Reviews new product development, and this amount will not be used.
- $10,000 of the $20,000 allocated to the 2012 *What's Happening* publication will be brought forward to subsidize the 2013 *What's Happening* volume.
- All of the $50,000 in book retrodigitization funds that were allocated in 2012 may not be used.
- In 2011 the Young Scholars Math Camp appropriation of $60,000 was not used and deferred to a future year. The coordination and planning of the Young Scholars Camp workshop is progressing and is scheduled to happen in March 2013. This appropriation will be left in place as an inducement to raise matching funds from donors.
- In 2011 the AMS Archives appropriation of $5,000 was not used and deferred to a future year.

3.3 Investment Committee Report Att. #16.

The Chair of the Investment Committee, Jane Hawkins, reported that the Committee reviews the endowment and quasi-endowment spending rate every five years and makes a recommendation to the BT. Such a recommendation was due to be made at May 2012 meeting. The Investment Committee met just prior to the May ECBT meeting and considered a proposal from the Chief

Financial Officer (CFO) to lower the spending rate. The Committee decided it needed more time and further information before making a recommendation to the BT; the BT had no objection to postponing the matter until fall 2012.

The Investment Committee met on September 25, 2012 to continue the discussion of the CFO's proposal to change the endowment spending rate from 5% to 4%, which will bring it more in line with expected market returns. It will also allow the true endowment funds to build market value so that there is greater spendable income for future generations. The proposal included a suggestion to create an Endowment Income Stabilization Fund (EISF), to be retained in the Intermediate-term Portfolio, and to be used to supplement endowment spendable income. The spending rate proposal and a further explanation of the EISF is attached (#16).

The Investment Committee met again on November 16, 2012 and agreed to make the following recommendations, which were approved by the BT:

1. Reduce the spending rate from 5% to 4% annually as of 2013, to be used to calculate 2013 budgeted revenue.
2. Designate an Endowment Income Stabilization Fund (EISF) of $500,000 to be invested in Vanguard's Intermediate Term Investment-Grade Fund.
3. Communicate with the Development Committee by providing a list of funds within the endowment, which need additional funding to meet their stated funding goals at a 4% spending rate. Additional fundraising may be needed to stabilize some of the funds.
4. Reduce the primary objective of the long-term portfolio from a real total return of at least 5% to 4% over the long-term.

3.4 Board-designated Fund for Book Backlist Retro-digitization. Att. #23.

The May 2012 BT had discussed using the 2012 operating income to invest in the future of AMS publishing. One way to use the operating income to that end is to create a board-designated fund for a future project. The AMS will spend approximately $400,000 in 2013 on retro-digitization of the backlist of AMS published books, and the Executive Director and the Chief Financial Officer recommended that a board-designated fund be created to fund the retro-digitization. Current plans for 2013 projects are described in Att. #23.

The BT approved the recommendation that the Society use $400,000 of the 2012 year-end operating income to establish a board-designated fund for archival retro-digitization of the backlist of AMS published books. To accomplish this, funds owed to operations from the long-term portfolio will be invested in the short-term portfolio as a board-designated fund for retro-digitization.

3.5 Audit Committee.

It was reported that the Audit Committee met with representatives from CBIZ Tofias & Mayer Hoffman McCann P.C. on November 16, 2012 to discuss audit planning and any changes in accounting pronouncements affecting the AMS.

3.6 Report on the Epicor Project.

The Chief Financial Officer reported that the implementation of the Epicor financial accounting software is complete. The BT acknowledged with gratitude the work done by staff involved in implementing this project.

3.7 Report on the Personify Project. Att. #17.

The BT received the attached report (#17) on the implementation of the Personify association management software from TMA Resources (TMAR). The targeted go-live date is January 2013. The BT acknowledged with gratitude the work done by staff involved in implementing this project.

3.8 Trustees' Officers.

It is noted for the record that Mark Green and Zbigniew Nitecki left the meeting while this item was discussed and voted on.

The Board elected Mark Green, Chair of the Board for the term February 1, 2013 – January 31, 2014.

The Board re-elected Zbigniew Nitecki Secretary of the Board for the term February 1, 2013 – January 31, 2014.

3.9 Trustees' Committees, etc. Att. #25.

Board Chair Stern made the appointments/assignments as shown on the attached list (#25).

3C BOARD OF TRUSTEES CONSENT ITEMS

3C.1 May 2012 BT Closed Executive Session Meeting.

The BT approved the minutes of the closed executive session meeting of the Board of Trustees held May 19, 2012, in Providence, Rhode Island, which had been distributed separately.

3C.2 Request for Support of Speakers at 2014 AAAS Annual Meeting.

The BT authorized $12,000 to support mathematics speakers at the 2014 AAAS annual meeting and agreed to permit the Secretary of Section A to over-commit funds up to 20%, with the understanding that the goal is not to exceed the $12,000.

3C.3 Retirement Plan Restatement. Att. #19.

The BT approved the attached AMS Retirement Plan Restatement (Att. #19), which incorporates an Amendment to the Plan in accordance with the Pension Protection Act of 2006, and adoption of Amendments to the Plan in compliance with the final regulations under Section 415 of the Internal Revenue Code and the Work, Retiree, and Employer Recovery Act of 2008. The Plan must be submitted to the Internal Revenue Service once every five years for a determination letter to insure that the 403(a) plan meets all the criteria established under the Internal Revenue Code for the structure and function of retirement plans. This restated plan document is due to be submitted to the IRS by January 2013.

3C.4 Resolutions for Retirees.

The BT approved the following resolutions:

Be it resolved that the Trustees accept the retirement of ***Elaine W. Becker*** *with deep appreciation for her faithful service over a period of* ***27 years****. The Board expresses its profound gratitude for this long record of faithful service. It is through the dedication and service of its employees that the Society is able to effectively serve its members and the greater mathematical community. The Trustees offer Elaine their special thanks and heartfelt good wishes for a happy and well-deserved retirement.*

Be it resolved that the Trustees accept the retirement of ***G. Richard Kelly*** *with deep appreciation for his faithful service over a period of* ***40 years****. The Board expresses its profound gratitude for this long record of faithful service. It is through the dedication and service of its employees that the Society is able to effectively serve its members and the greater mathematical community. The Trustees offer Richard their special thanks and heartfelt good wishes for a happy and well-deserved retirement.*

Be it resolved that the Trustees accept the retirement of ***Natalya Pluzhnikov*** *with deep appreciation for her faithful service over a period of* ***22 years****. The Board expresses its profound gratitude for this long record of faithful service. It is through the dedication and service of its employees that the Society is able to effectively serve its members and the greater mathematical community. The Trustees offer Natalya their special thanks and heartfelt good wishes for a happy and well-deserved retirement.*

Be it resolved that the Trustees accept the retirement of ***Todd Vander Does*** *with deep appreciation for his faithful service over a period of* ***21 years****. The Board expresses its profound gratitude for this long record of faithful service. It is through the dedication and service of its employees that the Society is able to effectively serve its members and the greater mathematical community. The Trustees offer Todd their special thanks and heartfelt good wishes for a happy and well-deserved retirement.*

3C.5 Recognition for Length of Service.

The BT approved the following proclamations for the employees noted:

20 years of service:

Ann L. Gendreau
Tadeusz Jozefiak
Kimberly Sue Page
Deborah J. Smith

The Board of Trustees takes great pride in recognizing _________for twenty years of faithful service. It is through the dedication and service of its employees that the Society is able to effectively serve its members and the greater mathematical community. The Trustees offer _______ their special thanks and their best wishes.

25 years of service:

Victoria W. Ancona
Pamela S. Ball
Karen A. McConaghy
Mike P. Saitas
Kimberly A. Taylor

The Board of Trustees takes great pride in recognizing _______________ who has devoted twenty-five years of service to the Society. The Board expresses its profound gratitude for this long record of faithful service. It is through the dedication and service of its employees that the Society is able to effectively serve its members and the greater mathematical community. The Trustees offer their special thanks and their best wishes to __________ for being such a loyal employee and wish him/her well in the future.

30 years of service:

Anna M. Hattoy
Pat L. LaChance
Daniel C. Latterner
Andrew L. Price

The Board of Trustees takes great pride in recognizing _______________for the outstanding distinction of serving the Society for thirty years. The Board expresses its profound gratitude for this long record of faithful service to the Society. It is through the dedication and service of its employees that the Society is able to effectively serve its members and the greater mathematical community. The Trustees offer their special thanks and their best wishes to this loyal employee.

35 years of service:

Patricia A. Hickey
Allen V. Lazzareschi

The Board of Trustees takes great pride in recognizing ________________ for the outstanding distinction of serving the Society for thirty-five years. The Board expresses its profound gratitude for this long record of faithful service. It is through the dedication and service of its employees that the Society is able to effectively serve its members and the greater mathematical community. The Trustees offer their special thanks and their best wishes to ___________ for being such a loyal employee and wish him/her well in the future.

40 years of service:

Donald W. Neville Jr.

The Board of Trustees takes great pride in recognizing Donald W. Neville Jr. for the outstanding distinction of serving the Society for forty years. The Board expresses its profound gratitude for this long record of faithful service. It is through the dedication and service of its employees that the Society is able to effectively serve its members and the greater mathematical community. The Trustees offer their special thanks and their best wishes to Don for being such a loyal employee and wish him well in the future.

45 years of service:

Marcia C. Almeida
Linda R. Christoff

The Board of Trustees takes great pride in recognizing _______________ who has devoted forty-five years of service to the Society. The Board expresses its profound gratitude for this outstanding distinction of faithful service. It is through the dedication and service of its employees that the Society is able to effectively serve its members and the greater mathematical community. The Trustees offer their special thanks and their best wishes to __________ for being such a loyal employee and wish her well in the future.

50 years of service:

Barbara N. Beeton

The Board of Trustees takes great pride in recognizing Barbara N. Beeton who has devoted fifty years of service to the Society. The Board expresses its profound gratitude for this outstanding distinction of faithful service. It is *through the dedication and service of its employees that the Society is able to effectively serve its members and the greater mathematical community. The Trustees offer their special thanks and their best wishes to Barbara for being such a loyal employee and wish her well in the future.*

3I BOARD OF TRUSTEES INFORMATION ITEMS

3I.1 <u>Small Changes in Fringe Benefits</u>. Att. #20.

The November 1996 BT authorized the Executive Director to approve changes in benefit plans (except for those changes which would significantly enhance or degrade the Society's financial health or relations with its employees) and asked that these changes be reported to the BT when appropriate.

Associate Editors are eligible for a Study Leave benefit. Study Leave Benefit Credits are accrued annually. Associate Editors may apply for a Study Leave of between 12 to 52 weeks after initially accruing 20 weeks of Benefit Credit. Although implied, the policy did not specifically state that Associate Editors must return to employment upon the completion of Study Leave. The policy has been updated to clarify that Associate Editors must return to work for at least six months following the completion of Study Leave (see Att. #20).

3I.2 <u>Retirement Plan Investment Committee Report</u>. Att. #21.

The Retirement Plan Investment Committee is a standing committee of the BT created in 2011 consisting of four members: Director of Human Resources (Chair), Chief Financial Officer, Associate Treasurer, and fifth year elected member of the Board of Trustees. The Committee is responsible for insuring that the Society fulfills its Plan Sponsor responsibilities.

A summary report of the 2012 activities of the Committee is attached (#21). Two meetings have been held, at which members received training in plan sponsor fiduciary responsibilities, approved bylaws, elected a Secretary, and voted to issue a Request for Proposal (RFP) to hire a registered independent investment advisor to assist the Committee. The Committee expects to make a decision and have a registered investment advisor onboard for the start of the new plan year in 2013.

Respectfully submitted,

Robert J. Daverman, Secretary
Knoxville, Tennessee
December 31, 2012

AMERICAN MATHEMATICAL SOCIETY

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www.ams.org

Robert J. Daverman, Secretary
Email: daverman@math.utk.edu

SECRETARIAT
Business by Mail
June 1, 2012

MINUTES
from the Ballot dated May 1, 2012

There were four votes cast by Georgia Benkart, Robert Daverman, Michel Lapidus and Steven Weintraub.

1. Approved electing to membership the individuals named on the list dated April 20, 2012.

2. Approved holding a Southeastern Sectional Meeting at the University of Tennessee in Knoxville, Tennessee, on March 21-23, 2014.

3. Approved United Araba Emirates Univ, Al-Ain, United Arab Emirates; Univ de la Coruna, La Caruna, Spain; Univ of Vigo, Vigo, Spain; and Univ of Santiago de Compostela, Santiago, Spain for International Institutional Membership.

4. Approved the minutes of the Secretariat Business by Mail from the ballot dated April 2, 2012.

Robert J. Daverman

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SECRETARIAT
Business by Mail
July 3, 2012

MINUTES
from the Ballot dated June 1, 2012

There were four votes cast by Georgia Benkart, Robert Daverman, Michel Lapidus and Steven Weintraub.

1. Approved electing to membership the individuals named on the list dated May 20, 2012.

2. Approved holding the International Seminar on the History of Mathematics, to be held November 19-20, 2012, in Delhi, India, as being conducted in co-operation with the AMS. Note that the organizers have assured us that there is still time for AMS input on the Scientific Program Committee.

3. Approved the minutes of the Secretariat Business by Mail from the ballot dated May 1, 2012.

Robert J. Daverman

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SECRETARIAT
Business by Mail
August 1, 2012

MINUTES
from the Ballot dated July 3, 2012

There were four votes cast by Georgia Benkart, Robert Daverman, Michel Lapidus and Steven Weintraub.

1. Approved electing to membership the individuals named on the list dated June 20, 2012.

2. Approved BAILIIMRAM Bar-Ilan Univ, Ramat Gan, Israel, for International Institutional membership.

3. Approved the minutes of the Secretariat Business by Mail from the ballot dated June 1, 2012.

Robert J. Daverman

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SECRETARIAT
Business by Mail
September 4, 2012

MINUTES
from the Ballot dated August 1, 2012

There were four votes cast by Georgia Benkart, Robert Daverman, Michel Lapidus and Steven Weintraub.

1. Approved electing to membership the individuals named on the list dated July 20, 2012.

2. Approved holding an AMS Western Sectional Meeting in Las Vegas NV at the University of Nevada, Las Vegas, on April 18-19, 2015.

3. Approved the minutes of the Secretariat Business by Mail from the ballot dated July 3, 2012.

Robert J. Daverman

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SECRETARIAT
Business by Mail
October 1, 2012

MINUTES
from the Ballot dated September 4, 2012

There were four votes cast by Georgia Benkart, Robert Daverman, Michel Lapidus and Steven Weintraub.

1. Approved electing to membership the individuals named on the list dated August 20, 2012.

2. Approved holding a meeting of the AMS Central Section at Loyola University Chicago, in Chicago, Illinois, on October 3-4, 2015.

3. Approved holding a meeting of the AMS Eastern Section at the University of Maryland, Baltimore County, in Baltimore, Maryland, on March 29-30, 2014.

4. Approved holding the Samuel Eilenberg Centenary Conference (E100) in cooperation with the AMS. The event will be held July 22-26, 2013, in Warsaw, Poland.

5. Approved the minutes of the Secretariat Business by Mail from the ballot dated August 1, 2012.

Robert J. Daverman

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SECRETARIAT
Business by Mail
November 1, 2012

MINUTES
from the Ballot dated October 1, 2012

There were Georgia Benkart, Robert Daverman, Michel Lapidus and Steven Weintraub.

1. Approved electing to membership the individuals named on the list dated September 20, 2012.

2. Approved Inst Mittag-Leffler (MILEIIMDJU) S-18260 Djursholm, Sweden for International Institutional Membership.

3. Approved the attached of the Secretariat Business by Mail from the ballot dated September 1, 2012.

Robert J. Daverman

Report on the 2012 Meeting of the Mathematical Reviews Editorial Committee

The 2012 meeting of the Mathematical Reviews Editorial Committee (MREC) was held on Monday, October 8, in the Mathematical Reviews offices in Ann Arbor, Michigan. In attendance were committee members Cameron Gordon, Barbara Keyfitz, Ronald Solomon (Chair) and Trevor Wooley; invited guests Andreas Frommer and Jeffrey Lagarias, MREC members elect; Zbigniew Nitecki, AMS Associate Treasurer; Carla Savage, AMS Secretary Elect; AMS Executive Director, Don McClure.

After the customary preliminaries, the meeting continued with informational items including overviews of the 2013 MR Operating Plan and the 2011 report of Planned Activities and Projects. Increases were noted in both the number of items added to the MR database each day (450, an increase of approximately 15% over 2011 which will result in the addition of over 100,000 items to the MR database in 2012), and the record number of reviews added to the MR Database in 2012 (81,714, an increase of over 5,500 from 2011). MR has added 35 new journals to the database in 2012, and now downloads 1,158 journals compared to 1,055 in 2011. Staff changes include the retirement of associate editors Smilka Zdravkovska and the appointment of a new associate editor, Heather Jordon. The total number of MR staff is now 74 (71.45 FTEs).

The committee was also given an overview of recent enhancements to MathSciNet. In late 2011, it was decided to forgo the annual release of MathSciNet enhancements in favor of rolling releases of updates. Since then, two enhancements have been provided that improve support of mobile devices, namely MathJax updates and the pairing of mobile devices with an institution's MathSciNet subscription. Also, the preliminary posting of bibliographic data from high density journals has begun with data from the AMS, SIAM, Springer, Elsevier, the Canadian Mathematical Society and the European Mathematical Society. MR is now working to decrease the time between displaying the preliminary data and the posting of the processed MR data. Current and future projects include a move to encourage publishers and authors to include MR Author IDs in publications. These would link to the Author Profile Page, and have the potential to speed up the author ID process. Beginning in 2013, the AMS will be the first publisher to request authors to self-report their MR Author IDs. Author profile personalization will also be instituted which will allow users to login and update selected information on their profile pages.

A synopsis of the committee's actions and discussion of agenda items follows.

After Norman Richert discussed a number of charts concerning the growth of the MR Database, Graeme Fairweather provided an overview of the MR Program Planning process being conducted by a committee comprising Graeme Fairweather (chair), Kathy Wolcott, Norman Richert and Erol Ozil from MR, and Emily Riley, Tom Blythe and Lori Sprague from Providence.

Norman Richert led discussions on three editorial topics. The questions raised were: 1) "Comprehensiveness" - what does it mean today? 2) Are the seven labels now being used on MathSciNet items sufficient and understandable? Should there be a distinction made between signed reviews and author summaries? 3) Should MR allow unsigned author summaries? Should unsigned author summaries be labeled differently?

Don McClure described some recent developments in open access journals, noting that the topic is very polarizing. He mentioned that Cambridge University Press is creating two new Gold Open Access journals that will be supported by fees paid by the author or the author's institution. Trevor Wooley expressed his strong opposition to such open access journals. The AMS has recently changed its policy on accepting fees to publish articles as it may discriminate against authors who wish to publish through open access. It became clear that open access is an issue in which MR and the AMS will most likely be more deeply involved in the near future. The idea of the highlighting of open access journals with a different colored link in MathSciNet was discussed.

Kathy Wolcott, the MR acquisitions librarian and manager of the Acquisitions Department, gave a PowerPoint presentation highlighting the differences between MathSciNet and Google Scholar, as well as the dangers to MathSciNet due to the popularity of Google and Google Scholar. It was noted that the best defense will be to emphasize the importance and uniqueness of MathSciNet, to create tutorials to train users, and to collaborate with librarians to educate them on how MathSciNet is the more valuable resource.

The committee unanimously approved 26 journals for addition to the collection of Reference List Journals (RLJs), bringing to over 500 the number of journals for which every listing on MathSciNet is accompanied by a reference list. In accordance with MREC's recently adopted policy, recommendations for RLJs were supported by statements prepared by associate editors. Reference lists for articles from the new RLJs published in 2000 or later will be appended to existing listings.

The committee reviewed the MR Editorial Statement and two minor changes were made to it.

As is customary, the committee was provided with comparative information concerning the MR and the zbMATH databases. The committee was informed that Don McClure and Graeme Fairweather had discussions with Professor Gert-Martin Greuel, the new Editor-in-Chief of zbMATH, at the JMM in Boston and also the 6ECM in Krakow, Poland, in July.

The date for the next MREC meeting is Monday, October 14, 2013.

Graeme Fairweather
Executive Editor
October 2012

American Mathematical Society
Committee on Publications
September 28-29, 2012

Summary Report

A meeting of the AMS Committee on Publications (CPub) was held on Friday and Saturday, September 28-29, 2012, at the Chicago Hilton O'Hare, Chicago, IL. CPub chair Matthew Ando presided over the meeting. A summary of the meeting is provided below.

Agenda Items for Information and Discussion:

Discussion Topic: The AMS Book Program: An Acquisitions Overview

Publisher Sergei Gelfand led an informational discussion on the activities and practices of the AMS Acquisitions Editors. The presentation started with a brief history of the AMS Book Program, followed by discussion on what makes a book an "AMS book"; types of books published by the AMS; how books are obtained; and how Acquisitions staff work with editorial committees. Members and guests participated in discussion on how AMS can continue to improve the Book Program in the future, with particular emphasis on the textbook segment of the program.

Updates on 2011 Actions

- **The following 2011 CPub action items were approved by the January 2012 Council:**
  - Revision of the AMS Policy on Author Charges
  - Discontinuation of publication of the Scientific Program of the Joint Mathematics Meetings in *Notices of the AMS*
  - Updates to certain book and journal editorial committee charges

- **Web Editorial Group (WEG)**
  At its 2011 meeting, CPub endorsed the Secretary and President's assembly of the Web Editorial Group (WEG) to collaborate with the Web Advisory Group (WAG) and make suggestions about the scientific and mathematical content hosted on the AMS website (www.ams.org). Executive Director Don McClure provided the Committee with a brief update on assembly of the WEG.

AMS eBook Program

Publisher Sergei Gelfand provided the Committee with an update on the AMS eBook program. AMS has continued to expand its electronic content offerings in 2012. Over 2,500 AMS eBooks are now available via Google's most recent electronic content platform, *Google Play* (https://play.google.com/store). Additionally, AMS has launched its own electronic book series subscription product (which includes all backlist titles), an electronic version of its *Contemporary Mathematics Series* (*e-Contemporary Mathematics*). Libraries are now able to purchase the complete electronic collection for this series with significant savings since all backlist titles are being offered at a deeply discounted introductory price for one year. In 2013, AMS plans to expand direct sales of other series in this manner as well.

Review of AMS Book Program
Matthew Ando, chair of the CPub subcommittee that conducted the 2012 review of the AMS Book Program, presented the subcommittee's report. Other subcommittee members included: Luchezar Avramov, Hélène Barcelo, and Richard Brualdi. The subcommittee conducted its review by analyzing the report of the 2008 subcommittee, which provided the most recent review of the AMS Book Program, and by collecting data from the AMS Editorial Division and from surveys conducted with recent authors of AMS books, recent authors of non-AMS books, editors of AMS book series, and AMS members.

The report of the subcommittee concluded that, overall, the Book Program is doing "a good job of realizing its main objectives, and there has been some progress on some of the issues noted in the 2008 report." The following summary was provided:

- *The data generally support the proposition that the AMS's publication of research monographs and conference proceedings is in excellent shape.*
- *The AMS's new series of undergraduate texts (AMSTEXT) is off to a strong start, and the older Student Mathematical Library series is publishing interesting books.*
- *The AMS's publishes very good graduate texts, but there continues to be some concern about early-career offerings in core areas of mathematics.*
- *The AMS's book program does an excellent job serving the needs of authors of mathematical books.*

The report also recommended that AMS continue to refine its book series in order to help improve awareness and understanding of the Book Program's offerings. Additionally, the chair and several members of the Committee cautioned against co-publication partnerships in which AMS has to relinquish editorial control of content.

New Developments in Open Access Journals
Executive Director Don McClure led the Committee in discussion on recent developments in the rapidly growing expansion of open access publication platforms occurring worldwide.

In the event that gold open access becomes a mandated requirement for publically funded research, AMS will take several steps over the next couple of years in an effort to smooth this transition. These include:

- Surveying authors (worldwide) to assess their views of author-pay models of open access
- Hosting a Committee on Science Policy Session, *Who Will Pay for the Papers We Publish?* at the 2013 Joint Mathematics Meetings.
- Conducting a thorough analysis of cost-per-paper expenses
- Researching the feasibility of establishing open-access journal(s)

Report on Journal Backlogs
The Committee reviewed the "Backlog of Mathematics Research Journals" report published yearly in the *Notices*, as well as the AMS Internal Backlog Report. The increase in the number of papers being submitted and accepted for publication in *Proceedings*, which has led to a growing backlog, was discussed. The *Proceedings* managing editor is currently working with the editorial committee to address this issue.

Report on Mathematical Reviews
Mathematical Reviews (MR) Executive Editor Graeme Fairweather provided the Committee with an update on recent MR activities and initiatives and reported that the next meeting of the Mathematical Reviews Editorial Committee (MREC) will take place October 8, 2012, in Ann Arbor.

Agenda Items Recommended for Approval by the Council:

History of Mathematics (HMATH) Series
The AMS has been publishing the HMATH series in partnership with the London Mathematical Society (LMS) since the series was first launched in 1989. The AMS was recently notified by LMS that they wish to discontinue their participation in the publication of the HMATH series. Since AMS will continue to publish the HMATH series under its own imprint, the Committee considered suggested revisions to remove wording about partnership with LMS in the charge to the History of Mathematics Editorial Committee. CPub approved the suggested changes to the charge and endorsed recommending the revised HMATH charge to Council for approval.

Mathematical Reviews Editorial Committee Expansion
The Mathematical Reviews Editorial Committee (MREC) is different from other AMS editorial committees in that its purview goes beyond strictly editorial matters to include policy decisions that have implications for allocation of resources. Its actions can have significant implications for the Mathematical Reviews budget and the allocation of staff effort. In this regard, it is similar to the Policy Committees of the Council. As such, the Executive Director and the Secretary suggested expanding MREC to include the Executive Director and the Associate Treasurer as ex-officio nonvoting members of MREC. CPub endorsed recommending to Council that the Mathematical Reviews Editorial Committee be expanded to include the Executive Director and the Associate Treasurer as ex-officio nonvoting members.

Next meeting:

2013 CPub Meeting
The next meeting of the AMS Committee on Publications will be held Friday and Saturday, September 27-28, 2013, at the AMS Headquarters in Providence, RI. In accordance with CPub's annual review schedule, a subcommittee will be assembled to conduct an evaluation of the AMS Member Journals (*Bulletin, Notices, Abstracts*) for presentation at its 2013 meeting. CPub's last review of the Member Journals was conducted in 2009.

Sergei Gelfand, Publisher
October 18, 2012

Committee on the Profession
September 29-30, 2012
Hilton Chicago O'Hare Airport Hotel

The Committee on the Profession (CoProf) held its annual meeting on September 29-30, 2012, at the Hilton Chicago O'Hare Airport Hotel. Abigail Thompson, University of California, Davis, chaired the meeting. Highlights of that meeting are provided below.

Regular agenda items:

- **Annual review**: CoProf's annual review, conducted by a subcommittee, was on the topic of the Society's activities related to Employment Issues and Opportunities. The subcommittee made the following recommendations, which were endorsed by CoProf:

    - We recommend that a sample survey be taken from those who received PhDs in a recent year to see the career outcomes of the exiting postdocs and instructors.
    - CoProf supports the principle of applying for a grant to do a more extensive survey.
    - We recommend that the AMS encourage universities either to use MathJobs.org for online applications or to determine a way to make their online sites compatible with MathJobs.org.
    - There has been concern that MathJobs has increased the number of applications per job. This leads to inefficiency and can impose a heavy burden, especially on small departments. One mechanism to reduce the impact is for schools to require additional materials (for instance, a cover letter).
    - We recommend that the AMS reorganize the websites that are linked from the "Career Information" page, in particular the *Job Sites for Math Majors* link, to be more user-friendly and easier to navigate.
    - We join the JCEO and recommend that the AMS encourage mathematics departments to make use of the Employment Center at the JMM for interviews.

    CoProf members were also encouraged to share with the AMS information and resources from their departments for the *Job Sites for Math Majors* web page.

- **2012 Information Statement on the Culture of Research and Scholarship in Mathematics**: The Committee on the Profession has been making a series of statements that highlight ways in which the traditions of mathematics differ from those in other disciplines, especially other sciences and engineering. This year, CoProf considered a statement concerning the structure of graduate programs. The statement was approved and appears at the end of this report. It will be posted on the AMS web site.

- **Programs that Make a Difference**: Each year, CoProf recognizes at most two programs that: (1) aim to bring more persons from underrepresented backgrounds into some portion of the pipeline beginning at the undergraduate level and leading to an advanced degree in mathematics, or retain them in the pipeline; (2) have achieved documentable success in doing so; and (3) are replicable models. The deadline for nominations was September 15, 2012, for programs to be considered for the 2013 recognition. The subcommittee will make its decision and request that it be approved by CoProf before December 1. Four nominations were continued from last year; we received three new nominations. The one or two programs that are chosen will be featured in the May 2013 issue of the *Notices* and will be presented on a web site linked to the AMS home page. The program recognized in 2012 was the Mathematical Sciences Research Institute (MSRI).

- **CoProf Panel at the 2013 JMM**: CoProf will have a panel on January 9, 4:40 – 6 pm, at the 2013 Joint Mathematics Meeting in San Diego. The panel, *Getting started as a research mathematician*, will be moderated by David Vogan, MIT.

  Panel description: Your Ph.D. is just the beginning. This panel will discuss and assist in the non-trivial transition to a sustainable research career. Through their experiences panelists will provide tips and insights into such topics as: how to start and sustain collaborations, how to develop a research niche, how to find good mentors, and how to manage your teaching/research/service obligations. There will be ample opportunity for Q&A with the panelists.

- **Discussion topics:**
  - **Adjunctification of academia**: There has been concern that academic departments now employ large numbers of faculty who are not in tenured or tenure-track positions. CoProf agreed to form a subcommittee to consider this issue in mathematics.

  - **AMS response to the PCAST report.** In response to the President's Council of Advisors on Science and Technology (PCAST) report, "*Engage to Excel: Producing One Million Additional College Graduates with Degrees in Science, Technology, Engineering and Mathematics*," the American Mathematical Society has issued a statement in support of the report's call to increase the number of college graduates with STEM training, while at the same time disagreeing with some of the recommendations made in the report for achieving this goal. CoProf discussed the PCAST report, the AMS response, and related issues.

- **Reports**: The following reports were included in the CoProf agenda:

  - **Report on Employment Services of the AMS**, written by Diane Boumenot, manager of the Member and Programs Department
  - **Report on Membership**, written by Diane Boumenot, manager of the Member and Programs Department
  - **Report on the Department Chairs Workshop**, written by Anita Benjamin of the Washington Office

Agenda items that will be taken to the Council:

- **Flexibility in time frames for AMS prizes, awards and fellowships**: CoProf was asked to consider whether it was appropriate to allow flexibility in the strict time limits for AMS prizes, awards and fellowships. CoProf approved the following statement:

  > For any program, fellowship, prize or award that has a maximum period of eligibility after receipt of the doctoral degree, the selection committee may use discretion in making exceptions to the limit on eligibility for candidates whose careers have been interrupted for personal, family or other reasons.

- **Centennial Fellowship**: At the request of the chair of the most recent Centennial Fellowship Committee, CoProf discussed revising the following statement which is included in the description of the Centennial Fellowship:

  > Recipients may not hold the Centennial Fellowship concurrently with another research fellowship such as a Sloan or NSF Postdoctoral fellowship.

  CoProf approved the following revision:

  > Recipients may not hold the Centennial Fellowship concurrently with another major research award such as a Sloan fellowship, NSF Postdoctoral fellowship or CAREER award.

- **AMS Activity Groups**: CoProf approved the 3-page narrative describing the proposed AMS Activity Groups and recommended that a pilot program be started with minimal regulations and procedures for AMS members only when the software is operational. This narrative, along with an appendix of procedures, had been approved by CoMC and forwarded to CoProf for consideration and is included at the end of this report. CoMC will be asked if it concurs with the revised recommendation before the proposal is taken to the Council.

- **Young Scholars Awards**: The Young Scholars Awards Committee had prepared a report for CoProf that was considered at the 2011 CoProf meeting. Several of the recommendations were approved at that time, and others were deferred until this year. CoProf approved the following revised recommendations concerning the Young Scholars Awards during the 2012 meeting:

  - Set a minimum award of $2,500 for mature programs that are excellent and will thus be given AMS endorsement by such an award. The normal award levels should be between $5,000 and $15,000 with the $5,000 level (seed funding) for promising experiments that need our encouragement.

  - The prohibition on funding preparations for math competitions should be relaxed to allow for the funding of programs where this is a component, but this is not the main emphasis.

CoProf also advised the AMS staff to work with the Young Scholars Awards Committee to simplify the application, as recommended in the report.

- **Charge to the AMS Archives Committee**: CoProf approved the following revision of the charge to the Archives Committee, as proposed by Bob Daverman:

  > This committee has dual modes of operation. Its members are the AMS representatives to the AMS-MAA Joint Archives Committee, which seeks to determine areas in which joint efforts are desirable, to stimulate the deposition of mathematical papers in appropriate archives, and to suggest procedures to assure that material suitable for archives is not lost. On its own, the committee also functions to implement an agreement between the Society and Brown University, overseeing the selection of material with archival value from among records currently held by the Society, and aiding Brown University Library in the solicitation and screening of privately held materials of potential archival value.

Agenda items relating to prizes:

- **Joint Prize Session at the JMM**: A joint subcommittee of CoProf and the Committee on Meetings and Conferences (CoMC) has discussed possible recommendations to the Joint Meetings Committee (JMC) for changes to the Joint Prize Session at the Joint Mathematics Meetings. CoProf endorsed the following recommendation that was proposed by Don McClure and endorsed by CoMC at its meeting held in March 2012:

  > One principle that could be adopted is to award only prizes and awards at JMM that are highly selective and truly national in scope.

- **Timing of Prize Announcements**: AMS Secretary Bob Daverman asked CoProf about whether the AMS should change its policy of embargoing the news about the recipients of AMS prizes until the Joint Prize Session was over. The MAA and AWM are no longer doing this. CoProf recommended that the AMS announce the prize winners prior to the 2013 JMM. CoProf may revisit this issue at a future meeting.

- **AWIS-AWARDS Project**: The AMS has been asked to participate in a program designed by the Association for Women in Science and funded by the National Science Foundation to explore how societies in the sciences can award more prizes to women. In June, 2010, three representatives of the AMS attended a workshop for this program; these representatives wrote up a set of recommendations for the AMS. A CoProf subcommittee discussed these recommendations, and decided that the AMS needed to do several things: have more information about nominations for AMS prizes on the AMS web site and establish a canvassing committee to help generate additional nominations for prizes. A prize oversight committee was established as a subcommittee of CoProf to consider implementing these recommendations and others from the Task Force on Prizes. Patricia Hersh, a member of the Prize Oversight Subcommittee, attended the second AWARDS Workshop held in Alexandria, VA, on May 20-21, 2012, and gave an oral report to CoProf about the workshop.

- **Report from the Prize Oversight Subcommittee**: The current Prize Oversight Subcommittee (POC) discussed the desirability of having Prize Selection Committees both nominate candidates and select the awardee. That is very much the AMS practice. Given the relatively few nominations that are usually provided, it is considered highly necessary practice at present -- a prohibition of adding to nominations would be functional only if supplementary steps, such as forming a canvassing committee, were put into place.

  The POC suggests that such a canvassing committee would not work well for prizes like the Exemplary Program Award or the CoProf-sponsored Programs That Make a Difference Awards, which are best promoted by the interested departments. And something like the Conant Prize -- for best paper in the Notices or the Bulletin -- may get adequate input from the editors of the two journals involved. But a canvassing committee might make effective recommendations about all of the more standard research awards (e.g., Bocher, Cole, Eisenbud, Robbins, Satter, Steele, Veblen, Birkhoff, Wiener). It might require a large committee to meaningfully cover such diverse areas of mathematics.

  The POC asked CoProf to discuss the idea of a canvassing committee or taking other steps, in addition to, or instead of, establishing a canvassing committee to generate more prize nominations. CoProf discussed a number of ideas, including sending emails to members or departments asking for nominations. As a result of the discussion, Ron Stern volunteered to write a draft of a best practices document. The best practices will include a statement that strongly discourages the prize committee to both nominate and select the winner.

- **Review of Prizes**: In January 2011, the Council agreed with the recommendation of the Executive Committee and Board of Trustees (ECBT) that the CoProf should “regularly review, every 3 – 5 years, the minimal value, frequency and number of existing prizes and awards, and make recommendations for changes or the introduction of new prizes or awards.” [*minutes of the Council meeting of January 5, 2011*]. This was last done by CoProf in 2007. CoProf decided that it was appropriate for the Prize Oversight Subcommittee undertake this review after the Board of Trustees makes a decision about the spending rate of the endowment at the November 2012 ECBT meeting.

Next meeting: The Committee on the Profession will hold its next meeting on September 28 - 29, 2013, At AMS Headquarters, in Providence, RI. The Committee selected the Society’s activities in the area of increased communication and cooperation with other disciplines as the topic of the next year’s annual review. This topic was last reviewed in 2006. The topic for the 2013 information statement on the culture of mathematics will decided after the committee gets input from department chairs about issues of concern.

Ellen J. Maycock, Associate Executive Director
October, 2012

2012 Statement

The Culture of Research and Scholarship in Mathematics: the structure of graduate programs

Although mathematics is very closely associated with the natural sciences, the structure of mathematics graduate programs differs from those of other scientific disciplines in several fundamental ways. These include the transition from coursework to research, the advisor's role, and funding sources.

Due to the richness and maturity of the mathematical sciences, graduate students typically require two to three years of post-baccalaureate course work before reaching the frontiers of the discipline, choosing an advisor, and beginning dissertation research. During the years of coursework, beginning graduate students typically are advised via departmental structures – such as a committee, a vice chair, or a nominal faculty advisor - rather than a dissertation advisor or major professor.

The role of the dissertation advisor of a mathematics graduate student differs from that of an advisor in the natural sciences, especially laboratory sciences. It is often the case that the student's dissertation work is independent work, which broadly supports the advisor's research direction but may not contribute directly to the advisor's current research project. Accordingly, dissertation advisors are sometimes coauthors of publications arising from doctoral theses, but not always. Advising a graduate student in mathematics may not contribute to the advisor's research output to the same degree as it does in other sciences.

Degree program requirements for undergraduate majors in science and engineering create high demand for mathematics instruction taught in lecture/recitation format, and therefore a high demand for graduate teaching assistants. On the other hand, federal agencies support a smaller fraction of active researchers in the mathematical sciences compared to the physical and biological sciences[1]; the awards support a smaller proportion of graduate students[2] and rarely provide more than partial support[3]. Consequently, mathematics students are typically supported as teaching assistants by the department rather than as research assistants by the major professor[4].

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[1] See http://www.nsf.gov/statistics/seind12/append/c5/at05-22.pdf, http://www.nsf.gov/statistics/seind12/append/c5/at05-24.pdf
[2] See http://www.nsf.gov/statistics/seind12/append/c2/at02-06.pdf
[3] Based on average award size, see http://dellweb.bfa.nsf.gov/awdfr3/default.asp
[4] Data from the National Center for Science and Engineering Statistics (NCSES). See table http://www.nsf.gov/statistics/seind12/append/c2/at02-05.pdf as corrected in http://www.nsf.gov/statistics/seind12/errata.htm.

AMS Activity Groups (AMSAGs)

1. Introduction.

Activity groups (also known as "special interest groups" or "focus groups") are groups of mathematicians with a common (research) interest, who form a community based on their particular interest. Our sister organizations the MAA and SIAM have a long tradition of highly successful activity groups. This is a proposal to create AMS Activity Groups (AMSAGs). Examples of possible AMSAGs would be activity groups in representation theory, algebraic geometry, analytic number theory, algebraic number theory, low dimensional topology, analysis, dynamical systems, or any other specialized interest/research area. The primary form of interaction in the group will be electronic. The AMS will provide various web and social networking tools allow the membership to connect, share information, and form a professional network focused on the theme of the activity group.

2. What an AMS Activity Group would be.

AMSAGs provide a focused forum for AMS members interested in exploring a targeted area of mathematics. The intent is to use electronic communications via various web and social networking software in facilitating exchanges of information and updates on current research trends, and support collaborations and mentoring relationships among AMS members in research subareas. The use of electronic media allows easy communication between members regardless of geographic location. The hope is that this will decrease mathematical isolation and raise awareness of current trends in research and research activity in a broad section of the mathematical community.

Activity group membership is open to both AMS members and nonmembers. The proposed dues structure is that it be either free or at a nominal fee to AMS members. We suggest a more than nominal fee for non-AMS members, perhaps coming after a free trial period. The committee had lengthy discussions on this point. There are two conflicting aspects. Many on the committee felt that an open and free as possible site was important to have a vibrant, open, intellectual atmosphere and to successfully compete with existing (albeit less focused) online math forums. On the other hand, there is a real necessity for the AMS to cover its costs of operation and provide benefit to AMS membership. However only AMS members can propose an activity group. (See the Appendix for a sample of a possible set of procedures for forming an activity group.) There will be officers of the group to handle the administrative tasks: a chair and vice chair of the group as well as a secretary. They will monitor the website and posts to it as well as handle membership in the activity group. They can also designate other members of the group to handle specific tasks.
The features of an AMSAG site could include the following:

- A messaging system. This would be a group discussion forum and chat room, perhaps similar in style to Facebook. Members would be able to read and post information, questions, and comments. Posts could be made available by the poster to just the group or to the whole web. An officer of the group would be responsible for editing or deleting posts. There could also be a mechanism for members to send private messages to another member or group of members.
- A resource repository. Members could upload files such as papers in pdf format, scans, programs, pictures, etc. The uploaded file would be submitted with some information describing the file. This information would go into a searchable database.
- A Wiki facility. Members could create Wiki-style pages and have the option of making them visible only to the group or available on the web. There would be templates for standard things like conferences or problems lists.

- A repository for collaborative document editing.
- A space for member profiles. This would make it easier for members to find other mathematicians with similar research interests.
- A space for requesting a mentor or volunteering to act as a mentor. An officer of the group would oversee the matching of mentors to mentees.

Activity Groups are essentially grassroots organizations and fully depend on the membership to organize them and run them. They empower the AMS membership to organize their own activities, as long as they cohere to the rules set by the AMS (see appendix for samples of possible rules). The AMS only provides the electronic infrastructure. The AMS does not run or create activity groups. The benefits of the activity group are that it builds a community and its members with a wealth of professional networking opportunities. While the primary focus of these groups is electronic, we envision that AMSAGs could also propose Special Sections or workshops at AMS national or sectional meetings via the normal request channels.

3. Implementation

The schedule for implementation is driven by the ability of the AMS technical staff to adapt and implement software for facilitating the activity groups. The committee has had some initial discussions with the AMS technical staff and this undertaking seems possible. A template for an AMSAG page has to be designed and implemented. There has to be a way to restricting access to the page to members of the activity group. We feel it would be prudent to have at least two test groups run for some period to work out any wrinkles before opening up the formation of and enrollment in AMSAGs to the full AMS membership.

4. Summary

We believe that the formation of AMS Activity Groups is consistent with the AMS mission to promote and support research and education in mathematics. Our hope is that AMSAGs will facilitate more research and scholarly activity in mathematics over a broad spectrum of people. As public discourse in general has become electronically based, AMSAGs keeps the AMS relevant to the dissemination of scholarly information in mathematics. We believe AMSAGs will also attract new members to the AMS and engage current members so that they will be less likely to let their membership lapse. It also could be an excellent recruiting tool to engage students early on in areas of their interest and gets them to join the AMS and become a lifelong member. The AMS Activity Groups have the potential to sustain and grow the membership of the AMS. It will engage more members in AMS sponsored activities and will strengthen the feeling that being a member of the AMS offers them a wealth of benefits, including a close community of mathematicians with similar interest.

American Mathematical Society
Committee on Education Meeting
October 18-20, 2012
Washington DC

Summary

This year's Committee on Education (COE) meeting began with a dinner on Thursday evening where the committee discussed issues and programs of importance to the mathematics community including the development of Massive Open Online Courses (MOOCs); using media such as the *Notices*, *The Chronicle of Higher Education* and the *New York Times* to disseminate information; strategies to boost attendance at the NSF-EHR/DUE workshop on grant proposal writing at the Joint Mathematics Meetings in January; and, the National Academy of Sciences study on *The Mathematical Sciences in 2025*. The meeting itself consisted of presentations and discussions over a day and a half. Attendees included a large number of chairs of departments of mathematics from across the country. Tara Holm, Chair of COE, introduced the speakers and facilitated the meeting:

1. CBMS MET II Report

Hung-Hsi Wu (University of California, Berkeley) stood in for Alan Tucker (SUNY Stony Brook), who was ill, to give a presentation on the Mathematical Education of Teachers II report, which was organized by the Conference Board of the Mathematical Sciences (CBMS) and funded by Math for America and the Brookhill Foundation.

The original MET report, published in 2001, was designed as a resource for those involved in the education of mathematics teachers and it had substantial influence on teacher preparation. This follow up report expands on the first utilizing ten years of experience in giving recommendations for the professional development of teachers and it aligns recommendations with the new Common Core State Standards in math.

The MET II report gives recommendations for both teachers and mathematics departments. It notes that prospective teachers need mathematics courses that will develop their understanding of the mathematics they will teach; teachers need opportunities for continued education and professional growth throughout their careers; there are a minimum number of credit hours teachers need in certain math courses to give them sufficient content knowledge for teaching their subjects; and that math teachers should develop mathematical thinking abilities through their coursework and professional development experiences. For math departments, the report suggests that mathematics departments devote time and attention to the importance of teacher training and that they should recognize the need to improve mathematical teaching at all levels.

The MET II report is due out in print in early November 2012 and will also be available online.

2. The 2015 CUPM Curriculum Guide to Majors in the Mathematical Sciences

Martha Siegel (Towson University) talked about the status of the 2015 CUPM Curriculum Guide to majors in the Mathematical Sciences. The Committee on the Undergraduate Program in Mathematics

(CUPM) of the Mathematical Association of America (MAA) most recently issued this curriculum guide in 2004. Siegel discussed the upcoming 2015 edition and its features, which includes emphasis on the mathematics major and its various tracks; exploration of interdisciplinary programs with mathematics; attention to cognitive goals and pedagogy; specific attention to placement and assessment; engagement with other disciplines; and acknowledgement of the Common Core Curriculum.

The National Science Foundation has provided a grant to prepare the guide and Siegel discussed its forward focus and its challenges, the next steps in the process and the timetable for completion. She expects a draft of the report to be ready in spring 2014 and the final to be presented to MAA's Board of Governors in January 2015.

3. So You Think You Can Major in Math: Broadening the View of the Math Major at Bryn Mawr College

Rhonda Hughes (Bryn Mawr College) provided background and statistical information related to the number of math majors at Bryn Mawr College. She described her philosophy towards the teaching of mathematics and gave examples of how Bryn Mawr encourages all students to continue in mathematics. She also discussed the importance of teaching ability and how it affects student learning outcomes when even students of average ability are engaged.

4. Writing in Mathematics: Opportunities for Mutual Growth

Patrick Bahls (University of North Carolina, Asheville) began his presentation by discussing how mathematics and math education involve writing in many ways, from a scholars' production of research articles to a students' writing as a means of discovery, creativity and analysis. Bahls advocated for using writing exercises to teach students to have a better understanding of what is behind technical definitions and to develop precision, clarity and succinctness in their writing.

Bahls talked about incorporating writing at all levels of the curriculum to enable students to engage the math content of their classes in a more meaningful way. He is not advocating writing as a side project, but rather having mathematicians teach about writing in mathematics as a way to develop students' mathematical communication skills and help them better understand the subject.

5. Reforming Calculus through Oral Reviews

Mary Nelson (George Mason University) discussed the importance of incorporating oral reviews in the teaching of mathematics in order to improve student learning outcomes. She presented statistical information on how students participating in orals earned better grades and how their grades were directly related to the number of orals they took. She explained that by discussing mathematics verbally, students gain a better understanding of the subject, develop better ways to study and work harder because they feel their instructors are invested in their success.

Nelson also presented some common themes in students' reactions to oral reviews including helping them to understand hard concepts, clarifying things that were unclear and giving them confidence before a written test. She identified which universities are currently using orals and in which subjects.

6. Developing Tools for Assessment: The Good Questions Project and the Mathematics Applications Inventory

Maria Terrell (Cornell University) gave a presentation on the Good Questions Project at Cornell University, which seeks to improve calculus instruction through the development of questions that increase the understanding of key concepts (much like the Mazur ConcepTests in physics) and create a more active learning environment. She shared some examples of the different types of questions used and talked about assessment questions and their impact on final exam scores.

Specifically, students are asked a question in class and then choose what they think is the correct answer by using a polling system. Students then discuss their ideas with classmates and are polled again. By creating this cycle of discussion, students can improve their understanding of key concepts that teachers can then measure.

The Mathematics Application Inventory (MAI) is another assessment tool that Terrell discussed. This project is a collaborative effort in mathematics and engineering at Cornell whose goal is to assess the effects of integrating engineering applications into core mathematics courses for engineers. Terrell shared sample questions and the MAI's findings related to differences by gender and cognitive domain.

7. Undergraduate Education Programming at the NSF

Myles Boylan and **Ron Buckmire** (National Science Foundation, EHR-DUE) jointly presented information on some of the many programs in the Division of Undergraduate Education (DUE) at the National Science Foundation (NSF) whose overarching goal is to improve the quality of teaching and the learning environment. Specifically, they talked about the programs Transforming Undergraduate Education in STEM (TUES); Widening Implementation and Demonstration of Evidence-based Reforms (WIDER); Science, Technology, Engineering, and Mathematics Talent Expansion Program Centers (STEP); Scholarships in Science, Technology, Engineering, and Mathematics (S-STEM); and Math and Science Partnership (MSP).

TUES is the broadest program in DUE and is interested in innovative developments in STEM education. Boylan explained the four project types, the award sizes and their deadlines. He also talked about a new program called WIDER whose goal is to promote the widespread adoption of evidence-based teaching. The solicitation for this program is currently being developed.

Buckmire spoke about STEP, its goals, support levels and some features of good proposals, successful projects and expected outcomes. He also talked about S-STEM, its goals, deadlines and special program features. Lastly, they discussed the MSP program details. They also mentioned some new requirements for proposals in general at NSF.

8. MAA Calculus Study

David Bressoud (Macalester College) discussed the findings of the MAA's study of Calculus I instruction in American colleges and universities. The purpose of the study is to improve understanding of the demographics of calculus students and to measure the impact of aspects of calculus classes that are thought to influence student success.

Bressoud described the timeline of the survey, gave a sampling of the data collected and shared much statistical information from the study including Calculus I student gender information, age distribution, race, SAT/ACT math exam scores, career goals and grades. He also presented student input regarding instructors, assignments and exams.

Students were surveyed at both the start and end of the term and the study examined their desire to continue to Calculus II. Bressoud also discussed the lessons learned from the study including getting the best teachers into the calculus classroom and getting the students actively involved during class.

9. General Discussion

The meeting was organized purposefully to allow discussion time on topics of general concern and interest which resulted in participation by those attending in conversations related to some general aspects of teaching, teaching practices and types of instructors, as well as ideas on how to disseminate information from the committee's meetings to the broader community. One particular discussion centered on how to gather information on innovative teaching methods that the AMS could compile and make available through its website and possibly other avenues.

10. Committee Discussion

The committee discussed the establishment of the new AMS Award for Impact on Teaching and Learning in Mathematics, a draft resolution with details about the award was presented and ideas on how to implement the program were discussed. Eric Friedlander moved, Mark Green seconded and the committee unanimously passed a resolution to present the recommendation for this award to the AMS Council at its January meeting.

There was also discussion related to data collection from universities. Eric Friedlander moved and Tara Holm seconded a motion to set up a subcommittee to determine which data is to be collected, determine what questions are to be asked and create a framework for collecting the data. The motion was passed unanimously.

Another area of discussion centered on the collection of best practices related to innovative teaching methods in undergraduate education. The AMS has already created a repository, but there has been little response to adding new programs to the list of success stories. The committee unanimously agreed to further these efforts through a letter writing project to each department asking for information and to encourage mathematicians to contact five people to ask about possible additions to the collection, starting with the committee itself.

The committee also discussed providing information from its annual meeting to the broader community each year, perhaps by choosing a particular topic from the meeting's discussions. Don McClure and Ken Gross will discuss how best to summarize this year's meeting and present it to the *Notices* for publication.

11. Date of Next Meeting

The date of the next Committee on Education meeting will be October 24-26, 2013. The meeting will be held in Washington, DC.

13. COE Activities at the Joint Mathematics Meetings, January 2013

The AMS Committee on Education will host a panel discussion at the JMM in San Diego entitled “Mathematics serving students in other disciplines.” The discussion will center on the wide array of innovations in college-level mathematics education that enhance the learning of students in other disciplines.

Submitted by Anita Benjamin
American Mathematical Society
October 31, 2012

Washington Office Report
October 25, 2012

Congress has put the budget process on hold until after the November elections. The two parties, not wanting to pass appropriation bills before the elections, have passed a Continuing Resolution (CR) that will fund the federal government from October 2012 through March 2013. This means that federal agency and program budgets will be at FY 2012 levels for at least half of FY 2013.

To date, the House has passed six appropriations bills while the Senate has passed none. Those passed by the House include the Commerce, Justice, Science and Related Agencies Appropriations Subcommittee (CJS) bill and the Energy and Water Appropriations Subcommittee (EW) bill. The CJS bill contains the budget for the National Science Foundation (NSF), while the EW bill contains the budget for the Office of Science at the Department of Energy.

The House increased the FY 2013 NSF budget to $7,332,513,000 -- $299,418,000 over the FY 2012 level of $7,033,095,000 .. a 4.3 percent increase. The Senate Appropriations Committee has voted to increase the FY 2013 NSF budget to $7,273,100,000 -- $240,005,000 over the FY 2012 level .. an increase of 3.4 percent and $59,413,000 less than the House FY 2013 level. In today's fiscal climate, we should be happy with either of these budget levels.

The House has passed a FY 2013 budget of $4,801,431,000 for the Office of Science -- $72,203,000 below the FY 2012 budget level. The office of Advanced Scientific Computing Research (ASCR) within the Office of Science received a FY 2013 budget of $442,000,000 -- the same as in FY 2012. The Senate Appropriations Committee has given the Office of Science a FY 2013 budget of $4,909,000,000 -- $20,000,000 over the FY 2012 level. This includes $455,593,000 for ASCR -- an increase of $13,593,000 over FY 2012. Mathematics is supported in the Department of Energy primarily through the Applied Mathematics and the Scientific Discovery through Advanced Computing (SciDAC) programs in ASCR.

Even if the NSF and Office of Science budgets are passed near the levels above, these may not be the final levels. Looming over these budgets are drastic across-the-board cuts (sequestration) mandated by Public Law 112-25, the Budget Control Act of 2011 (BCA). These cuts are to take place on January 2, 2013 and the NSF could lose $586 million and the Office of Science $400 million.

It is hoped that during the "lame duck" session of Congress after the elections something will be done to curtail the sequestration. Many policy makers and organizations are speaking out about how detrimental to the U.S. economy sequestration will be. These concerns may have some impact on Congress. However, given the desire to reduce the budget deficit by many members of Congress, there may be some cutting of discretionary spending even if the BCA cuts are stopped.

Congressman Frank Wolf, chair of the House CJS Appropriations Subcommittee, is a champion of the NSF and he is the reason the House voted NSF a $299,418,000 increase for FY 2013. In a recent office visit, Chairman Wolf's legislative director indicated that if there are more cuts to come, Mr. Wolf will not be able to maintain the NSF FY 2013 budget increase.

The Washington Office has been active in trying to stop the across-the-board sequestration cuts to the FY 2013 Federal Budget by participating in the Non-Defense Discretionary (NDD) Summit, sending out an alert to the AMS Grassroots Network, and participating in Hill meetings.

The NDD Summit is an organization established to stop cuts to non-defense discretionary budgets. The Summit sent a letter to Congress, signed by over 3000 organizations, asking that Congress consider a balanced approach to budget reduction and reminding Congress that NDD budgets have already provided more than their fair share of budget reductions. Two town hall meetings, a Capitol Hill rally, and a Tweet Day have been sponsored by the NDD Summit.

The alert to the AMS Grassroots Network was done in collaboration with the American Institute of Biological Sciences (AIBS) and the Ecological Society of America (ESA). Network members were asked to send a letter to their members of Congress urging them to find a bipartisan solution to addressing the nation's debt crisis and avoid draconian budget cuts that will hurt the economy and our future while not eliminating the fiscal crisis. A total of over 1500 members from the three organizations sent a letter to their congressional delegations.

The Task Force on American Innovation, of which the AMS is a member, recently sent a letter to the President and Congressional leaders concerning sequestration. This letter was signed by the CEO's of industry members and presidents of university members of the Task Force. The letter expressed deep concern about the impact of sequestration on defense and non-defense federally funded basic scientific research.

In conjunction with the above activities, the director of the Washington Office, along with representatives of AIBS and ESA, had meetings with Republican and Democrat staff of the House CJS Appropriations Subcommittee and with the legislative director of the chairman of the House CJS Committee.

The Washington Office continues to follow public policy activity regarding open access of publications. Interest in open access to research supported by the federal government is growing and gaining support. The United Kingdom announced in July that it accepts the recommendations of the Finch report on open access. The recommendations accepted include journal article delivery through a gold open access model, where processing charges are paid up front to cover cost of publication; free access to the general public to global research publications owned by members of the UK Publishers' Association via public libraries; and, for a modest charge, providing high technology businesses the same licensing as universities.

The Research Councils UK has announced new open access policy that will apply to all qualifying articles being submitted for publication from April 1, 2013. Peer reviewed papers resulting from research wholly or partially funded by the Research Councils must be published in journals that comply with Research Council policy on open access. Details of the funding that supported the research must be included in the papers along with how underlying research materials such as data, samples or models can be accessed.

The European Commission (EC) has also embraced open access of all research funded by Horizon 2020, the $98 billion research-funding program for 2014-20. Under the EC plan, articles would be made immediately accessible online, with the Commission paying publication costs or made available by researchers through an open access repository no later than six months after publication. The Commission has already developed such a repository.

The Government Affairs Task Force (GATF) meets monthly in order to keep abreast of congressional, administration, and international activity involving open access and to discuss and develop strategies. The Federal Research Public Access Act (FRPAA) is still alive and has gained more congressional endorsers. This bill includes a NIH like open access policy for federal agencies providing over $100 million in extramural research support. It is not likely that this bill will be passed in the current Congress but it will most likely be reintroduced in the next Congress. GATF does not want a one size fits all government mandate and is working with the National Science Foundation and the Department of Energy to try to identify policies and practices that will satisfy open access advocates, federal agencies, and publishers. Sam Rankin has participated in a number of Hill office visits to present GATF views on FRPAA.

The Washington Office continues to support the Coalition for National Science Funding (CNSF), planning monthly meetings, organizing events, maintaining its website and acting as treasurer. The annual CNSF Capitol Hill Exhibition took place in May. The AMS sponsored an exhibit entitled "ICERM: Connecting Mathematics and Computing through Experimentation," exhibited by Jill Pipher. Over 270 people attended the Exhibition, including six members of Congress. Before the exhibit, Prof. Pipher and Sam Rankin had office visits with Senator Reed and Senator Whitehouse and with staff from Congressman Cicilline's office.

The Washington Office has been busy this fall preparing for the Committee on Education (COE) meeting held October 18-20, as well as helping to organize sessions for the Joint Mathematics Meetings, including panel discussions hosted by the Committee on Education and the Committee on Science Policy and sessions on Non-Academic Employment and the AMS Congressional Fellowship. The annual Department Chairs Workshop is also organized by the AMS Washington Office. The 2013 Department Chairs Workshop leaders are: Timothy Hodges, University of Cincinnati; Helen Roberts, Montclair State University; Alex Smith, University of Wisconsin-Eau Claire; and Michel Smith, Auburn University. Working with NSF-EHR, the Washington Office has also organized a Grant Proposal Writing Workshop to be held on Monday, January 7th, the day before the Department Chairs Workshop. The impetus for this grant writing workshop is a reaction to the recent report on undergraduate education by the President's Council of Advisors on Science and Technology (PCAST). The purpose of the grant writing workshop is to help mathematicians write more competitive proposals to NSF-EHR. NSF staff will lead the workshop.

The second USA Science and Engineering Festival was held in Washington, DC April 27-29, 2012 and Anita Benjamin was on hand to help staff the AMS activity booth and take photographs at the event. Anita also continues to work with several committees on special projects at the AMS including planning for the 125th anniversary and furthering AMS interests through social media.

The AMS was pleased to support the "Golden Goose" Award (named as a parody of the late Senator William Proxmire's Golden Fleece Awards) which honors scientists whose federally-funded research--perceived by some at the time as obscure--has led to major breakthroughs and resulted in significant societal impact. The first annual awards ceremony was held on September 13th in Washington, DC.

Sam Rankin continues to serve on the Advisory Board for the WPI department of mathematical sciences, the AAAS Science and Technology Fellowship Advisory Committee, the NDD Summit Steering Committee, the GATF Steering Committee, and the Intersociety Working Group that helps write the AAAS Annual Research and Development report.

Samuel M. Rankin
Associate Executive Director
October 2012

Determining the 2014 Individual Member Dues Recommendation to the Council

The Guidelines.

In May 2004 the Board of Trustees approved, and the Executive Committee recommended to the January 2005 Council, a new procedure for setting dues each year, replacing the (almost) automatic formula that was used for many years by a procedure based on a set of principles for setting dues. The new procedure was approved by the Council and was first used in setting dues for 2006. The procedure requires beginning the process of setting dues slightly earlier than before. To change the dues rate for year X+2, the discussions must begin in year X.

- In November of year X, staff makes a recommendation about dues, following the principles described below. The ECBT recommends a dues rate for year X+2 to the Council.

- In January of year X+1, the Council reviews the ECBT recommendation and sets the dues rate for year X+2.

- In May of year X+1, the Board of Trustees approves the dues set by Council.

The process for setting dues is meant to be guided by the following principles.

Principle 1: The total revenue from individual dues should exceed the total net direct costs of the following membership related areas: privilege journals, members-only services, membership development, membership administration and governance, as reported to the Board of Trustees.

Principle 2: When an increase in dues rates is deemed to be appropriate, the following factors should guide the Council and the Board of Trustees in establishing the new dues rates:

- The current rate of inflation.
- The recent rate of growth in faculty salaries.
- The rate of growth in the net direct costs of the membership related areas listed in Principle 1.

Principle 3: A single increase in dues rates substantially beyond the level of the factors listed in Principle 2 should be avoided in favor of several successive moderate annual increases.

Recommendation for 2014 Dues.

There was no dues rate increase adopted for the year 2011. The dues rate for 2013 was increased from the 2012 rate by $4, to yield dues of $176/$132 (high/low). The cut-off salary for high/low rates remained at $85,000. The table on the following page provides the information required under Principle 1. It includes actual results for 2001-2011, projected results for 2012, budgeted results for 2013 and an estimate of 2014 results assuming no increase in dues, a $4 increase in dues and an $8 increase in dues.

Prior to the change in the process of setting dues, the net difference between dues revenue and net direct costs of membership was a positive $569,000 in 2001. By the end of 2011, the difference had decreased to a deficit of $80,000. The difference is projected to be a deficit of $176,000 in 2012 although the budgeted deficit was $199,000. The difference is budgeted to be a deficit of $228,000 in 2013, which is a deficit that is $29,000 greater than when 2013 dues were established.

Dues Revenue and Net Direct Cost of Membership Activities (1,000's)

Year	Individual Dues Revenue	Net Direct Cost of Membership Activities	Surplus (Deficit) of Revenue over Costs
2001	1,413	(844)	569
2002	1,388	(960)	428
2003	1,369	(1,042)	327
2004	1,318	(1,189)	129
2005	1,345	(1,108)	237
2006	1,355	(1,112)	243
2007	1,364	(1,264)	100
2008	1,386	(1,523)	(137)
2009	1,368	(1,493)	(125)
2010	1,345	(1,240)	105
2011	1,317	(1,397)	(80)
2012 Projected	1,311	(1,487)	(176)
2013 Budget	1,311	(1,539)	(228)
2014-$176	1,311	(1,539)	(228)
2014-$180	1,340	(1,539)	(199)
2014-$184	1,371	(1,539)	(168)

Explanatory Notes:

Membership Activities under Principle 1 are:
a) *Notices* & *Bulletin*,
b) Membership development and administration, and
c) Governance

The amounts are taken directly from the B-Pages, pages 5 and 7, as presented to the ABC.

None of the dues scenarios presented in the table above satisfies the requirements of Principle 1. An increase in dues of $30.58, or 17.4%, to comply with principle 1, would not meet the requirements of Principles 2 and 3.

Principles 2 and 3 describe the factors to be taken into consideration for the determination of the amount of a dues increase. Shown in the chart at the end of this attachment are the economic data related to growth in faculty salaries and general inflation. The data on salaries relate to the general ability of members and potential members to pay dues with total personal income. It seems prudent for a membership organization to increase dues at the same or slower rate than its members' salaries increase. As of the end of 2011 (the last year of actual data), the cumulative dues increase as of 2012 lags the salary increase by more than five years. Similar results are seen if one uses the AAUP salary data, although the lag time and differences in the cumulative increases are about six months less than the results using the AMS survey.

The data on inflation relate to the ability of members and potential members to pay dues from discretionary income. Again, it seems prudent for a membership organization to maintain the cumulative increase in dues in line with general inflation in the absence of any significant financial needs. It should be noted that dues for year X are generally paid by members in the last quarter of year X-1, so the inflationary effect of dues on discretionary income felt by the individual member is likely somewhere in between the cumulative increase of year X (dues paid during dues year) and X-1 (dues paid in advance).

Principle 3 states that small increases in dues over time are preferable to a large increase in any one year. Although an increase of $8 in dues for 2014 is the option closest to meeting the requirements of Principle 1, it is a significant increase not seen in over two decades. Without regard to the requirements of Principle 1, staff do not believe that the Society's current financial condition warrants such an increase.

Ultimately, the decision regarding 2014 dues comes down to a balancing act between the provisions of the principles, and the realities of the difficult financial times. Principle 1 precludes holding dues steady for 2014 at the 2013 rate but Principles 2 and 3 would be violated if the dues were raised by an amount sufficient to meet the requirements of Principle 1. While raising the dues by $8 or $12 would get the Society closer to meeting the requirements of Principle 1, only the $4 increase is realistically in line with inflation assumptions.

Therefore, AMS staff members recommend that the regular high dues rate for 2014 be set at $180, a $4 increase over the dues for 2013.

Ellen J. Maycock, Associate Executive Director
Emily D. Riley, Chief Financial Officer
October 2012

Factors for Consideration in Setting Individual Dues Rates for 2014

	Faculty Salaries Data					**Inflation Data**		**Regular High Dues Rates**				**Dues Rev.**
	AAUP Reports		**AMS Annual Survey**									
Academic Year Beginning	Annual Increase	Cumulative Increase	Annual Inc. Grps 1-3 combined	Cumulative Increase	Calendar Year	Annual Increase CPI-U	Cumulative Increase CPI-U	Actual Dues	Cumulative Increase	Covert Dues	High/Low Cutoff	Total Dues Revenue (1000's)
1996	3.0%				1996	3.3%		120		117.637	45,000	
1997	3.3%	3.3%	2.7%	2.7%	1997	1.7%	1.7%	124	3.3%	121.048	45,000	1,414
1998	3.6%	7.0%	3.8%	6.6%	1998	1.6%	3.3%	128	6.7%	124.679	45,000	1,437
1999	3.7%	11.0%	3.8%	10.7%	1999	2.7%	6.1%	132	10.0%	128.918	55,000	1,380
2000	3.5%	14.9%	5.0%	16.2%	2000	3.4%	9.7%	132	10.0%	128.918	65,000	1,384
2001	3.8%	19.2%	4.2%	21.1%	2001	1.6%	11.4%	136	13.3%	133.559	75,000	1,413
2002	3.0%	22.8%	3.3%	25.1%	2002	2.4%	14.1%	140	16.7%	138.501	75,000	1,388
2003	2.1%	25.4%	2.0%	27.6%	2003	1.9%	16.2%	144	20.0%	143.349	75,000	1,369
2004	2.8%	28.9%	2.2%	30.4%	2004	3.3%	20.0%	148	23.3%	148.796	80,000	1,318
2005	3.1%	32.9%	4.0%	35.6%	2005	3.4%	24.1%	152	26.7%	153.260	80,000	1,345
2006	3.8%	37.9%	3.5%	40.3%	2006	2.5%	27.2%	152	26.7%	156.478	80,000	1,355
2007	3.8%	43.2%	4.2%	46.2%	2007	4.1%	32.4%	156	30.0%	160.860	80,000	1,364
2008	3.4%	48.0%	1.6%	48.6%	2008	0.1%	32.6%	160	33.3%	166.973	80,000	1,386
2009	1.2%	49.8%	3.0%	53.0%	2009	2.7%	36.1%	164	36.7%	173.317	80,000	1,368
2010	1.4%	51.9%	0.7%	54.1%	2010	1.5%	38.2%	168	40.0%	179.210	85,000	1,345
2011	1.8%	54.7%	3.6%	59.6%	2011	3.0%	42.3%	168	40.0%	181.361	85,000	1,317
					2012 est	2.0%	45.2%	172	43.3%	183.900	85,000	1,311
					2013 est	2.1%	48.2%	176	46.7%	187.210	85,000	1,311
					2014	2.4%	51.8%	**176**	46.7%	187.210	85,000	**1,311**
					2014	2.4%	51.8%	**180**	50.0%	187.210	85,000	**1,340**
					2014	2.4%	51.8%	**184**	53.3%	187.210	85,000	**1,371**

Explanatory Notes:
1. AAUP data: Percentage increase in average nominal salaries for institutions reporting comparable data for adjacent one-year periods.
2. CPI-U data: Based on the Dec. to Dec. annual change in the index, with estimates for 2012, 2013 and 2014.
3. Covert Dues: For the period 1990-1999, covert dues for Year N+1 were calculated by increasing the covert dues for year N by an amount equal to the AAUP percentage for Year N-1. A"holiday" was taken in applying the usual AAUP increase for 2000, and the formula was applied subsequent to 2000 using the AAUP figure for Year N-2. The formula approach is no longer used to determine the dues rate in any given year, but is presented here for informational purposes.
4. 2012 dues revenue reflects current projections and 2013 dues revenue is as budgeted. The three scenarios presented for 2014 dues assume a paying membership similar to that budgeted for 2013.
5. August 2011- August 2012 CPI-U is 1.7%;

Student Chapters of the AMS, Pilot Program

The following institutions have been asked to participate in the 2012/13 pilot program for Student Chapters:

- Georgia Institute of Technology
- Pennsylvania State University
- University of Illinois at Chicago
- Brown University
- Colorado State University
- Texas A & M University
- Tulane University
- Wesleyan University
- Oklahoma State University
- Tufts University
- MIT
- UCLA
- University of Washington

Invitations were sent in early October on behalf of President Friedlander. As of October 15, Texas A&M, Wesleyan, Oklahoma State and Tufts had responded that they were planning on submitting the petition.

Attached is the current (private) web page for the Student Chapters program, and the text of the email invitation letter from Eric Friedlander.

Diane Boumenot, Manager
Membership and Programs Department
October 15, 2012

Private web page

Welcome to the Pilot Program for AMS Student Chapters

In the initial 2012/13 startup phase, several U.S. graduate programs have been invited to participate. Those programs can accept the offer and get started by completing the following steps:

1. Mail or email a completed Petition form
2. Submit your Rules of Procedure (request an editable sample Word document from dmm@ams.org).
3. Submit Budget for 2012/13 academic year.
4. Required materials should be emailed to: Diane Boumenot, AMS, at dmm@ams.org.

What follows are the details of the Student Chapters program, as approved by the Council.

The American Mathematical Society (AMS) is instituting a program of Student Chapters that will generate interest in the mathematical sciences and encourage students in their mathematical pursuits. These AMS Student Chapters will:

- Receive standard funding of up to $500 annually from the AMS for mathematical activities undertaken by the Student Chapters;
- Offer a focus for small groups of local students to interact among themselves and with more established mathematicians.
- Offer a conduit for resources and advice between the AMS and students in the mathematical sciences.
- Provide a pipeline for future AMS members and their participation in AMS activities and governance.

Such a program of Student Chapters will increase students' awareness of AMS activities and encourage students' current and future involvement in the AMS.

The AMS Student Chapters will initially be established for and by graduate students, although some Chapters may include undergraduate members. We note that at schools that are AMS institutional members, all graduate students are automatically members of the AMS. Standard funding for a chapter will be $500 per year, but funding of up to an additional $500 per year may be available to particularly successful Chapters. Supplemental requests must describe why the Chapter needs the extra funding and how many people will participate in the funded activities. Supplemental funding is contingent on availability of funds.

About Student Chapters

An AMS Student Chapter is designed to generate interest in the mathematical sciences and to provide students with opportunities to:

- Share ideas with fellow students and faculty.
- Hone job skills and explore career opportunities.
- Make contacts with students and faculty at their own and at other institutions.
- Invite guest speakers and organize mathematical meetings.
- Sponsor social functions for the mathematical community.
- Attend local AMS meetings as a group.

The AMS Student Chapter program will benefit both graduate students and the AMS in various ways, including:

- Providing a more direct and reliable means of communication between the AMS and graduate student representatives.
- Providing a focal point for graduate student mathematics, with the potential for obtaining additional funding from local sources.
- Heightening awareness and appreciation of the AMS by graduate students.

AMS Student Chapters may be based at a single college or university, or may include students at several institutions in a localized area. The AMS encourages Chapters to reach out to allied departments such as statistics, computer science, physics, and engineering. The AMS also encourages chapters to integrate with existing chapters from other mathematical organizations such as the AWM and SIAM.

Benefits of Student Chapters

- The AMS provides standard funding of up to $500 per academic year for each Student Chapter to support guest speakers, refreshments for Chapter meetings, and other chapter activities.
- The AMS helps promote Student Chapter activities via listings on the AMS website and links to Chapter websites.
- There may be opportunities to report Chapter activities in the Notices of the AMS.
- Chapter events may be scheduled at Sectional and National AMS meetings.
- Faculty advisors and Chapter officers receive periodic updates from the AMS regarding Chapter activities and news.

Establishing a New Chapter

In order to establish an AMS Student Chapter, the organizers must submit a petition to the AMS Board of Trustees for approval. Below is a list of the information required in the petition. If the petition is approved, a letter of approval will be sent to the faculty adviser and to the Chapter president.

Petition:

The petition must include the following information *(see link to pdf form at top of page)*:

- Sponsoring Organization (generally a college or university).
- Faculty Advisor, with contact information.
- All students who will be charter members of the Student Chapter, including at least 5 students who are AMS members, with contact information. (Note that at institutional members of the AMS, all graduate students are automatically AMS members.)
- Proposed officers of the Student Chapter.
- Rules of Procedure for the proposed Student Chapter (see below)
- Annual budget for the first year of the proposed Student Chapter (see below).

Rules of Procedure:

The organizers should describe the rules that will govern the proposed Student Chapter. A template that can be adapted to fit the specific needs of the Chapter can be requested by emailing dmm@ams.org. Alternatively, organizers may use a template that their sponsoring institution provides.

Some of the items that should be covered are:

- Activities
- Institutions from which members will be recruited
- Membership eligibility
- Benefits of membership
- Officers and terms of office
- Executive and other committees (if any)
- Meetings
- Chapter funds
- Dues (if any)

Budget:

The organizing group should develop a budget for the Student Chapter during its initial year. The organizing group should discuss with the appropriate department how it plans to handle Chapter funds. The group is encouraged to investigate additional sources of funding from departments and the sponsoring institution.

Ongoing Activities and Responsibilities

- Annual Activities Report: The Student Chapter will provide the AMS a report of its activities each year. This report is due by June 30 each year. The AMS will provide an online Annual Activities Report Form that Secretary of the Student Chapter should fill out and submit electronically by June 30 each year.
- Annual Treasurer's Report: The Student Chapter will provide the AMS with a report of its revenue and expenditures each year. The AMS will provide an online Annual Treasurer's Report Form that the Treasurer of the Student Chapter should fill out and submit electronically by June 30 each year.
- Request for Funding: The AMS provides funding for Chapter activities and to help Chapters generate interest in mathematics among students on campus. Student Chapters with at least five AMS members may request up to $500 per academic year from the AMS. Large chapters with extensive activities may request up to $500 of additional supplemental funding. The AMS will provide a Request for Funding Form that Student Chapters should fill out and submit electronically. Except in the initial year, requests for funding should be submitted on or before September 30 of year n for the academic year n to n+1.

For further information, contact Diane Boumenot at the AMS, dmm@ams.org, or call 401-455-4105.

If necessary, mail to:
Diane Boumenot
Membership & Programs
American Mathematical Society
201 Charles Street
Providence RI 02904

Sample of email invitation letters sent October 5, 2012

This message is sent on behalf of AMS President Eric Friedlander.

[name]

[university]

Dear [name],

The American Mathematical Society is launching its AMS Graduate Student Chapters (AMS-GSC) Program. Our plan is to start with a few selected departments, and I write to invite your department to host one of these inaugural AMS graduate student chapters beginning in the 2012-2013 academic year.

This is a program in which the AMS provides up to $500 annually to local graduate student chapters. Local chapters may spend this funding on activities that will encourage mathematical activity for and among graduate students. This means support for social functions for the mathematical community, inviting guest speakers to campus and much more. Particularly large or active chapters may apply for supplemental funding, up to an additional $500 annually.

We expect that AMS-GSC will contribute to the positive atmosphere of mathematics graduate programs, enable activities which support the efforts of graduate students, and encourage graduate students to relate to the AMS. The AMS plans to support the network of AMS-GSC's through postings on the AMS web site, events at AMS meetings, forums for discussion among chapters, and various other forms of communication.

Please contact Diane Boumenot at dmm@ams.org, who can give you details of how to initiate and administer an AMS Graduate Student Chapter in your department. A limited-access web page is located here:

http://www.ams.org/testing/test-AMS-GSC

containing further information and instructions on how to get started.

With best wishes,

Eric M. Friedlander

President, American Mathematical Society

The Fellows of the AMS

The identification of members matching the criteria for designation as Fellows plus the selection of additional members for the initial class of Fellows resulted in a list of 1213 qualified members. Invitations went out in early September to the list. As of October 15, 2012, 1128 responses had been received (of which 32 were declines and 6 were notifications of deaths).

Research is currently underway on the remaining 85 outstanding invitations. Death records such as the Social Security Death Index and obituaries are being re-checked, contact information is being examined and researched, and department chairs from the institutions associated with the potential Fellow are being contacted. So far, significant progress has been made, particularly through the gracious assistance of the department chairs. The status of the follow-up activities will be updated when the ECBT meets.

On November 1, a list will be made available on the web of all accepted Fellows, and press releases will be sent to institutional offices designated by each recipient. The list of names for the printed booklet will be finalized at this time, although it will still be possible, after this time, for invited Fellows to come forward if they had not previously responded.

The evening reception for the Fellows is planned for Friday, January 11, 2013, in San Diego. Attending Fellows and their guests will be treated to dessert and a champagne toast. Booklets containing all names and institutions, as well as a Fellows paperweight, will be distributed. For those not attending, these items will be mailed later in January. Also, a certificate will be mailed to each Fellow in mid-January.

On February 1, 2013 additional Fellows' names will be sent to press offices designated by the Fellows, and the supplementary list of names will be added to the web site. The list will be finalized for the formal presentation in the May, 2013 Notices.

Beginning February 1, 2013, applications for the next round of Fellow selection will be available online, and the closing date for the application period is March 31, 2013. Shortly thereafter a selection committee will begin its work to select the next class of Fellows, and notifications are expected to go out September 1, 2013, with a public announcement on November 1, and a reception at the following JMM.

Attached is the current web page for the Fellows program.

Diane Boumenot, Manager
Membership and Programs Department
October 15, 2012

The web page: http://www.ams.org/profession/ams-fellows/ams-fellows captured 10/12/2012

Fellows of the American Mathematical Society

The Fellows of the American Mathematical Society program recognizes members who have made outstanding contributions to the creation, exposition, advancement, communication, and utilization of mathematics.

Schedule

September 4, 2012: Invitations will be sent by both regular mail and email, whenever possible, to individual members at the addresses associated with their AMS Membership.

October 1, 2012: Deadline for accepting the Fellows invitation

November 1, 2012: The list of the Fellows will be made public on the AMS website.

January 9-12, 2013, Joint Mathematics Meetings: An event to take place during the Joint Mathematics Meetings will welcome new Fellows.

The goals of the Fellows program are:

- To create an enlarged class of mathematicians recognized by their peers as distinguished for their contributions to the profession.
- To honor not only the extraordinary but also the excellent.
- To lift the morale of the profession by providing an honor more accessible than those currently available.
- To make mathematicians more competitive for awards, promotion, and honors when they are being compared with colleagues from other disciplines.
- To support the advancement of more mathematicians in leadership positions in their own institutions and in the broader society.

The responsibilities of Fellows are:

- To take part in the election of new Fellows,
- To present a “public face” of excellence in mathematics, and
- To advise the President and/or the Council on public matters when requested.

The target number of Fellows will be determined by the AMS Council as a percentage of the number of members. The target percentage will be revisited by the Council at least once every ten years and may be increased or decreased in light of the history of the nomination and selection process. The intended size of each year's class of new Fellows should be set with this target size in mind.

Following a selection process, individuals will be invited to become Fellows. They may decline and they may also resign as Fellows at any time.

Fellows receive a certificate, and their names will be listed on the AMS website. The names of new Fellows will also be included in the *Notices* each year.

If they are not already Fellows, the AMS President and Secretary will be made Fellows when they take office.

Initial Implementation

In the initial year of the program, all eligible AMS members during both the years 2010 and 2011 as of January 1, 2012 and who have done one or more of the following will be invited to become AMS Fellows:

1. Given an invited AMS address (including at joint meetings).
2. Been awarded an AMS research prize.
3. Given an invited address at an International Congress of Mathematicians (ICM) or an International Congress of Industrial and Applied Mathematicians (ICIAM).

An additional 50 members who are AMS members during both the years 2010 and 2011 as of January 1, 2012, will be selected to become AMS Fellows. These will be chosen by a committee appointed by the President with the advice of the Executive Committee of the Council. Attention will be paid to selecting AMS members recognized for their contributions beyond research.

See the full text of the Fellows Proposal, as approved by the vote of the AMS membership. Questions about the Fellows program should be directed to the AMS Membership and Programs Department at 800-321-4267, ext 4113.

Proposal to offer foreign institutional members a 20% discount on e-books

Currently, foreign institutional members do not receive a discount on our printed books, due to agreements that the AMS has with its overseas distributors. But these agreements do not extend to e-book products. We propose that these institutional members be offered a discount on our electronic book products.

Offering institutional membership discount of 20% on our e-book products to foreign institutional members serves two purposes. It adds value to the institutional membership and it helps offset the VAT in European Union countries. VAT rates on print products are significantly lower than rates on electronic products. VAT rates on electronic products range from 15% to 25%. On print, the rates range from 0% to 10%.

The discount proposed for foreign institutional members is the same as the discount already given to domestic institutional members.

We currently have 103 foreign institutional members and 84% of them are European institutions in the EU.

Almost half of the European members are schools in Germany. The VAT on electronic products in Germany is 19%.

Most of the institutional members in Europe are well-known, high-level universities and institutes that are more likely to be purchasers of the print volumes of AMS books through the European distributor, Eurospan group.

Eurospan has approximately 75 standing orders for the Contemporary Mathematics (CONM) series. Eurospan receives a 52.5% discount off list price on book sales. Any sites that we convert to the electronic subscription for CONM from the print standing order represent an increase in revenue to the AMS.

Lori Sprague
Director, Sales and Member Services
October 5, 2012

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Celebrating 125 Years

Advancing Mathematics Since 1888

In 2013, the American Mathematical Society will celebrate its 125th anniversary. Founded in 1888 to further the interests of mathematics research and scholarship, the AMS continues to serve the national and international community through its meetings, publications, advocacy, and other programs.

Celebrate the 125th at JMM

The American Mathematical Society is pleased to sponsor a ***WiFi Hotspot*** at the 2013 Joint Mathematics Meetings in San Diego, January 9–12 as another way to carry on the tradition of connecting mathematicians. The hotspot is located on the 2nd Floor, Bayside area of the San Diego Convention Center.

Visit the AMS book exhibit booth to enjoy unique 125th Anniversary specials:

- $125 AMS Bookstore gift certificate giveaway. Stop by the booth and enter to win. Winners will be announced daily.
- Free limited edition AMS 125th anniversary canvas bag with $125 purchase. Quantities are limited, so be sure to stop by early.
- AMS 125th anniversary T-shirts. Show your AMS pride with this special shirt, available for purchase at the AMS book booth.

Join us at the AMS Membership booth

- Anniversary cake will be served in the membership booth in the exhibit hall at 3:00 p.m. on Thursday, January 10. Come join the celebration!
- A special anniversary pin will be given to any AMS member who visits the membership booth any time during exhibit hours.

Find the AMS exhibits in aisle 800.

AMS 125th Anniversary Gala

Saturday, January 12 at 7:00 p.m. To launch the year-long festivities celebrating the Society's 125th anniversary, the AMS invites its members and friends to a celebratory dinner. Gourmet food stations and music will complement the special program. The gala will be held this year in place of the traditional banquet. Tickets are US$62 including tax and gratuity. The gala will be preceded by a reception at 6:00 p.m.

Throughout the Year

There will be special celebrations at AMS Sectional Meetings and special book sales on the AMS Bookstore. Look for announcements throughout 2013:

- *Headlines & Deadlines*
- *Headlines & Deadlines for Students*
- AMS Facebook

News

- Shapley and Roth Win Nobel Prize
- Chudnovsky and Spielman Named 2012 MacArthur Fellows
- News about the ABC Conjecture
- AMS Supports Golden Goose Award

Calendar

- Mathematics of Planet Earth 2013
- 2013 Joint Mathematics Meetings
- MCA 2013
- AMS at Mathematics, Scientific and Publishing Meetings

- AMS Twitter

Looking Back

The history of mathematics during the past 125 years is documented in AMS books, in the vast archive of AMS research journals, in *Notices* and *Bulletin of the AMS*, and in reviews on MathSciNet®. The AMS Prizes & Awards section of the AMS website is a wonderful tribute to the important contributions of eminent mathematicians from around the world. Here are a few resources for AMS history:

- AMS Presidents Timeline
- Free online books on AMS history (*Semicentennial History of the American Mathematical Society, 1888–1938*, by Raymond Clare Archibald and *History of the Second Fifty Years, American Mathematical Society, 1939–1988*, by Everett Pitcher)
- AMS Facebook Timeline, including facts, figures, and anecdotes about the Society, its leaders, meetings, programs, and members. You are invited to share your recollections.

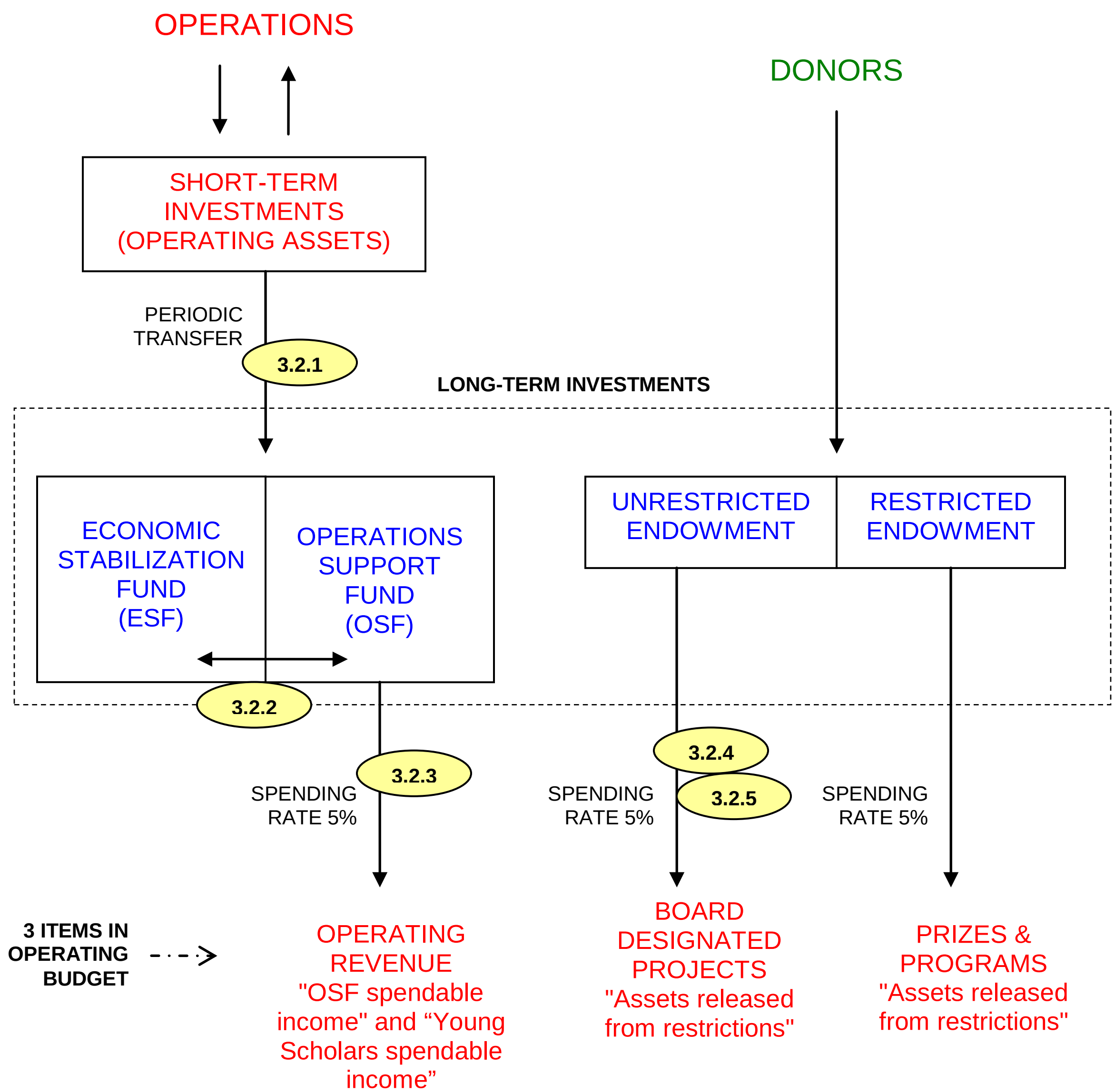
Looking Forward

The AMS continues to advance the profession through travel grants, new prizes/awards, upcoming AMS sectional, international, and national meetings, and programs that bring young mathematicians into the pipeline and help early-career mathematicians.

The AMS thanks all its members, leaders, staff and volunteers, and looks forward to more milestones over the next 125 years!

AMS Long-term Investments
Cliffs Notes

(*For details, see section D of Fiscal Reports*)



ESF = 75% annual operating expenses + unfunded medical liability (APBO)
OSF = remainder of quasi-endowment (spending on 3-yr rolling average)
Rebalanced annually, December 31
Note: Spendable income from true endowment funds held in Temp Restricted net assets and 'released' to operations as related expenses are incurred.

Values as of:	*12/31/11*	*12/31/10*
ESF	$24.4 M	$23.7 M
OSF	45.0 M	43.6 M
Unrestricted	5.6 M	5.9 M
Restricted	4.4 M	4.5 M

Appropriated Spendable Income

This version of the plan allocates $201,000 of the total available funding of $201,000. We encourage the Board to make suggestions as well for alternative allocations.

Each year, the Board approves a list of designated projects that are paid for (in part) by spendable income from the unrestricted endowment. Those projects are selected to represent a variety of activities all of which are consistent with the mission of the Society.

Here are brief descriptions of the projects for 2013 appropriations.

Fellows of the American Mathematical Society ($25,000)

The launch of the Fellows program and the induction of the inaugural Fellows are expected to incur total expenses of approximately $71,000 in 2013. The budgeting of some revenue from unrestricted endowment will offset expenses of the inauguration event at JMM in San Diego.

Launch of Activity Groups ($25,000)

The Committee on the Profession has recommended to the Council that final approval be given at the January 3013 meeting to start a program of AMS Activity Groups. Ongoing support of Activity Groups will rely of collaboration and professional networking software licensed from Higher Logic™. The allocated funding will offset part of the first year expense.

AAAS Congressional Fellow ($94,000)

For several years now the AMS has supported a congressional fellow. Fellows are placed in a congressional office (or equivalent) and spend a year serving that office. Fellows do NOT represent the AMS, but they provide mathematical expertise, in addition to gaining government expertise themselves. The goal is to build a cadre of knowledgeable mathematicians who can serve the interests of mathematics, either inside or outside government.

Mathematics Research Communities ($20,000)

The MRC program is funded (mainly) by a grant from the National Science Foundation, which pays for participant support and the basic cost of operation. We found in the past three years, however, that having a budget for extras not covered by the NSF grant greatly enriched the program. MRC promises to be a gem in the Society's outreach programs, and investing some extra money in those extras will pay great dividends in the future. Two new initiatives that the 2013 funding will help support are (i) modest support for follow-up collaboration by participants of MRCs in prior years and (ii) partial support by the AMS of participants from abroad.

2013 International Meeting in Romania ($12,000)

The Society cosponsors one international meeting each year. The allocated funding will be used to partially support expenses of participation in the scientific program of the meeting in Romania in June 2013.

SACNAS Sponsorship and Participation ($10,000)

The AMS continues to support the work of the Society for the Advancement of Chicanos and Native Americans in Science (SACNAS). The AMS sponsors a scientific session at the SACNAS annual meeting and participates in the meeting with the *Who Wants To Be A Mathematician* game.

MathJax Development ($15,000)

MathJax is server-based software for rendering LaTeX expressions into mathematical expressions that can be displayed by standard web browsers. MathJax development was supported jointly by the AMS, SIAM and Design Science. Since its release in 2010, it has gained a broad group of users and financial supporters. A current priority for ongoing development is to adapt MathJax to the ePub3 standard for electronic books. This holds great promise for displaying mathematics with free flowing text, which is important for the quality of display of mathematics on small screen devices.

Don McClure, Executive Director
Emily Riley, Chief Financial Officer

AMERICAN MATHEMATICAL SOCIETY

To: Investment Committee

From: Emily Riley

Subject: Addendum to Spending Rate Five Year Review of May 2012

Date: September 18, 2012

Summary and Recommendation

For the May 2012 Investment Committee meeting, staff made a recommendation to reduce the spending rate from 5% to 4.5%. After the committee discussed the proposal and staff analysis, the committee suggested that a 4% spending rate would be appropriate, given the historical market returns, and the committee's suggestion that the effective rate of spending should be around 2%. Currently, the effective rate of spending for the entire long term portfolio is 2.7%, and a reduction of the spending rate to 4% would bring the effective rate to about 2%, depending on the market returns for the year.

Since the May 2012 meeting, staff recommendations have changed to the following:

1. Reduce the spending rate from 5% to 4% annually as of 2013, to be used to calculate 2013 budgeted revenue.
2. Designate an Endowment Income Stabilization Fund (EISF) of $500,000.
    a. This would be a fund with a five to ten year life span, so it would be a board-designated fund within the Intermediate-Term Portfolio.
    b. The goal of the fund would be to supplement the endowment funds that are currently not producing enough spendable income or their market values are too close to their original gift values. With the lower spending rate, these funds should recover over the intermediate-term of five to ten years. Eventually, there may be no need for the EISF.
    c. The initial funds of $500,000 would be taken from the Long-Term Portfolio at the 2012 year-end from funds owed to operations.
    d. The funds would be invested in an intermediate-term fixed income fund, such as Vanguard's Intermediate Term Bond Index Fund or Intermediate Term Investment-Grade Fund. Fund information is attached.
    e. Part of the corpus and/or investment returns from the fund would be moved from the Intermediate-Term Portfolio to operations to supplement endowment spendable income, when an endowment fund has not produced enough income to fund its stated goal.
    f. Part of the corpus and/or interest would be loaned from the Intermediate-Term Portfolio to the Long-Term Portfolio when endowment funds fall below their original gift value. The Long-Term Portfolio would return the loaned funds when they are recouped through market returns.
    g. At each Board of Trustees meeting, the BT will review and approve movements to and from the EISF.
3. Communicate with the Development Committee by providing a list of funds within the endowment, which need additional funding to meet its stated funding goal at a 4% spending rate. Additional fund raising may be needed to stabilize some of the funds.

4. Reduce the primary objective of the long-term portfolio from a real total return of at least 5% to 4% over the long-term.

Supplemental Supporting Information

A great deal of research and analysis went into the Investment Committee Spending Rate Five Year Review that occurred in May. This addendum provides supplemental information to that review, as requested by the committee.

The Effects of Reducing the Spending Rate.

Table 1 shows the real value (adjusted for inflation) of $1,000 if invested in the Society's Long-Term Portfolio for 20 years with a 4% spending rate. The real value would have significantly exceeded $1,000 in 2011, if the portfolio had a spending rate policy of 4%. The real value of $1,000 invested in the Long-Term Portfolio for 20 years with a 5% spending rate is $959. This suggests that a 4% spending rate is sufficient to allow endowment funds to recover value over a period of time.

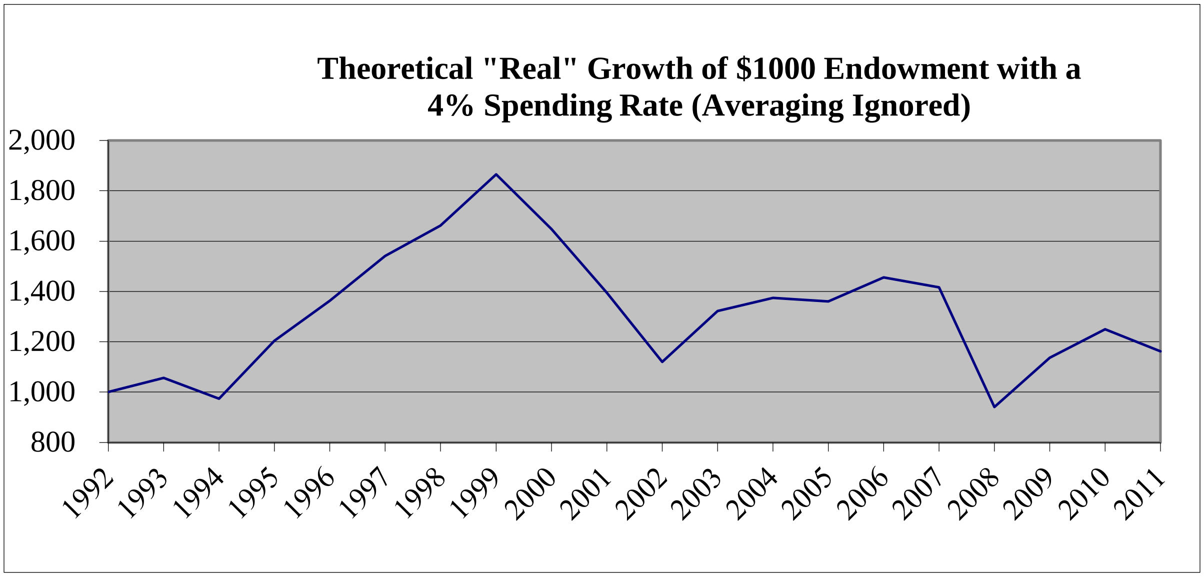


Table 1

With a reduced spending rate of 4%, certain endowment funds will not produce enough spendable income to fund their stated goal. The deficit is expected to be approximately $50,000 per year while funds are recovering market value as shown in Table 2.

Effect of Actual 5% Spending Rate vs. 4.5% and 4% on 2012 Spendable Income

	Actual 5% spending rate	**4.5% spending rate**	**4% spending rate**	**Quantified Measure of Spendable Income Needed 1/1/2012**	**Approximate Deficit in spendable income @4% spending rate**
Restricted Income Endowment	$195,000	$175,000	$156,000	$174,000	$18,000
Unrestricted Income Endowment*	$260,000	$234,000	$208,000	$234,000	$26,000
Operations Support Fund (OSF)*	$1,744,000	$1,570,000	$1,395,000	$1,395,000	
Young Scholars Fund	$28,300	$25,500	$22,600	$29,000	$6,400
Total	$2,227,300	$2,004,500	$1,781,600	$1,832,000	$50,400

*It is difficult to determine the exact need for the OSF and Unrestricted Income endowment spendable income at this time, because our operations provide net income to support program needs in addition to these spendable income funds. It is normally driven more by availability of funds.

Table 2

The Intermediate-Term Solution

If a constant spending rate can be applied to an endowment whose net growth (total return less spending) matches inflation, then the beneficiaries in the next generation will receive a benefit from the endowment that is equitable when compared to the benefits received by the current generation. This is often referred to as “intergenerational equity”. After reviewing the data, it appears that in the long-term a 4% spending rate will support intergenerational equity. However, in the shorter- or intermediate-term, a reserve is needed to support certain funds that will not provide enough spendable income. This proposed reserve, the Endowment Income Stabilization Fund (EISF), will be part of the Intermediate-Term Portfolio, because it probably will not be needed any longer than 10 years. Within 10 years, through fundraising efforts and recovery of market value through a lower spending rate, the endowment funds should recover.

Exhibit 1 highlights certain funds that would benefit from fundraising efforts either because a 4% spending rate will not produce enough spendable income or because the fund’s market value sometimes falls below the original gift value. When funds fall below their original gift value, the Society must provide funds to bring them back to that original value. The Society’s operations funded these deficits in 2008 and 2011 with approximately $492,000 and $13,000, respectively.

The expected demands upon the EISF will be approximately $50,000 a year to supplement spendable income, and an unknown amount to supplement the funds when there are market adjustments, such as those that occurred in 2008 and 2011. The initial EISF fund value would be $500,000, and the initial funds would be taken from the Long-Term Portfolio at the 2012 year-end from funds owed to operations. The $500,000 would be invested in one of two suggested Vanguard funds, the Intermediate Term Bond Index Fund or Intermediate Term Investment-Grade Fund.

Endowment and Board Restricted Funds and the Activities they Support

****Shading indicates a fund that is not producing enough spendable income or market value of gift is dangerously low.****

Endowment Funds:			**Updated 11/12**	
Income Restricted:	**Original Gift**	**12/31/2011**	**Approximate Fundraising**	
Research Prize Funds	**at 12/31/2011**	**Total Value**	**Needs**	
Steele	145,009	552,719		3 annual awards of $5,000 each
Birkhoff	50,112	69,424		Award of $5,000 every three years, next award in 2012
Veblen	29,773	36,824	13,176	Award of $5,000 every three years, next award in 2013
Wiener	29,773	36,824	13,176	Award of $5,000 every three years, next award in 2013
Bocher	32,557	37,409	12,591	Award of $5,000 every three years, next award in 2014
Conant	9,477	36,862		Annual award of $1,000
Cole Number Theory	33,063	38,136	11,864	Number Theory - award of $5,000 every 3 years, next award in 2013
Cole Algera	33,063	38,136	11,864	Algebra - award of $5,000 every three years, next award in 2012
Satter	43,212	55,091		Award of $5,000 every other year, next award in 2013
Doob Prize	45,000	45,572	4,428	Award of $5,000 every three years, next award in 2014
Robbins Prize	41,250	42,408	7,592	Award of $5,000 every three years, next award in 2013
Eisenbud Prize	40,000	40,000	10,000	Award of $5,000 every three years, next award in 2014
Moore	0	0		Award of $5,000 every three years for research article in AMS journal
Other Prize and Award Funds				
Morgan	25,000	40,114		Annual award of $1,000
Albert Whiteman	93,618	95,893		Award of $5,000 every four years, next award in 2012
Arnold Ross Lectures	70,000	71,401	5,000	Partially supports annual Arnold Ross Lecture
Trjitzinsky	196,030	444,400		Annual scholarships for undergrads,
C.V. Newsom	100,000	206,799		Supports von Neumann Symposium, usually every four years (2014 scheduled)
Centennial	56,100	106,033	893,967	Partially supports annual Centennial Fellowships
Menger	97,250	100,473	12,000	Supports annual awards at the International Science Fair ($ also held by Duke)
Ky Fan (China)	366,757	366,757	10,000	Supports Ky Fan China Program
2011 Addition	10,000	10,000		To be determined
Epsilon	1,652,259	1,698,148	160,000	Partially supports Young Scholars Program
Einstein Lecture	100,000	102,836	8,000	Supports the Einstein Lecture
Exemplary Program	100,000	102,207	37,793	Supports the annual $5,000 Exemplary Program Prize awarded to Math Depts
Mathematical Art	20,000	20,441	5,000	Supports the prizes for mathematical art at the Joint Mathematical Meeting
Total (Income Restricted)	**3,419,303**	**4,394,907**	**1,216,451**	
Income Unrestricted:				
Endowment	100,310	681,420		In total, the spendable income from income unrestricted true endowment funds is used to support certain annual activities of the AMS in the operating budget which are specifically approved by the BT during the budget approval process.
Morita	100,000	122,449		
Henderson	548,223	3,651,371		
Schoenfeld/Mitchell	573,447	692,284		
Laha	189,309	232,581		
Ritt	51,347	217,543		
Moore	2,575	20,506		
Total (Income Unrestricted)	**1,565,211**	**5,618,154**		
Total Endowment Funds	**4,984,514**	**10,013,061**		
Quasi-Endowment Funds:				
Journal Archive Fund		920,784		Income not used - available for future use when changes to electronic archive formats are necessary
Young Scholars		614,005		Partially supports Young Scholars Program (use of spendable income was budgeted and used for the first time in 2009)
Economic Stabilization Fund		24,430,891		Income not used - a true reserve fund that is adjusted annually to a target balance
Operations Support Fund		45,052,392		Partially supports annual AMS operations - receives excess or makes up for shortfall in Economic Stabilization fund annually
Total Quasi-Endowment Funds		**71,018,071**		
Total All Funds		**81,031,132**		**This is the total amount of the long-term investment portfolio 'owned' by these funds (excluding segregated accounts, see below)**

Vanguard® Intermediate-Term Bond Index Fund

As of June 30, 2012

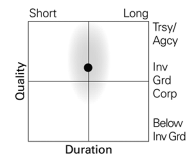
Product Summary

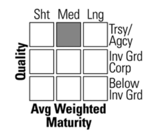
- Seeks to track the performance of the Barclays U.S. 5–10 Year Government/Credit Float Adjusted Index.
- Diversified exposure to the intermediate-term, investment-grade U.S. bond market.
- Passively managed using index sampling.
- Provides moderate current income with high credit quality.

Vanguard Style View — Intermediate-Term Bond

■ Expected range of fund holdings
■ Central tendency

Bonds: Invests in U.S. Treasury, agency, and investment-grade corporate securities with intermediate duration.





People and Process

Vanguard Intermediate-Term Bond Index Fund seeks to track the investment performance of the Barclays U.S. 5–10 Year Government/Credit Float Adjusted Index, an unmanaged benchmark representing the intermediate-term, investment-grade U.S. bond market. The fund provides moderate current income by investing in intermediate-maturity U.S. Treasury, agency, and investment-grade corporate securities. The fund's passive investment style uses a sampling technique to closely match key benchmark characteristics: sector weight, coupon, maturity, effective duration, convexity, and credit quality. Optimized sampling is designed to avoid the expense and impracticality of fully replicating the index.

People and Process (continued)

Vanguard Fixed Income Group

Launched in 1975, The Vanguard Group, Malvern, Pennsylvania, is among the world's largest equity and fixed income managers. As chief investment officer and managing director, George U. Sauter oversees Vanguard's Equity Investment and Fixed Income Groups. Since joining Vanguard in 1987, he has been a key contributor to the development of Vanguard's stock indexing and active quantitative investment strategies. Robert F. Auwaerter, principal and head of Fixed Income Group, has direct oversight responsibility for all money market, bond, and stable value portfolios managed by the Fixed Income Group. He has managed investment portfolios since 1978, and has been with Vanguard since 1981. Kenneth E. Volpert, CFA, principal and head of Vanguard's Taxable Bond Group has direct oversight responsibility for all taxable bond funds managed by the Fixed Income Group. He has managed investment portfolios since 1982 and has been with Vanguard since 1992. Christopher W. Alwine, CFA, principal and head of Vanguard's Municipal Bond Funds has direct oversight responsibility for all tax-exempt bond funds managed by the Fixed Income Group. He has managed investment portfolios since 1996 and has been with Vanguard since 1990. Pamela Wisehaupt Tynan, principal and head of Vanguard's Municipal Money Market Funds, has direct oversight responsibility for all tax-exempt money market funds managed by the Fixed Income Group. She has managed investment portfolios since 1988 and has been with Vanguard since 1982. The Fixed Income Group offers actively managed investments in U.S. Treasury, corporate, and tax-exempt securities, as well as passively managed index portfolios. Since 1981, it has refined techniques in total-return management, credit research, and index sampling to seek to deliver consistent performance with transparency and risk control. The group has advised Vanguard Intermediate-Term Bond Index Fund since 1994.

Investment Manager Biographies

Joshua C. Barrickman, CFA, Principal
- Portfolio manager.
- Advised the fund since 2008.
- Worked in investment management since 1999.
- B.S., Ohio Northern University.
- M.B.A., Lehigh University.

Quarterly Commentary

- In the second quarter, U.S. Treasuries and investment-grade corporate bonds outperformed high-yield bonds as well as stocks as a result of risk-adverse investors' search for stability. The Barclays U.S. Aggregate Bond Index returned 2.06%. Corporate bonds, as measured by the Barclays U.S. Credit Index, returned 2.46%, while U.S. Treasuries, as measured by the Barclays U.S. Treasury Index, returned 2.83%.
- Yields of most U.S. Treasuries fell during the second quarter. Spreads, or the differences in yields between investment-grade corporate bonds and Treasuries with comparable maturities, slightly widened.
- The Spliced Barclays U.S. 5–10 Year Government/Credit Float Adjusted Index, which is the benchmark for the Intermediate-Term Bond Index Fund, returned 3.23% in the quarter. The return of the benchmark index fell between the returns of the Barclays U.S. 1–5 Year Government/Credit Float Adjusted Index (+0.59%) and the Barclays U.S. Long Government/Credit Float Adjusted Index (+7.32%).
- Within the investment-grade corporate sector, higher-quality bonds outpaced lower-quality issues. Aaa-rated issues returned 3.6%, compared with 2.3% for Baa-rated bonds. Bonds of utilities (+3.7%) outperformed those of industrials (+2.7%) and financials (+1.9%) for the quarter.
- Small deviations in the fund's performance versus that of the benchmark index, whether positive or negative, may occur given the fund's sampling approach to approximate the index and temporary pricing differences between the fund and the index.

Total Returns

	Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception
Intermediate-Term Bond Index Fund							
Investor Shares (3/1/1994)	3.28%	3.92%	10.99%	9.82%	8.57%	6.76%	—
Admiral Shares (11/12/2001)	3.31	3.97	11.11	9.94	8.68	6.85	—
Signal Shares (6/4/2007)	3.31	3.97	11.11	9.94	8.68	—	8.48%
Institutional Shares (1/26/2006)	3.31	3.99	11.15	9.98	8.72	—	7.52
Institutional Plus Shares (11/30/2011)	3.32	4.00	—	—	—	—	5.91
Spliced Barclays U.S. 5-10 Yr Government/Credit Float Adjusted Index	3.23	3.97	11.05	9.98	8.58	6.90	—

Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. All returns are net of expenses.

Note: Spliced Barclays U.S. 5–10 Year Government/Credit Float Adjusted Index: Barclays U.S. 5–10 Year Government/Credit Bond Index through December 31, 2009; Barclays U.S. 5–10 Year Government/Credit Float Adjusted Index thereafter. The fund reserves the right to require investors purchasing shares in the amount of $50 million or more to pay a transaction fee to offset the fund's transaction costs associated with the purchase of securities necessary to cover the investment. Institutional class shareholders are required to maintain a minimum balance of $5 million. Admiral class shareholders are required to maintain specific minimum balances and meet other special criteria. These shares are not available to recordkeeping clients.

Quarterly Returns: Investor Shares

					Year-End		
Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Inter.-Term Bond Index	Spliced Barclays 5–10 Year Gov/Credit FA Index	Assets (Millions)
2012	0.61%	3.28%	—	—	—	—	$2,171
2011	0.24	3.32	5.18%	1.55%	10.62%	10.79%	2,129
2010	2.19	5.32	4.71	-2.95	9.37	9.44	2,378
2009	-0.76	2.14	5.39	-0.03	6.79	6.50	3,479
2008	3.20	-2.21	-2.67	6.83	4.93	5.06	3,318
2007	1.52	-1.02	3.37	3.60	7.61	7.55	3,020
2006	-1.35	-0.56	4.62	1.24	3.91	3.81	2,929
2005	-1.28	4.08	-1.29	0.33	1.75	1.83	3,009
2004	3.77	-3.88	4.41	1.04	5.22	5.30	3,501
2003	1.82	4.57	-0.74	-0.03	5.65	5.97	2,749
2002	-0.67	3.36	5.77	2.08	10.85	13.03	2,415

Quarterly Returns: Admiral Shares

					Year-End		
Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Inter.-Term Bond Index	Spliced Barclays 5–10 Year Gov/Credit FA Index	Assets (Millions)
2012	0.64%	3.31%	—	—	—	—	$5,767
2011	0.27	3.35	5.21%	1.58%	10.74%	10.79%	5,320
2010	2.22	5.35	4.74	-2.92	9.49	9.44	4,623
2009	-0.74	2.16	5.42	0.00	6.90	6.50	2,508
2008	3.22	-2.19	-2.65	6.85	5.01	5.06	2,458
2007	1.54	-1.00	3.40	3.62	7.70	7.55	2,308
2006	-1.33	-0.54	4.63	1.26	3.98	3.81	3,118
2005	-1.27	4.10	-1.27	0.35	1.82	1.83	2,949
2004	3.79	-3.86	4.43	1.06	5.30	5.30	1,127
2003	1.83	4.58	-0.73	-0.01	5.70	5.97	756
2002	-0.66	3.38	5.78	2.09	10.91	13.03	662

Quarterly Returns: Signal Shares

					Year-End		
Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Inter.-Term Bond Index	Spliced Barclays 5–10 Year Gov/Credit FA Index	Assets (Millions)
2012	0.64%	3.31%	—	—	—	—	$3,193
2011	0.27	3.35	5.21%	1.58%	10.74%	10.79%	2,690
2010	2.22	5.35	4.74	-2.92	9.49	9.44	2,255
2009	-0.74	2.16	5.42	0.00	6.89	6.50	1,918
2008	3.22	-2.19	-2.65	6.85	5.01	5.06	1,720
2007[1]	—	-0.33	3.39	3.62	6.78	6.64	1,443

1 Since inception of the share class, 6/4/2007.

Quarterly Returns: Institutional Shares

Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year-End Inter.-Term Bond Index	Year-End Spliced Barclays 5–10 Year Gov/Credit FA Index	Year-End Assets (Millions)
2012	0.65%	3.31%	—	—	—	—	$824
2011	0.28	3.36	5.22%	1.59%	10.78%	10.79%	689
2010	2.23	5.36	4.75	-2.91	9.53	9.44	582
2009	-0.73	2.17	5.43	0.01	6.95	6.50	522
2008	3.22	-2.18	-2.65	6.87	5.05	5.06	508
2007	1.54	-0.99	3.40	3.63	7.73	7.55	271
2006[2]	-0.99	-0.53	4.64	1.27	4.36	4.13	181

2 Since inception of the share class, 1/26/2006.

Quarterly Returns: Institutional Plus Shares

Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year-End Inter.-Term Bond Index	Year-End Spliced Barclays 5–10 Year Gov/Credit FA Index	Year-End Assets (Millions)
2012	0.66%	3.32%	—	—	—	—	$115
2011[3]	—	—	—	1.84%	1.84%	1.71%	107

3 Since inception of the share class, 11/30/2011.

Fund Facts

	Investor Shares	Signal Shares	Institutional Shares
Fund Number	0314	1350	0504
Ticker	VBIIX	VIBSX	VBIMX
Newspaper Listing	ITBond	ITBondSgl	ITBondInstl
CUSIP Number	921937306	921937843	921937884
Assets (millions)	$2,171	$3,193	$824
Inception	3/1/1994	6/4/2007	1/26/2006
Expense Ratio (as of 4/2012)	0.22%	0.11%	0.07%
SEC 30-Day Yield	1.91%	2.01%	2.03%

Risk Statement

The fund's risk profile is similar to that of the intermediate-term, investment-grade U.S. fixed income market. Interest rate risk and income risk are moderate, reflecting the fund's intermediate duration. Credit risk is low because the fund purchases only bonds issued by the U.S. Treasury or by corporations whose securities are rated as investment-grade.

Volatility Measures

	R-squared	Beta
Spliced Barclays U.S. 5-10 Yr Government/Credit Float Adjusted Index	0.99	1.02
Spliced Barclays U.S. Aggregate Float Adjusted Index	0.97	1.62

R-squared and beta are calculated from trailing 36-month fund returns relative to the associated benchmark.

Fixed Income Characteristics

	Inter.-Term Bond Index	Barclays 5–10 Year Gov/ Credit Float Adj Index
Number of Bonds	1,311	1,704
Average Maturity	7.3 years	7.3 years
Average Duration	6.4 years	6.4 years
Short-Term Reserves	0.9%	—

Distribution by Issuer

	% of Portfolio
Asset-Backed	0.0%
Commercial Mortgage-Backed	0.0
Finance	13.4
Foreign	5.8
Government Mortgage-Backed	0.1
Industrial	23.4
Treasury/Agency	52.9
Utilities	4.4
Total	**100.0%**

Distribution by Credit Quality

	% of Portfolio
Treasury/Agency	53.0%
Aaa	1.1
Aa	4.2
A	21.3
Baa	20.4
Below Baa	0.0
Total	**100.0%**

Credit-quality ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). “NR” is used to classify securities for which a rating is not available. U.S. Treasury, U.S. Agency, and U.S. Agency mortgage-backed securities appear under “U.S. Government.” Credit-quality ratings for each issue are obtained from Barclays using ratings derived from Moody's Investors Service, Fitch Ratings, and Standard & Poor's. When ratings from all three agencies are available, the median rating is used. When ratings are available from two of the agencies, the lower rating is used. When one rating is available, that rating is used.

Distribution by Maturity

	% of Portfolio
Under 1 Year	0.0%
1 to 5 Years	3.0
5 to 10 Years	97.0
10 to 20 Years	0.0
20 to 30 Years	0.0
Over 30 Years	0.0
Total	**100.0%**

Disclosures

Past performance—especially short-term past performance—cannot be used to predict future returns. Investment returns and principal value (with the exception of money market funds, which seek to maintain a stable $1 per share net asset value) will fluctuate, so that investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at www.vanguard.com/performance.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the funds seek to preserve the value of your investment at $1 per share, it is possible to lose money by investing in such a fund.

The structured equity mandates are managed by Vanguard Fiduciary Trust Company, a subsidiary of The Vanguard Group.

Visit our website, call 866-499-8473, or contact your broker to obtain a product description and prospectus for Vanguard ETF™ Shares. Investment objectives, risks, charges, expenses, and other important information are contained in these documents; read and consider them carefully before investing. For more information about Vanguard funds, visit www.vanguard.com, or call 800-523-1036, to obtain a prospectus.

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Investments in Target Retirement Funds are subject to the risks of their underlying funds. The year in the Fund name refers to the approximate year (the target date) when an investor in the Fund would retire and leave the work force. The Fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in the Target Retirement Fund is not guaranteed at any time, including on or after the target date.

Vanguard® Intermediate-Term Investment-Grade Fund

As of June 30, 2012

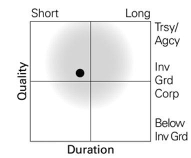
Product Summary

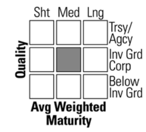
- Intermediate-term, investment-grade fixed income securities.
- Seeks moderate and sustainable current income.
- Invests primarily in high-quality (investment-grade) corporate bonds.
- Approach focused on intensive credit analysis and risk control.

Vanguard Style View — Intermediate-Term Bond

■ Expected range of fund holdings
■ Central tendency

Bonds: Portfolio of high-quality, intermediate-term corporate bonds.





People and Process

Vanguard Intermediate-Term Investment-Grade Fund seeks a moderate and sustainable level of current income, and aggregate performance consistent with intermediate-term, investment-grade fixed income securities. While investing primarily in intermediate-term corporate bonds, the fund may also have exposure to corporate obligations with shorter or longer maturities. At least 95% of assets are invested in investment-grade securities rated Baa or higher. The fund maintains a weighted average maturity of 5–10 years. Vanguard Fixed Income Group, the fund's advisor, emphasizes sectors and securities that represent good relative value, and modestly adjusts portfolio duration based on the near-term interest rate outlook, the shape of the yield curve, and other factors.

People and Process (continued)

Vanguard Fixed Income Group

Launched in 1975, The Vanguard Group, Malvern, Pennsylvania, is among the world's largest equity and fixed income managers. As chief investment officer and managing director, George U. Sauter oversees Vanguard's Equity Investment and Fixed Income Groups. Since joining Vanguard in 1987, he has been a key contributor to the development of Vanguard's stock indexing and active quantitative investment strategies. Robert F. Auwaerter, principal and head of Fixed Income Group, has direct oversight responsibility for all money market, bond, and stable value portfolios managed by the Fixed Income Group. He has managed investment portfolios since 1978, and has been with Vanguard since 1981. Kenneth E. Volpert, CFA, principal and head of Vanguard's Taxable Bond Group has direct oversight responsibility for all taxable bond funds managed by the Fixed Income Group. He has managed investment portfolios since 1982 and has been with Vanguard since 1992. Christopher W. Alwine, CFA, principal and head of Vanguard's Municipal Bond Funds has direct oversight responsibility for all tax-exempt bond funds managed by the Fixed Income Group. He has managed investment portfolios since 1996 and has been with Vanguard since 1990. Pamela Wisehaupt Tynan, principal and head of Vanguard's Municipal Money Market Funds, has direct oversight responsibility for all tax-exempt money market funds managed by the Fixed Income Group. She has managed investment portfolios since 1988 and has been with Vanguard since 1982. The Fixed Income Group offers actively managed investments in U.S. Treasury, corporate, and tax-exempt securities, as well as passively managed index portfolios. Since 1981, it has refined techniques in total-return management, credit research, and index sampling to seek to deliver consistent performance with transparency and risk control. The group has advised Vanguard Intermediate-Term Investment-Grade Fund since 1993.

Investment Manager Biographies

Gregory S. Nassour, CFA, Principal
- Portfolio manager.
- Advised the fund since 2008.
- Worked in investment management since 1992.
- B.S., West Chester University.
- M.B.A., St. Joseph's University.

Quarterly Commentary

- In the second quarter, domestic fixed income securities registered another favorable performance, returning 2.06%, as measured by the Barclays U.S. Aggregate Bond Index. The returns of U.S. Treasuries and high-grade corporates were strong relative to those of lower-quality issues, reversing the pattern in the first quarter. In this environment, the Intermediate-Term Investment-Grade Fund underperformed the Barclays U.S. 5–10 Year Credit Index (+2.57%) but outperformed the average mutual fund peer (+1.98%).
- Investors fled to low-risk assets after weaker-than-expected economic data raised their recession concerns. Rising demand for government debt led to a rally in longer-dated Treasury securities. At one point during the quarter, the 10-year Treasury yield reached a record low of 1.44% (the previous low was set in 1944). For the quarter, the 5-year Treasury yield declined 32 basis points (to 0.72%), while the 10-year Treasury yield fell 56 basis points (to 1.64%).
- The fund's overweight in AAA-rated securities and underweight in lower-quality credits aided its performance relative to the index since AAA-rated securities outperformed BBB-rated issues with similar durations for the period. The advisor's long-standing practice of maintaining a modest allocation to Treasuries made a small positive contribution to the fund's performance since intermediate-term Treasuries outperformed corporates with comparable maturities.
- The advisor's 6% allocation, at quarter-end, to asset-backed securities—primarily high-quality auto loans and credit card receivables—aided performance since these securities outperformed comparable corporates. The fund's strategically shorter duration positioning relative to its benchmark was also a headwind to performance.
- For the 12 months ended June 30, the fund trailed its benchmark (+9.78%) but outperformed its peer-group average (+6.86%). The advisor's structurally shorter duration positioning offset the positive contribution from the fund's modest allocation to commercial mortgage-backed securities, resulting in the fund's underperformance relative to the benchmark. Relative to the peer-group average, the fund's low expense ratio and overweight to higher-quality credits drove its outperformance.

Total Returns

	Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years
Intermediate-Term Investment-Grade Fund						
Investor Shares (11/1/1993)	2.23%	4.68%	8.95%	10.69%	7.66%	6.36%
Admiral Shares (2/12/2001)	2.25	4.73	9.05	10.82	7.78	6.47
Barclays U.S. 5-10 Year Credit Bond Index	2.57	5.54	9.78	11.70	8.39	7.11
Intermediate Investment-Grade Debt Funds Average	1.98	3.51	6.86	8.19	5.67	4.85

Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. All returns are net of expenses.

Note: Average fund returns are derived from data provided by Lipper Inc. Admiral class shareholders are required to maintain specific minimum balances and meet other special criteria. These shares are not available to recordkeeping clients.

Quarterly Returns: Investor Shares

					Year-End		
Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Inter.-Term Invest.-Grade	Barclays 5–10 Year Credit Index	Assets (Millions)
2012	2.40%	2.23%	—	—	—	—	$5,098
2011	0.95	2.33	2.19%	1.85%	7.52%	8.21%	4,660
2010	3.37	3.59	4.90	-1.66	10.47	10.54	4,837
2009	-0.22	8.16	7.58	1.40	17.73	18.96	5,332
2008	1.61	-1.48	-6.06	-0.21	-6.16	-4.66	3,060
2007	1.69	-0.89	2.68	2.56	6.14	5.04	2,549
2006	-0.95	-0.30	4.20	1.49	4.43	4.28	2,432
2005	-0.87	3.31	-0.83	0.41	1.97	1.49	2,451
2004	3.12	-3.21	3.85	1.07	4.75	5.98	3,145
2003	1.97	4.01	-0.20	0.42	6.29	8.66	2,747
2002	0.01	2.91	5.50	1.57	10.28	11.70	2,498

Quarterly Returns: Admiral Shares

					Year-End		
Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Inter.-Term Invest.-Grade	Barclays 5–10 Year Credit Index	Assets (Millions)
2012	2.43%	2.25%	—	—	—	—	$12,574
2011	0.98	2.36	2.21%	1.87%	7.63%	8.21%	10,954
2010	3.40	3.62	4.94	-1.63	10.60	10.54	9,762
2009	-0.19	8.19	7.61	1.43	17.88	18.96	8,442
2008	1.63	-1.46	-6.04	-0.18	-6.06	-4.66	3,997
2007	1.72	-0.86	2.71	2.59	6.26	5.04	3,387
2006	-0.92	-0.28	4.22	1.52	4.55	4.28	2,765
2005	-0.85	3.34	-0.81	0.43	2.07	1.49	2,541
2004	3.14	-3.19	3.87	1.09	4.86	5.98	1,500
2003	1.99	4.03	-0.18	0.44	6.38	8.66	1,283
2002	0.03	2.92	5.51	1.59	10.35	11.70	1,082

Fund Facts

	Investor Shares	Admiral Shares
Fund Number	0071	0571
Ticker	VFICX	VFIDX
Newspaper Listing	ITIGrade	ITIGradeAdml
CUSIP Number	922031885	922031810
Assets (millions)	$5,098	$12,574
Inception	11/1/1993	2/12/2001
Expense Ratio (as of 5/2012)	0.20%	0.10%
SEC 30-Day Yield	2.61%	2.71%

Risk Statement

Interest-rate risk is moderate, with the fund's average duration generally ranging between 5 and 10 years. Credit risk is modest because the advisor emphasizes higher-quality bonds broadly diversified across sectors and corporate issuers.

Vanguard® Intermediate-Term Investment-Grade Fund

As of June 30, 2012

Volatility Measures

	R-squared	Beta
Barclays U.S. 5-10 Year Credit Bond Index	0.97	0.90
Barclays U.S. Aggregate Bond Index	0.65	1.27

R-squared and beta are calculated from trailing 36-month fund returns relative to the associated benchmark.

Fixed Income Characteristics

	Inter.-Term Invest.-Grade	Barclays 5–10 Year Credit Index
Number of Bonds	1,539	1,557
Average Maturity	6.4 years	7.4 years
Average Duration	5.4 years	6.3 years
Short-Term Reserves	0.8%	—

Distribution by Issuer

	% of Portfolio
Asset-Backed	6.5%
Commercial Mortgage-Backed	3.5
Finance	30.8
Foreign	3.2
Government Mortgage-Backed	0.0
Industrial	39.7
Short-Term Reserves	0.8
Treasury/Agency	6.9
Utilities	6.3
Other	2.3
Total	**100.0%**

Distribution by Credit Quality

	% of Portfolio
Treasury/Agency	6.1%
Aaa	10.1
Aa	14.3
A	46.8
Baa	20.3
Ba	0.3
B	0.0
Caa	0.0
Ca	0.0
C	0.0
Not Rated	2.1
Total	**100.0%**

Credit-quality ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). "NR" is used to classify securities for which a rating is not available. U.S. Treasury, U.S. Agency, and U.S. Agency mortgage-backed securities appear under "U.S. Government." Credit-quality ratings for each issue are obtained from Moody's Investors Service and Standard & Poor's, and the higher rating for each issue is used.

Distribution by Maturity

	% of Portfolio
Under 1 Year	2.7%
1 to 5 Years	28.5
5 to 10 Years	67.6
10 to 20 Years	0.8
20 to 30 Years	0.0
Over 30 Years	0.4
Total	**100.0%**

Disclosures

Past performance—especially short-term past performance—cannot be used to predict future returns. Investment returns and principal value (with the exception of money market funds, which seek to maintain a stable $1 per share net asset value) will fluctuate, so that investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at www.vanguard.com/performance.

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Investments in Target Retirement Funds are subject to the risks of their underlying funds. The year in the Fund name refers to the approximate year (the target date) when an investor in the Fund would retire and leave the work force. The Fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in the Target Retirement Fund is not guaranteed at any time, including on or after the target date.

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Personify Project Completion

Progress continues on the implementation of the Personify association management software from TMA Resources (TMAR). The targeted "Go Live" date of August 2012 has been postponed to January 2013. The delay is primarily a result of a delay in the delivery of customized software from TMAR. Two of the customizations for which the Society contracted (the AMS Points system and the Return Authorization system) proved to be more complex and difficult to integrate with the Personify software than they estimated. While this has affected the timing of the software implementation, it had not affected the cost as these customizations were contracted for at a firm fixed price. TMAR and Society technical staff have maintained excellent lines of communication and been able to make informed decisions on the delays. This information has been passed on to Society manager's to determine the best course of action and set the new "Go Live" date.

Progress continues on the tasks that need to be completed before "Go Live". In addition, staff is using the extra time to development better documentation, to perform more extensive testing and to complete some tasks that were originally scheduled to be completed post-"Go Live". Tasks remaining include:

- End-user acceptance training and testing of TMAR customizations
- Analysis and setup of Personify's automatic notification system for staff, members and customers
- Daily, monthly and yearly workflow analysis & setup
- Web account data migration to Personify Single Sign-On
- eBusiness customizations, using Personify login and checkout process
- Data synchronization process between Ingres applications (PUBL) and Personify
- Internal technical testing of TMAR customizations
- Reports development (Statements, internal reports, etc.)

The initial implementation of Personify will encompass those functions included in our current systems. After the Personify is running smoothly for those functions, new functions will be rolled out to staff. With the exception of the additional development support purchased from TMAR, which was offset by the unused salary of a programmer who left the Society, the project continues to remain within its original budget.

Tom Blythe
Chief Information Officer
October 2012

AMERICAN MATHEMATICAL SOCIETY
RETIREMENT PLAN

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ARTICLE TWELVE--MISCELLANEOUS PROVISIONS

SIGNATURE PAGE

AMERICAN MATHEMATICAL SOCIETY RETIREMENT PLAN

WHEREAS, American Mathematical Society (hereinafter referred to as the "Employer") adopted the American Mathematical Society Retirement Plan (hereinafter referred to as the "Plan") for the benefit of its Employees, effective as of January 1, 1989; and

WHEREAS, Article IX of said Plan provides that the Employer may amend the Plan; and

WHEREAS, the Employer wishes to amend the Plan; and

WHEREAS, it is intended that the Plan is to be a qualified plan under Section 403(a) of the Internal Revenue Code and is to be for the exclusive benefit of the Participants and their Beneficiaries;

NOW, THEREFORE, the Plan is hereby amended by restating the Plan in its entirety as follows:

ARTICLE ONE--DEFINITIONS

For purposes of the Plan, unless the context or an alternative definition specified within another Article provides otherwise, the following words and phrases shall have the definitions provided:

1.1 **"ACCOUNT"** shall mean the individual bookkeeping accounts maintained for a Participant under the Plan which shall record (a) the Participant's allocations of Employer contributions (b) any amounts rolled over to this Plan under Article Four from another qualified retirement plan, and (c) the allocation of Fund investment experience.

1.2 **"ADMINISTRATOR"** shall mean the Plan Administrator appointed from time to time in accordance with the provisions of Article Eight hereof.

1.3 **"BENEFICIARY"** shall mean any person, trust, organization, or estate entitled to receive payment under the terms of the Plan upon the death of a Participant.

1.4 **"BREAK IN SERVICE"** is defined in Article Two.

1.5 **"CODE"** shall mean the Internal Revenue Code of 1986, as amended from time to time.

1.6 **"COMPENSATION"** shall mean wages and other compensation which is reportable on Form W-2 paid to a Participant by the Employer for the Plan Year but, except as otherwise provided in the Plan, exclusive of compensation paid prior to the Participant's entry into the Plan, and exclusive of severance payments, overtime, any program of deferred compensation or additional benefits payable other than in cash. Compensation shall include up to six (6) months of payments made to the Participant under the Employer's short-term disability program or from a state short-term disability plan, but excluding any such amount in excess of the Participant's regularly scheduled wages at the time the disability commenced. Compensation shall include elective contributions that are made by the Employer on behalf of a Participant that are not includible in gross income under Code Sections 125, 132(f)(4), 402(e)(3), 402(h)(1)(B) or 403(b).

For purposes of determining who is a Highly Compensated Employee, Compensation shall mean compensation as defined in Code Section 414(q)(4).

The annual Compensation of each Participant taken into account in determining allocations for any Plan Year beginning after December 31, 2001 shall not exceed $200,000, as adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code. Annual Compensation means Compensation during the Plan Year or such other consecutive 12-month period over which Compensation is otherwise determined under the Plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to annual Compensation for the determination period that begins with or within such calendar year.

If a determination period consists of fewer than 12 months, the annual Compensation limit is an amount equal to the otherwise applicable annual Compensation limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12.

If compensation for any prior determination period is taken into account in determining a Participant's allocations for the current Plan Year, the compensation for such prior determination period is subject to the applicable annual Compensation limit in effect for that prior period.

1.7 **"EFFECTIVE DATE."** The Plan's initial Effective Date was January 1, 1989. The Effective Date of this restated Plan, on and after which it supersedes the terms of the existing Plan document, is January 1, 2013, except where the provisions of the Plan shall otherwise specifically provide. The rights of any Participant who separated from the Employer's service prior to this date shall be established under the terms of the Plan as in effect at the time of the Participant's separation from service, unless the Participant subsequently returns to service with the Employer. Rights of spouses and beneficiaries of such Participants shall also be governed by those documents.

1.8 **"EMPLOYEE"** shall mean a common law employee of the Employer. Employee shall mean any employee of the Employer maintaining the Plan or any other employer required to be aggregated with such Employer under Sections 414(b), (c), (m) or (o) of the Code. The definition of Employee shall also include any individual deemed under Section 414(n) of the Code (or under Income Tax Regulations under Section 414(o) of the Code) to be an employee of any employer described in the previous sentence. Employee shall not include any individual who the Employer has classified as an independent contractor solely on account of his reclassification by the Internal Revenue Service as an employee.

1.9 **"EMPLOYER"** shall mean the Employer named as party to the Plan, and shall include any successor(s) thereto which adopt this Plan. Employer shall also include any Participating Employer which has adopted the Plan. If, under state law, the Employer at any time is not governed by directors but instead by its stockholders, or if the Employer is an unincorporated business and is governed by its owners, reference herein to the Board of Directors shall be deemed to refer to the individual(s) empowered to vote on the Employer's affairs.

1.10 **"EMPLOYMENT DATE"** shall mean the first date as of which an Employee is credited with an Hour of Service, provided that, in the case of a Break in Service, the Employment Date shall be the first date thereafter as of which an Employee is credited with an Hour of Service.

1.11 **"ERISA"** shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

1.12 **"FUND"** shall mean the annuity contract(s) held under the Plan, including income therefrom. The Plan's assets shall be invested in annuity contracts in accordance with Section 403(a) of the Code.

1.13 **"HIGHLY COMPENSATED EMPLOYEE"** shall mean:

(a) any Employee of the Employer who:

(1) was a five percent (5%) owner of the Employer (as defined in Section 416(i)(1) of the Code) during the current or the preceding year; or

(2) for the preceding year had Compensation from the Employer in excess of $80,000 (as adjusted by the Secretary of the Treasury pursuant to Section 415(d) of the Code).

(b) A former Employee shall be treated as a Highly Compensated Employee if: (1) such Employee was a Highly Compensated Employee when such Employee separated from service, or (2) such Employee was a Highly Compensated Employee at any time after attaining age 55.

(c) The determination of who is a Highly Compensated Employee, including the determination of the number and identity of the Employees in the top-paid group, will be made in accordance with Section 414(q) of the Code, the regulations thereunder and other applicable guidance.

(d) For purposes of this Section 1.13, the term "Compensation" means wages and other compensation which is reportable on Form W-2.

(e) For purposes of this Section 1.13, an Employee is in the top-paid group of Employees for any year if such Employee is in the group consisting of the top twenty percent (20%) of the Employees when ranked on the basis of Compensation paid during such year and determined by excluding the following Employees for the year:

(1) Employees who have not completed six (6) months of service;

(2) Employees who normally work less than seventeen and one-half (17½) hours per week;

(3) Employees who normally work less than six (6) months during any year;

(4) Employees who have not attained age twenty-one (21); and

(5) Employees who are included in a unit of employees covered by an agreement which the Secretary of Labor finds to be a collective bargaining agreement between employee representatives and the Employer.

(f) For purposes of this Section 1.13, employers aggregated under Sections 414(b), (c), (m) or (o) of the Code are treated as a single employer.

The provisions of this Section 1.13 are effective for Plan Years beginning after December 31, 1996, except that, in determining whether an Employee is a Highly Compensated Employee in 1997, this provision is treated as having been in effect in 1996.

1.14 **"HOUR OF SERVICE"** shall mean:

(a) Each hour for which an Employee is paid or entitled to payment for the performance of duties for the Employer. These hours shall be credited to the Employee for the computation period in which the duties are performed; and

(b) Each hour for which an Employee is paid, or entitled to payment, by the Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, or leave of absence. No more than 501 Hours of Service shall be credited under this subsection for any single continuous period during which no duties are performed (whether or not such period occurs in a single computation period). An hour for which an Employee is directly or indirectly paid, or entitled to payment, on account of a period during which no duties are performed shall not be credited to the Employee if such payment is made or due under a plan maintained solely for the purpose of complying with applicable worker's compensation, or unemployment compensation or disability insurance laws. Hours of Service shall not be credited for a payment which solely reimburses an Employee for medical or medically related expenses by the Employee. Hours under this subsection shall be calculated and credited pursuant to Section 2530.200b-2(b) and (c) of the Department of Labor regulations which is incorporated herein by this reference; and

(c) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer. The same Hours of Service shall not be credited both under subsection (a) or subsection (b), as the case may be, and under this subsection (c). These hours shall be credited to the Employee for the computation period or periods to which the award or agreement pertains rather than the computation period in which the award, agreement, or payment is made.

1.15 **"LEASED EMPLOYEE"** shall mean any person (other than an Employee of the Employer) who pursuant to an agreement between the Employer and any other person ("leasing organization") has performed services for the Employer (or for the Employer and related persons determined in accordance with Section 414(n)(6) of the Code) on a substantially full-time basis for a period of at least one year, and such services are performed under primary direction or control by the Employer. Contributions or benefits provided a Leased

Employee by the leasing organization which are attributable to services performed for the Employer shall be treated as provided by the Employer.

A person will not be considered a Leased Employee if the total number of Leased Employees does not exceed 20% of the Nonhighly Compensated Employees employed by the Employer, and if any such person is covered by a money purchase pension plan providing: (a) a nonintegrated employer contribution rate of at least 10% of compensation, as defined in Section 415(c)(3) of the Code, but including amounts contributed pursuant to a salary reduction agreement which are excludable from the employee's gross income under Section 125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b) or 457 of the Code; (b) immediate participation; and (c) full and immediate vesting.

The provisions of this Section 1.15 are effective for Plan Years beginning after December 31, 1996.

1.16 **"NONHIGHLY COMPENSATED EMPLOYEE"** shall mean an Employee of the Employer who is not a Highly Compensated Employee.

1.17 **"NORMAL RETIREMENT DATE"** shall mean a Participant's 65th birthday**.**

1.18 **"PARTICIPANT"** shall mean any Employee who has satisfied the eligibility requirements of Article Three and who is participating in the Plan.

1.19 **"PLAN"** shall mean this Plan as set forth herein and as it may be amended from time to time.

1.20 **"PLAN YEAR"** shall mean the 12-consecutive-month period beginning January 1 and ending December 31.

1.21 **"VALUATION DATE"** shall mean each day of the Plan Year.

1.22 **"YEAR OF SERVICE"** or **"SERVICE"** and the special rules with respect to crediting Service are in Article Two of the Plan.

ARTICLE TWO--SERVICE DEFINITIONS AND RULES

Service is the period of employment credited under the Plan. Definitions and special rules related to Service are as follows:

2.1 **YEAR OF SERVICE.** For purposes of vesting computation, the twelve (12)-consecutive-month computation period coincident with the Plan Year in which an Employee is credited with 1,000 or more Hours of Service shall be a Year of Service. For purposes of eligibility to participate in the Plan under Section 3.1, a Year of Service shall be determined as follows: The first computation period shall be the twelve (12)-consecutive-month period commencing on an Employee's Employment Date. If the Employee is credited with 1,000 or more Hours of Service in that computation period, he will be credited with a Year of Service for eligibility as of the last day of the twelve (12)-month computation period. If the Employee does not complete 1,000 or more Hours of Service in that computation period, he shall be credited with a Year of Service for eligibility when he completes 1,000 or more Hours of Service in any full vesting computation period which commences on or after his Employment Date. Credit shall be given, for purposes of vesting, for service with an educational institution while assigned to perform duties for the Employer.

For purposes of vesting computation, service with the Employer shall include the Employee's service, if any, with members of a controlled group of corporations (within the meaning of Section 1563(a) of the Code, determined without regard to Section 1563(a)(4) and 1563(e)(3)(C)) and trades or business (whether or not incorporated) which are under common control, and organizations that are part of an affiliated service group with the Employer under Section 414(m) of the Code. Years of Service shall include service with a predecessor employer which maintained the Plan and service with a predecessor employer as required under Section 414(a)(1) of the Code.

2.2 **BREAK IN SERVICE.** A Break in Service shall be a 12-month computation period (as used for measuring Years of Service for vesting purposes) in which an Employee or Participant is not credited with at least 501 Hours of Service.

2.3 **LEAVE OF ABSENCE.** A Participant on an unpaid leave of absence pursuant to the Employer's normal personnel policies shall be credited with Hours of Service at his regularly-scheduled weekly rate while on such leave, provided the Employer acknowledges in writing that the leave is with its approval. These Hours of Service will be credited only for purposes of determining if a Break in Service has occurred and, unless specified otherwise by the Employer in writing, shall not be credited for eligibility to participate in the Plan, vesting, or qualification to receive an allocation of contributions. Hours of Service during a paid leave of absence will be credited as provided in Section 1.14.

For any individual who is absent from work for any period by reason of the individual's pregnancy, birth of the individual's child, placement of a child with the individual in connection with the individual's adoption of the child, or by reason of the individual's caring for the child for a period beginning immediately following such birth or placement, the Plan shall treat as Hours of Service, solely for determining if a Break in Service has occurred, the following Hours of Service:

(a) the Hours of Service which otherwise normally would have been credited to such individual but for such absence; or

(b) in any case where the Administrator is unable to determine the Hours of Service, on the basis of an assumed eight (8) Hours of Service per day of absence.

In no event will more than 501 of such hours be credited by reason of any such pregnancy or placement. The Hours of Service shall be credited in the computation period which starts after the leave of absence begins. However, the Hours of Service shall instead be credited to the computation period in which the absence begins if it is necessary to credit the Hours of Service in that computation period to avoid the occurrence of a Break in Service.

2.4 **RULE OF PARITY ON RETURN TO EMPLOYMENT.** An Employee who returns to employment after a Break in Service shall retain credit for his pre-Break Years of Service, subject to the following rules:

(a) If a Participant incurs five (5) or more consecutive Breaks in Service, any Years of Service performed thereafter shall not be used to increase the vesting in his Account accrued prior to such five (5) or more consecutive Breaks in Service. Separate accounting shall be maintained thereafter with respect to that portion of such Participant's Account accrued before and after such Breaks in Service occurred.

(b) If when a Participant incurred a Break in Service, he had not completed sufficient Years of Service to be vested in his Account, his pre-Break Years of Service shall be disregarded for vesting purposes if his consecutive Breaks in Service equal or exceed the greater of five (5) or the aggregate number of pre-Break Years of Service.

2.5 **SERVICE IN EXCLUDED JOB CLASSIFICATIONS, WITH RELATED COMPANIES, OR AS A LEASED EMPLOYEE.**

(a) *Preamble*. An Employee is not eligible to receive an allocation of Employer contributions or to participate under the Plan if his job classification is specifically excluded under Section 3.1. However, Employees in an ineligible job classification are entitled, together with Leased Employees and Employees of certain related businesses, to credit for their Service in the event that such Employees become employed in an eligible job classification.

(b) *Definitions*.

(1) *Eligible Classification:* An Employee will be considered in an eligible class of Employees for such period when his Employer has adopted the Plan and such Employee is not in an ineligible class of Employees.

(2) *Ineligible Classification:* An Employee will be considered in an ineligible class of Employees for any period when:

(A) the Employee is a Leased Employee and the Plan did not specifically provide that Leased Employees were eligible to participate; or

(B) the Employee is employed in a job classification which is excluded under Section 3.1; or

(C) the Employee is an employee of an employer who is a member of a controlled group of businesses or an affiliated service group (as defined in Section 414 of the Code), which employer has not adopted this Plan.

(c) *Service Rules for Ineligible Classifications*. Hours of Service in an ineligible classification will be credited for purposes of determining Years of Service for eligibility to participate in the Plan under Section 3.1 and for purposes of determining the Employee's vesting percentage in the event the Employee participates in the Plan. Hours of Service in an ineligible classification will not be credited for purposes of determining the minimum allocation in Section 11.3, or for purposes of determining eligibility for allocation of Employer contributions in Section 4.1.

(d) *Construction*. This Section is included in the Plan to comply with the Code provisions regarding the crediting of Service, and not to extend any additional rights to Employees in ineligible classifications other than as required by the Code and regulations thereunder.

2.6 **SPECIAL RULES RELATING TO VETERANS REEMPLOYMENT RIGHTS**. Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Code. In addition, the survivors of any Participant who dies on or after January 1, 2007, while performing qualified military service, are entitled to any additional benefits (other than contributions relating to the period of qualified military service, but including vesting service credit for such period and any ancillary life insurance or other survivor benefits) that would have been provided under the Plan had the Participant resumed employment on the day preceding the Participant's death and then terminated employment on account of death.

ARTICLE THREE--PLAN PARTICIPATION

3.1 **PARTICIPATION.** All Employees participating in this Plan prior to the Plan's restatement shall continue to participate, subject to the terms hereof. Each other Employee shall become a Participant under the Plan effective as of the first day of the month following the Employee's completion of one Year of Service.

In no event, however, shall any Employee participate under the Plan or be credited for Service under its terms (except as provided in Section 2.5) while he is: (a) an individual whose employment is incidental to his educational program; (b) a student intern; (c) a Leased Employee; or (d) an independent contractor, as determined by the Plan Administrator, in its sole discretion, on a uniform and nondiscriminatory basis.

3.2 **REEMPLOYMENT OF FORMER PARTICIPANT.** A Participant whose participation ceased because of termination of employment with the Employer will immediately participate upon his reemployment. An Employee who separates from service with the Employer prior to incurring a Break in Service will continue to vest in his Account, starting at the point in the vesting schedule where he terminated employment.

3.3 **TERMINATION OF ELIGIBILITY.** If a Participant shall become ineligible to participate in the Plan because the Participant's job classification is specifically excluded under Section 3.1 or Section 2.5(b)(2), such Participant shall, except as otherwise provided in Section 2.5, continue to vest in his Account under the Plan for each Year of Service completed while an ineligible Employee until such time as his Account is distributed to him pursuant to the terms of the Plan. If a Participant becomes ineligible during a Plan Year, such Participant shall receive an allocation of Employer contributions under Section 4.1 based upon the Participant's Compensation as determined as of his termination of eligibility, provided such Participant is eligible to receive an allocation of Employer contributions under Section 4.1. Any such Participant's Account shall continue to share in the allocation of investment experience under Section 5.1.

ARTICLE FOUR--EMPLOYER CONTRIBUTIONS AND ROLLOVERS AND TRANSFERS FROM OTHER PLANS

4.1 **EMPLOYER CONTRIBUTIONS**. For each Plan Year, the Employer shall contribute to the Account of each eligible Participant an amount equal to 9.5% of the Participant's Compensation below the second Social Security Bend Point, plus 12% of the Participant's Compensation that exceeds the second Bend Point and does not exceed the Social Security taxable wage base in effect on the first day of the Plan Year, plus 14.5% of Compensation in excess of the Social Security taxable wage base in effect on the first day of such Plan Year. The Employer contribution for any Plan Year shall be reduced by the amount of any forfeitures available for allocation in accordance with the provisions of Article Six as of the end of the Plan Year. Allocations of Employer contributions are subject to the requirements of Section 11.3.

For purposes of the Plan, the term "Bend Point" refers to the dollar amounts used in the basic benefit formula of the Social Security Administration as of the first day of the Plan Year.

The Plan satisfies the minimum allocation gateway of Sections 1.401(a)(4)-8, 1.401(a)(4)-9 and 1.401(a)(4)-12 of the Income Tax Regulations since the Employer shall contribute, for each Plan Year, to each Nonhighly Compensated Employee an amount equal to the lesser of (1) an allocation rate that is one third of the allocation rate of the Highly Compensated Employee with the highest allocation rate; or (2) an allocation of five percent (5%) of such Nonhighly Compensated Employee's Compensation (within the meaning of Code Section 415(c)(3)), measured over a period of time permitted under the definition of Plan Year Compensation.

In the case of a self-employed individual (i.e., sole proprietorships or partnerships), the requirements of Section 1.401(k)-1(a)(6) of the Income Tax Regulations continue to apply, and the allocation method should not be such that a cash or deferred election is created for a self-employed individual as a result of the application of the allocation method.

4.2 **ELIGIBILITY FOR ALLOCATION OF EMPLOYER CONTRIBUTIONS.** To be eligible for a share of Employer contributions for a Plan Year, an Employee must be qualified as a Participant under Section 3.1.

4.3 **PARTICIPANTS OMITTED IN ERROR.** In the event a Participant is not allocated a share of the Employer contribution as a result of an administrative error in any Plan Year, the Employer shall make an additional contribution on behalf of such omitted Participant in an appropriate amount and allocate such amount to the Participant's Account prior to making the allocations set forth under Section 4.1.

4.4 **ROLLOVERS AND TRANSFERS FROM OTHER PLANS.** With the approval of the Administrator, there may be paid to the Fund amounts which have been held under eligible IRAs or under other eligible plans. A rollover to the Plan of an eligible rollover distribution from any of the following may be accepted by the Plan: (1) a qualified plan described in Code Section 401(a) (including a 401(k) plan, profit sharing plan, defined benefit plan, stock bonus plan and money purchase plan); (2) a plan described in Code Section 403(a) (an annuity plan); (3) a plan described in Code Section 403(b) (a tax-sheltered annuity); and (4) a traditional IRA that is eligible to be rolled over and would otherwise be includible in gross income. Notwithstanding the foregoing, after-tax contributions may not be rolled over into the Plan. Rollovers from Roth IRAs or a Coverdell Education Savings Account (formerly known as an Education IRA) are not permitted because they are not traditional IRAs. A rollover from a Simple IRA is allowed if the amounts are rolled over after the individual has been in the Simple IRA for at least two years.

Any amounts so transferred on behalf of any Employee shall be nonforfeitable and shall be maintained under a separate Plan account, to be paid in addition to amounts otherwise payable under this Plan. The amount of any such account shall be equal to the fair market value of such account as adjusted for income, expenses, gains, losses, and withdrawals attributable thereto.

If an Employee has not satisfied the eligibility requirements of Section 3.1 but has either transferred or rolled over an amount from another qualified retirement plan, the Employee shall be considered a Participant under the Plan but only to the extent of the amount transferred or rolled over to the Plan, provided that in no event shall such a transfer or rollover be permitted if the Employee is an Employee as described in Section 2.5(b)(2).

The Administrator, operationally and on a nondiscriminatory basis, may limit the source of rollover contributions that may be accepted by this Plan.

4.5 **TIMING OF CONTRIBUTIONS.** Employer contributions shall be made to the Plan no later than the time prescribed by Code Section 412(c)(10) including any waivers granted by the Secretary of the Treasury.

ARTICLE FIVE--ACCOUNTING RULES

5.1 INVESTMENT OF ACCOUNTS AND ACCOUNTING RULES.

(a) *Investment Funds*. The investment of Participants' Accounts shall be made in a manner consistent with the provisions of Section 403(a) of the Code. The Administrator, in its discretion, may allow for separate funds for the directed investment of each Participant's Account.

(b) *Participant Direction of Investments*. If the Administrator chooses to provide more than one investment fund, then each Participant may direct how his Account is to be invested among available investment funds in the percentage multiples established by the Administrator. A Participant may change his investment direction after advance notice to the Administrator, in accordance with uniform rules established by the Administrator. An investment direction may apply to the investment of future contributions and/or amounts previously accumulated in the Account. In the event a Participant makes no investment election, his Account shall be invested in the investment fund selected by the Administrator for all such similarly situated Accounts. If the Plan's recordkeeper or investment manager is changed, the Administrator may suspend the Participant's investment direction of his Account. If Participant direction of investments is suspended, the Administrator shall invest the Participants' Accounts in an interest-bearing account(s) until such change has been completed.

The Plan is intended to constitute a qualified retirement plan described in Section 404(c) of ERISA, and regulations thereunder. As a result, the fiduciaries of the Plan may be relieved of liability for any losses which are the direct and necessary result of investment instructions given by a Participant.

(c) *Safe Investment Option*. The Administrator may provide that one of the investment funds offers both a reasonable safety of the principal amount invested and a reasonable rate of interest return. An investment fund composed of guaranteed interest contracts through an insurance company, a pooled fund of short-term bonds and notes, or a money market fund shall be deemed to meet these standards.

(d) *Allocation of Investment Experience*. As of each Valuation Date, the investment fund(s) of the Fund shall be valued at fair market value, and the income, loss, appreciation and depreciation (realized and unrealized), and any paid expenses of the Fund attributable to such fund shall be apportioned among Participants' Accounts within the fund based upon the value of each Account within the fund as of the preceding Valuation Date. Adjustment of Accounts for investment experience shall be deemed to be made as of the Valuation Date to which the adjustment relates, even if actually made on a later date.

(e) *Allocation of Employer Contributions*. Employer contributions shall be allocated, for accounting purposes, to the Account of each eligible Participant as of the last day of the period for which the contributions are made.

(f) *Manner and Time of Debiting Distributions*. For any Participant who receives a distribution from his Account, distribution shall be made in accordance with the provisions dealing with the timing of commencement of benefit payments in Section 7.2. The distribution shall be equal to the fair market value of the Participant's vested Account as of the Valuation Date preceding the distribution.

5.2 **LIMITATION OF PARTICIPANTS' RIGHTS.** Nothing contained in this Article Five or elsewhere in the Plan shall be deemed to give any Participant any interest in any specific part of the Fund or any interest other than his right to receive benefits in accordance with the applicable provisions of the Plan.

ARTICLE SIX--VESTING, RETIREMENT AND DISABILITY BENEFITS

6.1 **VESTING.** A Participant shall at all times have a nonforfeitable (vested) right to his Account derived from rollovers from other plans, adjusted for investment experience. Except as otherwise provided with respect to Early or Normal Retirement, disability, or death, a Participant shall have a nonforfeitable (vested) right to a percentage of his Account derived from Employer contributions under Section 4.1 as follows:

Years of Service	Vested Percentage
Less than 2 years	0%
2 years but less than 3	20%
3 years but less than 4	40%
4 years but less than 5	60%
5 years but less than 6	80%
6 years and thereafter	100%

6.2 **FORFEITURE OF NONVESTED BALANCE.** The nonvested portion of a Participant's Account shall be forfeited as soon as administratively feasible following termination of employment. The amount forfeited shall be: (1) used to pay administrative expenses; (2) used to reduce Employer contributions; and/or (3) allocated as an Employer contribution, as set forth in Section 4.1.

Notwithstanding the foregoing, if the Participant returns to the employment of the Employer prior to incurring five (5) consecutive Breaks in Service and prior to receiving a distribution of his entire vested Account the nonvested portion shall be restored. However, if the nonvested portion of the Participant's Account was allocated as a forfeiture as the result of the Participant receiving a distribution of his entire vested Account balance, the nonvested portion shall be restored only if:

(a) the Participant resumes employment prior to incurring five (5) consecutive Breaks in Service; and

(b) the Participant repays to the Plan, as of the earlier of (i) the date which is five (5) years after his reemployment date or (ii) the date which is the last day of the period in which the Participant incurs five (5) consecutive Breaks in Service, an amount equal to the total distribution derived from Employer contributions under Sections 4.1 and 11.3.

The nonvested amount shall be restored to the Participant's Account, without interest or adjustment for interim Fund valuation experience, by a special Employer contribution or from the next succeeding Employer contribution and forfeitures, as appropriate.

A zero percent vested Participant shall be considered to have received a complete distribution of his vested Account as of the date of his first Break in Service, and if he returns to the employment of the Employer prior to incurring five (5) consecutive Breaks in Service, he shall be considered to have repaid such distribution as of his completion of one Year of Service after his resumption of employment.

An Employee who separates from Service with the Employer and is reemployed by the Employer prior to incurring a Break in Service shall continue to vest in his Account, commencing with the vested percentage (as determined under Section 6.1) he had at the time of his separation from Service.

6.3 **RETURN TO EMPLOYMENT BEFORE DISTRIBUTION OF VESTED ACCOUNT BALANCE.** If distribution is made to an Employee of less than the Employee's entire vested Account, and if the Employee returns to Service, a separate record shall be maintained of said Account balance. The

Employee's vested interest at any time in this separate account shall be an amount equal to the formula P(AB+D)-D, where P is the vested percentage at the relevant time, AB is the Account balance at the relevant time, and D is the amount of the distribution made to the Employee.

6.4 **NORMAL RETIREMENT.** A Participant who is in the employment of the Employer at his Normal Retirement Age shall have a nonforfeitable interest in 100% of his Account if not otherwise 100% vested under the appropriate vesting schedule. A Participant who continues in employment after his Normal Retirement Date shall continue to participate under the Plan, but may elect in writing to have his Account payable at the time and in the manner specified in Article Seven.

6.5 **PERMANENT AND TOTAL DISABILITY.** If a Participant incurs a permanent and total disability while in the employ of the Employer, the Participant shall have a nonforfeitable interest in 100% of his Account, if not otherwise 100% vested under the appropriate vesting schedule. Payment of his Account balance will be made at the time and in a manner specified in Article Seven, following receipt by the Plan Administrator of the Participant's distribution request. "Permanent and total disability" shall mean suffering from a physical or mental condition that, in the opinion of the Administrator and based upon appropriate medical advice and examination, can be expected to result in death or can be expected to last for a continuous period of no less than 12 months. The condition must, in accordance with uniform and consistent rules, be determined by the Administrator to prevent a Participant from engaging in substantial gainful activity. Receipt of a Social Security disability award shall be deemed proof of disability.

6.6 **EARLY RETIREMENT.** A Participant who separates from Service on or after the Participant's attainment of age 60 shall be 100% vested in his Account and shall be entitled to receive distribution of his Account. Payment shall commence at the time and in a manner specified in Article Seven following receipt by the Plan Administrator of the Participant's written distribution request.

ARTICLE SEVEN--MANNER AND TIME OF DISTRIBUTING BENEFITS

7.1 **MANNER OF PAYMENT.** The Participant's vested Account shall be distributed to the Participant by any of the following methods, subject to the terms of Section 7.5, as elected by the Participant:

(a) in a single lump-sum payment, subject to the terms of the applicable funding vehicle; or

(b) in periodic installments (at least annually), subject to the minimum distribution rules of Section 7.4 and to the terms of the applicable funding vehicle; or

(c) by purchase of a nontransferable annuity from an insurance company.

7.2 **TIME OF COMMENCEMENT OF BENEFIT PAYMENTS.**

(a) *Normal or Late Retirement.* Participants whose employment has terminated shall have distribution of their Account commence as soon as administratively feasible following their Normal Retirement Date, unless the Participant elects to defer receipt of his Account.

(b) *Early or Disability Retirement.* A Participant whose employment has terminated either due to total and permanent disability or who has met the age requirement for Early Retirement may request the distribution of his Account to commence as soon as administratively feasible following the date of his Early Retirement or disability, provided his valid election has been received by the Administrator.

(c) *Pre-retirement Termination of Employment.* If a Participant terminates employment for any reason other than Normal or Early Retirement, disability or death, distribution of his vested Account balance shall commence upon the later of:

(1) As soon as administratively feasible following the day on which he terminated employment; or

(2) As soon as administratively feasible following a Participant's election to commence payment is delivered to the Administrator.

Unless the Participant elects otherwise, distribution of his vested Account shall begin no later than the 60th day after the latest of the close of the Plan Year in which:

(1) the Participant attains age sixty-five (65);

(2) occurs the tenth anniversary of the year in which the Participant commenced participation in the Plan; or

(3) the Participant terminates Service with the Employer.

(d) *Latest Commencement Date*. Effective January 1, 1997 or when first used by the Employer, if later, a Participant may elect to defer receipt of his retirement benefits; provided, however, in no event shall the distribution of benefits commence later than the April 1st of the calendar year following the later of: (1) the calendar year in which the Participant attains age 70½; or (2) the calendar year in which the Participant retires. In the case of a 5-percent owner (as defined in Section 416 of the Code), in no event shall the distribution of benefits commence later than the April 1st of the calendar year following the calendar year in which the Participant attains age 70½.

(1) Any Participant (other than a 5-percent owner) attaining age 70½ in years after 1995 may elect by April 1 of the calendar year following the year in which the Participant attained age 70½ (or by December 31, 1997 in the case of a Participant attaining age 70½ in 1996) to defer distributions until the April 1 of the calendar year following the calendar year in which the Participant retires. If no such election is made, the Participant will begin receiving distributions by the April 1 of the calendar year following the calendar year in which the Participant attained age 70½ (or by December 31, 1997 in the case of a Participant attaining age 70½ in 1996).

(2) The preretirement age 70½ distribution option is only eliminated with respect to Employees who reach age 70½ in or after a calendar year that begins after December 31, 1999. The preretirement age 70½ distribution option is an optional form of benefit under which benefits payable in a particular distribution form (including any modifications that may be elected after benefit commencement) commence at a time during the period that begins on or after January 1 of the calendar year in which an Employee attains age 70½ and ends April 1 of the immediately following calendar year.

The provisions of this Section 7.2(d) (relating to required distributions) are intended to comply with Section 401(a)(9) of the Code, the regulations thereunder and any other applicable guidance, and shall be so interpreted.

(e) Notwithstanding the foregoing provisions of this Section 7.2, a distribution may be made to an "alternate payee" pursuant to, and if required by, a "Qualified Domestic Relations Order" even if the affected Participant has not separated from service and has not attained the "earliest retirement age" under the Plan. For purposes of this subsection (f), "Qualified Domestic Relations Order", "alternate payee" and "earliest retirement age" shall have the meanings set forth in Section 414(p) of the Code.

7.3 **FURNISHING INFORMATION.** Prior to the payment of any benefit under the Plan, each Participant or Beneficiary may be required to complete such administrative forms and furnish such proof as is deemed necessary or appropriate by the Employer, Administrator, and/or Plan fiduciary.

7.4 **MINIMUM DISTRIBUTION RULES.**

(a) *In General*.

(1) *Effective Date*. The provisions of this Section 7.4 will apply for purposes of determining required minimum distributions for calendar years beginning with the 2002 calendar year.

(2) *Coordination With Minimum Distribution Requirements Previously In Effect*. Required minimum distributions for 2002 will be determined as follows. If the total amount of 2002 required minimum distributions under the Plan made to the distributee for calendar 2002 (i) equals or exceeds the required minimum distributions determined under this Section 7.4, then no additional distributions will be required to be made for 2002 on or after such date to the distributee; or (ii) is less than the amount determined under this Section 7.4, then required minimum distributions for 2002 on and after such date will be determined so that the total amount of required minimum distributions for 2002 made to the distributee will be the amount determined under this Section 7.4.

(3) *Precedence*. The requirements of this Section 7.4 will take precedence over any inconsistent provisions of the Plan.

(4) *Requirements of Income Tax Regulations Incorporated*. All distributions required under this Section 7.4 will be determined and made in accordance with the Income Tax Regulations under Section 401(a)(9) of the Code, including the incidental death benefit requirement in Section 401(a)(9)(G) of the Code and the Income Tax Regulations thereunder.

(5) *Limits on Distribution Periods*. As of the first distribution calendar year, distributions to a Participant, if not made in a single sum, may be made over one of the following periods:

(A) the life of the Participant,

(B) the joint lives of the Participant and a designated Beneficiary,

(C) a period certain not extending beyond the life expectancy of the Participant, or

(D) a period certain not extending beyond the joint life and last survivor expectancy of the Participant and a designated Beneficiary.

(b) *Time and Manner of Distribution*.

(1) *Required Beginning Date*. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date.

(2) *Death of Participant Before Distribution Begins.* If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(A) If the Participant's surviving spouse is the Participant's sole designated beneficiary, then, subject to Section 7.4(b)(2)(E) below, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.

(B) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, then, subject to Section 7.4(b)(2)(E) below, distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(C) If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(D) If the Participant's surviving spouse is the Participant's sole designated beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 7.4(b)(2), other than Section 7.4(b)(2)(A), will apply as if the surviving spouse were the Participant.

(E) Participants or beneficiaries may elect on an individual basis whether the five-year rule or the life expectancy rule in this Section 7.4(b)(2) applies to distributions after the death of a Participant who has a designated beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to be made under this Section 7.4(b)(2), or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, surviving spouse's) death. If neither the Participant nor beneficiary makes an election under this paragraph, distributions will be made in accordance with this Section 7.4(b)(2).

For purposes of this Section 7.4(b)(2) and Section 7.4(d), unless Section 7.4(b)(2)(D) applies, distributions are considered to begin on the Participant's required beginning date. If Section 7.4(b)(2)(E)applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 7.4(b)(2)(A). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 7.4(b)(2)(A), the date distributions are considered to begin is the date distributions actually commence.

(3) *Forms Of Distribution*. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with Section 7.4(c) or 7.4(d). If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Income Tax Regulations issued thereunder.

(c) *Required Minimum Distributions During Participant's Lifetime*.

(1) *Amount of Required Minimum Distribution For Each Distribution Calendar Year*. During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of: (A) the quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9, Q & A 2, of the Income Tax Regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or (B) if the Participant's sole designated beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9, Q & A 3, of the Income Tax Regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

(2) *Lifetime Required Minimum Distributions Continue Through Year of Participant's Death*. Required minimum distributions will be determined under this Section 7.4(c) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

(d) *Required Minimum Distributions After Participant's Death*.

(1) *Death On or After Date Distributions Begin*.

(A) *Participant Survived by Designated Beneficiary*. If the Participant dies on or after the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated beneficiary, determined as follows: (i) the Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year; (ii) if the Participant's surviving spouse is the Participant's sole designated beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year; and (iii) if the Participant's surviving spouse is not the Participant's sole designated beneficiary, the designated beneficiary's remaining life expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(B) *No Designated Beneficiary*. If the Participant dies on or after the date distributions begin and there is no designated beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(2) *Death Before Distributions Begin*.

(A) *Participant Survived by Designated Beneficiary*. If the Participant dies before the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the

Participant's account balance by the remaining life expectancy of the Participant's designated beneficiary, determined as provided in Section 7.4(d)(1).

(B) *No Designated Beneficiary*. If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, then, subject to the last paragraph of this Section 7.4(d)(2), distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(C) *Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin*. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 7.4(b)(2)(A), this Section 7.4(d)(2) will apply as if the surviving spouse were the Participant.

Participants or beneficiaries may elect on an individual basis whether the five-year rule or the life expectancy rule in this Section 7.4(d)(2) applies to distributions after the death of a Participant who has a designated beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to be made under Section 7.4(b)(2), or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, surviving spouse's) death. If neither the Participant nor beneficiary makes an election under this paragraph, distributions will be made in accordance with this Section 7.4(d)(2).

(e) *Definitions*.

(1) *Designated Beneficiary*. The individual who is designated as the beneficiary under the Plan and is the designated beneficiary under Section 401(a)(9) of Code and Section 1.401(a)(9)-4 of the Income Tax Regulations.

(2) *Distribution Calendar Year*. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section 7.4(b)(2). The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

(3) *Life Expectancy*. Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9, Q & A 1 of the Income Tax Regulations.

(4) *Participant's Account Balance*. The account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(5) *Required Beginning Date*. The date specified in Section 7.2(d) when distributions under Section 401(a)(9) of the Code are required to begin. Required beginning date is the April 1st of the calendar

year following the later of: (A) the calendar year in which the Participant attains age 70½; or (B) the calendar year in which the Participant retires. In the case of a 5-percent owner (as defined in Section 416 of the Code), in no event shall the distribution of benefits commence later than the April 1st of the calendar year following the calendar year in which the Participant attains age 70½.

(f) *TEFRA Section 242(b)(2) Elections*.

(1) Notwithstanding the other requirements of this Section 7.4 and subject to the joint and survivor annuity requirements of the Plan, if applicable, distribution on behalf of any Employee, including a 5-percent owner, who has made a designation under Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (a "Section 242(b) election") may be made in accordance with all of the following requirements (regardless of when such distribution commences):

(A) The distribution by the Plan is one which would not have disqualified such Plan under Section 401(a)(9) of the Internal Revenue Code as in effect prior to amendment by the Deficit Reduction Act of 1984.

(B) The distribution is in accordance with a method of distribution designated by the Employee whose interest in the Plan is being distributed or, if the Employee is deceased, by a Beneficiary of such Employee.

(C) Such designation was in writing, was signed by the Employee or the Beneficiary, and was made before January 1, 1984.

(D) The Employee had accrued a benefit under the Plan as of December 31, 1983.

(E) The method of distribution designated by the Employee or the Beneficiary specifies the time at which distribution will commence, the period over which distributions will be made, and in the case of any distribution upon the Employee's death, the beneficiaries of the Employee listed in order of priority.

(2) A distribution upon death will not be covered by this transitional rule unless the information in the designation contains the required information described above with respect to the distributions to be made upon the death of the Employee.

(3) For any distribution which commences before January 1, 1984, but continues after December 31, 1983, the Employee, or the Beneficiary, to whom such distribution is being made, will be presumed to have designated the method of distribution under which the distribution is being made if the method of distribution was specified in writing and the distribution satisfies the requirements in Sections 7.4(f)(l)(A) and (E).

(4) If a designation is revoked, any subsequent distribution must satisfy the requirements of Section 401(a)(9) of the Code and the regulations thereunder. If a designation is revoked subsequent to the date distributions are required to begin, the Plan must distribute by the end of the calendar year following the calendar year in which the revocation occurs the total amount not yet distributed which would have been required to have been distributed to satisfy Section 401(a)(9) of the Code and the regulations thereunder, but for the Section 242(b)(2) election. For calendar years beginning after December 31, 1988, such distributions must meet the minimum distribution incidental benefit requirements. Any changes in the designation will be considered to be a revocation of the designation. However, the mere substitution or addition of another Beneficiary (one not named in the designation) under the designation will not be considered to be a revocation of the designation, so long as such substitution or addition does not alter the period over which distributions

are to be made under the designation, directly or indirectly (for example, by altering the relevant measuring life).

(5) In the case in which an amount is transferred or rolled over from one plan to another plan, the rules in Section 1.401(a)(9)-8, Q & A 14 and Q & A 15, of the Income Tax Regulations shall apply.

(g) *2009 Required Minimum Distributions*.

(1) *Default to Discontinue 2009 Required Minimum Distributions*. A Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Section 401(a)(9)(H) of the Code ("2009 required minimum distributions"), and who would have satisfied that requirement by receiving distributions that are (A) equal to the 2009 required minimum distributions or (B) one or more payments in a series of substantially equal distributions (that include the 2009 required minimum distributions) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated Beneficiary, or for a period of at least 10 years ("extended 2009 required minimum distributions"), will not receive those distributions for 2009 unless the Participant or Beneficiary chooses to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence. In addition, notwithstanding Section 7.11 of the Plan, and solely for purposes of applying the direct rollover provisions of the Plan, certain additional distributions in 2009 will be treated as eligible rollover distributions.

7.5 **JOINT AND SURVIVOR ANNUITY.** This Section shall apply only to a Participant who does not die prior to the "annuity starting date."

(a) If distribution of a Participant's Account balance commences during his lifetime, his vested Account (subject to the provisions of this Section 7.5) shall be applied to the purchase of an annuity for the life of the Participant or, if the Participant is married as of his benefit commencement date, applied to the purchase of a "qualified joint and survivor annuity" for the life of the Participant and his "eligible spouse".

For this purpose, a "qualified joint and survivor annuity" is an immediate annuity for the life of the Participant with a survivor annuity for the life of the spouse which is 50% of the amount of the annuity which is payable during the joint lives of the Participant and his spouse.

Effective for Plan Years beginning after December 31, 2007, the Participant can elect to waive the qualified joint and survivor annuity during the election period set forth in Section 7.5(e) and elect a "qualified optional survivor annuity". The qualified optional survivor annuity is an immediate annuity for the life of the Participant with a survivor annuity for the life of the spouse that is 75% of the amount of the annuity which is payable during the joint lives of the Participant and his spouse.

(b) The Participant may elect to waive the life annuity or qualified joint and survivor annuity form of benefit at any time during the election period. Such an election must be made in writing in a form acceptable to the Administrator. However, an election to waive a qualified joint and survivor annuity shall not take effect unless the Participant's spouse consents in writing to such election and the spouse's consent acknowledges the effect of such election and is witnessed by a Plan representative or a Notary Public. In the event of such an election, distribution of the portion of the Participant's Account otherwise subject to the provisions of this Section shall be paid to the Participant in the manner selected by the Participant under Section 7.1 above.

(c) "Eligible Spouse" is the spouse of the Participant. A divorce occurring after benefit payments have commenced to the Participant will not cause an "eligible spouse" to lose such status, unless the spouse agrees to give up rights hereunder pursuant to the terms of a qualified domestic relations order described in Code Section 414(p). The divorce or death of an "eligible spouse" shall not entitle a subsequent spouse to status as an "eligible spouse."

(d) The spousal waiver made in accordance with this Section must specify the non-spouse beneficiary, if any, and the alternative form of distribution neither of which may be changed unless a new spousal consent is obtained pursuant to Section 7.5(b). In addition, any waiver made in accordance with this Section may be revoked at any time prior to the commencement of benefits under the Plan. A Participant is not limited to the number of revocations or elections that may be made hereunder.

(e) The "election period" under this Section shall be the 180-day period (90-day period for Plan Years beginning before January 1, 2007) prior to the "annuity starting date", which date shall be the first day of the first period in which an amount is payable as an annuity or, if such benefit is not payable as an annuity, the first day on which the Participant may begin to receive a distribution from the Plan.

The written explanation described in Section 417(a)(3)(A) of the Code may be provided after the annuity starting date. The 180-day "applicable election period" (90-day period for Plan Years beginning before January 1, 2007) to waive the qualified joint and survivor annuity described in Section 417(a)(6)(A) of the Code shall not end before the 30th day after the date on which such explanation is provided. The Secretary of the Treasury may, by regulations, limit the period of time by which the annuity starting date precedes the provision of the written explanation other than by providing that the annuity starting date may not be earlier than termination of employment. A Participant may elect (with any applicable spousal consent) to waive any requirement that the written explanation be provided at least 30 days before the annuity starting date (or to waive the 30-day requirement set forth above) if the distribution commences more than seven (7) days after such explanation is provided.

(f) The Administrator shall provide to each Participant, not more than one hundred and eighty (180) days (ninety (90) days for Plan Years beginning before January 1, 2007) prior to the commencement of benefits, a written explanation of:

(1) the terms and conditions of the qualified joint and survivor annuity and the qualified optional survivor annuity, or life annuity;

(2) the Participant's right to make, and the effect of an election to waive, such applicable annuity;

(3) the rights of the Participant's spouse regarding the required consent to an election to waive the qualified joint and survivor annuity; and

(4) the right to make, and the effect of, a revocation of an election to waive the applicable annuity.

The written explanation shall comply with the requirements of Section 1.417(a)(3)-1 of the Income Tax Regulations.

(g) Notwithstanding anything contained herein to the contrary, if the vested balance of the Participant's Account is less than $5,000, distribution of the Participant's Account shall be made in the form of a lump sum payment, subject to the terms of the applicable funding vehicle. However, no distribution shall be made pursuant to this subsection after the first day of the first period for which an amount is received as an annuity unless the Participant and the Participant's spouse, if applicable, consent in writing to such distribution.

7.6 **DEATH BENEFIT.**

(a) *Death While an Employee*. In the event of the death of a Participant while in the employ of the Employer, vesting in the Participant's Account shall be 100% if not otherwise 100% vested under Section 6.1. The Account shall constitute the Participant's death benefit to be distributed under this Article to the Participant's Beneficiary.

(b) *Death After Termination of Employment*. In the event of the death of a former Participant after termination of employment but prior to the complete distribution of his vested Account balance under the Fund, the undistributed vested balance of the Participant's Account shall be paid to the Participant's Beneficiary.

7.7 **DESIGNATION OF BENEFICIARY.** Each Participant shall file with the Administrator a designation of Beneficiary to receive payment of death benefits payable hereunder if such Beneficiary should survive the Participant. However, no married Participant's designation of a Beneficiary other than his "eligible spouse" (as defined in Section 7.5(c)) shall be effective unless the Participant's eligible spouse has signed a written consent witnessed by a Plan representative or a Notary Public, which consent provides for a designation of an alternative Beneficiary and the alternate form of distribution. Such designation of an alternative Beneficiary or alternative form may not be changed unless a new consent is signed by the eligible spouse.

Subject to the above, Beneficiary designations may include primary and contingent Beneficiaries, and may be revoked or amended at any time in similar manner or form, and the most recent designation shall govern. In the absence of an effective designation of Beneficiary, or if the Beneficiary dies before complete distribution of the Participant's benefits, all amounts shall be paid to the surviving spouse of the Participant, if living, or otherwise equally to the Participant's then-surviving children, whether by marriage or adopted, and the surviving issue of any deceased children, per stirpes, or, if none, to the Participant's estate. Notification to Participants of the death benefits under the Plan and the method of designating a Beneficiary shall be given at the time and in the manner provided by regulations and rulings under the Code.

7.8 **TIME AND MODE OF DISTRIBUTING DEATH BENEFITS.** The Beneficiary shall be allowed to designate both the time and the mode of receiving benefits in accordance with Section 7.1 unless the Participant had designated a method or time in writing and indicated that either was not to be revocable by the Beneficiary. The Beneficiary's election shall be delivered to the Administrator no later than the last day of the calendar year following the calendar year in which the Participant died. If such election is not made, payments shall commence at the "required time" specified in the next paragraph and shall be paid in a lump sum, subject to the special rules for surviving spouses.

The "required time" for commencement of distribution of any death benefit hereunder shall be within the period ending on the last day of the calendar year following the calendar year in which the Participant died, or in the case of a surviving spouse, within a reasonable time after the Participant's death or, if the surviving spouse so elects, no later than the last day of the calendar year in which the Participant would have attained age 70½. If a surviving spouse dies before distributions begin, this paragraph shall be applied as if the surviving spouse were the Participant.

If payment commences at the "required time" and if all payments are designated to or for the benefit of one or more natural persons, the following distribution modes shall be available:

(a) a lump sum; or

(b) payments of installments (in a like manner to that in Section 7.4).

To the extent payments are not designated to or for the benefit of a natural person, or if payments commence after the "required time," the following distribution modes shall be available:

(1) a lump sum payable at any time within five (5) years of the Participant's death; or

(2) payments of installments at such time and in such amount as determined by the Beneficiary, provided that all amounts be paid from the Fund within five (5) years of the Participant's death.

If a Participant dies after payments have commenced, any survivor's benefit must be paid no less rapidly than the method of payment in effect at the time of the Participant's death.

7.9 **QUALIFIED PRE-RETIREMENT SURVIVOR ANNUITY.**

The provisions of this Section shall apply only to a Participant on whose behalf death benefits (including voluntary contributions) would amount to at least $5,000.

(a) If a Participant dies before distribution of benefits has commenced and is survived by his "eligible spouse" (as defined in Section 7.5(c)), one-half of the entire death benefit payable under the Plan shall be applied to the purchase of an annuity for the life of the Participant's surviving spouse. The Participant's spouse may direct that payment of the pre-retirement survivor annuity commence within a reasonable period after the Participant's death. If the spouse does not so direct, payment of such benefit will commence at the time the Participant would have attained the later of Normal Retirement Date or age 62. However, the spouse may elect a later commencement date.

(b) The Participant may elect to waive such survivor annuity death benefit during the period commencing on the first day of the Plan Year in which the Participant attains age 35 (or the date he terminates employment, if earlier) and ending on the date of his death. Such an election must be made in writing and must include the Participant's designation of a Beneficiary which designation may not be changed unless a new consent is signed by the "eligible spouse". Spousal consent, hereunder, shall not take effect unless the Participant's eligible spouse consents in writing to such election which consent acknowledges the effect of such election and is witnessed by a Plan representative or a Notary Public.

Any waiver made in accordance with this Section 7.9(b) may be revoked at any time prior to the commencement of benefits under the Plan. A Participant is not limited to the number of revocations or elections that may be made under this Section 7.9.

In the event of such an election, any death benefit otherwise subject to the provisions of this Section 7.9, shall be paid to the Participant's Beneficiary in a manner selected by the Beneficiary or Participant, subject to the provisions of Section 7.8.

(c) The Administrator shall furnish each Participant with a written explanation of: (i) the terms and conditions of the survivor annuity; (ii) the Participant's right to make, and the effect of, an election to waive the survivor annuity, and to revoke its election; and (iii) the right of the Participant's eligible spouse to prevent such an election by withholding the necessary consent. The written explanation shall comply with the requirements of Section 1.417(a)(3)-1 of the Income Tax Regulations. Such explanation shall be provided to the Participant within the period beginning on the later of the first day of the Plan Year in which the Participant attains age 32 and ending on the last day of the Plan Year preceding the Plan Year in which the Participant attains age 35, or within a reasonable period after the Participant commences participation in the Plan, or after the Participant separates from Service if the Participant has not attained age 35 at the time of separation from Service.

7.10 **INVOLUNTARY CASH-OUTS.** If a Participant terminates employment for any reason and his vested Account balance does not exceed $1,000, the Administrator may distribute such amount in a lump sum payment to the Participant without the consent of the Participant or his spouse, subject to the terms of the applicable funding vehicle.

7.11 DIRECT ROLLOVER OF ELIGIBLE ROLLOVER DISTRIBUTIONS.

(a) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election, a Distributee may elect, at the time and in the manner prescribed by the Administrator, and to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover, provided the portion is equal to at least $500. If an Eligible Rollover Distribution is less than $500, a Distributee may not make the election described in the preceding sentence to roll over only a portion of the Eligible Rollover Distribution.

If permitted by the Employer, an Eligible Rollover Distribution made after September 27, 2010, from a Participant's Account under the Plan other than a designated Roth account may be transferred to the Participant's designated Roth account under the Plan. The Plan will maintain such records as are necessary for the proper reporting of in-plan Roth rollovers.

(b) *Definitions:*

(1) *Eligible Rollover Distribution:* An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the Distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; any hardship distribution; the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); any other distribution(s) that is reasonably expected to total less than $200 during a year. For purposes of the $200 rule, a distribution from a designated Roth account and a distribution from other accounts under the Plan are treated as made under separate plans.

For purposes of this Section 7.11, a portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to (A) a traditional individual retirement account or annuity described in Section 408(a) or (b) of the Code (a "traditional IRA") or a Roth individual retirement account or annuity described in Section 408A of the code (a "Roth IRA"); or (B) to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code, that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(2) *Eligible Retirement Plan:* An Eligible Retirement Plan is a traditional IRA, a Roth IRA, an annuity contract described in Section 403(b) of the Code, an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan, or a qualified plan described in Section 401(a) of the Code, that accepts the Distributee's Eligible Rollover Distribution. In the case of an Eligible Rollover Distribution to the surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, an Eligible Retirement Plan means any of the foregoing arrangements.

If any portion of an Eligible Rollover Distribution is attributable to payments or distributions from a designated Roth account, an Eligible Retirement Plan with respect to such portion shall include only another designated Roth account of the individual from whose account the payments or distributions were made, or a Roth IRA of such individual.

(3) *Distributee:* A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse. For distributions after December 31, 2006, a Distributee includes the Employee's or former Employee's nonspouse designated Beneficiary, in which case, the distribution can only be transferred to a traditional or Roth IRA established on behalf of the nonspouse designated beneficiary for the purpose of receiving the distribution.

(4) *Direct Rollover:* A direct rollover is a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

ARTICLE EIGHT--ADMINISTRATION OF THE PLAN

8.1 PLAN ADMINISTRATION.

(a) The Employer shall be the Plan Administrator, hereinbefore and hereinafter called the Administrator, and named fiduciary of the Plan. The Employer, by action of its Board of Directors, has designated its Chief Financial Officer to be responsible for the operation of the Plan. The administration of the Plan, as provided herein, including a determination of the payment of benefits to Participants and their Beneficiaries, shall be the responsibility of the Administrator. The Administrator shall conduct its business and may hold meetings, as determined by it, from time to time. The Administrator shall have the right to construe and interpret the Plan, decide all questions of eligibility and determine the amount, manner and time of payment of any distributions under the Plan to the fullest extent provided by law and in its sole discretion; and interpretations or decisions made by the Administrator will be conclusive and binding on all persons having an interest in the Plan. In the event more than one party shall act as Administrator, all actions shall be made by majority decisions. In the administration of the Plan, the Administrator may (a) employ agents to carry out nonfiduciary responsibilities, (b) consult with counsel, who may be counsel to the Employer, and (c) provide for the allocation of fiduciary responsibilities among its members. Actions dealing with fiduciary responsibilities shall be taken in writing and the performance of agents, counsel and fiduciaries to whom fiduciary responsibilities have been delegated shall be reviewed periodically.

(b) The expenses of administering the Plan and the compensation of all employees, agents, or counsel of the Administrator, including the accounting fees, the recordkeeper's fees, and the fees of any benefit consulting firm, shall be paid by the Plan, or shall be paid by the Employer, if the Employer so elects. No compensation may be paid by the Plan to full-time Employees of the Employer.

(c) The Administrators shall keep a record of all its proceedings in the form and to the extent requested by the Board of Directors of the Employer. The Administrator shall obtain, not less often than annually, a report with respect to the value of the assets held in the Fund, in such form as is required by the Administrator.

(d)The Administrator shall administer the Plan and adopt such rules and regulations as, in the opinion of the Administrator, are necessary or advisable to implement and administer the Plan and to transact its business.

8.2 CLAIMS PROCEDURE.

(a) A Participant or Beneficiary (a "Claimant") who asserts a right to any benefit under the Plan he has not received, in whole or in part, must file a written claim with the Administrator. If the claim is wholly or partially denied, the person or persons so designated shall within a reasonable period of time, but no more than ninety (90) days, of its receipt of the claim provide a written notice of denial to the Claimant setting forth:

(1) Specific reasons for the denial of the claim;

(2) Specific reference to pertinent provisions of the Plan on which the denial is based;

(3) A description of any additional material or information necessary to perfect the claim, and an explanation of why such material or information is necessary; and

(4) An explanation of the Plan's claims review procedure, including a statement of the

Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

(b) A Claimant whose application for benefits is denied, or who has received neither an affirmative reply nor a notice of denial within ninety (90) days after filing his claim, may request a full and fair review of the decision denying the claim. The request must be made in writing to the Administrator within sixty (60) days after receipt of the notice of denial or, if no notice of denial is issued, within sixty (60) days after the expiration of ninety (90) days from the filing of the claim. In connection with the review, the Claimant:

(1) Shall be provided, upon request and free of charge, with reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim; and

(2) May submit issues, comments, documents, records, and other information in writing to the Administrator for review.

A decision on review by the Administrator shall take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The decision of the Administrator shall be made promptly and not later than sixty (60) days after the receipt by the Administrator of a request for review, unless special circumstances (such as the need to hold a hearing) require an extension of time for processing, in which case the Claimant will be so notified of the extension prior to the expiration of the initial sixty (60) day period and the extension notice shall contain the reason(s) for the extension. A decision shall be rendered as soon as possible, and not later than one-hundred twenty days (120) after the receipt of the request for review. If an extension is required due to a failure by the Claimant to submit information necessary to decide a claim, the time period for completing the review shall be tolled from the date on which notification of the extension is sent until the date on which the Claimant responds to the request for additional information.

The decision shall be in writing and shall include specific reasons for the decision written in a manner calculated to be understood by the Claimant and specific reference to the pertinent provisions of the Plan on which the decision is based. The decision shall also include a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim, along with a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

(c) The Administrator shall have discretionary authority to interpret and apply the provisions of the Plan with respect to, and to make any factual determination in connection with, any benefit claim.

ARTICLE NINE--LIMITATIONS ON ANNUAL ADDITIONS TO A PARTICIPANT'S ACCOUNT

9.1 RULES AND DEFINITIONS.

(a) *Rules.* The following rules limit additions to Participants' Accounts:

(1) If the Participant does not participate, and has never participated, in another qualified plan maintained by the Employer, the amount of annual additions which may be credited to the Participant's Account for any limitation year will not exceed the lesser of the maximum permissible amount or any other limitation contained in this Plan. If the Employer contribution that would otherwise be allocated to the Participant's Account would cause the annual additions for the limitation year to exceed the maximum permissible amount, the amount allocated will be reduced so that the annual additions for the limitation year will equal the maximum permissible amount.

(2) Prior to determining the Participant's actual Compensation for the limitation year, the Employer may determine the maximum permissible amount for a Participant on the basis of a reasonable estimation of the Participant's Compensation for the limitation year, uniformly determined for all Participants similarly situated.

(3) As soon as is administratively feasible after the end of the limitation year, the maximum permissible amount for the limitation year will be determined on the basis of the Participant's actual Compensation for the limitation year.

(b) *Definitions.*

(1) *Annual additions:* The following amounts credited to a Participant's Account for the limitation year are treated as annual additions to a defined contribution plan:

(A) Employer contributions; and

(B) Employee contributions; and

(C) Forfeitures; and

(D) Amounts allocated to an individual medical account, as defined in Section 415(l)(2) of the Code, which is part of a pension or annuity plan maintained by the Employer. Also, amounts derived from contributions paid or accrued in taxable years ending after such date which are attributable to post-retirement medical benefits allocated to the separate account of a Key Employee, as defined in Section 419A(d)(3) of the Code, and amounts under a welfare benefit fund, as defined in Section 419(e) of the Code, maintained by the Employer, are treated as annual additions to a defined contribution plan; and

(E) Allocations under a simplified employee pension.

For this purpose, any excess amount applied under Section 9.1(a)(4) in the limitation year to reduce Employer contributions will be considered annual additions for such limitation year.

(2) *Compensation:* For purposes of determining maximum permitted benefits under this Section, compensation is defined as wages, salaries, differential wage payments under Section 3401(h) of the Code, and fees for professional services, and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the Plan to the extent that the amounts are includible in gross income (including, but not limited to, commissions

paid to salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or expense allowances under a nonaccountable plan (as described in Regulation Section 1.62-2(c)), and excluding the following:

(A) Employer contributions (other than elective contributions described in Section 402(e)(3), Section 408(k)(6), Section 408(p)(2)(A)(i), or Section 457(b)) of the Code to a plan of deferred compensation (including a simplified employee pension described in Section 408(k) of the Code or a simple retirement account described in Section 408(p) of the Code, and whether or not qualified) to the extent such contributions are not includible in the Employee's gross income for the taxable year in which contributed, and any distributions (whether or not includible in gross income when distributed) from a plan of deferred compensation (whether or not qualified), other than amounts received during the year by an Employee pursuant to a nonqualified unfunded deferred compensation plan to the extent includible in gross income;

(B) Amounts realized from the exercise of a nonstatutory stock option (that is, an option other than a statutory stock option as defined in Section 1.421-1(b) of the Income Tax Regulations), or when restricted stock (or property) held by the Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;

(C) Amounts realized from the sale, exchange or other disposition of stock acquired under a statutory stock option;

(D) Other amounts that receive special tax benefits, such as premiums for group-term life insurance (but only to the extent that the premiums are not includible in the gross income of the Employee and are not salary reduction amounts that are described in Section 125 of the Code);

(E) Other items of remuneration that are similar to any of the items listed in (A) through (D).

For any self-employed individual, compensation shall mean earned income.

Except as provided herein, compensation for a limitation year is the compensation actually paid or made available during such limitation year. Compensation for a limitation year shall include amounts earned but not paid during the limitation year solely because of the timing of pay periods and pay dates, provided the amounts are paid during the first few weeks of the next limitation year, the amounts are included on a uniform and consistent basis with respect to all similarly situated employees, and no compensation is included in more than one limitation year.

For limitation years beginning on or after July 1, 2007, compensation for a limitation year shall also include compensation paid by the later of 2½ months after an Employee's severance from employment with the Employer maintaining the Plan or the end of the limitation year that includes the date of the Employee's severance from employment with the Employer maintaining the Plan, if:

(i) the payment is regular compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, and, absent a severance from employment, the payments would have been paid to the Employee while the Employee continued in employment with the Employer; or

(ii) the payment is for unused accrued bona fide sick, vacation or other leave that the Employee would have been able to use if employment had continued; or

(iii) the payment is received by the Employee pursuant to a nonqualified unfunded deferred compensation plan and would have been paid at the same time if employment had continued, but only to the extent includible in gross income.

Any payments not described above shall not be considered compensation if paid after severance from employment, even if they are paid by the later of 2½ months after the date of severance from employment or the end of the limitation year that includes the date of severance from employment, except compensation paid to a Participant who is permanently and totally disabled, as defined in Section 22(e)(3) of the Code, provided salary continuation applies to all Participants who are permanently and totally disabled for a fixed or determinable period, or the Participant was not a highly compensated employee, as defined in Section 414(q) of the Code, immediately before becoming disabled.

Back pay, within the meaning of Section 1.415(c)-2(g)(8) of the Income Tax Regulations, shall be treated as compensation for the limitation year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included under this definition.

Compensation paid or made available during a limitation year shall include amounts that would otherwise be included in compensation but for an election under Section 125(a), Section 132(f)(4), Section 402(e)(3), Section 402(h)(1)(B), Section 402(k), or Section 457(b) of the Code.

Compensation shall also include deemed Section 125 compensation. Deemed Section 125 compensation is an amount that is excludable under Section 106 of the Code that is not available to a Participant in cash in lieu of group health coverage under a Section 125 arrangement solely because the Participant is unable to certify that he has other health coverage. Amounts are deemed Section 125 compensation only if the Employer does not request or otherwise collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan.
Compensation shall not include amounts paid as compensation to a nonresident alien, as defined in Section 7701(b)(1)(B) of the Code, who is not a Participant in the Plan to the extent the compensation is excludable from gross income and is not effectively connected with the conduct of a trade or business within the United States.

(3) *Defined contribution dollar limitation:* Notwithstanding any other provisions of the Plan, contributions and other additions with respect to a participant exceed the limitation of Code Section 415(c) if, when expressed as an Annual Addition (within the meaning of Code Section 415(c)(2)) to the Participant's Account, such Annual Addition is greater than the lesser of:

(A) $44,000, as adjusted for increases in the cost-of-living under Code Section 415(d); or

(B) 100% of the Participant's compensation (as defined in Section 9.l(b)(2)).

The compensation limit referred to in this Section 9.1(b)(3) shall not apply to any contribution for medical benefits after separation from service (within the meaning of Section 401(h) or Section 419A(f)(2) of the Code) which is otherwise treated as an Annual Addition.

The provisions of this Section 9.1(b)(3) are effective for limitation years beginning on or after January 1, 2002.

(4) *Employer:* This term refers to the Employer that adopts this Plan, and all members of a controlled group of corporations (as defined in Section 414(b) of the Code, as modified by Section 415(h)), commonly-controlled trades or businesses (as defined in Section 414(c) as modified by Section 415(h)), or affiliated service groups (as defined in Section 414(m)) of which the adopting employer is a part.

(5) *Limitation year:* The Plan Year shall be the 12-consecutive-month period used to measure Compensation in this Plan for benefit purposes.

(6) *Maximum annual additions:* This amount is the lesser of the defined contribution dollar limitation or 100% of the Participant's Compensation for the limitation year.

If a short limitation year is created because of an amendment changing the limitation year to a different 12-consecutive-month period, the maximum permissible amount will not exceed the defined contribution dollar limitation multiplied by the following fraction:

$$\frac{\text{Number of months in the short limitation year}}{12}$$

If the Plan is terminated as of a date other than the last day of the limitation year, the Plan is deemed to have been amended to change its limitation year and the maximum permissible amount shall be prorated for the resulting short limitation year.

ARTICLE TEN--AMENDMENT AND TERMINATION

10.1 **AMENDMENT.** The Employer shall have the right to amend, alter, or modify the Plan at any time, or from time to time, in whole or in part. Any such amendment shall become effective under its terms upon adoption by the Employer. The amendment shall be adopted by formal action of the Board of Directors. No amendment shall be made to the Plan which shall:

(a) make it possible (other than as provided in Section 12.3) for any part of the corpus or income of the Fund (other than such part as may be required to pay taxes and administrative expenses) to be used for or diverted to purposes other than the exclusive benefit of the Participants or their beneficiaries; or

(b) alter the schedule for vesting in a Participant's Account with respect to any Participant with three (3) or more Years of Service without his consent or deprive any Participant of any nonforfeitable portion of his Account. If the Plan's vesting schedule is amended, or the Plan is amended in any way that directly or indirectly affects the computation of the Participant's nonforfeitable percentage or if the Plan is deemed amended by an automatic change to or from a top-heavy vesting schedule, each Participant with at least three (3) Years of Service for vesting purposes with the Employer may elect, within a reasonable period after the adoption of the amendment or change, to have the nonforfeitable percentage computed under the Plan without regard to such amendment or change. For Participants who do not have at least one Hour of Service in any Plan Year beginning after December 31, 1988, the preceding sentence shall be applied by substituting "five (5) Years of Service" for "three (3) Years of Service" where such language appears. The period during which the election may be made shall commence with the date the amendment is adopted or deemed to be made and shall end on the latest of: (1) 60 days after the amendment is adopted; (2) 60 days after the amendment becomes effective; or (3) 60 days after the Participant is issued written notice of the amendment by the Employer or Plan Administrator.

No amendment to the Plan shall be effective to the extent that it has the effect of decreasing a Participant's accrued benefit. This includes a plan amendment that decreases a Participant's accrued benefit, or otherwise places greater restrictions or conditions on a Participant's rights to Section 411(d)(6) protected benefits, even if the amendment merely adds a restriction or condition that is permitted under the vesting rules in Section 411(a)(3) through (11) of the Code. Notwithstanding the preceding sentence, a Participant's account balance may be reduced to the extent permitted under Section 412(d)(2) of the Code or to the extent permitted under Sections 1.411(d)-3 and 1.411(d)-4 of the Income Tax Regulations. For purposes of this paragraph, a plan amendment which has the effect of decreasing a Participant's account balance, with respect to benefits attributable to service before the amendment, shall be treated as reducing an accrued benefit. Furthermore, if the vesting schedule of a plan is amended, in the case of an Employee who is a Participant as of the later of the date such amendment is adopted or the date it becomes effective, the nonforfeitable percentage (determined as of such date) of such Employee's employer-derived accrued benefit will not be less than the percentage computed under the Plan without regard to such amendment.

No amendment to the Plan shall be effective to eliminate or restrict an optional form of benefit. The preceding sentence shall not apply to an amendment that eliminates or restricts the ability of a Participant to receive payment of his or her Account balance under a particular optional form of benefit if the amendment provides a single-sum distribution form that is otherwise identical to the optional form of benefit being eliminated or restricted. For this purpose, a single-sum distribution form is otherwise identical only if the single-sum distribution form is identical in all respects to the eliminated or restricted optional form of benefit (or would be identical except that it provides greater rights to the Participant) except with respect to the timing of payments after commencement.

Notwithstanding the other provisions of this Section or any other provisions of the Plan, any amendment or modification of the Plan may be made retroactively if necessary or appropriate to conform to or to satisfy the conditions of any law, governmental regulation, or ruling, and to meet the requirements of Code qualification and ERISA.

10.2 **TERMINATION OF THE PLAN.** The Employer reserves the right at any time and in its sole discretion to discontinue payments under the Plan and to terminate the Plan. In the event the Plan is terminated, or upon complete discontinuance of contributions under the Plan by the Employer, or in the event of a partial termination of the Plan, the rights of each Participant to his Account on the date of such termination or discontinuance of contributions, to the extent of the fair market value under the Fund, shall become fully vested and nonforfeitable. The Employer shall distribution of the Fund in accordance with the Plan's distribution provisions to the Participants and their Beneficiaries, each Participant or Beneficiary receiving a portion of the Fund equal to the value of his Account as of the date of distribution. These distributions may be implemented by the continuance of the Fund and the distribution of the Participants' Account shall be made in such time and such manner as though the Plan had not terminated, or by any other appropriate method, including rollover into Individual Retirement Accounts. Upon distribution of the Fund, no Participant or Beneficiary shall have any further right or claim therein. If a partial termination of the Plan is deemed to have occurred, this Section shall apply only to those Participants affected by such partial termination.

ARTICLE ELEVEN--TOP-HEAVY PROVISIONS

11.1 **APPLICABILITY.** The provisions of this Article shall become applicable only for any Plan Year in which the Plan is a Top-Heavy Plan. The determination of whether the Plan is a Top-Heavy Plan shall be made each Plan Year by the Administrator.

11.2 **DEFINITIONS.** For purposes of this Article, the following definitions shall apply:

(a) *"Key Employee"* shall mean, for Plan Years beginning after December 31, 2001, any Employee or former Employee (including any deceased Employee) who at any time during the Plan Year that includes the determination date was an officer of the Employer having annual compensation greater than $130,000 (as adjusted under Section 416(i)(1) of the Code for Plan Years beginning after December 31, 2002), 5% owner of the Employer, or a 1% owner of the Employer having annual compensation of more than $150,000. For this purpose, annual compensation means compensation within the meaning of Section 9.1(b)(2). The determination of who is a key employee will be made in accordance with Section 416(i)(1) of the Code and the applicable regulations and other guidance of general applicability issued thereunder. "*Non-Key Employee*" shall mean any Employee or Beneficiary or such Employee or former Employee or Beneficiary of such former Employee who is not or was not a Key Employee during the Plan Year ending on the determination date, nor during the four preceding Plan Years.

(b) *"Top-Heavy Plan"* shall mean a plan where any of the following conditions exist:

(1) *Top-Heavy status defined:*

(A) The Plan is a Top-Heavy Plan if the top-heavy ratio for the Plan exceeds 60% and the Plan is not part of any required aggregation group or permissive aggregation group of plans; or

(B) The Plan is a Top-Heavy Plan if the Plan is a part of a required aggregation group of plans (but is not part of a permissive aggregation group) and the top-heavy ratio for the group of plans exceeds 60%; or

(C) The Plan is a Top-Heavy Plan if the Plan is a part of a required aggregation group of plans and part of a permissive aggregation group and the top-heavy ratio for the permissive aggregation group exceeds 60%.

(2) *Definition of terms for Top-Heavy status:*

(A) *"Top-heavy ratio"* shall mean the following:

(i) If the Employer maintains one or more defined contribution plans (including any simplified employee pension plan funded with individual retirement accounts or annuities) and the Employer has not maintained any defined benefit plans which during the five-year period ending on the determination date has or has had accrued benefits, the top-heavy ratio is a fraction, the numerator of which is the sum of the Account balances of all Key Employees as of the determination date (including any part of any Account balance distributed in the one-year period ending on the determination date) (five-year period ending on the determination date in the case of a distribution made for reasons other than severance from employment, death or disability and in determining whether the Plan is top-heavy for Plan Years beginning before January 1, 2002), and the denominator of which is the sum of the Account balances (including any part of any Account balance distributed in the one-year period ending on the determination date) (five-year period ending on the determination in the case of a distribution made for reasons other than severance from employment, death or disability and in determining whether the Plan is top-heavy for Plan Years beginning before January 1, 2002) of all Participants as of the determination date, both determined in accordance with Section 416 of the Code and the regulations issued thereunder. Both the numerator and the denominator shall be increased by any contributions not actually made as of the determination date, but which is required to be taken into account on that date under Section 416 of the Code and the regulations issued thereunder.

(ii) If the Employer maintains one or more defined contribution plans (including any simplified employee pension plan funded with individual retirement accounts or annuities) and the Employer maintains or has maintained one or more defined benefit plans which during the five-year period ending on the determination date has or had any accrued benefits, the top-heavy ratio is a fraction, the numerator of which is the sum of account balances under the defined contribution plans for all Key Employees and the actuarial equivalent of accrued benefits under the defined benefit plans for all Key Employees, and the denominator of which is the sum of the account balances under the defined contribution plans for all Participants and the actuarial equivalent of accrued benefits under the defined benefit plans for all Participants, all determined in accordance with Section 416 of the regulations issued thereunder. Both the numerator and denominator of the top-heavy ratio shall include any distribution of an account balance or an accrued benefit made in the one-year period ending on the determination date (five-year period ending on the determination date in the case of a distribution made for reasons other than severance from employment, death or disability and in determining whether the Plan is top-heavy for Plan Years beginning before January 1, 2002).

(iii) For purposes of (i) and (ii) above, the value of Account balances and the actuarial equivalent of accrued benefits will be determined as of the most recent valuation date that falls within or ends with the 12-month period ending on the determination date, except as provided in Section 416 of the Code and regulations issued thereunder for the first and second plan year of a defined benefit plan. The accrued benefits and Account balances of Participants (a) who are not Key Employees but who were Key Employees in a prior year or (b) who have not been credited with at least one hour of service with any employer maintaining the Plan at any time during the one-year period (five-year period in determining whether the Plan is top-heavy for Plan Years beginning before January 1, 2002) ending on the determination date will be disregarded. The calculations of the top-heavy ratio, and the extent to which distributions, rollovers, and transfers are taken into account will be made under Section 416 of the Code and regulations issued thereunder. Deductible employee contributions will not be taken into account for purposes of computing the top-heavy ratio. When aggregating plans, the value of account balances and accrued benefits will be calculated with reference to the determination dates that fall within the same Plan Year.

The accrued benefit of a Participant other than a Key Employee shall be determined under (a) the method, if any, that uniformly applies for accrual purposes under all defined benefit plans maintained by the Employer, or (b) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule of Section 411(b)(1)(C) of the Code.

(B) *"Permissive aggregation group"* shall mean the required aggregation group of plans plus any other plan or plans of the Employer which, when considered as a group with the required aggregation group, would continue to satisfy the requirements of Sections 401(a)(4) and 410 of the Code.

(C) *"Required aggregation group"* shall mean (i) each qualified plan of the Employer (including any terminated plan) in which at least one Key Employee participates or participated at any time during the Plan Year containing the determination date or any of the four preceding Plan Years (regardless of whether the Plan has terminated), and (ii) any other qualified plan of the Employer which enables a plan described in (i) to meet the requirements of Sections 401(a)(4) or 410 of the Code.

(D) *"Determination date"* shall mean, for any Plan Year subsequent to the first Plan Year, the last day of the preceding Plan Year. For the first Plan Year of the Plan, "determination date" shall mean the last day of that Plan Year.

(E) *"Valuation Date"* shall mean the last day of the Plan Year.

11.3 **ALLOCATION OF EMPLOYER CONTRIBUTIONS FOR A TOP-HEAVY PLAN YEAR.**

(a) Except as otherwise provided below, in any Plan Year when the Plan is a Top-Heavy Plan the Employer contributions allocated on behalf of any Participant who is a Non-Key Employee shall not be less than the lesser of 3% of such Participant's Compensation as defined in Section 9.1(b)(2) or the largest percentage of Employer contributions (including elective deferrals) as a percentage of the Key Employee's Compensation, as limited by Section 401(a)(17) of the Code, allocated on behalf of any Key Employee for that Plan Year. The minimum allocation is determined without regard to any Social Security contribution. This minimum allocation shall be made even though, under other Plan provisions, the Participant would not otherwise be entitled to receive an allocation, or would have received a lesser allocation for the Plan Year because of insufficient Employer contributions under Section 4.1 or the Participant's failure to complete 1,000 Hours of Service (or any equivalent provided in the Plan), regardless of the Participant's level of Compensation.

(b) The minimum allocation under this Section shall not apply to any Participant who was not employed by the Employer on the last day of the Plan Year.

(c) The minimum allocation under this Section shall be reduced by any allocation of Employer contributions under Section 4.1 and will be used as an offset against any such required allocation under any other defined contribution plan of the Employer with a Plan Year ending in the same calendar year as the Valuation Date.

(d) Neither elective deferrals nor matching contributions (as defined in Code Sections 402(g)(3) and 401(m)(4)(A), respectively) shall be taken into account for the purpose of satisfying the minimum allocation requirements of this Section, but are included for purposes of determining the percentage of Employer contributions allocated to Key Employees.

(e) There shall be no duplication of the minimum benefits required under Code Section 416. Benefits shall be provided under defined benefit plans before under any defined contribution plans. If a defined benefit plan (active or frozen) is part of the permissive or required aggregation group of plans of the Employer, the minimum allocation in subparagraph (a) shall be deemed to be 5% and shall be offset by a Participant's accrued benefit under a defined benefit plan according to the following equivalencies: a 1% "qualifying benefit accrual" under a defined benefit plan equals a 2.5% allocation under a defined contribution plan. To be a "qualifying benefit accrual," the pension under the defined benefit plan must be converted to a pension payable for life based on the average of the five consecutive years of the Participant's highest compensation, payable at that plan's normal retirement date. Accordingly, for a Participant whose "qualifying benefit accrual" equals 2% multiplied by each year of his participation in the Plan while a Top-Heavy Plan, there shall be no minimum allocation hereunder. If the "qualifying benefit accrual" is a lesser amount than 2% for each such year, the minimum allocation under this Plan shall be provided on a pro rata basis, adjusted on the basis of the above equivalencies. Except as provided in subparagraph (f), in no event will additional minimum allocations be provided for any Participant who has earned a "qualifying benefit accrual" equal to 20% of his Compensation (as defined in Article Nine) averaged over the five consecutive years in which such Compensation was the highest.

11.4 **VESTING.** The provisions contained in Section 6.1 relating to vesting shall continue to apply in any Plan Year in which the Plan is a Top-Heavy Plan, and apply to all benefits within the meaning of Section 411(a)(7) of the Code except those attributable to Employee contributions and elective deferrals, including benefits accrued before the effective date of Section 416 and benefits accrued before the Plan became a Top-Heavy Plan. Further, no reduction in vested benefits may occur in the event the Plan's status as a Top-Heavy Plan changes for any Plan Year and the vesting schedule is amended. In addition, if a Plan's status changes from a Top-Heavy Plan to that of a non-Top-Heavy Plan, a Participant with three (3) or more Years of Service for vesting purposes shall continue to have his vested rights determined under the schedule which he selects, in the event the vesting schedule is subsequently amended.

Payment of a Participant's vested Account balance under this Section shall be made in accordance with the provisions of Article Seven.

11.5 **ADDITIONAL RULES.**

(a) *Determination of Present Values and Amounts*. This Section 11.5 shall apply, effective for Plan Years beginning after December 31, 2001, for purposes of determining the present values of accrued benefits and the amounts of Account balances of Employees as of the determination date.

(1) *Distributions During Year Ending on the Determination Date*. The present value of accrued benefits and the amounts of Account balances of an Employee as of the determination date shall be increased by the distributions made with respect to the Employee under the Plan and any plan aggregated with the Plan under Section 416(g)(2) of the code during the 1-year period ending on the determination date. The preceding sentence shall also apply to distributions under a terminated plan which, had it not been terminated, would have been aggregated with the Plan under Section 416(g)(2)(A)(i) of the Code. In the case of a distribution made for a reason other than severance from employment, death or disability, this provision shall be applied by substituting "5-year period" for "1-year period."

(2) *Employees Not Performing Services During Year Ending on the Determination Date*. The accrued benefits and Accounts of any individual who has not performed services for the Employer during the 1-year period ending on the determination date shall not be taken into account.

(b) *Minimum Benefits*.

(1) *Matching Contributions*. Employer matching contributions shall be taken into account for purposes of satisfying the minimum contribution requirements of Section 416(c)(2) of the Code and the Plan. The preceding sentence shall apply with respect to matching contributions under the Plan, or, if the Plan provides that the minimum contribution requirement shall be met in another plan, such other plan. Employer matching contributions that are used to satisfy the minimum contribution requirements shall be treated as matching contributions for purposes of the actual contribution percentage test and other requirements of Section 401(m) of the Code.

(2) *Contributions Under Other Plans*. The Employer may provide that the minimum benefit requirement shall be met in another plan (including another plan that consists solely of a cash or deferred arrangement which meets the requirements of Section 401(k)(12) of the Code and matching contributions with respect to which the requirements of Section 401(m)(11) of the Code are met).

ARTICLE TWELVE--MISCELLANEOUS PROVISIONS

12.1 **PLAN DOES NOT AFFECT EMPLOYMENT.** Neither the creation of this Plan nor any amendment thereto nor the creation of any fund nor the payment of benefits hereunder shall be construed as giving any legal or equitable right to any Employee or Participant against the Employer, its officers or Employees, or against any Plan fiduciary, and all liabilities under this Plan shall be satisfied, if at all, only out of the Fund. Participation in the Plan shall not give any Participant any right to be retained in the employ of the Employer, and the Employer hereby expressly retains the right to hire and discharge any Employee at any time with or without cause, as if the Plan had not been adopted, and any such discharged Participant shall have only such rights or interests in the Fund as may be specified herein.

12.2 **SUCCESSOR TO THE EMPLOYER.** In the event of the merger, consolidation, reorganization or sale of assets of the Employer, under circumstances in which a successor person, firm, or corporation shall carry on all or a substantial part of the business of the Employer, and such successor shall employ a substantial number of Employees of the Employer and shall elect to carry on the provisions of the Plan, such successor shall be substituted for the Employer under the terms and provisions of the Plan upon the filing in writing of its election to do so.

12.3 **REPAYMENTS TO THE EMPLOYER.** Notwithstanding any provisions of this Plan to the contrary, and in the sole discretion of the Employer:

(a) Any monies or other Plan assets attributable to any contribution made to this Plan by the Employer because of a mistake of fact may be returned to the Employer within one year after the date of contribution. Earnings attributable to the excess contribution may not be returned to the Employer, but losses attributable thereto must reduce the amount to be so returned. Furthermore, if the withdrawal of the amount attributable to the excess contribution would cause the balance of the individual account of any Participant to be reduced to less than the balance which would have been in the account had the amount not been contributed, then the amount to be returned to the Employer must be limited so as to avoid such reduction.

(b) Any monies or other Plan assets attributable to any contribution made to this Plan by the Employer for any fiscal year for which initial Plan qualification under the Code is denied may be refunded to the Employer within one year after the date such qualification of the Plan is denied or within one year of the resolution of any judicial or administrative process with respect to the disallowance.

(c) Any monies or other Plan assets attributable to any contribution made to this Plan by the Employer may be refunded to the Employer, to the extent the income tax deduction for such contribution is disallowed, within one taxable year after the date of such disallowance or within one year of the resolution of any judicial or administrative process with respect to the disallowance.

Earnings attributable to the excess contribution may not be returned to the Employer, but losses attributable thereto must reduce the amount to be so returned. Furthermore, if the withdrawal of the amount attributable to the excess contribution would cause the balance of the individual account of any Participant to be reduced to less than the balance which would have been in the account had the amount not been contributed, then the amount to be returned to the Employer must be limited so as to avoid such reduction.

12.4 **BENEFITS NOT ASSIGNABLE.** Except as provided in Section 414(p) of the Code with respect to "qualified domestic relations orders", the rights of any Participant or his Beneficiary to any benefit or payment hereunder shall not be subject to voluntary or involuntary alienation or assignment. Notwithstanding the prior provisions of this Section 12.4, an offset to a Participant's benefit against an amount that the Participant is ordered or required to pay the Plan with respect to a judgment, order, or decree issued, or a settlement entered into, on or after August 5, 1997, shall be permitted in accordance with Sections 401(a)(13)(C) and (D) of the Code.

12.5 **MERGER OF PLANS.** In the case of any merger or consolidation of this Plan with, or transfer of the assets or liabilities of the Plan to, any other plan, the terms of such merger, consolidation or transfer shall be such that each Participant would receive (in the event of termination of this Plan or its successor immediately thereafter) a benefit which is no less than what the Participant would have received in the event of termination of this Plan immediately before such merger, consolidation or transfer.

12.6 **INVESTMENT EXPERIENCE NOT A FORFEITURE.** The decrease in value of any Account due to adverse investment experience will not be considered an impermissible "forfeiture" of any vested balance.

12.7 **DISTRIBUTION TO LEGALLY INCAPACITATED PERSON.** In the event any benefit is payable to a minor or to a person deemed to be incompetent or to a person otherwise under legal disability, or who is by sole reason of advanced age, illness, or other physical or mental incapacity incapable of handling the disposition of his property, the Administrator may direct the distribution of the whole or any part of such benefit to the valid power of attorney or court appointed guardian having jurisdiction over the person or to any other person authorized under the applicable state law. The receipt of any such payment or distribution is a complete discharge of liability for Plan obligations.

12.8 **CONSTRUCTION.** Wherever appropriate, the use of the masculine gender shall be extended to include the feminine and/or neuter or vice versa; and the singular form of words shall be extended to include the plural; and the plural shall be restricted to mean the singular.

12.9 **USE OF ELECTRONC MEDIA.** Wherever appropriate, the reference to an action in writing shall be extended to include the use of electronic media.

12.10 **GOVERNING DOCUMENTS.** A Participant's rights shall be determined under the terms of the Plan as in effect at the Participant's date of separation from eligible Service.

12.11 **GOVERNING LAW.** The provisions of this Plan shall be construed under the laws of the state of the situs of the Fund, except to the extent such laws are preempted by Federal law.

12.12 **HEADINGS.** The Article headings and Section numbers are included solely for ease of reference. If there is any conflict between such headings or numbers and the text of the Plan, the text shall control.

12.13 **COUNTERPARTS.** This Plan may be executed in any number of counterparts, each of which shall be deemed an original; said counterparts shall constitute but one and the same instrument, which may be sufficiently evidenced by any one counterpart.

12.14 **LOCATION OF PARTICIPANT OR BENEFICIARY UNKNOWN.** In the event that all or any portion of the distribution payable to a Participant or to a Participant's Beneficiary hereunder shall, at the expiration of five (5) years after it shall become payable, remain unpaid solely by reason of the inability of the Administrator to ascertain the whereabouts of such Participant or Beneficiary, after sending a registered letter, return receipt requested, to the last known address, and after further diligent effort, the amount so distributable shall be reallocated pursuant to this Plan. In the event a Participant or Beneficiary is located subsequent to the reallocation of his Account balance, such Account balance shall be restored without interest or adjustment for interim Fund valuation experience, by a special Employer contribution or from the next succeeding Employer contribution, as appropriate.

IN WITNESS WHEREOF, the Employer, by its duly authorized officer, has caused this Plan to be executed on the __________day of _____________________________, 2012.

AMERICAN MATHEMATICAL SOCIETY

By: ____

Authorized Officer

This document was drafted by Angell Pension, third-party administrator for the Society's retirement plans.

Clarification of Study Leave Terms

The current terms of Study Leave for associate editors were written in 2000. In discussions about requests for study leave that are expected in the next two years, the Executive Editor (EE) and Executive Director (ED) talked about the possibility of an editor retiring immediately upon return from a study leave. The current terms are shown below and point to the benefit to the Society “upon the employee’s return to active employment” The intent could not be clearer. But the terms do not state what the specific expectation is for service to the Society after the leave. The EE and ED agreed to add the sentence that is highlighted below.

Study Leave for Associate Editors

Study leave for associate editors is patterned on customary sabbatical leave programs offered by many universities and colleges. The purpose of a study leave is to provide professional opportunities to the employee in order to benefit the Society upon the employee’s return to active employment. A study leave is an investment by the Society in the employee rather than a perquisite.

Associate Editors who are employees in the Ann Arbor office of the American Mathematical Society shall be entitled to accrue Benefit Credits toward study leave according to the following conditions:

1. At the end of every calendar year, each eligible employee shall receive 4 weeks of Benefit Credit toward study leave, prorated for the number of weeks during the year on active employment with the Society.

2. After initially accumulating at least 20 weeks of Benefit Credit, an eligible employee can apply for a study leave under the following conditions:

(a) Requests for study leave must be in writing, and in general should be made at least 6 months in advance of the requested study leave commencement date. Requests should describe the activity to which the employee intends to devote the leave in order to enhance the employee’s professional skills and to benefit the Society.

(b) Requests for study leave must be approved by the Executive Director in consultation with the Executive Editor. The principal criteria for approval are the prospective enhancement of the employee’s professional skills, the benefits to the Society, the ability of the Society to carry out the employee’s normal work during the leave, and the general merit of the employee’s past performance. The approval of a study leave will be contingent on agreement by the Associate Editor to return to active employment for at least six months after the end of the study leave.

(c) Study leaves shall extend no longer than the Benefit Credit accumulated at the time the study leave commences, and should extend for at least 12 weeks and no more than 52 weeks.

(d) No additional Benefit Credits shall accrue during the leave.

(e) The current salary and fringe benefits to which the employee would be entitled during active employment will continue during the leave, except as in (d) above. The Benefit Credit Balance will be reduced by the length of the leave.

(f) An eligible employee can take no more than 52 weeks of study leave in any 7 year period.

3. If an eligible employee's employment shall terminate for any reason except death, the Benefit Credits shall be converted to Severance Pay as follows.

(a) Accrued Benefit Credits, including prorated credits for the current calendar year, shall be converted to Severance Pay by multiplying accrued Benefit Credits, up to a maximum of 52 weeks, by the employee's weekly salary rate at termination.

(b) Severance Pay shall be paid in a lump sum upon receipt of a general release by the employee of any and all claims against the American Mathematical Society, its Trustees, Officers, Servants, and Agents in a form satisfactory to counsel for the Society.

(c) If an employee dies while employed, the Benefit Credits shall immediately be canceled and shall have no residual cash value as part of the employee's estate.

4. This policy has been formulated and adopted in the light of existing applicable laws and regulation. It is subject to amendment or termination without notice in the event of significant change in the applicable laws and regulations.

Donald E. McClure, Executive Director

This document provides a summary report of the 2012 activities of the American Mathematical Society (AMS) Retirement Plan Investment Committee (the Committee).

The Committee is a standing committee created by action of the Board in May 2011. The Committee consists of four members: Director of Human Resources (Chair), Chief Financial Officer, Associate Treasurer of the AMS, and fifth year elected member of the AMS Board of Trustees. In November 2011 the Committee was charged with the primary responsibility for choosing and monitoring plan funding options in a prudent manner insuring that the Society fulfills its Plan Sponsor responsibilities and with making reports to the Board concerning its activities at least annually.

For the 2012 calendar year the following individuals served on the Committee: Tammy King Walsh (Chair), Emily Riley (elected Secretary), Zbigniew Nitecki and Karen Vogtmann.

The first meeting of the committee was held on March 9, 2012. After reviewing the Committee Charge, Jeff Bauer, President of Angell Pension, the company hired to assist with administration of the Society's retirement plans, reviewed Department of Labor (DOL) and Internal Revenue Service (IRS) rules and compliance issues as they relate to fiduciary responsibilities and fiduciary liability. He provided information and best practices to insure that the Committee meets its fiduciary responsibilities.

The second meeting of the committee was held on August 22, 2012. Emily Riley was elected Secretary and the by-laws document was reviewed and approved with amendments. An update on the new DOL fee disclosure regulations was provided and discussion on the next steps required to move forward with review of investment options offered in the Society's retirement plans were reviewed. It was decided that a Request for Proposal (RFP) will be issued seeking independent investment advisory services. The Committee will finalize the language for the RFP and expects to have an investment advisor onboard in January 2013. In addition, it was decided that the Committee Charge, By-laws, official meeting minutes and other pertinent Committee documents should be posted and made available via a webpage.

Tammy King Walsh
Director of Human Resources and
Chair of the AMS Retirement Plan Investment Committee
October 2012

Upcoming Grant Proposals

Mathematics Research Communities, 2014 – 2016 (second renewal)

- MRC conferences in 2014, 2015, and 2016, with funding continuing into 2017
- $1.4 million
- To be submitted to the Infrastructure Program, Division of Mathematical Sciences, Directorate for Mathematical & Physical Sciences, National Science Foundation

Mathematics Research Communities (MRC), a program of the American Mathematical Society**,** nurtures early-career mathematicians—those who are close to finishing their doctorates or have recently finished—and provides them with opportunities to build social and collaborative networks to inspire and sustain each other in their work. The structured program, established in 2008, is designed to engage and guide all participants as they start their careers. For each topic, the program includes a one-week summer conference, a Special Session at the national meeting, a discussion network, ongoing mentoring, and a longitudinal study of early career mathematicians. Those accepted into this program will receive support (full room and board at Snowbird and full air transportation in most cases) for the summer conference, and will be partially supported for their participation in the Joint Mathematics Meetings which follow the next January. The summer conferences of the MRC are held in the mountain setting of the Snowbird Resort, Utah, where participants can enjoy the natural beauty and a collegial atmosphere. There is a small amount of additional funding to support additional collaboration of MRC participants. This program is supported by a grant from the National Science Foundation.

The budget for the first renewal of the MRC grant is $1,266,264; the third year (2013) has a budget of $433,110. For 2014, we anticipate an increase of 6%, in order to realign the room, board and the airfares to the projected rates. We will increase an additional 3% each subsequent year. This means that the budget for the full proposal will be approximately $1.4 million.

The AMS needs to know if we will receive the funding before we can sign a contract with Snowbird for the summer of 2014. Therefore, we will need to submit a proposal to NSF during the fall of 2012.

Travel Grants for the 2014 International Congress of Mathematicians

- August 13 – 21, 2014
- $350,000
- To be submitted to the Infrastructure Program, Division of Mathematical Sciences, Directorate for Mathematical & Physical Sciences, National Science Foundation

Held every four years, the International Congress of Mathematicians is one of the most important gatherings of the world's leading mathematicians, where major mathematical developments across sub-disciplines are discussed. The Congress promotes cross-fertilization among the different sub-communities of the mathematical world. Significant U.S. representation at ICM-14 is important to the scientific health of the nation.

The Society proposes to follow procedures it has developed for the administration of similar programs in 2010 for the International Congress of Mathematicians (ICM-10) in Hyderabad, India. Professor Igor Pak, University of California, Los Angeles, has agreed to chair the selection committee for the ICM-14 travel grants. The AMS also administered similar programs for ICM-90 in Kyoto, Japan, ICM-94 in Zurich, Switzerland, ICM-98 in Berlin, Germany, ICM-02 in Beijing, China and ICM-06 in Madrid, Spain.

The standard award would be intended to cover travel and a portion of subsistence or registration fees, except in the case of early career mathematicians, who will be awarded more subsistence. For the program administered for the ICM-10 in Hyderabad, India, 200 applications were processed and 114 U.S. mathematicians were offered support. The standard amount of the travel grant was $2750; early-career mathematicians received $3050. The total amount of the NSF grant for ICM-10 was $323,150, which included $60 per award in administrative costs for the AMS. We are estimating that the budget for the ICM-14 travel grants will be approximately $350,000.

The AMS will need to begin advertising the ICM-14 travel grants program in the fall of 2013, for applications received in the winter of 2014. Therefore, we will need to submit a proposal to NSF during the winter of 2013.

AMS-Simons Travel Grants (first renewal)

- For groups chosen in 2014, 2015 and 2016, with funding continuing until June 30, 2018
- $882,000
- To be submitted to Mathematical and Physical Sciences Division, Simons Foundation

The AMS, with funding from the Simons Foundation, launched the AMS-Simons Travel Grants program in the spring of 2011. This program acknowledges the importance of research interaction and collaboration in mathematics, and aims to facilitate this for recent PhD recipients. These grants will provide support for a significant number of committed researchers who have limited opportunities for travel and conferences and for collaborative work. Applicants must be located in the United States (or be U.S. citizens employed outside the U.S.) and must have completed the PhD within the last four years. The department of the awardee will also receive $400 each year to help enhance its research environment.

Each grant provides an early-career mathematician with $2,000 per year for two years to be used for research-related travel. Sixty awards were made in 2011 and again in 2012. The original grant will also provide funding for 60 early-career mathematicians chosen in the spring of 2013. The AMS wishes to apply to renew the grant for three additional groups of early career mathematicians that will be chosen in the springs of 2014, 2015 and 2016. The AMS will request $100 per grant recipient, as in the first grant. We expect that total amount of the grant to be very close to the amount of the original grant: $882,000.

The AMS will need to begin advertising the AMS-Simons travel grants program in the fall of 2013, for applications received in the winter and early spring of 2014. Therefore, we will need to submit a proposal during the winter of 2013.

CBMS2015: A Study of Undergraduate Programs in the Mathematical and Statistical Sciences in the United States

- 2015 CBMS Survey and Report
- Approximately $700,000
- To be submitted to the Division of Undergraduate Education, Directorate for Education & Human Resources, National Science Foundation

The proposed project (CBMS2015) carries out a comprehensive stratified random sample survey of the nation's undergraduate mathematical and statistical sciences programs at two-year and four-year institutions in the fall of 2015. A report of the survey findings will be published online in the spring or summer of 2017, The project continues a cross-sectional survey of undergraduate programs that has been done every five years since 1965. The project is coordinated by the Conference Board for the Mathematical Sciences (CBMS) and will be managed by the AMS.

Ellen J. Maycock
Associate Executive Director
October 17, 2012

Board Designated Fund for Book Backlist Retro-digitization

At the May 2012 meeting, the Board supported the suggestion to use funds from the anticipated operating income at the end of the fiscal year *to invest for the future of AMS publications*. We now propose to use $400,000 from the 2012 operating income to create LaTex source files of books on the backlist of four series of books.

In 2011, the Publications Technical Group (PTG) analyzed ways to retro-digitize backlist books. One important goal was to create archival electronic versions that could be repurposed in the future for different distribution formats. LaTeX files and XML files were two alternatives. LaTeX was recommended by PTG for a couple of reasons. First, for simple well-structured normalized LaTeX files, conversion to XML is routinely done. Second, LaTeX is currently a predominant standard for new publications and we expect authors to continue favoring it.

To address the immediate need for high-quality electronic versions of the backlist, we are also creating PDF files by scanning. This is being done at a very modest cost. The PDFs can be used for two purposes: for distribution of e-books to libraries and for reprinting of the print version of a book in the future.

The series for which the current project will create LaTeX versions are described in the following table.

SERIES	**No. of volumes**	**No. of pages**	**Estimated cost to rekey**
Graduate Studies in Mathematics (GSM)	144	~53,200	$154,280
Mathematical Surveys and Monographs (SURV)	190	~62,200	$180,380
Student Mathematical Library (STML)	65	~14,680	$42,572
University Lecture Series (ULECT)	60	~8,740	$25,346
TOTAL	**459**	**138,820**	**$402,578**

Donald McClure

Executive Director

BOARD OF TRUSTEES
STANDING COMMITTEES

AGENDA AND BUDGET COMMITTEE
(as of February 1, 2013)
David Vogan, Chair (ex officio - President)
Carla Savage (ex officio - Secretary)
Jane Hawkins (ex officio - Treasurer)
Zbigniew Nitecki (ex officio - Associate Treasurer)
Mark Green (ex officio - Chair of BT)

AUDIT COMMITTEE
(as of February 1, 2013)
Jane Hawkins, Chair (ex officio - Treasurer)
Zbigniew Nitecki (ex officio – Associate Treasurer)
Mark Green (ex officio - Chair of BT)
William Jaco (ex officio – third-year Trustee/incoming Chair of BT)

INVESTMENT COMMITTEE
(as of February 1, 2013)
Jane Hawkins, Chair (ex officio - Treasurer)
Zbigniew Nitecki (ex officio - Associate Treasurer)
Ronald Stern (February 1, 2009 - January 31, 2014)
Rob Taylor (June 1, 2010 - January 31, 2016)

LIAISON COMMITTEE
(NOT A BT COMMITTEE, BUT LISTED HERE FOR CONVENIENCE)
(as of February 1, 2013)
David Vogan, Chair (ex officio - President)
Carla Savage (ex officio - Secretary)
Jane Hawkins (ex officio - Treasurer)
Mark Green (ex officio - Chair of BT)

RETIREMENT PLAN INVESTMENT COMMITTEE
(*as of February 1, 2013)*
Tammy King Walsh, Chair (ex officio – Director of Human Resources)
Zbigniew Nitecki (ex officio – Associate Treasurer)
Emily Riley (ex officio – Chief Financial Officer)
Ronald Stern (ex officio – fifth-year Trustee)

SALARY COMMITTEE
(as of February 1, 2013)
Jane Hawkins, Chair (ex officio - Treasurer)
Zbigniew Nitecki (ex officio - Associate Treasurer)
Mark Green (ex officio - Chair of BT)

EXECUTIVE COMMITTEE AND BOARD OF TRUSTEES STANDING COMMITTEES

DEVELOPMENT COMMITTEE
(as of February 1, 2013)

Mark Green, Chair (ex officio - Chair of BT)
David Vogan (ex officio - President)
Carla Savage (ex officio - Secretary)
Jane Hawkins (ex officio - Treasurer)
Ronald Stern (ex officio – fifth-year Trustee)
Donald McClure (ex officio - Executive Director)

LONG RANGE PLANNING COMMITTEE
(as of February 1, 2013)

David Vogan, Chair (ex officio - President)
Carla Savage (ex officio - Secretary)
Jane Hawkins (ex officio - Treasurer)
Helene Barcelo (ex officio - second-year member of EC)
Ralph Cohen (ex officio - third-year member of EC)
Mark Green (ex officio - Chair of BT)
Donald McClure (ex officio - Executive Director)

ECBT NOMINATING COMMITTEE
(as of February 1, 2013)

William Jaco, Chair (ex officio - third-year member of BT)
Ralph Cohen (ex officio - third-year member of EC)
Fan Chung Graham (ex officio – Chair of Council Nominating Committee)
NOTE: When the position of Secretary is under consideration, the Treasurer is a member of this Committee. When the position of Treasurer is under consideration, the Secretary is a member of this Committee.

TRUSTEE APPOINTMENTS TO POLICY COMMITTEES

COMMITTEE ON EDUCATION

William Jaco (February 1, 2013 - January 31, 2014)

COMMITTEE ON MEETINGS AND CONFERENCES

Ruth Charney (February 1, 2013 - January 31, 2014)

COMMITTEE ON THE PROFESSION

Karen Vogtmann (February 1, 2013 - January 31, 2014)

COMMITTEE ON PUBLICATIONS

Mark Green (February 1, 2013 - January 31, 2014)

COMMITTEE ON SCIENCE POLICY

Ronald Stern (February 1, 2013 - January 31, 2014)

TRUSTEE LIAISON ASSIGNMENTS TO DIVISIONS FOR 2013

Division (Director)	**Board Liaisons**
Executive Director (McClure) Development Human Resources	William Jaco Ronald Stern
Computer Services (Tom Blythe) Information Systems Information Technology	Zbigniew Nitecki Mark Green
Editorial (Sergei Gelfand) Acquisitions	Mark Green Karen Vogtmann
Finance (Emily Riley) Facilities and Purchasing Fiscal Printing and Distribution	Zbigniew Nitecki Jane Hawkins Karen Vogtmann
Mathematical Reviews (Graeme Fairweather) Acquisitions Administration Associate Editors Cataloging Copy Editors Reviewer Services/ Production Slavic Languages Information Technology	Zbigniew Nitecki Ruth Charney
Meetings and Professional Services (Ellen Maycock) Meetings and Conferences Membership and Programs Public Awareness	William Jaco Ruth Charney
Publishing (Robert Harington) Production Creative Services Electronic Prepress Sales and Member Services	Mark Green Ronald Stern
Washington Office (Sam Rankin)	Jane Hawkins Ronald Stern