

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: April 30, 2021

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number 001-11507

JOHN WILEY & SONS, INC.

(Exact name of Registrant as specified in its charter)

New York

State or other jurisdiction of incorporation or organization

13-5593032

I.R.S. Employer Identification No.

111 River Street, Hoboken, NJ

Address of principal executive offices

07030

Zip Code

(201) 748-6000

Registrant's telephone number including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, par value \$1.00 per share	JW.A	New York Stock Exchange
Class B Common Stock, par value \$1.00 per share	JW.B	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting stock held by non-affiliates of the registrant, computed by reference to the closing price as of the last business day of the registrant's most recently completed second fiscal quarter, October 31, 2020, was approximately \$1,364 million. The registrant has no non-voting common stock.

The number of shares outstanding of the registrant's Class A and Class B Common Stock as of June 2, 2021 was 46,800,293 and 9,049,462 respectively.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for use in connection with its annual meeting of stockholders scheduled to be held on September 30, 2021, are incorporated by reference into Part III of this Form 10-K.

JOHN WILEY & SONS, INC. AND SUBSIDIARIES
FORM 10-K
FOR THE FISCAL YEAR ENDED APRIL 30, 2021
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Cautionary Notice Regarding Forward-Looking Statements “Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995:

This report contains “forward-looking statements” within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 concerning our business, consolidated financial condition and results of operations. The Securities and Exchange Commission (SEC) encourages companies to disclose forward-looking information so that investors can better understand a company’s prospects and make informed investment decisions. Forward-looking statements are subject to risks and uncertainties, many of which are outside our control, which could cause actual results to differ materially from these statements. Therefore, you should not rely on any of these forward-looking statements. Forward-looking statements can be identified by such words as “anticipates,” “believes,” “plan,” “assumes,” “could,” “should,” “estimates,” “expects,” “intends,” “potential,” “seek,” “predict,” “may,” “will” and similar references to future periods. All statements other than statements of historical facts included in this report regarding our strategies, prospects, financial condition, operations, costs, plans, and objectives are forward-looking statements. Examples of forward-looking statements include, among others, statements we make regarding our fiscal year 2022 outlook, the anticipated impact on the ability of our employees, contractors, customers, and other business partners to perform our and their respective responsibilities and obligations relative to the conduct of our business in the future due to the coronavirus (COVID-19) outbreak, anticipated restructuring charges and savings, operations, performance, and financial condition. Reliance should not be placed on forward-looking statements, as actual results may differ materially from those described in any forward-looking statements. Any such forward-looking statements are based upon many assumptions and estimates that are inherently subject to uncertainties and contingencies, many of which are beyond our control, and are subject to change based on many important factors. Such factors include, but are not limited to (i) the level of investment by Wiley in new technologies and products; (ii) subscriber renewal rates for our journals; (iii) the financial stability and liquidity of journal subscription agents; (iv) the consolidation of book wholesalers and retail accounts; (v) the market position and financial stability of key retailers; (vi) the seasonal nature of our educational business and the impact of the used book market; (vii) worldwide economic and political conditions; (viii) our ability to protect our copyrights and other intellectual property worldwide; (ix) our ability to successfully integrate acquired operations and realize expected opportunities; (x) the ability to realize operating savings over time and in fiscal year 2022 in connection with our multiyear Business Optimization Program; and (xi) other factors detailed from time to time in our filings with the SEC. We undertake no obligation to update or revise any such forward-looking statements to reflect subsequent events or circumstances.

Please refer to Part I, Item 1A, “Risk Factors,” of our Annual Report on Form 10-K for important factors that we believe could cause actual results to differ materially from those in our forward-looking statements. Any forward-looking statement made by us in this report is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments, or otherwise.

Non-GAAP Financial Measures:

We present financial information that conforms to Generally Accepted Accounting Principles in the United States of America (US GAAP). We also present financial information that does not conform to US GAAP, which we refer to as non-GAAP.

In this report, we may present the following non-GAAP performance measures:

- Adjusted Earnings Per Share (Adjusted EPS);
- Free Cash Flow less Product Development Spending;
- Adjusted Contribution to Profit and margin;
- Adjusted Income Before Taxes;
- Adjusted Income Tax Provision;
- Adjusted Effective Tax Rate;
- EBITDA, Adjusted EBITDA and margin;
- Organic revenue; and
- Results on a constant currency basis.

Management uses these non-GAAP performance measures as supplemental indicators of our operating performance and financial position as well for internal reporting and forecasting purposes, when publicly providing our outlook, to evaluate our performance and calculate incentive compensation. We present these non-GAAP performance measures in addition to US GAAP financial results because we believe that these non-GAAP performance measures provide useful information to certain investors and financial analysts for operational trends and comparisons over time. The use of these non-GAAP performance measures may also provide a consistent basis to evaluate operating profitability and performance trends by excluding items that we do not consider to be controllable activities for this purpose.

The performance metric used by our chief operating decision maker to evaluate performance of our reportable segments is Adjusted Contribution to Profit. We present both Adjusted Contribution to Profit and Adjusted EBITDA for each of our reportable segments since we believe Adjusted EBITDA provides additional useful information to certain investors and financial analysts for operational trends and comparisons over time as it removes the impact of depreciation and amortization expense, as well as a consistent basis to evaluate operating profitability and comparing our financial performance to that of our peer companies and competitors.

For example:

- Adjusted EPS, Adjusted Contribution to Profit, Adjusted Income Before Taxes, Adjusted Income Tax Provision, Adjusted Effective Tax Rate, Adjusted EBITDA, and organic revenue (excluding acquisitions) provide a more comparable basis to analyze operating results and earnings and are measures commonly used by shareholders to measure our performance.
- Free Cash Flow less Product Development Spending helps assess our ability, over the long term, to create value for our shareholders as it represents cash available to repay debt, pay common stock dividends, and fund share repurchases and acquisitions.
- Results on a constant currency basis remove distortion from the effects of foreign currency movements to provide better comparability of our business trends from period to period. We measure our performance excluding the impact of foreign currency (or at constant currency), which means that we apply the same foreign currency exchange rates for the current and equivalent prior period.

In addition, we have historically provided these or similar non-GAAP performance measures and understand that some investors and financial analysts find this information helpful in analyzing our operating margins and net income, and in comparing our financial performance to that of our peer companies and competitors. Based on interactions with investors, we also believe that our non-GAAP performance measures are regarded as useful to our investors as supplemental to our US GAAP financial results, and that there is no confusion regarding the adjustments or our operating performance to our investors due to the comprehensive nature of our disclosures. We have not provided our 2022 outlook for the most directly comparable US GAAP financial measures, as they are not available without unreasonable effort due to the high variability, complexity, and low visibility with respect to certain items, including restructuring charges and credits, gains and losses on foreign currency, and other gains and losses. These items are uncertain, depend on various factors, and could be material to our consolidated results computed in accordance with US GAAP.

Non-GAAP performance measures do not have standardized meanings prescribed by US GAAP and therefore may not be comparable to the calculation of similar measures used by other companies and should not be viewed as alternatives to measures of financial results under US GAAP. The adjusted metrics have limitations as analytical tools, and should not be considered in isolation from, or as a substitute for, US GAAP information. It does not purport to represent any similarly titled US GAAP information, and is not an indicator of our performance under US GAAP. Non-US GAAP financial metrics that we present may not be comparable with similarly titled measures used by others. Investors are cautioned against placing undue reliance on these non-US GAAP measures.

PART I

Item 1. Business

The Company, founded in 1807, was incorporated in the state of New York on January 15, 1904. Throughout this report, when we refer to “Wiley,” the “Company,” “we,” “our,” or “us,” we are referring to John Wiley & Sons, Inc. and all of our subsidiaries, except where the context indicates otherwise.

Please refer to Part II, Item 8, “Financial Statements and Supplementary Data,” for financial information about the Company and its subsidiaries, which is incorporated herein by reference. Also, when we cross reference to a “Note,” we are referring to our “Notes to Consolidated Financial Statements,” in Part II, Item 8, “Financial Statements and Supplementary Data” unless the context indicates otherwise.

Wiley is a global leader in research and education, unlocking human potential by enabling discovery, powering education, and shaping workforces. For over 200 years, Wiley has fueled the world’s knowledge ecosystem. Today, our high-impact content, platforms, and services help researchers, learners, institutions, and corporations achieve their goals in an ever-changing world. Wiley is a predominantly digital company with approximately 82% of revenue in the year ended April 30, 2021 generated by digital products, and services. Through the Research Publishing & Platforms segment, we provide peer-reviewed scientific, technical, and medical (STM) publishing, content platforms, and related services to academic, corporate, and government customers, academic societies, and individual researchers. The Academic & Professional Learning segment provides Education Publishing and Professional Learning content and courseware, training and learning services, to students, professionals, and corporations. The Education Services segment provides online program management (OPM) services for academic institutions and talent placement services for professionals and businesses. Our operations are primarily located in the United States (US), United Kingdom (UK), Sri Lanka, Germany, India, Russia, Jordan, and Canada. In the year ended April 30, 2021, approximately 46% of our consolidated revenue was from outside the US.

Wiley’s business strategies are tightly aligned with accelerating growth trends, including open research, online education, and digital curriculum. Research strategies include driving publishing output to meet the increasing demand for peer-reviewed research and expanding platform and service offerings for corporations and societies. Education strategies include expanding online degree programs and driving online enrollment for university partners, scaling digital content and courseware, and expanding information technology (IT) talent placement for corporate partners.

Business Segments

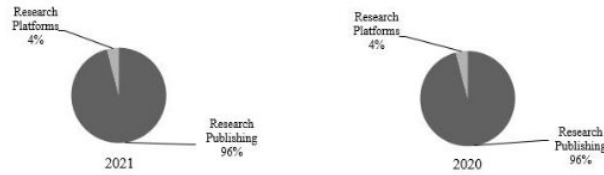
We report financial information for the following segments, as well as a Corporate category, which includes certain costs that are not allocated to the reportable segments:

- Research Publishing & Platforms
- Academic & Professional Learning
- Education Services

Research Publishing & Platforms:

Research Publishing & Platforms’ mission is to support researchers, professionals and learners in the discovery and use of research knowledge to help them achieve their goals. Research provides scientific, technical, medical, and scholarly journals, as well as related content and services, to academic, corporate, and government libraries, learned societies, and individual researchers and other professionals. Journal publishing areas include the physical sciences and engineering, health sciences, social sciences and humanities and life sciences. Research Publishing & Platforms also includes Atypon Systems, Inc. (Atypon), a publishing software and service provider that enables scholarly and professional societies and publishers to deliver, host, enhance, market, and manage their content on the web through the *Literatum*™ platform. Research Publishing & Platforms’ customers include academic, corporate, government, and public libraries, funders of research, researchers, scientists, clinicians, engineers and technologists, scholarly and professional societies, and students and professors. Research Publishing & Platforms products are sold and distributed globally through multiple channels, including research libraries and library consortia, independent subscription agents, direct sales to professional society members, and other customers. Publishing centers include Australia, China, Germany, India, the UK and the US. Research Publishing & Platforms’ revenue accounted for approximately 52% of our consolidated revenue in the year ended April 30, 2021, with a 35.1% Adjusted EBITDA margin. Approximately 95% of Research Publishing & Platforms revenue is generated by digital and online products, and services.

Research Publishing & Platforms revenue by product type includes Research Publishing and Research Platforms. The graphs below present revenue by product type for the years ended April 30, 2021, and 2020:



Key growth strategies for the Research Publishing & Platforms segment include evolving and developing new licensing models for our institutional customers (pay to read and publish), developing new open access journals and revenue streams (pay to publish), focusing resources on high-growth and emerging markets, and developing new digital products, services, and workflow solutions to meet the needs of researchers, authors, societies, and corporate customers.

Research Publishing

Research Publishing generates the majority of its revenue from contracts with its customers in the following revenue streams:

- Journal Subscriptions (pay to read) and Open Access (pay to publish); and
- Licensing, Reprints, Backfiles, and Other.

Journal Subscriptions and Open Access

As of April 30, 2021, we publish approximately 1,930 academic research journals. We sell journal subscriptions directly to thousands of Research institutions worldwide through our sales representatives, indirectly through independent subscription agents, through promotional campaigns, and through memberships in professional societies for those journals that are sponsored by societies. Journal subscriptions are primarily licensed through contracts for digital content available online through our *Wiley Online Library* platform. Contracts are negotiated by us directly with customers or their subscription agents. Subscription periods typically cover calendar years. Print journals are generally mailed to subscribers directly from independent printers. We do not own or manage printing facilities. Subscription revenue is generally collected in advance.

Approximately 50% of Journal Subscription revenue is derived from publishing rights owned by Wiley. Publishing alliances also play a major role in Research Publishing's success. Approximately 50% of Journal Subscription revenue is derived from publication rights that are owned by professional societies and published by us pursuant to long-term contracts or owned jointly with professional societies. These society alliances bring mutual benefit: the societies gaining Wiley's publishing, marketing, sales, and distribution expertise, while Wiley benefits from being affiliated with prestigious societies and their members. Societies that sponsor or own such journals generally receive a royalty and/or other financial consideration. We may procure editorial services from such societies on a prenegotiated fee basis. We also enter into agreements with outside independent editors of journals that define their editorial duties and the fees and expenses for their services. Contributors of articles to our journal portfolio transfer publication rights to us or a professional society, as applicable. We publish the journals of many prestigious societies, including the American Cancer Society, the American Heart Association, the British Journal of Surgery Society, the European Molecular Biology Organization, the American Anthropological Association, the American Geophysical Union, and the German Chemical Society.

Wiley Online Library, which is delivered through our *Literatum* platform, provides the user with intuitive navigation, enhanced discoverability, expanded functionality, and a range of personalization options. Access to abstracts is free and full content is accessible through licensing agreements or as individual article purchases. Large portions of the content are provided free or at nominal cost to nations in the developing world through partnerships with certain nonprofit organizations. Our online publishing platforms provide revenue growth opportunities through new applications and business models, online advertising, deeper market penetration, and individual sales and pay-per-view options.

Wiley's performance in the 2019 release of Clarivate Analytics' Journal Citation Reports (JCR) remains strong, maintaining its top 3 position in terms of the number of titles indexed, articles published, and citations received. Wiley has 10.5% of titles, 9.5% of articles, and 11.5% of citations.

A total of 1,272 Wiley journals were included in the reports. Wiley journals ranked #1 in 21 categories across 17 titles and achieved 305 top-10 category rankings.

The annual Journal Citation Reports (JCR) are one of the most widely-used sources of citation metrics used to analyze the performance of peer-reviewed journals. The most famous of these metrics, the Impact Factor, is based on the frequency with which an average article is cited in the JCR report year. Alongside other metrics, this makes it an important tool for evaluating a journal's impact on ongoing research.

Under the Open Access business model, accepted research articles are published subject to payment of Article Publication Charges (APCs). After payment to Wiley, all open articles are immediately free to access online. Contributors of open access articles retain many rights and typically license their work under terms that permit reuse.

Open Access offers authors choices in how to share and disseminate their work, and it serves the needs of researchers who may be required by their research funder to make articles freely accessible without embargo. APCs are typically paid by the individual author or by the author's funder, and payments are often mediated by the author's institution. We provide specific workflows and infrastructure to authors, funders, and institutions to support the requirements of Open Access.

We offer two Open Access publishing models. The first of these is *Hybrid Open Access* where, upon payment of an APC, authors publishing in the majority of our paid subscription journals are offered, after article acceptance, the opportunity to make their individual research article openly available online.

The second offering of the Open Access model is a growing portfolio of fully open access journals, also known as *Gold Open Access Journals*, in which all accepted articles are published subject to receipt of an APC. All Open Access articles are subject to the same rigorous peer-review process applied to our subscription-based journals. As with our subscription portfolio, a number of the Gold Open Access Journals are published under contract for, or in partnership with, prestigious societies, including the American Geophysical Union, the American Heart Association, the European Molecular Biology Organization and the British Ecological Society. The Open Access portfolio spans life, physical, medical, and social sciences and includes a choice of high impact journals and broad-scope titles that offer a responsive, author-centered service.

Comprehensive agreements (read and publish), sometimes referred to as transitional agreements, are the innovative new model that blends journal subscription and open access offerings. Essentially, for a single fee, a national or regional consortium of libraries pays for and receives full read access to our journal portfolio and the ability to publish under an open access arrangement. Like subscriptions, comprehensive deals involve recurring revenue under multiyear contracts. Unlike subscriptions, they also allow for further upside depending on how much publishing volume we generate. Comprehensive models accelerate the transition to open access while maintaining subscription access.

In March 2020, we agreed with Jisc, the UK's research and education not-for-profit that negotiates licenses and digital content agreements on behalf of UK universities, on a four-year comprehensive "read and publish" agreement that, for an annual fee, enables UK institutions to access our journal portfolio and researchers at UK universities the means to publish open access (OA) in all Wiley journals at no direct cost to them. As part of the new agreement, the proportion of OA articles published by UK researchers will increase from 27% to an estimated 85% in year one, with the potential to reach 100% by 2022. The agreement will also enable institutions and their users to access all of Wiley's journals. Other comprehensive agreements include consortia in Austria, Finland, Germany, Hungary, Netherlands, Norway, and Sweden. We are compensated through a publish and read fee.

In January 2019, we announced a contractual arrangement in support of Open Access, a countrywide partnership agreement with Projekt DEAL, a representative of nearly 700 academic institutions in Germany. This three-year agreement provides all Projekt DEAL institutions with access to read Wiley's academic journals back to the year 1997, and researchers at Projekt DEAL institutions can publish articles open access in Wiley's journals. The partnership will better support institutions and researchers in advancing open science, driving discovery, and developing and disseminating knowledge. We are compensated through a fee per article published.

Licensing, Reprints, Backfiles, and Other

Licensing, Reprints, Backfiles, and Other includes advertising, backfile sales, the licensing of publishing rights, journal and article reprints, and individual article sales. We generate advertising revenue from print and online journal subscription products, our online publishing platform, *Literatum*, online events such as webinars and virtual conferences, community interest websites such as *spectroscopyNOW.com*, and other websites. A backfile license provides access to a historical collection of Wiley journals, generally for a one-time fee. We also engage with international publishers and receive licensing revenue from reproductions, translations, and other digital uses of our content. Journal and article reprints are primarily used by pharmaceutical companies and other industries for marketing and promotional purposes. Through the *Article Select* and *PayPerView* programs, we provide fee-based access to non-subscribed journal articles, content, book chapters, and major reference work articles. The Research Publishing business is also a provider of content and services in evidence-based medicine (EBM). Through our alliance with The Cochrane Collaboration, we publish *The Cochrane Library*, a premier source of high-quality independent evidence to inform healthcare decision-making. EBM facilitates the effective management of patients through clinical expertise informed by best practice evidence that is derived from medical literature.

Research Platforms

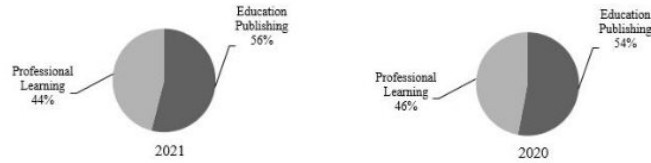
Research Platforms is principally comprised of Atypion, a publishing software and service provider that enables scholarly and professional societies and publishers to deliver, host, enhance, market, and manage their content on the web through the *Literatum* platform.

Literatum, our online publishing platform for societies and other research publishers, delivers integrated access to over 9 million articles from approximately 2,700 journals, as well as 25,000 online books and hundreds of multivolume reference works, laboratory protocols and databases. The *Literatum* platform hosts over 45% of the world's English language journals.

Academic & Professional Learning:

Our Academic & Professional Learning segment provides Education Publishing and Professional Learning products and services, including scientific, professional, and education print and digital books, digital courseware, and test preparation services, to libraries, corporations, students, professionals, and researchers, as well as learning, development, and assessment services for businesses and professionals. Communities served include business, finance, accounting, workplace learning, management, leadership, technology, behavioral health, engineering/ architecture, science and medicine, and education. Products are developed for worldwide distribution through multiple channels, including chain and online booksellers, libraries, colleges and universities, corporations, direct to consumer, websites, distributor networks and other online applications. Publishing centers include Australia, Germany, India, the UK, and the US. Academic & Professional Learning accounted for approximately 33% of our consolidated revenue in the year ended April 30, 2021, with a 25.4% Adjusted EBITDA margin. Approximately 54% of revenue is from digital and online products, and services.

Academic & Professional Learning revenue by product type includes Education Publishing and Professional Learning. The graphs below present revenue by product type for the years ended April 30, 2021 and 2020:



Key strategies for the Academic & Professional Learning business include developing and acquiring products and services to drive career-connected education, developing leading brands and franchises, executing strategic acquisitions and partnerships, and innovating digital content and courseware formats while expanding their global discoverability and distribution. We continue to implement strategies to manage declines in print revenue through cost improvement initiatives and focusing our efforts on growing our digital lines of business. We are continuing to perform portfolio reviews and workforce realignment, restructuring, and operational excellence initiatives. In certain areas, we will explore new formats or promote digital-only, and in other areas, we may rationalize our portfolio. Our approach is to continue to realign our cost structure to help mitigate the market changes that are contributing to revenue decline, and to sharpen our focus on high performing areas and digital opportunities, while improving operating efficiency.

Book sales for Education Publishing and Professional Learning are generally made on a returnable basis with certain restrictions. We provide for estimated future returns on sales made during the year based on historical return experience and current market trends.

Materials for book publications are obtained from authors throughout most of the world, utilizing the efforts of an editorial staff, outside editorial advisors, and advisory boards. Most materials are originated by the authors themselves or as the result of suggestion or solicitations by editors and advisors. We enter into agreements with authors that state the terms and conditions under which the materials will be published, the name in which the copyright will be registered, the basis for any royalties, and other matters. Most of the authors are compensated with royalties, which vary depending on the nature of the product. We may make advance royalty payments against future royalties to authors of certain publications. Royalty advances are reviewed for recoverability and a reserve for loss is maintained, if appropriate.

We continue to add new titles, revise existing titles, and discontinue the sale of others in the normal course of our business, and we also create adaptations of original content for specific markets based on customer demand. Our general practice is to revise our textbooks approximately every three years, if warranted, and to revise other titles as appropriate. Subscription-based products are updated on a more frequent basis.

We generally contract with independent printers and binderies globally for their services. Management believes that adequate printing and binding facilities and sources of paper and other required materials are available to it, and that it is not dependent upon any single supplier.

In fiscal year 2016, we entered into an agreement to outsource our US based book distribution operations to Cengage Learning, with the continued aim of improving efficiency in our distribution activities and moving to a more variable cost model. As of April 30, 2021, we had one global warehousing and distribution facility remaining, which is in the UK.

Education Publishing

Education Publishing generates the majority of its revenue from contracts with its customers in the following revenue streams:

- Education Publishing
- Digital Courseware
- Test Preparation and Certification
- Licensing and Other

Education Publishing

Education textbooks and related supplementary material and digital products are sold primarily to bookstores and online booksellers serving both for-profit and nonprofit educational institutions (primarily colleges and universities), and direct-to-students. We employ sales representatives who call on faculty responsible for selecting books to be used in courses, and on the bookstores that serve such institutions and their students. The textbook business is seasonal, with the majority of textbook sales occurring during the July-through-October and December-through-January periods. There are active used and rental print textbook markets, which adversely affect the sale of new textbooks. We are exploring opportunities to expand into the print rental market.

STM books (Reference) are sold and distributed globally in digital and print formats through multiple channels, including research libraries and library consortia, independent subscription agents, direct sales to professional society members, bookstores, online booksellers, and other customers.

We develop content in a digital format that can be used for both digital and print products, resulting in productivity and efficiency savings, and enabling print-on-demand delivery. Book content is available online through *Wiley Online Library* (delivered through our *Literatum* platform), *WileyPLUS*, *zyBooks*®, *alta*™, and other proprietary platforms. Digital books are delivered to intermediaries, including Amazon, Apple, Google and Ingram/Vital-Source®, for re-sale to individuals in various industry-standard formats, which are now the preferred deliverable for licensees of all types, including foreign language publishers. Digital books are also licensed to libraries through aggregators. Specialized formats for digital textbooks go to distributors servicing the academic market, and digital book collections are sold by subscription through independent third-party aggregators servicing distinct communities. Custom deliverables are provided to corporations, institutions, and associations to educate their employees, generate leads for their products, and extend their brands. Content from digital books is also used to create online articles, mobile apps, newsletters, and promotional collateral. This continual reuse of content improves margins, speeds delivery, and helps satisfy a wide range of customer needs. Our online presence not only enables us to deliver content online, but also to sell more books. The growth of online booksellers benefits us because they provide unlimited virtual “shelf space” for our entire backlist. Publishing alliances and franchise products are important to our strategy. Education and STM publishing (including Test Preparation) alliance partners include the AICPA, the CFA Institute, ACT (American College Test), IEEE, American Institute of Chemical Engineers, and many others. The ability to join Wiley’s product development, sales, marketing, distribution, and technology with a partner’s content, technology, and/or brand name has contributed to our success.

Digital Courseware

We offer high-quality online learning solutions, including *WileyPLUS*, a research-based, online environment for effective teaching and learning that is integrated with a complete digital textbook. *WileyPLUS* improves student learning through instant feedback, personalized learning plans, and self-evaluation tools, as well as a full range of course-oriented activities, including online planning, presentations, study, homework, and testing. In selected courses, *WileyPLUS* includes a personalized adaptive learning component, Orion, which is based on cognitive science. Orion helps to build student proficiency on topics while improving the effectiveness of their study time. It assists educators in identifying areas that need reinforcement and measures student engagement and proficiency throughout the course.

On July 1, 2019, Wiley acquired Zyante Inc., a leading provider of computer science and STEM education courseware. The highly-interactive *zyBooks* platform enables learners to learn by doing while allowing professors to be more efficient and devote more time to teaching. The platform maximizes learner engagement and retention through demonstration and hands-on learning experiences using interactive question sets, animations, tools, and embedded labs. The *zyBooks* platform will become an essential component of Wiley's differentiated digital learning experience and, when combined with the acquisition of Knewton's *alta* and adaptive learning technology in May 2019, will power lower-cost, higher-impact education across Wiley's education business.

Test Preparation and Certification

The Test Preparation and Certification business represents learning solutions, training activities, and print and digital formats that are delivered to customers directly through online digital delivery platforms, bookstores, online booksellers, and other customers. Products include CPAExcel®, a modular, digital platform comprised of online self-study, videos, mobile apps, and sophisticated planning tools to help professionals prepare for the CPA exam, and test preparation products for the CFA®, CMA®, CIA®, CMT®, FRM®, FINRA®, Banking, and PMP® exams.

Licensing and Other

Licensing and distribution services are made available to other publishers under agency arrangements. We also engage in copublishing titles with international publishers and receive licensing revenue from photocopies, reproductions, translations, and digital uses of our content and use of the Knewton® adaptive engine.

Professional Learning

Professional Learning generates the majority of its revenue from contracts with its customers in the following revenue streams:

- Professional Publishing
- Licensing and Other
- Corporate Training
- Corporate Learning

Professional Publishing

Professional books, which include business and finance, technology, and other professional categories, as well as the *For Dummies*® brand, are sold to bookstores and online booksellers serving the general public, wholesalers who supply such bookstores, warehouse clubs, college bookstores, individual practitioners, industrial organizations and government agencies. We employ sales representatives who call upon independent bookstores, national and regional chain bookstores, and wholesalers. Sales of professional books also result from direct mail campaigns, telemarketing, online access, advertising, and reviews in periodicals.

We also promote active and growing custom professional and education publishing programs. Our custom professional publications are used by professional organizations for internal promotional or incentive programs and include digital and print books written specifically for a customer and customizations of existing publications to include custom cover art, such as imprints, messages, and slogans. More specific are customized *For Dummies* publications, which leverage the power of this well-known brand to meet the specific information needs of a wide range of organizations around the world.

Licensing and Other

Licensing and distribution services are made available to other publishers under agency arrangements. We also engage in copublishing titles with international publishers and receive licensing revenue from photocopies, reproductions, translations, and digital uses of our content. Wiley also realizes advertising revenue from branded websites (e.g., Dummies.com) and online applications.

Corporate Training

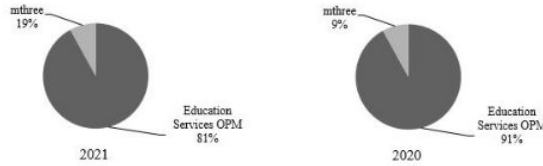
Our corporate training businesses include high-demand soft-skills training solutions that are delivered to organizational clients through online digital delivery platforms, either directly or through an authorized distributor network of independent consultants, trainers, and coaches. Wiley's branded assessment solutions include Everything DiSC®, The Five Behaviors® based on Patrick Lencioni's perennial bestseller *The Five Dysfunctions of a Team*, and Leadership Practices Inventory® from Kouzes and Posner's bestselling *The Leadership Challenge*®, as well as PXT Select™, a prehire selection tool. Our solutions help organizations hire and develop effective managers, leaders, and teams.

The corporate learning business offers online learning and training solutions for global corporations, universities, and small and medium-sized enterprises, which are sold on a subscription or fee basis. Learning experiences, formats and modules on topics such as leadership development, value creation, client orientation, change management and corporate strategy are delivered on a cloud-based CrossKnowledge Learning Management System (LMS) platform that hosts over 20,000 content assets (videos, digital learning modules, written files, etc.) in 19 languages. Its offering includes a collaborative e-learning publishing and program creation system. Revenue growth is derived from legacy markets, such as France, Germany, UK, and other European markets, and newer markets, such as the US and Brazil. In addition, learning experiences, content and LMS offerings are continuously refreshed and expanded to serve a wider variety of customer needs. These digital learning solutions are either sold directly to corporate customers or through our global partners' network.

Education Services:

Our Education Services segment consists of OPM services for higher education institutions and mthree talent placement for professionals and businesses. Key growth strategies include increasing student enrollment in existing OPM programs, signing new university partners and degree programs, and bridging the IT skills gap through talent development for corporations around the world. Education Services accounted for approximately 15% of our consolidated revenue in the year ended April 30, 2021, with a 18.0% Adjusted EBITDA margin. Education Services generated 100% of its revenue from digital and online products, and services.

Education Services revenue by product type includes Education Services OPM and mthree. The graphs below present revenue by product type for the years ended April 30, 2021 and 2020:



Education Services OPM

Our Education Services segment engages in the comprehensive management of online degree programs for universities and has grown to include a broad array of tech enabled service offerings that address our partner specific pain points. Increasingly, this includes delivering full stack credentialing education that advances specific careers with in-demand skills.

As student demand for online degree and certificate programs continues to increase, traditional institutions are partnering with OPM providers to develop and support these programs. Education Services OPM includes market research, marketing, student recruitment, enrollment support, proactive retention support, academic services to design courses, faculty support, and access to the Engage Learning Management System, which facilitates the online education experience. Graduate degree programs include Business Administration, Finance, Accounting, Healthcare, Engineering, Communications, and others. Revenue is derived from renegotiated contracts with institutions that provide for a share of tuition generated from students who enroll in a program. As of April 30, 2021, the Education Services OPM business had 66 university partners under contract. We are also extending the core OPM business and delivering a broader array of essential university and career credentialing services that the market is demanding and that leverage our core Wiley skills and assets. This full stack education includes teacher professional development and IT skills training, through which we develop and deliver professional credits and job placement through our corporate partners. In addition, Education Services OPM derives revenue from unbundled service offerings.

mthree

On January 1, 2020, Wiley acquired mthree, a rapidly growing talent placement provider that addresses the IT skills gap by finding, training and placing job-ready technology talent in roles with leading corporations worldwide. mthree sources, trains, and prepares aspiring students and professionals to meet the skill needs of today's tech careers, and then places them with some of the world's largest financial institutions, technology companies, and government agencies. mthree also works with its clients to retrain and retain existing employees so they can continue to meet the changing demands of today's technology landscape.

Human Capital

As of April 30, 2021, we employed approximately 7,400 persons on a full-time equivalent basis worldwide.

At Wiley, our people are one of our most significant assets and investments towards achieving our mission of unlocking human potential. The successful acceleration of our strategies and the delivery of innovative impact in research and education depend on our ability to attract, develop, reward and retain a diverse population of talented, qualified and highly-skilled colleagues at all levels of our organization and across our global workforce. Our human capital management framework includes programs, policies and initiatives that promote diversity, equity and inclusion; talent acquisition; ongoing employee learning and development; competitive compensation and benefits; safety and health; and emphasis on employee satisfaction and engagement.

Our human capital metrics summary as of April 30, 2021:

CATEGORY		METRIC	As of April 30, 2021
EMPLOYEES	By Region	Americas	46%
		APAC	17%
		EMEA	37%
DIVERSITY AND INCLUSION	Global Gender Representation	% Female Colleagues	53%
		% Female Senior Leaders (Vice President and Above)	38%
	US Minority Representation*	% Minority	28%
		% Minority Senior Leaders (Vice President and Above)	17%

* US Minority includes employees who self-identify as Hispanic or Latino, Black or African American, Asian, American Indian or Alaskan Native, Native Hawaiian or other Pacific Islander, or two or more races.

Health, Safety & Well-Being

Safeguarding and promoting our colleague's well-being is central to what we do, as it is critically important that we provide the tools and resources employees need to be healthy and to be their best. We support our colleagues in maintaining their physical, emotional, social and financial well-being through working practices, education and benefit programs.

This became even more critical during the COVID-19 pandemic, where we acted quickly and with purpose to support our colleagues.

- Seamlessly Transitioned Our Workforce
 - For the majority of our colleagues, we seamlessly moved to a remote work environment:
 - Provided increased flexible work options.
 - Provided work-from-home support, including home office allowance, additional technology supplies, training and support resources on transitioning to remote team management.
 - For those required to go into the office we provided personal protective equipment (PPE), frequent cleaning services and alternated work schedules to maintain safety protocols.
- Successfully Activated Business Continuity Plans
 - Our cross-functional global crisis management team met frequently, and continues to do so, to review the latest guidance, create detailed return to work plans, update company protocols, and keep up to date on issues facing our colleagues around the globe.
 - Provided timely information and communication to colleagues, educational materials, and additional support resources.
- Colleague Safety and Well-Being First
 - Key actions were taken to protect the health, safety and well-being of our colleagues this past year which include:
 - Providing pay continuation for any COVID-19 related absences, whether due to personal sickness, sick family member or dependent-care issues.
 - Pivoting to a digital well-being approach to meet our colleagues needs, providing on-demand resources, including a subscription to a mindfulness, meditation and sleep app at no cost to all colleagues globally.
 - Expanding our global Employee Assistance Program to all countries that we operate in and adding/enhancing telemedicine and/or healthcare coverage to ensure coverage for COVID-19 related needs.

Diversity, Equity & Inclusion (DE&I)

Our DE&I strategy is embedded in everything we do and throughout the entire employee experience, with four key focus areas: Data-Driven Insights, Team Development, Inclusive Talent Processes, and Business Innovation. We stand for diversity in all forms, equity throughout our policies and processes, and an inclusive culture where people feel like they can be themselves. We established Employee Resource Groups supporting our diverse culture and leveraged a series of education and trainings on fostering an inclusive mindset. We signed the CEO Action for Diversity and Inclusion, a commitment to sustained, concrete action to advance diversity and inclusive thinking, behavior, and business practices in the workplace. We also proudly received a 100% score from the Human Rights Foundation for LGBTQ workplace equality.

Culture, Engagement & Learning

Investment in our colleague's development and growth for both their current role and future roles is central to our culture. Wiley provides development programs, skill development courses and self-paced multi-language resources to help provide consistent learning offerings for our global communities. Leveraging Wiley's CrossKnowledge platform, we offer interactive development programs which allow colleagues to share lessons learned, best practices and interactive opportunities with their peers. We also focused on higher-ed programs and certifications with our Wiley Beyond platform, which offers access to university programs as well as technical and industry-recognized certification programs.

On an annual basis, we conduct our Talent Review process with our executive team, focusing on our high performing talent, diversity, and succession for our most critical roles. We are committed to identifying, growing, and retaining top talent. We established key development action planning opportunities for each identified colleague to build our bench of future leaders.

Our culture differentiates us as an organization and our core values define our behaviors. We ask colleagues to embody our three values – Learning Champion, Needle Movers, and Courageous Teammates. We live by these values and they define who we are as a company and what we stand for. They enable us to build our culture internally—and show our customers, partners, and investors that what we believe in drives our business. Our values empower our colleagues to achieve our mission of unlocking human potential.

Financial Information About Business Segments

The information set forth in Part II, Item 8, "Financial Statements and Supplementary Data" in Note 3, "Revenue Recognition, Contracts with Customers," and Note 20, "Segment Information," of the Notes to Consolidated Financial Statements and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of this Form 10-K are incorporated herein by reference.

Available Information

Our Internet address is www.wiley.com. We make available, free of charge, on or through our investors.wiley.com website, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports that we file or furnish pursuant to Sections 13(a) or 15(d) of the Securities Exchange Act of 1934, or the Exchange Act, as soon as reasonably practicable after we electronically file these materials with, or furnish them to, the SEC. The information contained on, or that may be accessed through, our website is not incorporated by reference into, and is not a part of, this Form 10-K.

Item 1A. Risk Factors

Introduction

The risks described below should be carefully considered before making an investment decision. You should carefully consider all the information set forth in this Form 10-K, including the following risk factors, before deciding to invest in any of our securities. This Form 10-K also contains or may incorporate by reference forward-looking statements that involve risks and uncertainties. See the "Cautionary Notice Regarding Forward-Looking Statements," immediately preceding Part I, of this Form 10-K. The risks below are not the only risk factors we face. Additional risks not currently known to us or that we presently deem insignificant could impact our consolidated financial position and results of operations. Our businesses, consolidated financial position, and results of operations could be materially adversely affected by any of these risks. The trading price of our securities could decline due to any of these risks, and investors may lose all or part of their investment.

Strategic Risks

The ongoing COVID-19 pandemic may continue to impact our business, results of operations, and financial condition.

The ongoing COVID-19 pandemic, as well as continuing measures undertaken to contain the spread of COVID-19, could continue to cause disruptions and have a significant impact on our business, including, but not limited to:

- declines in print book sales due to closings of retail bookstores;
- declines in businesses that rely on in-person engagement, primarily test prep and corporate training;
- delays in signing annual journal subscription agreements in certain parts of Europe and Asia due to challenges of remote selling and university disruption;
- declines in subscription revenue due to continued library and academic budget challenges;
- delays in customer payments due to widespread disruption and pervasive cash conservation behaviors in the face of uncertainty;
- lower demand for early career technology talent due to client constraints, including the continuing closure of corporate offices, staffing uncertainty, internal contractor hiring restrictions and financial constraints.

The outbreak also continues to present challenges as the majority of our workforce is continuing to work remotely and continuing to assist new and existing customers who are also generally working remotely.

The COVID-19 pandemic may have the effect of heightening other risks identified in this section of our Annual Report on Form 10-K for the year ended April 30, 2021, such as those related to technology disruption and the adoption by colleges and universities of online delivery of their educational offerings. Despite our efforts to manage these risks, it is not possible for us to predict the duration or magnitude of the adverse impacts of the outbreak and its effects on our business, results of operations or financial condition at this time, but such effects may be material. The extent to which our business, results of operations and financial condition may be impacted by the COVID-19 pandemic in the future will depend largely on continued developments, which are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning the severity of the outbreak, including variants of the virus, and actions taken by government authorities to contain the outbreak or treat its impact, including the effectiveness and distribution of vaccines.

We may not be able to realize the expected benefits of our growth strategies, which are described in Item 1. Business, including successfully integrating acquisitions, which could adversely impact our consolidated financial position and results of operations.

Our growth strategy includes business acquisitions, including knowledge-enabled services, which complement our existing businesses. Acquisitions may have a substantial impact on our consolidated financial position and results of operations. Acquisitions involve risks and uncertainties, including difficulties in integrating acquired operations and in realizing expected opportunities, cost synergies, diversions of management resources, and loss of key employees, challenges with respect to operating new businesses, and other uncertainties.

The demand for digital and lower cost books could impact our sales volumes and pricing in an adverse way.

A common trend facing each of our businesses is the digitization of content and proliferation of distribution channels through the internet and other electronic means, which are replacing traditional print formats. This trend towards digital content has also created contraction in the print book retail market which increases the risk of bankruptcy for certain retail customers, potentially leading to the disruption of short-term product supply to consumers, as well as potential bad debt write-offs. New distribution channels, such as digital formats, the internet, online retailers, and growing delivery platforms (e.g., tablets and e-readers), combined with the concentration of retailer power, present both risks and opportunities to our traditional publishing models, potentially impacting both sales volumes and pricing.

As the market has shifted to digital products, customer expectations for lower-priced products have increased due to customer awareness of reductions in production costs and the availability of free or low-cost digital content and products. As a result, there has been pressure to sell digital versions of products at prices below their print versions. Increased customer demand for lower prices could reduce our revenue.

We publish educational content for undergraduate, graduate, and advanced placement students, lifelong learners, and in Australia, for secondary school students. Due to growing student demand for less expensive textbooks, many college bookstores, online retailers, and other entities offer used or rental textbooks to students at lower prices than new textbooks. The internet has made the used and rental textbook markets more efficient and has significantly increased student access to used and rental books. Further expansion of the used and rental book markets could further adversely affect our sales of print textbooks, subsequently affecting our consolidated financial position and results of operations.

A reduction in enrollment at colleges and universities could adversely affect the demand for our higher education products.

Enrollment in US colleges and universities can be adversely affected by many factors, including changes in government and private student loan and grant programs, uncertainty about current and future economic conditions, increases in tuition, general decreases in family income and net worth, and a perception of uncertain job prospects for graduates. In addition, enrollment levels at colleges and universities outside the US are influenced by global and local economic factors, local political conditions, and other factors that make predicting foreign enrollment levels difficult. Reductions in expected levels of enrollment at colleges and universities both within and outside the US could adversely affect demand for our higher education offerings, which could adversely impact our consolidated financial position and results of operations.

If we are unable to retain key employees and other personnel, our consolidated financial condition or results of operations may be adversely affected.

The Company and industry are highly dependent on the loyal engagement of key management leaders and professional staff. Loss of staff due to inadequate skills and career path development or maintaining competitive salaries and benefits could have significant impact on Company performance.

We are highly dependent on the continued services of key employees who have in-depth market and business knowledge and/or key relationships with business partners. The loss of the services of key personnel for any reason and our inability to replace them with suitable candidates quickly or at all, as well as any negative market perception resulting from such loss, could have a material adverse effect on our business, consolidated financial position, and results of operation.

We have a significant investment in our employees around the world. We offer competitive salaries and benefits in order to attract and retain the highly skilled workforce needed to sustain and develop new products and services required for growth. Employment costs are affected by competitive market conditions for qualified individuals, and factors such as healthcare and retirement benefit costs.

The competitive pressures we face in our business, as well as our ability to retain our business relationships with our authors and professional societies, could adversely affect our consolidated financial position and results of operations.

The contribution of authors and their professional societies is one of the more important elements of the highly competitive publishing business. Success and continued growth depend greatly on developing new products and the means to deliver them in an environment of rapid technological change. Attracting new authors and professional societies while retaining our existing business relationships is critical to our success. If we are unable to retain our existing business relationships with authors and professional societies, this could have an adverse impact on our consolidated financial position and results of operations.

Information Technology Systems and Cybersecurity Risks

Our company is highly dependent on information technology systems and their business management and customer-facing capabilities critical for the long-term competitive sustainability of the business. These capabilities include business planning and transaction information, product development and delivery, marketing and sales information and management, and system security.

We must continue to invest in technology and other innovations to adapt and add value to our products and services to remain competitive. This is particularly true in the current environment, where investment in new technology is ongoing and there are rapid changes in the products competitors are offering, the products our customers are seeking, and our sales and distribution channels. In some cases, investments will take the form of internal development; in others, they may take the form of an acquisition. There are uncertainties whenever developing or acquiring new products and services, and it is often possible that such new products and services may not be launched, or, if launched, may not be profitable or as profitable as existing products and services. If we are unable to introduce new technologies, products, and services, our ability to be profitable may be adversely affected.

We may be susceptible to information technology risks that may adversely impact our business, consolidated financial position and results of operations.

Information technology is a key part of our business strategy and operations. As a business strategy, Wiley's technology enables us to provide customers with new and enhanced products and services, and is critical to our success in migrating from print to digital business models. Information technology is also a fundamental component of all our business processes, collecting and reporting business data, and communicating internally and externally with customers, suppliers, employees, and others.

Our business is dependent on information technology systems to support our businesses. We provide internet-based products and services to our customers. We also use complex information technology systems and products to support our business activities, particularly in infrastructure, and as we move our products and services to an increasingly digital delivery platform.

We face technological risks associated with internet-based product and service delivery in our businesses, including with respect to information technology capability, reliability and security, enterprise resource planning, system implementations and upgrades. Failures of our information technology systems and products (including because of operational failure, natural disaster, computer virus, or hacker attacks) could interrupt the availability of our internet-based products and services, result in corruption or loss of data or breach in security, and result in liability or reputational damage to our brands and/or adversely impact our consolidated financial position and results of operations.

Management has designed and implemented policies, processes, and controls to mitigate risks of information technology failure and to provide security from unauthorized access to our systems. In addition, we have disaster recovery plans in place to maintain business continuity. The size and complexity of our information technology and information security systems, and those of our third-party vendors with whom we contract, make such systems potentially vulnerable to cyberattacks common to most industries from inadvertent or intentional actions by employees, vendors, or malicious third parties. Such attacks are of ever-increasing levels of sophistication and are made by groups and individuals with a wide range of motives. While we have taken steps to address these risks, there can be no assurance that a system failure, disruption, or data security breach would not adversely affect our business and could have an adverse impact on our consolidated financial position and results of operations.

We are continually improving and upgrading our computer systems and software. We are in the process of implementing a new global Enterprise Resource Planning (ERP) system as part of a multiyear plan to integrate and upgrade our operational and financial systems and processes. We have completed the implementation of record-to-report, purchase-to-pay, and several other business processes within all locations through fiscal year 2017. We completed the implementation of order-to-cash for certain businesses in May 2018 and may continue to roll out additional processes and functionality of the ERP system in phases in the foreseeable future. Implementation of a new ERP system involves risks and uncertainties. Any disruptions, delays, or deficiencies in the design or implementation of a new system could result in increased costs, disruptions in operations, or delays in the collection of cash from our customers, as well as having an adverse effect on our ability to timely report our financial results, all of which could materially adversely affect our business, consolidated financial position and results of operations.

Cyber risk and the failure to maintain the integrity of our operational or security systems or infrastructure, or those of third parties with which we do business, could have a material adverse effect on our business, consolidated financial condition, and results of operations.

Cyberattacks and hackers are becoming more sophisticated and pervasive. Our business is dependent on information technology systems to support our businesses. We provide internet-based products and services to our customers. We also use complex information technology systems and products to support our business activities, particularly in infrastructure and as we move our products and services to an increasingly digital delivery platform. Across our businesses, we hold personal data, including that of employees and customers.

Efforts to prevent cyberattacks and hackers from entering our systems are expensive to implement and may limit the functionality of our systems. Individuals may try to gain unauthorized access to our systems and data for malicious purposes, and our security measures may fail to prevent such unauthorized access. Cyberattacks and/or intentional hacking of our systems could adversely affect the performance or availability of our products, result in loss of customer data, adversely affect our ability to conduct business, or result in theft of our funds or proprietary information, the occurrence of which could have an adverse impact on our consolidated financial position and results of operations.

Operational Risks

We may not realize the anticipated cost savings and benefits from, or our business may be disrupted by, our business transformation and restructuring efforts.

We continue to transform our business from a traditional publishing model to a global provider of content-enabled solutions with a focus on digital products and services. We have made several acquisitions over the past few years that represent examples of strategic initiatives that were implemented as part of our business transformation. We will continue to explore opportunities to develop new business models and enhance the efficiency of our organizational structure. The rapid pace and scope of change increases the risk that not all our strategic initiatives will deliver the expected benefits within the anticipated timeframes. In addition, these efforts may disrupt our business activities, which could adversely affect our consolidated financial position and results of operations.

We continue to restructure and realign our cost base with current and anticipated future market conditions. Significant risks associated with these actions that may impair our ability to achieve the anticipated cost savings or that may disrupt our business include delays in the implementation of anticipated workforce reductions in highly regulated locations outside of the US, decreases in employee morale, the failure to meet operational targets due to the loss of key employees, and disruptions of third parties to whom we have outsourced business functions. In addition, our ability to achieve the anticipated cost savings and other benefits from these actions within the expected timeframe is subject to many estimates and assumptions. These estimates and assumptions are subject to significant economic, competitive, and other uncertainties, some of which are beyond our control. If these estimates and assumptions are incorrect, if we experience delays, or if other unforeseen events occur, our business and consolidated financial position and results of operations could be adversely affected.

We may not realize the anticipated cost savings and processing efficiencies associated with the outsourcing of certain business processes.

We have outsourced certain business functions, principally in technology, content management, printing, warehousing, fulfillment, distribution, returns processing, and certain other transactional processing functions, to third-party service providers to achieve cost savings and efficiencies. If these third-party service providers do not perform effectively, we may not be able to achieve the anticipated cost savings, and depending on the function involved, we may experience business disruption or processing inefficiencies, all with potential adverse effects on our consolidated financial position and results of operations.

Challenges and uncertainties associated with operating in developing markets has a higher risk due to political instability, economic volatility, crime, terrorism, corruption, social and ethnic unrest, and other factors, which may adversely impact our consolidated financial position and results of operations.

We sell our products to customers in certain sanctioned and previously sanctioned developing markets where we do not have operating subsidiaries. We do not own any assets or liabilities in these markets except for trade receivables. In the year ended April 30, 2021, we recorded an immaterial amount of revenue and net earnings related to sales to Cuba, Iran, Sudan, and Syria. As of April 30, 2021, we discontinued sales with Iran. While sales in these markets are not material to our consolidated financial position and results of operations, adverse developments related to the risks associated with these markets may cause actual results to differ from historical and forecasted future consolidated operating results.

We have certain technology development operations in Russia and Sri Lanka related to software development and architecture, digital content production, and system testing services. Due to the political instability within these regions, there is the potential for future government embargos and sanctions, which could disrupt our operations in this area. While we have developed business continuity plans to address these issues, further adverse developments in the region could have a material impact on our consolidated financial position and results of operations.

Approximately 27% of Research journal articles are sourced from authors in China. Any restrictions on exporting intellectual property could adversely affect our business and consolidated financial position and results of operations.

In our journal publishing business, we have a trade concentration and credit risk related to subscription agents, and in our book business the industry has a concentration of customers in national, regional, and online bookstore chains. Changes in the financial position and liquidity of our subscription agents and customers could adversely impact our consolidated financial position and results of operations.

In the journal publishing business, subscriptions are primarily sourced through journal subscription agents who, acting as agents for library customers, facilitate ordering by consolidating the subscription orders/billings of each subscriber with various publishers. Cash is generally collected in advance from subscribers by the subscription agents and is principally remitted to us between the months of December and April. Although at fiscal year-end we had minimal credit risk exposure to these agents, future calendar-year subscription receipts from these agents are highly dependent on their financial condition and liquidity.

Subscription agents account for approximately 20% of total annual consolidated revenue and no one agent accounts for more than 10% of total annual consolidated revenue.

Our book business is not dependent upon a single customer; however, the industry is concentrated in national, regional, and online bookstore chains. Although no book customer accounts for more than 9% of total consolidated revenue and 13% of accounts receivable at April 30, 2021, the top 10 book customers account for approximately 13% of total consolidated revenue and approximately 22% of accounts receivable at April 30, 2021.

Financial Risks

Changes in global economic conditions could impact our ability to borrow funds and meet our future financing needs.

Changes in global financial markets have not had, nor do we anticipate they will have, a significant impact on our liquidity. Due to our significant operating cash flow, financial assets, access to capital markets, and available lines of credit and revolving credit agreements, we continue to believe that we have the ability to meet our financing needs for the foreseeable future. As market conditions change, we will continue to monitor our liquidity position. However, there can be no assurance that our liquidity or our consolidated financial position and results of operations will not be adversely affected by possible future changes in global financial markets and global economic conditions. Unprecedented market conditions including illiquid credit markets, volatile equity markets, dramatic fluctuations in foreign currency rates, and economic recession could affect future results.

Fluctuations in foreign currency exchange rates and interest rates could materially impact our consolidated financial condition and results of operations.

Non-US revenues, as well as our substantial non-US net assets, expose our consolidated results to volatility from changes in foreign currency exchange rates. The percentage of consolidated revenue for the year ended April 30, 2021 recognized in the following currencies (on an equivalent US dollar basis) were approximately: 55% US dollar, 27% British pound sterling, 11% euro, and 7% other currencies. In addition, our interest-bearing loans and borrowings are subject to risk from changes in interest rates. These risks and the measures we have taken to help mitigate them are discussed in Part II, Item 7A, "Quantitative and Qualitative Disclosures about Market Risk," of this Annual Report on Form 10-K. We may, from time to time, use derivative instruments to hedge such risks. Notwithstanding our efforts to foresee and mitigate the effects of changes in external market or fiscal circumstances, we cannot predict with certainty changes in foreign currency exchange rates and interest rates, inflation, or other related factors affecting our business, consolidated financial position, and results of operations.

We may not be able to mitigate the impact of inflation and cost increases, which could have an adverse impact on our consolidated financial position and results of operations.

From time to time, we experience cost increases reflecting, in part, general inflationary factors. There is no guarantee that we can increase selling prices or reduce costs to fully mitigate the effect of inflation on our costs, which may adversely impact our consolidated financial position and results of operations.

As a result of acquisitions, we have and may record a significant amount of goodwill and other identifiable intangible assets and we may never realize the full carrying value of these assets.

As a result of acquisitions, we recorded a significant amount of goodwill and other identifiable intangible assets. At April 30, 2021, we had \$1,304.3 million of goodwill and \$1,015.3 million of intangible assets, of which \$130.0 million are indefinite-lived intangible assets, on our Consolidated Statements of Financial Position. The intangible assets are principally composed of content and publishing rights, customer relationships, brands and trademarks, and developed technology. Failure to achieve business objectives and financial projections could result in an asset impairment, which would result in a noncash charge to our consolidated results of operations. Goodwill and intangible assets with indefinite lives are tested for impairment on an annual basis and when events or changes in circumstances indicate that impairment may have occurred. Intangible assets with definite lives, which were \$885.3 million at April 30, 2021, are tested for impairment only when events or changes in circumstances indicate that an impairment may have occurred. Determining whether an impairment exists can be difficult as a result of increased uncertainty and current market dynamics, and requires management to make significant estimates and judgments. A noncash intangible asset impairment charge could have a material adverse effect on our consolidated financial position and results of operations. See Note 11, "Goodwill and Intangible Assets" for further information related to goodwill and intangible assets, and the impairment charges recorded in the year ended April 30, 2020.

Changes in pension costs and related funding requirements may impact our consolidated financial position and results of operations.

We provide defined benefit pension plans for certain employees worldwide. Our Board of Directors approved amendments to the US, Canada and UK defined benefit plans that froze the future accumulation of benefits effective June 30, 2013, December 31, 2015, and April 30, 2015, respectively. The funding requirements and costs of these plans are dependent upon various factors, including the actual return on plan assets, discount rates, plan participant population demographics, and changes in global pension regulations. Changes in these factors affect our plan funding, consolidated financial position, and results of operations.

Legal, Regulatory, and Compliance Risks

The uncertainty surrounding the implementation and effect of Brexit may cause increased economic volatility, affecting our operations and business.

On January 31, 2020, the UK exited the European Union (referred to as Brexit). There followed an implementation period, during which EU law continued to apply in the UK and the UK maintained its EU single market access rights and EU customs union membership. The implementation period expired December 31, 2020. Consequently, the UK has become a third country vis-à-vis the EU, without access to the single market or membership of the E.U. customs union.

The UK and the EU have signed an EU-UK Trade and Cooperation Agreement, or TCA, which became provisionally applicable on January 1, 2021 and will become formally applicable once ratified by both the UK and the EU. The EU requested an extension and the UK agreed to postpone the provisional application to April 30, 2021. On April 28, 2021, Parliament formally approved the TCA. This agreement provides details on how some aspects of the UK and EU's relationship will operate going forward however there are still many uncertainties and how the TCA will take effect in practice is still largely unknown. This lack of clarity on future UK laws and regulations and their interaction with the EU laws and regulations may negatively impact foreign direct investment in the UK, increase costs, depress economic activity and restrict access to capital.

The uncertainty concerning the UK's legal, political and economic relationship with the EU after Brexit may be a source of instability in the international markets, create significant currency fluctuations, and/or otherwise adversely affect trading agreements or similar cross-border co-operation arrangements (whether economic, tax, fiscal, legal, regulatory, or otherwise) beyond the date of Brexit.

Additional Brexit-related impacts on our business could include potential inventory shortages in the UK, increased regulatory burdens and costs to comply with UK-specific regulations and higher transportation costs for our products coming into and out of the UK. Any of these effects, among others, could materially and adversely affect our business and consolidated financial position and results of operations.

Changes in laws, tariffs, and regulations, including regulations related to open access, could adversely impact our consolidated financial position and results of operations.

We maintain operations in Asia, Australia, Canada, Europe, and the US. The conduct of our business, including the sourcing of content, distribution, sales, marketing, and advertising, is subject to various laws and regulations administered by governments around the world. Changes in laws, regulations, or government policies, including tax regulations and accounting standards, may adversely affect our future consolidated financial position and results of operations.

The scientific research publishing industry generates much of its revenue from paid customer subscriptions to online and print journal content. There is debate within government, academic, and library communities whether such journal content should be made available for free immediately or following a period of embargo after publication, referred to as "open access." For instance, certain governments and privately held funding bodies have implemented mandates that require journal articles derived from government-funded research to be made available to the public at no cost after an embargo period. Open access can be achieved in two ways: Green, which enables authors to publish articles in subscription-based journals and self-archive the author accepted version of the article for free public use after an embargo period, and Gold, which enables authors to publish their articles in journals that provide immediate free access to the final version of the article on the publisher's Web site, and elsewhere under permissive licensing terms, following payment of an APC. These mandates have the potential to put pressure on subscription-based publications. If such regulations are widely implemented, our consolidated financial position and results of operations could be adversely affected.

To date, the majority of governments that have taken a position on open access have favored the Green model and have generally specified embargo periods of twelve months. The publishing community generally takes the view that this period should be sufficient to protect subscription revenues, provided that publishers' platforms offer sufficient added value to the article. Governments in Europe have been more supportive of the Gold model, which thus far is generating incremental revenue for publishers with active open access programs. Several European administrations are showing interest in a business model which combines the purchasing of subscription content with the purchase of open access publishing for authors in their respective countries. This development removes an element of risk by fixing revenues from that market, provided that the terms, price, and rate of transition negotiated are acceptable.

Changes in tax laws could have a material impact on our consolidated financial position and results of operations.

We are subject to tax laws in the jurisdictions where we conduct business, including the US and many foreign jurisdictions. In addition to tax law changes in the US, changes in tax laws and interpretations in other jurisdictions where we do business, such as the UK and Germany, as well as changes proposed by the Organization for Economic Co-operation and Development (OECD) and adopted by OECD member countries, could significantly impact the taxation of our earnings. On June 10, 2021, the UK increased its corporate tax rate from 19% to 25% effective April 2023. During our year ended April 30, 2021, more than half of our consolidated pretax income was from the UK. See Note 22, “Subsequent Events” for further details regarding the estimated impact. In addition, there are proposals to increase the rate and otherwise change US tax laws which could significantly increase our tax rate. We are also subject to potential taxes and regulations in jurisdictions where we have sales even though we do not have a physical presence. These taxes and potential taxes could have a material impact on our consolidated financial position and results of operations as most of our income is earned outside the US. In addition, we are subject to audit by tax authorities and are regularly audited by various tax authorities. Although we believe our tax estimates are reasonable, the final determination of tax audits could be materially different from our historical income tax provisions and accruals, and could have a material impact on our consolidated financial position and results of operations.

Our intellectual property rights may not be protected, which could adversely affect our consolidated financial position and results of operations.

A substantial portion of our publications are protected by copyright, held either in our name, in the name of the author of the work, or in the name of a sponsoring professional society. Such copyrights protect our exclusive right to publish the work in many countries abroad for specified periods, in most cases, the author’s life plus 70 years, but in any event, a minimum of 50 years for works published after 1978. Our ability to continue to achieve our expected results depends, in part, upon our ability to protect our intellectual property rights. Our consolidated financial position and results of operations may be adversely affected by lack of legal and/or technological protections for its intellectual property in some jurisdictions and markets.

A disruption or loss of data sources could limit our collection and use of certain kinds of information, which could adversely impact our communication with our customers.

Several of our businesses rely extensively upon content and data from external sources. Data is obtained from public records, governmental authorities, customers and other information companies, including competitors. Legal regulations, such as the European Union’s General Data Protection Regulation (GDPR), relating to internet communications, privacy and data protection, e-commerce, information governance, and use of public records, are becoming more prevalent worldwide. The disruption or loss of data sources, either because of changes in the law or because data suppliers decide not to supply them, may impose limits on our collection and use of certain kinds of information about individuals and our ability to communicate such information effectively with our customers. In addition, GDPR imposes a strict data protection compliance regime with severe penalties of up to 4% of worldwide revenue or €20 million, whichever is greater.

If we fail to maintain proper and effective internal controls, our ability to produce accurate financial statements on a timely basis could be impaired.

We are subject to the reporting requirements of the Securities Exchange Act of 1934, the Sarbanes-Oxley Act (Sarbanes-Oxley Act) and the rules and regulations of the New York Stock Exchange. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are required to perform system and process evaluations and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal control over financial reporting in our Annual Report on Form 10-K, as required by Section 404 of the Sarbanes-Oxley Act. This may require us to incur substantial additional professional fees and internal costs to further expand our accounting and finance functions and expend significant management efforts.

We may in the future discover material weaknesses in our system of internal financial and accounting controls and procedures that could result in a material misstatement of our financial statements. In addition, our internal control over financial reporting will not prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system’s objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to errors or fraud will not occur, or that all control issues and instances of fraud will be detected.

If we are not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, or if we are unable to maintain proper and effective internal controls, we may not be able to produce timely and accurate financial statements. If that were to happen, the market price of our stock could decline and we could be subject to sanctions or investigations by the SEC, or other regulatory authorities.

General Risks

The trading price of the shares of our common stock may fluctuate materially, and investors of our common stock could incur substantial losses.

Our stock price may fluctuate materially. The stock market in general has experienced significant volatility that has often been unrelated to the operating performance of companies. As a result of this volatility, investors may not be able to sell their common stock at or above the price paid for the shares. The market price for our common stock may be influenced by many factors, including:

- actual or anticipated changes in our consolidated operating results;
- variances between actual consolidated operating results and the expectations of securities analysts, investors and the financial community;
- changes in financial estimates by us or by any securities analysts who might cover our stock;
- conditions or trends in our industry, the stock market or the economy;
- the level of demand for our stock, the stock market price and volume fluctuations of comparable companies;
- announcements by us or our competitors of new product or service offerings, significant acquisitions, strategic partnerships or divestitures;
- announcements of investigations or regulatory scrutiny of our operations or lawsuits filed against us;
- capital commitments;
- investors' general perception of the Company and our business;
- recruitment or departure of key personnel; and
- sales of our common stock, including sales by our directors and officers or specific stockholders.

Adverse publicity could negatively impact our reputation, which could adversely affect our consolidated financial position and results of operations.

Our professional customers worldwide rely upon many of our publications to perform their jobs. It is imperative that we consistently demonstrate our ability to maintain the integrity of the information included in our publications. Adverse publicity, whether valid or not, may reduce demand for our publications and adversely affect our consolidated financial position and results of operations.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We occupy office, warehouse, and distribution facilities in various parts of the world, as listed below (excluding those locations with less than 10,000 square feet of floor area, none of which is considered material property). All of the buildings and the equipment owned or leased are believed to be in good operating condition and are suitable for the conduct of our business.

<u>Location</u>	<u>Purpose</u>	<u>Owned or Leased</u>	<u>Approx. Sq. Ft.</u>
United States:			
New Jersey	Corporate Headquarters	Leased	294,000
Florida	Office	Leased	58,000
Illinois	Office	Leased	52,000
Kentucky	Office	Leased	47,000
Indiana	Office	Leased	42,000
Minnesota	Office	Leased	28,000
Massachusetts	Office	Leased	26,000
California	Offices	Leased	21,000
Texas	Office	Leased	11,000
International:			
England	Distribution Centers	Leased	298,000
	Offices	Leased	102,000
	Offices	Owned	70,000
Germany	Office	Owned	104,000
	Office	Leased	18,000
India	Distribution Centers	Leased	12,000
	Office	Leased	25,000
France	Offices	Leased	36,000
Singapore	Office	Leased	35,000
Australia	Offices	Leased	34,000
Sri Lanka	Office	Leased	32,000
Russia	Office	Leased	27,000
Jordan	Office	Leased	24,000
China	Office	Leased	18,000
Greece	Office	Leased	16,000
Canada	Office	Leased	13,000
Brazil	Office	Leased	12,000

Item 3. Legal Proceedings

The information set forth in Part II, Item 8, "Financial Statements and Supplementary Data" in Note 16, "Commitment and Contingencies," of the Notes to Consolidated Financial Statements is incorporated herein by reference.

We are involved in routine litigation in the ordinary course of our business. In the opinion of management, the ultimate resolution of all pending litigation will not have a material effect upon our consolidated financial position or results of operations.

Item 4. Mine Safety Disclosures

Not applicable.

Information About Our Executive Officers

Set forth below are the current executive officers of the Company. Each of the officers listed will serve until the next organizational meetings of the Board of Directors of the Company, and until each of the respective successors are duly elected and qualified.

<u>Name, Current and Former Positions</u>	<u>Age</u>	<u>First Elected to Current Position</u>
<u>BRIAN A. NAPACK</u> President and Chief Executive Officer and Director March 2012 – Senior Advisor, Providence Equity Partners LLC	59	December 2017
<u>JOHN A. KRITZMACHER</u> Executive Vice President and Chief Financial Officer October 2012 – Senior Vice President of Business Operations, Organizational Planning & Structure at WebMD Health Corp	60	July 2013
<u>DEIRDRE SILVER</u> Executive Vice President, General Counsel August 2015 – Associate General Counsel, Senior Vice President of Legal, Research	53	February 2020
<u>JUDY VERSES</u> Executive Vice President and General Manager, Research October 2011 – President – Global Enterprise and Education, Rosetta Stone Inc.	64	October 2016
<u>CHRISTOPHER F. CARIDI</u> Senior Vice President, Global Corporate Controller, and Chief Accounting Officer June 2020 – SVP, Chief Accounting Officer and Controller, Teladoc Health, Inc. March 2017 – SVP, Chief Accounting Officer and Controller, John Wiley & Sons March 2014 – Vice President, Finance, Thomson Reuters September 2009 – Vice President, Controller/Global Head of Accounting Operations, Thomson Reuters	55	October 2020
<u>KEVIN MONACO</u> Senior Vice President, Treasurer and Tax October 2009 – SVP, Finance, Treasurer, and Investor Relations, Coty Inc.	57	October 2018
<u>AREF MATIN</u> Executive Vice President, Chief Technology Officer February 2015 – Executive Vice President, Chief Technology Officer, Ascend Learning July 2012 – Executive Vice President, Chief Technology Officer, Pearson Learning Technologies & Pearson Higher Education	62	May 2018
<u>MATTHEW LEAVY</u> Executive Vice President and General Manager, Educational Publishing September 2018 – SVP, Business Development January 2018 – Principal Leavy Consulting LLC August 2013 – Managing Director Global Managed Services, Pearson plc	53	September 2019
<u>DANIELLE MCMAHAN</u> Executive Vice President, Chief People & Operations Officer June 2017 – Chief Human Resources Officer, York Risk Services Group July 2014 – VP, Global Talent, American Express	46	November 2019
<u>TODD ZIPPER</u> Executive Vice President and General Manager, Education Services November 2018 – Co-President, Wiley Education Services January 2015 – President and CEO, The Learning House, Inc	44	June 2020

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our Class A and Class B shares are listed on the New York Stock Exchange under the symbols JW.A and JW.B, respectively.

On a quarterly basis, the Board of Directors considers the payment of cash dividends based upon its review of earnings, our financial position, and other relevant factors. As of May 31, 2021, the approximate number of holders of our Class A and Class B Common Stock were 704 and 50, respectively, based on the holders of record.

During the year ended April 30, 2020, our Board of Directors approved an additional share repurchase program of \$200 million of Class A or B Common Stock. This share repurchase program is in addition to the share repurchase program approved by our Board of Directors during the year ended April 30, 2017 of four million shares of Class A or B Common Stock.

During the fourth quarter of 2021, we made the following purchases of Class A and Class B Common Stock under these publicly announced stock repurchase programs.

	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid Per Share</u>	<u>Total Number of Shares Purchased as Part of a Publicly Announced Program</u>	<u>Maximum Number of Shares that May Be Purchased Under the Program</u>	<u>Maximum Dollar Value of Shares that May Yet Be Purchased Under Additional Plans or Programs (Dollars in millions)</u>
February 2021	—	\$ —	—	659,906	\$ 200
March 2021	124,226	52.59	124,226	535,680	200
April 2021	38,483	56.37	38,483	497,197	200
Total	<u>162,709</u>	\$ 53.49	<u>162,709</u>	497,197	\$ 200

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The information in our Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should be read together with our Consolidated Financial Statements and related notes set forth in Part II, Item 8, as well as the discussion included in Part I, Item 1, "Business," "Cautionary Notice Regarding Forward-Looking Statements "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995" and "Non-GAAP Financial Measures," along with Part I, Item 1A, "Risk Factors," of this Annual Report on Form 10-K. All amounts and percentages are approximate due to rounding and all dollars are in thousands, except per share amounts or where otherwise noted. When we cross-reference to a "Note," we are referring to our "Notes to Consolidated Financial Statements," in Part II, Item 8, "Financial Statements and Supplementary Data" unless the context indicates otherwise.

Overview

Wiley is a global leader in research and education, unlocking human potential by enabling discovery, powering education, and shaping workforces. For over 200 years, Wiley has fueled the world's knowledge ecosystem. Today, our high-impact content, platforms, and services help researchers, learners, institutions, and corporations achieve their goals in an ever-changing world. Wiley is a predominantly digital company with approximately 82% of revenue in the year ended April 30, 2021 generated by digital products, and services.

We report financial information for the following segments, as well as a Corporate category, which includes certain costs that are not allocated to the reportable segments:

- Research Publishing & Platforms
- Academic & Professional Learning
- Education Services

Through the Research Publishing & Platforms segment, we provide peer-reviewed STM publishing, content platforms, and related services to academic, corporate, and government customers, academic societies, and individual researchers. The Academic & Professional Learning segment provides Education Publishing and Professional Learning content and courseware, training and learning services, to students, professionals, and corporations. The Education Services segment provides OPM services for academic institutions and talent placement services for professionals and businesses.

Wiley's business strategies are tightly aligned with accelerating growth trends, including open research, online education, and digital curriculum. Research strategies include driving publishing output to meet the increasing demand for peer-reviewed research and expanding platform and service offerings for corporations and societies. Education strategies include expanding online degree programs and driving online enrollment for university partners, scaling digital content and courseware, and expanding IT talent placement for corporate partners.

Our revenue results continued to be impacted by COVID-19. We also continued to generate significant COVID-19 related cost savings due to the cancellation of travel and events and lower facility related expenses, which are discussed in more detail by segment below. We are taking actions to sustain much of these savings in our post-pandemic operations. See "Fiscal Year 2022 Outlook" below for further details of our fiscal year 2022 Outlook.

Consolidated Results of Operations

FISCAL YEAR 2021 AS COMPARED TO FISCAL YEAR 2020 SUMMARY RESULTS

Revenue:

Revenue for the year ended April 30, 2021 increased \$110.0 million, or 6%, as compared with the prior year. This increase was mainly driven by the following factors:

- an increase in Research Publishing & Platforms, which included the contributions from Hindawi, which was acquired on December 31, 2020; and
- an increase in Education Services, due to the contributions from mthree, which was acquired in January 2020, and growth in online program management services.

These increases were partially offset by a decline in Academic & Professional Learning.

On a constant currency basis, revenue increased 4% as compared with the prior year. Excluding the inorganic impact of acquisitions, organic revenue on a constant currency basis increased 1%.

See the "Segment Operating Results" below for additional details on each segment's revenue and Adjusted EBITDA performance.

Cost of Sales:

Cost of sales for the year ended April 30, 2021 increased \$34.3 million, or 6%, as compared with the prior year. Gross margin was consistent with the prior year at approximately 32.2%. On a constant currency basis, cost of sales increased 4% as compared with the prior year. This increase was primarily due to the impact from the acquisition of mthree and, to a lesser extent, higher royalty costs. These factors were partially offset by lower marketing costs for our Education Services business.

Operating and Administrative Expenses:

Operating and administrative expenses for the year ended April 30, 2021 increased \$25.3 million, or 3%, as compared with the prior year. On a constant currency basis, operating and administrative expenses increased 1% as compared with the prior year primarily reflecting the impact of the acquisitions of Hindawi and mthree, higher technology related costs and, to a lesser extent, higher annual incentive compensation. These factors were partially offset by lower facilities and occupancy related costs due to the real estate actions taken as part of our Business Optimization program as described below, employee benefit and retirement related expenses, and to a lesser extent, COVID-19 related expense savings and other business optimization gains.

Restructuring and Related Charges:

Business Optimization Program

For the years ended April 30, 2021 and 2020, we recorded pretax restructuring charges of \$33.4 million and \$32.8 million, respectively related to this program. We anticipate \$9.0 million in run rate savings from these actions in fiscal 2022.

In November 2020, in response to the COVID-19 pandemic and the Company's successful transition to a virtual work environment, we increased use of virtual work arrangements for post-pandemic operations. As a result, we expanded the scope of the Business Optimization Program to include the exit of certain leased office space beginning in the third quarter of fiscal 2021, and the reduction of our occupancy at other facilities. We are reducing our real estate square footage occupancy by approximately 12%. These actions resulted in a pretax restructuring charge of \$18.3 million in the three months ended January 31, 2021.

In addition, we also incurred ongoing facility-related costs associated with certain properties that resulted in additional restructuring charges of \$3.7 million in the year ended April 30, 2021.

These actions are anticipated to yield annualized cost savings estimated to be approximately \$8.0 million. We anticipate ongoing facility-related costs associated with certain properties to result in additional restructuring charges in future periods.

These charges are reflected in Restructuring and related charges in the Consolidated Statements of Income (Loss). See Note 7, "Restructuring and Related Charges" for more details on these charges.

Restructuring and Reinvestment Program

For the years ended April 30, 2021 and 2020, we recorded pretax restructuring credits of \$0.1 million and \$0.2 million, respectively, related to this program. These credits are reflected in Restructuring and related charges in the Consolidated Statements of Income (Loss). See Note 7, "Restructuring and Related Charges" for more details on these credits.

For the impact of our restructuring programs on diluted earnings per share, see the section below, "Diluted Earnings per Share (EPS)."

Amortization of Intangible Assets:

Amortization of intangible assets was \$74.7 million for the year ended April 30, 2021, an increase of \$12.2 million, or 20%, as compared with the prior year. On a constant currency basis, amortization of intangible assets increased 18% as compared with the prior year primarily due to the intangibles acquired as part of the Hindawi and mthree acquisitions completed in fiscal year 2021 and 2020, respectively. See Note 4, "Acquisitions" for more details on our acquisitions.

Operating Income (Loss), Adjusted Contribution to Profit (CTP) and Adjusted EBITDA:

Operating income for the year ended April 30, 2021 was \$185.5 million compared with the prior year operating loss of \$54.3 million. The increase in operating income was primarily due to the prior year impairment of goodwill and intangibles assets of \$202.3 million as described below and, to a lesser extent, an increase in revenue. This was partially offset by an increase in cost of sales, and operating and administrative expenses and, to a lesser extent, an increase in amortization of intangible assets as described above.

Adjusted CTP and Adjusted EBITDA on a constant currency basis and excluding restructuring charges and the impairment of goodwill and intangible assets, increased 20% and 16% respectively, as compared with the prior year. The increase in Adjusted CTP and Adjusted EBITDA was primarily due to revenue performance described above, partially offset by higher cost of sales and, to a lesser extent, an increase in operating and administrative expenses. In addition, the increase in Adjusted CTP was partially offset by higher depreciation and amortization.

Adjusted CTP

Below is a reconciliation of our consolidated US GAAP Operating Income (Loss) to Non-GAAP Adjusted CTP:

	Year Ended April 30,	
	2021	2020
US GAAP Operating Income (Loss)	\$ 185,511	\$ (54,287)
Adjustments:		
Restructuring and related charges	33,310	32,607
Impairment of goodwill	—	110,000
Impairment of Blackwell trade name	—	89,507
Impairment of developed technology intangible	—	2,841
Non-GAAP Adjusted CTP	\$ 218,821	\$ 180,668

Adjusted EBITDA

Below is a reconciliation of our consolidated US GAAP Net Income (Loss) to Non-GAAP EBITDA and Adjusted EBITDA:

	Year Ended April 30,	
	2021	2020
Net Income (Loss)	\$ 148,256	\$ (74,287)
Interest expense	18,383	24,959
Provision for income taxes	27,656	11,195
Depreciation and amortization	200,189	175,127
Non-GAAP EBITDA	394,484	136,994
Impairment of goodwill and intangible assets	—	202,348
Restructuring and related charges	33,310	32,607
Foreign exchange transaction losses (gains)	7,977	(2,773)
Other income	(16,761)	(13,381)
Non-GAAP Adjusted EBITDA	\$ 419,010	\$ 355,795

Interest Expense:

Interest expense for the year ended April 30, 2021 was \$18.4 million compared with the prior year of \$25.0 million. This decrease was due to a lower weighted average effective borrowing rate, partially offset by higher average debt balances outstanding, which included borrowings for the funding of acquisitions in fiscal years 2021 and 2020.

Foreign Exchange Transaction (Losses) Gains:

Foreign exchange transaction losses were \$8.0 million for the year ended April 30, 2021 and were due to the unfavorable impact of the changes in exchange rates on US dollar cash balances held in the UK to fund the acquisition of Hindawi, and the net impact of changes in average foreign exchange rates as compared to the US dollar on our third-party accounts receivable and payable balances.

Foreign exchange transaction gains were \$2.8 million for the year ended April 30, 2020 and were primarily due to the net impact of changes in average foreign exchange rates as compared to the US dollar on our third-party accounts receivable and payable balances.

Provision for Income Taxes:

Below is a reconciliation of our US GAAP Income (Loss) Before Taxes to Non-GAAP Adjusted Income Before Taxes:

	Year Ended April 30,	
	2021	2020
US GAAP Income (Loss) Before Taxes	\$ 175,912	\$ (63,092)
Pretax Impact of Adjustments:		
Restructuring and related charges	33,310	32,607
Foreign exchange (gains) losses on intercompany transactions	(1,457)	1,256
Impairment of goodwill	—	110,000
Impairment of Blackwell trade name	—	89,507
Impairment of developed technology intangible	—	2,841
Non-GAAP Adjusted Income Before Taxes	<u>\$ 207,765</u>	<u>\$ 173,119</u>

Below is a reconciliation of our US GAAP Income Tax Provision to Non-GAAP Adjusted Income Tax Provision, including our US GAAP Effective Tax Rate and our Non-GAAP Adjusted Effective Tax Rate:

	Year Ended April 30,	
	2021	2020
US GAAP Income Tax Provision	\$ 27,656	\$ 11,195
Income Tax Impact of Adjustments ⁽¹⁾ :		
Restructuring and related charges	8,065	7,949
Foreign exchange (gains) losses on intercompany transactions	(363)	242
Impairment of Blackwell trade name	—	15,216
Impairment of developed technology intangible	—	686
Income Tax Adjustments:		
Impact of increase in UK statutory rate on deferred tax balances ⁽²⁾	(3,511)	—
Impact of US CARES Act ⁽³⁾	13,998	—
Impact of change in certain US state tax rates in 2021 and tax rates in France in 2020 ⁽²⁾	(3,225)	1,887
Non-GAAP Adjusted Income Tax Provision	<u>\$ 42,620</u>	<u>\$ 37,175</u>
US GAAP Effective Tax Rate	15.7%	(17.7)%
Non-GAAP Adjusted Effective Tax Rate	20.5%	21.5%

(1) For the year ended April 30, 2021, except for the \$8.4 million current tax impact from the US CARES Act noted below, substantially all of the tax impact was from deferred taxes. For the year ended April 30, 2020, the tax impact was \$1.5 million from current taxes and \$22.6 million from deferred taxes.

(2) These adjustments impacted deferred taxes in the year ended April 30, 2021 and 2020.

(3) The tax impact was \$8.4 million from current taxes and \$5.6 million from deferred taxes in the year ended April 30, 2021.

The effective tax rate was 15.7% for the year ended April 30, 2021, compared to a tax expense rate of 17.7% on a pretax loss for the year ended April 30, 2020. Our rate for the year ended April 30, 2021 benefitted by \$14.0 million from the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and certain regulations issued in late July 2020, which enabled us to carry back certain US net operating losses (NOLs), reducing our tax for the year ended April 30, 2020 compared to prior estimates. This benefit was partially offset by (a) \$3.5 million from an increase in the official UK statutory rate during our three months ended July 31, 2020 resulting in our taxes in non-US income increasing our effective income tax rate and (b) a \$3.2 million increase in our state tax expense due to increasing our deferred tax liabilities in connection with our expanded presence in additional states resulting from COVID-19 and employees working in additional locations. The 17.7% tax expense rate on a pretax loss for the year ended April 30, 2020 was primarily due to the \$110.0 million non-deductible impairment of goodwill. Excluding the benefit from the CARES Act and expense from the UK rate change, the change in our state tax expense and a lower tax benefit from our restructuring charges and foreign exchange gains, the Non-GAAP Adjusted Effective Tax Rate for the year ended April 30, 2021 was 20.5%. The Non-GAAP Adjusted Effective Tax Rate for the year ended April 30, 2020, excluding the impact of the \$110.0 million impairment of goodwill and other items included in the table above was 21.5%. The decrease in the Non-GAAP Adjusted Effective Tax Rate before these items was due to a more favorable mix of earnings for the year ended April 30, 2021.

In connection with the CARES Act and certain regulations, we carried back our April 30, 2020 US NOL to our year ended April 30, 2015 and claimed a \$20.7 million refund. The refund plus interest was received in February 2021. The NOL was carried back to fiscal year 2015 when the US corporate tax rate was 35%. The carryback to a year with a higher rate, plus certain additional net permanent deductions included in the carryback resulted in a \$14.0 million tax benefit. The benefit was partially offset by an increase in the UK statutory rate and an increase in our state tax expense. During the three months ended July 31, 2020, the UK officially enacted legislation that increased its statutory rate from 17% to 19%. This resulted in a \$3.5 million noncash deferred tax expense from the re-measurement of our applicable UK net deferred tax liabilities. During the year ended April 30, 2021, as a result of COVID-19, we adjusted our policies to permit employees to work from home, resulting in an increased presence in many states. This resulted in a \$3.2 million noncash deferred tax expense from the re-measurement of our applicable US net deferred tax liabilities.

As previously disclosed in our Quarterly Report on Form 10-Q filed with the SEC on March 5, 2021, on March 3, 2021, in the UK Budget, the Chancellor of the Exchequer announced a proposed increase in the UK corporate tax rate from 19% to 25%, effective April 2023. On June 10, 2021, the UK officially increased its corporate tax rate from 19% to 25% effective April 2023. We estimate that this statutory tax rate increase will result in a nonrecurring, noncash US GAAP deferred tax expense of approximately \$20 million in our three months ended July 31, 2021.

Diluted Earnings (Loss) Per Share (EPS):

Diluted earnings per share for the year ended April 30, 2021 was \$2.63 per share compared with loss per share of \$1.32 in the prior year. This increase was due to the higher operating income and, to a lesser extent, lower interest expense. These factors were partially offset by higher provision for income taxes and foreign exchange transaction losses for the year ended April 30, 2021 as compared to gains for the year ended April 30, 2020.

Below is a reconciliation of our US GAAP Earnings (Loss) Per Share to Non-GAAP Adjusted EPS. The amount of the pretax, and the related income tax impact for the adjustments included in the table below, are presented in the section above, "Provision for Income Taxes".

	Year Ended April 30,	
	2021	2020
US GAAP EARNINGS (LOSS) PER SHARE	\$ 2.63	\$ (1.32)
Adjustments:		
Restructuring and related charges	0.44	0.43
Foreign exchange (gains) losses on intercompany transactions	(0.02)	0.02
Income tax adjustments	(0.13)	(0.03)
Impairment of goodwill	—	1.94
Impairment of Blackwell trade name	—	1.31
Impairment of developed technology intangible	—	0.04
EPS impact of using weighted-average dilutive shares for adjusted EPS calculation ⁽¹⁾	—	0.01
Non-GAAP Adjusted EPS	<u>\$ 2.92</u>	<u>\$ 2.40</u>

⁽¹⁾ Represents the impact of using diluted weighted-average number of common shares outstanding (56.7 million shares for the year ended April 30, 2020) included in the Non-US GAAP Adjusted EPS calculation in order to apply the dilutive impact on adjusted net income due to the effect of unvested restricted stock units and other stock awards. This impact occurs when a US GAAP net loss is reported and the effect of using dilutive shares is antidilutive.

On a constant currency basis, Adjusted EPS increased 27% primarily due to an increase in Adjusted CTP and, to a lesser extent, a lower Non-GAAP Adjusted Effective Tax Rate and a decrease in interest expense. These factors were partially offset by foreign exchange transaction losses for the year ended April 30, 2021 as compared with gains for the year ended April 30, 2020.

SEGMENT OPERATING RESULTS:

	Year Ended April 30,		% Change Favorable (Unfavorable)	Constant Currency % Change Favorable (Unfavorable)
	2021	2020		
RESEARCH PUBLISHING & PLATFORMS:				
Revenue:				
Research Publishing	\$ 972,512	\$ 908,952	7%	5%
Research Platforms	42,837	39,887	7%	7%
Total Research Publishing & Platforms Revenue	1,015,349	948,839	7%	5%
Cost of Sales	275,377	255,696	(8)%	(5)%
Operating Expenses	429,916	398,514	(8)%	(6)%
Amortization of Intangible Assets	37,033	29,276	(26)%	(24)%
Impairment of Intangible Assets (see Note 11)	—	92,348	100%	100%
Restructuring (Credits) Charges (see Note 7)	(36)	3,886	#	#
Contribution to Profit	273,059	169,119	61%	60%
Impairment of Intangible Assets (see Note 11)	—	92,348		
Restructuring (Credits) Charges (see Note 7)	(36)	3,886		
Adjusted Contribution to Profit	273,023	265,353	3%	2%
Depreciation and Amortization	83,866	69,495		
Adjusted EBITDA	\$ 356,889	\$ 334,848	7%	6%
Adjusted EBITDA Margin	35.1%	35.3%		

Not meaningful

Revenue:

Research Publishing & Platforms revenue for the year ended April 30, 2021 increased \$66.5 million, or 7%, as compared with the prior year on a reported basis. On a constant currency basis, revenue increased 5% as compared with the prior year. Excluding revenue from acquisitions, organic revenue increased 3% on a constant currency basis. This increase was primarily due to continued growth in Open Access in Research Publishing due to continued growth in comprehensive “read and publish” agreements. In fiscal year 2021, we experienced a 15% increase in article output, which resulted in a 38% increase in Open Access revenue as compared to prior year. This was partially offset by a decline in subscriptions revenue partially attributable to those “read and publish” agreements and, to a lesser extent, previously anticipated libraries and academic budget challenges as a result of COVID-19.

Adjusted EBITDA:

On a constant currency basis, Adjusted EBITDA increased 6% as compared with the prior year. This increase was primarily due to higher revenue, and COVID-19 related expense savings. These factors were partially offset by higher royalty costs, higher annual incentive compensation and employee related costs, and to a lesser extent, the impact of the acquisition of Hindawi.

Society Partnerships

For the year ended April 30, 2021:

- 12 new society contracts were signed with a combined annual revenue of approximately \$15.2 million;
- 144 society contracts were renewed with a combined annual revenue of approximately \$83.7 million;
- 12 society contracts were not renewed with a combined annual revenue of approximately \$3.0 million.

	Year Ended April 30,		% Change Favorable (Unfavorable)	Constant Currency % Change Favorable (Unfavorable)
	2021	2020		
ACADEMIC & PROFESSIONAL LEARNING:				
Revenue:				
Education Publishing	\$ 363,870	\$ 352,188	3%	2%
Professional Learning	280,667	298,601	(6)%	(8)%
Total Academic & Professional Learning	644,537	650,789	(1)%	(2)%
Cost of Sales	176,538	179,131	1%	3%
Operating Expenses	359,872	370,363	3%	4%
Amortization of Intangible Assets	16,451	16,649	1%	3%
Restructuring Charges (see Note 7)	3,503	10,470	67%	67%
Contribution to Profit	88,173	74,176	19%	17%
Restructuring Charges (see Note 7)	3,503	10,470		
Adjusted Contribution to Profit	91,676	84,646	8%	6%
Depreciation and Amortization	71,997	69,807		
Adjusted EBITDA	\$ 163,673	\$ 154,453	6%	4%
Adjusted EBITDA Margin	25.4%	23.7%		

Not meaningful

Revenue:

Academic & Professional Learning revenue decreased \$6.3 million, or 1%, as compared with the prior year on a reported basis. On a constant currency basis, revenue decreased 2% as compared with the prior year. This decrease was primarily due to the COVID-19 impact on Professional Learning revenue due to the continued adverse impact on classroom dependent corporate training due to the continued office closures and cancellations of in-person engagements, and the decline in trade print book publishing, partially offset by growth in digital content. In Education Publishing, growth in digital content and courseware offerings, which continued to benefit due to the COVID-19 driven shift to remote learning, were partially offset by declines in print textbooks and test preparation product offerings. In fiscal year 2021, digital content revenue increased 22% and digital courseware activations increased 23% as compared to prior year.

Adjusted EBITDA:

On a constant currency basis, Adjusted EBITDA increased 4% as compared with the prior year. This increase reflects business optimization gains and COVID-19 related expense savings, partially offset by lower revenues and, to a lesser extent, higher annual incentive compensation.

	Year Ended April 30,		% Change Favorable (Unfavorable)	Constant Currency % Change Favorable (Unfavorable)
	2021	2020		
EDUCATION SERVICES:				
Revenue:				
Education Services OPM ⁽¹⁾	\$ 227,700	\$ 210,882	8%	8%
mthree ⁽¹⁾	53,915	20,973	#	#
Total Education Services Revenue	281,615	231,855	21%	21%
Cost of Sales	173,420	156,197	(11)%	(10)%
Operating Expenses	65,819	62,991	(4)%	(4)%
Amortization of Intangible Assets	21,201	16,511	(28)%	(28)%
Impairment of Goodwill (see Note 11)	—	110,000	100%	100%
Restructuring Charges (see Note 7)	531	3,671	86%	86%
Contribution to Profit (Loss)	20,644	(117,515)	#	#
Impairment of Goodwill (see Note 11)	—	110,000		
Restructuring Charges (see Note 7)	531	3,671		
Adjusted Contribution to Profit (Loss)	21,175	(3,844)	#	#
Depreciation and Amortization	29,654	24,131		
Adjusted EBITDA	\$ 50,829	\$ 20,287	#	#
Adjusted EBITDA Margins	18.0%	8.7%		

Not meaningful

(1) In May 2020, we moved the IT bootcamp business acquired as part of The Learning House acquisition from Education Services OPM to mthree. As a result, the prior period revenue related to the IT bootcamp business has been included in mthree. There were no changes to our total Education Services or our consolidated financial results. The inorganic revenue from mthree in the year ended April 30, 2021 was \$32.6 million.

Revenue:

Education Services revenue increased \$49.8 million, or 21%, as compared with the prior year on a reported and constant currency basis. Excluding revenue from our mthree acquisition, organic revenue increased 7% on a constant currency basis mainly driven by an increase in enrollments and new student starts and, to a lesser extent, new university partnerships and programs in our OPM services. In fiscal year 2021, we experienced a 14% increase in online enrollment and a 20% increase in new student starts as compared to prior year.

Adjusted EBITDA:

On a constant currency basis, Adjusted EBITDA increased \$30.6 million as compared with the prior year. This was due to higher revenue, lower marketing costs, and business optimization initiatives, including lower occupancy related costs due to certain actions taken as part of our Business Optimization program. These factors were partially offset by the impact from the acquisition of mthree.

Education Services Partners and Programs:

As of April 30, 2021, Wiley had 66 university partners under contract.

CORPORATE EXPENSES:

Corporate Expenses for the year ended April 30, 2021 increased \$16.3 million, or 9%, as compared with the prior year. On a constant currency basis and excluding restructuring charges, these expenses increased 1% as compared with the prior year. This was primarily due to higher annual incentive compensation, partially offset by lower employee benefit and retirement related expenses and professional fees.

FISCAL YEAR 2020 AS COMPARED TO FISCAL YEAR 2019 SUMMARY RESULTS

Revenue:

Revenue for the year ended April 30, 2020 increased \$31.4 million, or 2%, as compared with the prior year. On a constant currency basis, revenue increased 3% mainly driven by the following factors:

- an increase of \$74.9 million in the Education Services business, including contributions from Learning House, which was acquired in November 2018, and mthree, which was acquired in January 2020; and
- an increase of \$21.0 million in the Research Publishing & Platforms business.

These increases were partially offset by a decline of \$44.8 million in the Academic & Professional Learning business.

Excluding the impact of acquisitions, revenues on a constant currency basis declined 1% as compared with the prior year.

See the "Segment Operating Results" below for additional details on each segment's revenue and Adjusted EBITDA performance.

Cost of Sales:

Cost of sales for the year ended April 30, 2020 increased \$36.3 million, or 7%, as compared with the prior year. On a constant currency basis, cost of sales increased 8%. This increase was primarily due to higher employment related costs in the Education Services business, and, to a lesser extent, an increase in marketing costs, partially offset by lower inventory and royalty costs in Academic & Professional Learning.

Operating and Administrative Expenses:

Operating and administrative expenses for the year ended April 30, 2020 increased \$33.8 million, or 4%, as compared with the prior year. On a constant currency basis, operating and administrative expenses increased 5%. The increase was primarily due to increased investment in growth initiatives, including incremental costs associated with the acquisitions in the year ended April 30, 2020 and, to a lesser extent, investments in additional resources in editorial and content support, and higher technology related costs.

Impairment of Goodwill and Intangible Assets:

Goodwill Impairment

For the year ended April 30, 2020, we recorded a noncash impairment of goodwill of \$110.0 million related to our Education Services reporting unit. This charge is reflected in Impairment of goodwill and intangible assets in the Consolidated Statements of Income (Loss). The impairment charge is not deductible for federal or state tax purposes and therefore there is no tax benefit related to the impairment charge.

During our annual goodwill impairment test initiated on February 1, 2020 we identified indicators that the goodwill of the Education Services business was impaired due to underperformance as compared with our acquisition case projections for revenue growth and operating cash flow. Subsequently, during the fourth quarter of fiscal year 2020, we determined that our updated revenue and operating cash flow projections would be further impacted by anticipated near-term headwinds due to COVID-19, including adverse impacts on new student starts and student reenrollment. Therefore, we updated the impairment test as of March 31, 2020 to reflect this change in circumstances. As a result, we concluded that the carrying value was above the fair value, resulting in a noncash goodwill impairment of \$110.0 million.

Intangible Asset Impairment

For the year ended April 30, 2020, we recorded a pretax noncash impairment charge of \$89.5 million for our Blackwell trademark, which was acquired in 2007 and carried as an indefinite-lived intangible asset primarily related to our Research Publishing & Platforms segment. The impairment reflects our decision to simplify Wiley's brand portfolio and unify our research journal content under one Wiley brand, which will sharply limit the use of the Blackwell trade name. This impairment resulted in writing off substantially all of the carrying value of the intangible trademark asset. This charge is reflected in Impairment of goodwill and intangible assets in the Consolidated Statements of Income (Loss). The resulting noncash impairment charge is entirely unrelated to COVID-19 or the expected future financial performance of the Research Publishing & Platforms segment.

In addition, as a result of our decision to discontinue the use of certain technology offerings within the Research Publishing & Platforms segment, we recorded a pretax noncash impairment charge of \$2.8 million related to a certain developed technology intangible. This charge is reflected in Impairment of goodwill and intangible assets in the Consolidated Statements of Income (Loss).

See Note 11, "Goodwill and Intangible Assets" for further information related to goodwill and intangible assets.

Restructuring and Related Charges:

Business Optimization Program

For the year ended April 30, 2020, we recorded pretax restructuring charges of \$32.8 million. We originally anticipated approximately \$15 million to \$20 million of restructuring charges, of which approximately \$10 million to \$15 million was expected to be severance-related costs and the remainder to be other related costs. However, in the fourth quarter of 2020, we recorded \$15.0 million of pretax restructuring charges due to additional actions to mitigate the impact of COVID-19. These charges are reflected in Restructuring and related charges in the Consolidated Statements of Income (Loss). See Note 7, "Restructuring and Related Charges" for more details on these charges.

Restructuring and Reinvestment Program

For the years ended April 30, 2020 and 2019, we recorded pretax restructuring credits of \$0.2 million and charges of \$3.1 million, respectively, related to this program. These credits and charges are reflected in Restructuring and related charges in the Consolidated Statements of Income (Loss). See Note 7, "Restructuring and Related Charges" for more details on these credits and charges.

For the impact of our restructuring programs on diluted earnings per share, see the section below, "Diluted Earnings per Share (EPS)."

Amortization of Intangible Assets:

Amortization of intangible assets was \$62.4 million for the year ended April 30, 2020, an increase of \$7.8 million, or 14% as compared with the prior year. On a constant currency basis, amortization of intangible assets increased 15% as compared with the prior year. The increase in amortization was due to the intangibles acquired as part of the acquisitions completed in fiscal year 2020 and, to a lesser extent, intangibles acquired as part of the acquisition of Learning House in November 2018, partially offset by a decrease due to the completion of amortization of certain acquired intangible assets. See Note 4, "Acquisitions" for more details on these transactions.

Operating (Loss) Income and Adjusted EBITDA:

Operating loss was \$54.3 million for the year ended April 30, 2020 compared with the prior year income of \$224.0 million. On a constant currency basis and excluding the impairment of goodwill and intangible assets and restructuring charges, Adjusted EBITDA decreased 8% primarily due to investment in growth initiatives and the impact of COVID-19.

Adjusted Contribution to Profit

Below is a reconciliation of our consolidated US GAAP Operating (Loss) Income to Non-GAAP Adjusted CTP:

	Year Ended April 30,	
	2020	2019
US GAAP Operating (Loss) Income	\$ (54,287)	\$ 223,989
Adjustments:		
Restructuring and related charges	32,607	3,118
Impairment of goodwill	110,000	—
Impairment of Blackwell trade name	89,507	—
Impairment of developed technology intangible	2,841	—
Non-GAAP Adjusted CTP	\$ 180,668	\$ 227,107

Adjusted EBITDA

Below is a reconciliation of our consolidated US GAAP Net (Loss) Income to Non-GAAP EBITDA and Adjusted EBITDA:

	Year Ended April 30,	
	2020	2019
Net (Loss) Income	\$ (74,287)	\$ 168,263
Interest expense	24,959	16,121
Provision for income taxes	11,195	44,689
Depreciation and amortization	175,127	161,155
Non-GAAP EBITDA	136,994	390,228
Impairment of goodwill and intangible assets	202,348	—
Restructuring and related charges	32,607	3,118
Foreign exchange transaction (gains) losses	(2,773)	6,016
Other income	(13,381)	(11,100)
Non-GAAP Adjusted EBITDA	\$ 355,795	\$ 388,262

Interest Expense:

Interest expense for the year ended April 30, 2020 was \$25.0 million compared with the prior year of \$16.1 million. This increase was due to higher average debt balances outstanding, which included borrowings for the funding of acquisitions and a higher weighted average effective borrowing rate.

Foreign Exchange Transaction Gains (Losses):

Foreign exchange transaction gains were \$2.8 million for the year ended April 30, 2020 and were primarily due to the net impact of the change in average foreign exchange rates as compared to the US dollar on our third-party accounts receivable and payable balances.

Foreign exchange transaction losses were \$6.0 million for the year ended April 30, 2019 and were primarily due to the net impact of the change in average foreign exchange rates as compared to the US dollar on our intercompany accounts receivable and payable balances.

Provision for Income Taxes:

The following table summarizes the effective tax rate for the years ended April 30, 2020 and 2019:

	Year Ended April 30,	
	2020	2019
US GAAP Effective Tax Rate	(17.7)%	21.0%
Impairment of goodwill and intangible assets	42.3%	—
Tax effect from other unusual items	(3.1)%	—
State tax adjustment in 2019	—	1.3%
Deferred tax from the Tax Act Rate Change	—	(0.1)%
Non-GAAP Adjusted Effective Tax Rate	21.5%	22.2%

The effective tax rate for the year ended April 30, 2020 was less than the year ended April 30, 2019 due to the impairment of goodwill and intangible assets, with respect to which we obtained a relatively small tax benefit. Excluding the effect of the impairment charges partially offset by the tax effect on other unusual items, the rate was 21.5% for the year ended April 30, 2020, compared to 22.2% for the year ended April 30, 2019, primarily due to lower taxes on income outside the US as well as increased tax credits and related benefits.

Diluted (Loss) Earnings Per Share (EPS):

Diluted loss per share for the year ended April 30, 2020 was \$1.32 per share compared with earnings per share of \$2.91 in the prior year.

Below is a reconciliation of our US GAAP (loss) earnings per share to Non-GAAP Adjusted EPS:

	Year Ended April 30,	
	2020	2019
US GAAP (LOSS) EARNINGS PER SHARE	\$ (1.32)	\$ 2.91
Adjustments:		
Impairment of goodwill	1.94	—
Impairment of Blackwell trade name	1.31	—
Impairment of developed technology intangible	0.04	—
Restructuring and related charges	0.43	0.04
Foreign exchange losses on intercompany transactions	0.02	0.06
Impact of change in certain International tax rates in 2020 and US state tax rates in 2019	(0.03)	(0.05)
EPS impact of using weighted-average dilutive shares for adjusted EPS calculation ⁽¹⁾	0.01	—
Non-GAAP Adjusted EPS	<u>\$ 2.40</u>	<u>\$ 2.96</u>

(1) Represents the impact of using diluted weighted-average number of common shares outstanding (56.7 million shares for the year ended April 30, 2020) included in the Non-US GAAP adjusted EPS calculation in order to apply the dilutive impact on adjusted net income due to the effect of unvested restricted stock units and other stock awards. This impact occurs when a US GAAP net loss is reported and the effect of using dilutive shares is antidilutive.

Excluding the impact of the items included in the table above, Adjusted EPS for the year ended April 30, 2020 decreased 19% to \$2.40 per share compared with \$2.96 per share for the year April 30, 2019. On a constant currency basis, Adjusted EPS decreased 21% due to investment in growth initiatives, including acquisitions, the impact of COVID-19, and higher interest expense. The inorganic earnings impact of acquisitions was \$0.33 per share of dilution for fiscal year 2020, including interest expense.

SEGMENT OPERATING RESULTS:

	Year Ended April 30,		% Change Favorable (Unfavorable)	Constant Currency % Change Favorable (Unfavorable)
	2020	2019		
RESEARCH PUBLISHING & PLATFORMS:				
Revenue:				
Research Publishing	\$ 908,952	\$ 903,249	1%	2%
Research Platforms	39,887	35,968	11%	11%
Total Research Publishing & Platforms Revenue	<u>948,839</u>	<u>939,217</u>	<u>1%</u>	<u>2%</u>
Cost of Sales	255,696	254,560	—	(2)%
Operating Expenses	398,514	395,670	(1)%	(2)%
Amortization of Intangible Assets	29,276	28,102	(4)%	(6)%
Impairment of Intangible Assets (see Note 11)	92,348	—	100%	100%
Restructuring Charges (see Note 7)	3,886	1,131	#	#
Contribution to Profit	<u>169,119</u>	<u>259,754</u>	<u>(35)%</u>	<u>(35)%</u>
Impairment of Intangible Assets (see Note 11)	92,348	—		
Restructuring Charges (see Note 7)	3,886	1,131		
Adjusted Contribution to Profit	<u>265,353</u>	<u>260,885</u>	<u>2%</u>	<u>2%</u>
Depreciation and Amortization	69,495	60,889		
Adjusted EBITDA	<u>\$ 334,848</u>	<u>\$ 321,774</u>	<u>4%</u>	<u>4%</u>
Adjusted EBITDA Margin	35.3%	34.3%		

Not meaningful

Revenue:

Research Publishing & Platforms revenue for the year ended April 30, 2020 increased 1% to \$948.8 million on a reported basis and increased 2% on a constant currency basis as compared with the prior year. The increase was primarily due to continued growth in Open Access in Research Publishing primarily due to growth in comprehensive “read and publish” agreements, which was partly offset by lower traditional subscription revenue. Also contributing to the decrease in subscription revenue were delays in renewing subscription agreements due to COVID-19 isolation and university disruption.

Adjusted EBITDA:

On a constant currency basis, Adjusted EBITDA increased 4% as compared with the prior year. This increase was due to higher revenues, and, to a lesser extent, lower inventory related costs. These factors were partially offset by an increase in royalty costs, higher operating costs, which reflected investments in additional resources in editorial to support increased article publishing, and marketing related costs, which was partially offset by lower incentive compensation costs.

Society Partnerships

For the year ended April 30, 2020:

- 9 new society contracts were signed with a combined annual revenue of approximately \$9.3 million;
- 99 society contracts were renewed with a combined annual revenue of approximately \$51.6 million;
- 16 society contracts were not renewed with a combined annual revenue of approximately \$5.7 million.

	Year Ended April 30,		% Change Favorable (Unfavorable)	Constant Currency % Change Favorable (Unfavorable)
	2020	2019		
ACADEMIC & PROFESSIONAL LEARNING:				
Revenue:				
Education Publishing	\$ 352,188	\$ 372,018	(5)%	(4)%
Professional Learning	298,601	331,285	(10)%	(9)%
Total Academic & Professional Learning	650,789	703,303	(7)%	(6)%
Cost of Sales	179,131	195,331	8%	7%
Operating Expenses	370,363	343,859	(8)%	(9)%
Amortization of Intangible Assets	16,649	16,709	—	(1)%
Restructuring Charges (see Note 7)	10,470	1,139	#	#
Contribution to Profit	74,176	146,265	(49)%	(49)%
Restructuring Charges (see Note 7)	10,470	1,139		
Adjusted Contribution to Profit	84,646	147,404	(43)%	(42)%
Depreciation and Amortization	69,807	68,126		
Adjusted EBITDA	\$ 154,453	\$ 215,530	(28)%	(28)%
Adjusted EBITDA Margin	23.7%	30.6%		

Not meaningful

Revenue:

Academic & Professional Learning revenue decreased 7% to \$650.8 million on a reported basis, and 6% on a constant currency basis as compared with the prior year. Excluding revenue from acquisitions, organic revenue declined 9% on a constant currency basis. This decrease was primarily due to the continued decline in book publishing reflecting market conditions and, to a lesser extent, a decrease in test preparation and certification offerings. During the fourth quarter of April 30, 2020, due to the impact of COVID-19, there was a further decrease in revenue for print books due to retail closures, reprioritization of online retailer shipments toward “essential goods” only, test preparation offerings due to cancelled exams, and classroom-dependent corporate training due to office closures.

Adjusted EBITDA:

On a constant currency basis, Adjusted EBITDA decreased 28% as compared with the prior year. This decrease was primarily due to the decline in revenue. Also contributing to lower Adjusted EBITDA, but to a lesser extent, was increased investment in growth initiatives including the acquisitions of Zyante and Knewton, and an increase in reserves for accounts receivable primarily due to the impact of COVID-19. These factors were partially offset by lower inventory and royalty costs as a result of lower revenue.

	Year Ended April 30,		% Change Favorable (Unfavorable)	Constant Currency % Change Favorable (Unfavorable)
	2020	2019		
EDUCATION SERVICES:				
Revenue:				
Education Services OPM ⁽¹⁾	\$ 210,882	\$ 155,819	35%	35%
mthree ⁽¹⁾	20,973	1,730	#	#
Total Education Services Revenue	231,855	157,549	47%	48%
Cost of Sales	156,197	104,831	(49)%	(49)%
Operating Expenses	62,991	55,754	(13)%	(13)%
Amortization of Intangible Assets	16,511	9,847	(68)%	(68)%
Impairment of Goodwill (see Note 11)	110,000	—	100%	100%
Restructuring Charges (see Note 7)	3,671	389	#	#
Contribution to (Loss) Profit	(117,515)	(13,272)	#	#
Impairment of Goodwill (see Note 11)	110,000	—		
Restructuring Charges (see Note 7)	3,671	389		
Adjusted Contribution to (Loss) Profit	(3,844)	(12,883)	70%	70%
Depreciation and Amortization	24,131	18,117		
Adjusted EBITDA	\$ 20,287	\$ 5,234	#	#
Adjusted EBITDA Margins	8.7%	3.3%		

Not meaningful

⁽¹⁾ In May 2020, we moved the IT bootcamp business acquired as part of The Learning House acquisition from Education Services OPM to mthree. As a result, the prior period revenue related to the IT bootcamp business has been included in mthree. There were no changes to our total Education Services or our consolidated financial results. The inorganic revenue from mthree in the year ended April 30, 2020 was \$17.5 million.

Revenue:

Education Services revenue increased 47% to \$231.9 million on a reported basis and 48% on a constant currency basis as compared with the prior year. Excluding revenue from acquisitions, organic revenue increased 11% on a constant currency basis. The increase was mainly driven by an increase in fee-based online program management revenue.

Adjusted EBITDA:

On a constant currency basis, Adjusted EBITDA increased by \$15.1 million as compared with the prior year. This was due to higher revenue, partially offset by higher costs of sales from employment related costs and, to a lesser extent, higher marketing costs.

Education Services Partners and Programs:

As of April 30, 2020, Wiley had 69 university partners under contract.

CORPORATE EXPENSES:

Corporate Expenses for the year ended April 30, 2020 increased 7% to \$180.1 million as compared with the prior year. On a constant currency basis and excluding restructuring charges, these expenses decreased 1%. This was primarily due to a decrease in employment and technology related costs, and a life insurance recovery of \$2.0 million. These factors were partially offset by additional legal related expense.

FISCAL YEAR 2022 OUTLOOK

Given positive market trends and Wiley's favorable momentum, the Company anticipates revenue growth to continue to accelerate in fiscal year 2022, with organic growth anticipated for all segments.

- **Revenue Outlook:** Wiley expects consolidated revenue to exceed \$2 billion for the first time in Wiley's history, with mid-to-high single digit growth anticipated for Research Publishing & Platforms, low-single digit growth for Academic & Professional Learning, and low-teens growth for Education Services.
- **Adjusted Earnings Outlook:** Wiley expects profit gains from revenue growth to be tempered by investments to accelerate growth initiatives, as well as higher travel and event expenses due to the resumption of in-person business activities. Adjusted EPS performance is expected to be moderated by higher depreciation and amortization expense associated with acquisitions and investments, and a higher effective tax rate in the range of 22% - 23%, from 20.5% in fiscal year 2021.
- **Free Cash Flow Outlook:** Wiley expects strong cash from operations to be partially offset by higher capital expenditures. We anticipate capital expenditures in fiscal year 2022 to be in the range of \$120 million - \$130 million as compared with \$103 million in fiscal year 2021, the non-recurrence of a \$21 million US tax refund received in fiscal year 2021, and higher annual incentive compensation payments related to fiscal year 2021 performance.

(amounts in millions, except Adjusted EPS)

Metric	Fiscal Year 2021	Fiscal Year 2022
	Actual	Outlook
Revenue	\$1,942	\$2,070 to \$2,100
Adjusted EBITDA	\$419	\$415 to \$435
Adjusted EPS	\$2.92	\$2.80 to \$3.05
Free Cash Flow	\$257	\$200 to \$220

LIQUIDITY AND CAPITAL RESOURCES:

Principal Sources of Liquidity

We believe that our operating cash flow, together with our revolving credit facilities and other available debt financing, will be adequate to meet our operating, investing, and financing needs in the foreseeable future. There can be no assurance that continued or increased volatility in the global capital and credit markets will not impair our ability to access these markets on terms commercially acceptable in the future. In addition, our liquidity could be adversely impacted by COVID-19 due to the continued impact on our customers, including cash collections. We do not have any off-balance-sheet debt. We will continue to pursue attractive opportunities to add scale and provide enhanced tech-enabled services in research and online education.

As of April 30, 2021, we had cash and cash equivalents of \$93.8 million, of which approximately \$90.3 million, or 96% was located outside the US. Maintenance of these cash and cash equivalent balances outside the US does not have a material impact on the liquidity or capital resources of our operations. Notwithstanding the Tax Cuts and Jobs Act of 2017 (the Tax Act), which generally eliminated federal income tax on future cash repatriation to the US, cash repatriation may be subject to state and local taxes or withholding or similar taxes. In addition, as a result of Brexit, certain tax benefits applicable to distributions from subsidiaries of our UK companies were eliminated or reduced effective January 1, 2021. Since April 30, 2018, we no longer intend to permanently reinvest earnings outside the US. We have recorded a \$2.5 million liability related to the estimated taxes that would be incurred upon repatriating certain non-US earnings.

On May 30, 2019, we entered into a credit agreement that amended and restated the existing agreement (Amended and Restated RCA). The Amended and Restated RCA provides for senior unsecured credit facilities comprised of a (i) five-year revolving credit facility in an aggregate principal amount up to \$1.25 billion, and (ii) a five-year term loan A facility consisting of \$250 million. The agreement contains customary affirmative and negative covenants, including a financial covenant in the form of a consolidated net leverage ratio and consolidated interest coverage ratio.

As of April 30, 2021, we had approximately \$821.6 million of debt outstanding, net of unamortized issuance costs of \$0.5 million, and approximately \$664.8 million of unused borrowing capacity under our Amended and Restated RCA and other facilities. Our Amended and Restated RCA contains certain restrictive covenants related to our consolidated leverage ratio and interest coverage ratio, which we were in compliance with as of April 30, 2021.

Contractual Obligations and Commercial Commitments

A summary of contractual obligations and commercial commitments, excluding unrecognized tax benefits further described in Note 13, "Income Taxes," of the Notes to Consolidated Financial Statements, as of April 30, 2021 is as follows:

	Total	Payments Due by Period			
		Within Year 1	2-3 Years	4-5 Years	After 5 Years
Total Debt ⁽¹⁾	\$ 822.1	\$ 12.5	\$ 223.4	\$ 586.2	\$ —
Interest on Debt ⁽²⁾	39.6	14.7	21.9	3.0	—
Non-Cancellable Leases	221.2	30.7	51.7	43.8	95.0
Minimum Royalty Obligations	480.3	108.5	172.9	106.3	92.6
Other Operating Commitments	72.8	40.0	31.5	1.3	—
Total	\$ 1,636.0	\$ 206.4	\$ 501.4	\$ 740.6	\$ 187.6

(1) Total debt is exclusive of unamortized issuance costs of \$0.5 million.

(2) Interest on Debt includes the effect of our interest rate swap agreements and the estimated future interest payments on our unhedged variable rate debt, assuming that the interest rates as of April 30, 2021 remain constant until the maturity of the debt.

Analysis of Historical Cash Flow

The following table shows the changes in our Consolidated Statements of Cash Flows.

	Years Ended April 30,		
	2021	2020	2019
Net Cash Provided by Operating Activities	\$ 359,923	\$ 288,435	\$ 250,831
Net Cash Used in Investing Activities	(433,154)	(346,670)	(301,502)
Net Cash (Used In) Provided by Financing Activities	(47,086)	172,677	(17,595)
Effect of Foreign Currency Exchange Rate Changes on Cash, Cash Equivalents and Restricted Cash	\$ 11,629	\$ (4,943)	\$ (8,443)

Cash flow from operations is seasonally a use of cash in the first half of Wiley's fiscal year principally due to the timing of collections for annual journal subscriptions, which typically occurs in the second half of our fiscal year.

Free Cash Flow less Product Development Spending helps assess our ability, over the long term, to create value for our shareholders, as it represents cash available to repay debt, pay common dividends, and fund share repurchases, and acquisitions. Below are the details of Free Cash Flow less Product Development Spending.

Free Cash Flow less Product Development Spending:

	Years Ended April 30,		
	2021	2020	2019
Net Cash Provided by Operating Activities	\$ 359,923	\$ 288,435	\$ 250,831
Less: Additions to Technology, Property and Equipment	(77,407)	(88,593)	(77,167)
Less: Product Development Spending	(25,954)	(26,608)	(24,426)
Free Cash Flow less Product Development Spending	\$ 256,562	\$ 173,234	\$ 149,238

Net Cash Provided By Operating Activities

The following is a summary of the \$71.5 million change in Net Cash Provided By Operating Activities for the year ended April 30, 2021 as compared with the year ended April 30, 2020 (amounts in millions).

Net Cash Provided By Operating Activities – Year Ended April 30, 2020	\$	288.4
Higher net income adjusted for items to reconcile net income to net cash provided by operating activities, including the following noncash items: depreciation and amortization, impairment of goodwill and intangible assets in 2020 and the change in deferred taxes		88.9
Working Capital Changes:		
Accounts payable and royalties payable		(45.7)
Other accrued liabilities		49.4
Inventories		10.6
Accounts receivable, net and contract liabilities		10.0
Other working capital items		(41.7)
Net Cash Provided By Operating Activities – Year Ended April 30, 2021	\$	359.9

The changes in accounts payable and royalties payable and accounts receivable, net of contract liabilities were primarily due to timing. Change in inventories was primarily due to lower purchases and the lower cost of inventory. The change in other accrued liabilities noted in the table above was primarily due to an increase in annual incentive compensation and, to a lesser extent, an increase in employee related costs, including the deferral of employer tax withholding payments in connection with the CARES Act in the year ended April 30, 2021.

The change in other working capital items noted in the table above was primarily due to an increase in cash used for prepayments, employee benefit and retirement related costs, including retirement plan contributions, certain tax related payments, and restructuring payments in the year ended April 30, 2021.

Our negative working capital (current assets less current liabilities) was \$462.7 million and \$312.3 million as of April 30, 2021 and April 30, 2020, respectively. The primary driver of the negative working capital is the benefit realized from unearned contract liabilities related to subscriptions for which cash has been collected in advance. The contract liabilities will be recognized as income when the products are shipped or made available online to the customers over the term of the subscription. Current liabilities as of April 30, 2021 and as of April 30, 2020 include contract liabilities of \$545.4 million and \$520.2 million, respectively, primarily related to deferred subscription revenue for which cash was collected in advance.

Cash collected in advance for subscriptions is used by us for a number of purposes including funding: operations, capital expenditures, acquisitions, debt repayments, dividend payments, and share repurchases. Due to the adverse impact of COVID-19 on the global economy, we estimate that approximately \$30 million of customer payments were delayed into fiscal year 2021. Our accounts receivable collections were in line with our expectations. Although, in certain situations, the timing of collections may be extended, we do not anticipate any material issues with customer collections. Many of our customers have been adversely impacted by COVID-19, and we expect some continued delays in payments due to widespread disruption and pervasive cash conservation behaviors in the face of uncertainty. We have recorded provisions for bad debt where appropriate.

2020 compared to 2019

The following is a summary of the \$37.6 million change in Net Cash Provided By Operating Activities for the year ended April 30, 2020 as compared with the year ended April 30, 2019 (amounts in millions).

Net Cash Provided By Operating Activities - Year Ended April 30, 2019	\$	250.8
Working Capital Changes:		
Accounts receivable, net and contract liabilities - due to the timing of collections, including collections from the delayed calendar year 2019 journal subscription billing into fiscal year 2020		31.8
Accrued income taxes primarily due to the timing of certain international tax payments		(15.8)
Lower contributions to the employment retirement plans due to a prior year \$10.0 million discretionary contribution to the U.S. Employees' Retirement Plan of John Wiley & Sons, Inc.		6.7
Other working capital items, including the timing of payments of accounts payable		22.2
Lower net income adjusted for items to reconcile net loss to net cash provided by operating activities		(7.3)
Net Cash Provided By Operating Activities - Year Ended April 30, 2020	\$	288.4

Our negative working capital was \$312.3 million and \$379.8 million as of April 30, 2020 and April 30, 2019, respectively. The primary driver of the negative working capital is unearned contract liabilities related to subscriptions for which cash has been collected in advance. Cash collected in advance for subscriptions is used by us for a number of purposes including funding: operations, capital expenditures, acquisitions, debt repayments, dividend payments, and share repurchases. Due to the economic downturn, we estimate that approximately \$30 million of customer payments were delayed into fiscal year 2021.

The \$67.5 million change in negative working capital was primarily due to the increase in cash and cash equivalents, partially offset by an increase in current liabilities of \$21.8 million due to the recognition of the short-term portion of operating lease liabilities due to the adoption of ASU 2016-02, "Leases (Topic 842)," on May 1, 2019, and an increase in accrued employment costs of \$11.2 million, primarily due to an increase in the restructuring liability related to severance related costs. See Note 2, "Summary of Significant Accounting Policies, Recently Issued, and Recently Adopted Accounting Standards", for further details on the adoption of Topic 842.

The contract liabilities will be recognized as income when the products are shipped or made available online to the customers over the term of the subscription. Current liabilities as of April 30, 2020 and as of April 30, 2019 includes contract liabilities of \$520.2 million and \$519.1 million, respectively, primarily related to deferred subscription revenue for which cash was collected in advance.

Net Cash Used In Investing Activities

2021 compared to 2020

Net Cash Used In Investing Activities in the year ended April 30, 2021 was \$433.2 million compared to \$346.7 million in the prior year. The increase in cash used in investing activities was due to an increase of \$70.3 million in cash used to acquire businesses and, to a lesser extent, an increase of \$28.0 million for the acquisition of publication rights and other activities. This was partially offset by a decrease of \$11.2 million for additions of technology, property, and equipment. See Note 4, "Acquisitions," for further details of the acquisition activity in fiscal year 2021 and 2020.

2020 compared to 2019

Net Cash Used In Investing Activities in the year ended April 30, 2020 was \$346.7 million compared to \$301.5 million in the prior year. The increase was due to additional net cash used in the year ended April 30, 2020 to acquire businesses and, to a lesser extent, additions for technology, property, and equipment of \$11.4 million for investments in products and platforms. See Note 4, "Acquisitions," for more information related to the acquisitions in fiscal year 2020.

Net Cash (Used In) Provided By Financing Activities

2021 compared to 2020

Net Cash Used In Financing Activities was \$47.1 million in the year ended April 30, 2021 compared to Net Cash Provided By Financing Activities of \$172.7 million in the year ended April 30, 2020. This change was due to lower net borrowings of \$273.1 million, which was primarily due to lower borrowings in the year ended April 30, 2021 and, to a lesser extent, a reduction of \$30.8 million for the purchase of treasury shares and an increase in cash provided by book overdrafts of \$18.4 million compared to the prior year.

2020 compared to 2019

Net Cash Provided By Financing Activities was \$172.7 million in the year ended April 30, 2020 compared to Net Cash Used In Financing Activities of \$17.6 million in the year ended April 30, 2019. This increase in cash provided by financing activities was due to an increase in net borrowings of \$183.7 million for the year ended April 30, 2020 compared to the prior year, which was primarily due to the funding of acquisitions described above and, to a lesser extent, a decrease in cash used for the purchase of treasury shares in the year ended April 30, 2020 compared to the prior year.

Dividends and Share Repurchases

In the year ended April 30, 2021, we increased our quarterly dividend to shareholders to \$1.37 per share annualized versus \$1.36 per share annualized in the prior year.

In the year ended April 30, 2020, we increased our quarterly dividend to shareholders to \$1.36 per share annualized versus \$1.32 per share annualized in the prior year.

During the year ended April 30, 2020, our Board of Directors approved an additional share repurchase program of \$200 million of Class A or B Common Stock. As of April 30, 2021, we had authorization from our Board of Directors to purchase up to \$200 million that was remaining under this program. No share repurchases were made under this program during the years ended April 30, 2021 and 2020.

The share repurchase program described above is in addition to the share repurchase program approved by our Board of Directors during the year ended April 30, 2017 of four million shares of Class A or B Common Stock. As of April 30, 2021, we had authorization from our Board of Directors to purchase up to 497,197 additional shares that were remaining under this program.

The following table summarizes the shares repurchased of Class A and B Common Stock (shares in thousands):

	Years Ended April 30,		
	2021	2020	2019
Shares repurchased – Class A	308	1,080	1,191
Shares repurchased – Class B	2	2	—
Average Price – Class A and Class B	\$ 50.93	\$ 43.05	\$ 50.35

RECENTLY ISSUED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS, ACCOUNTING GUIDANCE, AND DISCLOSURE REQUIREMENTS

We are subject to numerous recently issued statements of financial accounting standards, accounting guidance, and disclosure requirements. The information set forth in Part II, Item 8, “Financial Statements and Supplementary Data” in Note 2, “Summary of Significant Accounting Policies, Recently Issued and Recently Adopted Accounting Standards,” of the Notes to Consolidated Financial Statements of this Form 10-K is incorporated by reference and describes these new accounting standards.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES:

The preparation of our Consolidated Financial Statements and related disclosures in conformity with US GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and revenue and expenses during the reporting period. These estimates include, among other items, sales return reserves, allocation of acquisition purchase price to assets acquired and liabilities assumed, goodwill and indefinite-lived intangible assets, intangible assets with definite lives and other long-lived assets, and retirement plans. We review these estimates and assumptions periodically using historical experience and other factors and reflect the effects of any revisions on the Consolidated Financial Statements in the period we determine any revisions to be necessary. Actual results could differ from those estimates, which could affect the reported results. In Part II, Item 8, “Financial Statements and Supplementary Data” in Note 2, “Summary of Significant Accounting Policies, Recently Issued and Recently Adopted Accounting Standards” of the Notes to Consolidated Financial Statements includes a summary of the significant accounting policies and methods used in preparation of our Consolidated Financial Statements. Set forth below is a discussion of our more critical accounting policies and methods.

Revenue Recognition:

In Part II, Item 8, “Financial Statements and Supplementary Data”, see Note 3, “Revenue Recognition, Contracts with Customers,” of the Notes to Consolidated Financial Statements for details of our revenue recognition policy.

Sales Return Reserves:

In Part II, Item 8, “Financial Statements and Supplementary Data”, see Note 2, “Summary of Significant Accounting Policies, Recently Issued, and Recently Adopted Accounting Standards” in the section “Summary of Significant Accounting Policies” of the Notes to Consolidated Financial Statements for details of our sales return reserves.

A one percent change in the estimated sales return rate could affect net income by approximately \$2.0 million. A change in the pattern or trends in returns could also affect the estimated allowance.

Allocation of Acquisition Purchase Price to Assets Acquired and Liabilities Assumed:

In connection with acquisitions, we allocate the cost of the acquisition to the assets acquired and the liabilities assumed based on the estimates of fair value for such items, including intangible assets. The excess of the purchase consideration over the fair value of assets acquired and liabilities assumed is recorded as goodwill. The determination of the acquisition date fair value of the assets acquired and liabilities assumed requires us to make significant estimates and assumptions, such as, if applicable, forecasted revenue growth rates and operating cash flows, royalty rates, customer attrition rates, obsolescence rates of developed technology, and discount rates. We may use a third-party valuation consultant to assist in the determination of such estimates.

In Part II, Item 8, "Financial Statements and Supplementary Data", see Note 4, "Acquisitions," of the Notes to Consolidated Financial Statements for details of our acquisitions.

Goodwill and Indefinite-lived Intangible Assets:

Goodwill is reviewed for possible impairment at least annually on a reporting unit level during the fourth quarter of each year. Our annual impairment assessment date is February 1. A review of goodwill may be initiated before or after conducting the annual analysis if events or changes in circumstances indicate the carrying value of goodwill may no longer be recoverable.

A reporting unit is the operating segment unless, at businesses one level below that operating segment– the "component" level, discrete financial information is prepared and regularly reviewed by management, and the component has economic characteristics that are different from the economic characteristics of the other components of the operating segment, in which case the component is the reporting unit.

As part of the annual impairment test, we may elect to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. In a qualitative assessment, we would consider the macroeconomic conditions, including any deterioration of general conditions and industry and market conditions, including any deterioration in the environment where the reporting unit operates, increased competition, changes in the products/services and regulatory and political developments, cost of doing business, overall financial performance, including any declining cash flows and performance in relation to planned revenues and earnings in past periods, other relevant reporting unit specific facts, such as changes in management or key personnel or pending litigation, and events affecting the reporting unit, including changes in the carrying value of net assets.

If the results of our qualitative assessment indicate it is more likely than not that the fair value of a reporting unit is less than its carrying amount, we are required to perform a quantitative assessment to determine the fair value of the reporting unit.

Alternatively, if an optional qualitative goodwill impairment assessment is not performed, we may perform a quantitative assessment. Under the quantitative assessment, we compare the fair value of each reporting unit to its carrying value, including the goodwill allocated to the reporting unit. If the fair value of the reporting unit exceeded its carrying value, there would be no indication of impairment. If the fair value of the reporting unit were less than the carrying value, an impairment charge would be recognized for the difference.

We derive an estimate of fair values for each of our reporting units using a combination of an income approach and a market approach, each based on an applicable weighting. We assess the applicable weighting based on such factors as current market conditions and the quality and reliability of the data. Absent an indication of fair value from a potential buyer or similar specific transactions, we believe that the use of these methods provides a reasonable estimate of a reporting unit's fair value.

Fair value computed by these methods is arrived at using a number of key assumptions including forecasted revenues and related growth rates, forecasted operating cash flows, the discount rate, and the selection of relevant market multiples of comparable publicly-traded companies with similar characteristics to the reporting unit. There are inherent uncertainties, however, related to these factors and to our judgment in applying them to this analysis. We believe that the combination of these methods provides a reasonable approach to estimate the fair value of our reporting units. Assumptions for sales, net earnings, and cash flows for each reporting unit were consistent among these methods.

2021 Annual Goodwill Impairment Test

As of February 1, 2021, we completed our annual goodwill impairment test for our reporting units. We concluded that the fair values of our reporting units were above their carrying values and, therefore, there was no indication of impairment.

Income Approach Used to Determine Fair Values

The income approach is based upon the present value of expected cash flows. Expected cash flows are converted to present value using factors that consider the timing and risk of the future cash flows. The estimate of cash flows used is prepared on an unleveraged debt-free basis. We use a discount rate that reflects a market-derived weighted average cost of capital. We believe that this approach is appropriate because it provides a fair value estimate based upon the reporting unit's expected long-term operating and cash flow performance. The projections are based upon our best estimates of forecasted economic and market conditions over the related period including growth rates, expected changes in forecasted operating cash flows, and cash expenditures. Other estimates and assumptions include terminal value long-term growth rates, provisions for income taxes, future capital expenditures, and changes in future cashless, debt-free working capital.

Changes in any of these assumptions could materially impact the estimated fair value of our reporting units. Our forecasts take into account the near and long-term expected business performance, considering the long-term market conditions and business trends within the reporting units. For example, each reporting unit includes an assumption regarding any continued impact of COVID-19 from both a current and long-term perspective. However, changes in this assumption may impact our ability to recover the allocated goodwill in the future. For further discussion of the factors that could result in a change in our assumptions, see "Risk Factors" in this Annual Report on Form 10-K.

Market Approach Used to Determine Fair Values

The market approach estimates the fair value of the reporting unit by applying multiples of operating performance measures to the reporting unit's operating performance (the Guideline Public Company Method). These multiples are derived from comparable publicly-traded companies with similar investment characteristics to the reporting unit, and such comparable data are reviewed and updated as needed annually. We believe that this approach is appropriate because it provides a fair value estimate using multiples from entities with operations and economic characteristics comparable to our reporting units and Wiley.

The key estimates and assumptions that are used to determine fair value under this market approach include current and forward 12-month revenue and EBITDA results, as applicable, and the selection of the relevant multiples to be applied. Under the Guideline Public Company Method, a control premium, or an amount that a buyer is usually willing to pay over the current market price of a publicly traded company, is considered and applied, to the calculated equity values to adjust the public trading value upward for a 100% ownership interest, where applicable.

In order to assess the reasonableness of the calculated fair values of our reporting units, we also compare the sum of the reporting units' fair values to our market capitalization and calculate an implied control premium (the excess of the sum of the reporting units' fair values over the market capitalization). We evaluate the control premium by comparing it to control premiums of recent comparable market transactions. If the implied control premium is not reasonable in light of these recent transactions, we will reevaluate our fair value estimates of the reporting units by adjusting the discount rates and/or other assumptions.

If our assumptions and related estimates change in the future, or if we change our reporting unit structure or other events and circumstances change (such as a sustained decrease in the price of our common stock, a decline in current market multiples, a significant adverse change in legal factors or business climates, an adverse action or assessment by a regulator, heightened competition, strategic decisions made in response to economic or competitive conditions, or a more-likely-than-not expectation that a reporting unit or a significant portion of a reporting unit will be sold or disposed of), we may be required to record impairment charges in future periods. Any impairment charges that we may take in the future could be material to our consolidated results of operations and financial condition.

2020 Annual Goodwill Impairment Test

As of February 1, 2020, we completed our annual goodwill impairment test for our reporting units. We concluded that the fair values of our Research Publishing & Platforms and Academic & Professional Learning reporting units were above their carrying values and, therefore, there was no indication of impairment.

During our annual goodwill impairment test initiated on February 1, 2020, we identified indicators that the goodwill of the Education Services business was impaired due to underperformance as compared with our acquisition case projections for revenue growth and operating cash flow. Subsequently, during the fourth quarter of fiscal year 2020, we determined that our updated revenue and operating cash flow projections would be further impacted by anticipated near-term headwinds due to COVID-19, including adverse impacts on new student starts and student reenrollment. Therefore, we updated the impairment test as of March 31, 2020 to reflect this change in circumstances. As a result, we concluded that the carrying value was above the fair value, resulting in a noncash goodwill impairment of \$110.0 million. This charge is reflected in Impairment of goodwill and intangible assets in the Consolidated Statements of Income (Loss).

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The material assumptions underlying the estimate of the fair value of the Education Services reporting unit included the following:

- Future cash flow assumptions – The projections for future cash flows utilized in the model was derived from historical experience and assumptions regarding future growth and profitability of the reporting unit. These projections are consistent with our operating budget and strategic plan. We applied a compounded annual growth rate of approximately 6.8% for forecasted sales in our projected cash flows through fiscal year 2028. Beyond the forecasted period, a terminal value was determined using a perpetuity growth rate of 3.0% to reflect our estimate of stable and perpetual growth.
- Weighted average cost of capital (WACC) – The WACC is the rate used to discount the reporting unit's estimated future cash flows. The WACC is calculated based on a proportionate weighting of the cost of debt and equity. The cost of equity is based on a capital asset pricing model and includes a company-specific risk premium to capture the perceived risks and uncertainties associated with the reporting unit's projected cash flows. The cost of debt component is calculated based on the after-tax cost of debt of Moody's Baa-rated corporate bonds. The cost of debt and equity is weighted based on the debt to market capitalization ratio of publicly traded companies with similarities to the Education Services reporting unit. The WACC applied to the Education Services reporting unit was 11.0%.
- Valuation Multiples – For the Guideline Public Company Method, we applied relevant current and forward 12-month revenue multiples based on an evaluation of multiples of publicly traded companies with similarities to the Education Services reporting unit. The multiples applied ranged from 1.3 to 1.4x revenue.
- Equal weighting was applied to the income and market approach when determining the overall fair value calculation for the Education Services reporting unit.

The following hypothetical changes in the valuation of the Education Services reporting unit would have impacted the goodwill impairment as follows:

- A hypothetical 1% increase to revenue growth and EBITDA margins would have reduced the impairment charge by approximately \$16.0 million.
- A hypothetical 1% decrease to revenue growth and EBITDA margins would have increased the impairment charge by approximately \$19.0 million.
- A hypothetical change to the weightings by applying a weighting of 25% to the income approach and 75% to the market approach would have increased the impairment charge by approximately \$2.0 million.

Prior to performing the goodwill impairment test for Education Services, we also evaluated the recoverability of long-lived assets of the reporting unit. The carrying value of the long-lived assets that were tested for impairment was \$434.0 million. When indicators of impairment are present, we test definite lived and long-lived assets for recoverability by comparing the carrying value of an asset group to an estimate of the future undiscounted cash flows expected to result from the use and eventual disposition of the asset group. We considered the lower than expected revenue and operating cashflows over a sustained period of time, and downward revisions to our cash flow forecasts for this reporting unit to be indicators of impairment for their long-lived assets. Based on the results of the recoverability test, we determined that the undiscounted cash flows of the asset group of the Education Services reporting unit exceeded the carrying value. Therefore, there was no impairment.

2021 Annual Indefinite-lived Intangible Impairment Test

We also review our indefinite-lived intangible assets for impairment annually, which consists of brands and trademarks and certain acquired publishing rights. As of February 1, 2021, we completed our annual impairment test related to the indefinite-lived intangible assets. We concluded that the fair values of these indefinite-lived intangible assets were above their carrying values and, therefore, there was no indication of impairment.

We estimate the fair value of these assets using a relief from royalty method under an income approach. The key assumptions for this method are revenue projections, a royalty rate as determined by management in consultation with valuation experts, and a discount rate.

2020 Annual Indefinite-lived Intangible Impairment Test

We recorded a pretax noncash impairment charge of \$89.5 million for our Blackwell trademark, which was acquired in 2007 and carried as an indefinite-lived intangible asset primarily related to our Research Publishing & Platforms segment. The impairment reflects our decision to simplify Wiley's brand portfolio and unify our research journal content under one Wiley brand, which will sharply limit the use of the Blackwell trade name. This impairment resulted in writing off substantially all of the carrying value of the intangible trademark asset. This charge is reflected in Impairment of goodwill and intangible assets in the Consolidated Statements of Income (Loss). The resulting noncash impairment charge is entirely unrelated to COVID-19 or the expected future financial performance of the Research Publishing & Platforms segment.

See Note 11, "Goodwill and Intangible Assets," of the Notes to Consolidated Financial Statements for details of our goodwill and indefinite-lived intangible balances and the review performed in the year ended April 30, 2021 and other related information.

Intangible Assets with Definite Lives and Other Long-Lived Assets:

See Note 2, "Summary of Significant Accounting Policies, Recently Issued, and Recently Adopted Accounting Standards" in the section "Summary of Significant Accounting Policies" of the Notes to Consolidated Financial Statements for details of definite lived intangible assets and other long-lived assets.

Retirement Plans:

We provide defined benefit pension plans for certain employees worldwide. Our Board of Directors approved amendments to the US, Canada and UK defined benefit plans that froze the future accumulation of benefits effective June 30, 2013, December 31, 2015, and April 30, 2015, respectively. Under the amendments, no new employees will be permitted to enter these plans and no additional benefits for current participants for future services will be accrued after the effective dates of the amendments.

The accounting for benefit plans is highly dependent on assumptions concerning the outcome of future events and circumstances, including discount rates, long-term return rates on pension plan assets, healthcare cost trends, compensation increases and other factors. In determining such assumptions, we consult with outside actuaries and other advisors.

The discount rates for the US, Canada and UK pension plans are based on the derivation of a single-equivalent discount rate using a standard spot rate curve and the timing of expected benefit payments as of the balance sheet date. The spot rate curves are based upon portfolios of corporate bonds rated at Aa or above by a respected rating agency. The discount rate for Germany is based on the expected benefit payments for the sample mixed population plan. The expected long-term rates of return on pension plan assets are estimated using forecasted returns for equities and bonds applied to each plan's target asset allocation. The expected long-term rates are then compared to the historic investment performance of the plan assets and established by asset class, including an anticipated inflation rate. The expected long-term rates are then compared to the historic investment performance of the plan assets as well as future expectations and estimated through consultation with investment advisors and actuaries. Salary growth and healthcare cost trend assumptions are based on our historical experience and future outlook. While we believe that the assumptions used in these calculations are reasonable, differences in actual experience or changes in assumptions could materially affect the expense and liabilities related to our defined benefit pension plans. A hypothetical one percent increase in the discount rate would increase net income and decrease the accrued pension liability by approximately \$0.6 million and \$157.4 million, respectively. A one percent decrease in the discount rate would increase net income and increase the accrued pension liability by approximately \$0.7 million and \$194.4 million, respectively. A one percent change in the expected long-term rate of return would affect net income by approximately \$5.4 million.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk primarily related to interest rates, foreign exchange, and credit risk. It is our policy to monitor these exposures, and to use derivative financial investments and/or insurance contracts from time to time to reduce fluctuations in earnings and cash flows when it is deemed appropriate to do so. We do not use derivative financial instruments for trading or speculative purposes.

Interest Rates:

From time to time, we may use interest rate swaps, collars, or options to manage our exposure to fluctuations in interest rates. It is management's intention that the notional amount of interest rate swaps be less than the variable rate loans outstanding during the life of the derivatives.

The information set forth in Note 15, "Derivative Instruments and Activities," of the Notes to Consolidated Financial Statements under the caption "Interest Rate Contracts," is incorporated herein by reference.

On an annual basis, a hypothetical one percent change in interest rates for the \$422.1 million of unhedged variable rate debt as of April 30, 2021 would affect net income and cash flow by approximately \$3.4 million.

Foreign Exchange Rates:

Fluctuations in the currencies of countries where we operate outside the US may have a significant impact on financial results. We are primarily exposed to movements in British pound sterling, euros, Canadian and Australian dollars, and certain currencies in Asia. The statements of financial position of non-US business units are translated into US dollars using period-end exchange rates for assets and liabilities and the Statements of Income are translated into US dollars using weighted-average exchange rates for revenues and expenses. The percentage of consolidated revenue for the year ended April 30, 2021 recognized in the following currencies (on an equivalent US dollar basis) were approximately: 55% US dollar, 27% British pound sterling, 11% euro, and 7% other currencies.

Our significant investments in non-US businesses are exposed to foreign currency risk. Adjustments resulting from translating assets and liabilities are reported as a separate component of Total Accumulated Other Comprehensive Loss, Net of Tax within Shareholders' Equity under the caption Foreign currency translation adjustment. During the year ended April 30, 2021, we recorded foreign currency translation gains in Total accumulated other comprehensive loss, net of tax of approximately \$82.8 million primarily as a result of the fluctuations of the US dollar relative to the British pound sterling and, to a lesser extent the euro. During the year ended April 30, 2020, we recorded foreign currency translation losses in Accumulated other comprehensive loss, net of tax of approximately \$28.6 million, primarily as a result of the fluctuations of the US dollar relative to the British pound sterling and, to a lesser extent the euro.

Exchange rate gains or losses related to foreign currency transactions are recognized as transaction gains or losses on the Consolidated Statements of Income (Loss) as incurred. Under certain circumstances, we may enter into derivative financial instruments in the form of foreign currency forward contracts to hedge against specific transactions, including intercompany purchases and loans.

The information set forth in Note 15, "Derivative Instruments and Activities," of the Notes to Consolidated Financial Statements under the caption "Foreign Currency Contracts," is incorporated herein by reference.

Customer Credit Risk:

In the journal publishing business, subscriptions are primarily sourced through journal subscription agents who, acting as agents for library customers, facilitate ordering by consolidating the subscription orders/billings of each subscriber with various publishers. Cash is generally collected in advance from subscribers by the subscription agents and is principally remitted to us between the months of December and April. Although at fiscal year-end we had minimal credit risk exposure to these agents, future calendar-year subscription receipts from these agents are highly dependent on their financial condition and liquidity. Subscription agents account for approximately 20% of total annual consolidated revenue, and no one agent accounts for more than 10% of total annual consolidated revenue.

Our book business is not dependent upon a single customer; however, the industry is concentrated in national, regional, and online bookstore chains. Although no book customer accounts for more than 9% of total consolidated revenue and 13% of accounts receivable at April 30, 2021, the top 10 book customers account for approximately 13% of total consolidated revenue and approximately 22% of accounts receivable at April 30, 2021.

Many of our customers have been adversely impacted by COVID-19, and we expect some continued delays in payments due to widespread disruption and pervasive cash conservation behaviors in the face of uncertainty.

Disclosure of Certain Activities Relating to Iran:

The European Union, Canada and the US have imposed sanctions on business relationships with Iran, including restrictions on financial transactions and prohibitions on direct and indirect trading with listed “designated persons.” In the year ended April 30, 2021, we recorded an immaterial amount of revenue and net earnings related to the sale of scientific and medical content to certain publicly funded universities, hospitals and institutions that meet the definition of the “Government of Iran” as defined under section 560.304 of title 31, Code of Federal Regulations. We assessed our business relationship and transactions with Iran and believe we are in compliance with the regulations governing the sanctions. As of April 30, 2021, we discontinued sales with Iran.

Item 8. Financial Statements and Supplementary Data

The following Consolidated Financial Statements and Notes are filed as part of this report.

John Wiley & Sons, Inc. and Subsidiaries**Reports of Independent Registered Public Accounting Firm****Financial Statements**

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MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To our Shareholders
John Wiley & Sons, Inc.:

The management of John Wiley & Sons, Inc. and subsidiaries is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f).

Under the supervision and with the participation of our management, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our evaluation under the framework in *Internal Control – Integrated Framework* issued by COSO, our management concluded that our internal control over financial reporting was effective as of April 30, 2021.

Changes in Internal Control over Financial Reporting:

The Company acquired Hindawi Limited (Hindawi) during fiscal year 2021, which represented less than 1% of total assets, excluding goodwill and intangible assets which are included within the scope of the assessment, and less than 1% of total revenue included in the consolidated financial statements of the Company as of and for the year ended April 30, 2021. Hindawi was excluded from the Company's assessment of the effectiveness of the Company's internal control over financial reporting as of April 30, 2021.

We continue to implement additional functionality and enhancements to our previously disclosed global ERP implementation. As with any new information system we implement, this application, along with the internal controls over financial reporting included in this process, will require testing for effectiveness. In connection with this ERP implementation, we are updating our internal controls over financial reporting, as necessary, to accommodate modifications to our business processes and accounting procedures. We do not believe that the ERP implementation will have an adverse effect on our internal control over financial reporting.

Except as described above, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during fiscal year 2021.

The effectiveness of our internal control over financial reporting as of April 30, 2021 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report which is included herein.

The Company's Corporate Governance Principles, Committee Charters, Business Conduct and Ethics Policy and the Code of Ethics for Senior Financial Officers are published on our web site at www.wiley.com under the "About Wiley—Corporate Governance" captions. Copies are also available free of charge to shareholders on request to the Corporate Secretary, John Wiley & Sons, Inc., 111 River Street, Hoboken, NJ 07030-5774.

/s/ Brian A. Napack

Brian A. Napack
President and Chief Executive Officer

/s/ John A. Kritzmacher

John A. Kritzmacher
Executive Vice President and Chief Financial Officer

/s/ Christopher F. Caridi

Christopher F. Caridi
Senior Vice President, Global Corporate Controller, and
Chief Accounting Officer

July 6, 2021

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
John Wiley & Sons, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of John Wiley & Sons, Inc. and subsidiaries (the Company) as of April 30, 2021 and 2020, the related consolidated statements of income (loss), comprehensive income (loss), cash flows, and shareholders' equity for each of the years in the three-year period ended April 30, 2021, and the related notes and financial statement schedule in Item 15(2) (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of April 30, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the three-year period ended April 30, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of April 30, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated July 6, 2021 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Evaluation of the sufficiency of audit evidence over certain subscriber and publishing revenue

As discussed in Note 3 to the consolidated financial statements, the Company generated revenue of \$972.5 million from Research Publishing Products, including Journal Subscriptions, \$363.9 million from Education Publishing Products, including Education (print and digital) Publishing, and \$280.7 million from Professional Learning Products, including Professional Publishing, for the year ended April 30, 2021. The Company's uses multiple information technology (IT) systems to record revenue.

We identified the evaluation of the sufficiency of audit evidence over revenue from Journal Subscriptions, Education (print and digital) Publishing, and Professional Publishing as a critical audit matter. Evaluating the sufficiency of audit evidence obtained involved IT professionals with specialized skills and knowledge and required especially subjective auditor judgment because of the multiple revenue recognition processes, IT applications, and data interfaces.

The following are the primary procedures we performed to address this critical audit matter. We performed risk assessment procedures and applied auditor judgment to determine the nature and extent of procedures to be performed over Journal Subscriptions, Education (print and digital) Publishing, and Professional Publishing revenue, including the determination of the IT systems where those procedures were to be performed based on the nature of the information processed by those systems. We evaluated the design and tested the operating effectiveness of certain internal controls over the related revenue recognition processes. We involved IT professionals with specialized skills and knowledge, who assisted in testing 1) certain general IT controls, and 2) certain application controls within those revenue recognition process, including the interface of relevant revenue data between different IT systems used therein. On a sample basis, we also tested certain Journal Subscriptions, Education (print and digital) Publishing, and Professional Publishing revenue by tracing the recorded amounts for specific transactions back to underlying documentation. We evaluated the sufficiency of audit evidence obtained over revenue by assessing the results of procedures performed.

Assessment of the initial fair value of acquired journals

As discussed in Note 4 to the consolidated financial statements, the Company accounts for acquired businesses using the acquisition method of accounting by recording assets and liabilities acquired at their respective fair values. During the year ended April 30, 2021, the Company completed the acquisition of Hindawi Limited for a total purchase price of \$300.1 million ("the acquisition"). The Company recorded intangible assets of \$188.5 million during the year related to acquired journals. The determination of the acquisition date fair value of this intangible asset required the Company to develop assumptions, including key assumptions regarding forecasted revenue growth rates and operating cash flows, the royalty rate, and the discount rate.

We identified the assessment of the initial fair value of acquired journals as a critical audit matter. There was a high degree of subjectivity involved in evaluating the key assumptions developed by the Company used to determine the fair value of this intangible asset. The estimated fair value of this intangible asset was also sensitive to changes in these key assumptions.

The following are the primary procedures we performed to address this critical audit matter. We tested the design and operating effectiveness of certain internal controls over the Company's acquisition-date valuation process, including controls related to the development of the key assumptions for acquired journals. We evaluated the growth rates used by the Company to determine forecasted revenues and operating cash flows by comparing them to 1) current industry, market, and economic trends, and 2) historical results of the acquired entity and the Company. We performed sensitivity analyses to assess the impact of possible changes to the key assumptions on the acquisition-date fair value of acquired journals. We involved a valuation professional with specialized skills and knowledge, who assisted in:

- evaluating the discount rate by comparing it to an independently developed range of discount rates using publicly available market data for comparable entities
- evaluating the royalty rate by comparing it to royalty rates for similar companies
- developing an estimated range of fair values of the acquired journals using the Company's cash flow forecasts and an independently developed range of discount rates and royalty rates, and comparing it to the Company's fair value estimate.

/s/ KPMG LLP

We have served as the Company's auditor since 2002.

New York, New York
July 6, 2021

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
John Wiley & Sons, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited John Wiley & Sons, Inc. and subsidiaries' (the Company) internal control over financial reporting as of April 30, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of April 30, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Company as of April 30, 2021 and 2020, and the related consolidated statements of income (loss), comprehensive income (loss), cash flows, and shareholders' equity for each of the years in the three-year period ended April 30, 2021, and the related notes and financial statement schedule in Item 15(2) (collectively, the consolidated financial statements), and our report dated July 6, 2021 expressed an unqualified opinion on those consolidated financial statements.

The Company acquired Hindawi during the year ended April 30, 2021, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of April 30, 2021, Hindawi's internal control over financial reporting associated with less than 1% of total assets, excluding goodwill and intangible assets which are included within the scope of the assessment, and less than 1% of total revenue included in the consolidated financial statements of the Company as of and for the year ended April 30, 2021. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of Hindawi.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report On Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

New York, New York
July 6, 2021

John Wiley & Sons, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
In thousands

	April 30,	
	2021	2020
Assets:		
Current assets		
Cash and cash equivalents	\$ 93,795	\$ 202,464
Accounts receivable, net	311,571	309,384
Inventories, net	42,538	43,614
Prepaid expenses and other current assets	78,393	59,465
Total current assets	526,297	614,927
Product development assets, net	49,517	53,643
Royalty advances, net	39,582	36,710
Technology, property and equipment, net	282,270	298,005
Intangible assets, net	1,015,302	807,405
Goodwill	1,304,340	1,116,790
Operating lease right-of-use assets	121,430	142,716
Other non-current assets	107,701	98,598
Total assets	\$ 3,446,439	\$ 3,168,794
Liabilities and shareholders' equity:		
Current liabilities		
Accounts payable	\$ 95,791	\$ 93,691
Accrued royalties	78,582	87,408
Short-term portion of long-term debt	12,500	9,375
Contract liabilities	545,425	520,214
Accrued employment costs	144,744	108,448
Accrued income taxes	8,590	13,728
Short-term portion of operating lease liabilities	22,440	21,810
Other accrued liabilities	80,900	72,595
Total current liabilities	988,972	927,269
Long-term debt	809,088	765,650
Accrued pension liability	146,247	187,969
Deferred income tax liabilities	172,903	119,127
Operating lease liabilities	145,832	159,782
Other long-term liabilities	92,106	75,373
Total liabilities	2,355,148	2,235,170
Shareholders' equity		
Preferred stock, \$1 par value: Authorized – 2 million, Issued – 0	—	—
Class A common stock, \$1 par value: Authorized – 180 million, Issued – 70,208 and 70,166 as of April 30, 2021 and 2020, respectively	70,208	70,166
Class B common stock, \$1 par value: Authorized – 72 million, Issued – 12,974 and 13,016 as of April 30, 2021 and 2020, respectively	12,974	13,016
Additional paid-in capital	444,358	431,680
Retained earnings	1,850,058	1,780,129
Accumulated other comprehensive loss:		
Foreign currency translation adjustment	(257,941)	(340,703)
Unamortized retirement costs, net of tax	(228,146)	(227,920)
Unrealized (loss) on interest rate swaps, net of tax	(4,703)	(6,874)
Total accumulated other comprehensive loss, net of tax	(490,790)	(575,497)
Less: treasury shares at cost (Class A – 23,419 and 23,405 as of April 30, 2021 and 2020, respectively, Class B – 3,922 and 3,920 of April 30, 2021 and 2020, respectively)	(795,517)	(785,870)
Total shareholders' equity	1,091,291	933,624
Total liabilities and shareholders' equity	\$ 3,446,439	\$ 3,168,794

See accompanying Notes to Consolidated Financial Statements.

John Wiley & Sons, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
Dollars in thousands, except per share information

	For the Years Ended April 30,		
	2021	2020	2019
Revenue, net	\$ 1,941,501	\$ 1,831,483	\$ 1,800,069
Costs and expenses			
Cost of sales	625,335	591,024	554,722
Operating and administrative expenses	1,022,660	997,355	963,582
Impairment of goodwill and intangible assets	—	202,348	—
Restructuring and related charges	33,310	32,607	3,118
Amortization of intangible assets	74,685	62,436	54,658
Total costs and expenses	1,755,990	1,885,770	1,576,080
Operating income (loss)	185,511	(54,287)	223,989
Interest expense	(18,383)	(24,959)	(16,121)
Foreign exchange transaction (losses) gains	(7,977)	2,773	(6,016)
Other income	16,761	13,381	11,100
Income (loss) before taxes	175,912	(63,092)	212,952
Provision for income taxes	27,656	11,195	44,689
Net income (loss)	\$ 148,256	\$ (74,287)	\$ 168,263
Earnings (loss) per share:			
Basic	\$ 2.65	\$ (1.32)	\$ 2.94
Diluted	\$ 2.63	\$ (1.32)	\$ 2.91
Weighted average number of common shares outstanding:			
Basic	55,930	56,209	57,192
Diluted	56,461	56,209	57,840

See accompanying Notes to Consolidated Financial Statements.

John Wiley & Sons, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
Dollars in thousands

	For the Years Ended April 30,		
	2021	2020	2019
Net income (loss)	\$ 148,256	\$ (74,287)	\$ 168,263
Other comprehensive income (loss):			
Foreign currency translation adjustment	82,762	(28,596)	(60,534)
Unamortized retirement costs, net of tax (expense) benefit of \$(2,103), \$10,137, and \$1,337, respectively	(226)	(31,863)	(5,031)
Unrealized gain (loss) on interest rate swaps, net of tax (expense) benefit of \$(657), \$2,114, and \$1,161, respectively	2,171	(6,300)	(3,593)
Total other comprehensive income (loss)	84,707	(66,759)	(69,158)
Comprehensive income (loss)	\$ 232,963	\$ (141,046)	\$ 99,105

See accompanying Notes to Consolidated Financial Statements.

John Wiley & Sons, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
Dollars in thousands

	For the Years Ended April 30,		
	2021	2020	2019
Operating activities			
Net income (loss)	\$ 148,256	\$ (74,287)	\$ 168,263
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Impairment of goodwill and intangible assets	—	202,348	—
Amortization of intangible assets	74,685	62,436	54,658
Amortization of product development assets	34,365	35,975	37,079
Depreciation and amortization of technology, property and equipment	91,139	76,716	69,418
Restructuring and related charges	33,310	32,607	3,118
Stock-based compensation expense	21,982	20,009	18,327
Employee retirement plan expense	12,975	10,832	5,236
Foreign exchange transaction losses (gains)	7,977	(2,773)	6,016
Other noncash charges (credits)	35,138	7,115	(11,136)
Changes in operating assets and liabilities			
Accounts receivable, net	(7,263)	(2,962)	(64,734)
Inventories, net	7,842	(2,714)	3,820
Accounts payable	(20,110)	1,163	7,369
Accrued royalties	(11,011)	13,425	6,169
Contract liabilities	14,164	(118)	29,901
Accrued income taxes	(13,446)	(5,962)	9,613
Restructuring payments	(19,667)	(12,563)	(15,219)
Other accrued liabilities	41,588	(7,817)	(32,713)
Employee retirement plan contributions	(40,676)	(33,729)	(40,470)
Operating lease liabilities	(32,344)	(28,243)	—
Royalty advances, net	3,342	(2,099)	(824)
Other	(22,323)	(924)	(3,060)
Net cash provided by operating activities	<u>359,923</u>	<u>288,435</u>	<u>250,831</u>
Investing activities			
Product development spending	(25,954)	(26,608)	(24,426)
Additions to technology, property and equipment	(77,407)	(88,593)	(77,167)
Businesses acquired in purchase transactions, net of cash acquired	(299,942)	(229,629)	(190,415)
Acquisitions of publication rights and other	(29,851)	(1,840)	(9,494)
Net cash used in investing activities	<u>(433,154)</u>	<u>(346,670)</u>	<u>(301,502)</u>
Financing activities			
Repayments of long-term debt	(562,752)	(630,551)	(476,246)
Borrowings of long-term debt	593,405	934,323	596,320
Payment of debt issuance costs	—	(4,006)	—
Purchases of treasury shares	(15,765)	(46,589)	(59,994)
Change in book overdrafts	18,398	(48)	(5,674)
Cash dividends	(76,938)	(76,658)	(75,752)
Net (payments) proceeds from stock-based compensation and other	(3,434)	(3,794)	3,751
Net cash (used in) provided by financing activities	<u>(47,086)</u>	<u>172,677</u>	<u>(17,595)</u>
Effects of exchange rate changes on cash, cash equivalents, and restricted cash	<u>11,629</u>	<u>(4,943)</u>	<u>(8,443)</u>
Cash reconciliation:			
Cash and cash equivalents	202,464	92,890	169,773
Restricted cash included in Prepaid expenses and other current assets	583	658	484
Balance at beginning of year	<u>203,047</u>	<u>93,548</u>	<u>170,257</u>
(Decrease)/increase for year	<u>(108,688)</u>	<u>109,499</u>	<u>(76,709)</u>
Cash and cash equivalents	93,795	202,464	92,890
Restricted cash included in Prepaid expenses and other current assets	564	583	658
Balance at end of year	<u>\$ 94,359</u>	<u>\$ 203,047</u>	<u>\$ 93,548</u>
Cash paid during the year for:			
Interest	\$ 17,171	\$ 23,622	\$ 14,867
Income taxes, net of refunds	\$ 41,064	\$ 41,537	\$ 48,264
Noncash items:			
Noncash items associated with the acquisition of Learning House:			
Warrants to purchase 0.4 million shares of Wiley Class A Common Stock issued in connection with the Learning House acquisition	\$ —	\$ —	\$ 565

See accompanying Notes to Consolidated Financial Statements.

John Wiley & Sons, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
Dollars in thousands

	Common stock Class A	Common stock Class B	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total shareholder's equity
Balance at April 30, 2018	\$ 70,111	\$ 13,071	\$ 407,120	\$ 1,834,057	\$ (439,580)	\$ (694,222)	\$ 1,190,557
Restricted shares issued under stock-based compensation plans	—	—	(8,544)	3	—	8,826	285
Net proceeds from stock-based compensation and other	—	—	4,837	—	—	(1,086)	3,751
Stock-based compensation expense	—	—	18,327	—	—	—	18,327
Purchase of treasury shares	—	—	—	—	—	(59,994)	(59,994)
Class A common stock dividends (\$1.32 per share)	—	—	—	(63,684)	—	—	(63,684)
Class B common stock dividends (\$1.32 per share)	—	—	—	(12,068)	—	—	(12,068)
Common stock class conversions	16	(16)	—	—	—	—	—
Issuance of warrants related to acquisition of a business	—	—	565	—	—	—	565
Adjustment due to adoption of new revenue standard	—	—	—	4,503	—	—	4,503
Comprehensive income, net of tax	—	—	—	168,263	(69,158)	—	99,105
Balance at April 30, 2019	<u>\$ 70,127</u>	<u>\$ 13,055</u>	<u>\$ 422,305</u>	<u>\$ 1,931,074</u>	<u>\$ (508,738)</u>	<u>\$ (746,476)</u>	<u>\$ 1,181,347</u>
Restricted shares issued under stock-based compensation plans	—	—	(10,992)	—	—	11,347	355
Net payments from stock-based compensation and other	—	—	358	—	—	(4,152)	(3,794)
Stock-based compensation expense	—	—	20,009	—	—	—	20,009
Purchase of treasury shares	—	—	—	—	—	(46,589)	(46,589)
Class A common stock dividends (\$1.36 per share)	—	—	—	(64,264)	—	—	(64,264)
Class B common stock dividends (\$1.36 per share)	—	—	—	(12,394)	—	—	(12,394)
Common stock class conversions	39	(39)	—	—	—	—	—
Comprehensive loss, net of tax	—	—	—	(74,287)	(66,759)	—	(141,046)
Balance at April 30, 2020	<u>\$ 70,166</u>	<u>\$ 13,016</u>	<u>\$ 431,680</u>	<u>\$ 1,780,129</u>	<u>\$ (575,497)</u>	<u>\$ (785,870)</u>	<u>\$ 933,624</u>
Cumulative effect of change in accounting principle, net of tax	—	—	—	(1,390)	—	—	(1,390)
Restricted shares issued under stock-based compensation plans	—	—	(10,206)	1	—	10,454	249
Net payments from stock-based compensation and other	—	—	902	—	—	(4,336)	(3,434)
Stock-based compensation expense	—	—	21,982	—	—	—	21,982
Purchase of treasury shares	—	—	—	—	—	(15,765)	(15,765)
Class A common stock dividends (\$1.37 per share)	—	—	—	(67,614)	—	—	(67,614)
Class B common stock dividends (\$1.37 per share)	—	—	—	(9,324)	—	—	(9,324)
Common stock class conversions	42	(42)	—	—	—	—	—
Comprehensive income, net of tax	—	—	—	148,256	84,707	—	232,963
Balance at April 30, 2021	<u>\$ 70,208</u>	<u>\$ 12,974</u>	<u>\$ 444,358</u>	<u>\$ 1,850,058</u>	<u>\$ (490,790)</u>	<u>\$ (795,517)</u>	<u>\$ 1,091,291</u>

See accompanying Notes to Consolidated Financial Statements.

John Wiley & Sons, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 1 – Description of Business

The Company, founded in 1807, was incorporated in the state of New York on January 15, 1904. Throughout this report, when we refer to “Wiley,” the “Company,” “we,” “our,” or “us,” we are referring to John Wiley & Sons, Inc. and all of our subsidiaries, except where the context indicates otherwise.

Wiley is a global leader in research and education, unlocking human potential by enabling discovery, powering education, and shaping workforces. Through the Research Publishing & Platforms segment, we provide peer-reviewed scientific, technical, and medical (STM) publishing, content platforms, and related services to academic, corporate, and government customers, academic societies, and individual researchers. The Academic & Professional Learning segment provides Education Publishing and Professional Learning content and courseware, training and learning services, to students, professionals, and corporations. The Education Services segment provides online program management (OPM) services for academic institutions and talent placement services for professionals and businesses. We have operations primarily located in the United States (US), United Kingdom (UK), Sri Lanka, Germany, India, Russia, Jordan, and Canada.

Note 2 – Summary of Significant Accounting Policies, Recently Issued, and Recently Adopted Accounting Standards

Summary of Significant Accounting Policies

Basis of Presentation:

Our Consolidated Financial Statements include all of the accounts of the Company and our subsidiaries. We have eliminated all intercompany transactions and balances in consolidation. All amounts are in thousands, except per share amounts, and approximate due to rounding.

In the fourth quarter of fiscal year 2021, a UK entity acquired in connection with the acquisition of mthree (See Note 4, “Acquisitions” for further details of this acquisition) was erroneously dissolved by the Company in accordance with UK Companies Act regulations while still holding assets. This entity, along with its subsidiaries, (the entity) had various net intercompany receivables owed to them from other Wiley companies of approximately \$188.8 million, which upon a dissolution technically revert to the British Crown (Crown). Wiley has petitioned to Companies House to reinstate the entity without prejudice. The Company believes the likelihood that reinstatement will not occur is remote as it entails an administrative exercise to remedy, not a negotiation.

As a result of these events, the Company evaluated whether it was appropriate to consolidate the assets, liabilities, and operations of the entity as part of its consolidated financial statements as of April 30, 2021 and for the period from the entity being dissolved through April 30, 2021, and also whether there was a liability to the Crown and a related loss associated with the dissolution of the entity under US GAAP in the fiscal year 2021.

The Company evaluated the criteria in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 810, “Consolidations” to determine if consolidating the entity was appropriate under US GAAP. Based on that evaluation and the administrative nature of the process to restore, the Company concluded that although the entity was dissolved, we maintained control of the assets of the entity and, therefore, appropriately consolidated the assets, liabilities and operations of the entity in our consolidated financial statements as of April 30, 2021. In connection with that conclusion, the Company also concluded that it does not have conditions to require a loss or liability to the Crown to be recorded in fiscal year 2021, other than immaterial fees associated with the restoration process. The Company anticipates the restoration of the entity, with the entirety of its net assets, to be completed by the second quarter of fiscal year 2022.

Reclassifications:

Certain prior year amounts have been reclassified to conform to the current year’s presentation.

Use of Estimates:

The preparation of our Consolidated Financial Statements and related disclosures in conformity with US GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements and revenue and expenses during the reporting period. These estimates include, among other items, sales return reserves, allocation of acquisition purchase price to assets acquired and liabilities assumed, goodwill and indefinite-lived intangible assets, intangible assets with definite lives and other long-lived assets, and retirement plans. We review these estimates and assumptions periodically using historical experience and other factors and reflect the effects of any revisions on the Consolidated Financial Statements in the period we determine any revisions to be necessary. Actual results could differ from those estimates, which could affect the reported results.

Book Overdrafts:

Under our cash management system, a book overdraft balance exists for our primary disbursement accounts. This overdraft represents uncleared checks in excess of cash balances in individual bank accounts. Our funds are transferred from other existing bank account balances or from lines of credit as needed to fund checks presented for payment. As of April 30, 2021 and 2020, book overdrafts of \$25.8 million and \$7.4 million, respectively, were included in Accounts payable on the Consolidated Statements of Financial Position.

Revenue Recognition:

Revenue from contracts with customers is recognized using a five-step model consisting of the following: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) we satisfy a performance obligation. Performance obligations are satisfied when we transfer control of a good or service to a customer, which can occur over time or at a point in time. The amount of revenue recognized is based on the consideration to which we expect to be entitled in exchange for those goods or services, including the expected value of variable consideration. The customer's ability and intent to pay the transaction price is assessed in determining whether a contract exists with the customer. If collectability of substantially all the consideration in a contract is not probable, consideration received is not recognized as revenue unless the consideration is nonrefundable, and we no longer have an obligation to transfer additional goods or services to the customer, or collectability becomes probable.

See Note 3, "Revenue Recognition, Contracts with Customers," for further details of our revenue recognition policy.

Cash and Cash Equivalents:

Cash and cash equivalents consist of highly liquid investments with an original maturity of three months or less at the time of purchase and are stated at cost, which approximates market value, because of the short-term maturity of the instruments.

Allowance for Credit Losses:

See the section below, "Recently Adopted - Measurement of Credit Losses on Financial Instruments" for further details of our policy for credit losses.

Sales Return Reserves:

The process that we use to determine our sales returns and the related reserve provision charged against revenue is based on applying an estimated return rate to current year returnable print book sales. This rate is based upon an analysis of actual historical return experience in the various markets and geographic regions in which we do business. We collect, maintain, and analyze significant amounts of sales returns data for large volumes of homogeneous transactions. This allows us to make reasonable estimates of the amount of future returns. All available data is utilized to identify the returns by market and to which fiscal year the sales returns apply. This enables management to track the returns in detail and identify and react to trends occurring in the marketplace, with the objective of being able to make the most informed judgments possible in setting reserve rates. Associated with the estimated sales return reserves, we also include a related increase to inventory and a reduction to accrued royalties as a result of the expected returns. Print book sales return reserves amounted to a net liability balance of \$22.2 million and \$19.6 million as of April 30, 2021 and 2020, respectively.

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The reserves are reflected in the following accounts of the Consolidated Statements of Financial Position as of April 30:

	2021	2020
Increase in Inventories, net	\$ 10,886	\$ 8,686
Decrease in Accrued royalties	\$ (4,949)	\$ (4,441)
Increase in Contract liabilities	\$ 38,034	\$ 32,769
Print book sales return reserve net liability balance	\$ (22,199)	\$ (19,642)

Inventories:

Inventories are carried at the lower of cost or net realizable value. US book inventories aggregating \$20.4 million and \$24.3 million at April 30, 2021 and 2020, respectively, are valued using the last-in, first-out (LIFO) method. All other inventories are valued using the first-in, first-out (FIFO) method. Finished goods not recorded at LIFO have been recorded at the lower of cost or net realizable value.

Product Development Assets:

Product development assets consist of book composition costs and other product development costs. Costs associated with developing a book publication are expensed until the product is determined to be commercially viable. Book composition costs represent the costs incurred to bring an edited commercial manuscript to publication, which include typesetting, proofreading, design, illustration costs, and digital formatting. Book composition costs are capitalized and are generally amortized on a double-declining basis over their estimated useful lives, ranging from 1 to 3 years. Other product development costs represent the costs incurred in developing software, platforms, and digital content to be sold and licensed to third parties. Other product development costs are capitalized and amortized on a straight-line basis over their estimated useful lives. As of April 30, 2021, the weighted average estimated useful life of other product development costs was approximately 6 years.

Royalty Advances:

Royalty advances are capitalized and, upon publication, are expensed as royalties earned based on sales of the published works. Royalty advances are reviewed for recoverability and a reserve for loss is maintained, if appropriate.

Shipping and Handling Costs:

Costs incurred for third party shipping and handling are primarily reflected in Operating and administrative expenses on the Consolidated Statements of Income (Loss). We incurred \$27.8 million, \$28.8 million, and \$32.7 million in shipping and handling costs in the years ended April 30, 2021, 2020, and 2019, respectively.

Advertising and Marketing Costs:

Advertising and marketing costs are expensed as incurred. These costs are reflected in the Consolidated Statements of Income (Loss) as follows:

	For the Years Ended April 30,		
	2021	2020	2019
Advertising and marketing costs	\$ 93.6	\$ 103.1	\$ 89.5
Cost of sales ⁽¹⁾	57.0	65.8	53.7
Operating and administrative expenses	36.6	37.3	35.8

⁽¹⁾ This includes certain advertising and marketing costs incurred by our Education Services business to fulfill performance obligations from contracts with educational institutions.

Technology, Property, and Equipment:

Technology, property, and equipment is recorded at cost. Major renewals and improvements are capitalized, while maintenance and repairs are expensed as incurred.

Technology, property and equipment is depreciated using the straight-line method based upon the following estimated useful lives: Computer Software – 3 to 10 years, Computer Hardware – 3 to 5 years; Buildings and Leasehold Improvements – the lesser of the estimated useful life of the asset up to 40 years or the duration of the lease; Furniture, Fixtures, and Warehouse Equipment – 5 to 10 years.

Costs incurred for computer software internally developed or obtained for internal use are capitalized during the application development stage and expensed as incurred during the preliminary project and post-implementation stages. Costs incurred during the application development stage include costs of materials, services and payroll and payroll-related costs for employees who are directly associated with the software project. Such costs are amortized over the expected useful life of the related software, which is generally 3 to 5 years. Costs related to the investment in our Enterprise Resource Planning and related systems are amortized over an expected useful life of 10 years. Maintenance, training, and upgrade costs that do not result in additional functionality are expensed as incurred.

Allocation of Acquisition Purchase Price to Assets Acquired and Liabilities Assumed:

In connection with acquisitions, we allocate the cost of the acquisition to the assets acquired and the liabilities assumed based on the estimates of fair value for such items, including intangible assets and technology acquired. The excess of the purchase consideration over the fair value of assets acquired and liabilities assumed is recorded as goodwill. The determination of the acquisition date fair value of the assets acquired and liabilities assumed requires us to make significant estimates and assumptions, such as forecasted revenue growth rates and operating cash flows, royalty rates, customer attrition rates, obsolescence rates of developed technology, and discount rates. We may use a third-party valuation consultant to assist in the determination of such estimates.

Goodwill and Indefinite-lived Intangible Assets:

Goodwill represents the excess of the aggregate of the following: (1) consideration transferred, (2) the fair value of any noncontrolling interest in the acquiree, and (3) if the business combination is achieved in stages, the acquisition-date fair value of our previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Indefinite-lived intangible assets primarily consist of brands and trademarks, and publishing rights and are typically characterized by intellectual property with a long and well-established revenue stream resulting from strong and well-established imprint/brand recognition in the market.

We use the acquisition method of accounting for all business combinations and do not amortize goodwill or intangible assets with indefinite useful lives. Goodwill and intangible assets with indefinite useful lives are tested for possible impairment annually during the fourth quarter of each fiscal year, or more frequently if events or changes in circumstances indicate that the asset might be impaired.

Intangible Assets with Definite Lives and Other Long-Lived Assets:

Definite-lived intangible assets principally consist of content and publishing rights, customer relationships, developed technology, brands and trademarks, and noncompete agreements and are amortized over their estimated useful lives. The most significant factors in determining the estimated lives of these intangibles are the history and longevity of the brands, trademarks, and content and publication rights and developed technology acquired combined with the strength and pattern of projected cash flows.

Intangible assets with definite lives as of April 30, 2021, are amortized on a straight line basis over the following weighted average estimated useful lives: content and publishing rights – 28 years, customer relationships – 17 years, developed technology – 7 years, brands and trademarks – 13 years, and noncompete agreements – 5 years.

Assets with definite lives are evaluated for impairment upon a significant change in the operating or macroeconomic environment. In these circumstances, if an evaluation of the projected undiscounted cash flows indicates impairment, the asset is written down to its estimated fair value based on the discounted future cash flows.

Derivative Financial Instruments:

From time to time, we enter into foreign exchange forward and interest rate swap contracts as a hedge against foreign currency asset and liability commitments, changes in interest rates, and anticipated transaction exposures, including intercompany purchases. All derivatives are recognized as assets or liabilities and measured at fair value. Derivatives that are not determined to be effective hedges are adjusted to fair value with a corresponding adjustment to earnings. We do not use financial instruments for trading or speculative purposes.

Foreign Currency Gains/Losses:

We maintain operations in many non-US locations. Assets and liabilities are translated into US dollars using end-of-period exchange rates and revenues and expenses are translated into US dollars using weighted average rates. Our significant investments in non-US businesses are exposed to foreign currency risk. Foreign currency translation adjustments are reported as a separate component of Accumulated Other Comprehensive Loss within Shareholders' Equity. Foreign currency transaction gains or losses are recognized on the Consolidated Statements of Income (Loss) as incurred.

Stock-Based Compensation:

We recognize stock-based compensation expense based on the fair value of the stock-based awards on the grant date, reduced by an estimate for future forfeited awards. As such, stock-based compensation expense is only recognized for those awards that are expected to ultimately vest. The fair value of stock-based awards is recognized in net income generally on a straight-line basis over the requisite service period. Stock-based compensation expense associated with performance-based stock awards is based on actual financial results for targets established up to three years in advance, or less. The cumulative effect on current and prior periods of a change in the estimated number of performance share awards, or estimated forfeiture rate, is recognized as an adjustment to earnings in the period of the revision. If actual results differ significantly from estimates, our stock-based compensation expense and Consolidated Statements of Income (Loss) could be impacted. The grant date fair value for stock options is estimated using the Black-Scholes option-pricing model. The determination of the assumptions used in the Black-Scholes model include the expected life of an option, the expected volatility of our common stock over the estimated life of the option, a risk-free interest rate, and the expected dividend yield. Judgment was also required in estimating the amount of stock-based awards that may be forfeited.

Recently Adopted Accounting Standards

Changes to the Disclosure Requirements for Defined Benefit Plans

In August 2018, the FASB issued ASU 2018-14, "Compensation-Retirement Benefits-Defined Benefit Plans-General (Subtopic 715-20): Disclosure Framework-Changes to the Disclosure Requirements for Defined Benefit Plans." ASU 2018-14 removes certain disclosures that are not considered cost beneficial, clarifies certain required disclosures and added additional disclosures. The standard is effective for fiscal years ending after December 15, 2020. We have adopted the new standard for the year ended April 30, 2021 retrospectively for all periods presented. See Note 17, "Retirement Plans" for all periods presented with the new required disclosures.

Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments—Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments." Subsequently, in May 2019, the FASB issued ASU 2019-05 - "Financial Instruments—Credit Losses (Topic 326): Targeted Transition Relief"; in April 2019, the FASB issued ASU 2019-04, "Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments," in November 2018, the FASB issued ASU 2018-19, "Codification Improvements to Topic 326, Financial Instruments—Credit Losses," in November 2019, the FASB issued ASU 2019-11, "Codification Improvements to Topic 326, Financial Instruments—Credit Losses," and in February 2020, the FASB issued ASU 2020-02, "Financial Instruments—Credit Losses (Topic 326) and Leases (Topic 842)—Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date Related to Accounting Standards Update No. 2016-02, Leases (Topic 842) (SEC Update)".

ASU 2016-13 requires entities to measure all expected credit losses for most financial assets held at the reporting date based on an expected loss model which includes historical experience, current conditions, and reasonable and supportable forecasts. Entities will now use forward-looking information to better form their credit loss estimates. ASU 2016-13 also requires enhanced disclosures to help financial statement users better understand significant estimates and judgments used in estimating credit losses. ASU 2016-13, ASU 2019-05, ASU 2019-04, ASU 2018-19, ASU 2019-11, and ASU 2020-02 were effective for us on May 1, 2020, including interim periods within those fiscal periods, with early adoption permitted.

We adopted the new standard on May 1, 2020, with a cumulative effect adjustment to retained earnings as of the beginning of the year of adoption. Based on financial instruments currently held by us, the adoption of ASU 2016-13 primarily impacted our trade receivables, specifically our allowance for doubtful accounts. The adoption of the standard did not have an impact on our Consolidated Statements of Income (Loss), or our Consolidated Statements of Cash Flows. See the table below for further details on the immaterial impact to our Consolidated Statements of Financial Position and Consolidated Statements of Shareholders' Equity.

We are exposed to credit losses through our accounts receivable with customers. Accounts receivable, net is stated at amortized cost net of provision for credit losses. Our methodology to measure the provision for credit losses requires an estimation of loss rates based upon historical loss experience adjusted for factors that are relevant to determining the expected collectability of accounts receivable such as the impact of COVID-19, delinquency trends, aging behavior of receivables, credit and liquidity indicators for industry groups, customer classes or individual customers and reasonable and supportable forecasts of the economic conditions that may exist through the contractual life of the asset. Our provision for credit losses is reviewed and revised periodically. Our accounts receivable is evaluated on a pool basis that is based on customer groups with similar risk characteristics. This includes consideration of the following factors to develop these pools: size of the customer, industry, geographical location, historical risk, and types of services or products sold.

Our customers' ability to pay is assessed through our internal credit review processes. Based on the dollar value of credit extended, we assess our customers' credit by reviewing the total expected receivable exposure, expected timing of payments and the customers' established credit rating. In determining customer creditworthiness, we assess our customers' credit utilizing different resources including third-party validations and/or our own assessment through analysis of the customers' financial statements and review of trade/bank references. We also consider contract terms and conditions, country and political risk, and the customers' mix of products purchased in our evaluation. A credit limit is established for each customer based on the outcome of this review. Credit limits are periodically reviewed for existing customers and whenever an increase in the credit limit is being considered. When necessary, we utilize collection agencies and legal counsel to pursue recovery of defaulted receivables. We write off receivables only when deemed no longer collectible.

The following table presents the change in provision for credit losses, which is presented net in Accounts receivable on our Consolidated Statements of Financial Position for the period indicated:

	Provision for Credit Losses
Balance as of April 30, 2020	\$ 18,335
Adjustment due to adoption of new credit losses standard recorded as an adjustment to retained earnings	1,776
Current period provision	6,957
Amounts written off, less recoveries	(4,463)
Foreign exchange translation adjustments and other	(1,131)
Balance as of April 30, 2021	<u>\$ 21,474</u>

Intangibles-Goodwill and Other-Internal-Use Software: Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract

In August 2018, the FASB issued ASU 2018-15, "Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract." ASU 2018-15 aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. We adopted ASU 2018-15 on May 1, 2020 on a prospective basis. There was no impact to our consolidated financial statements at the date of adoption.

Changes to the Disclosure Requirements for Fair Value Measurement

In August 2018, the FASB issued ASU 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement." ASU 2018-13 removes, modifies, and adds disclosures. We adopted ASU 2018-13 on May 1, 2020. There was no impact to our consolidated financial statements or disclosures as a result of adoption.

Leases

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)" and issued subsequent amendments to the initial guidance thereafter. ASU 2016-02 requires an entity to recognize a right-of-use asset (ROU) and lease liability for all leases with terms of more than 12 months and provide enhanced disclosures. Recognition, measurement, and presentation of expenses depends on classification as a finance or operating lease. Similar modifications have been made to lessor accounting in-line with revenue recognition guidance.

The new standard provides a number of optional practical expedients in transition. We elected the practical expedients to forgo a reassessment of (1) whether any expired or existing contracts are or contain leases, (2) the lease classification for any expired or existing leases, and (3) initial direct costs. We did not elect the practical expedient allowing the use-of-hindsight which would have required us to reassess the lease term of our leases based on all facts and circumstances through the effective date. In addition, we did not elect the practical expedient pertaining to land easements.

In addition, the new standard provides as a practical expedient, certain policy elections for ongoing lease accounting which we elected at the date of adoption and included the following, (i) to not separate nonlease components from the associated lease component if certain conditions are met, and (ii) to not recognize ROU assets and lease liabilities for leases that qualify as short-term.

A modified retrospective transition approach was required, applying the standard to all leases existing at the date of initial application. A company could choose to use either (1) its effective date or (2) the beginning of the earliest comparative period presented in the financial statements as of its date of initial application. We adopted the new standard on May 1, 2019 and used the effective date as the date of initial application. Accordingly, previously reported financial information was not updated, and the disclosures required under the new standard will not be provided for dates and periods before May 1, 2019.

At adoption, we recognized operating lease liabilities of \$178 million based on the present value of the remaining minimum rental payments for existing operating leases and ROU assets of \$142 million on our Consolidated Statement of Financial Position. The difference between the ROU assets and operating lease liabilities represents the existing deferred rent liabilities, prepaid rent balances, and applicable restructuring liabilities, which were reclassified upon adoption to reduce the measurement of the ROU assets. The adoption of the standard did not have an impact on our Consolidated Statement of Shareholders' Equity, Consolidated Statement of Income (Loss) or Consolidated Statement of Cash Flow. See Note 12, "Operating Leases", for further details on our operating leases.

Recently Issued Accounting Standards

Convertible Debt Instruments, Derivatives and EPS

In August 2020, the FASB issued ASU 2020-06, "Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40)". This ASU reduces the number of accounting models for convertible debt instruments and convertible preferred stock. As well as amend the guidance for the derivatives scope exception for contracts in an entity's own equity to reduce form-over-substance-based accounting conclusions. In addition, this ASU improves and amends the related EPS guidance. This standard is effective for us on May 1, 2022, including interim periods within those fiscal years. Adoption is either a modified retrospective method or a fully retrospective method of transition. We are currently assessing the impact the new guidance will have on our consolidated financial statements.

Reference Rate Reform

In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848), Facilitation of the Effects of Reference Rate Reform on Financial Reporting." In January 2021, the FASB clarified the scope of that guidance with the issuance of ASU 2021-01, "Reference Rate Reform: Scope." This ASU provides optional guidance for a limited period of time to ease the burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. This would apply to companies meeting certain criteria that have contracts, hedging relationships and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. This standard is effective for us immediately and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. We are currently assessing the impact the new guidance will have on our consolidated financial statements.

Simplifying the Accounting for Income Taxes

In December 2019, the FASB issued ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes." This ASU is intended to simplify various aspects related to accounting for income taxes, eliminates certain exceptions within Topic 740, "Income Taxes" and clarifies certain aspects of the current guidance to promote consistent application. The standard is effective for us on May 1, 2021, and early adoption is permitted in any interim period for which financial statements have not yet been issued. We will adopt the new standard on May 1, 2021. We do not expect the adoption of ASU 2019-12 to have a material impact on our consolidated financial statements at the time of adoption. The impact in the future would depend on any changes in tax laws and the applicable enactment dates. In accordance with ASU 2019-12, the enactment date is when any effects are recognized in the consolidated financial statements.

Note 3 — Revenue Recognition, Contracts with Customers**Disaggregation of Revenue**

The following tables present our revenue from contracts with customers disaggregated by segment and product type.

	For the Years Ended April 30,		
	2021	2020	2019
Research Publishing & Platforms:			
Research Publishing	\$ 972,512	\$ 908,952	\$ 903,249
Research Platforms	42,837	39,887	35,968
Total Research Publishing & Platforms	1,015,349	948,839	939,217
Academic & Professional Learning:			
Education Publishing	363,870	352,188	372,018
Professional Learning	280,667	298,601	331,285
Total Academic & Professional Learning	644,537	650,789	703,303
Education Services:			
Education Services OPM ⁽¹⁾	227,700	210,882	155,819
mthree ⁽¹⁾	53,915	20,973	1,730
Total Education Services	281,615	231,855	157,549
Total Revenue	\$ 1,941,501	\$ 1,831,483	\$ 1,800,069

⁽¹⁾ In May 2020, we moved the IT bootcamp business acquired as part of The Learning House acquisition from Education Services Online Program Management (OPM) to mthree. As a result, the prior period revenue related to the IT bootcamp business has been included in mthree. The revenue for the IT bootcamp business was \$1.6 million, \$3.5 million and \$1.7 million for the years ended April 30, 2021, 2020 and 2019, respectively. There were no changes to our total Education Services or our consolidated financial results.

The following information describes our disaggregation of revenue by segment and product type. Overall, the majority of our revenue is recognized over time.

Research Publishing & Platforms

Research Publishing & Platforms' customers include academic, corporate, government, and public libraries, funders of research, researchers, scientists, clinicians, engineers and technologists, scholarly and professional societies, and students and professors. Research Publishing & Platforms products are sold and distributed globally through multiple channels, including research libraries and library consortia, independent subscription agents, direct sales to professional society members, and other customers. Publishing centers include Australia, China, Germany, India, the UK, and the US. The majority of revenue generated from Research Publishing and Platforms products is recognized over time. Total Research Publishing & Platforms revenue was \$1,015.3 million in the year ended April 30, 2021.

We disaggregated revenue by Research Publishing and Research Platforms to reflect the different type of products and services provided. Research Publishing products provide scientific, technical, medical, and scholarly journals, as well as related content and services, to academic, corporate, and government libraries, learned societies, and individual researchers and other professionals. Research Publishing revenue was \$972.5 million in the year ended April 30, 2021 and the majority is recognized over time.

Research Platforms is a publishing software and service provider that enables scholarly and professional societies and publishers to deliver, host, enhance, market, and manage their content on the web through the Literatum platform. Research Platforms revenue was \$42.8 million in the year ended April 30, 2021 and the majority is recognized over time.

Research Publishing Products

Research Publishing products generate approximately 77% of its revenue from contracts with its customers from Journal Subscriptions (pay to read), Open Access (pay to publish) and Comprehensive Agreements (read and publish) and the remainder from Licensing, Reprints, Backfiles, and Other.

Journal Subscriptions and Open Access

Journal subscription contracts are negotiated by us directly with customers or their subscription agents. Subscription periods typically cover calendar years. In a typical journal subscription sale, there is a written agreement between us and our customer that cover multiple years. However, we typically account for these agreements as one-year contracts because our enforceable rights under the agreements are subject to an annual confirmation and negotiation process with the customer.

In journal subscriptions, there are generally two performance obligations: a functional intellectual property license with a stand-ready promise to provide access to new content for one year, which includes online hosting of the content, and a functional intellectual property perpetual license for access to historical journal content, which also includes online hosting of the content. The transaction price consists of fixed consideration. Journal subscription revenue is generally collected in advance when the annual license is granted, and no significant financing component exists.

The total transaction price is allocated to each performance obligation based on its relative standalone selling price. We allocate revenue to the stand-ready promise to provide access to new content for one year based on its observable standalone selling price which is generally the contractually stated price and the revenue for new content is recognized over one year as we have a continuous stand-ready obligation to provide the right of access to additional intellectual property. The allocation of revenue to the perpetual licenses for access to historical journal content is done using the expected cost plus a margin approach as permitted by the revenue standard. Revenue is recognized at the point in time when access to historical content is initially granted.

Under the Open Access business model, we have a signed contract with the customer that contains enforceable rights. The Open Access business model in a typical model includes an over-time single performance obligation that combines a promise to host the customer's content on our open access platform, and a promise to provide an Article Publication Charge (APC) at a discount to eligible users who are defined in the contract, in exchange for an upfront payment. Enforceable right to payment occurs over time as we fulfill our obligation to provide a discount to eligible users, as defined, on future APCs. Therefore, the upfront payment is recorded as a contract liability and revenue is recognized over time.

Comprehensive agreements (read and publish), sometimes referred to as transitional agreements, are the innovative new model that blends journal subscription and open access offerings. Essentially, for a single fee, a national or regional consortium of libraries pays for and receives full read access to our journal portfolio and the ability to publish under an open access arrangement. Like subscriptions, comprehensive deals involve recurring revenue under multiyear contracts. Unlike subscriptions, they also allow for further upside depending on how much publishing volume we generate. Comprehensive models accelerate the transition to open access while maintaining subscription access.

In January 2019, Wiley announced a contractual arrangement in support of Open Access, a countrywide partnership agreement with Projekt DEAL, a representative of nearly 700 academic institutions in Germany. This three-year agreement provides all Projekt DEAL institutions with access to read Wiley's academic journals back to the year 1997, and researchers at Projekt DEAL institutions can publish articles open access in Wiley's journals. The partnership will better support institutions and researchers in advancing open science, driving discovery, and developing and disseminating knowledge. Projekt DEAL includes multiple performance obligations, which include a stand-ready promise to provide access to new content, perpetual license for access to historical journal content and accepting articles to be hosted on our open access platform. We are compensated primarily through a fee per article published and a consolidated access fee. The consideration for Projekt DEAL consists of fixed and variable consideration. We allocated the total consideration to the fixed and variable components based on its relative standalone selling prices for each performance obligation.

Licensing, Reprints, Backfiles and Other

Within licensing, the revenue derived from these contracts is primarily comprised of advance payments, including minimum guarantees and sales- or usage-based royalty agreements. Our intellectual property is considered to be functional intellectual property. Due to the stand-ready promise to provide updates during the subscription period, which is generally an annual period, revenue for the minimum guarantee is recognized on a straight-line basis over the term of the agreement. For our sales-or usage-based royalty agreements, we recognize revenue in the period of usage based on the amounts earned. We record revenue under these arrangements for the amounts due and not yet reported to us based on estimates of the sales or usage of these customers and pursuant to the terms of the contracts. We also have certain licenses whereby we receive a non-refundable minimum guarantee against a volume-based royalty throughout the term of the agreement. We recognize volume-based royalty income only when cumulative consideration exceeds the minimum guarantee.

Reprints contracts generally contain a single performance obligation which is the delivery of printed articles. Revenue is recognized at the time of delivery of the printed articles.

For Backfiles, the performance obligation is the granting of a functional intellectual property license. Revenue is recognized at the time the functional intellectual property license is granted.

Other includes our Article Select offering, whereby we have a single performance obligation to our customers to give access to an article through the purchase of a token. The customer redeems the token for access to the article for a 24-hour period. The customer purchases the tokens with an upfront cash payment. Revenue is recognized when access to the article is provided.

Research Platforms Services

Research Platforms' services typically include a single performance obligation for the implementation and hosting subscription services. The transaction price is fixed which may include price escalators that are fixed increases per year, and therefore, revenue is recognized upon the initiation of the subscription period and recognized on a straight-line basis over the time of the contractual period. The duration of these contracts is generally multiyear ranging from 2-5 years.

Academic & Professional Learning

Academic & Professional Learning provides Education Publishing and Professional Learning products and services including scientific, professional, and education print and digital books, digital courseware, and test preparation services, to libraries, corporations, students, professionals, and researchers, as well as learning, development, and assessment services for businesses and professionals. Communities served include business, finance, accounting, workplace learning, management, leadership, technology, behavioral health, engineering/ architecture, science and medicine, and education. Products are developed for worldwide distribution through multiple channels, including chain and online booksellers, libraries, colleges and universities, corporations, direct to consumer, web sites, distributor networks and other online applications. Publishing centers include Australia, Germany, India, the UK, and the US. Total Academic & Professional Learning revenue was \$644.5 million in the year ended April 30, 2021.

We disaggregated revenue by type of products provided. Academic & Professional Learning products are Education Publishing and Professional Learning. Academic & Professional Learning revenues are mainly recognized at a point in time.

Education Publishing Products

Education Publishing products revenue was \$363.9 million in the year ended April 30, 2021. Education Publishing products generate approximately 63% of its revenue from contracts with its customers from Education (print and digital) Publishing, which is recognized at a point in time, and 24% from Digital Courseware which is recognized over time. The remainder of its revenues were from Test Preparation and Certification and Licensing and Other, which has a mix of revenue recognized at a point in time and over time.

Education Publishing and Professional Publishing (included within Professional Learning below)

Our performance obligations as it relates to Education and Professional Publishing are primarily book products delivered in both print and digital form which could include a single or multiple performance obligations based on the number of print or digital books purchased which are represented by an International Standard Book Number (ISBN's), with each ISBN representing a performance obligation. Each ISBN has an observable stand-alone selling price since Wiley sells the books separately.

This revenue stream also includes variable consideration as it relates to discounts and returns for both print and digital books. Discounts are identifiable by performance obligation and therefore are applied at the point of sale by performance obligation. The process that we use to determine our sales returns and the related reserve provision charged against revenue is based on applying an estimated return rate to current year returnable print book sales. This rate is based upon an analysis of actual historical return experience in the various markets and geographic regions in which we do business. We collect, maintain, and analyze significant amounts of sales returns data for large volumes of homogeneous transactions. This allows us to make reasonable estimates of the amount of future returns. All available data is utilized to identify the returns by market and to which fiscal year the sales returns apply. This enables management to track the returns in detail and identify and react to trends occurring in the marketplace, with the objective of being able to make the most informed judgments possible in setting reserve rates. Associated with the estimated sales return reserves, we also include a related increase to inventory and reduction to accrued royalties as a result of the expected returns.

As it relates to print and digital books within the Education and Professional Publishing, revenue is recognized at the point when control of product transfers, which for print is upon shipment or for digital when fulfillment of the products has been rendered.

Digital Courseware Products

Courseware customers purchase access codes to utilize the product. This could include a single or multiple performance obligations based on the number of course ISBNs purchased. Revenue is recognized over time in the period from when the access codes are activated over the applicable semester term to which such product relates.

Test Preparation and Certification Products

Test Preparation and Certification contracts are generally three-year agreements. This revenue stream includes multiple performance obligations as it relates to the online and printed course materials, including such items as textbooks, ebooks, video lectures, flashcards, study guides and test banks. The transaction price is fixed; however, discounts are offered and returns of certain products are allowed. We allocate revenue to each performance obligation based on its relative standalone selling price. This standalone selling price is generally based upon the observable selling prices where the product is sold separately to customers. Depending on the performance obligation, revenue is recognized at the time the product is delivered and control has passed to the customer, or over time due to our stand-ready obligation to provide updates to the customer.

Licensing and Other

Revenue derived from our licensing contracts is primarily comprised of advance payments and sales- or usage-based royalties. Revenue for advance payments is recognized at the point in time that the functional intellectual property license is granted. For sales- or usage- based royalties, we record revenue under these arrangements for the amounts due and not yet reported to us based on estimates of the sales or usage of these customers and pursuant to the terms of the contracts.

Professional Learning Products

Professional Learning products revenue was \$280.7 million in the year ended April 30, 2021. Professional Learning (print and digital) products generate approximately 48% of revenue from contracts with its customers from Professional Publishing, and Licensing and Other, both of which are described above, and both are mainly recognized at a point in time. Approximately 52% of Professional Learning products revenue is from contracts with its customers from Corporate Training and Corporate Learning, which is recognized mainly over time.

Corporate Training

Corporate Training through our authorized distributor network includes multiple performance obligations. This includes a performance obligation that includes an annual membership which includes the right to purchase products and services, access to the platform, support and training. This performance obligation is recognized over time since we have an obligation to stand-ready for the customer's use of the services. In addition, there are performance obligations for the assessments and related products or services which are recognized at a point in time when the assessment, product or service is provided or delivered. The transaction price is allocated to each performance obligation based on its observable standalone selling price which is generally the contractually stated price for the performance obligation related to the annual membership, and for the other performance obligations based on its relative observable selling price when sold separately.

In addition, as it relates to Corporate Training customers' unexercised rights for situations where we have received a nonrefundable payment for a customer to receive an assessment and the customer is not expected to exercise such right, we will recognize such "breakage" amounts as revenue in proportion to the pattern of rights exercised by the customer which is generally one year.

Corporate Learning

The transaction price consists of fixed consideration that is determined at the beginning of each year and received at the same time. Within Corporate Learning there are multiple performance obligations, which includes the licenses to learning content and the learning application. Revenue is recognized over time as we have a continuous obligation to provide the right of access to the intellectual property which includes the licenses and learning applications.

Education Services

Education Services revenue was \$281.6 million in the year ended April 30, 2021 and the majority is recognized over time. We disaggregated revenue by type of services provided, which are Education Services OPM and mthree.

Education Services OPM

Education Services OPM engages in the comprehensive management of online degree programs for universities and has grown to include a broad array of tech enabled service offerings that address our partner specific pain points. Increasingly, this includes delivering full stack career credentialing education that advances specific careers with in-demand skills.

Education Services OPM include market research, marketing, student recruitment, enrollment support, proactive retention support, academic services to design courses, faculty support, and access to the Engage Learning Management System, which facilitates the online education experience. Graduate degree programs include Business Administration, Finance, Accounting, Healthcare, Engineering, Communications, and others. As of April 30, 2021, the Education Services OPM business had 66 university partners under contract. We are also extending the core OPM business as well as delivering a broader array of essential university and career credentialing services that the market is demanding and which leverage our core Wiley skills and assets. This full stack education includes teacher professional development and IT skills training, through which we develop and deliver professional credits and job placement through our corporate partners. In addition, Education Services OPM derives revenue from unbundled service offerings. Education Services OPM revenue is primarily derived from prenegotiated contracts with institutions that provide for a share of tuition generated from students who enroll in a program. The duration of Education Services OPM contracts are generally multiyear agreements ranging from a period of 7-10 years, with some having optional renewal periods. These optional renewal periods are not a material right and are not considered a separate performance obligation.

Education Services OPM includes a single performance obligation for the services provided because of the integrated technology and services our institutional clients need to attract, enroll, educate and support students. Consideration is variable since it is based on the number of students enrolled in a program. We begin to recognize revenue at the start of the delivery of the class within a semester overtime, which is also when the variable consideration contingency is resolved. Education Services OPM revenue was \$227.7 million in the year ended April 30, 2021.

mthree

mthree is a talent placement provider that finds, trains and places job-ready technology talent in roles with leading corporations worldwide. mthree's contracts with customers includes a performance obligation for the services provided, which is recognized at the point in time the services are provided to its customers. mthree's revenue was \$53.9 million in the year ended April 30, 2021.

Accounts Receivable, net and Contract Liability Balances

When consideration is received, or such consideration is unconditionally due, from a customer prior to transferring goods or services to the customer under the terms of a contract, a contract liability is recorded. Contract liabilities are recognized as revenue when, or as, control of the products or services are transferred to the customer and all revenue recognition criteria have been met.

The following table provides information about accounts receivable, net and contract liabilities from contracts with customers.

	<u>April 30, 2021</u>	<u>April 30, 2020</u>	<u>Increase/ (Decrease)</u>
Balances from contracts with customers:			
Accounts receivable, net	\$ 311,571	\$ 309,384	\$ 2,187
Contract liabilities ⁽¹⁾	545,425	520,214	25,211
Contract liabilities (included in Other long-term liabilities)	\$ 19,560	\$ 14,949	\$ 4,611

(1) The sales return reserve recorded in Contract liabilities is \$38.0 million and \$32.8 million as of April 30, 2021 and April 30, 2020, respectively. See Note 2, "Summary of Significant Accounting Policies, Recently Issued, and Recently Adopted Accounting Standards" for further details of the sales return reserve.

For the year ended April 30, 2021, we estimate that we recognized as revenue substantially all of the current contract liability balance at April 30, 2020.

The increase in contract liabilities excluding the sales return reserve as of April 30, 2021 was primarily driven by renewals of journal subscription agreements, comprehensive agreements, open access, and test preparation and certification offerings and, to a lesser extent, the impact of foreign exchange, partially offset by revenue earned on journal subscription agreements, comprehensive agreements, open access and test preparation and certification offerings.

Remaining Performance Obligations included in Contract Liability

As of April 30, 2021, the aggregate amount of the transaction price allocated to the remaining performance obligations is approximately \$565.0 million, which included the sales return reserve of \$38.0 million. Excluding the sales return reserve, we expect that approximately \$507.4 million will be recognized in the next twelve months with the remaining \$19.6 million to be recognized thereafter.

Assets Recognized for the Costs to Fulfill a Contract

Costs to fulfill a contract are directly related to a contract that will be used to satisfy a performance obligation in the future and are expected to be recovered. These costs are amortized on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. These types of costs are incurred in the following product types, (1) Research Platforms services, which includes customer specific implementation costs per the terms of the contract and (2) Education Services, which includes customer specific costs to develop courses per the terms of the contract.

Our assets associated with incremental costs to fulfill a contract were \$12.1 million and \$11.5 million at April 30, 2021 and 2020, respectively, and are included within Other non-current assets on our Consolidated Statements of Financial Position. We recorded amortization expense of \$5.1 million, \$4.2 million, and \$2.6 million in the years ended April 30, 2021, 2020 and 2019, respectively, related to these assets within Cost of sales on the Consolidated Statements of Income (Loss).

Sales and value-added taxes are excluded from revenues. Shipping and handling costs, which are primarily incurred within the Academic & Professional Learning segment, occur before the transfer of control of the related goods. Therefore, in accordance with the revenue standard, it is not considered a promised service to the customer and would be considered a cost to fulfill our promise to transfer the goods. Costs incurred for third party shipping and handling are primarily reflected in Operating and administrative expenses on the Consolidated Statements of Income (Loss). We incurred \$27.8 million, \$28.8 million, and \$32.7 million in shipping and handling costs in the years ended April 30, 2021, 2020, and 2019 respectively.

Note 4 – Acquisitions

Pro forma financial information related to these acquisitions has not been provided as it is not material to our consolidated results of operations.

Fiscal Year 2021

Hindawi

On December 31, 2020, we completed the acquisition of 100% of the outstanding stock of Hindawi Limited (Hindawi). Hindawi is a scientific research publisher and an innovator in open access publishing. Its results of operations are included in our Research Publishing & Platforms segment.

The preliminary fair value of the consideration transferred at the acquisition date was \$300.1 million which included \$299.3 million of cash and \$0.8 million related to the settlement of a preexisting relationship. We financed the payment of the cash consideration primarily through borrowings under our Amended and Restated RCA (as defined below in Note 14, "Debt and Available Credit Facilities") and using cash on hand. The fair value of the cash consideration transferred, net of \$1.0 million of cash acquired was approximately \$298.3 million.

The Hindawi acquisition was accounted for using the acquisition method of accounting. The preliminary excess purchase price over identifiable net tangible and intangible assets acquired, and liabilities assumed has been recorded to Goodwill in our Consolidated Statements of Financial Position. Goodwill represents synergies and economies of scale expected from the combination of services. We recorded the preliminary fair value of the assets acquired and liabilities assumed on the acquisition date. None of the goodwill will be deductible for tax purposes. The acquisition related costs to acquire Hindawi were expensed when incurred and were approximately \$2.4 million for the year ended April 30, 2021. Such costs were allocated to the Research Publishing and Platforms segment and are reflected in Operating and administrative expenses on the Consolidated Statements of Income (Loss) for the year ended April 30, 2021.

Hindawi's revenue and operating loss included in our Research Publishing and Platforms segment results for the year ended April 30, 2021 was \$12.0 million and \$2.1 million, respectively.

The following table summarizes the preliminary consideration transferred to acquire Hindawi and the preliminary allocation of the purchase price among the assets acquired and liabilities assumed.

	Preliminary Allocation as of January 31, 2021	Measurement Period Adjustments	Preliminary Allocation as of April 30, 2021
Total consideration transferred	\$ 300,086	\$ —	\$ 300,086
Assets:			
Current assets	2,902	(90)	2,812
Technology, property and equipment, net	844	—	844
Intangible assets, net	194,400	500	194,900
Goodwill	141,775	5,613	147,388
Operating lease right-of-use assets	3,716	46	3,762
Other non-current assets	177	(108)	69
Total assets	<u>\$ 343,814</u>	<u>\$ 5,961</u>	<u>\$ 349,775</u>
Liabilities:			
Current liabilities	3,657	(63)	3,594
Deferred income tax liabilities	36,936	95	37,031
Operating lease liabilities	3,135	15	3,150
Other long-term liabilities	—	5,914	5,914
Total liabilities	<u>\$ 43,728</u>	<u>\$ 5,961</u>	<u>\$ 49,689</u>

The following table summarizes the identifiable intangible assets acquired and their weighted-average useful life at the date of acquisition.

	Estimated Fair Value	Weighted-Average Useful Life (in Years)
Content and publishing rights	\$ 188,500	15
Developed technology	5,000	6
Trademarks	1,000	2
Customer relationships	400	10
Total	<u>\$ 194,900</u>	

The allocation of the total consideration transferred to the assets acquired, including intangible assets and goodwill, and the liabilities assumed is preliminary, and could be revised as a result of additional information obtained due to the finalization of the third-party valuation report, leases and related commitments, tax related matters and contingencies and certain assets and liabilities, including receivables and payables, but such amounts will be finalized within the measurement period, which will not exceed one year from the acquisition date. We are also in the process of aligning our accounting policies, which could result in changes related to financial statement presentation.

Fiscal Year 2020

mthree

On January 1, 2020, we completed the acquisition of 100% of the outstanding stock of mthree. mthree is a rapidly growing talent placement provider that addresses the IT skills gap by finding, training and placing job-ready technology talent in roles with leading corporations worldwide. Its results of operations are included in our Education Services segment.

The fair value of the consideration transferred was \$129.9 million (£98.5 million) which included \$122.2 million of cash at the acquisition date, \$6.4 million that was paid in cash after the acquisition date as part of the assumed liabilities, and \$1.3 million of cash to be paid after the acquisition date. We financed the payment of the cash consideration primarily through borrowings under our Amended and Restated RCA (as defined below in Note 14, "Debt and Available Credit Facilities") and using cash on hand. The fair value of the cash consideration transferred including those amounts paid after the acquisition date in the year ended April 30, 2020, net of \$2.2 million of cash acquired was approximately \$126.4 million. The fair value of the cash consideration transferred after the acquisition date, that was paid during the year ended April 30, 2021 was \$1.2 million.

At the time of the acquisition, Wiley entered into agreements with certain employees of mthree who will remain employees after the acquisition. Cash payments will be made based on reaching certain revenue and EBITDA targets in each year over a four-year period. Such payments are subject to continuing employment and would therefore be considered compensation expense for services provided subsequent to the acquisition. Such expense would be recognized when it becomes probable that the targets will be achieved.

The mthree acquisition was accounted for using the acquisition method of accounting. The excess purchase price over identifiable net tangible and intangible assets acquired, and liabilities assumed has been recorded to Goodwill in our Consolidated Statements of Financial Position. The fair value assessed for the majority of the tangible assets acquired and liabilities assumed equaled their carrying value. Goodwill represents synergies and economies of scale expected from the combination of services. We recorded the fair value of the assets acquired and liabilities assumed on the acquisition date. None of the goodwill will be deductible for tax purposes. The acquisition related costs to acquire mthree were expensed when incurred and were approximately \$1.3 million for the twelve months ended April 30, 2020. Such costs were primarily allocated to the Education Services segment and were reflected in Operating and administrative expenses on the Consolidated Statements of Income (Loss) in the year ended April 30, 2020.

mthree's incremental revenue included in our Education Services segment results for the year ended April 30, 2021 was \$32.6 million.

The following table summarizes the consideration transferred to acquire mthree and the final allocation of the purchase price among the assets acquired and liabilities assumed.

	<u>Preliminary Allocation as of April 30, 2020</u>	<u>Measurement Period Adjustments</u>	<u>Final Allocation</u>
Total cash consideration at the acquisition date and cash to be paid	\$ 122,242	\$ 1,289	\$ 123,531
Assets:			
Current assets	8,750	473	9,223
Technology, property and equipment, net	484	—	484
Intangible assets, net	56,836	—	56,836
Goodwill	82,561	—	82,561
Operating lease right-of-use assets	3,710	—	3,710
Total assets	<u>\$ 152,341</u>	<u>\$ 473</u>	<u>\$ 152,814</u>
Liabilities:			
Current liabilities	14,380	(816)	13,564
Deferred income tax liabilities	12,722	—	12,722
Operating lease liabilities	2,692	—	2,692
Other long-term liabilities	305	—	305
Total liabilities	<u>\$ 30,099</u>	<u>\$ (816)</u>	<u>\$ 29,283</u>

The following table summarizes the identifiable intangible assets acquired and their weighted-average useful life at the date of acquisition.

	<u>Fair Value</u>	<u>Weighted-Average Useful Life (in Years)</u>
Customer relationships	\$ 48,792	12
Trademarks	6,725	10
Content	1,319	4
Total	<u>\$ 56,836</u>	

The allocation of the consideration transferred to the assets acquired and the liabilities assumed was final during the three months ended January 31, 2021.

Zyante Inc.

On July 1, 2019, we completed the acquisition of Zyante Inc. (zyBooks), a leading provider of computer science and STEM education courseware. The results of operations of zyBooks are included in our Academic & Professional Learning segment results. The fair value of the consideration transferred at the acquisition date was \$57.1 million which included \$55.9 million of cash and \$1.2 million of additional consideration to be paid after the acquisition date, inclusive of purchase price adjustments which were finalized in the three months ended January 31, 2020. The fair value of the cash consideration transferred in the year ended April 30, 2020, including those amounts paid after the acquisition date, net of \$1.8 million of cash acquired was approximately \$54.7 million. The fair value of the cash consideration transferred after the acquisition date, that was paid during the year ended April 30, 2021 was \$0.3 million.

The zyBooks acquisition was accounted for using the acquisition method of accounting. The excess purchase price over identifiable net tangible and intangible assets acquired, and liabilities assumed has been recorded to Goodwill in our Consolidated Statements of Financial Position as of April 30, 2020. The fair value assessed for the majority of the tangible assets acquired and liabilities assumed equaled their carrying value. Goodwill represents synergies and economies of scale expected from the combination of services. Goodwill has been allocated to the Academic & Professional Learning segment. None of the goodwill will be deductible for tax purposes.

zyBooks incremental revenue included in our Academic & Professional Learning segment results for the year ended April 30, 2021 was \$1.3 million.

The following table summarizes the consideration transferred to acquire zyBooks and the allocation of the purchase price among the assets acquired and liabilities assumed.

	Final Allocation
Total cash consideration transferred	\$ 55,939
Assets:	
Current assets	2,280
Technology, property and equipment, net	28
Intangible assets, net	24,500
Goodwill	36,903
Total assets	<u>\$ 63,711</u>
Liabilities:	
Current liabilities	2,581
Deferred income tax liabilities	5,191
Total liabilities	<u>\$ 7,772</u>

The following table summarizes the identifiable intangible assets acquired and their weighted-average useful life at the date of acquisition.

	Fair Value	Weighted-Average Useful Life (in Years)
Developed technology	\$ 10,400	7
Customer relationships	6,800	10
Content	4,400	10
Trademarks	2,900	10
Total	<u>\$ 24,500</u>	

The allocation of the consideration transferred to the assets acquired and the liabilities assumed was final as of April 30, 2020.

Other Acquisitions in Fiscal Year 2020

The fair value of cash consideration transferred during the year ended April 30, 2020 for all other acquisitions was approximately \$48.5 million. The fair value of the cash consideration transferred after the acquisition dates, that was paid during the year ended April 30, 2021 was \$0.1 million. These other acquisitions were accounted for using the acquisition method of accounting as of their respective acquisition dates.

During the year ended April 30, 2021, a revision of \$11.7 million from goodwill to intangible assets was made to the allocation of the consideration transferred to the assets acquired and liabilities assumed for the Informatics and Madgex acquisitions, due to completion of the third-party valuation. The excess purchase price over identifiable net tangible and intangible assets acquired, and liabilities assumed of \$17.3 million has been recorded to Goodwill on our Consolidated Statements of Financial Position as of April 30, 2021, and \$39.4 million of intangible assets subject to amortization have been recorded, including customer relationships, developed technology, content and trademarks that are being amortized over estimated weighted average useful lives of 7, 8, 10, and 10 years, respectively. The fair value assessed for the majority of the tangible assets acquired and liabilities assumed equaled their carrying value. Goodwill represents synergies and economies of scale expected from the combination of services. Goodwill of \$8.5 million has been allocated to the Academic & Professional Learning segment, and \$8.8 million has been allocated to the Research Publishing & Platforms segment. The incremental revenue for the year ended April 30, 2021 related to these other acquisitions was approximately \$13.5 million.

On April 1, 2020, we completed the acquisition of Bio-Rad Laboratories Inc.'s Informatics products including the company's spectroscopy software and spectral databases (Informatics). The results of Informatics are included in our Research Publishing & Platforms segment results.

On March 2, 2020, we completed the acquisition of Madgex Holdings Limited (Madgex), a market-leading provider of advanced job board software and career center services. The results of Madgex are included in our Research Publishing & Platforms segment results.

The allocation of the consideration transferred to the assets acquired and the liabilities assumed for Informatics and Madgex was final as of April 30, 2021.

On May 31, 2019, we completed the acquisition of certain assets of Knewton, Inc. (Knewton). Knewton is a provider of affordable courseware and adaptive learning technology. The results of Knewton are included in our Academic & Professional Learning segment results. The allocation of the consideration transferred to the assets acquired and the liabilities assumed for Knewton was final as of April 30, 2020.

We also completed in fiscal year 2020 the acquisition of two immaterial businesses, which are included in our Research Publishing & Platforms segment, one immaterial business included in our Academic & Professional Learning segment results and one immaterial business in our Education Services business. The allocation of the consideration transferred to the assets acquired and the liabilities assumed for these other acquisitions was final as of October 31, 2020.

Note 5 – Reconciliation of Weighted Average Shares Outstanding

A reconciliation of the shares used in the computation of earnings (loss) per share follows (shares in thousands):

	For the Years Ended April 30,		
	2021	2020	2019
Weighted average shares outstanding	55,931	56,224	57,240
Less: Unvested restricted shares	(1)	(15)	(48)
Shares used for basic earnings (loss) per share	55,930	56,209	57,192
Dilutive effect of unvested restricted stock units and other stock awards	531	—	648
Shares used for diluted earnings (loss) per share	56,461	56,209	57,840
Antidilutive options to purchase Class A common shares, restricted shares, warrants to purchase Class A common shares and contingently issuable restricted stock which are excluded from the table above	982	1,677	958

In calculating diluted net loss per common share for the year ended April 30, 2020, our diluted weighted average number of common shares outstanding excludes the effect of unvested restricted stock units and other stock awards as the effect was anti-dilutive. This occurs when a US GAAP net loss is reported and the effect of using dilutive shares is antidilutive.

The shares associated with performance-based stock awards are considered contingently issuable shares and will be included in the diluted weighted average number of common shares outstanding when they have met the performance conditions and when their effect is dilutive.

Note 6 – Accumulated Other Comprehensive Loss

Changes in Accumulated Other Comprehensive Loss by component, net of tax, for the years ended April 30, 2021, 2020, and 2019 were as follows:

	Foreign Currency Translation	Unamortized Retirement Costs	Interest Rate Swaps	Total
Balance at April 30, 2018	\$ (251,573)	\$ (191,026)	\$ 3,019	\$ (439,580)
Other comprehensive (loss) income before reclassifications	(60,534)	(9,422)	1,121	(68,835)
Amounts reclassified from Accumulated other comprehensive loss	—	4,391	(4,714)	(323)
Total other comprehensive loss	(60,534)	(5,031)	(3,593)	(69,158)
Balance at April 30, 2019	\$ (312,107)	\$ (196,057)	\$ (574)	\$ (508,738)
Other comprehensive loss before reclassifications	(28,596)	(36,965)	(5,988)	(71,549)
Amounts reclassified from Accumulated other comprehensive loss	—	5,102	(312)	4,790
Total other comprehensive loss	(28,596)	(31,863)	(6,300)	(66,759)
Balance at April 30, 2020	\$ (340,703)	\$ (227,920)	\$ (6,874)	\$ (575,497)
Other comprehensive income (loss) before reclassifications	82,762	(6,273)	(639)	75,850
Amounts reclassified from Accumulated other comprehensive loss	—	6,047	2,810	8,857
Total other comprehensive income (loss)	82,762	(226)	2,171	84,707
Balance at April 30, 2021	\$ (257,941)	\$ (228,146)	\$ (4,703)	\$ (490,790)

For the years ended April 30, 2021, 2020 and 2019, pretax actuarial losses included in Unamortized Retirement Costs of approximately \$7.8 million, \$6.4 million, and \$5.5 million respectively, were amortized from Accumulated Other Comprehensive Loss and recognized as pension and post-retirement benefit expense in Operating and administrative expenses and Other income on the Consolidated Statements of Income (Loss).

Our policy for releasing the income tax effects from accumulated other comprehensive (loss) income is to release when the corresponding pretax accumulated other comprehensive (loss) income items are reclassified to earnings.

Note 7 – Restructuring and Related Charges

Business Optimization Program

Beginning in fiscal year 2020, we initiated a multiyear Business Optimization Program (the Business Optimization Program) to drive efficiency improvement and operating savings.

The following tables summarize the pretax restructuring charges related to this program:

	For the Years Ended April 30,		Total Charges Incurred to Date
	2021	2020	
Charges by Segment:			
Research Publishing & Platforms	\$ 99	\$ 3,546	\$ 3,645
Academic & Professional Learning	3,229	10,475	13,704
Education Services	531	3,774	4,305
Corporate Expenses	29,590	15,018	44,608
Total Restructuring and Related Charges	<u>\$ 33,449</u>	<u>\$ 32,813</u>	<u>\$ 66,262</u>
Charges (Credits) by Activity:			
Severance and termination benefits	\$ 11,531	\$ 26,864	\$ 38,395
Impairment of operating lease ROU assets and property and equipment	14,918	161	15,079
Acceleration of expense related to operating lease ROU assets and property and equipment	3,378	—	3,378
Facility related charges	3,684	3,986	7,670
Other activities	(62)	1,802	1,740
Total Restructuring and Related Charges	<u>\$ 33,449</u>	<u>\$ 32,813</u>	<u>\$ 66,262</u>

In November 2020, in response to the COVID-19 pandemic and the Company's successful transition to a virtual work environment, we increased use of virtual work arrangements for post-pandemic operations. As a result, we expanded the scope of the Business Optimization Program to include the exit of certain leased office space beginning in the three months ended January 31, 2021, and the reduction of our occupancy at other facilities. We are reducing our real estate square footage occupancy by approximately 12%. These actions resulted in a pretax restructuring charge of \$18.3 million in the three months ended January 31, 2021. This restructuring charge primarily reflects the following noncash charges:

- impairment charges of \$14.9 million recorded in our corporate category, which included the impairment of operating lease ROU assets of \$10.6 million related to certain leases that will be subleased, and the related property and equipment of \$4.3 million described further below, and
- acceleration of expense of \$3.4 million, which included the acceleration of rent expense associated with operating lease ROU assets of \$2.9 million related to certain leases that will be abandoned or terminated and the related depreciation and amortization of property and equipment of \$0.5 million.

Due to the actions taken above, we tested the operating lease ROU assets and the related property and equipment for those being subleased for recoverability by comparing the carrying value of the asset group to an estimate of the future undiscounted cash flows expected to result from the use and eventual disposition of the asset group. Based on the results of the recoverability test, we determined that the undiscounted cash flows of the asset groups were below the carrying values. Therefore, there was an indication of impairment. We then determined the fair value of the asset groups by utilizing the present value of the estimated future cash flows attributable to the assets. The fair value of these operating lease ROU assets and the property and equipment immediately subsequent to the impairment was \$7.5 million and is categorized as Level 3 within the FASB ASC Topic 820, "Fair Value Measurements" fair value hierarchy.

In addition, we also incurred ongoing facility-related costs associated with certain properties that resulted in additional restructuring charges of \$3.7 million in the year ended April 30, 2021.

Other Activities for the year ended April 30, 2020 primarily relate to reserves and costs associated with the cessation of certain offerings, and, to a lesser extent, a pension settlement, and the impairment of certain software licenses.

The following table summarizes the activity for the Business Optimization Program liability for the year ended April 30, 2021:

	April 30, 2020	Charges (Credits)	Payments	Foreign Translation & Other Adjustments	April 30, 2021
Severance and termination benefits	\$ 17,632	\$ 11,531	\$ (18,310)	\$ 612	\$ 11,465
Other activities	430	(264)	(262)	96	—
Total	\$ 18,062	\$ 11,267	\$ (18,572)	\$ 708	\$ 11,465

The restructuring liability for accrued severance and termination benefits is reflected in Accrued employment costs in the Consolidated Statement of Financial Position as of April 30, 2021.

Restructuring and Reinvestment Program

Beginning in the year ended April 30, 2013, we initiated a global program (the Restructuring and Reinvestment Program) to restructure and realign our cost base with current and anticipated future market conditions. We are targeting a majority of the expected cost savings achieved to improve margins and earnings, while the remainder will be reinvested in high-growth digital business opportunities.

The following tables summarize the pretax restructuring (credits) charges related to this program:

	For the Years Ended April 30,			Total Charges Incurred to Date
	2021	2020	2019	
(Credits) Charges by Segment:				
Research Publishing & Platforms	\$ (135)	\$ 340	\$ 1,131	\$ 26,749
Academic & Professional Learning	274	(5)	1,139	43,108
Education Services	—	(103)	389	3,764
Corporate Expenses	(278)	(438)	459	95,662
Total Restructuring and Related (Credits) Charges	\$ (139)	\$ (206)	\$ 3,118	\$ 169,283
(Credits) Charges by Activity:				
Severance and termination benefits	\$ (139)	\$ (250)	\$ 1,456	\$ 115,870
Consulting and contract termination costs	—	(171)	526	20,984
Other activities	—	215	1,136	32,429
Total Restructuring and Related (Credits) Charges	\$ (139)	\$ (206)	\$ 3,118	\$ 169,283

Other activities for the year ended April 30, 2020 include facility related costs. Other activities for the year ended April 30, 2019 reflect lease impairment related costs.

The following table summarizes the activity for the Restructuring and Reinvestment Program liability for the year ended April 30, 2021:

	April 30, 2020	(Credits)	Payments	Foreign Translation & Other Adjustments	April 30, 2021
Severance and termination benefits	\$ 1,360	\$ (139)	\$ (888)	\$ 69	\$ 402
Other activities	230	—	(207)	239	262
Total	\$ 1,590	\$ (139)	\$ (1,095)	\$ 308	\$ 664

The restructuring liability as of April 30, 2021 for accrued severance and termination benefits is reflected in Accrued employment costs in the Consolidated Statement of Financial Position.

The restructuring liability as of April 30, 2021 for other activities are reflected in Other accrued liabilities in the Consolidated Statement of Financial Position and mainly relate to facility relocation and lease impairment related costs.

We currently do not anticipate any further material charges related to the Restructuring and Reinvestment Program.

Note 8 – Inventories

Inventories, net consisted of the following at April 30:

	2021	2020
Finished goods	\$ 31,704	\$ 36,014
Work-in-process	2,060	1,398
Paper and other materials	331	331
Total inventories before estimated sales returns and LIFO reserve	34,095	37,743
Inventory value of estimated sales returns	10,886	8,686
LIFO reserve	(2,443)	(2,815)
Inventories, net	<u>\$ 42,538</u>	<u>\$ 43,614</u>

See Note 2, “Summary of Significant Accounting Policies, Recently Issued and Recently Adopted Accounting Standards,” under the caption “Sales Return Reserves,” for a discussion of the Inventory value of estimated sales returns.

Finished goods not recorded at LIFO have been recorded at the lower of cost or net realizable value, which resulted in a reduction of \$14.0 million and \$16.1 million as of April 30, 2021 and 2020, respectively.

Note 9 – Product Development Assets

Product development assets, net consisted of the following at April 30:

	2021	2020
Book composition costs	\$ 20,474	\$ 18,744
Software costs	23,262	28,995
Content development costs	5,781	5,904
Product development assets, net	<u>\$ 49,517</u>	<u>\$ 53,643</u>

Product development assets include \$6.3 million and \$4.9 million of work-in-process as of April 30, 2021 and 2020, respectively. As of April 30, 2021 this is primarily for book composition costs and, to a lesser extent, software costs. As of April 30, 2020, this is primarily for book composition costs.

Product development assets are net of accumulated amortization of \$269.0 million and \$244.1 million as of April 30, 2021 and 2020, respectively.

Note 10 – Technology, Property and Equipment

Technology, property and equipment, net consisted of the following at April 30:

	2021	2020
Capitalized software	\$ 536,878	\$ 471,844
Computer hardware	50,714	46,640
Buildings and leasehold improvements	99,636	99,230
Furniture, fixtures, and warehouse equipment	42,674	44,104
Land and land improvements	3,656	3,298
Technology, property and equipment, gross	733,558	665,116
Accumulated depreciation and amortization	(451,288)	(367,111)
Technology, property and equipment, net	<u>\$ 282,270</u>	<u>\$ 298,005</u>

The following table details our depreciation and amortization expense for technology, property and equipment, net:

	For the Years Ended April 30,		
	2021	2020	2019
Capitalized software amortization expense	\$ 69,184	\$ 55,685	\$ 50,095
Depreciation and amortization expense, excluding capitalized software	21,955	21,031	19,323
Total depreciation and amortization expense for technology, property and equipment	<u>\$ 91,139</u>	<u>\$ 76,716</u>	<u>\$ 69,418</u>

Technology, property and equipment includes \$0.6 million and \$0.9 million of work-in-process as of April 30, 2021 and 2020, respectively, for capitalized software.

The net book value of capitalized software costs was \$202.8 million and \$207.5 million as of April 30, 2021 and 2020, respectively.

Note 11 – Goodwill and Intangible Assets

Goodwill

The following table summarizes the activity in goodwill by segment as of April 30:

	2020 ⁽¹⁾	Acquisitions ⁽²⁾	Foreign Translation Adjustment	2021
Research Publishing & Platforms	\$ 448,130	\$ 136,789	\$ 34,284	\$ 619,203
Academic & Professional Learning	501,091	—	11,421	512,512
Education Services	167,569	—	5,056	172,625
Total	<u>\$ 1,116,790</u>	<u>\$ 136,789</u>	<u>\$ 50,761</u>	<u>\$ 1,304,340</u>

(1) The Education Services goodwill balance as of April 30, 2020 includes a cumulative pretax noncash goodwill impairment of \$110.0 million.

(2) Refer to Note 4, "Acquisitions," for more information related to the acquisitions that occurred in the year ended April 30, 2021.

Annual Goodwill Impairment Test as of February 1, 2021

During the fourth quarter of 2021, we completed step one of our annual goodwill impairment test for our reporting units. We concluded that the fair values of our reporting units were above their carrying values and, therefore, there was no indication of impairment.

We estimated the fair value of these reporting units using a weighting of fair values derived from an income and a market approach. Under the income approach, we determined the fair value of a reporting unit based on the present value of estimated future cash flows. Cash flow projections are based on our best estimates of forecasted economic and market conditions over the period including growth rates, expected changes in operating cash flows and cash expenditures. The discount rate used is based on a weighted average cost of capital adjusted for the relevant risk associated with the characteristics of the business and the projected cash flows. The market approach estimates fair value based on market multiples of current and forward 12-month revenue or EBITDA, as applicable, derived from comparable publicly traded companies with similar operating and investment characteristics as the reporting unit.

As noted above, the fair value determined as part of the annual goodwill impairment test completed in the fourth quarter exceeded the carrying value for all of our reporting units. Therefore, there was no impairment of goodwill. However, if the fair value of these reporting units decrease in future periods, we could potentially have an impairment. The future occurrence of a potential indicator of impairment, such as a decrease in expected net earnings, changes in assumptions including the impact of COVID-19, adverse equity market conditions, a decline in current market multiples, a decline in our common stock price, a significant adverse change in legal factors or business climates, an adverse action or assessment by a regulator, unanticipated competition, strategic decisions made in response to economic or competitive conditions, or a more-likely-than-not expectation that a reporting unit or a significant portion of a reporting unit will be sold or disposed of, could require an interim assessment for some or all of the reporting units before the next required annual assessment.

Annual Goodwill Impairment Test as of February 1, 2020

As of February 1, 2020, we completed our annual goodwill impairment test for our reporting units. We concluded that the fair values of our Research Publishing & Platforms and Academic & Professional Learning reporting units were above their carrying values and, therefore, there was no indication of impairment.

During our annual goodwill impairment test initiated on February 1, 2020 we identified indicators that the goodwill of the Education Services business was impaired due to underperformance as compared with our acquisition case projections for revenue growth and operating cash flow. Subsequently, during the fourth quarter of fiscal year 2020, we determined that our updated revenue and operating cash flow projections would be further impacted by anticipated near-term headwinds due to COVID-19, including adverse impacts on new student starts and student reenrollment. Therefore, we updated the impairment test as of March 31, 2020 to reflect this change in circumstances. As a result, we concluded that the carrying value was above the fair value which resulted in a pretax noncash goodwill impairment of \$110.0 million. This charge is reflected in Impairment of goodwill and intangible assets in the Consolidated Statements of Income (Loss).

Prior to performing the goodwill impairment test for Education Services, we also evaluated the recoverability of long-lived assets of the reporting unit. The carrying value of the long-lived assets that were tested for impairment was \$434.0 million. When indicators of impairment are present, we test definite lived and long-lived assets for recoverability by comparing the carrying value of an asset group to an estimate of the future undiscounted cash flows expected to result from the use and eventual disposition of the asset group. We considered the lower than expected revenue and forecasted operating cash flows over a sustained period of time, and downward revisions to our cash flow forecasts for this reporting unit to be indicators of impairment for their long-lived assets. Based on the results of the recoverability test, we determined that the undiscounted cash flows of the asset group of the Education Services reporting unit exceeded the carrying value. Therefore, there was no impairment.

Intangible Assets

Intangible assets, net as of April 30 were as follows:

	2021			2020			
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Accumulated Impairment	Net
Intangible assets with definite lives, net							
Content and publishing rights	\$ 1,062,072	\$ (497,843)	\$ 564,229	\$ 806,862	\$ (444,756)	\$ —	\$ 362,106
Customer relationships	384,462	(117,985)	266,477	377,652	(87,234)	—	290,418
Developed technology ⁽¹⁾	42,785	(7,824)	34,961	19,225	(3,273)	(2,841)	13,111
Brands and trademarks	45,630	(26,094)	19,536	42,877	(22,689)	—	20,188
Covenants not to compete	1,250	(1,192)	58	1,675	(1,429)	—	246
Total ⁽²⁾	1,536,199	(650,938)	885,261	1,248,291	(559,381)	(2,841)	686,069
Intangible assets with indefinite lives							
Brands and trademarks ⁽¹⁾	37,000	—	37,000	130,107	—	(93,107)	37,000
Publishing rights	93,041	—	93,041	84,336	—	—	84,336
Total	130,041	—	130,041	214,443	—	(93,107)	121,336
Total intangible assets, net	\$ 1,666,240	\$ (650,938)	\$ 1,015,302	\$ 1,462,734	\$ (559,381)	\$ (95,948)	\$ 807,405

(1) The developed technology balance as of April 30, 2021 is presented net of accumulated impairments and write-offs of \$2.8 million. The indefinite-lived brands and trademarks cost balance as of April 30, 2021 is net of accumulated impairments of \$93.1 million.

(2) Refer to Note 4, "Acquisitions," for more information related to the acquisitions that occurred in 2021 and 2020.

Based on the current amount of intangible assets subject to amortization and assuming current foreign exchange rates, the estimated amortization expense for the following years are as follows:

Fiscal Year	Amount
2022	\$ 82,401
2023	76,125
2024	71,367
2025	65,764
2026	63,410
Thereafter	526,194
Total	\$ 885,261

Annual Indefinite-Lived Intangibles Impairment Test as of February 1, 2021

We also review our indefinite-lived intangible assets for impairment annually, which consists of brands and trademarks and certain acquired publishing rights. As of February 1, 2021, we completed our annual impairment test related to the indefinite-lived intangible assets. We concluded that the fair values of these indefinite-lived intangible assets were above their carrying values and, therefore, there was no indication of impairment.

Fiscal Year 2020 Impairment

Annual Indefinite-Lived Intangibles Impairment Test as of February 1, 2020

During the fourth quarter of 2020, we completed our annual impairment test related to the indefinite-lived intangible assets. We concluded that the fair values of these indefinite-lived intangible assets were above their carrying values and, therefore, there was no indication of impairment, except for the Blackwell indefinite-lived trademark.

For the year ended April 30, 2020, we recorded a pretax noncash impairment charge of \$89.5 million for our Blackwell trademark, which was acquired in 2007 and carried as an indefinite-lived intangible asset primarily related to our Research Publishing & Platforms segment. The impairment reflects our decision to simplify Wiley's brand portfolio and unify our research journal content under one Wiley brand, which will sharply limit the use of the Blackwell trade name. This impairment resulted in writing off substantially all of the carrying value of the intangible trademark asset. This charge is reflected in Impairment of goodwill and intangible assets in the Consolidated Statements of Income (Loss). The resulting noncash impairment charge was entirely unrelated to COVID-19 or the expected future financial performance of the Research Publishing & Platforms segment.

Intangible Assets with Definite Lives

As a result of our decision to discontinue the use of certain technology offerings within the Research Publishing & Platforms segment, we recorded a pretax noncash impairment charge of \$2.8 million related to a certain developed technology intangible. This charge was included in Impairment of goodwill and intangible assets on the Consolidated Statements of Income (Loss).

Note 12 — Operating Leases

We have contractual obligations as a lessee with respect to offices, warehouses and distribution centers, automobiles, and office equipment.

We determine if an arrangement is a lease at inception of the contract in accordance with guidance detailed in the lease standard and we perform the lease classification test as of the lease commencement date. ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term.

The present value of the lease payments is calculated using an incremental borrowing rate, which was determined based on the rate of interest that we would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term. We use an unsecured borrowing rate and risk-adjust that rate to approximate a collateralized rate.

Under the new leasing standard, leases that are more than one year in duration are capitalized and recorded on the Consolidated Statements of Financial Position. Some of our leases offer an option to extend the term of such leases. We utilize the reasonably certain threshold criteria in determining which options we will exercise. Furthermore, some of our lease payments are based on index rates with minimum annual increases. These represent fixed payments and are captured in the future minimum lease payments calculation.

For operating leases, the ROU assets and liabilities as of April 30 are presented in our Consolidated Statement of Financial Position as follows:

	<u>2021</u>	<u>2020</u>
Operating lease ROU assets	\$ 121,430	\$ 142,716
Short-term portion of operating lease liabilities	22,440	21,810
Operating lease liabilities, non-current	\$ 145,832	\$ 159,782

During the year ended April 30, 2021, we added \$6.1 million to the ROU assets and \$5.7 million to the operating lease liabilities due to new leases, including due to acquisitions, as well as modifications and remeasurements to our existing operating leases.

As a result of expanding the scope of the Business Optimization Program to include the exit of certain leased office space beginning in the third quarter of fiscal 2021, we incurred a pretax restructuring charge of \$18.3 million in the three months ended January 31, 2021. This charge included impairment charges and acceleration of expense associated with certain operating lease ROU assets. See Note 7, "Restructuring and Related Charges" for more information on this program and the charges incurred.

Our total net lease costs were as follows:

	For the Years Ended April 30,	
	2021	2020
Operating lease cost	\$ 24,862	\$ 26,027
Variable lease cost	2,135	3,856
Short-term lease cost	248	86
Sublease income	(722)	(691)
Total net lease cost ⁽¹⁾	\$ 26,523	\$ 29,278

(1) Total net lease cost does not include those costs included in Restructuring and related charges on our Consolidated Statements of Income (Loss). See Note 7, "Restructuring and Related Charges" for more information on these programs.

Other supplemental information includes the following:

	For the Years Ended April 30,	
	2021	2020
Weighted-average remaining contractual lease term (years)	9	10
Weighted-average discount rate	5.89%	5.89%
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 32,344	\$ 28,243

The table below reconciles the undiscounted cash flows for the first five years and total of the remaining years to the operating lease liabilities recorded in the Consolidated Statement of Financial Position as of April 30, 2021:

Fiscal Year	Operating Lease Liabilities
2022	\$ 30,674
2023	26,905
2024	24,799
2025	23,235
2026	20,584
Thereafter	95,000
Total future undiscounted minimum lease payments	221,197
Less: Imputed interest	52,925
Present value of minimum lease payments	168,272
Less: Current portion	22,440
Noncurrent portion	\$ 145,832

Prior to the Adoption of ASC Topic 842

The following schedule shows the composition of net rent expense for operating leases for the year ended April 30:

	2019
Minimum rental	\$ 29,066
Less: sublease rentals	(719)
Total	\$ 28,347

Rent expense associated with operating leases that include scheduled rent increases and tenant incentives, such as rent holidays or leasehold improvement allowances, were recorded on a straight-line basis over the term of the lease.

Note 13 – Income Taxes

The provisions for income taxes were as follows:

	For the Years Ended April 30,		
	2021	2020	2019
Current Provision			
US – Federal	\$ (6,631)	\$ 1,145	\$ 2,384
International	43,269	37,494	52,518
State and local	1,359	172	2,536
Total current provision	\$ 37,997	\$ 38,811	\$ 57,438
Deferred (benefit) provision			
US – Federal	\$ (11,996)	\$ (8,476)	\$ 335
International	1,175	(15,022)	(7,630)
State and local	480	(4,118)	(5,454)
Total deferred (benefit)	\$ (10,341)	\$ (27,616)	\$ (12,749)
Total provision	\$ 27,656	\$ 11,195	\$ 44,689

International and United States pretax income (loss) were as follows:

	For the Years Ended April 30,		
	2021	2020	2019
International	\$ 202,490	\$ 104,185	\$ 204,326
United States	(26,578)	(167,277)	8,626
Total	\$ 175,912	\$ (63,092)	\$ 212,952

Our effective income tax rate as a percentage of pretax income differed from the US federal statutory rate as shown below:

	For the Years Ended April 30,		
	2021	2020	2019
US federal statutory rate	21.0%	21.0%	21.0%
Cost of higher taxes on non-US income	1.1	4.8	0.9
State income taxes, net of US federal tax benefit	0.8	3.3	(1.3)
US NOL carryback under CARES Act	(8.0)	—	—
Deferred tax (benefit) from US Tax Act	—	—	0.1
Tax credits and related benefits	(0.5)	(1.1)	(0.8)
Impairment of goodwill and intangibles	—	(42.3)	—
Other	1.3	(3.4)	1.1
Effective income tax rate	15.7%	(17.7)%	21.0%

The effective tax rate was 15.7% for the year ended April 30, 2021, compared to a tax expense rate of 17.7% on a pretax loss for the year ended April 30, 2020. Our rate for the year ended April 30, 2021 benefited by \$14.0 million (8.0%) from the CARES Act and certain regulations issued in late July 2020, which enabled us to carry back certain US net operating losses (NOLs), reducing our tax for the year ended April 30, 2020 compared to prior estimates. This benefit was partially offset by (a) \$3.5 million (2.0%) from an increase in the official UK statutory rate during our three months ended July 31, 2020, resulting in our taxes in non-US income increasing our effective income tax rate and (b) a \$3.2 million (1.8%) increase in our state tax expense included in our state income tax expense above, due to increasing our deferred tax liabilities in connection with our expanded presence in additional states resulting from COVID-19 and employees working in additional locations. The 17.7% tax expense rate on a pretax loss for the year ended April 30, 2020 was primarily due to the non-deductible impairment of goodwill.

In connection with the CARES Act and certain regulations, we carried back our April 30, 2020 US NOL to our year ended April 30, 2015 and claimed a \$20.7 million refund. The refund plus interest was received in February 2021. The NOL was carried back to fiscal year 2015 when the US corporate tax rate was 35.0%. The carryback to a year with a higher rate, plus certain additional net permanent deductions included in the carryback resulted in a \$14.0 million tax benefit. The benefit was partially offset by an increase in the UK statutory rate and an increase in our state tax expense. During the three months ended July 31, 2020, the UK officially enacted legislation that increased its statutory rate from 17% to 19%. This resulted in a \$3.5 million noncash deferred tax expense from the re-measurement of our applicable UK net deferred tax liabilities. During the year ended April 30, 2021, as a result of COVID-19, we adjusted our policies to permit employees to work from home, resulting in an increased presence in many states. This resulted in a \$3.2 million noncash deferred tax expense from the re-measurement of our applicable US net deferred tax liabilities.

Accounting for Uncertainty in Income Taxes:

As of April 30, 2021 and April 30, 2020, the total amount of unrecognized tax benefits were \$9.1 million and \$6.2 million, respectively, of which \$0.7 million and \$0.6 million represented accruals for interest and penalties recorded as additional tax expense in accordance with our accounting policy. We recorded net interest expense on reserves for unrecognized and recognized tax benefits of \$0.2 million within each of the years ended April 30, 2021 and 2020. As of April 30, 2021, and April 30, 2020, the total amounts of unrecognized tax benefits that would reduce our income tax provision, if recognized, were approximately \$7.4 million and \$6.2 million, respectively. We do not expect any significant changes to the unrecognized tax benefits within the next twelve months.

A reconciliation of the unrecognized tax benefits included within the Other long-term liabilities line item on the Consolidated Statements of Financial Position follows:

	2021	2020
Balance at May 1	\$ 6,194	\$ 7,659
Additions for current year tax positions	3,626	694
Additions for prior year tax positions	511	—
Reductions for prior year tax positions	(163)	(655)
Foreign translation adjustment	57	(15)
Payments and settlements	(215)	(56)
Reductions for lapse of statute of limitations	(866)	(1,433)
Balance at April 30	<u>\$ 9,144</u>	<u>\$ 6,194</u>

Tax Audits:

We file income tax returns in the US and various states and non-US tax jurisdictions. Our major taxing jurisdictions are the United States, United Kingdom and Germany. Except for one immaterial item, we are no longer subject to income tax examinations for years prior to fiscal year 2014 in the major jurisdictions in which we are subject to tax. We received a tax audit notice from the Internal Revenue Service with respect to our loss for our year ended April 30, 2020 and the carryback to the year ended April 30, 2015. We also received tax audit notices for our German entities for the fiscal years 2014-2017. The audit process in Germany has been delayed due to COVID-19. We have also addressed inquiries in other jurisdictions where we maintain a smaller presence.

Deferred Taxes:

Deferred taxes result from temporary differences in the recognition of revenue and expense for tax and financial reporting purposes.

We believe that it is more likely than not that the results of future operations will generate sufficient taxable income to realize the net deferred tax assets. The significant components of deferred tax assets and liabilities at April 30 were as follows:

	2021	2020
Net operating losses	\$ 19,433	\$ 17,966
Reserve for sales returns and doubtful accounts	3,838	2,638
Accrued employee compensation	32,835	20,114
Foreign and federal credits	5,129	31,487
Other accrued expenses	16,092	11,827
Retirement and post-employment benefits	30,039	37,927
Total gross deferred tax assets	\$ 107,366	\$ 121,959
Less valuation allowance	(4,855)	(23,287)
Total deferred tax assets	\$ 102,511	\$ 98,672
Prepaid expenses and other current assets	\$ (459)	\$ (1,142)
Unremitted foreign earnings	(2,485)	(1,985)
Intangible and fixed assets	(260,559)	(205,882)
Total deferred tax liabilities	\$ (263,503)	\$ (209,009)
Net deferred tax liabilities	\$ (160,992)	\$ (110,337)
Reported As		
Deferred tax assets	\$ 11,911	\$ 8,790
Deferred tax liabilities	(172,903)	(119,127)
Net Deferred Tax Liabilities	\$ (160,992)	\$ (110,337)

The increase in net deferred tax liabilities is primarily due to additional deferred tax liabilities relating to non-goodwill intangibles acquired in recent acquisitions, partially offset by amortization of our deferred tax liabilities related to non-goodwill intangibles, primarily from prior acquisitions. Our increase in net deferred tax assets is primarily attributable to an increase in our accrued employee compensation and other expenses, partially offset by a decrease in our foreign and federal credits net of applicable valuation allowances, as well as a decrease in our retirement and post-employment benefits. During our year ended April 30, 2021, we expect to use substantially all of our foreign tax credits resulting in the release of related valuation allowances. We have concluded that after valuation allowances, it is more likely than not that we will realize substantially all of the net deferred tax assets at April 30, 2021. In assessing the need for a valuation allowance, we take into account related deferred tax liabilities and estimated future reversals of existing temporary differences, future taxable earnings and tax planning strategies to determine which deferred tax assets are more likely than not to be realized in the future. Changes to tax laws, statutory tax rates and future taxable earnings can have an impact on our valuation allowances.

We have provided a \$4.9 million valuation allowance based primarily on the uncertainty of utilizing the tax benefits related to our deferred tax assets for state and federal net operating losses and credits. As of April 30, 2021, we have apportioned state net operating loss carryforwards totaling approximately \$115.0 million, with a tax effected value of \$6.5 million net of federal benefits. Our state and federal NOLs and credits expire in various amounts over 5 to 19 years.

Since April 30, 2018, we no longer intend to permanently reinvest earnings outside the US. We have recorded a \$2.5 million liability related to the estimated taxes that would be incurred upon repatriating certain non-US earnings.

Note 14 – Debt and Available Credit Facilities

Our total debt outstanding as of April 30 consisted of the amounts set forth in the following table:

	2021	2020
Short-term portion of long-term debt ⁽¹⁾	\$ 12,500	\$ 9,375
Term loan A - Amended and Restated RCA ⁽²⁾	222,928	235,263
Revolving credit facility - Amended and Restated RCA	586,160	530,387
Total long-term debt, less current portion	809,088	765,650
Total debt	\$ 821,588	\$ 775,025

(1) Relates to our term loan A under the Amended and Restated RCA.

(2) Amounts are shown net of unamortized issuance costs of \$0.5 million as of April 30, 2021 and \$0.7 million as of April 30, 2020.

The following table summarizes the scheduled annual maturities for the next four years of our long-term debt, including the short-term portion of long-term debt. This schedule represents the principal portion amount of debt outstanding and therefore excludes unamortized issuance costs.

Fiscal Year	Amount
2022	\$ 12,500
2023	18,750
2024	204,688
2025	586,160
Total	\$ 822,098

Amended and Restated RCA

On May 30, 2019, we entered into a credit agreement that amended and restated our existing revolving credit agreement (Amended and Restated RCA). The Amended and Restated RCA provides for senior unsecured credit facilities comprised of (i) five year revolving credit facility in an aggregate principal amount up to \$1.25 billion, and (ii) a five year term loan A facility consisting of \$250 million.

Under the terms of the Amended and Restated RCA, which can be drawn in multiple currencies, we have the option of borrowing at the following floating interest rates: (i) at a rate based on the London Interbank Offered Rate (LIBOR) plus an applicable margin ranging from 0.98% to 1.50%, depending on our consolidated net leverage ratio, as defined, or (ii) at the lender's base rate plus an applicable margin ranging from zero to 0.50%, depending on our consolidated net leverage ratio. The lender's base rate is defined as the highest of (i) the US federal funds effective rate plus a 0.50% margin, (ii) the Eurocurrency rate, as defined, plus a 1.00% margin, or (iii) the Bank of America prime lending rate. In addition, we pay a facility fee for the revolving credit facility ranging from 0.15% to 0.25% depending on our consolidated net leverage ratio. We also have the option to request an increase in the revolving credit facility by an amount not to exceed \$500 million, in minimum increments of \$50 million, subject to the approval of the lenders.

The Amended and Restated RCA contains certain customary affirmative and negative covenants, including a financial covenant in the form of a consolidated net leverage ratio and consolidated interest coverage ratio, which we were in compliance with as of April 30, 2021.

In the three months ended July 31, 2019, we incurred an immaterial loss on the write-off of unamortized deferred costs in connection with the refinancing of our revolving credit agreement at that time which is reflected in Other income on the Consolidated Statements of Income (Loss) for the three months ended July 31, 2019.

In the three months ended July 31, 2019, we incurred \$4.0 million of costs related to the Amended and Restated RCA which resulted in total costs capitalized of \$5.2 million. The amount related to the term loan A facility was \$0.9 million, consisting of \$0.8 million of lender fees and recorded as a reduction to Long-Term Debt and \$0.1 million of non-lender fees included in Other non-current assets on the Consolidated Statements of Financial Position. The amount related to the five-year revolving credit facility was \$4.3 million, all of which is included in Other non-current assets on the Consolidated Statements of Financial Position.

The amortization expense of the lender and non-lender fees is recognized over the five-year term of the Amended and Restated RCA. Total amortization expense for the years ended April 30, 2021 and 2020 was \$1.1 million and \$1.0 million, respectively and is included in Interest expense on our Consolidated Statement of Income (Loss).

Lines of Credit

We have other lines of credit aggregating \$1.0 million at various interest rates. There were no outstanding borrowings under these credit lines at April 30, 2021, and 2020.

Our total available lines of credit as of April 30, 2021 were approximately \$1.5 billion, of which approximately \$0.7 billion was unused. The weighted average interest rates on total debt outstanding during the years ended April 30, 2021 and 2020 were 2.03% and 3.12%, respectively. As of April 30, 2021, and 2020, the weighted average interest rates for total debt were 1.98% and 2.26%, respectively.

Based on estimates of interest rates currently available to us for loans with similar terms and maturities, the fair value of our debt approximates its carrying value.

Note 15 – Derivative Instruments and Activities

From time to time, we enter into forward exchange and interest rate swap contracts as a hedge against foreign currency asset and liability commitments, changes in interest rates, and anticipated transaction exposures, including intercompany purchases. All derivatives are recognized as assets or liabilities and measured at fair value. Derivatives that are not determined to be effective hedges are adjusted to fair value with a corresponding adjustment to earnings. We do not use financial instruments for trading or speculative purposes.

Interest Rate Contracts

As of April 30, 2021, we had total debt outstanding of \$821.6 million, net of unamortized issuance costs of \$0.5 million of which \$822.1 million are variable rate loans outstanding under the Amended and Restated RCA, which approximated fair value.

As of April 30, 2021 and 2020, the interest rate swap agreements we maintained were designated as fully effective cash flow hedges as defined under FASB ASC Topic 815, “Derivatives and Hedging” (ASC Topic 815). As a result, there was no impact on our Consolidated Statements of Income (Loss) from changes in the fair value of the interest rate swaps, as they were fully offset by changes in the interest expense on the underlying variable rate debt instruments. Under ASC Topic 815, derivative instruments that are designated as cash flow hedges have changes in their fair value recorded initially within Accumulated other comprehensive loss on the Consolidated Statements of Financial Position. As interest expense is recognized based on the variable rate loan agreements, the corresponding deferred gain or loss on the interest rate swaps is reclassified from Accumulated other comprehensive loss to Interest Expense on the Consolidated Statements of Income (Loss). It is management’s intention that the notional amount of interest rate swaps be less than the variable rate loans outstanding during the life of the derivatives.

The following table summarizes our interest rate swaps designated as cash flow hedges:

Hedged Item	Date entered into	Nature of Swap	Notional Amount As of April 30,		Fixed Interest Rate	Variable Interest Rate
			2021	2020		
Amended and Restated RCA	April 12, 2021	Pay fixed/receive variable	\$ 100	\$ —	0.500%	1-month LIBOR reset every month for a 3-year period ending April 15, 2024
Amended and Restated RCA	February 26, 2020	Pay fixed/receive variable	100	100	1.150%	1-month LIBOR reset every month for a 3-year period ending March 15, 2023
Amended and Restated RCA	August 7, 2019	Pay fixed/receive variable	100	100	1.400%	1-month LIBOR reset every month for a 3-year period ending August 15, 2022
Amended and Restated RCA	June 24, 2019	Pay fixed/receive variable	100	100	1.650%	1-month LIBOR reset every month for a 3-year period ending July 15, 2022
			<u>\$ 400</u>	<u>\$ 300</u>		

On April 4, 2016, we entered into a forward starting interest rate swap agreement which fixed a portion of the variable interest due on a variable rate debt renewal on May 16, 2016. Under the terms of the agreement, which expired on May 15, 2019, we paid a fixed rate of 0.920% and received a variable rate of interest based on one-month LIBOR from the counterparty which was reset every month for a three-year period ending May 15, 2019. Prior to expiration, the notional amount of the interest rate swap was \$350.0 million.

We record the fair value of our interest rate swaps on a recurring basis using Level 2 inputs of quoted prices for similar assets or liabilities in active markets. The fair value of the interest rate swaps as of April 30, 2021 and 2020 was a deferred loss of \$5.6 million and \$8.3 million, respectively. Based on the maturity dates of the contracts, the entire deferred loss as of April 30, 2021 and 2020 was recorded within Other long-term liabilities.

The pretax (losses) gains that were reclassified from Accumulated other comprehensive loss to Interest expense for the years ended April 30, 2021, 2020, and 2019 were \$(3.7) million, \$0.4 million, and \$4.7 million, respectively. Based on the amount in Accumulated other comprehensive loss at April 30, 2021, approximately \$3.2 million, net of tax, would be reclassified into net income in the next twelve months.

Foreign Currency Contracts

We may enter into forward exchange contracts to manage our exposure on certain foreign currency denominated assets and liabilities. The forward exchange contracts are marked to market through Foreign exchange transaction losses on our Consolidated Statements of Income (Loss) and carried at fair value on our Consolidated Statements of Financial Position. Foreign currency denominated assets and liabilities are remeasured at spot rates in effect on the balance sheet date, with the effects of changes in spot rates reported in Foreign exchange transaction losses on our Consolidated Statements of Income (Loss).

During the year ended April 30, 2021, to manage foreign currency exposures on an intercompany loan, we entered into one forward exchange contract to sell €32 million and buy \$38.8 million. This forward contract expired on April 15, 2021. We did not designate this forward exchange contract as a hedge under the applicable sections of ASC Topic 815 as the benefits of doing so were not material due to the short-term nature of the contract. The fair value changes in the forward exchange contract substantially mitigated the changes in the value of the applicable foreign currency denominated liability. The fair value of the open forward exchange contract was measured on a recurring basis using Level 2 inputs of quoted prices for similar assets or liabilities in active markets. For the year ended April 30, 2021, the loss recognized on this forward contract was \$0.8 million and included in Foreign exchange transaction losses on our Consolidated Statement of Income (Loss).

As of April 30, 2021 and 2020, we did not maintain any open forward exchange contracts. In addition, we did not maintain any open forward contracts during the years ended April 30, 2020 and 2019.

Note 16 – Commitment and Contingencies

We are involved in routine litigation in the ordinary course of our business. A provision for litigation is accrued when information available to us indicates that it is probable a liability has been incurred and the amount of loss can be reasonably estimated. Significant judgment may be required to determine both the probability and estimates of loss. When the amount of the loss can only be estimated within a range, the most likely outcome within that range is accrued. If no amount within the range is a better estimate than any other amount, the minimum amount within the range is accrued. When uncertainties exist related to the probable outcome of litigation and/or the amount or range of loss, we do not record a liability, but disclose facts related to the nature of the contingency and possible losses if management considers the information to be material. Reserves for legal defense costs are recognized when incurred. The accruals for loss contingencies and legal costs are reviewed regularly and may be adjusted to reflect updated information on the status of litigation and advice of legal counsel. In the opinion of management, the ultimate resolution of all pending litigation as of April 30, 2021, will not have a material effect upon our consolidated financial condition or results of operations.

Note 17 – Retirement Plans

We have retirement plans that cover substantially all employees. The plans generally provide for employee retirement between the ages 60 and 65, and benefits based on length of service and compensation, as defined.

Our Board of Directors approved plan amendments that froze the following retirement plans:

- Retirement Plan for the Employees of John Wiley & Sons, Canada was frozen effective December 31, 2015;
- Retirement Plan for the Employees of John Wiley & Sons, Ltd., a UK plan was frozen effective April 30, 2015 and;
- U.S. Employees' Retirement Plan, Supplemental Benefit Plan, and Supplemental Executive Retirement Plan, were frozen effective June 30, 2013.

We maintain the Supplemental Executive Retirement Plan for certain officers and senior management which provides for the payment of supplemental retirement benefits after the termination of employment for 10 years or in a lifetime annuity. Under certain circumstances, including a change of control as defined, the payment of such amounts could be accelerated on a present value basis. Future accrued benefits to this plan have been discontinued as noted above.

The components of net pension expense (income) for the defined benefit plans and the weighted average assumptions were as follows:

	For the Years Ended April 30,					
	2021		2020		2019	
	US	Non-US	US	Non-US	US	Non-US
Service cost	\$ —	\$ 1,396	\$ —	\$ 1,851	\$ —	\$ 912
Interest cost	9,504	8,901	11,247	12,652	11,704	12,943
Expected return on plan assets	(11,969)	(26,971)	(14,038)	(26,116)	(13,472)	(25,551)
Amortization of prior service cost	(154)	58	(154)	73	(154)	57
Amortization of net actuarial loss	3,501	4,516	2,403	3,993	2,035	3,746
Curtailed/settlement loss	—	—	—	291	—	—
Net pension expense (income)	\$ 882	\$ (12,100)	\$ (542)	\$ (7,256)	\$ 113	\$ (7,893)
Discount rate	3.1%	1.6%	4.1%	2.4%	4.3%	2.6%
Rate of compensation increase	N/A	3.0%	N/A	3.0%	N/A	3.0%
Expected return on plan assets	5.8%	5.7%	6.8%	6.5%	6.8%	6.5%

In the year ended April 30, 2020, there was a settlement charge of \$0.3 million related to the Retirement Plan for the Employees of John Wiley & Sons, Canada which is reflected in Restructuring and related charges in the Consolidated Statements of Income (Loss).

The service cost component of net pension expense (income) is reflected in Operating and administrative expenses on our Consolidated Statements of Income (Loss). The other components of net pension expense (income) are reported separately from the service cost component and below Operating income (loss). Such amounts are reflected in Other income on our Consolidated Statements of Income (Loss).

The Recognized Net Actuarial Loss for each fiscal year is calculated using the "corridor method," which reflects the amortization of the net loss at the beginning of the fiscal year in excess of 10% of the greater of the market value of plan assets or the projected benefit obligation. The amortization period is based on the average expected life of plan participants for plans with all or almost all inactive participants and frozen plans, and on the average remaining working lifetime of active plan participants for all other plans.

We recognize the overfunded or underfunded status of defined benefit postretirement plans, measured as the difference between the fair value of plan assets and the projected benefit obligation, on the Consolidated Statements of Financial Position. The change in the funded status of the plan is recognized in Accumulated other comprehensive loss on the Consolidated Statements of Financial Position. Plan assets and obligations are measured at fair value as of our Consolidated Statements of Financial Position date.

The following table sets forth the changes in and the status of our defined benefit plans' assets and benefit obligations:

	2021		2020	
	US	Non-US	US	Non-US
CHANGE IN PLAN ASSETS				
Fair value of plan assets, beginning of year	\$ 213,946	\$ 445,480	\$ 213,628	\$ 408,249
Actual return on plan assets	34,560	27,971	11,645	48,602
Employer contributions	5,599	12,203	3,700	11,686
Employee contributions	—	—	—	—
Settlements	—	—	—	(1,459)
Benefits paid	(16,976)	(11,921)	(15,027)	(9,162)
Foreign currency rate changes	—	50,153	—	(12,436)
Fair value, end of year	\$ 237,129	\$ 523,886	\$ 213,946	\$ 445,480
CHANGE IN PROJECTED BENEFIT OBLIGATION				
Benefit obligation, beginning of year	\$ (318,967)	\$ (534,303)	\$ (285,197)	\$ (509,015)
Service cost	—	(1,396)	—	(1,851)
Interest cost	(9,504)	(8,901)	(11,247)	(12,652)
Actuarial gains (losses)	8,863	(17,739)	(37,550)	(36,287)
Benefits paid	16,976	11,921	15,027	9,162
Foreign currency rate changes	—	(59,046)	—	15,176
Settlements and other	—	(150)	—	1,164
Benefit obligation, end of year	\$ (302,632)	\$ (609,614)	\$ (318,967)	\$ (534,303)
Underfunded status, end of year	\$ (65,503)	\$ (85,728)	\$ (105,021)	\$ (88,823)
AMOUNTS RECOGNIZED ON THE STATEMENT OF FINANCIAL POSITION				
Noncurrent assets	—	6	—	—
Current pension liability	(3,576)	(1,414)	(4,990)	(885)
Noncurrent pension liability	(61,927)	(84,320)	(100,031)	(87,938)
Net amount recognized in statement of financial position	\$ (65,503)	\$ (85,728)	\$ (105,021)	\$ (88,823)
AMOUNTS RECOGNIZED IN ACCUMULATED OTHER COMPREHENSIVE LOSS (BEFORE TAX) CONSIST OF				
Net actuarial (losses)	\$ (96,613)	\$ (213,958)	\$ (131,569)	\$ (181,403)
Prior service cost gains (losses)	2,100	(1,299)	2,254	(1,051)
Total accumulated other comprehensive loss	\$ (94,513)	\$ (215,257)	\$ (129,315)	\$ (182,454)
Change in accumulated other comprehensive loss	\$ 34,802	\$ (32,803)	\$ (37,695)	\$ (4,143)
INFORMATION FOR PENSION PLANS WITH AN ACCUMULATED BENEFIT OBLIGATION IN EXCESS OF PLAN ASSETS				
Accumulated benefit obligation	\$ 302,632	\$ 566,998	\$ 318,967	\$ 497,489
Fair value of plan assets	\$ 237,129	\$ 513,279	\$ 213,946	\$ 445,480
INFORMATION FOR PENSION PLANS WITH A PROJECTED BENEFIT OBLIGATION IN EXCESS OF PLAN ASSETS				
Projected benefit obligation	\$ 302,632	\$ 599,011	\$ 318,967	\$ 534,303
Fair value of plan assets	\$ 237,129	\$ 513,279	\$ 213,946	\$ 445,480
WEIGHTED AVERAGE ASSUMPTIONS USED IN DETERMINING ASSETS AND LIABILITIES				
Discount rate	3.2%	1.9%	3.1%	1.6%
Rate of compensation increase	N/A	3.0%	N/A	3.0%
Accumulated benefit obligations	\$ (302,632)	\$ (577,600)	\$ (318,967)	\$ (497,489)

Actuarial gains in the US resulting in a decrease to our projected benefit obligation for the year ended April 30, 2021 were primarily due to an increase in the discount rate and updated census data. Actuarial losses in non-US countries resulting in an increase to our projected benefit obligation for the year ended April 30, 2021 were primarily due to an increase in the UK inflation rate offset by an increase in the discount rate.

Actuarial losses in the US and non-US countries resulting in an increase in our projected benefit obligation for the year ended April 30, 2020 were primarily due to a reduction in discount rates and changes to other assumptions.

Pension plan assets/investments:

The investment guidelines for the defined benefit pension plans are established based upon an evaluation of market conditions, plan liabilities, cash requirements for benefit payments, and tolerance for risk. Investment guidelines include the use of actively and passively managed securities. The investment objective is to ensure that funds are available to meet the plans benefit obligations when they are due. The investment strategy is to invest in high quality and diversified equity and debt securities to achieve our long-term expectation. The plans' risk management practices provide guidance to the investment managers, including guidelines for asset concentration, credit rating and liquidity. Asset allocation favors a balanced portfolio, with a global aggregated target allocation of approximately 50% equity securities and 50% fixed income securities and cash. Due to volatility in the market, the target allocation is not always desirable and asset allocations will fluctuate between acceptable ranges of plus or minus 5%. We regularly review the investment allocations and periodically rebalance investments to the target allocations. We categorize our pension assets into three levels based upon the assumptions (inputs) used to price the assets. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment. The three levels are defined as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets.
- Level 2: Observable inputs other than those included in Level 1. For example, quoted prices for similar assets in active markets or quoted prices for identical assets in inactive markets.
- Level 3: Unobservable inputs reflecting assumptions about the inputs used in pricing the asset.

We did not maintain any level 3 assets during the years ended April 30, 2021 and 2020. In accordance with ASU 2015-07, "Fair Value Measurement (Topic 820), Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)", certain investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) practical expedient do not have to be classified in the fair value hierarchy. The fair value amounts presented in the following tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented for the total pension benefit plan assets.

The following tables set forth, by level within the fair value hierarchy, pension plan assets at their fair value as of April 30:

	2021			2020		
	Level 1	Level 2	Total	Level 1	Level 2	Total
US Plan Assets						
Investments measured at NAV:						
Global equity securities: Limited partnership			\$ 121,569			\$ 110,965
Fixed income securities: Commingled trust funds			115,560			102,981
Total assets at NAV			<u>\$ 237,129</u>			<u>\$ 213,946</u>
Non-US Plan Assets						
Equity securities:						
US equities	\$ —	\$ 51,882	\$ 51,882	\$ —	\$ 36,842	\$ 36,842
Non-US equities	—	124,496	124,496	—	103,460	103,460
Balanced managed funds	—	103,717	103,717	—	44,989	44,989
Fixed income securities: Commingled funds	1,444	236,583	238,027	3,431	254,134	257,565
Other:						
Real estate/other	—	543	543	—	490	490
Cash and cash equivalents	5,221	—	5,221	2,134	—	2,134
Total Non-US plan assets	\$ 6,665	\$ 517,221	\$ 523,886	\$ 5,565	\$ 439,915	\$ 445,480
Total plan assets	<u>\$ 6,665</u>	<u>\$ 517,221</u>	<u>\$ 761,015</u>	<u>\$ 5,565</u>	<u>\$ 439,915</u>	<u>\$ 659,426</u>

Expected employer contributions to the defined benefit pension plans in the year ended April 30, 2022 will be approximately \$16.8 million, including \$13.1 million of minimum amounts required for our non-US plans. From time to time, we may elect to make voluntary contributions to our defined benefit plans to improve their funded status.

Benefit payments to retirees from all defined benefit plans are expected to be the following in the fiscal year indicated:

Fiscal Year	US		Non-US		Total
2022	\$	15,305	\$	12,211	\$ 27,516
2023		15,446		11,769	27,215
2024		15,593		12,606	28,199
2025		15,024		14,817	29,841
2026		15,064		14,004	29,068
2027 – 2031		75,870		83,009	158,879
Total	\$	152,302	\$	148,416	\$ 300,718

Retiree Health Benefits

We provide contributory life insurance and health care benefits, subject to certain dollar limitations, for substantially all of our eligible retired US employees. The retiree health benefit is no longer available for any employee who retires after December 31, 2017. The cost of such benefits is expensed over the years the employee renders service and is not funded in advance. The accumulated post-retirement benefit obligation recognized on the Consolidated Statements of Financial Position as of April 30, 2021 and 2020, was \$1.5 and \$1.4 million, respectively. Annual credits for these plans for the years ended April 30, 2021, 2020, and 2019 were \$(0.1) million, \$(0.1) million and \$(0.1) million, respectively.

Defined Contribution Savings Plans

We have defined contribution savings plans. Our contribution is based on employee contributions and the level of our match. We may make discretionary contributions to all employees as a group. The expense recorded for these plans was approximately \$24.3 million, \$19.0 million, and \$13.1 million in the years ended April 30, 2021, 2020, and 2019 respectively.

Note 18 – Stock-Based Compensation

All equity compensation plans have been approved by shareholders. Under the 2014 Key Employee Stock Plan, (the Plan), qualified employees are eligible to receive awards that may include stock options, performance-based stock awards, and other restricted stock awards. Under the Plan, a maximum number of 6.5 million shares of our Class A stock may be issued. As of April 30, 2021, there were approximately 2,357,682 securities remaining available for future issuance under the Plan. We issue treasury shares to fund awards issued under the Plan.

Stock Option Activity

Under the terms of our stock option plan, the exercise price of stock options granted may not be less than 100% of the fair market value of the stock at the date of grant. Options are exercisable over a maximum period of ten years from the date of grant. For the years ended April 30, 2015 and prior, options generally vest 50% on the fourth and fifth anniversary date after the award is granted. For the year ended April 30, 2016, options vest 25% per year on April 30.

We did not grant any stock option awards since the year ended April 30, 2016. As of April 30, 2019, all outstanding options vested allowing the participant the right to exercise their awards, and there was no unrecognized share-based compensation expense remaining related to stock options.

The fair value of the options granted in the year ended April 30, 2016 was \$14.77 using the Black-Scholes option-pricing model. The significant weighted average assumptions used in the fair value determination was the expected life which represented an estimate of the period of time stock options will be outstanding based on the historical exercise behavior of option recipients. The risk-free interest rate was based on the corresponding US Treasury yield curve in effect at the time of the grant. The expected volatility was based on the historical volatility of our Common Stock price over the estimated life of the option, while the dividend yield was based on the expected dividend payments to be made by us.

A summary of the activity and status of our stock option plans follows:

	2021				2020		2019	
	Number of Options (in 000's)	Weighted Average Exercise Price	Weighted Average Remaining Term (in years)	Aggregate Intrinsic Value (in millions)	Number of Options (in 000's)	Weighted Average Exercise Price	Number of Options (in 000's)	Weighted Average Exercise Price
Outstanding at beginning of year	286	\$ 50.14			372	\$ 49.70	611	\$ 48.88
Granted	—	\$ —			—	\$ —	—	\$ —
Exercised	(60)	\$ 43.91			(34)	\$ 38.32	(229)	\$ 47.21
Expired or forfeited	(85)	\$ 52.78			(52)	\$ 54.57	(10)	\$ 56.97
Outstanding at end of year	141	\$ 51.17	2.6	\$ 0.9	286	\$ 50.14	372	\$ 49.70
Exercisable at end of year	141	\$ 51.17	2.6	\$ 0.9	286	\$ 50.14	372	\$ 49.70
Vested and expected to vest in the future at April 30	141	\$ 51.17	2.6	\$ 0.9	286	\$ 50.14	372	\$ 49.70

The intrinsic value is the difference between our common stock price and the option grant price. The total intrinsic value of options exercised during the years ended April 30, 2021, 2020, and 2019 was \$0.2 million, \$0.3 million, and \$4.4 million, respectively. The total grant date fair value of stock options vested during the year ended April 30, 2019 was \$4.8 million.

The following table summarizes information about stock options outstanding and exercisable at April 30, 2021:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Number of Options (in 000's)	Weighted Average Remaining Term (in years)	Weighted Average Exercise Price	Number of Options (in 000's)	Weighted Average Exercise Price
\$39.53	34	2.0	\$ 39.53	34	\$ 39.53
\$48.06 to \$49.55	32	1.1	\$ 48.22	32	\$ 48.22
\$55.99 to \$59.70	75	3.6	\$ 57.76	75	\$ 57.76
Total/average	141	2.6	\$ 51.17	141	\$ 51.17

Performance-Based and Other Restricted Stock Activity

Under the terms of our long-term incentive plans, performance-based restricted unit awards are payable in restricted shares of our Class A Common Stock upon the achievement of certain three-year or less financial performance-based targets. During each three-year period or less, we adjust compensation expense based upon our best estimate of expected performance. For the years ended April 30, 2015 and prior, restricted performance shares vest 50% on the first and second anniversary date after the award is earned. For the years ended April 30, 2016 and 2017, restricted performance shares vest 50% on June 30 following the end of the three-year performance cycle and 50% on April 30 of the following year. Beginning in the year ended April 30, 2018, restricted performance share units vest 100% on June 30 following the end of the three year performance cycle.

We may also grant individual restricted unit awards payable in restricted shares of our Class A Common Stock to key employees in connection with their employment. For the years ended April 30, 2015 and prior, the restricted shares generally vest 50% at the end of the fourth and fifth years following the date of the grant. Starting with the year ended April 30, 2016 grants, restricted shares generally vest ratably 25% per year.

Under certain circumstances relating to a change of control or termination, as defined, the restrictions would lapse, and shares would vest earlier.

Activity for performance-based and other restricted stock awards during the years ended April 30, was as follows (shares in thousands):

	2021		2020		2019	
	Restricted Shares	Weighted Average Grant Date Value	Restricted Shares	Weighted Average Grant Date Value	Restricted Shares	Weighted Average Grant Date Value
Nonvested shares at beginning of year	943	\$ 49.74	756		861	
Granted	706	\$ 41.49	759		415	
Change in shares due to performance	118	\$ 49.84	(70)		(19)	
Vested and issued	(362)	\$ 48.48	(329)		(357)	
Forfeited	(125)	\$ 47.88	(173)		(144)	
Nonvested shares at end of year	1,280	\$ 45.73	943		756	

For the years ended April 30, 2021, 2020 and 2019, we recognized stock-based compensation expense, on a pretax basis, of \$22.0 million, \$20.0 million and \$18.3 million, respectively.

As of April 30, 2021, there was \$36.3 million of unrecognized share-based compensation cost related to performance-based and other restricted stock awards, which is expected to be recognized over a period up to 4 years, or 2.2 years on a weighted average basis.

Compensation expense for restricted stock awards is measured using the closing market price of our Class A Common Stock at the date of grant. The total grant date value of shares vested during the years ended April 30, 2021, 2020, and 2019 was \$17.6 million, \$17.5 million, and \$19.6 million, respectively.

President and CEO New Hire Equity Awards

On October 17, 2017, we announced Brian A. Napack as the new President and Chief Executive Officer of Wiley effective December 4, 2017 (the Commencement Date). Upon the Commencement Date, Mr. Napack also became a member of our Board of Directors (the Board). In connection with his appointment, Wiley and Mr. Napack entered into an employment offer letter (the Employment Agreement).

The Employment Agreement provides that beginning with the year ended April 30, 2018–2020 performance cycle, eligibility to participate in annual grants under our Executive Long-Term Incentive Program (ELTIP). Targeted long-term incentive for this cycle is equal to 300% of base salary, or \$2.7 million. Sixty percent of the ELTIP value will be delivered in the form of target performance share units and forty percent in restricted share units. The grant date fair value for restricted share units was \$59.15 per share and included 20,611 restricted share units, which vest 25% each year starting on April 30, 2018 to April 30, 2021. In addition, there was a performance share unit award with a target of 30,916 units and a grant date fair value of \$59.15. The performance metrics are based on cumulative EBITDA for the year ended April 30, 2018–2020 and cumulative normalized free cash flow for the year ended April 30, 2018–2020.

In addition, the Employment Agreement provides for a sign-on grant of restricted share units, with a grant value of \$4.0 million, converted to shares using our Class A closing stock price as of the Commencement Date, and vesting in two equal installments on the first and second anniversaries of the employment date. The grant date fair value for this award was \$59.15 per share and included 67,625 units at the date of grant. Grants are subject to forfeiture in the case of voluntary termination prior to vesting and accelerated vesting in the case of earlier termination of employment without Cause, due to death or Disability or Constructive Discharge, or upon a Change in Control (as such terms are defined in the Employment Agreement).

Director Stock Awards

Under the terms of our 2018 Director Stock Plan (the Director Plan), each nonemployee director, other than the Chairman of the Board, receives an annual award of restricted shares of our Class A Common Stock equal in value to 100% of the annual director stock retainer fee, based on the stock price at the close of the New York Stock Exchange on the date of grant. Such restricted shares will vest on the earliest of (i) the day before the next Annual Meeting following the grant, (ii) the nonemployee director's death or disability (as determined by the Governance Committee), or (iii) a change in control (as defined in the 2014 Key Employee Stock Plan). The granted shares may not be sold or transferred during the time the nonemployee director remains a director. There were 28,360, 20,048, and 18,991 restricted shares awarded under the Director Plan for the years ended April 30, 2021, 2020, and 2019, respectively.

Note 19 – Capital Stock and Changes in Capital Accounts

Each share of our Class B Common Stock is convertible into one share of Class A Common Stock. The holders of Class A stock are entitled to elect 30% of the entire Board of Directors and the holders of Class B stock are entitled to elect the remainder. On all other matters, each share of Class A stock is entitled to one tenth of one vote and each share of Class B stock is entitled to one vote.

Share Repurchases

During the year ended April 30, 2020, our Board of Directors approved an additional share repurchase program of \$200 million of Class A or B Common Stock. As of April 30, 2021, we had authorization from our Board of Directors to purchase up to \$200 million that was remaining under this program. No share repurchases were made under this program during the years ended April 30, 2021 and 2020.

The share repurchase program described above is in addition to the share repurchase program approved by our Board of Directors during the year ended April 30, 2017 of four million shares of Class A or B Common Stock. As of April 30, 2021, we had authorization from our Board of Directors to purchase up to 497,197 additional shares that were remaining under this program.

The following table summarizes the shares repurchased of Class A and B Common Stock during the years ended April 30 (shares in thousands):

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Shares repurchased – Class A	308	1,080	1,191
Shares repurchased – Class B	2	2	—
Average price – Class A and Class B	\$ 50.93	\$ 43.05	\$ 50.35

Dividends

The following table summarizes the cash dividends paid during the year ended April 30, 2021:

Date of Declaration by Board of Directors	Quarterly Cash Dividend	Total Dividend	Class of Common Stock	Dividend Paid Date	Shareholders of Record as of Date
June 25, 2020	\$0.3425 per common share	\$19.2 million	Class A and Class B	July 22, 2020	July 7, 2020
September 23, 2020	\$0.3425 per common share	\$19.2 million	Class A and Class B	October 21, 2020	October 6, 2020
December 16, 2020	\$0.3425 per common share	\$19.2 million	Class A and Class B	January 13, 2021	December 30, 2020
March 24, 2021	\$0.3425 per common share	\$19.1 million	Class A and Class B	April 21, 2021	April 6, 2021

Changes in Common Stock

The following is a summary of changes during the years ended April 30, in shares of our common stock and common stock in treasury (shares in thousands).

	2021	2020	2019
Changes in Common Stock A:			
Number of shares, beginning of year	70,166	70,127	70,111
Common stock class conversions	42	39	16
Number of shares issued, end of year	<u>70,208</u>	<u>70,166</u>	<u>70,127</u>
Changes in Common Stock A in treasury:			
Number of shares held, beginning of year	23,405	22,634	21,853
Purchase of treasury shares	308	1,080	1,192
Restricted shares issued under stock-based compensation plans - non-PSU Awards	(268)	(232)	(205)
Restricted shares issued under stock-based compensation plans - PSU Awards	(88)	(68)	(110)
Shares issued under the Director Plan to Directors	(6)	(97)	(5)
Restricted shares, forfeited	—	1	9
Restricted shares issued from exercise of stock options	(60)	(34)	(229)
Shares withheld for taxes	129	122	130
Other	(1)	(1)	(1)
Number of shares held, end of year	<u>23,419</u>	<u>23,405</u>	<u>22,634</u>
Number of Common Stock A outstanding, end of year	<u>46,789</u>	<u>46,761</u>	<u>47,493</u>
Changes in Common Stock B:			
	2021	2020	2019
Number of shares, beginning of year	13,016	13,055	13,071
Common stock class conversions	(42)	(39)	(16)
Number of shares issued, end of year	<u>12,974</u>	<u>13,016</u>	<u>13,055</u>
Changes in Common Stock B in treasury:			
Number of shares held, beginning of year	3,920	3,918	3,918
Shares repurchased	2	2	—
Number of shares held, end of year	<u>3,922</u>	<u>3,920</u>	<u>3,918</u>
Number of Common Stock B outstanding, end of year	<u>9,052</u>	<u>9,096</u>	<u>9,137</u>

Warrants

In connection with the acquisition of The Learning House, Inc. (Learning House) on November 1, 2018, a portion of the fair value of the consideration transferred was \$0.6 million of warrants. The warrants were classified as equity and allow the holder to purchase 400,000 shares of our Class A Common Stock at an exercise price of \$90.00, subject to adjustments. The term of the warrants is three years, expiring on November 1, 2021. The fair value of the warrants was determined using the Black-Scholes option pricing model.

Note 20 – Segment Information

We report our segment information in accordance with the provisions of FASB ASC Topic 280, “Segment Reporting”. These segments reflect the way our chief operating decision maker evaluates our business performance and manages the operations. The performance metric used by our chief operating decision maker to evaluate performance of our reportable segments is Adjusted Contribution to Profit. Our segment reporting structure consists of three reportable segments, which are listed below, as well as a Corporate category, which includes certain costs that are not allocated to the reportable segments:

- Research Publishing & Platforms
- Academic & Professional Learning
- Education Services

Segment information is as follows:

	For the Years Ended April 30,		
	2021	2020	2019
Revenue:			
Research Publishing & Platforms	\$ 1,015,349	\$ 948,839	\$ 939,217
Academic & Professional Learning	644,537	650,789	703,303
Education Services	281,615	231,855	157,549
Total revenue	\$ 1,941,501	\$ 1,831,483	\$ 1,800,069
Adjusted Contribution to Profit:			
Research Publishing & Platforms	\$ 273,023	\$ 265,353	\$ 260,885
Academic & Professional Learning	91,676	84,646	147,404
Education Services	21,175	(3,844)	(12,883)
Total adjusted contribution to profit	\$ 385,874	\$ 346,155	\$ 395,406
Adjusted corporate contribution to profit	(167,053)	(165,487)	(168,299)
Total adjusted contribution to profit	\$ 218,821	\$ 180,668	\$ 227,107
Depreciation and Amortization:			
Research Publishing & Platforms	\$ 83,866	\$ 69,495	\$ 60,889
Academic & Professional Learning	71,997	69,807	68,126
Education Services	29,654	24,131	18,117
Total depreciation and amortization	\$ 185,517	\$ 163,433	\$ 147,132
Corporate depreciation and amortization	14,672	11,694	14,023
Total depreciation and amortization	\$ 200,189	\$ 175,127	\$ 161,155

The following table shows a reconciliation of our consolidated US GAAP Operating Income (Loss) to Non-GAAP Adjusted Contribution to Profit:

	For the Years Ended April 30,		
	2021	2020	2019
US GAAP Operating Income (Loss)	\$ 185,511	\$ (54,287)	\$ 223,989
Adjustments:			
Restructuring and related charges ⁽¹⁾	33,310	32,607	3,118
Impairment of goodwill ⁽¹⁾	—	110,000	—
Impairment of Blackwell trade name ⁽¹⁾	—	89,507	—
Impairment of developed technology intangible ⁽¹⁾	—	2,841	—
Non-GAAP Adjusted Contribution to Profit	\$ 218,821	\$ 180,668	\$ 227,107

(1) See Note 7, “Restructuring and Related Charges” and Note 11, “Goodwill and Intangible Assets” for these charges by segment.

See Note 3, “Revenue Recognition, Contracts with Customers,” for revenue from contracts with customers disaggregated by segment and product type for the years ended April 30, 2021, 2020, and 2019.

The following tables shows assets allocated by reportable segment and by the corporate category as of April 30 as follows:

	2021	2020	2019
Research Publishing & Platforms	\$ 1,692,366	\$ 1,225,313	\$ 1,172,145
Academic & Professional Learning	946,760	924,924	959,601
Education Services	472,814	486,316	440,516
Corporate	334,499	532,241	376,504
Total	\$ 3,446,439	\$ 3,168,794	\$ 2,948,766

The following table shows product development spending and additions to technology, property and equipment by reportable segment and by the corporate category:

	For the Years Ended April 30,		
	2021	2020	2019
Research Publishing & Platforms	\$ (24,284)	\$ (16,329)	\$ (12,928)
Academic & Professional Learning	(41,897)	(38,229)	(32,337)
Education Services	(3,449)	(613)	(3,160)
Corporate	(33,731)	(60,030)	(53,168)
Total	\$ (103,361)	\$ (115,201)	\$ (101,593)

Revenue from external customers is based on the location of the customer and technology, property and equipment, net by geographic area were as follows:

	Revenue, net			Technology, Property and Equipment, Net		
	2021	2020	2019	2021	2020	2019
United States	\$ 990,499	\$ 944,075	\$ 932,927	\$ 241,217	\$ 261,296	\$ 252,459
United Kingdom	145,806	174,567	150,242	19,436	18,076	18,331
China	92,305	58,870	55,024	567	492	688
Japan	91,957	75,104	77,145	234	112	87
Germany	78,035	113,664	97,505	8,459	8,059	8,423
Canada	67,635	56,370	50,882	1,067	1,734	2,659
Australia	57,569	73,718	77,453	890	1,051	1,440
France	45,681	45,033	51,441	4,329	1,358	403
Scandinavia	39,836	29,682	30,971	112	223	229
Other Countries	332,178	260,400	276,479	5,959	5,604	4,302
Total	\$ 1,941,501	\$ 1,831,483	\$ 1,800,069	\$ 282,270	\$ 298,005	\$ 289,021

Note 21 – Supplementary Quarterly Financial Information - Results By Quarter (Unaudited)**Amounts in millions, except per share data**

	<u>2021</u>		<u>2020</u>	
Revenue, net				
First quarter	\$	431.3	\$	423.5
Second quarter		491.0		466.2
Third quarter		482.9		467.1
Fourth quarter		536.3		474.7
Year ended April 30,	\$	<u>1,941.5</u>	\$	<u>1,831.5</u>
Gross profit				
First quarter	\$	286.5	\$	280.4
Second quarter		336.2		322.8
Third quarter		325.3		313.2
Fourth quarter		368.2		324.1
Year ended April 30,	\$	<u>1,316.2</u>	\$	<u>1,240.5</u>
Operating income (loss)				
First quarter	\$	30.0	\$	4.5
Second quarter		69.9		63.4
Third quarter		34.4		48.5
Fourth quarter		51.2		(170.7)
Year ended April 30,	\$	<u>185.5</u>	\$	<u>(54.3)</u>
Net income (loss)				
First quarter	\$	16.3	\$	3.6
Second quarter		68.4		44.7
Third quarter		22.2		35.4
Fourth quarter		41.4		(158.0)
Year ended April 30,	\$	<u>148.3</u>	\$	<u>(74.3)</u>
		<u>2021</u>		<u>2020</u>
		<u>Basic</u>	<u>Diluted</u>	<u>Basic</u>
				<u>Diluted</u>
Earnings (loss) per share ⁽¹⁾				
First quarter	\$	0.29	\$	0.29
Second quarter		1.22		0.79
Third quarter		0.40		0.39
Fourth quarter ⁽²⁾		0.74		0.73
Year ended April 30, ⁽²⁾	\$	<u>2.65</u>	\$	<u>2.63</u>
				<u>(2.83)</u>
				<u>(1.32)</u>

(1) The sum of the quarterly earnings (loss) per share amounts may not agree to the respective annual amounts due to rounding.

(2) In calculating diluted earnings (loss) per common share for the fourth quarter and year ended April 30, 2020, our diluted weighted average number of common shares outstanding excludes the effect of unvested restricted stock units and other stock awards as the effect was anti-dilutive. This occurs when a US GAAP net loss is reported and the effect of using dilutive shares is antidilutive.

Note 22 – Subsequent Events**Dividend**

On June 22, 2021, our Board of Directors declared a quarterly dividend of \$0.3450 per share, or approximately \$19.3 million, on our Class A and Class B Common Stock. The dividend is payable on July 21, 2021 to shareholders of record on July 6, 2021.

UK Corporate Tax Rate

As previously disclosed in our Quarterly Report on Form 10-Q filed with the SEC on March 5, 2021, on March 3, 2021, in the UK Budget, the Chancellor of the Exchequer announced a proposed increase in the UK corporate tax rate from 19% to 25%, effective April 2023. On June 10, 2021, the UK officially increased its corporate tax rate from 19% to 25% effective April 2023. We estimate that this statutory tax rate increase will result in a nonrecurring, noncash US GAAP deferred tax expense of approximately \$20 million in our three months ended July 31, 2021.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

Item 9A. Controls and Procedures

Disclosure Controls and Procedures: The Company's Chief Executive Officer and Chief Financial Officer, together with the Chief Accounting Officer and other members of the Company's management, have conducted an evaluation of the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the Exchange Act) as of the end of the period covered by this report. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in reports filed or submitted under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission's rules and forms and (ii) accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting: Our Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based upon the framework in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. We have excluded from the scope of our assessment of internal control over financial reporting the operations and related assets of Hindawi Limited (Hindawi), which we acquired during fiscal year 2021. At April 30, 2021 and for the period from acquisition through April 30, 2021, total assets and operating revenues subject to Hindawi's internal control over financial reporting represented less than 1% of total assets, excluding goodwill and intangible assets which are included within the scope of assessment, and less than 1% of total revenue included in the consolidated financial statements of the Company as of and for the year ended April 30, 2021. Based on their evaluation, our management concluded that our internal control over financial reporting is effective as of April 30, 2021.

KPMG LLP, an independent registered public accounting firm, has audited the consolidated financial statements included in this Annual Report on Form 10-K and, as part of their audit, has issued their report, included herein, on the effectiveness of our internal control over financial reporting.

Changes in Internal Control over Financial Reporting: During fiscal year 2021, we closed on the acquisition of Hindawi. We excluded Hindawi from the scope of management's report on internal control over financial reporting for the year ended April 30, 2021. We are in the process of integrating Hindawi to our overall internal control over financial reporting and will include them in scope for the year ending April 30, 2022. This process may result in additions or changes to our internal control over financial reporting.

We continue to implement additional functionality and enhancements to our previously disclosed global ERP implementation. As with any new information system we implement, this application, along with the internal controls over financial reporting included in this process, will require testing for effectiveness. In connection with this ERP implementation, we are updating our internal controls over financial reporting, as necessary, to accommodate modifications to our business processes and accounting procedures. We do not believe that the ERP implementation will have an adverse effect on our internal control over financial reporting.

Except as described above, there were no changes in our internal control over financial reporting in the fourth quarter of fiscal year 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None

PART III

Item 10. Directors, Executive Officers and Corporate Governance

For information with respect to Executive Officers of the Company, see "Information About Our Executive Officers" as set forth in Part I of this Annual Report on Form 10-K.

The name, age, and background of each of the directors nominated for election are contained under the caption "Election of Directors" in the Proxy Statement for our 2021 Annual Meeting of Shareholders (2021 Proxy Statement) and are incorporated herein by reference.

Information on the audit committee financial experts is contained in the 2021 Proxy Statement under the caption "Report of the Audit Committee" and is incorporated herein by reference.

Information on the Audit Committee Charter is contained in the 2021 Proxy Statement under the caption "Committees of the Board of Directors and Certain Other Information concerning the Board."

Information with respect to the Company's Corporate Governance principles is publicly available on the Company's Corporate Governance website at <https://www.wiley.com/en-us/corporategovernance>.

Item 11. Executive Compensation

Information on compensation of the directors and executive officers is contained in the 2021 Proxy Statement under the captions "Directors' Compensation" and "Executive Compensation," respectively, and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information on the beneficial ownership reporting for the directors and executive officers is contained under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" within the "Beneficial Ownership of Directors and Management" section of the 2021 Proxy Statement and is incorporated herein by reference. Information on the beneficial ownership reporting for all other shareholders that own 5% of more of the Company's Class A or Class B Common Stock is contained under the caption "Voting Securities, Record Date, Principal Holders" in the 2021 Proxy Statement and is incorporated herein by reference.

The following table summarizes the Company's equity compensation plan information as of April 30, 2021:

Plan Category	Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights ⁽¹⁾	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans ⁽²⁾
Equity compensation plans approved by shareholders	1,419,234	\$ 51.17	2,357,682

(1) This amount includes the following awards issued under the 2014 Key Employee Stock Plan:

- 140,973 shares issuable upon the exercise of outstanding stock options with a weighted average exercise price of \$51.17.
- 1,278,261 non-vested performance-based and other restricted stock awards. Since these awards have no exercise price, they are not included in the weighted average exercise price calculation.

(2) Per the terms of the 2014 Key Employee Stock Plan (Plan), a total of 6,500,000 shares shall be authorized for awards granted under the Plan, less one (1) share for every one (1) share that was subject to an option or stock appreciation right granted after April 30, 2014 under the 2009 Key Employee Stock Plan and 1.76 Shares for every one (1) share that was subject to an award other than an option or stock appreciation right granted after April 30, 2014 under the 2009 Key Employee Stock Plan. Any shares that are subject to options or stock appreciation rights shall be counted against this limit as one (1) share for every one (1) share granted, and any shares that are subject to awards other than options or stock appreciation rights shall be counted against this limit as 1.76 Shares for every one (1) share granted. After the Effective Date of the Plan, no awards may be granted under the 2009 Key Employee Stock Plan.

All of the Company's equity compensation plans are approved by shareholders.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information on related party transactions and the policies and procedures for reviewing and approving related party transactions are contained under the caption “Transactions with Related Persons” within the “Board and Committee Oversight of Risk” section of the 2021 Proxy Statement and are incorporated herein by reference.

Information on director independence is contained under the caption “Director Independence” within the “Board of Directors and Corporate Governance” section of the 2021 Proxy Statement.

Item 14. Principal Accounting Fees and Services

Information required by this item is contained in the 2021 Proxy Statement under the caption “Report of the Audit Committee” and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents filed as a part of this Annual Report on Form 10-K:

(1) Financial Statements

See Index to Consolidated Financial Statements and Schedule of this Annual Report on Form 10-K in Part II Item 8.

(2) Financial Statement Schedule

See Schedule II - Valuation and Qualifying Accounts and Reserves - Years Ended April 30, 2021, 2020 and 2019 of this Annual Report on Form 10-K. The other schedules are omitted as they are not applicable, or the amounts involved are not material.

(3) Exhibits

Articles of Incorporation and By-Laws

3.1 [Restated Certificate of Incorporation](#) (incorporated by reference to the Company’s Report on Form 10-K for the year ended April 30, 1992).

3.2 [Certificate of Amendment of the Certificate of Incorporation dated October 13, 1995](#) (incorporated by reference to the Company’s Report on Form 10-K for the year ended April 30, 1996).

3.3 [Certificate of Amendment of the Certificate of Incorporation dated as of September 1998](#) (incorporated by reference to the Company’s Report on Form 10-Q for the quarterly period ended October 31, 1998).

3.4 [Certificate of Amendment of the Certificate of Incorporation dated as of September 1999](#) (incorporated by reference to the Company’s Report on Form 10-Q for the quarterly period ended October 31, 1999).

3.5 [Amended and Restated By-Laws dated as of September 2007](#) (incorporated by reference to the Company’s Report on Form 10-K for the year ended April 30, 2018).

Instruments Defining the Rights of Security Holders, Including Indentures

4.1 [Description of Securities Registered under Section 12 of the Securities Exchange Act of 1934, as amended](#) (incorporated by reference to the Company’s Report on Form 10-K/A (Amendment No. 1) for the year ended April 30, 2020).

Material Contracts

10.1 [Amended and Restated Credit Agreement dated May 30, 2019, among the Company and Bank of America, N.A., as Administrative Agent, Swing Line Lender, and L/C Issuer, and the lenders and other agents party thereto](#) (incorporated by reference to the Company’s Report on Form 8-K filed on June 5, 2019).

- 10.2 [Agreement of the Lease dated as of July 14, 2014 between Hub Properties Trust as Landlord, an independent third party and John Wiley and Sons, Inc as Tenant](#) (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended July 31, 2014).
- 10.3 [2018 Director Stock Plan](#) (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 2019).
- 10.4 [2014 Executive Annual Incentive Plan](#) (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended October 31, 2014).
- 10.5 [Amended 2014 Key Employee Stock Plan](#) (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended October 31, 2014).
- 10.6 [Deferred Compensation Plan for Directors' 2005 & After Compensation](#) (incorporated by reference to the Report on Form 8-K, filed December 21, 2005).
- [10.7*](#) Form of the Fiscal Year 2022 Executive Annual Incentive Plan.
- [10.8*](#) Form of the Fiscal Year 2022 Executive Long Term Incentive Plan.
- 10.9 [Form of the Fiscal Year 2021 Qualified Executive Annual Incentive Plan](#) (incorporated by reference to the Company's Report on Form 10-Q for the period ended July 31, 2020).
- 10.10 [Form of the Fiscal Year 2021 Executive Long Term Incentive Plan](#) (incorporated by reference to the Company's Report on Form 10-Q for the period ended January 31, 2021).
- 10.11 [Form of the Fiscal 2021 Restricted Share Unit Grant Agreement under the Executive Long-Term Incentive Plan, under the Business Officer Equity Program pursuant to the 2014 Key Employee Stock Plan](#) (incorporated by reference to the Company's Report on Form 10-Q for the period ended July 31, 2020).
- 10.12 [Form of the Fiscal Year 2021 Performance Share Unit Grant Agreement, Under the Executive Long-Term Incentive Plan, Under the Business Officer Equity Program Pursuant to the 2014 Key Employee Stock Plan](#) (incorporated by reference to the Company's Report on Form 10-Q for the period ended January 31, 2021).
- 10.13 [Form of the Fiscal Year 2020 Qualified Executive Long Term Incentive Plan](#) (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 2019).
- 10.14 [Form of the Fiscal Year 2019 Qualified Executive Long Term Incentive Plan](#) (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 2018).
- 10.15 [Senior Executive Employment Agreement to Arbitrate dated as of April 29, 2003](#) (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 2003).
- 10.16 [Senior Executive Non-competition and Non-Disclosure Agreement dated as of April 29, 2003](#) (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 2003).
- 10.17 [Senior Executive Employment Agreement dated as of May 20, 2013 between John A. Kritzmacher and the Company](#) (incorporated by reference to the Company's Report on Form 8-K dated as of June 4, 2013).
- 10.18 [Addendum to the Employment Agreement, effective June 26, 2017, between John A. Kritzmacher, and the Company](#) (incorporated by reference to the Company's Report on Form 10-Q for the period ended July 31, 2017).
- 10.19 [Senior Executive Employment Agreement letter dated as of March 15, 2004, between Gary M. Rinck and the Company](#) (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 2011).
- 10.20 [Employment Letter dated September 26, 2016 between Judy Verses, Executive Vice President, and the Company](#) (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 2019).

10.21	Employment Letter dated October 12, 2017 between Brian A. Napack, President and Chief Executive Officer, and the Company (incorporated by reference to the Company's Report on Form 10-Q for the period ended October 31, 2017).
10.22	Employment Letter dated February 5, 2019 between Matthew Kissner, Group Executive, and the Company (incorporated by reference to the Company's Report on Form 8-K filed on February 7, 2019).
10.23	Form of the Fiscal 2021 Restricted Share Unit Grant Agreement with Matthew S. Kissner under the Executive Long-Term Incentive Plan, under the Business Officer Equity Program, pursuant to the 2014 Key Employee Stock Plan (incorporated by reference to the Company's Report on Form 10-Q for the period ended July 31, 2020).
10.24	Separation and Release Agreement, dated June 11, 2021 between Matthew S. Kissner, Group Executive Vice President, and the Company (incorporated by reference to the Company's Report on Form 8-K filed on June 17, 2021).
10.25	Transition and Consulting Agreement, dated June 15, 2021 between Matthew S. Kissner, Group Executive Vice President, and the Company (incorporated by reference to the Company's Report on Form 8-K filed on June 17, 2021).
10.26	Employment Letter dated April 20, 2018 between Aref Matin, Executive Vice President and Chief Technology Officer, and the Company (incorporated by reference to the Company's Report on Form 10-Q for the period ended July 31, 2020).
10.27*	John Wiley & Sons, Inc. Supplemental Executive Retirement Plan as Amended and Restated effective as of January 1, 2014.
10.28*	John Wiley & Sons, Inc. Supplemental Benefit Plan Amended and Restated as of January 1, 2014.
10.29*	Deferred Compensation Plan of John Wiley & Sons, Inc. as Amended and Restated Effective as of January 1, 2016 including amendments through December 31, 2016.
10.30*	Amendment to the Deferred Compensation Plan of John Wiley & Sons, Inc. effective January 1, 2020.
10.31*	Employees' Retirement Plan of John Wiley & Sons, Inc. Amended and Restated June 30, 2013 with amendments through January 1, 2014.
10.32*	Amendment to the Employees' Retirement Plan of John Wiley & Sons, Inc. effective October 1, 2016.
10.33*	Amendment to the Employees' Retirement Plan of John Wiley & Sons, Inc. (IRS model 436 provisions).
10.34*	John Wiley & Sons, Inc. Employees' Savings Plan Amended and Restated Effective July 1, 2013 including amendments through January 1, 2014.
10.35*	Amendment to the John Wiley & Sons, Inc. Employees' Savings Plan approved December 19, 2018.
10.36*	Amendment to the John Wiley & Sons, Inc. Employees' Savings Plan approved September 26, 2019.
10.37*	Amendment to the John Wiley & Sons, inc. Employees' Savings Plan effective January 1, 2020.
10.38*	Amendment to the John Wiley & Sons, Inc. Employees' Savings Plan effective September 1, 2020 and January 1, 2021.
Subsidiaries	
21*	List of Subsidiaries of the Company.
Consent of Independent Registered Public Accounting Firm	
23*	Consent of KPMG LLP.
Certifications Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

[31.2*](#) Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Certifications Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

[32.1*](#) Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

[32.2*](#) Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Inline XBRL
101.INS* Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).

101.SCH* Inline XBRL Taxonomy Extension Schema Document.

101.CAL* Inline XBRL Taxonomy Extension Calculation Linkbase Document.

101.DEF* Inline XBRL Taxonomy Extension Definition Linkbase Document.

101.LAB* Inline XBRL Taxonomy Extension Label Linkbase Document.

101.PRE* Inline XBRL Taxonomy Extension Presentation Linkbase Document.

104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

* Filed herewith

Item 16. Form 10-K Summary

Not applicable.

(2) Financial Statement Schedule

Schedule II

JOHN WILEY & SONS, INC. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED APRIL 30, 2021, 2020, AND 2019
(Dollars in thousands)

Description	Balance at Beginning of Period	Cumulative Effect of Change in Accounting Principle ⁽¹⁾	Charged to Expenses	Deductions From Reserves and Other ⁽²⁾	Balance at End of Period
Year Ended April 30, 2021					
Allowance for sales returns ⁽³⁾	\$ 19,642	\$ —	\$ 36,997	\$ 34,440	\$ 22,199
Allowance for doubtful accounts	\$ 18,335	\$ 1,776	\$ 6,957	\$ 5,594	\$ 21,474
Allowance for inventory obsolescence	\$ 16,067	\$ —	\$ 9,236	\$ 11,333	\$ 13,970
Valuation allowance on deferred tax assets	\$ 23,287	\$ —	\$ 3,213	\$ 21,645	\$ 4,855
Year Ended April 30, 2020					
Allowance for sales returns ⁽³⁾	\$ 18,542	\$ —	\$ 48,829	\$ 47,729	\$ 19,642
Allowance for doubtful accounts	\$ 14,307	\$ —	\$ 5,470	\$ 1,442	\$ 18,335
Allowance for inventory obsolescence	\$ 15,825	\$ —	\$ 8,699	\$ 8,457	\$ 16,067
Valuation allowance on deferred tax assets	\$ 21,179	\$ —	\$ 2,108	\$ —	\$ 23,287
Year Ended April 30, 2019					
Allowance for sales returns ⁽³⁾	\$ 18,628	\$ —	\$ 37,483	\$ 37,569	\$ 18,542
Allowance for doubtful accounts	\$ 10,107	\$ —	\$ 5,279	\$ 1,079	\$ 14,307
Allowance for inventory obsolescence	\$ 18,193	\$ —	\$ 7,328	\$ 9,696	\$ 15,825
Valuation allowance on deferred tax assets	\$ 8,811	\$ —	\$ 51	\$ (12,317)	\$ 21,179

(1) See Note 2, "Summary of Significant Accounting Policies, Recently Issued, and Recently Adopted Accounting Standards" of the Notes to Consolidated Financial Statements of this Form 10-K regarding the adoption of ASU 2016-13, "Financial Instruments—Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments". We adopted the new standard on May 1, 2020, with a cumulative effect adjustment to retained earnings as of the beginning of the year of adoption.

(2) Deductions From Reserves and Other for the years ended April 30, 2021, 2020, and 2019 include foreign exchange translation adjustments. Included in Allowance for doubtful accounts are accounts written off, less recoveries. Included in Allowance for inventory obsolescence are items removed from inventory. Included in Valuation allowance on deferred tax assets for the year ended April 30, 2019 are foreign tax credits generated and valuation allowances needed in connection with the Tax Act. Substantially all of those foreign tax credits are expected to be used during the year ended April 30, 2021 eliminating the need for that portion of our valuation allowance.

(3) Allowance for sales returns represents anticipated returns net of a recovery of inventory and royalty costs. The provision is reported as a reduction of gross sales to arrive at revenue and the reserve balance is reported as an increase in Contract liabilities with a corresponding increase in Inventories, net and a reduction in Accrued royalties for the years ended April 30, 2021, 2020, and 2019.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

JOHN WILEY & SONS, INC.
(Company)

Dated: July 6, 2021

By: /s/ Brian A. Napack
Brian A. Napack
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated.

<u>Signatures</u>	<u>Titles</u>	<u>Dated</u>
<u>/s/ Brian A. Napack</u> Brian A. Napack	President and Chief Executive Officer and Director	July 6, 2021
<u>/s/ John A. Kritzmacher</u> John A. Kritzmacher	Executive Vice President and Chief Financial Officer	July 6, 2021
<u>/s/ Christopher F. Caridi</u> Christopher F. Caridi	Senior Vice President, Global Corporate Controller and Chief Accounting Officer	July 6, 2021
<u>/s/ Jesse C. Wiley</u> Jesse C. Wiley	Chairman of the Board	July 6, 2021
<u>/s/ Mari J. Baker</u> Mari J. Baker	Director	July 6, 2021
<u>/s/ George D. Bell</u> George D. Bell	Director	July 6, 2021
<u>/s/ Beth A. Birnbaum</u> Beth A. Birnbaum	Director	July 6, 2021
<u>/s/ David C. Dobson</u> David C. Dobson	Director	July 6, 2021
<u>/s/ Mariana Garavaglia</u> Mariana Garavaglia	Director	July 6, 2021
<u>/s/ Laurie A. Leshin</u> Laurie A. Leshin	Director	July 6, 2021
<u>/s/ Raymond W. McDaniel, Jr.</u> Raymond W. McDaniel, Jr.	Director	July 6, 2021
<u>/s/ William J. Pesce</u> William J. Pesce	Director	July 6, 2021

FY2022

EXECUTIVE ANNUAL INCENTIVE PLAN

PLAN DOCUMENT

CONFIDENTIAL

MAY 1, 2021

WILEY

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I. DEFINITIONS

Following are definitions for words and phrases used in this document. Unless the context clearly indicates otherwise, these words and phrases are considered to be defined terms and appear in this document in italicized print:

base salary A *participant's* annualized *base salary* as of July 1, 2021 (excluding any temporary pay reductions), or the date of hire or promotion into the *plan*, if later, adjusted for any amount of time the *participant* may not be in the *plan* for reasons of hire, death, disability, retirement and/or termination.

business criteria An indicator of financial performance, chosen from the *business criteria* listed in Section 4(b)(ii) of the *shareholder plan*. The following *business criteria* are used in this *plan*:

operating income Net revenue less cost of sales, amortization of intangibles and operating and administrative expenses, calculated consistently with the *Company's* adjusted results reported publicly

revenue Gross annual *revenue*, net of provision for returns, cancellations, etc., in a manner consistent with amounts reported for the *Company's* segment and total results

business unit A business or subsidiary of the *Company*.

Company John Wiley & Sons, Inc.

Executive Compensation and Development Committee (Committee) The committee of the *Company's* Board of Directors responsible for the review and approval of executive compensation.

financial goal A targeted level of attainment of a given *business criteria*.

financial results Actual achievement of *Company financial goals* for the *plan year* and the business financial results derived therefrom.

funding The percentage of *financial results* against *financial goals* deemed achieved for the *Company*, relative to the *performance levels* set, used to determine the aggregate amount available for annual incentives to be allocated to *participants* under the *plan*.

objectives Assignment of strategic and measurable goals and objectives for each participant for the *plan year*, made by the President & CEO, and in the case of the President & CEO, the *Committee*. For *participants* who lead a *business unit*, objectives include achievement of *business unit financial goals*.

participant An employee of the *Company* selected to participate in the *plan*.

payout Actual gross dollar amount paid to a *participant* under the *plan*, if any, based on achievement of *objectives* within the context of business *funding*.

performance levels

threshold The minimum acceptable level of achievement of a *financial goal* in order to earn a *payout*, expressed as a percentage of *target* (e.g., 95% of *target*).

target Achievement of the assigned *financial goal*-100%.

outstanding Superior achievement of a *financial goal*, earning the maximum *payout*, expressed as a percentage of *target* (e.g., 105% of *target*).

personal performance modifier The assessment of each *participant's* objectives for the *plan year*, made by the President & CEO, and in the case of the President & CEO, the *Committee*, expressed as a percentage between 0 and 200%.

plan This FY 2022 Executive Annual Incentive Plan.

plan year The twelve-month period from May 1, 2021 to April 30, 2022, or a portion of this period, at the discretion of the *Committee*.

shareholder plan The *Company's* 2014 Executive Annual Incentive Plan.

target incentive amount The amount that a *participant* is eligible to receive if *financial goals* are achieved at the *target performance level* and objectives are at 100%.

target incentive percent The percent applied to the *participant's base salary* to determine the *target incentive amount* for this *plan*.

II. PLAN OBJECTIVES

The *plan* is intended to provide the officers and other key colleagues of the *Company* and of its subsidiaries, affiliates and certain joint venture companies, upon whose judgement, initiative and efforts the *Company* depends for its growth and for the profitable conduct of its business, with additional incentive to promote the success of the *Company*.

III. ELIGIBILITY

A *participant* is selected by the President & CEO and recommended for participation to the *Committee*, which has sole discretion for determining eligibility, from among those colleagues in key management positions deemed able to make the most significant contributions to the growth and profitability of the *Company*. The President and CEO of the *Company* is a *participant*. Designation of a *participant* eligible to receive an incentive hereunder for a particular *plan year* shall not require designation of such participant eligible to receive a *payout* in any subsequent *plan year*.

IV. PERFORMANCE MEASUREMENT

The *plan* uses two categories for performance measurement: *Company* financial performance and personal performance.

A. Financial Performance

1. The CEO recommends and the *Committee* adopts, in its sole discretion, *financial goals* and *performance levels* for the *Company* to be used in the *plan year*.
2. Each *financial goal* is assigned a weight, such that the sum of the weights of all *financial goals* equals 100%.

B. Personal Performance

1. Each *participant's objectives* are determined at the beginning of the *plan year* by the *participant* and the President & CEO. The President & CEO's *objectives* are determined by the President & CEO and the *Committee*.
2. *Objectives* may be revised during the *plan year*, as appropriate.

V. PERFORMANCE EVALUATION

A. Financial Performance

1. Actual *financial results* achieved by the *Company* will be determined at the end of the *plan year*, by comparing *financial results* with previously set *financial goals*.
2. In determining the attainment of *financial results*,
 - a. the impact of foreign exchange gains or losses will be excluded.
 - b. the impact of any of the events (1) through (9) listed in Section 4(b)(ii) of the *shareholder plan* will be excluded from the *financial results* of any affected *business unit*.
3. **Funding**
 - a. *Funding* under the *plan* is determined on a continuum, as follows:
 1. For performance below the *threshold* level, the *funding* is zero.
 2. For performance at the *threshold* level, the *funding* is 50%.
 3. For performance between the *threshold* and *target* levels, the *funding* is between 50% and 100%, determined on a pro-rata basis.
 4. For performance at the *target* level, the *funding* is 100%.
 5. For performance between the *target* and *outstanding* levels, the *funding* is between 100% and 150%, determined on a pro-rata basis.
 6. For performance at or above the *outstanding* level, the *funding* is 150%.
 - b. In the case where the *Company* misses *threshold performance* for one or both *financial goals*, but achieves 85% of the *Company's* full-year operating income target, a minimum *funding* of 50% will be available for *payout* under the *plan*.

B. Personal Performance

1. At the end of the *plan year*, each *participant's* performance will be measured by achievement of his/her *objectives*, with a *personal performance modifier* in the range of 0-200%. This assessment will be made by the President & CEO, and in the case of the President & CEO, by the *Committee*. The *personal performance modifier* is multiplied by the *funding* to determine *payout* under the *plan*.
2. The *Committee* approves *payouts* made to all *participants* under the *plan*.

VI. PAYOUTS

- A. *Payouts* will be made within 90 days after the end of the *plan year*.
- B. In the event of a *participant's* death, disability, retirement or leave of absence prior to the *payout* for the *plan year*, the *payout*, if any, will be determined by the *Committee*. Any such *payout* will be calculated as noted in Section V.
- C. A *participant* must be actively employed by the *Company* on the date of *payout* without having given notice or having been given notice of termination to be eligible for a *payout* for the *plan year*. Exceptions to this provision shall be made with the approval of the *Committee*, in its sole discretion.
- D. A *participant* who is hired or promoted into an eligible position during the *plan year* may receive a prorated *payout* as determined by the *Committee*, in its sole discretion.

VII. ADMINISTRATION AND OTHER MATTERS

- A. The *plan* will be administered by the *Committee*, which shall have authority in its sole discretion to interpret and administer this *plan*, including, without limitation, all questions regarding eligibility and status of any *participant*, and no *participant* shall have any right to receive a payout or payment of any kind whatsoever, except as determined by the *Committee* hereunder.
- B. The *Company* will have no obligation to reserve or otherwise fund in advance any amount which may become payable under the *plan*.
- C. In the event that the *Company* is required to file a restatement of its financial results due to fraud, gross negligence or intentional misconduct by one or more employees, and/or material non-compliance with Securities laws, the *Company* will require reimbursement of any annual incentive compensation awarded to all *participants* in the amount by which such compensation exceeded any lower payment that would have been made based on the restated *financial results*, for the fiscal year in which the restatement was required, to the full extent required or permitted by law.
- If a *participant* is directly responsible for or involved in fraud, gross negligence or intentional misconduct that causes the *Company* to file a restatement of its financial results, the *Company* will require reimbursement of all annual incentive compensation awarded to such *participant*, for the fiscal year in which the restatement was required, to the full extent required or permitted by law.
- The action permitted to be taken by the *Company* under this section (C) is in addition to, and not in lieu of, any and all other rights of the *Company* and/or the *Committee* under applicable law and shall apply notwithstanding anything to the contrary in this *plan*.
- D. This *plan* may not be modified or amended except with the approval of the *Committee*, in accordance with the provisions of the *shareholder plan*.
- E. In the event of a conflict between the provisions of this *plan* and the provisions of the *shareholder plan*, the provisions of the *shareholder plan* shall apply.
- F. In the event that any provision of this *plan* shall be considered illegal or invalid for any reason, such illegality and invalidity shall not affect the remaining provisions of the *plan*, but shall be fully severable, and the *plan* shall be construed and enforced as if such illegal or invalid provision had never been contained therein.

JOHN WILEY & SONS, INC.

FY 2022 EXECUTIVE LONG TERM INCENTIVE PLAN

PLAN DOCUMENT

CONFIDENTIAL

May 1, 2021

WILEY

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I. DEFINITIONS

Following are definitions for words and phrases used in this document. Unless the context clearly indicates otherwise, these words and phrases are considered to be defined terms and appear in this document in italicized print:

business criteria An indicator of financial performance, chosen from the *business criteria* listed in Section 10.2 of the *shareholder plan*. The following *business criteria* are used in this *plan*:

revenue Gross annual *revenue*, net of provision for returns, cancellations, etc., in a manner consistent with amounts reported for the *Company's* results for for each year of the *plan period*

EBITDA Adjusted operating income excluding depreciation expense and amortization of intangible and product development assets in the *Company's* Summary of Operations, consistent with amounts reported for the *Company's* adjusted EBITDA results reported publicly, for for each year of the *plan period*

business unit The *Company*, a business or subsidiary of the *Company*, or a global unit of the *Company*.

Company John Wiley & Sons, Inc.

Executive Compensation and Development Committee (Committee) The committee of the *Company's* Board of Directors responsible for the review and approval of executive compensation.

financial goal A targeted level of attainment of a given *business criteria*.

financial results The published, audited financial results of the *Company*.

participant An employee of the *Company* selected to participate in the *plan*.

performance levels

threshold The minimum acceptable level of achievement of a *financial goal* in order to earn a *payout*, expressed as a percentage of *target* (e.g., 85% of *target*).

target Achievement of the assigned *financial goal*-100%.

outstanding superior achievement of a *financial goal*, earning the maximum *payout*, expressed as a percentage of *target* (e.g., 115% of *target*).

performance share unit The contingent right given by the *Company* to a *participant* to receive a share of *stock* issued pursuant to this *plan* and the *shareholder plan* that is subject to forfeiture. In the *shareholder plan*, such *stock* is referred to as "Performance-Based Stock."

performance target A participant's objective to achieve specific *financial goals* for assigned *business criteria* in the *plan period*, as approved by the *Committee*. A *performance target* comprises all of the *financial goals* for the *business criteria* in a *business unit*.

plan This FY 2022 Executive Long Term Incentive Plan.

plan-end adjusted performance share unit award The number of *performance share units* earned by a *participant* at the end of the *plan period* after adjustments, if any, are made, as set forth in Sections V and VIII.

plan period The three year period from May 1, 2021 to April 30, 2024, or a portion of this period, at the discretion of the *Committee*.

restricted share unit The contingent right given by the *Company* to a *participant* to receive a share of *stock* issued pursuant to this *plan* and the *shareholder plan* that is subject to forfeiture. In the *shareholder plan*, such *stock* is referred to as "Restricted Stock."

shareholder plan The John Wiley & Sons, Inc. 2014 Key Employee Stock Plan.

stock Class A Common Stock (par value \$1 per share) of the *Company*.

target award The targeted number of *performance share units* that a *participant* is eligible to receive if 100% of his/her applicable *performance targets* are achieved and the *participant* remains employed by the *Company* through the June 30, 2024 vesting date, except as otherwise provided in Section VIII.

II. PLAN OBJECTIVES

The *plan* is intended to provide the officers and other key colleagues of the *Company* and of its subsidiaries, affiliates and certain joint venture companies, upon whose judgment, initiative and efforts the *Company* depends for its growth and for the profitable conduct of its business, with additional incentive to promote the success of the *Company*.

III. ELIGIBILITY

A *participant* is selected by the President and CEO and recommended for participation to the *Committee*, which has sole discretion for determining eligibility, from among those colleagues in key management positions deemed able to make the most significant contributions to the growth and profitability of the *Company*. The President and CEO of the *Company* is a *participant*. Designation of a *participant* eligible to receive an incentive hereunder for a particular *plan year* shall not require designation of such participant eligible to receive a *payout* in any subsequent *plan year*.

IV. PERFORMANCE TARGETS AND MEASUREMENT

The President and CEO recommends and the *Committee* adopts, in its sole discretion, *performance targets* and *performance levels* for each *participant* to be used in the *plan period*.

- A. *Performance targets*, comprising one or more *financial goals*, are defined for each *business unit*. Each *financial goal* is assigned a weight, such that the sum of the weights of all *financial goals* for a *business unit* equals 100%.
- B. Each *participant* is assigned *performance targets* for one or more *business units*, based on the *participant's* position, responsibilities, and his/her ability to affect the results of the assigned *business unit*. For each *participant*, each *business unit* is assigned a weight, such that the sum of the weights of all *business units* for a *participant* equals 100%. Collectively, all *business unit performance targets* constitute the *participant's plan period* objectives.
- C. Each *financial goal* is assigned *performance levels* (threshold, target and outstanding).

V. PERFORMANCE EVALUATION

A. Financial Results

1. At the end of the *plan period*, the *financial results* for each *business unit* are compared with that unit's *financial goals* to determine the *payout* for each *participant*.
 2. In determining the attainment of *financial goals*, the impact of any of the events (1) through (9) listed in Section 10.2 of the *shareholder plan* will be excluded from the *financial results* for any affected *business unit*.
 3. Award Determination
 - Achievement of *threshold* performance of at least one *financial goal* of a *performance target* is necessary for a *participant* to receive a *payout* for that *performance target*.
 - The unweighted payout factor for each *financial goal* is determined as follows:
 - o For performance below the *threshold* level, the payout factor is zero.
 - o For performance at the *threshold* level, the payout factor is 50%.
 - o For performance between the *threshold* and *target* levels, the payout factor is between 50% and 100%, determined on a pro-rata basis.
 - o For performance at the *target* level, the payout factor is 100%.
-

- o For performance between the *target* and *outstanding* levels, the payout factor is between 100% and 200%, determined on a pro-rata basis.
- o For performance at or above the *outstanding* level, the payout factor is 200%.
- A participant's *plan-end adjusted performance share unit award* is determined as follows:
 - o Each *financial goal's* unweighted payout factor determined above times the weighting of that *financial goal* equals the weighted payout factor for that *financial goal*
 - o The sum of the weighted payout factors for a *business unit's financial goals* equals the payout factor for that *performance target*.
 - o The participant's *target award*

$$\frac{\text{times the business unit weight}}{\text{times the performance target payout factor}} = \text{the participant's payout for that business unit}$$

- o The sum of the payouts for all the *business units* assigned to a *participant* for each year of the *plan period*, divided by three, equals the *participant's total plan-end adjusted performance share unit award*.
- The *Committee* may, in its sole discretion, reduce a *participant's* payout to any level it deems appropriate.

VI. PERFORMANCE SHARE UNIT AWARD PROVISIONS

The *plan-end adjusted performance share unit award* will be compared to the *target award*, and the appropriate amount of *performance share units* will be awarded or forfeited, as required, to bring the *performance share unit award* to the number of shares designated as the *plan-end adjusted performance share unit award*.

VII. RESTRICTED SHARE UNITS

The *participant* may be granted *restricted share units* pursuant to the *shareholder plan* at the beginning of the *plan period*, representing another incentive vehicle by which the *participant* is able to share in the long-term growth of the *Company*. The terms and conditions of the *restricted share unit award* are contained in the *shareholder plan* and in the *restricted share unit award grant agreement*.

VIII. PAYOUTS

- A. Normal Payout. *Plan-end adjusted performance share units awards* will be made within 2-1/2 months after the end of the plan period.
- B. Resignation or Termination with Cause. Except as otherwise provided in this Section VIII or in a written agreement approved by the *Committee*, a *participant* who resigns, or whose employment is terminated by the *Company*, with Cause before the *award* is vested, will forfeit the right to receive an *award*.
- C. Death or Disability. Solely to the extent provided by the *Committee* in the award summary or in a written agreement, in the event of a *participant's* death or disability while in employment prior to the end of the *plan period*, the *participant* (or, in the event of death, his or her estate) will receive a prorated *plan-end adjusted performance share unit award* which shall be paid out in shares based upon actual performance upon the conclusion of the *plan period*, within 2-1/2 months after the end of the *plan period*. "Disability" for this purpose will be determined by the *Committee* under a definition permitted under Code Section 409A.
- D. Retirement or Termination without Cause. Except as otherwise provided in this Section VIII or in a written agreement approved by the *Committee*, in the event of a *participant's* retirement as that term is defined in the *shareholder plan*, or if a *participant's* employment is terminated by the *Company* without Cause, prior to the end of the *plan period*, and the *participant* has been an active *participant* in the performance period for at least one (1) year or more, the *participant* will receive a prorated *plan-end adjusted performance share unit award* (as determined by the *Committee*) which shall be paid out in shares based upon actual performance upon the conclusion of the *plan period*, within 2-1/2 months after the end of the *plan period*.
- E. Change of Control. In the event of a Change of Control, as that term is defined in the *shareholder plan*, in cases where:
- the acquiring company is not publicly traded, or
 - where the acquiring company is publicly traded and the company does not assume or replace the outstanding equity, or
 - *participant's* employment is terminated due to a "without cause termination" or "constructive discharge" within twenty-four months following a change of control,
- all then outstanding "*target*" *performance share units* shall immediately become fully vested, and all *plan-end adjusted performance share unit awards* that are not yet vested shall immediately become fully vested.
- F. Performance Share Units Earned for Completed Plan Periods. In the event of the *participant's* death, Disability, or retirement as that term is defined in the *shareholder plan* or *performance share unit grant agreement*, following the end of the *plan period* but prior to full vesting of the *plan-end adjusted performance share unit awards*, such *performance share units* shall immediately become fully vested.
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- G. Change in Position. A *participant* who is hired or promoted into an eligible position during the *plan period* may receive a prorated *plan-end adjusted performance share unit award* as determined by the *Committee*, in its sole discretion.

IX. ADMINISTRATION AND OTHER MATTERS

- A. The *plan* will be administered by the *Committee*, which shall have authority in its sole discretion to interpret and administer this *plan*, including, without limitation, all questions regarding eligibility and status of any *participant*, and no *participant* shall have any right to receive a payout or payment of any kind whatsoever, except as determined by the *Committee* hereunder.
- B. The *Company* will have no obligation to reserve or otherwise fund in advance any amount which may become payable under the *plan*.
- C. In the event that the *Company* is required to file a restatement of its financial results due to fraud, gross negligence or intentional misconduct by one or more employees and/or material non-compliance with Securities laws, the *Company* will cancel the unvested *performance share units* previously granted to all *participants* in the amount by which such shares exceeded any lower number of shares that would have been earned based on the restated financial results, for the plan cycle in which the restatement was required, and if applicable, any gain associated with the award for that plan cycle will be repaid to the *Company* by the participant in the amount by which such gain exceeded any lower gain that would have been made based on the restated financial results, to the full extent required or permitted by law. This provision extends beyond the clawback requirements under Sarbanes-Oxley that are limited to our Chief Executive Officer and Chief Financial Officer.
- If a *participant* is directly responsible for or involved in fraud, gross negligence or intentional misconduct that causes the *Company* to file a restatement of its financial results, the *Company* will cancel the unvested *performance share units* previously granted to such *participant*, for the plan cycle in which the restatement was required, and if applicable, any gain associated with the award for that plan cycle will be repaid to the *Company* by the *participant*, to the full extent required or permitted by law.
- The action permitted to be taken by the *Company* under this section (c) is in addition to, and not in lieu of, any and all other rights of the *Company* and/or the *Committee* under applicable law and shall apply notwithstanding anything to the contrary in this *plan*.
- D. This *plan* may not be modified or amended except with the approval of the *Committee*, in accordance with the provisions of the *shareholder plan*.
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- E. In the event of a conflict between the provisions of this *plan* and the provisions of the *shareholder plan*, the provisions of the *shareholder plan* shall apply.
- F. In the event that any provision of this *plan* shall be considered illegal or invalid for any reason, such illegality and invalidity shall not affect the remaining provisions of the *plan*, but shall be fully severable, and the *plan* shall be construed and enforced as if such illegal or invalid provision had never been contained therein.
- G. No awards of any type under this *plan* shall be considered as compensation for purposes of defining compensation for retirement, savings or supplemental executive retirement plans, statutory indemnity or any other benefit.

John Wiley & Sons, Inc.
Supplemental Executive Retirement Plan
As Amended and Restated Effective as of January 1, 2014

JOHN WILEY & SONS, INC.
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

RECITALS

The Board of Directors of John Wiley & Sons, Inc. (the "Corporation") in 1983 adopted a Supplemental Executive Retirement Program, (the "Plan"). The principal purpose of the Plan is to ensure the payment of a competitive level of retirement income and death benefits in order to attract, retain and motivate selected executives of the Corporation and its affiliated companies. The Plan was amended from time to time, and renamed in 1989, the "1989 Supplemental Executive Retirement Plan". At a meeting on March 9, 2005, the Board of Directors amended the Plan by freezing participation under the provisions of the 1989 Supplemental Executive Retirement Plan (the "1989 SERP") and establishing effective as of April 1, 2005, a new Supplemental Executive Retirement Program entitled the 2005 Supplemental Executive Retirement Plan (the "2005 SERP") for newly eligible executives and certain eligible executives employed by John Wiley & Sons, Inc. on March 31, 2005 who wish to waive their right to any benefits payable under the provisions of the current Plan in consideration of accruing a benefit for all service with John Wiley & Sons, Inc. under the provisions of the 2005 SERP.

Thus, effective as of April 1, 2005, the John Wiley & Sons, Inc. Supplemental Executive Retirement Plan was amended to consist of two parts; Part A - containing the provisions of the 1989 Supplemental Executive Retirement Plan and Part B - containing the provisions of the 2005 Supplemental Executive Retirement Plan. An individual may not participate in both Part A and Part B of the Plan.

The Plan was last amended and restated, effective as of January 1, 2009, to comply with the provisions of Section 409A of the Internal Revenue Code ("Code") as enacted by the American Jobs Creation Act of 2004, and the regulations promulgated thereunder. At a meeting on June 20, 2013, the Board of Directors amended the Plan by freezing plan accruals, effective as of June 30, 2013, and freezing participation under the 2005 SERP, effective as of June 30, 2013. This amendment and restatement of the Plan is effective as of January 1, 2014 (unless otherwise stated in the Plan) and is intended to reflect all amendments through that date.

PART A

JOHN WILEY & SONS, INC.
1989 SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
(AS AMENDED AND RESTATED - January 1, 2014)

PREAMBLE

This Part A of the Plan (the "1989 SERP") sets forth the provisions of the 1989 Supplemental Executive Retirement Plan as applicable to participants who were employed by the Company on or after January 1, 2005 and who commence payment of their 1989 SERP benefit on or after January 1, 2009. The benefits accrued and vested under the provisions of the 1989 SERP by a Participant who terminated employment with the Company and all Affiliates prior to January 1, 2005 shall be subject to the provisions of the 1989 Supplemental Executive Retirement Plan as in effect on October 3, 2004 without regard to any plan amendments after October 3, 2004, which would constitute a material modification under Code Section 409A. In addition, with respect to a Participant who was employed by the Company on January 1, 2005, the portion of his benefit payable under the provisions of this restated 1989 SERP equal to his Grandfathered 1989 SERP Benefit as defined herein shall be subject to the provisions of 1989 Supplemental Executive Retirement Plan as in effect on October 3, 2004 without regard to any plan amendments after October 3, 2004 which would constitute a material modification for Code Section 409A purposes, unless otherwise provided in Appendix A of the 1989 SERP. Effective as of June 30, 2013, all benefit accruals under the 1989 SERP ceased.

SECTION 1 - DEFINITIONS

- 1.1 **"Accrued Benefit"** means the greater of (a) the Primary Benefit the Participant would have received if the 1989 SERP had not been terminated, suspended or amended, if such is the case, and the Participant had continued to participate until age 65 multiplied by a fraction the numerator of which is the number of months the Participant participated in the 1989 SERP (including participation in the 1983 Plan) prior to June 30, 2013 and the denominator of which is the number of months the Participant would have participated until he had attained age 65 if the 1989 SERP had not been terminated, suspended or amended, if such is the case, and he had continued to participate until age 65 or (b) the Participant's Additional Benefit multiplied by a fraction, the numerator of which is the number of months the Participant participated in the 1989 SERP prior to July 1, 2013 (including participation in the 1983 Plan) and the denominator of which is the number of months the Participant would have participated in the 1989 SERP if he had participated until he attained age 65.
- 1.2 **"Additional Benefit"** means an annual benefit in the amount of the excess, if any, of (a) an amount equal to the Participant's Applicable Percentage times the Participant's Average Highest Compensation over (b) the sum of the Participant's Wiley Basic Plan Benefit, as applicable, and the Participant's Other Retirement Income both determined as of the earliest of his Separation of Service, his Disability, his death or June 30, 2013. The Additional Benefit shall not be reduced as a result of any cost of living or other increase in the Participant's Wiley Basic Plan Benefit which is effective after the earlier of June 30, 2013 or the commencement of benefit payments to the Participant or his Beneficiary under the Wiley Basic Plan. Notwithstanding the foregoing provisions of this Section 1.2, if the Participant is terminated for "Cause" as defined in Section 6.4, whether before or after a "Change of Control" as defined in Section 6.2, the Additional Benefit shall be deemed to be zero.
- 1.2.1 **"409A Additional Benefit"** means the portion, if any, of a Participant's Additional Benefit in excess of the amount of the Participant's Grandfathered Income Benefit.

- 1.3 *"Affiliate"* shall mean any company which is a member of a controlled group of corporations (as defined in Section 414(b) of the Code) which also includes as a member the Corporation; and any trade or business under common control (as defined in Section 414(c) of the Code) with the Corporation.
- 1.4 *"Annual Salary Rate"* means the Participant's base salary rate in effect on the earlier of (i) or (ii) where (i) is the earlier of the Participant's Separation from Service, date of death, or Disability Date and (ii) is June 30, 2013.
- 1.5 *"Applicable Percentage"*, with respect to each Participant, means the percentage of Average Highest Compensation to be used in determining the Participant's Additional Benefit. The Applicable Percentage with respect to each present Participant is set forth in Schedule A and may be increased by resolution of the Committee. In no event shall the Applicable Percentage exceed 65%.
- 1.6 *"Average Highest Compensation"* means a Participant's average annual Compensation during the final 36 months of his employment with the Company or an Affiliate immediately preceding the earliest of his Separation from Service, his death, his Disability Date or June 30, 2013 or, if higher, the three consecutive calendar years ending prior to June 30, 2013 in which his average Compensation was highest (or if he is employed for less than 36 months, the average annual Compensation during the period of his employment immediately preceding the earliest of his Separation from Service, his death, his Disability Date or June 30, 2013). For purposes of this definition the term "Compensation" means "Compensation" as defined in the Wiley Basic Plan, except that 100% instead of 50% of any bonuses, incentive pay and overtime pay shall be included and "Compensation" shall not be limited by the provisions of Section 401(a) (17) of the Internal Revenue Code. Notwithstanding the foregoing provisions of this Section 1.6, Compensation for purposes of the 1989 SERP shall not include any amounts paid pursuant to an incentive plan which relates to a period of more than 12 months, any amounts paid pursuant to any plan, arrangement or agreement which expressly excludes such amounts for purposes of the 1989 SERP or any basic cash remuneration, bonuses, incentive pay or overtime pay received by a Participant on or after July 1, 2013.

- 1.7 **"Beneficiary"** means the person or persons designated by the Participant to receive the Pre-Retirement Survivor Benefit under the 1989 SERP in the event of the Participant's death prior to retirement and the person or persons designated to receive any other benefit payable under the provisions of the 1989 SERP in the event of the Participant's death. If the Participant has not designated a contingent Beneficiary any Beneficiary may in turn designate a Beneficiary to receive any remaining payments that may be due under the provisions of the 1989 SERP in the event of the first Beneficiary's death. In the event there is no effective designation of a Beneficiary then payment shall be made to the estate of the Participant or, if benefits have actually been paid to a Beneficiary, then to the estate of such Beneficiary. A Participant may, from time to time, revoke or change his Beneficiary designation without the consent of any prior Beneficiary by filing a new designation with the Committee. The last such designation received by the Committee shall be controlling; provided, however, that no designation, or change or revocation thereof, shall be effective unless received by the Committee prior to the Participant's death or the Participant's Benefit Commencement Date, if earlier, and in no event shall it be effective as of a date prior to such receipt.
- 1.8 **"Benefit Commencement Date"** means the first day of the first period for which an amount is due as an annuity or any other form.
- 1.9 **"Board"** means the Board of Directors of the Corporation.
- 1.10 **"Code"** means the Internal Revenue Code of 1986, as amended from time to time.
- 1.11 **"Committee"** means the Executive Compensation & Development Committee of the Board.

1.12 **"Company"** means the Corporation with respect to its employees, or with respect to any Participant who is employed by an Affiliate, such Affiliate.

1.13 **"Corporation"** means the John Wiley & Sons, Inc., a New York corporation, and any successor thereto.

1.14 **"Disabled" and "Disability Date"** shall have the meanings set forth in Section 5.1(c).

1.15 **"Grandfathered Income Benefit"** means, with respect to a Participant who (i) terminated employment with the Company and all Affiliates prior to January 1, 2005, or (ii) was employed by the Company on April 1, 2005 and who as of that date was (1) a member of the Board of Directors or (2) a 5% owner of the Corporation (as defined in Code Section 416), or (iii) was within two years of attaining age 65, the portion of his benefit that was accrued and vested before January 1, 2005, determined under provisions of the 1989 SERP without regard to any amendments to the 1989 SERP after October 3, 2004 which would constitute a material modification for Code Section 409A purposes, and the provisions of Code Section 409A, the regulations promulgated thereunder and other applicable guidance based on actuarial equivalent assumptions and procedures chosen by the Committee in accordance with Code Section 409A.

1.16 **"Other Retirement Income"** means annual income (determined as of the earliest of the Participant's Separation from Service, death, or Disability Date, or June 30, 2013) payable to a Participant from the following sources:

- (a) the nonqualified unfunded supplemental plan of the Company adopted by the Board which pays pension benefits which supplement the benefits payable under the Wiley Basic Plan.
- (b) any other contract, agreement or other arrangement with the Corporation or an Affiliate (excluding the Wiley Basic Plan, the John Wiley & Sons, Inc. Employees' Savings Plan and the Deferred Compensation Plan of John Wiley & Sons, Inc.) to the extent it provides retirement or pension benefits.

Where an election is available which would decrease the amount of the annual income payable from such sources (as described in clause (a) and (b) of this Section 1.16), such election shall be disregarded for purposes of this definition. In addition any reduction or adjustment for form of payment or the timing of payment in the amount of the annual income payable from such sources is disregarded in calculating a Participant's Other Retirement Income, unless otherwise provided herein.

1.17 "Participant" means an executive employee of the Corporation or an Affiliate listed on Schedule A hereto or a former executive employee who is a Participant in the 1989 SERP pursuant to Section 2(b).

1.18 "Plan" means the John Wiley & Sons, Inc. Supplemental Executive Retirement Plan, as amended from time to time, which shall consist of Part A -the 1989 SERP and Part B - the 2005 SERP. The "2005 SERP" means the 2005 Supplemental Executive Retirement Plan as set forth in Part B of the Plan.

1.19 "Primary Benefit" means an annual benefit determined as follows:

- (a) The Annual Salary Rate shall be multiplied by 2.5.
- (b) The result in clause (a) shall be reduced by \$50,000.
- (c) The remainder in clause (b) shall be divided by 5 and the result is the Primary Benefit.

1.19.1 "409A Primary Benefit" means the portion, if any, of the Participant's Primary Benefit that exceeds the annual amount of his Grandfathered 409A 1989 SERP Benefit.

1.20 **"Retirement"** means Separation of Service for reasons other than death after reaching age 55 and completing 5 Years of Service.

1.21 **"Separation from Service"** means a "Separation from Service" as such term is defined in the Income Tax Regulations under Section 409A of the Code as modified by the rules described below:

- (a) An employee who is absent from work due to military leave, sick leave, or other bona fide leave of absence pursuant to Company policies shall incur a Separation from Service on the first date immediately following the later of (i) the six-month anniversary of the commencement of the leave (twelve month anniversary for a disability leave of absence) or (ii) the expiration of the employee's right, if any, to reemployment under statute or contract or pursuant to Company policies. For this purpose, a "disability leave of absence" is an absence due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 6 months, where such impairment causes the employee to be unable to perform the duties of his job or a substantially similar job;
- (b) For purposes of determining whether another organization is an Affiliate of the Company, common ownership of at least 50% shall be determinative;
- (c) The Corporation specifically reserves the right to determine whether a sale or other disposition of substantial assets to an unrelated party constitutes a Separation from Service with respect to the executive providing services to the seller immediately prior to the transaction and providing services to the buyer after the transaction. Such determination shall be made in accordance with the requirements of Code Section 409A.

Whether a Separation from Service has occurred shall be determined by the Committee in accordance with Code Section 409A, the regulations promulgated thereunder and other applicable guidance thereto, as modified by the rules described above. The terms or phrases "terminates employment," "termination of employment," "employment is terminated," or any other similar terminology shall have the same meaning as a "Separation from Service."

1.22 **"Specified Employee"** means a "specified employee" as such term is defined in the Income Tax Regulations under Section 409A as modified by the rules set forth below:

- (a) For purposes of determining whether a Participant is a Specified Employee, the compensation of the Participant shall be determined in accordance with the definition of compensation provided under Treas. Reg. Section 1.415(c)-2(d)(3) (wages within the meaning of Code section 3401(a) for purposes of income taxwithholding at the source, plus amounts excludible from gross income under Section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k) or 457(b), without regard to rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed).
- (b) The "Specified Employee Identification Date" means December 31, unless the Committee has elected a different date through action that is legally binding with respect to all nonqualified deferred compensation plans maintained by the Company or any Affiliate.
- (c) The "Specified Employee Effective Date" means the first day of the fourth month following the Specified Employee Identification Date or such earlier date as is selected by the Committee.

1.23 **"1989 SERP"** means this Part A of the Plan, as amended from time to time.

1.24 **"Wiley Basic Plan"** means the Employees' Retirement Plan of John Wiley & Sons, Inc., as the same may be hereafter amended from time to time.

- 1.25 *"Wiley Basic Plan Benefit"* means the annual Normal Retirement Benefit (determined as of the earliest of a Participant's Separation from Service, death or Disability Date or June 30, 2013) payable under the Wiley Basic Plan to a Participant, regardless of any elections with regard to the payment of the benefit made by the Participant or his beneficiary under the Basic Plan.
- 1.26 *"Years of Service"* means a Participant's Years of Eligibility Service (as defined in the Wiley Basic Plan) for purposes of Section 3.01 of such plan. However, in the case of an acquired company, the Participant's service with that company prior to the date of acquisition will not be counted unless such service is recognized for purposes of participation in the Wiley Basic Plan.
- 1.27 The masculine gender, where appearing herein, will be deemed to include the feminine gender, and the singular may include the plural, unless the context clearly indicates to the contrary.

SECTION 2 - ELIGIBILITY AND PARTICIPATION

- 2.1** (a) Each executive of the Company listed on Schedule A shall be a Participant in the 1989 SERP.
- (b) Any other individual who was a Participant in the 1989 SERP on December 31, 2004 and who terminated employment with the Corporation and all Affiliates on or prior to that date shall be a Participant.
- (c) Notwithstanding any Plan provision to the contrary, an executive of the Company who is accruing benefits (or currently has an accrued benefit) under the 2005 SERP is not eligible to participate in the 1989 SERP.
- 2.2** Participation under the Plan shall terminate on the date the Participant incurs a Separation from Service with the Corporation and all Affiliates or ceases to accrue Years of Service under the provisions of Section 1.26 hereof, if earlier, unless at that time the Participant is entitled to a benefit under Section 3 or 5 hereof.

SECTION 3 - BENEFITS

3.1 Post Retirement Income Benefit

- (a) Subject to the provisions of Sections 4 and 8 hereof and unless otherwise provided in an appendix to the Plan, there shall be paid to each Participant who incurs a Separation from Service on or after the date he attains age 65 (or completes five Years of Service, whichever occurs later), a Post Retirement Income Benefit commencing as of the first of the month coincident with or next following the date of his Retirement, which date shall be his Benefit Commencement Date. Such Post Retirement Income Benefit shall be equal to ten annual payments of the Participant's Primary Benefit or Additional Benefit whichever is greater, distributed to such Participant in accordance with the provisions of Section 3.5 hereof.
- (b) The Committee may, in its sole discretion, increase the benefit payable to a Participant who retires more than one year after attaining age 65 (or after five Years of Service, if later) in order to compensate the Participant in whole or in part for the delay in payment.
- (c) Except as otherwise provided in Section 3.6 hereof, the first payment of a Participant's Post Retirement Income Benefit in excess of his Grandfathered Income Benefit shall be made within 60 days of the Participant's date of Retirement.
- (d) Notwithstanding any provision in the Plan to the contrary, the individual named on Appendix B of Part A shall receive, in addition to any post-retirement income benefit determined under Section 3.1(a) hereof, a supplementary retirement benefit as set forth in Appendix B of Part A, subject to the terms and conditions set forth therein.

3.2 Early Retirement Income Benefit

- (a) Subject to the provisions of Section 4 and 8 hereof, if the Participant incurs a Separation from Service on or after attaining age 55 and completing at least five Years of Service but prior to attaining age 65, then he shall be entitled to an Early Retirement Income Benefit commencing, except as otherwise provided in paragraph(c) below or in Appendix A, as of the first day of the month following his Retirement, which date shall be his Benefit Commencement Date. Such Early Retirement Income Benefit shall be equal to ten annual payments of the Participant's Primary Benefit or the Participant's Additional Benefit, whichever is greater, reduced by 1/12 of 4 percent of itself for each month by which such payment (or portion thereof) commences prior to the end of the month in which the Participant attains age 65, provided, however, that such reduction shall not apply if the Participant has attained age 62 and completed 20 or more Years of Service on the date of his Retirement, and distributed in accordance with provisions of Section 3.5 hereof.
- (b) Except as otherwise provided in Section 3.6 hereof the first payment to a Participant's Early Retirement Income Benefit in excess of his Grandfathered Income Benefit shall be made within 60 days of the date of such Participant's Retirement or such later date as elected by the Participant.
- (c) Such Participant may elect in accordance with the provisions of Section 409A of the Code, the regulations thereunder and any other applicable guidance (including the transition rules) and the procedures established by the Committee, to have the payment of the portion of his Early Retirement Income Benefit in excess of his Grandfathered Benefit commence on a later date but not later than the month following the month in which he attains age 65. If such election is made after December 31, 2008, it shall be subject to the following rules:
 - (i) the election will not become effective until 12 months after the date the election is made, and

(ii) the payment of such Benefit shall be delayed at least five years from the date such payment would otherwise have been made absent this election (disregarding any delay under the provisions of Section 3.6 hereof).

3.3 Pre-Retirement Survivor Benefit

- (a) There shall be paid to the Beneficiary of each Participant who dies prior to age 65 (or prior to having five Years of Service, if later) and prior to incurring a Separation from Service, a Pre-Retirement Survivor Benefit commencing the month following the month in which the Participant's death occurs. Such benefit shall consist of ten annual payments where each payment is equal to one-half of the Participant's Primary Benefit or the Participant's Additional Benefit, whichever is greater. For purpose of determining the amount of such Survivor Benefit, the Participant's Additional Benefit shall be computed by substituting the annual amount payable to the Participant's surviving spouse or Beneficiary under the Wiley Basic Plan or under any plan, contract, agreement or, arrangement referred to in Section 1.16 hereof assuming payments thereunder commence as of the first day of the month following the month in which the Participant's death occurs in place of the Participant's Wiley Basic Plan Benefit and Other Retirement Income as defined in Section 1 of the 1989 SERP.
- (b) (i) If a Participant's Pre-Retirement Survivor Benefit is determined on the basis of his Primary Benefit, his Survivor Benefit attributable to his 409A Primary Benefit shall be paid annually for ten years.
- (ii) If a Participant's Pre-Retirement Survivor Benefit is determined on the basis of his Additional Benefit, the Pre-Retirement Survivor Benefit attributable to his 409A Additional Benefit shall be paid annually for ten years, unless the Participant elects in writing in accordance with the procedures established by the Committee, to convert that portion of the Pre-Retirement Survivor Benefit into an actuarially equivalent annuity payable for the life of his named Beneficiary. Such actuarially equivalence shall be determined as set forth in Section 3.5(b) hereof. To be effective, such election must be completed by December 31, 2008.

3.4 Termination of Employment

- (a) Subject to the provisions of Sections 4 and 8, in the event a Participant incurs a Separation from Service prior to age 65 other than on account of death or Disability and he does not qualify for early retirement as provided in Section 3.2 hereof, then the Participant shall be entitled to a Termination Benefit commencing, except as otherwise provided below or in Appendix A, as of the first of the month following the Participant's attainment of age 55 or date of Separation from Service, if later, which date shall be his Benefit Commencement Date unless he makes an election to delay payments as provided in paragraph (c) below. Such Termination Benefit shall consist of ten annual payments of the Participant's Accrued Benefit, reduced by 1/12 of 4 percent of itself for each month by which such payment (or portion thereof) commences before the end of the month in which the Participant attains age 65.
- (b) Except as otherwise provided in Section 3.6 hereof, the first payment of a Participant's Termination Benefit in excess of his Grandfathered Income Benefit shall be made within 60 days of the Participant's Benefit Commencement Date.
- (c) Such Participant may elect in accordance with the provisions of Section 409A of the Code, the regulations thereunder and any other applicable guidance (including the transition rules) and the procedures established by the Committee, to have the payment of the portion of his Termination Benefit in excess of his Grandfathered Benefit commence on a later date but not later than the month following the month in which he attains age 65. If such election is made after December 31, 2008, it shall be subject to the following rules:
 - (i) the election will not become effective until 12 months after the date the election is made, and

- (ii) the payment of such Benefit shall be delayed at least five years from the date such payment would otherwise have been made (disregarding any delay under the provisions of Section 3.6 hereof).

3.5 Form of Payment

- (a) If the Participant's benefit due under the provisions of Section 3.1, 3.2 or 3.4 hereof is determined on the basis of his Primary Benefit, the portion of such Primary Benefit equal to his 409A Primary Benefit shall be paid annually for ten years. In the event the Participant dies on or after his Separation from Service and before receiving all ten annual payments, the remaining payments shall be paid to his Beneficiary.
 - (b) (i) If the Participant's benefit due under the provisions of Section 3.1, 3.2 or 3.4 hereof is determined on the basis of his Additional Benefit, the portion of such Participant's Benefit due under the provisions of Section 3.1, 3.2 or 3.4 equal to his 409A Additional Benefit shall be paid annually for ten years, unless the Participant elects in writing to convert all or a portion of such 409A Additional Benefit into an annuity of equivalent actuarial value, described in paragraph (c) of this Section. To be effective, such election must be completed and filed with the Company no later than December 31, 2008.
 - (ii) If any portion of such Participant's Benefit is to be paid in ten annual installments and the Participant dies on or after his Separation from Service and before receiving all ten annual payments the remaining payments shall be paid to his Beneficiary.
 - (iii) For purposes of this Section 3.5(b), equivalent actuarial value shall be determined on the basis of the IRS Mortality Table and the IRS Interest Rate. The "IRS Mortality Table" shall mean the mortality table prescribed by the Secretary of Treasury under Section 417(e)(3)(A)(ii)(I) of the Code as in effect on December 31, 2007. The "IRS Interest Rate" is the annual rate of interest on 30 year Treasury Securities as published by the Commissioner of Internal Revenue in the calendar month preceding the month in which the Participant's Separation from Service occurs.
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- (c) Notwithstanding the foregoing, and subject to paragraph (e) below, if a Participant has on file a valid election to receive any portion of his 409A Additional Benefit due under the provisions of Section 3.1, 3.2 or 3.4 (or if applicable, Section 5) hereof as an annuity, such Participant may elect any time prior to his applicable Benefit Commencement Date to convert the portion of said benefit to be paid in an annuity into an optional annuity benefit of Equivalent Actuarial value as provided in one of the options set forth below:

Option 1: "Life Annuity". A modified benefit payable monthly for the life of the Participant.

Option 2: "Contingent Annuity". A modified benefit payable monthly during the Participant's life and after his death payable at the rate of 50%, 75% or 100% (as elected by the Participant) of the rate of his modified amount during the life of, and to the Beneficiary named by him on his Benefit Commencement Date.

Option 3: "Pop Up Option". A modified benefit payable under Option 2, provided that in the event the Beneficiary named by the Participant at the time he elected the form of payment predeceases the Participant, the annual benefit payable to the Participant after the Beneficiary's death shall equal the Benefit that would have been payable pursuant to Option 1.

Option 4: "Certain & Life Option". A modified benefit payable monthly for the life of the Participant, however if the Participant dies within the 10, 11, 12, 13, 14 or 15 year period (as elected by the Participant) commencing on the Participant's Benefit Commencement Date payments in that reduced amount will be payable until the 10, 11, 12, 13, 14, or 15th anniversary of his Benefit Commencement Date.

- (d) Such Equivalent Actuarial value shall be defined as set forth in Item I of Appendix A of the Wiley Basic Plan.
- (e) Notwithstanding the foregoing, subject to the provisions of Section 409A of the Code if applicable, a Participant's election to receive any portion of his 409A Additional Benefit payable under Section 3.1, 3.2, or 3.4, (or if applicable, Section 5) hereof in an optional form as described in paragraph (c) above shall be effective as of the Participant's Benefit Commencement Date, provided that the Participant makes and submits to the Committee his election of such optional form prior to his Benefit Commencement Date. A Participant who fails to elect an optional form of annuity payment in a timely manner shall receive the portion of his benefit payable under Section 3.1, 3.2, 3.4, or Section 5 hereof to be distributed in the form of an annuity, in the form of a 14 Year Certain & Life annuity.

3.6 Timing of Payment for "Specified Employees". Notwithstanding any provision of the 1989 SERP to the contrary if a Participant is classified as a "Specified Employee" on his date of Separation from Service, the actual payment of the portion of his benefit due under the provisions of Section 3.1, 3.2, 3.4 or Section 4 hereof, which is in excess of his Grandfathered Income Benefit on account of such Participant's Separation from Service with the Corporation and all Affiliates (for reasons other than death or Disability) shall not commence prior to the first day of the seventh month following the Participant's Separation from Service. For avoidance of doubt, the provisions of this Section 3.6 do not apply to the portion of a Participant's Benefit equal to his Grandfathered Income Benefit or any benefit payable to or on behalf of the Participant pursuant to the provisions of Section 3.3 or Section 5 hereof. Any payment to the Participant which he would have otherwise received under Section 3.1, 3.2, or 3.4, or Section 4 hereof, during the six-month period immediately following such Participant's Separation from Service shall be accumulated, with interest, compounded on a monthly basis, at the Applicable Interest Rate, and paid within 60 days of the first day of the seventh month following the Participant's Separation from Service. For purposes of this Section 3.6 the Applicable Interest Rate is the one year U.S. Treasury rate (constant maturities) as published on the last business day of the calendar month preceding the date the Participant's Separation from Service occurs.

SECTION 4 - CHANGE OF CONTROL

- 4.1 In the event there is a Change of Control as hereinafter defined and, within two years following such Change of Control (a) the Participant's employment is terminated by the Company except for "Cause", or (b) the Participant incurs a "Separation from Service" for "Good Reason" as those terms are hereinafter defined, then notwithstanding any other provisions (other than Section 3.6 hereof) of the 1989 SERP to the contrary and in lieu of any other benefit in excess of his Grandfathered Income Benefit to which the Participant may be entitled under the 1989 SERP, the Participant shall be entitled to a lump sum payment, payable subject to the provisions of Section 3.6 hereof, within 60 days after such Separation from Service equal to the then present value of the Post Retirement Income Benefit in excess of his Grandfathered Income Benefit to which the Participant would have been entitled on the date of such Separation from Service and, in the case of a Participant who has not yet reached age 65, unreduced for commencement prior to the end of the month in which he attains age 65. In determining the Post Retirement Income Benefit for purposes of the preceding sentence, the Wiley Basic Plan Benefit shall be deemed to be the annual benefit to which the Participant will be or is entitled at age 55 or the date of such Separation from Service, whichever is later. The present value of such payments shall be determined by multiplying such Post Retirement Income Benefit, as determined pursuant to this Section 4.1, by the "Present Value Factor" as hereinafter defined.
- 4.2 **"Change of Control"** shall mean an event which shall occur if there is: (i) a change in the ownership of the Corporation; (ii) a change in the effective control of the Corporation; or (iii) a change in the ownership of a substantial portion of the assets of the Corporation.

For purposes of this Section, a change in the ownership occurs on the date on which any one person, or more than one person acting as a group (as defined in Treasury regulations 1.409A-2(i)(5)(v)(B)), acquires ownership of stock that, together with stock held by such person or group constitutes more than 50% of the total fair market value or total voting power of the stock of the Corporation.

A change in the effective control occurs on the date on which either (i) a person, or more than one person acting as a group (as defined in Treasury regulations 1.409A-2(i)(5)(v)(B)), acquires ownership of stock possessing 30% or more of the total voting power of the stock of the Corporation, taking into account all such stock acquired during the 12-month period ending on the date of the most recent acquisition, or (ii) a majority of the members of the Board of Directors is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of such Board of Directors prior to the date of the appointment or election, but only if no other corporation is a majority shareholder.

A change in the ownership of a substantial portion of assets occurs on the date on which any one person, or more than one person acting as a group (as defined in Treasury regulations 1.409A-2(i)(5)(v)(B)), other than a person or group of persons that is related to the Corporation, acquires assets that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Corporation immediately prior to such acquisition or acquisitions, taking into account all such assets acquired during the 12-month period ending on the date of the most recent acquisition.

The determination as to the occurrence of a Change of Control shall be based on objective facts and in accordance with the requirements of Code Section 409A and the regulations promulgated thereunder.

4.3 Cause

Termination of a Participant's employment by the Company for "Cause" shall mean Separation from Service upon (a) the willful and continued failure by the Participant substantially to perform his duties with the Company to the best of his ability (other than any such failure resulting from his incapacity due to physical or mental illness), after a demand for such performance is delivered to the Participant by the Chairman of the Board or President of the Corporation which specifically identifies the manner in which such executive believes that the Participant has not substantially performed his duties to the best of his ability, or (b) the willful engaging by the Participant in illegal misconduct

materially and demonstrably injurious to the Company. For purposes of this Section, no act, or failure to act, on the Participant's part shall be considered "willful" unless done, or omitted to be done, by the Participant not in good faith and without reasonable belief that his action or omission was lawful and in the best interest of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company shall be conclusively presumed to be lawful and done, or omitted to be done, by the Participant in good faith and in the best interest of the Company. Notwithstanding the foregoing, the Participant shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to the Participant a Notice of Termination containing or attached thereto a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for the purpose (after reasonable notice to the Participant and an opportunity for the Participant, together with his counsel, to be heard before the Board), finding that in the good faith opinion of the Board the Participant was guilty of conduct set forth above in clauses (a) and (b) in this section and specifying the particulars thereof in detail.

4.4 Good Reason

"Good Reason" for a Participant to terminate his employment shall mean:

- (a) An adverse change in the Participant's status or position(s) as an executive of the Company as in effect immediately prior to the Change of Control, including, without limitation, any adverse change in his status or position as a result of a material diminution in his duties or responsibilities or a material change in his business location or the assignment to him of any duties or responsibilities which are inconsistent with such status or position, or any removal of the Participant from or any failure to reappoint or reelect him to any office or position previously held;
- (b) A reduction by the Company in Participant's base salary as in effect immediately prior to the Change of Control or in the number of vacation days to which Participant is then entitled under the Company's normal vacation policy as in effect immediately prior to the Change of Control;

- (c) The taking of any action by the Company (including the elimination of a plan without providing substitutes therefore or the reduction of Participant's awards thereunder) that would substantially diminish the aggregate projected value of the Participant's awards under the Company's incentive, bonus, stock option or restricted stock plans in which the Participant was participating at the time of a Change of Control of the Company;
 - (d) The taking of any action by the Company that would substantially diminish the aggregate value of the benefits provided the Participant under the Company's medical, health, accident, disability, life insurance, thrift or retirement plans in which the Participant was participating at the time of a Change of Control of the Company; or
 - (e) Substantial and continuing harassment of the Participant by other Company personnel, including but not limited to verbal abuse, insulting or demeaning verbal and written communications, and orders or directions which are clearly inappropriate to Participant's executive status, provided the Participant gives the Company written notice of such harassment in reasonable detail and the Company fails to promptly take corrective action to stop such harassment.
- 4.5 The "Present Value Factor" is the factor which when applied to a payment, would represent the equivalent actuarial value to receive such amount annually for life when computed on the basis of the IRS Mortality Table and the IRS Interest Rate. The "IRS Mortality Table" shall mean the mortality table prescribed by the Secretary of Treasury under Section 417(e)(3)(A)(i)(I) of the Code as in effect on December 31, 2007. The "IRS Interest Rate" is the annual rate of interest on 30 year Treasury Securities as published by the Commissioner of Internal Revenue in the calendar month preceding the month in which the Participant's Separation from Service occurs.

4.6 Notice of Termination

Any termination by the Company pursuant to Section 4.3 above or by the Participant pursuant to Section 4.4 above shall be communicated by written Notice of Termination to the Participant or the Company, as the case may be. For purposes of the 1989 SERP, a "Notice of Termination" shall mean a notice specifying the termination provision in the 1989 SERP relied upon and setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Participant's employment under the provision so specified.

4.7 In the event the amount which a Participant is entitled to receive pursuant to Section 4.1 hereof is not paid in full to the Participant within 60 days after his Separation from Service then the Participant shall also be entitled to recover from the Company reasonable legal expenses and disbursements incurred in establishing his right to and collecting such amount.

4.8 The provisions of this Section 4 shall not apply to any Participant who would be deemed an individual described in Section 422A(b)(6) of the Code, as presently in effect (relating to an individual who, directly and by attribution, is deemed to own more than 10% of the voting power of a corporation).

SECTION 5- DISABILITY

5.1 (a) In the event a Participant who is actively employed by the Corporation or an Affiliate become Disabled, as that term is hereinafter defined, prior to the month in which he attains age 65 (or completes 5 years of service, if later) (his "Normal Retirement Date"), or his Separation from Service, if earlier, then notwithstanding any other provision of the 1989 SERP to the contrary and in lieu of any other benefit to which the Participant may be entitled under the 1989 SERP, the Participant shall be entitled to a lump sum payment, payable within 60 days after the Committee's determination regarding such Disability is finalized, equal to the then present value of the Post Retirement Income Benefit determined under Section 3.1 hereof on the basis of the Participant's Average Highest Compensation and Years of Service as of his Disability Date (as that term is herein defined) or June 30, 2013, if earlier, unreduced for commencement prior to the Participant's Normal Retirement Date. The present value of such payments shall be determined by multiplying such Post Retirement Income Benefit, as determined pursuant to this Section 5.1 by the Present Value Factor as defined below. Notwithstanding the foregoing a Participant may elect in accordance with procedures established by the Committee to receive all or any portion of such Disability Benefit in excess of his Grandfathered Income Benefit in the form of an annuity as described in Section 3.6(c) hereof. To be effective, such election must be completed and submitted to the Company no later than December 31, 2008.

- (b) The "Present Value Factor" solely for purposes of this Section 5.1 is the factor which when applied to a payment, would represent the equivalent actuarial value to receive such amount annually for life when computed on the basis of the IRS Mortality Table and the IRS Interest Rate. The "IRS Mortality Table" shall mean the mortality table prescribed by the Secretary of Treasury under Section 417(e)(3)(A)(ii)(I) of the Code as in effect on December 31, 2007. The "IRS Interest Rate" is the annual rate of interest rate on 30 year Treasury Securities as published by the Commissioner of Internal Revenue in the calendar month preceding the month in which the Participant's Disability Date occurs.

- (c) For purposes of this Section 5, a Participant is considered Disabled if such Participant incurs any medically determined physical or mental impairments that meet the requirements set forth under Treasury Regs. Section 1.409A-3(i)(4)(i) or (ii), or any subsequent guidance thereto. The Participant's Disability Date shall be the date determined by the Committee on a basis uniformly applicable to all persons similarly situated.

SECTION 6 - COMMITTEE

- 6.1 The Committee shall have the exclusive responsibility and complete discretionary authority to interpret the 1989 SERP, to adopt, amend, and rescind rules and regulations for the administration of the 1989 SERP, and generally to operate, manage and administer the 1989 SERP and to make all determinations in connection with the 1989 SERP as may be necessary or advisable. All such actions of the Committee shall be conclusive and binding upon all Participants and Beneficiaries. The Committee may employ and rely on such legal counsel, actuaries, accountants and agents as it may deem advisable to assist in the administration of the Plan
- 6.2 To the extent permitted by law, all agents and representatives of the Committee shall be indemnified by the Company and held harmless against any claims and the expenses of defending against such claims, resulting from any action or conduct relating to the administration of the Plan, except claims arising from gross negligence, willful neglect or willful misconduct.

SECTION 7 - TERMINATION; AMENDMENT

- 7.1 The Plan may not be terminated or suspended or modified or amended in any manner which adversely affects any Participant at any time after a Change of Control (as defined in Section 6.2 hereof) shall have occurred. Subject to the foregoing provisions of this Section 7.1, the Board may, in its sole discretion, terminate, suspend or amend the Plan at any time or from time to time, in whole or in part. However, no termination, suspension or amendment of the Plan may adversely affect a Participant's accrued benefit under the Plan, or adversely affect a retired Participant's right or the right of a Beneficiary to receive or to continue to receive a benefit in accordance with the Plan as in effect on the date immediately preceding the date of such termination, suspension or amendment. In the event of such suspension or termination, the Company shall continue to maintain the Plan until all benefits under the Plan are distributed in accordance with the Participant's elections, where applicable the provisions of Section 409A of the Code, the regulations promulgated thereunder and other applicable guidance.
- 7.2 Nothing contained herein will confer upon any Participant the right to be retained in the service of the Corporation or any Affiliate, nor will it interfere with the right of the Corporation or any Affiliate to discharge or otherwise deal with Participants without regard to the existence of the Plan.
- 7.3 The Corporation has funded its obligations under the Plan by purchasing certain insurance policies on the lives of the Participants but it shall have no obligation to do so in the future or to continue any such policies in effect. No Participant or Beneficiary shall have any interest whatsoever in any such policies, which shall be the sole property of the Corporation. Participants and their Beneficiaries shall look solely to the general credit of the Corporation for payment of benefits under the Plan. The Corporation reserves the right to establish one or more trusts to provide alternative sources of benefit payments under the Plan. The existence of any such trust or trusts shall not relieve the Corporation of any liability to make benefit payments under the Plan, but to the extent any benefit payments are made from any such trust, such payment shall be in satisfaction of and shall reduce the Corporation's liabilities under this Plan.

SECTION 8 - NON-COMPETITION/NONSOLICITATION

- 8.1 Notwithstanding any other provision of the 1989 SERP except for the provisions of Section 8.2 hereof, to the contrary, no payments or further payments will be made under the 1989 SERP with respect to the portion of his 1989 SERP benefit in excess of his Grandfathered Income Benefit to a Participant or to his Beneficiary if (a) the Participant, directly or indirectly, during the 24-month period after his Separation from Service, is employed by, renders services to or participates in the management, operation or control of, or serves as advisor or consultant to any business enterprise which is engaged in any type of business activity conducted by the Corporation or any of its subsidiaries at the time of such termination of employment and which enterprise is in direct and substantial competition with the Corporation or any such subsidiary or (b) during the period of Participant's employment at the Corporation and its Affiliates and for twelve months following his Separation from Service, the Participant does not, either on his own behalf or on behalf of any other person or entity, directly or indirectly, (i) solicit any person or entity that is a customer of the Corporation or its Affiliates, or has been a customer of the Corporation or its Affiliates during the prior twelve (12) months, to purchase any products or services the Wiley Companies provides to the customer, or (ii) interfere with any of the Corporation or its Affiliates business relationships.
- 8.2 The provisions of this Section 8 shall not apply (a) following a Change of Control as defined in Section 4.2 hereof, or (b) if the Participant's employment is terminated by the Company without Cause as defined in Section 4.3 or by the Participant for Good Reason as defined in Section 4.4 hereof.

SECTION 9 - MISCELLANEOUS

9.1 Nonalienation

To the maximum extent permitted by law, no benefit under the 1989 SERP shall be assignable or subject in any manner to alienation, sale, transfer, claims of creditors, pledge, bankruptcy, attachment or encumbrances of any kind.

9.2 Funding

No special or separate fund shall be established, and no segregation of assets shall be made, to assure the payments thereunder. No Participant hereunder shall have any right, title, or interest whatsoever in any specific assets of the Corporation. Nothing contained in the Plan and no action taken pursuant to its provisions shall create or be construed to create a trust of any kind or a fiduciary relationship between the Corporation and a Participant or any other person. To the extent that any person acquires a right to receive payments under the 1989 SERP, such right shall be no greater than the right of any unsecured creditor of the Corporation.

9.3 Facility of Payment

In the event that the Committee shall find that a Participant or Beneficiary is incompetent to care for his affairs or is a minor, the Committee may direct that any benefit payment due him, unless claim shall have been made therefore by a duly appointed legal representative, be paid on his behalf to his spouse, a child, a parent or other relative, and any such payment so made shall thereby be a complete discharge of the liability of the Corporation and the 1989 SERP for that payment.

9.4 Withholding of Taxes

The Company shall have the right to deduct from each payment to be made under the 1989 SERP any required withholding taxes.

9.5 Expenses

All administrative expenses of the 1989 SERP and all benefits under the 1989 SERP shall be paid from the general assets of the Company.

9.6 Mergers/Transfers

This 1989 SERP shall be binding upon and inure to the benefit of the Corporation and its successors and assignees and the Participant, his designees and his estate. Nothing in the 1989 SERP shall preclude the Corporation from consolidating or merging into or with, or transferring all or substantially all of its assets to, another corporation which assumes the 1989 SERP and all obligations of the Corporation hereunder. Upon such a consolidation, merger or transfer of assets and assumption, the terms "Corporation" and "Company" shall refer to such other corporation and the 1989 SERP shall continue in full force and effect.

9.7 Claims Procedure

The Committee shall provide adequate notice in writing to any Participant, former Participant or Beneficiary whose claim for a withdrawal or payment under the 1989 SERP has been denied, setting forth the specific reasons for such denial. A reasonable opportunity shall be afforded to any such Participant, former Participant or Beneficiary for a full and fair review by the Committee of a decision denying the claim. The Committee's decision on any such review shall be final and binding on the Participant, former Participant or Beneficiary and all other interested persons.

9.8 Acceleration of or Delay in Payments

The Committee, in its sole and absolute discretion, may elect to accelerate the time or form of payment of a benefit owed to the Participant hereunder, provided such acceleration is permitted under Treas. Reg. Section 1.409A-3(j)(4). The Committee may also, in its sole and absolute discretion, delay the time for payment of a benefit owed to the Participant hereunder, to the extent permitted under Treas. Reg. Section 1.409A-2(b)(7).

9.9 Indemnification

The Corporation, an Affiliate, the members of the Committee, and the officers, employees and agents of the Company shall, unless prohibited by any applicable law, be indemnified against any and all liabilities arising by reason of any act or failure to act in relation to the Plan including, without limitation, expenses reasonably incurred in the defense of any claim relating to the Plan, amounts paid in any compromise or settlement relating to the Plan and any civil penalty or excise tax imposed by any applicable statute, if

- (a) the act or failure to act shall have occurred
 - (i) in the course of the person's service as an officer, employee or agent of the Corporation or an Affiliate or as a member of the Committee, or as the Plan Administrator, or
 - (ii) in connection with a service provided with or without charge to the Plan or to the Participants or Beneficiaries of the Plan, if such service was requested by the Committee or the Plan Administrator; and
- (b) the act or failure to act is in good faith and in, or not opposed to, the best interests of the Corporation and its Affiliates.

This determination shall be made by the Corporation and, if such determination is made in good faith and not arbitrarily or capriciously, shall be conclusive.

The foregoing indemnification shall be from the assets of the Corporation or an Affiliate. However, the Corporation and its Affiliates' obligation hereunder shall be offset to the extent of any otherwise applicable insurance coverage under a policy maintained by the Corporation or an Affiliate or any other person, or other source of indemnification.

9.10 Compliance

It is the intent of the Corporation that the Plan complies with the provisions of Section 409A of the Code, any regulations and other guidance promulgated with respect thereto and the provisions of the Plan shall be interpreted to be consistent therewith.

9.11 Construction

- (a) The Plan is intended to constitute an unfunded deferred compensation arrangement for a select group of management or highly compensated employees and therefore exempt from the requirements of Sections 201, 301 and 401 of ERISA. All rights hereunder shall be governed by and construed in accordance with the laws of the State of New York
- (b) The captions preceding the sections and articles hereof have been inserted solely as a matter of convenience and in no way define or limit the scope or intent of any provisions of the Plan.

APPENDIX A OF PART A

PROVISIONS APPLICABLE TO A PARTICIPANT'S GRANDFATHERED INCOME BENEFIT

This Appendix A constitutes an integral part of the Plan and is applicable with respect to the Grandfathered Deferred Account of those individuals who were Participants in the Plan on December 31, 2004. The portion of a Participant's Benefit determined under the provisions of Articles 3, 4 or 5 of the 1989 SERP equal to his Grandfathered Income Benefit is subject to provisions of the Plan as set forth on October 3, 2004 without regard to any Plan amendments after October 3, 2004 which would constitute a material modification for Code Section 409A purposes, except as otherwise provided in this Appendix A. Section references in this Appendix A correspond to appropriate Sections of the said Plan as set forth on October 3, 2004.

SECTION 3 - BENEFITS

For purposes of Section 3 hereof the terms/phrases "Termination of Employment," "terminates employment," "employment is terminated," or other similar language shall mean with respect to a Participant the complete cessation of providing service to the Corporation and all Affiliates as an employee.

Section 3.2 Early Retirement Income Benefit. Notwithstanding any provision to the contrary, the portion of a Participant's Early Retirement Income Benefit equal to his Grandfathered Income Benefit shall commence as of the first month following the month in which the Participant attains age 65, provided, however, such Participant may elect, in accordance with procedures established by the Committee, to have payment commence on a date prior to age 65. Such election must be filed with the Company prior to the end of the calendar year preceding the year payments are scheduled to begin and no later than six months preceding the date payments are schedule to begin after said election.

Section 3.3 Pre-Retirement Survivor Benefit. The portion of a Participant's Pre-Retirement Survivor Benefit attributable to his Grandfathered Income Benefit shall be paid in annual installments.

Section 3.4 Termination of Employment. Notwithstanding any provisions to the contrary, the portion of a Participant's Termination Benefit equal to his Grandfathered Income Benefit shall commence as of the first month following the month in which the Participant attains age 65, provided, however, such Participant may elect, in accordance with procedures established by the Company, to have payment of his Grandfathered Income Benefit commence on a date prior to age 65. Such election must be made and filed in accordance with the provisions of Section 3.2 of this Appendix A.

Section 3.5 Form of Payment. The portion of a Participant's benefit due under the provisions of Section 3.1, 3.2 or 3.4 of Part A of the Plan equal to his Grandfathered Income Benefit shall be paid in ten annual installments.

Section 4 With respect to a Participant's Grandfathered Income Benefit as defined in Section

1.15 of the foregoing provisions of this Part A, for purposes of this Section, effective on or after January 1, 2009, Change of Control as defined in Section 4.2 of this Part A shall mean the later of a Change of Control event as defined under the provisions of the 1989 SERP as in effect on October 3, 2004 or a Change of Control event as defined in Section 4.2 of the foregoing provisions of Part A of the SERP.

Section 5. For purposes of this Section, effective on or after January 1, 2009, the term Disabled or Disability shall have the meaning set forth in Section 5.1(c) of this Part A.

**APPENDIX B OF PART A OF THE JOHN WILEY & SONS, INC.
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN - SUPPLEMENTARY
BENEFIT**

This Appendix B of Part A constitutes an integral part of the John Wiley & Sons, Inc. Supplemental Executive Retirement Plan (the "SERP").

The provisions of this Appendix B of Part A are applicable only to Mr. Ellis E. Cousens.

1. Subject to the provisions of Section 4 and 8 of this Part A, if Mr. Cousens (a) incurs a Separation from Service, for reasons other than death, on or after the date he attains the age of 62, and regardless of his length of service at the time of such Separation from Service, or (b) is involuntarily terminated from employment by the Company except for "Cause" (as such term is defined in Section 4.3 of this Part A) prior to attaining age 62, Mr. Cousens shall be entitled to receive a supplementary benefit ("Supplementary Benefit") under the SERP equal to the difference, if any, between (x) the sum of his benefits earned under the Employees' Retirement Plan of John Wiley & Sons, Inc. (the "Qualified Plan"), the John Wiley & Sons, Inc. Supplemental Benefit Plan (the "Excess Plan") and the SERP (collectively, the "Plans"), as of the date of such Separation from Service or June 30, 2013, if earlier, unreduced for early retirement under the applicable provisions of the Plans, and (y) the sum of his benefits earned under the Qualified Plan, the Excess Plan and the SERP as of the date of his Separation from Service or June 30, 2013, if earlier, reduced to reflect the commencement of said payments prior to his attainment of age 65 (early retirement) under the applicable provisions of the Plans. In the event Mr. Cousens becomes Disabled (as defined in Section 5 of this Part A prior to the month in which he attains age 65 or his Separation from Service, if earlier, he will be entitled to the benefit set forth in Section 5 of this Part A.

2. Such Supplementary Benefit payable pursuant to the provisions of item 1 above shall commence at the same time that his benefit commences pursuant to the provisions of Section 3.1 or 3.2 of this Part A, whichever is applicable.
3. Such Supplementary Benefit will be paid in the same form as any Additional Benefit earned under the provisions of this Part A would be paid to Mr. Cousens pursuant to the provisions of Sections 3.5 of this Part A.
4. Notwithstanding the foregoing, if Mr. Cousens' employment is terminated at any time by the Company for Cause (as such term is defined in Section 4.3 of this Part A), Mr. Cousens will not be entitled to the Supplementary Benefit described in item 1 above.

SCHEDULE A
Active Participants as of January 1, 2014

Name	Applicable Percentage
Peter B. Wiley	50%
Gary Rinck	50%
Ells E. Cousens	55%

PART B

**JOHN WILEY & SONS, INC.
2005 SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
(AS AMENDED AND RESTATED - January 1, 2014) PREAMBLE**

This Part B of the Plan (the "2005 SERP") sets forth the provisions of the 2005 Supplemental Executive Retirement Plan as established effective as of April 1, 2005, for newly eligible executives and certain eligible executives employed by John Wiley & Sons, Inc. on March 31, 2005 who wish to waive their right to any benefits payable under the provisions of Part A of the Plan in consideration of accruing a benefit for all service with John Wiley & Sons, Inc. under the provisions of the 2005 SERP. The 2005 SERP was last amended and restated, effective as of January 1, 2009, to comply with the final regulations of Section 409A of the Internal Revenue Code. Effective as of June 30, 2013, participation under the 2005 SERP was frozen and all benefit accruals under the 2005 SERP ceased.

SECTION 1 "DEFINITIONS"

1.1 "*Affiliate*" shall mean any company which is a member of a controlled group of corporations (as defined in Section 414(b) of the Code) which also includes as a member the Corporation; and any trade or business under common control (as defined in Section 414(c) of the Code) with the Corporation.

1.2 "*Average Highest Compensation*" means a Participant's average annual Compensation during the final 36 months of his employment with the Company or an Affiliate immediately preceding the earliest of his Separation from Service, his death, his Disability Date or June 30, 2013 or, if higher, the three consecutive calendar years in which his average Compensation was highest (or if he is employed for less than 36 months, the average annual Compensation during the period of his employment immediately preceding the earliest of his Separation from Service, his death, his Disability Date or June 30, 2013). For purposes of this definition the term "Compensation" means "Compensation" as defined in the Wiley Basic Plan, except that 100% instead of 50% of any bonuses, incentive pay and overtime pay shall be included for all years and "Compensation" shall not be limited by the provisions of Section 401(a)(17) of the Code. Notwithstanding the foregoing provisions of this Section 1.2, Compensation for purposes of the 2005 SERP shall not include any amounts paid pursuant to an incentive plan which relates to a period of more than 12 months, any amounts paid pursuant to any plan, arrangement or agreement which expressly excludes such amounts for purposes of the 2005 SERP, or any basic cash remuneration, bonuses, incentive pay or overtime pay received by a Participant on or after July 1, 2013.

1.3 **"Beneficiary"** means the person or persons designated by the Participant to receive the Pre-Retirement Survivor Benefit in the event of the Participant's death prior to his Benefit Commencement Date or the person or persons designated to receive such other benefits payable under the provisions of the 2005 SERP in the event of the Participant's death. In the event there is no effective designation of a Beneficiary in effect on the Participant's death, then payments under Section 3.3 hereof shall be made to the Participant's spouse or, however, if no spouse survives, payments under Section 3.3(a) hereof shall not be made

and payments under Section 3.3(b) shall be made to the following persons, if living, his issue in equal shares per stirpes, if none, then his Beneficiary named under the Corporation's life insurance policy. If the Participant has not designated a contingent Beneficiary prior to his death, any Beneficiary may in turn designate a Beneficiary to receive any remaining payments that may be due under the provisions of the 2005 SERP in the event of the first Beneficiary's death. A Participant may, from time to time, revoke or change his Beneficiary designation without the consent of any prior Beneficiary by filing a new designation with the Committee. The last such designation received by the Committee shall be controlling; provided, however, that no designation, or change or revocation thereof, shall be effective unless received by the Committee prior to the Participant's death or the Participant's Benefit Commencement Date, if earlier, and in no event shall it be effective as of a date prior to such receipt.

- 1.4 **"Benefit Commencement Date"** means, unless the Plan specifically provides otherwise, the first day of the first period for which an amount is due as an annuity or any other form.
- 1.5 **"Board"** means the Board of Directors of the Corporation.
- 1.6 **"Code"** means the Internal Revenue Code of 1986, as amended from time to time.
- 1.7 **"Committee"** means the Executive Compensation & Development Committee of the Board.
- 1.8 **"Company"** means the Corporation, or with respect to any Participant who is employed by an Affiliate, such Affiliate.
- 1.9 **"Corporation"** means John Wiley & Sons, Inc., a New York corporation and any successor thereto.
- 1.10 **"Disabled" and "Disability Date"** shall have the meanings set forth in Section 5.l(c).
- 1.11 **"Effective Date"** means April 1, 2005.
- 1.12 **"Normal Retirement Age"** means the date the Participant attains age 65 or completes at least five Years of Service, if later.

1.13 *"Normal Retirement Date"* means the first day of the calendar month coinciding with or next following the Participant's Normal Retirement Age.

1.14 *"Other Retirement Income"* means annual income (determined as of the earliest of the Participant's Separation from Service, death or Disability Date or June 30, 2013) payable to a Participant from the following sources:

- (a) the nonqualified unfunded supplemental plan of the Company adopted by the Board which pays pension benefits which supplement the benefits payable under the Wiley Basic Plan, and
- (b) any other contract, agreement or other arrangement with the Corporation or an Affiliate (excluding the Wiley Basic Plan, the John Wiley & Sons, Inc. Employees' Savings Plan and the Deferred Compensation Plan of John Wiley & Sons, Inc.) to the extent it provides retirement or pension benefits, and
- (c) to the extent determined by the Committee, the portion of the annual amount of pension, if any, which is or would be payable to the Participant from another employer sponsored plan, attributable to service under that Plan, which is recognized by the Committee as Years of Benefit Service for that Participant for purposes of Section 3.1 hereof, and adjusted if necessary as provided in Section 1.23 hereof. Notwithstanding any 2005 SERP provision to the contrary, service on and after July 1, 2013 shall not be taken into account for purposes of this Section 1.14(c) in determining the annual amount of pension, if any, which is or would be payable to the Participant from another employer sponsored plan.

Where an election is available which would decrease the amount of the annual income payable from the sources described in clauses (a), (b) and (c) above, such election shall be disregarded for purposes of this definition, except as otherwise provided therein. In addition any reduction or adjustment for the timing of payment in the amount of the annual income payable from such other sources shall be disregarded in calculating a Participant's Other Retirement Income, unless otherwise provided herein.

If a benefit described in this Section 1.14 is payable in a form other than a single life annuity commencing on the Participant's Normal Retirement Date or the first day of the month coincident with or next following his date of termination, if later, such benefit shall be converted to a single life annuity on such date of Equivalent Actuarial value (as defined in Item 1 of Appendix A of the Wiley Basic Plan).

1.15 *"Participant"* means an executive employee of the Corporation or an Affiliate listed on Schedule A hereto who becomes a Participant in the 2005 SERP pursuant to Section 2 hereof.

1.16 *"Plan"* means the John Wiley & Sons, Inc. Supplemental Executive Retirement Plan, as amended from time to time, which shall consist of Part A - the 1989 SERP and Part B - the 2005 SERP. The "1989 SERP" means the 1989 Supplemental Executive Retirement Plan as set forth in Part A of the Plan.

1.17 *"Retirement"* means Separation of Service for reasons other than death after reaching age 55 and completing 5 Years of Service.

1.18 *"Separation from Service"* means a "Separation from Service" as such term is defined in the Income Tax Regulations under Section 409A of the Code as modified by the rules described below:

- (d) An employee who is absent from work due to military leave, sick leave, or other bona fide leave of absence pursuant to Company policies shall incur a Separation from Service on the first date immediately following the later of (i) the six-month anniversary of the commencement of the leave (twelve month anniversary for a disability leave of absence) or (ii) the expiration of the employee's right, if any, to reemployment under statute or contract or pursuant to Company policies. For this purpose, a "disability leave of absence" is an absence due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 6 months, where such impairment causes the employee to be unable to perform the duties of his job or a substantially similar job;

- (e) For purposes of determining whether another organization is an Affiliate of the Company, common ownership of at least 50% shall be determinative;
- (f) The Corporation specifically reserves the right to determine whether a sale or other disposition of substantial assets to an unrelated party constitutes a Separation from Service with respect to the Executive providing services to the seller immediately prior to the transaction and providing services to the buyer after the transaction. Such determination shall be made in accordance with the requirements of Code Section 409A.

Whether a Separation from Service has occurred shall be determined by the Committee in accordance with Code Section 409A, the regulations promulgated thereunder and applicable guidance thereto, as modified by the rules described above. The terms or phrases "terminates employment," "employment terminated," or any other similar terminology shall have the same meaning as a "Separation from Service."

1.19 *"Specified Employee"* means a "specified employee" as such term is defined in the Income Tax Regulations under Section 409A as modified by the rules set forth below:

- (d) For purposes of determining whether a Participant is a Specified Employee, the compensation of the Participant shall be determined in accordance with the definition of compensation provided under Treas. Reg. Section 1.415(c)-2(d)(3) (wages within the meaning of Code section 340(a) for purposes of income tax withholding at the source, plus amounts excludible from gross income under Section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k) or 457(b), without regard to rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed).

(e) The "Specified Employee Identification Date" means December 31, unless the Committee has elected a different date through action that is legally binding with respect to all nonqualified deferred compensation plans maintained by the Company and all Affiliates.

(f) The "Specified Employee Effective Date" means the first day of the fourth month following the Specified Employee Identification Date or such earlier date as is selected by the Committee.

1.20 *"2005 SERP"* means this Part B of the Plan, as amended from time to time.

1.21 *"Wiley Basic Plan"* means the Employees' Retirement Plan of John Wiley & Sons, Inc., as the same may be hereafter amended from time to time.

1.22 *"Wiley Basic Plan Benefit"* means the annual pension determined as of the earliest of a Participant's Separation from Service, death or Disability Date or June 30, 2013 which would be payable pursuant to the provisions of the Wiley Basic Plan to a Participant, regardless of any elections with regard to the form of payment of the benefit made by the Participant or his beneficiary under the Wiley Basic Plan, assuming such pension commenced on the later of the Participant's Normal Retirement Date or the first day of the month coincident with or next following his date of Separation from Service.

1.23 *"Years of Benefit Service"* means a Participant's Benefit Service as defined in the Wiley Basic Plan under Section 3.02 of such Plan. However, in the case of an acquired company, the Participant's service with that company prior to the date of acquisition will not be counted unless such service is recognized for purposes of (i) Benefit Service under the Wiley Basic Plan or (ii) benefit accruals under any other nonqualified supplemental plan maintained by the Company. In addition to the foregoing, a Participant may, subject to the approval of the Committee, be granted additional Years of Service for purpose of determining the amount of benefits under the 2005 SERP. Notwithstanding any 2005 SERP provision to the contrary, Benefit Service shall be frozen as of June 30, 2013 and no Benefit Service shall be credited to a Participant for any period of service or period of absence occurring on or after July 1, 2013.

1.24 *"Years of Service"* means a Participant's Years of Service (as defined in the Wiley Basic Plan) for purposes of Section 3.01 of such plan. However, in the case of an acquired company, the Participant's service with that company prior to the date of acquisition will not be counted unless such service is recognized for purposes of participation in the Wiley Basic Plan.

1.25 The masculine gender, where appearing herein, will be deemed to include the feminine gender, and the singular may include the plural, unless the context clearly indicates to the contrary.

SECTION 2- ELIGIBILITY AND PARTICIPATION

- 2.1 (a) Each executive of the Company who was an active participant in the 1989 SERP on March 31, 2005 and who as of April 1, 2005 is not (i) a member of the Board or (ii) a 5% owner of the Company (as defined in Code Section 416) or (iii) within two years of attaining age 65, shall become a Participant under the 2005 SERP as of the Effective Date subject to the Participant executing a waiver agreement in such form and within the time period as the Committee may direct with respect to any benefit such executive may have accrued under the 1989 SERP.
- (b) Any other executive of the Company or an Affiliate designated by the Committee as a Participant shall become a Participant under the 2005 SERP as of the effective date of such designation, subject to the Participant executing a letter of agreement in such form as the Committee may direct. Effective as July 1, 2013, participation in the 2005 SERP shall be frozen.
- (c) Notwithstanding any Plan provision to the contrary, an executive of the Corporation or an Affiliate who is accruing benefits (or currently has an accrued benefit) under the 1989 SERP is not eligible to participate in the 2005 SERP.
- 2.2 Participation under the Plan shall terminate on the date the Participant incurs a Separation from Service from the Corporation and all Affiliates or ceases to accrue Years of Service under the above provisions of Section 1.24, if earlier, unless at that time the Participant is entitled to a benefit under Section 3 or 5 hereof.

SECTION 3 - BENEFITS

3.1 Post Retirement Income Benefit.

- (a) Subject to the provisions of Sections 4 and 8 hereof and unless otherwise provided in an appendix to the Plan," there shall be paid to each Participant who incurs a Separation from Service on or after the date he attains age 65 (or completes five Years of Service, whichever occurs later), in the form of a life annuity for the life of a Participant, a Post Retirement Income Benefit commencing as of the Participant's Normal Retirement Date or the first day of the month coincident with or next following his Retirement, if later, which date shall be his Benefit Commencement Date. The annual amount of such Post Retirement Benefit Income shall be equal to:
- (i) two percent of the Participant's Average Highest Compensation multiplied by the number of his Years of Benefit Service as of the earlier of his date of Retirement or June 30, 2013, up to 20 years,
plus
 - (ii) one percent to the Participant's Average Highest Compensation multiplied by the number of his Years of Benefit Service as of the earlier of his date of Retirement or June 30, 2013 in excess of 20 years up to a maximum of 35 years;
minus
 - (iii) the sum of the Participant's Wiley Basic Plan Benefit as applicable, and the Participant's Other Retirement Income.
- (b) Notwithstanding foregoing, the amount of the Participant's Post Retirement Income Benefit payable for the Participant's life under this Section 3.1 hereof shall never be less than the greater of the Additional Benefit or Primary Benefit the Participant would have received under the provisions of the 1989 SERP as in effect on December 31, 2004 determined as if the Participant had terminated employment on December 31, 2004 and commenced payment as of his Normal Retirement Date, or date of Retirement, if later, converted to a single life annuity of equivalent actuarial value. For purpose of this Section 3.1(b), equivalent actuarial value shall be determined on

the basis of the IRS Mortality Table and the IRS Interest Rate. The "IRS Mortality Table" shall mean the mortality table prescribed by the Secretary of Treasury under Section 417(e)(3)(A)(ii)(I) of the Code as in effect on December 31, 2007. The "IRS Interest Rate" is the annual rate of interest on 30 year Treasury Securities as published by the Commissioner of Internal Revenue in the calendar month preceding the month in which the Participant's Separation from Service occurs.

(c) Subject to the provisions of Section 3.6 hereof, the first payment under this Section

3.1 shall be made within 60 days of the Participant's Normal Retirement Date or the first day of the month coincident with or next following his date of Retirement, if later.

3.2 Early Retirement Income Benefit

(a) Subject to the provisions of Section 4 and 8 hereof, a Participant who incurs a Separation from Service prior to age 65 but on or after attaining age 55 and completing at least five Years of Service shall be entitled to receive an Early Retirement Income Benefit commencing as of the first day of the month following his Retirement. Such Early Retirement Income Benefit shall be equal to (i) the amount determined under Section 3.1(a)(i) and (ii) hereof on the basis of his Average Highest Compensation and Years of Benefit Service as of the earlier of his date of Retirement or June 30, 2013 reduced by 1/12 of 4 percent of itself for each month by which payment commences before the Participant's Normal Retirement Date, provided however that such reduction shall not apply if the Participant has attained 62 years of age and completed twenty Years of Service as of his date of Retirement, minus (ii) the sum of the Participant's Wiley Basic Plan Benefit, as applicable, and the Participant's Other Retirement Income. For this purpose, the Participant's Wiley Basic Plan Benefit and the Participant's Other Retirement Income shall be computed by substituting the annual amount that would be payable to the Participant commencing as of the first day of the month coincident with or next following the date of his Retirement in the form of a single life annuity under the Wiley Basic Plan or under any plan, contract, agreement or, arrangement referred to in Section 1.14 hereof determined as of the earlier of the Participant's Separation from Service or June 30, 2013 in place of the Participant's Wiley Basic Plan Benefit and Other Retirement Income as defined in Section 1 of the 2005 SERP.

- (b) Notwithstanding the foregoing, the amount of the Participant's Early Retirement Income Benefit payable for the Participant's life under this Section 3.2 shall never be less than the greater of the Additional Benefit or Primary Benefit the Participant would have received under the provisions of the 1989 SERP as in effect on December 31, 2004 determined as if the Participant had terminated employment on December 31, 2004 and commenced payment as of the first day of the month coincident with or next following the Participant's date of Retirement, converted to single life annuity on such date of equivalent actuarial value (as defined in Section 3.1(b) of the 2005 SERP).
- (c) Such Participant may elect in accordance with the provisions of Section 409A of the Code, regulations thereunder including any transitional rules and other applicable guidance and the procedures established by the Committee to have his Early Retirement Income Benefit commence on a later date but not later than his Normal Retirement Date. If such election is made after December 31, 2008, it shall be subject to the following rules:
 - (i) the election will not become effective until 12 months after the date the election is made, and
 - (ii) the payment of such Benefit shall be delayed at least five years from the date such payment would otherwise have been made absent this election (disregarding any delay under the provision of Section 3.6).
- (d) Subject to Section 3.6 hereof, the first payment under this Section 3.2 shall be made within 60 days of the Participant's date of Retirement, or such later date as elected by the Participant

3.3 Pre-Retirement Survivor Benefit

- (a) If a Participant dies prior to his Benefit Commencement Date, a Pre-Retirement Survivor Benefit shall be paid to his surviving spouse (or "domestic partner") as hereinafter provided. The annual amount of such Pre-Retirement Survivor Benefit shall be equal to 50% of the amount determined under Section 3.1 as of the earliest of a Participant's date of death, date of Separation from Service with the Corporation and all Affiliates, or June 30, 2013 and shall be paid for the life of the spouse (or "domestic partner") commencing as of the first day of the month following the month in which the Participant's death occurs.
- (b) Notwithstanding the foregoing, if a Participant who was an active participant in the 1989 SERP on December 31, 2004 dies prior to his Benefit Commencement Date and as of his date of death has no surviving spouse (or "domestic partner"), there shall be paid to the named Beneficiary of such Participant at the time of his death, a Pre-Retirement Survivor Benefit equal to the present value of one-half of the Participant's Additional Benefit or Primary Benefit, whichever is greater, that would have been payable under the provisions of the 1989 SERP had the Participant remained an active participant in the 1989 SERP through the earliest of his date of death, the date he ceases to accrue Years of Service under the 2005 SERP, or June 30, 2013 paid in ten annual installments. For this purpose, the Participant's Additional Benefit under the 1989 SERP shall be computed by substituting the annual amount payable to the Participant's beneficiary under the Wiley Basic Plan or under any plan, contract, agreement or arrangement referred to in Section 1.14 hereof in place of the Participant's Wiley Basic Plan Benefit and Other Retirement Income assuming payments thereunder commence as of the first day of the month following the month in which the Participant's death occurs. Such Benefit shall be converted to a single life annuity of equivalent actuarial value (as defined in Section 3.1(b) of the 2005 SERP) and paid for the life of his named Beneficiary.

(c) For purposes of this Section 3.3, the term "domestic partner" shall have the same meaning as such term has under the Wiley Basic Plan.

3.4 Termination of Employment

- (a) Subject to the provisions of Sections 4 and 8 hereof, in the event a Participant incurs a Separation from Service prior to his Normal Retirement Age other than on account of death or disability and such Participant does not qualify for Early Retirement as provided in Section 3.2 hereof, then the Participant shall be entitled to a Termination Benefit, commencing on the first day of the month following the Participant's attainment of age 55 or date of Separation from Service, if later. Such Termination Benefit shall be equal to the amount determined under Section 3.1 above on the basis of his Average Highest Compensation and Years of Service as of the earlier of the date of his Separation from Service or June 30, 2013 reduced by 1/12 of 4 percent of itself for each month by which payment commences before the Participant's Normal Retirement Date.
- (b) A Participant may elect in accordance with the provisions of Section 409A of the Code, the regulations thereunder (including any transitional rules) and any other applicable guidance and the procedures established by the Committee, to have his Termination Benefit payments commence at a later date but not later than his Normal Retirement Date. If such election is made after December 31, 2008, it shall be subject to the following rules:
 - (i) the election will not become effective until 12 months after the date the election is made, and
 - (ii) the payment of such Benefit shall be delayed by at least five years from the date such payment would otherwise have been made absent this election (disregarding any delay under the provision of Section 3.6 hereof).

(c) Subject to the provisions of the first payment under this Section 3.4 shall begin within 60 days of the date the Participant's attains age 55, or such later date as elected by the Participant.

3.5 Form of Payment

(a) Unless a Participant has made a valid election under paragraph

(b) below of an optional form of payment, benefits payable to a Participant under Section 3.1, 3.2 or 3.4 hereof shall be paid in the form of a single life annuity for the life of the Participant.

(b) Subject to paragraph (d) below, a Participant may elect to convert the benefit otherwise payable to him under the provisions of this Section 3 into an optional benefit of equivalent actuarial value as provided in one of the options set forth below;

Option 1. "Contingent Annuity". A modified benefit payable monthly during the Participant's life and after his death payable at 50%, 75% or 100% (as elected by the Participant) the rate of his modified benefit during the life of, and to, the Beneficiary named by him on his Benefit Commencement Date.

Option 2. "Pop-Up-Option". A modified benefit payable under Option 1, provided that in the event the Beneficiary named by the Participant at the time he elected the form of payment predeceases the Participant, the annual benefit payable to the Participant after the Beneficiary's death shall equal the Benefit that would have been payable pursuant to Section 3.5(a).

Option 3. "Certain & Life Option". A modified benefit payable monthly for the life of the Participant, however if the Participant dies within the 10, 11, 12, 13, 14, or 15 year period (as elected by the Participant) commencing on the Participant's Benefit Commencement Date payments in that reduced amount will be payable until the 10, 11, 12, 13, 14, or 15th anniversary of his Benefit Commencement Date.

(c) Such equivalent actuarial value shall be defined as set forth in Item 1 of Appendix A of the Wiley Basic Plan.

(d) Notwithstanding the foregoing, subject to the provisions of Section 409A of the Code, a Participant's election to receive his benefit payable under Section 3.1, 3.2 or 3.4 (or if applicable, Section 5) hereof in an optional form as described in paragraph (b) above shall be effective as of the Participant's Benefit Commencement Date, provided that the Participant makes and submits to the Committee his election of such optional form prior to his Benefit Commencement Date. A Participant who fails to elect an optional form of benefit payment in a timely manner shall receive his benefit in accordance with paragraph (a) of this Section 3.5.

3.6 Timing of Payment for "Specified Employees"

Notwithstanding any provision of the 2005 SERP to the contrary, the actual payment of a benefit due under the provisions of Section 3.1, 3.2 or 3.4 or Section 4 of this 2005 SERP to a Participant who is classified as a "Specified Employee" on his date of Separation from Service shall not commence prior to the first day of the seventh month following the Participant's Separation from Service. Any payment to the Participant which he would have otherwise received under Section 3.1, 3.2, or 3.4, or Section 4 hereof, during the six- month period immediately following such Participant's Separation from Service shall be accumulated, with interest, compounded on a monthly basis, at the Applicable Interest Rate and paid within 60 days of the first day of the seventh month following the Participant's Separation from Service. The "Applicable Interest Rate" for purposes of this Section 3.6 is one year U.S. Treasury rate (constant maturities) as in effect on the last business day of the calendar month preceding the date of the Participant's Separation from Service occurs.

SECTION 4 - CHANGE OF CONTROL

- 4.1 In the event there is a Change of Control as hereinafter defined and, within two years following such Change of Control (a) the Participant's employment is terminated by the Company except for "Cause", or (b) the Participant incurs a Separation from Service for "Good Reason" as those terms are hereinafter defined, then notwithstanding any other provisions (other than Section 3.6 hereof) of the 2005 SERP to the contrary and in lieu of any other benefit to which the Participant may be entitled under the 2005 SERP, the Participant shall be entitled, to a lump sum payment, payable, subject to the provisions of Section 3.6, within 60 days after such Separation from Service equal to the then present value of the Post Retirement Income to which the Participant would have been entitled on the date of such Separation from Service and, in the case of a Participant who has not yet reached his Normal Retirement Age, unreduced for commencement prior to the Participant's Normal Retirement Date. In determining the Post Retirement Income Benefit for purposes of the preceding sentence, the Wiley Basic Plan Benefit shall be deemed to be the annual benefit to which the Participant will be or is entitled at age 55 or the date of such Separation from Service, whichever is later. The present value of such payments shall be determined by multiplying such Post Retirement Income Benefit, as determined pursuant to this Section 4.1, by the "Present Value Factor" as hereinafter defined.
- 4.2 "Change of Control" shall mean an event which shall occur if there is: (i) a change in the ownership of the Corporation; (ii) a change in the effective control of the Corporation; or (iii) a change in the ownership of a substantial portion of the assets of the Corporation.

For purposes of this Section, a change in the ownership occurs on the date on which any one person, or more than one person acting as a group (as defined in Treasury regulations 1.409A-2(i)(5)(v)(B)), acquires ownership of stock that, together with stock held by such person or group constitutes more than 50% of the total fair market value or total voting power of the stock of the Corporation.

A change in the effective control occurs on the date on which either (i) a person, or more than one person acting as a group (as defined in Treasury regulations 1.409A-2(i)(5)(v)(B)), acquires ownership of stock possessing 30% or more of the total voting power of the stock of the Corporation, taking into account all such stock acquired during the 12-month period ending on the date of the most recent acquisition, or (ii) a majority of the members of the Board of Directors is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of such Board of Directors prior to the date of the appointment or election, but only if no other corporation is a majority shareholder.

A change in the ownership of a substantial portion of assets occurs on the date on which any one person, or more than one person acting as a group (as defined in Treasury regulations 1.409A-2(i)(5)(v)(B)), other than a person or group of persons that is related to the Corporation, acquires assets that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Corporation immediately prior to such acquisition or acquisitions, taking into account all such assets acquired during the 12-month period ending on the date of the most recent acquisition.

The determination as to the occurrence of a Change in Control shall be based on objective facts and in accordance with the requirements of Code Section 409A and the regulations promulgated thereunder.

4.3 Cause

Termination of a Participant's employment by the Company for "Cause" shall mean Separation from Service upon (a) the willful and continued failure by the Participant substantially to perform his duties with the Company to the best of his ability (other than any such failure resulting from his incapacity due to physical or mental illness), after a demand for such performance is delivered to the Participant by the Chairman of the Board or President of the Company which specifically identifies the manner in which such executive believes that the Participant has not substantially performed his duties to the best of his ability, or (b) the willful engaging by the Participant in illegal misconduct materially

and demonstrably injurious to the Company. For purposes of this Section, no act, or failure to act, on the Participant's part shall be considered "willful" unless done, or omitted to be done, by the Participant not in good faith and without reasonable belief that his action or omission was lawful and in the best interest of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company shall be conclusively presumed to be lawful and done, or omitted to be done, by the Participant in good faith and in the best interest of the Company. Notwithstanding the foregoing, the Participant shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to the Participant a Notice of Termination containing or attached thereto a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for the purpose (after reasonable notice to the Participant and an opportunity for the Participant, together with his counsel, to be heard before the Board), finding that in the good faith opinion of the Board the Participant was guilty of conduct set forth above in clauses (a) and (b) in this section and specifying the particulars thereof in detail.

4.4 Good Reason

"Good Reason" for a Participant to incur a Separation from Service shall mean:

- (a) an adverse change in the Participant's status or position(s) as an executive of the Company as in effect immediately prior to the Change of Control, including, without limitation, any adverse change in his status or position as a result of a material diminution in his duties or responsibilities or a material change in his business location or the assignment to him of any duties or responsibilities which are inconsistent with such status or position, or any removal of the Participant from or any failure to reappoint or reelect him to any office or position previously held;
- (b) a reduction by the Company in Participant's base salary as in effect immediately prior to the Change of Control or in the number of vacation days to which Participant is then entitled under the Company's normal vacation policy as in effect immediately prior to the Change of Control;

- (c) the taking of any action by the Company (including the elimination of a plan without providing substitutes therefore or the reduction of Participant's awards thereunder) that would substantially diminish the aggregate projected value of the Participant's awards under the Company's incentive, bonus, stock option or restricted stock plans in which the Participant was participating at the time of a Change of Control of the Company;
 - (d) the taking of any action by the Company that would substantially diminish the aggregate value of the benefits provided the Participant under the Company's medical, health, accident, disability, life insurance, thrift or retirement plans in which the Participant was participating at the time of a Change of Control of the Company; or
 - (e) substantial and continuing harassment of the Participant by other Company personnel, including but not limited to verbal abuse, insulting or demeaning verbal and written communications, and orders or directions which are clearly inappropriate to Participant's executive status, provided the Participant gives the Company written notice of such harassment in reasonable detail and the Company fails to promptly take corrective action to stop such harassment.
- 4.5 The "Present Value Factor" is the factor which when applied to an annual payment, would represent the equivalent actuarial value to receive such amount annually for life when computed on the basis of the IRS Mortality Table and the IRS Interest Rate. The "IRS Mortality Table" shall mean the mortality table prescribed by the Secretary of Treasury under Section 417(e)(3)(A)(ii)(I) of the Code as in effect on December 31, 2007. The "IRS Interest Rate" is the annual rate of interest on 30 year Treasury Securities as published by the Commissioner of Internal Revenue in the calendar month preceding the month in which the Participant's Separation from Service occurs.

4.6 Notice of Termination

Any termination by the Company pursuant to Section 4.3 above or by the Participant pursuant to Section 4.4 hereof shall be communicated by Written Notice of Termination to the Participant or the Company, as the case may be. For purposes of the 2005 SERP, a "Notice of Termination" shall mean a notice specifying the termination provision in the 2005 SERP relied upon and setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Participant's employment under the provision so specified except as otherwise provided in Section 3.6 hereof.

4.7 In the event the amount which a Participant is entitled to receive pursuant to Section 4.1 hereof is not paid in full to the Participant within 60 days after his Separation from Service, or, if later, in accordance with the provisions set forth in Section 3.6 hereof, then the Participant shall also be entitled to recover from the Company reasonable legal expenses and disbursements incurred in establishing his right to and collecting such amount.

4.8 The provisions of this Section 4 shall not apply to any Participant who would be deemed an individual described in Section 422A(b)(6) of the Code, as presently in effect (relating to an individual who, directly and by attribution, is deemed to own more than 10% of the voting power of a corporation).

SECTION 5 - DISABILITY

- 5.1 (a) In the event a Participant who is actively employed by the Corporation or an Affiliate becomes Disabled, as that term is hereinafter defined, prior to his Normal Retirement Date, then notwithstanding any other provision of the 2005 SERP to the contrary and in lieu of any other benefit to which the Participant may be entitled under the 2005 SERP, the Participant shall be entitled to a lump sum payment, payable within 60 days after the Committee's determination regarding such disability is finalized, equal to the then present value of the Post Retirement Income Benefit determined under Section 3.1 hereof on the basis of the Participant's Average Highest Compensation and Years of Benefit Service as of his Disability Date (as that term is herein defined) or June 30, 2013, if earlier, unreduced for commencement prior to the Participant's Normal Retirement Date. The present value of such payments shall be determined by multiplying such Post Retirement Income Benefit, as determined pursuant to this Section 5.1 by the Present Value Factor as defined below. Notwithstanding the foregoing a Participant may elect in accordance with procedures established by the Committee to receive all or any portion of such Disability in the form of an annuity as described in Section 3.6(a) hereof To be effective such election must be completed and submitted to the Company no later than December 31, 2008, of if later within 30 days of the date such Participant first becomes eligible for the SERP or any other nonqualified plan maintained by the Corporation or an Affiliate that is required to be aggregated with the SERP under the provisions of Section 409A of the Code.
- (b) The "Present Value Factor" solely for purposes of this Section 5.1 is the factor which when applied to an annual payment, would represent the equivalent actuarial value to receive such amount annually for life when computed on the basis of the IRS Mortality Table and the IRS Interest Rate. The "IRS Mortality Table" shall mean the mortality table prescribed by the Secretary of Treasury under Section 417(e)(3)(A)(ii)(I) of the Code as in effect on December 31, 2007. The "IRS Interest Rate" is the annual rate of interest on 30 year Treasury Securities published by the Commissioner of Internal Revenue in the calendar month preceding the month in which the Participant's Disability Date occurs.

- (c) For purposes of this Section 5, a Participant is considered Disabled if such Participant meets the requirements of Treasury Regs Section 1.409a-3(i)(4) and any subsequent guidance thereto. The Participant's Disability Date shall be the date determined by the Committee on a basis uniformly applicable to all persons similarly situated.

SECTION 6 - COMMITTEE

- 6.1 The Committee shall have the exclusive responsibility and complete discretionary authority to interpret the 2005 SERP, to adopt, amend, and rescind rules and regulations for the administration of the 2005 SERP, and generally to operate, manage and administer the 2005 SERP and to make all determinations in connection with the 2005 SERP as may be necessary or advisable. All such actions of the Committee shall be conclusive and binding upon all Participants and Beneficiaries. The Committee may employ and rely on such legal counsel, actuaries, accountants and agents as it may deem advisable to assist in the administration of the Plan
- 6.2 To the extent permitted by law, all agents and representatives of the Committee shall be indemnified by the Company and held harmless against any claims and the expenses of defending against such claims, resulting from any action or conduct relating to the administration of the Plan, except claims arising from gross negligence, willful neglect or willful misconduct.

SECTION 7 - TERMINATION; AMENDMENT

- 7.1 The Plan may not be terminated or suspended or modified or amended in any manner which adversely affects any Participant at any time after a Change of Control (as defined in Section 4.2 hereof) shall have occurred. Subject to the foregoing provisions of this Section 7.1, the Board may, in its sole discretion, terminate, suspend or amend the Plan at any time or from time to time, in whole or in part. However, no termination, suspension or amendment of the Plan may adversely affect a Participant's accrued benefit under the Plan, or adversely affect a retired Participant's right or the right of a Beneficiary to receive or to continue to receive a benefit in accordance with the Plan as in effect on the date immediately preceding the date of such termination, suspension or amendment. In the event of such suspension or termination, the Company shall continue to maintain the Plan until all benefits under the Plan are distributed in accordance with the Participant's elections and the provisions of Section 409A of the Code, the regulations promulgated thereunder and other applicable guidance.
- 7.2 Nothing contained herein will confer upon any Participant the right to be retained in the service of the Corporation or any Affiliate, nor will it interfere with the right of the Corporation or any Affiliate to discharge or otherwise deal with Participants without regard to the existence of the Plan.
- 7.3 The Company may fund its obligations under the Plan by purchasing certain insurance policies on the lives of the Participants. In the event the Company does fund its obligation under the Plan it shall have no obligation to continue to do so in the future or to continue any such policies in effect. No Participant or Beneficiary shall have any interest whatsoever in any such policies, which shall be the sole property of the Company. Participants and their Beneficiaries shall look solely to the general credit of the Company for payment of benefits under the Plan. The Company reserves the right to establish one or more trusts to provide alternative sources of benefit payments under the Plan. The existence of any such trust or trusts shall not relieve the Company of any liability to make benefit payments under the Plan, but to the extent any benefit payments are made from any such trust, such payment shall be in satisfaction of and shall reduce the Company's liabilities under this Plan.

SECTION 8 - NON-COMPETITION/NONSOLICITATION

8.1 Notwithstanding any other provision of the 2005 SERP except for the provisions of Section

8.2 hereof, to the contrary, no payments or further payments will be made under the 2005 SERP to a Participant or to his Beneficiary if, (a) the Participant, directly or indirectly, during the 24-month period after his Separation from Service, is employed by, renders services to or participates in the management, operation or control of, or serves as advisor or consultant to any business enterprise which is engaged in any type of business activity conducted by the Corporation or any of its subsidiaries at the time of such termination of employment and which enterprise is in direct and substantial competition with the Corporation or any such subsidiary, or (b) during the period of Participant's employment at the Corporation and its Affiliates and for twelve months following his Separation from Service, the Participant does not, either on his own behalf or on behalf of any other person or entity, directly or indirectly, (i) solicit any person or entity that is a customer of the Corporation or its Affiliates, or has been a customer of the Corporation or its Affiliates during the prior twelve (12) months, to purchase any products or services the Wiley Companies provides to the customer, or (ii) interfere with any of the Corporation or its Affiliates business relationships.

8.2 The provisions of Section 8 shall not apply (a) following a Change of Control as defined in Section 4.2 hereof, or (b) if the Participant's employment is terminated by the Company without Cause as defined in Section 4.3 hereof or by the Participant for Good Reason as defined in Section 4.4 hereof.

SECTION 9 - MISCELLANEOUS

9.1 Nonalienation

To the maximum extent permitted by law, no benefit under the 2005 SERP shall be assignable or subject in any manner to alienation, sale, transfer, claims of creditors, pledge, bankruptcy, attachment or encumbrances of any kind.

9.2 Funding

No special or separate fund shall be established, and no segregation of assets shall be made, to assure the payments thereunder. No Participant hereunder shall have any right, title, or interest whatsoever in any specific assets of the Corporation. Nothing contained in the Plan and no action taken pursuant to its provisions shall create or be construed to create a trust of any kind or a fiduciary relationship between the Corporation and a Participant or any other person. To the extent that any person acquires a right to receive payments under the 2005 SERP, such right shall be no greater than the right of any unsecured creditor of the Corporation.

9.3 Facility of Payment

In the event that the Committee shall find that a Participant or Beneficiary is incompetent to care for his affairs or is a minor, the Committee may direct that any benefit payment due him, unless claim shall have been made therefore by a duly appointed legal representative, be paid on his behalf to his spouse, a child, a parent or other relative, and any such payment so made shall thereby be a complete discharge of the liability of the Company and the 2005 SERP for that payment.

9.4 Withholding of Taxes

The Company shall have the right to deduct from each payment to be made under the 2005 SERP any required withholding taxes.

9.5 Expenses. All administrative expenses of the 2005 SERP and all benefits under the 2005 SERP shall be paid from the general assets of the Company.

9.6 Mergers/Transfers

This 2005 SERP shall be binding upon and inure to the benefit of the Corporation and its successors and assignees and the Participant, his designees and his estate. Nothing in the 2005 SERP shall preclude the Corporation from consolidating or merging into or with, or transferring all or substantially all of its assets to, another corporation which assumes the 2005 SERP and all obligations of the Corporation hereunder. Upon such a consolidation, merger or transfer of assets and assumption, the term "Corporation" and "Company" shall refer to such other corporation and the 2005 SERP shall continue in full force and effect.

9.7 Claims Procedure

The Committee shall provide adequate notice in writing to any Participant, former Participant or Beneficiary whose claim for a withdrawal or payment under the 2005 SERP has been denied, setting forth the specific reasons for such denial. A reasonable opportunity shall be afforded to any such Participant, former Participant or Beneficiary for a full and fair review by the Committee of a decision denying the claim. The Committee's decision on any such review shall be final and binding on the Participant, former Participant or Beneficiary and all other interested persons.

9.8 Acceleration of or Delay in Payments

The Committee, in its sole and absolute discretion, may elect to accelerate the time or form of payment of a benefit owed to the Participant hereunder, provided such acceleration is permitted under Treas. Reg. Section 1.409A-3(j)(4). The Committee may also, in its sole and absolute discretion, delay the time for payment of a benefit owed to the Participant hereunder, to the extent permitted under Treas. Reg. Section 1.409A-2(b)(7).

9.9 Indemnification

The Corporation, an Affiliate, the members of the Committee, and the officers, employees and agents of the Corporation or an Affiliate shall, unless prohibited by any applicable law, be indemnified against any and all liabilities arising by reason of any act or failure to act in relation to the Plan including, without limitation, expenses reasonably incurred in the defense of any claim relating to the Plan, amounts paid in any compromise or settlement relating to the Plan and any civil penalty or excise tax imposed by any applicable statute, if

(c) the act or failure to act shall have occurred

(i) in the course of the person's service as an officer, employee or agent of the Corporation or an Affiliate or as a member of the Committee, or as the Plan Administrator, or

(ii) in connection with a service provided with or without charge to the Plan or to the Participants or Beneficiaries of the Plan, if such service was requested by the Committee or the Plan Administrator; and

(d) the act or failure to act is in good faith and in, or not opposed to, the best interests of the Corporation and its Affiliates.

This determination shall be made by the Corporation and, if such determination is made in good faith and not arbitrarily or capriciously, shall be conclusive.

The foregoing indemnification shall be from the assets of the Corporation or an Affiliate. However, the Corporation and its Affiliates' obligation hereunder shall be offset to the extent of any otherwise applicable insurance coverage under a policy maintained by the Corporation or an Affiliate or any other person, or other source of indemnification.

9.10 Compliance

It is the intent of the Corporation that the Plan complies with the provisions of Section 409A of the Code, any regulations and other guidance promulgated with respect thereto and the provisions of the Plan shall be interpreted to be consistent therewith.

9.11 Construction

(a) The Plan is intended to constitute an unfunded deferred compensation arrangement for a select group of management or highly compensated employees and therefore exempt from the requirements of Sections 201, 301 and 401 or ERISA. All rights hereunder shall be governed by and construed in accordance with the laws of the State of New York.

(b) The captions preceding the sections and articles hereof have been inserted solely as a matter of convenience and in no way define or limit the scope or intent of any provisions of the Plan.

This Appendix A of Part B constitutes an integral part of the John Wiley & Sons, Inc. Supplemental Executive Retirement Plan (the "SERP").

I. Modification to Part B of the SERP as applicable to Mr. Mark J. Allin

The provisions of this Appendix A I. of Part B of the SERP are applicable only to Mr. Mark J. Allin, provided he executes a letter of agreement in such form as the Executive Compensation and Development Committee shall direct as required by Section 2.1(b) of Part B of the SERP the "Allin 2010 Letter Agreement").

Except as otherwise modified or expanded in this Appendix A I. of Part B of the SERP, the provisions of the Plan as contained in Part B of the document to which this Appendix A of Part B of the SERP is attached shall determine the benefits payable to or on behalf of Mr. Allin.

In the case of Mr. Allin, notwithstanding any provision in the Plan to the contrary, for purposes of determining any benefits payable to or on behalf of Mr. Allin under Part B of the SERP, the following provisions shall apply:

1. All compensation used in determining Mr. Allin's SERP benefit will be denominated in pounds sterling.
2. The UK retirement benefits, (e.g., the annual retirement benefit payable to Mr. Allin or on his behalf from the John Wiley & Sons Limited Retirement Benefits Scheme) used in determining Mr. Allin's SERP benefit will be determined as of June 30, 2013 and will be denominated in pounds sterling.

3. All benefits payable to or on behalf of Mr. Allin under the terms of the SERP shall be denominated and paid in pounds sterling.
4. Notwithstanding any provision in the SERP, "Years of Benefit Service" as set forth in Section 1.23 of Part B of the SERP shall include (i) all years of Mr. Allin's employment with the Company or any Affiliated Company (as defined in the Wiley Basic Plan) rendered on and after May 1, 2010 and prior to July 1, 2013 as a participant of the SERP and (ii) with respect to his period of employment with the Company or any Affiliated Company (as defined in the Wiley Basic Plan) prior to May 1, 2010, all periods of such employment rendered as an employee of the Company or such Affiliated Company.

II. Modification to Part B of the SERP as applicable to Mr. Stephen M. Smith

The provisions of this Appendix A II. of Part B of the SERP are applicable only to Mr. Stephen M. Smith, provided he executes the letter agreement, including Exhibit A thereto, dated November 12, 2009 (the "2009 Letter Agreement").

Except as otherwise modified or expanded in this Appendix A II., the provisions of the Plan as contained in Part B of the document to which this Appendix A II. is attached shall determine the benefits payable to or on behalf of Mr. Smith.

In the case of Mr. Smith, notwithstanding any provision in the Plan, for purposes of determining any benefits payable under Section 3 of the Part B of the SERP, the following terms shall have the meanings set forth below:

1. Section 1.14 "Other Retirement Income" shall mean: (i) the annual benefit payable to Mr. Smith from the Nonqualified Supplemental Benefit Plan of John Wiley & Sons, Inc., determined as of June 30, 2013 (ii) the annual retirement benefit payable to Mr. Smith from The John Wiley & Sons Limited Retirement Benefits Scheme computed in accordance with the terms of such plan and determined as of June 30, 2013, and
(iii) the annual retirement benefit provided for and described in the letter agreement between Mr. Smith and the Company dated January 25, 1999 and other supplemental material (the "UK Letter Agreement"), which is attached to and made a part of the 2009 Letter Agreement as Exhibit A, at age 65, which has been determined to be £98,270.

For purposes of calculating the offset referenced in Section 3.1(a)(iii) of the 2005 SERP the amount in clauses (ii) and (iii) above, shall be converted to dollars pursuant to procedures established by the Executive Compensation and Development Committee of the Board of Directors of the Company and in accordance with the provisions of Section 409A of the Code utilizing the average exchange rate as published in the Wall Street Journal for the twelve-month period preceding the time of such conversion. Notwithstanding the foregoing as a result of the Board of Directors decision to amend the Plan to freeze all benefit accruals under the Plan, a currency conversion rate of 1.52476 was used to determine the UK schemes' accrued benefits for purposes of determining the frozen SERP benefit amount as June 30, 2013.

The amount set forth in clause (iii) above shall not be adjusted for any reason (except by a written agreement executed by the Company and Mr. Smith), regardless of the amount of the benefit under the UK Letter Agreement actually paid to Mr. Smith, which will be calculated as set forth in the UK Letter Agreement at the time of payment.

2. Section 1.23 "Years of Benefit Service" shall mean Mr. Smith's Benefit Service as defined in Section 3.02 of the Wiley Basic Plan earned on and after June 1, 2009 and prior to June 30, 2013 plus with respect to his period of employment with the Company prior to June 1, 2009, all periods of service rendered as an employee of the Company or any Affiliated Company (as defined in the Wiley Basic Plan).

SCHEDULE A OF PART B OF THE JOHN WILEY & SONS, INC. SUPPLEMENTAL
EXECUTIVE RETIRMENT PLAN

Active Participants as of January 1, 2014

Mr. Mark J. Allin
Mr. Joseph S. Heider
Ms. Mary Jo O'Leary
Mr. Steven Miron
Mr. Stephen M. Smith

SIGNATURE AND VERIFICATION

IN WITNESS WHEREOF, John Wiley & Sons, Inc. has caused this Plan to be executed this 7th day of May, 2014.

/s/Mary Jo O'Leary

Mary Jo O'Leary
Senior Vice President - Human Resources

John Wiley & Sons, Inc. Supplemental Benefit Plan
Amended and Restated as of January 1, 2014

JOHN WILEY & SONS, INC.
SUPPLEMENTAL BENEFIT PLAN

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**JOHN WILEY & SONS, INC. SUPPLEMENTAL BENEFIT PLAN AMENDED AND RESTATED AS OF
January 1, 2014**

The John Wiley & Sons, Inc. Supplemental Plan (the "Supplemental Plan") was amended and restated effective as of January 1, 2009 to comply with the provisions of Section 409A of the Code as enacted by the American Jobs Creation Act of 2004, and the regulations promulgated thereunder and again amended and restated to reflect all amendments through August 1, 2010. This amendment and restatement of the Supplemental Plan is effective as of January 1, 2014 (unless otherwise stated in the plan) and is intended to reflect all amendments through that date, including the amendments effective as of June 30, 2013 which froze plan participation and ceased all benefit accruals under said plan as of that date. This document sets forth the provisions of the Supplemental Plan as applicable to participants who commence payment of their supplemental benefits on or after June 30, 2013. Except as provided herein, events occurring prior to June 30, 2013 shall be governed by the terms of the Supplemental Plan in effect at the time the event occurred. The benefits accrued and vested under the provisions of the Supplemental Plan by a Participant who terminated employment with the Company and all its Affiliated Companies (as such terms are defined in the Retirement Plan) prior to January 1, 2005 shall be subject to the provisions of the Supplemental Plan as in effect on October 3, 2004. In addition, with respect to certain Participants who were employed by the Company on January 1, 2005, the portion of their benefits payable under this restated Supplemental Plan equal to their Grandfathered Supplemental Benefit (as defined herein) shall be subject to the provisions of the Supplemental Plan without regard to any amendments after October 3, 2004 which would constitute a material modification for Code Section 409A purposes.

SECTION 1 - PURPOSE

The purpose of the John Wiley & Sons, Inc. Supplemental Benefit Plan (the "Supplemental Plan") is to provide supplemental benefits to certain Participants in the John Wiley & Sons, Inc. Employees' Retirement Plan (the "Retirement Plan") whose benefits under the Retirement Plan are limited by the provisions of Section 4.08 of the Retirement Plan and Section 415(b) of the Internal Revenue Code of 1986, as amended (the "Code") and/or Section 1.12 of the Retirement Plan and Section 401(a)(17) of the Code. Supplemental benefits are provided hereunder as additional deferred compensation for services rendered by the Participant to John Wiley & Sons, Inc. (the "Corporation"). Capitalized terms used in this Supplemental Plan which are not otherwise defined have the same meaning as under the Retirement Plan.

SECTION 2 - DEFINITIONS

- 2.1 "Benefit Commencement Date" shall mean "Benefit Commencement Date" as such term is defined in the SERP.
- 2.2 "Change of Control" shall mean "Change of Control" as defined in the SERP.
- 2.3 "Designated Beneficiary" shall have the meaning as set forth in Section 9.5.
- 2.4 "Disability Supplemental Benefit" shall mean the Participant's benefit calculated under provisions of Section 4.2.
- 2.5 "Disabled" shall mean "Disabled" as such term is defined in the SERP.
- 2.6 "Grandfathered Supplemental Benefit" shall mean with respect to a Participant who (i) terminated employment with the Company (as defined in the Retirement Plan) and all Affiliated Companies prior to January 1, 2005, or (ii) was employed by the Company on April 1, 2005 and who as of that date was a participant in the SERP and was (1) a member of the Board of Directors or (2) a 5% owner of the Corporation (as defined in Code Section 416), or (iii) was within two years of attaining age 65, the portion of his Supplemental Benefit that was accrued and vested before January 1, 2005, determined under provisions of the Supplemental Plan without regard to any amendments after October 3, 2004 which would constitute a material modification under Code Section 409A purposes, and the provision of Code Section 409A, the regulations promulgated thereunder and other applicable guidance and procedures based on actuarial equivalent assumptions chosen by the Benefits Administration Board in accordance with Code Section 409A.
- 2.7 "Separation from Service" shall mean "Separation from Service" as such term is defined in the SERP.

- 2.8 "SERP" shall mean the John Wiley & Sons, Inc. Supplemental Executive Retirement Plan, as amended from time to time. "1989 SERP" shall mean Part A of the SERP and "2005 SERP" shall mean Part B of the SERP.
- 2.9 "Specified Employee" shall mean "Specified Employee" as such term is defined under the SERP.
- 2.10 "409A Supplemental Disability Benefit" shall mean the portion, if any, of a Participant's benefit calculated under the provision of Section 4.2 hereof that exceeds the amount of his Grandfathered Supplemental Benefit.
- 2.11 "409A Supplemental Benefit" shall mean the portion, if any, of a Participant's benefit calculated under the provisions of Section 4.1 hereof that exceeds the amount of his Grandfathered Supplemental Benefit.
- 2.12 "Supplemental Benefit" shall mean the Participant's benefit calculated under the provisions of Section 4.1 hereof.

SECTION 3 - PARTICIPANTS

All members of the Retirement Plan shall become Participants of this Supplemental Plan whenever their compensation or benefits under the Retirement Plan, as from time to time in effect, exceed the limitations on eligible compensation and benefits permitted by Section 401(a)(17) and 415 of the Code. Participation under the Supplemental Plan shall terminate on the date the Participant incurs a Separation from Service with the Company and all Affiliated Companies, unless at the time the Participant is entitled to a Supplemental Benefit under Section 4.

Effective as July 1, 2013, participation in the Supplemental Plan shall be frozen. Any person who was first employed by the Company on or after July 1, 2013 or any person in the employ of the Company or an Affiliated Company on June 30, 2013, who is not a Participant as of such date, shall not become a Participant of the Supplemental Plan.

SECTION 4-AMOUNT OF SUPPLEMENTAL BENEFIT

- 4.1 Except as otherwise provided in Appendix A, each eligible Participant shall receive a Supplemental Benefit equal to the excess, if any, of (a) the benefit which would be payable to the Participant or, in the event of the Participant's death while in the employ of the Company or an Affiliated Company payable to his Beneficiary, under the Retirement Plan, if the benefit determined as of the Participant's Separation from Service was computed on the basis of his Benefit Service, under the Retirement Plan accrued prior to July 1, 2013 and any additional service rendered with an acquired company prior to its acquisition approved by the Company to be recognized in the calculation of any Company retirement benefits paid to such Participant, and without regard to (i) the limitation of Section 4.08 of the Retirement Plan (relating to the limitation on benefits required by Section 415 of the Code), (ii) the limitation in Sections 1.12 and 1.42 of the Plan (relating to the limitation on the amount of Compensation and Total Compensation required by Section 401(a)(17) of the Code), and (iii) any comparable limitations which may hereafter be imposed by law, over (b) the amount of the benefit which would have been payable under the Retirement Plan to the Participant (or his Beneficiary) for his lifetime based on such Participant's Benefit Service, Compensation and Total Compensation determined under the provisions of the Retirement Plan as of the earlier of his date of termination of employment or June 30, 2013, assuming such benefit commences on the date set forth in section 5.1(a).

Notwithstanding any Supplemental Plan provisions to the contrary, any basic cash remuneration, any bonus, incentive pay, or overtime pay for services rendered to the Company or an Affiliated Company received by a Participant on or after July 1, 2013 shall not be included in the determination of such Participant Supplemental Benefit.

- 4.2 Notwithstanding any provisions of this Supplemental Plan to the contrary, if Participant who is currently employed by the Company or an Affiliated Company becomes Disabled prior to the earliest of (i) his Normal Retirement Date, (ii) date of Separation from Service or (iii) July 1, 2013, he shall be entitled to a Disability

Supplemental Benefit for his lifetime equal to the benefit determined under the provisions of Section 4.1 as of the Participant's Disability Date (as such term is defined in Section 5.1(b) of the 1989 SERP or of the 2005 SERP, whichever is applicable), assuming such benefit commenced on the first day of the month following the later of (i) his Disability Date or (ii) the Participant's attainment of age 65 (age 55, if he has completed ten or more Years of Service on his Disability Date).

SECTION 5 - PAYMENT

5.1 Timing of Payment

- (a) Subject to the provisions of this Section 5.1 and Section 5.4 below, payment of a Participant's 409A Supplemental Benefit will commence on the first day of the month following the later of (i) the Participant's attainment of age 65 (age 55, if he has completed ten or more Years of Service on his Separation from Service) or (ii) his Separation from Service.
- (b) Notwithstanding the foregoing if a Participant has made an effective election under
 - (i) Section 3.2(c) or 3.4(c) of the 1989 SERP to delay the payment of his 1989 SERP 409A Additional Benefit, or (ii) Section 3.2(d) or 3.4(d) of the 2005 SERP to delay the payment of his 2005 SERP Income Benefit, whichever is applicable, such Participant's 409A Supplemental Benefit shall commence, in accordance with such election, at the same time as such Participant's 1989 SERP 409A Additional Benefit or 2005 SERP Income Benefit, whichever is applicable commences,
- (c) Notwithstanding the foregoing, a Participant's 409A Supplemental Benefit payable pursuant to the provisions of Section 4.2 shall commence as of the first day of the month following the Participant's Disability Date.
- (d) Upon the death of a Participant prior to his Benefit Commencement Date, the portion of a survivor benefit payable to the Participant's Designated Beneficiary attributable to a Participant's 409A Survivor Benefit shall commence as of the first day of the month following the date the Participant would have attained age 55 or his date of death, if later.
- (e) Notwithstanding any other provision of the Supplemental Plan to the contrary, if the present value of the Participant's benefits under the Supplemental Plan payable to a participant under Section 4.1 (and, if applicable, payable under the provisions of the SERP) is equal to or less than the applicable dollar amount under Section

402(g)(1)(B) of the Code, such benefit shall be paid to the Participant or, if applicable, to the Participant's beneficiary or beneficiaries in one lump sum within 90 days following the Participant's Separation from Service. For purposes of this clause (e), present value shall be determined on the basis of the IRS Mortality Table (as defined in the Retirement Plan) and the IRS Interest Rate (as defined in the Retirement Plan) published in the calendar month preceding the date of the Participant's Separation from Service.

5.2 Form of Payment

- (a) Except as otherwise provided in Section 5.3, unless a Participant has made an effective election under paragraph (b) below of an optional form of payment, the 409A Supplemental Benefits payable to a Participant under Section 4.1 shall be paid in the form of a single life annuity for the life of the Participant.
- (b) Subject to paragraph (d) below, a Participant may elect to convert the portion of the benefit otherwise payable to him under the provisions of this Section 5, which is to be paid in the form of a life annuity, into an optional benefit of Equivalent Actuarial value as provided in one of the options set forth below:

Option 1. "Contingent Annuity". A modified benefit payable monthly during the Participant's life and after his death payable at 50%, 75% or 100% (as elected by the Participant) of the rate of his modified benefit during the life of, and to, the Beneficiary named by him on his Benefit Commencement Date.

Option 2. "Pop-Up-Option". A modified benefit payable under Option 1, provided that in the event the Beneficiary named by the Participant at the time he elected the form of payment predeceases the Participant, the annual benefit payable to the Participant after the Beneficiary's death shall equal the Benefit that would have been payable pursuant to Section 5.2(a).

Option 3. "Certain & Life Option". A modified benefit payable monthly for the life of the Participant; however if the Participant dies within the 10, 11, 12, 13, 14, or 15 year period (as elected by the Participant) commencing on the Participant's Benefit Commencement Date' payments in that reduced amount will be payable to the Participant's Beneficiary until the 10, 11, 12, 13, 14, or 15th anniversary of his Benefit Commencement Date.

- (c) Such Equivalent Actuarial value shall be defined as set forth in Item I of Appendix A of the Retirement Plan.
- (d) Notwithstanding the foregoing, subject to the provisions of Section 409A of the Code, a Participant's election to receive the portion of his Supplemental Benefit payable under Section 4.1 in the form of a life annuity in an optional form as described in paragraph (b) above shall be effective as of the Benefit Commencement Date applicable to that portion of the Participant's benefit, provided that the Participant makes and submits to the Committee his election of such optional form prior to his Benefit Commencement Date. A Participant who fails to elect an optional form of benefit payment in a timely manner shall receive his benefit in accordance with paragraph (a) of this section 5.2.
- (e) Notwithstanding the foregoing and except as otherwise provided in Section 5.3, a Participant's 409A Supplemental Disability Benefit determined under Section 4.2 shall be paid in a single lump sum payment equal to the then equivalent actuarial value of the 409A Supplemental Disability Benefit. For purposes of this clause (e), equivalent actuarial value shall be determined on the basis of the IRS Mortality Table (as defined in the Retirement Plan) and the IRS Interest Rate (as defined in the Retirement Plan) as published in the calendar month preceding the Participant's Disability Date.

5.3 Special Provision Applicable to Certain Members of the SERP

- (a) Notwithstanding any Supplemental Plan provision to the contrary, payment of the 409A Supplemental Benefit payable to a Participant who is a member of the 1989 SERP on January 1, 2009, shall be paid in the same form as the Participant's 409A Additional Benefit, if any, (as defined in the 1989 SERP) is paid pursuant to the provisions of Section 3.5(b)(i) of the 1989 SERP. The 409A Supplemental Benefit paid under this Section shall be of Equivalent Actuarial value to the Participant's 409A Supplemental Benefit payable over his lifetime as determined under Section 4.1. For purposes of this Section 5.3(a) Equivalent Actuarial value shall be determined on the same basis as provided in Section 6.3. In the event any portion, of such Participant's 409A Supplemental Benefit is to be paid in the form of a life annuity, such Participant may elect in accordance with the provision of Sections 5.2(b) and 5.2(d) to convert such amount into an optional annuity form of payment.
- (b)
 - (i) Notwithstanding any provision of the Supplemental Plan to the contrary, if a Participant who is entitled to a benefit under Section 5.1 of the 2005 SERP has made an election under Section 5.1(a) of the 2005 SERP to receive such benefit in the form of a life annuity, the Participant's 409A Supplemental Disability Benefit payable pursuant to Section 4.2 shall be paid in the form of a life annuity, unless the Participant has made a valid optional annuity form of payment election under Section 5.2 hereof.
 - (ii) Notwithstanding any provision of the Supplemental Plan to the contrary, with respect to a Participant who is a member of the 1989 SERP as of January 1, 2005, any 409A Supplemental Disability Benefit payable pursuant to the provisions of Section 4.2 to such Participant shall be paid in the same form as such Participant's 409A Additional Benefit, if any, is paid to such Participant pursuant to Section 5.1 of the 1989 SERP. The benefit payable pursuant to this clause (ii) shall be of Actuarial Equivalent value (as defined in

Section 6.3) to the 409A Supplemental Disability Benefit payable for the Participant's life as determined under Section 4.2

- (c) Notwithstanding any Supplemental Plan provision to the contrary, the survivor benefit payable hereunder to a Participant's Designated Beneficiary due to the death of the Participant prior to his Separation from Service, shall be paid in the same form as any Pre-Retirement Survivor Benefit attributable to such Participant's 409A Additional Benefit (as defined in the 1989 SERP) is paid under the SERP. The survivor benefit payable under this paragraph (c) shall be of Actuarial Equivalent value (as defined in Section 6.3) to the survivor benefit attributable to the Participant's 409A Supplemental Benefit that would have been payable for the life of the Designated Beneficiary.

5.4 Timing of Payment for "Specified Employees"

Notwithstanding any provision of the Supplemental Plan to the contrary, if a Participant is classified as a "Specified Employee" on his date of Separation from Service, the actual payment of the portion of his 409A Supplemental Benefit due under the provisions of Section 4, on account of such Participant's Separation from Service with the Company and all Affiliated Companies (for reasons other than death or his becoming Disabled) shall not commence prior to the first day of the seventh month following the Participant's Separation from Service. For avoidance of doubt, the provisions of this Section 5.4 do not apply to the portion of a Participant's Benefit equal to his Grandfathered Supplemental Benefit or any benefit payable to or on behalf of the Participant pursuant to the death of the Participant or to the provisions of Section 4.2. Any payment to the Participant which he would have otherwise received under Section 4.1, during the six-month period immediately following such Participant's Separation from Service shall be accumulated, with interest, compounded on a monthly basis, at the Applicable Interest Rate and paid within 60 days of the first day of the seventh month following the Participant's Separation from Service. For purposes of this Section 5.4 the Applicable Interest Rate is one year U.S. Treasury rate (constant maturities) as published on the last business day of the calendar month preceding the date of the Participant's Separation from Service occurs.

5.5 Grandfathered Supplemental Benefits

Notwithstanding any provision of the Supplemental Plan to the contrary, a Participant's Grandfathered Supplemental Benefit (or survivor benefit attributable to such Grandfathered Supplemental Benefit) shall commence, and the form of payment of such benefit shall be determined, in accordance with the provisions of the Supplemental Plan as in effect on October 3, 2004, without regard to any amendments after such date which would constitute a material modification for purposes of Section 409A of the Code.

SECTION 6 - CHANGE OF CONTROL

- 6.1 Notwithstanding the foregoing, upon the occurrence of a Change of Control (as such term is defined in Section 4.2 of the 2005 SERP), all former Participants or Beneficiaries of former Participants then receiving or then entitled to receive a 409A Supplemental Benefit or 409A Supplemental Disability Benefit under Section 4 of the Supplemental Plan shall automatically receive, in a single lump sum payment, the actuarial equivalent value of the remaining 409A Supplemental Benefit or 409A Supplemental Disability Benefit payments due to such former Participant or Beneficiary as of the date the Change of Control occurs. If such former Participant (or Beneficiary) dies after the Change of Control occurs but before receiving such single lump sum payment, the single lump sum payment shall be made to the Participant's Designated Beneficiary, otherwise to his estate.
- 6.2 Notwithstanding any Plan provision to the contrary, upon a Participant's Separation from Service for any reason within two years following the date a Change of Control occurs, such Participant shall automatically receive, in a single lump sum payment, the actuarial equivalent value of his Supplemental Benefit accrued under Section 4 of the Supplemental Plan as of his date of Separation from Service. If such Participant dies after his Separation from Service within two years of a Change of Control but before receiving such single lump sum payment, such single lump sum payment shall be made to his Designated Beneficiary, otherwise to his estate.
- 6.3 The amount of a single lump sum payment made pursuant to the provisions of this Section 6 shall be calculated in the same manner and on the same actuarial equivalent basis utilized to calculate a lump sum payment under Option 6 as set forth in Section 5.02 of the Retirement Plan. The lump sum payment shall be based on the age of the former Participant or Beneficiary on the date the Change of Control occurs or the date of the Participant's Separation from Service with the Company and all Affiliated Companies, if later. The calculation of the lump sum payment hereunder represents a complete settlement of all benefits accrued on the Participant's (or former Participant's) behalf under the Supplemental Plan.

- 6.4 Notwithstanding the foregoing, Section 3(b) of the Supplemental Plan as in effect on October 3, 2004 shall be applicable to a Participant's Grandfathered Supplemental Benefit, except that the definition of the term "Change of Control" (as defined therein) shall be revised to be the later of a "Change of Control" (as such term is defined in Section 4.2 of the 2005 SERP or a "Change of Control" as defined in Section 3(b) of the Supplemental Plan as in effect on October 3, 2004 without regard to any amendments after such date which would constitute a material modification for purposes of Section 409A of the Code.

SECTION 7 - NONASSIGNABILITY

Neither the Participant nor his designated beneficiaries shall have any right to transfer, assign, encumber or otherwise dispose of, directly or indirectly, voluntarily or involuntarily, any of their respective rights to receive any of the payments provided for herein and all such rights are non-assignable and non-transferable.

SECTION 8 - RIGHT TO DISCHARGE

Nothing in this Plan shall be deemed to interfere with or restrict the rights of the Corporation to discharge the Participant at any time without regard to the effect which such discharge might have on the Participant's benefits hereunder.

SECTION 9 - FUNDING AND GENERAL PROVISIONS

9.1 Funding

The Corporation may, but shall not be obligated to, fund its obligations hereunder with insurance, by establishing a trust or a reserve fund or otherwise. In the event the Corporation elects to fund its obligations hereunder, neither the Participant nor his designated beneficiaries shall have an interest in any such insurance, reserve fund, trust or other arrangement.

9.2

No special or separate fund shall be established, and no segregation of assets shall be made, to assure the payments thereunder. No Participant hereunder shall have any right, title, or interest whatsoever in any specific assets of the Corporation. Nothing contained in the Supplemental Plan and no action taken pursuant to its provisions shall create or be construed to create a trust of any kind or a fiduciary relationship between the Corporation and a Participant or any other person. To the extent that any person acquires a right to receive payments under the Supplemental Plan, such right shall be no greater than the right of any general unsecured creditor of the Corporation.

9.3 Facility of Payment

In the event that the Benefit Administrative Board shall find that a Participant or Beneficiary is incompetent to care for his affairs or is a minor, the Benefit Administrative Board may direct that any benefit payment due him, unless claim shall have been made therefore by a duly appointed legal representative, be paid on his behalf to his spouse, a child, a parent or other relative, and any such payment so made shall thereby be a complete discharge of the liability of the Corporation and the Supplemental Plan for that payment.

9.4 Acceleration of or Delay in Payments.

The Benefit Administrative Board in its sole and absolute discretion, may elect to accelerate the time or form of payment of a benefit owed to the Participant hereunder, provided such acceleration is permitted under Treas. Reg. Section 1.409A-3(j)(4). The Benefit Administrative Board may also, in its sole and absolute discretion, delay the time for payment of a benefit owed to the Participant hereunder, to the extent permitted under Treas. Reg. Section 1.409A-2(b)(7).

9.5 Designated Beneficiary

To the extent that any benefit would be paid to a Beneficiary under the Retirement Plan, the corresponding supplemental benefit under the Supplemental Plan shall be paid to such Beneficiary, unless the Participant designated an alternative beneficiary applicable to the Supplemental Plan and/or the SERP by a designation in writing, signed by the Participant and delivered to the Benefits Administrative Board prior to the death of the Participant. The Participant may, from time to time, revoke any such designation and make a new designation.

9.6 Administration

The Supplemental Plan shall be administered by the Corporation's Benefits Administration Board. The Benefits Administration Board shall determine all questions involving the administration, interpretation, and application of the Supplemental Plan. Any such determination shall be conclusive and binding on all persons, except as otherwise provided by law.

9.7 Withholding of Taxes

The Company shall have the right to deduct from each payment to be made under the Supplemental Plan any required withholding taxes.

9.8 Mergers/Transfers

This Supplemental Plan shall be binding upon and inure to the benefit of the Corporation and its successors and assignees and the Participant, his designees and his estate. Nothing in the Supplemental Plan shall preclude the Corporation from consolidating or merging into or with, or transferring all or substantially all of its assets to, another corporation which assumes the Supplemental Plan and all obligations of the Corporation hereunder. Upon such a consolidation, merger or transfer of assets and assumption, the terms "Corporation" and "Company" shall refer to such other corporation and the Supplemental Plan shall continue in full force and effect.

9.9 Amendment or Termination of Supplemental Plans

The Board of Directors of the Corporation may amend or terminate the Supplemental Plan at any time and from time to time, provided however that no such amendment or termination shall adversely affect the supplemental benefits which a Participant has accrued as of the date of such amendment or termination. Notwithstanding the foregoing, no modification or amendment shall be made to Section 6 after the occurrence of a Change of Control. To the extent consistent with the rules relating to plan terminations and liquidations in Treasury Reg. Section 1.409A-3(i)(4)(ix) or otherwise consistent with Code Section 409A, the Corporation may provide that, without the prior written consent of Participants, the Participants' 409A Supplemental Benefit shall be distributed in a lump sum upon termination of the Supplemental Plan. Unless so distributed in accordance with the preceding sentence, in the event of a Plan termination, the 409A Supplemental Benefit shall continue to be paid in accordance with the foregoing provisions of the Supplemental Plan.

9.10 Compliance

It is the intent of the Company that the Supplemental Plan complies with the provisions of Section 409A of the Code, any regulations and other guidance promulgated with respect thereto and the provisions of the Supplemental Plan shall be interpreted to be consistent therewith.

9.11 Construction

- (a) The Supplemental Plan is intended to constitute an unfunded deferred compensation arrangement for a select group of management or highly compensated employees and therefore exempt from the requirements of Sections 201, 301 and 401 of ERISA. All rights hereunder shall be governed by and construed in accordance with the laws of the State of New York

(b) The captions preceding the sections and articles hereof have been inserted solely as a matter of convenience and in no way define or limit the scope or intent of any provisions of the Supplemental Plan.

SECTION 10- SIGNATURE AND VERIFICATION

IN WITNESS WHEREOF, John Wiley & Sons, Inc. has caused the Supplemental Plan to be executed this 7th day of May 2014.

/s/Mary Jo O'Leary
Mary Jo O'Leary
Senior Vice President - Human Resources

APPENDIX A

Additional Supplemental Benefit

This Appendix A constitutes an integral part of the John Wiley & Sons, Inc. Supplemental Benefit Plan. (the "Excess Plan").

A. The Members listed below shall be eligible for the following annual Additional Supplemental Benefit, commencing as of May 1, 2008:

		<u>Additional Supplemental Benefit</u>	<u>Form of Payment</u>
Collins, Kenneth	\$	12,894.72	100% Joint & Survivor Annuity*
Higham, J.E. Adrian	\$	10,374.24	Life Annuity
McMullin, Ruth	\$	8,196.60	Life Annuity

*Upon the Member's death, payments shall continue to the same beneficiary as named with respect to benefits payable pursuant to the provisions of the Retirement Plan.

B. Effective as of October 1, 2009, the provisions of this Part B of this Appendix A are applicable only to Mr. Gregory St. John.

Except as otherwise modified or expanded in this Part B of Appendix A, the provisions of the document to which this Appendix A is attached shall determine the benefits payable to or on behalf of Mr. St. John.

1. If Mr. St. John (a) incurs a Separation from Service for any reason, on or after the date he attains the age of 62, and regardless of his length of service at the time of such Separation from Service, or (b) is involuntarily terminated from employment by the Company except for "Cause" (as such term is defined in Section 4.3 of Part B of the SERP) prior to attaining age 62, or (c) dies prior to incurring a Separation from Service, Mr. St. John shall be entitled to receive an additional supplemental benefit ("Additional Supplemental Benefit"). Such Additional Supplemental Benefit shall be equal to the difference, if any, between (x) the benefit calculated under the provisions of Section 4.1(a) of the Supplemental Plan based on (i) his years of Benefit Service as defined in and accrued under the terms of the Employees' Retirement Plan of John Wiley & Sons, Inc. (the "Retirement Plan") as of the date of his Separation from Service or June 30, 2013, if earlier plus (ii) the additional years of Benefit Service he would have accrued if the period of his employment with Allen R. Liss Company prior to June 16, 1989 was recognized as Benefit Service under the terms of the Retirement Plan, and (y) the benefit calculated under the provisions of Section 4.1(a) of the Supplemental Plan based on his actual years of Benefit Service accrued under the terms of the Retirement Plan as of the date of his Separation from Service or June 30, 2013, if earlier.
 2. Any Additional Supplemental Benefit payable under the provisions of this Part B of Appendix A shall be paid pursuant to the provisions of Section 5 of the Supplemental Plan in the same form and at the same time as the Supplemental Benefit, if any, payable to, or on behalf of, Mr. St. John under the provisions of Section 4 of the Excess Plan.
- C. Effective as of August 1, 2010, the provisions of this Part C of this Appendix A are applicable only to Mr. William B. Zerter.
1. If Mr. Zerter incurs a Separation from Service (as such term is defined in Section 2.6 of the Excess Plan) for any reason on or after the date he attains the age of 65, and regardless of his length of service at the time of such Separation from Service, he shall be entitled to receive an annual supplemental benefit in addition to any supplemental benefit payable under the provisions

of the document to which this Appendix A is attached (the "Additional Supplemental Benefit"). Such Additional Supplemental Benefit shall be equal to \$15,000.00.

2. If Mr. Zerter incurs a Separation from Service for any reason prior to the date he attains the age of 65, he shall be entitled to a reduced Additional Supplemental Benefit equal to \$15,000.00 multiplied by a fraction, the numerator of which will be the number of months Mr. Zerter worked between August 1, 2010 and September 1, 2019 and the denominator of which will be 109.
3. The Additional Supplemental Benefit payable to Mr. Zerter under the provisions of this Part C of Appendix A shall be paid pursuant to the provisions of Section 5 of the Supplemental Plan in the same form and at the same time as a Supplemental Benefit, if any, payable to, or on behalf of, Mr. Zerter under the provisions of Section 4 of the Supplemental Plan.

DEFERRED COMPENSATION PLAN OF JOHN WILEY & SONS, INC.

As amended and restated effective as of January 1, 2016 including amendments through December 31, 2016

INTRODUCTION

This Deferred Compensation Plan of John Wiley & Sons, Inc. (the "Plan") was established by the Board of Directors of John Wiley & Sons, Inc. effective as of March 1, 1995.

The purpose of the Plan is to attract and retain key employees by providing each Participant with an opportunity to defer receipt of a portion of their salary, bonus, and other specified compensation and, effective on and after July 1, 2013, to provide a means of restoring Company contributions lost under the John Wiley & Sons Inc. Employees' Savings Plan due to the application of the limitations imposed on qualified plans by Section 401(a)(17) of the Code. The Plan is not intended to meet the qualification requirements of Section 401(a) of the Code, but is intended to meet the requirements of Section 409A of the Code (as applicable herein), and shall be operated and interpreted consistent with that intent.

The Plan constitutes an unsecured promise by the John Wiley & Sons, Inc. (the "Company") to pay benefits in the future. Participants in the Plan shall have the status of general unsecured creditors of the Company, as applicable. The Company shall be solely responsible for payment of the benefits to Participants and their beneficiaries. The Plan is unfunded for Federal tax purposes and is intended to be an unfunded arrangement for eligible employees who are part of a select group of management or highly compensated employees of the Employer within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA. Any amounts set aside to defray the liabilities assumed by the Company will remain the general assets of the Company and shall remain subject to the claims of the Company's creditors until such amounts are distributed to the Participants.

The Plan was first amended and restated effective as of January 1, 2008 to comply with the provisions of Section 409A of the Code and regulations promulgated thereunder and to reflect certain design and administrative changes desired by the Company. The Plan was further amended, effective as of each of January 1, 2009 and July 1, 2013, to make additional design and administrative changes. The Plan is hereby further amended and restated effective as of January 1, 2016, to clarify certain provisions and make certain technical changes.

Amounts deferred under the provisions of the Plan prior to January 1, 2005, which were vested as of December 31, 2004, are "grandfathered" from the rules of Section 409A of the Code and shall be subject to the provisions of the Plan as in effect on October 3, 2004, unless otherwise provided in this restated Plan or in Appendix A of this restated Plan.

DEFERRED COMPENSATION PLAN OF JOHN WILEY & SONS, INC.

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JOHN WILEY & SONS, INC.

ARTICLE I. DEFINITIONS

- 1.01 “**Accounts**” shall mean the Deferral Account, the Company (Pre-2014) Matching Account, the Excess Company Contribution Account, the Grandfathered Deferral Account, and the Grandfathered Company Account maintained by the Company to record the payment obligations of the Company to a Participant as determined under the terms of the Plan.
- 1.02 “**Administrative Committee**” shall mean the person or persons appointed by the Board of Directors to administer the Plan as provided in Section 8.01.
- 1.03 “**Affiliate**” shall mean any company which is a member of a controlled group of corporations (as defined in Section 414(b) of the Code) which also includes as a member John Wiley & Sons, Inc.; any trade or business under common control (as defined in Section 414(c) of the Code) with John Wiley & Sons, Inc.
- 1.04 “**Base Salary**” shall mean the Participant’s annual base fixed compensation paid periodically during the calendar year, determined prior to any pre-tax contributions under a “qualified cash or deferred arrangement” (as defined under Section 401(k) of the Code and its applicable regulations), under a “cafeteria plan” (as defined under Section 125 of the Code and its applicable regulations or pursuant to a qualified transportation fringe under Section 132(f) of the Code), but excluding any Bonus or other form of special pay.
- 1.05 “**Beneficiary**” shall mean the person or persons designated by a Participant pursuant to the provisions of Section 6.06, in a time and manner determined by the Administrative Committee to receive the amounts, if any, payable under the Plan upon the death of the Participant.
- 1.06 “**Bonus**” shall mean a cash Performance Bonus.
- 1.07 “**Board of Directors**” or “**Board**” shall mean the Board of Directors of John Wiley & Sons, Inc.
- 1.08 “**Change of Control**” shall mean “Change of Control” as such term is defined under the terms of the John Wiley & Sons Inc. Supplemental Executive Retirement Plan as amended and restated effective as of January 1, 2014, provided that an event shall constitute a Change of Control for purposes hereof only if it also qualifies as a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, each as determined pursuant to Section 409A of the Code.
- 1.09 “**Code**” shall mean the Internal Revenue Code of 1986, as amended from time to time.
- 1.10 “**Company**” shall mean John Wiley & Sons, Inc., a New York corporation, and any successor thereto, with respect to its employees and such Affiliates authorized by the Board of Directors to participate in the Plan, with respect to their employees.
- 1.11 “**Company (Pre-2014) Matching Account**” shall mean the bookkeeping account (or subaccount(s)) maintained for each Participant to record the amount of Company Contributions that are either (i) credited to a Participant in accordance with Section 4.01 on or after January 1, 2005 and prior to January 1, 2014 or (ii) which were credited prior to January 1, 2005 but become vested on or after January 1, 2005, adjusted pursuant to Article 5.
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- 1.12 “**Company Contributions**” shall mean the amount of contributions credited on behalf of a Participant pursuant to Section 4.01.
- 1.13 “**Compensation**” shall have the meaning set forth in the Savings Plan.
- 1.14 “**Compensation Committee**” shall mean the Executive Compensation & Development Committee of the Board of Directors (formerly known as the Governance and Compensation Committee).
- 1.15 “**Deferral Account**” shall mean the bookkeeping account (or subaccount(s)) maintained for each Participant to record the amount of Base Salary and/or Bonus deferred on his behalf in accordance with Article 3 on or after January 1, 2005, adjusted pursuant to Article 5.
- 1.16 “**Deferral Agreement**” shall mean the completed agreements, including any amendments, attachments and appendices thereto, in such form approved by the Plan Administrator, between an Eligible Executive and the Company, under which the Eligible Executive agrees to defer a portion of his Base Salary or Bonus under the Plan.
- 1.17 “**Deferrals**” shall mean the amount of deferrals credited to a Participant pursuant to Section 3.02.
- 1.18 “**Effective Date**” shall mean March 1, 1995.
- 1.19 “**Eligible Employee**” shall mean an Employee of the Company who (i) with respect to the Plan Year commencing January 1, 2013 is eligible to participate in the Plan as provided in Section 2.01(d), and (ii) with respect to Plan Years commencing on or after January 1, 2014 is eligible to participate in the Plan as provided in Section 2.01(e).
- 1.20 “**Eligible Executive**” shall mean a common law employee of the Company who is a member of a “select group of management or highly compensated employees” and who (i) with respect to Plan Years commencing prior to January 1, 2014 is designated as eligible to participate in this Plan by the Compensation Committee, and (ii) with respect to Plan Years beginning on or after January 1, 2014 is eligible to make a deferral election under the Plan as provided in Section 2.01(a), 2.01(b) or 2.01(c).
- 1.21 “**Employee**” shall have the meaning set forth in the Savings Plan.
- 1.22 “**ERISA**” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.
- 1.23 “**Excess Company Contribution Account**” shall mean the bookkeeping account (or subaccount(s)) maintained for each Participant to record the amount of Excess Company Contributions that are credited to a Participant in accordance with Section 4.02 on or after July 1, 2013, as adjusted pursuant to Article 5.
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- 1.24 **"Excess Company Contributions"** shall mean the amount of contributions credited on behalf of an Eligible Employee pursuant to Section 4.02.
- 1.25 **"Grandfathered Company Account"** shall mean the bookkeeping account (or subaccount(s)) maintained for a Participant to record the amount of Company Contributions credited to a Participant in accordance with Article 4 prior to January 1, 2005, which were vested as of December 31, 2004, adjusted pursuant to Article 5.
- 1.26 **"Grandfathered Deferral Account"** shall mean the bookkeeping account (or subaccount(s)) maintained for each Participant to record the amount of Base Salary and/or Bonus deferred in accordance with Article 3 prior to January 1, 2005, adjusted pursuant to Article 5.
- 1.27 **"Participant"** shall mean, except as otherwise provided in Article 2, each Eligible Executive who has executed a Deferral Agreement pursuant to the requirements of Section 2.01 and each Eligible Employee who has an amount credited to the Plan on his behalf pursuant to Article 4.
- 1.28 **"Performance Bonus"** shall mean the amount, if any, awarded to a common law employee of the Company under the Company's performance bonus program, long-term bonus program or other bonus program approved by the Compensation Committee, including but not limited to the Executive Annual Incentive Plan and the Executive Long Term Incentive Plan; provided that such amounts qualify as performance-based compensation under Section 409A of the Code and the regulations promulgated thereunder.
- 1.29 **"Performance Period"** shall mean the period of at least 12 months over which an individual and/or company performance criteria is measured for purposes of a Company bonus program.
- 1.30 **"Plan"** shall mean the Deferred Compensation Plan of John Wiley & Sons, Inc. as set forth in this document, as it may be amended from time to time. However, to the extent permitted or required under Section 409A of the Code, the term Plan may in the appropriate context also mean a portion of the Plan that is treated as a single plan under Treas. Reg. Section 1.409A-1(c), or the Plan or portion of the Plan and any other nonqualified deferred compensation plan or portion thereof that is treated as single plan under such section.
- 1.31 **"Plan Administrator"** shall mean the employees of the Company appointed by the Administrative Committee with the responsibilities set forth in this Plan.
- 1.32 **"Plan Year"** shall mean the calendar year, except that the first Plan Year began on the Effective Date.
- 1.33 **"Retirement"** shall mean a Separation from Service on or after the date a Participant has attained age 55.
- 1.34 **"Retirement Plan"** shall mean the Employees' Retirement Plan of John Wiley & Sons, Inc., as amended from time to time.
- 1.35 **"Savings Plan"** shall mean the John Wiley & Sons, Inc. Employees' Savings Plan, as amended from time to time.
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- 1.36 "Separation from Service" shall mean a "Separation from Service" as such term is defined under the terms of the John Wiley & Sons Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2014.
- 1.37 "Specified Employee" shall mean "Specified Employee" as such term is defined under the terms of the John Wiley & Sons Inc. Supplemental Executive Retirement Plan as amended and restated effective as January 1, 2014.
- 1.38 "Statutory Compensation Limitation" shall mean the limitations set forth in Section 401(a)(17) of the Code as in effect each calendar year for the Savings Plan.
- 1.39 "Unforeseeable Emergency" shall mean a severe financial hardship to a Participant resulting from (a) an illness or accident of the Participant or the Participant's spouse, beneficiary or dependent (as defined in Section 152 of the Code, without regard to Section 152(b)(1), (b)(2) and (d)(1)(B)), (b) loss of the Participant's property due to casualty (including the need to rebuild a home following damage to the home not otherwise covered by insurance) or (c) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant; provided, however, that an Unforeseeable Emergency shall only exist to the extent the severe financial hardship would constitute an Unforeseeable Emergency under Section 409A of the Code, related regulations and other applicable guidance.
- 1.40 "Valuation Date" shall mean the close of each business day on which the New York Stock Exchange is open for business, or such other day or days as the Plan Administrator may determine.
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ARTICLE 2. PARTICIPATION**2.01 Eligibility**

- (a)
 - (i) An Employee of the Company who is at a salary grade 18 or higher (or such other salary grade designated by the Administrative Committee) in the current Plan Year shall be an Eligible Executive with respect to the next-following Plan Year and may elect to participate in this Plan by executing a Deferral Agreement authorizing Deferrals with respect to his Base Salary payable in the next- following Plan Year, provided such election is made by December 31st of the current Plan Year.
 - (ii) Effective with respect to Plan Years beginning on and after January 1, 2014, an Employee who (1) was an Employee on the first day of the Performance Period beginning in that Plan Year, and (2) is an Employee who on September 1st (October 1st for Plan Years beginning on and after January 1, 2016) of that same Plan Year (or such other date in that Plan Year, as designated by the Administrative Committee, and in all events consistent with the requirements of Section 409A of the Code) is at a salary grade 18 or higher, shall be an Eligible Executive with respect to the Performance Period in which such date occurs and may elect to participate in this Plan by executing a Deferral Agreement authorizing Deferrals with respect to his Bonus, if any, payable in the Plan Year following such September 1st or October 1st, as applicable.
 - (b) The Administrative Committee, may, in its sole discretion, designate other key employees of the Company or an Affiliate which has been authorized by the Compensation Committee to participate in the Plan, who are members of a select group of management or highly compensated employees, as eligible to participate in the Plan pursuant to the provisions of Article 3.
 - (c)
 - (i) With respect to the Plan Year commencing on January 1, 2013 (the "2013 Plan Year"), an Employee who was a participant in the Retirement Plan on June 30, 2013, shall be an Eligible Employee for the portion of the 2013 Plan Year beginning on July 1, 2013 during which he or she is eligible to participate in the Savings Plan and his Compensation during that portion of the 2013 Plan Year exceeds the applicable pro-rata portion of the Statutory Compensation Limitation in effect for the 2013 Plan Year.
 - (ii) With respect to the Plan Year commencing on January 1, 2013, an Employee who was employed by the Company on or after July 1, 2012 but is not a participant in the Retirement Plan on June 29, 2013 shall be an Eligible Employee for the portion of the 2013 Plan Year during which he or she is eligible to participate in the Savings Plan during 2013 and his Compensation in that Plan Year exceeds the Statutory Compensation Limitation in effect for the 2013 Plan Year.
 - (d) Effective with respect to Plan Years commencing on or after January 1, 2014, an Employee shall be an Eligible Employee for the portion of any Plan Year during which
 - (i) the Employee is eligible to participate in the Savings Plan and
 - (ii) the Eligible Employee's Compensation in that Plan Year exceeds the Statutory Compensation Limitation in effect for that particular Plan Year.
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2.02 In General

- (a) An Eligible Executive shall become a Participant as of the earlier of (i) the date a Company Contribution or Excess Company Contribution is credited on his behalf in accordance with Article 4 or (ii) the date such Eligible Executive first files an effective Deferral Agreement with the Plan Administrator or its delegate; provided, however, such Deferral Agreement shall be effective for purposes of deferring Base Salary or Bonus only as provided in Article 3.
- (b) The Deferral Agreement shall be in writing (or in electronic format) and be properly completed in the format approved by the Plan Administrator (or its delegate) who shall be the sole judge of the proper completion thereof. Such Deferral Agreement shall provide, subject to the limitation specified in Section 3.02, for the deferral of a portion of the Eligible Executive's Base Salary and Bonus and shall include such other provisions as the Administrative Committee deems appropriate.
- (c) An Eligible Employee shall become a Participant on the date a Company Contribution or Excess Company Contribution is credited on his behalf in accordance with Article 4.

2.03 Termination of Participation

- (a) Participation shall cease upon termination of a Participant's employment with the Company or his Separation from Service, if earlier, unless the Participant is entitled to benefits under the Plan, in which event his participation shall terminate when those benefits are distributed to him.
 - (b) Subject to the provisions of Section 3.01, a Participant shall only be eligible to have Deferrals or Company Contributions credited on his behalf in accordance with Article 3 or 4, for as long as he remains an Eligible Executive. Subject to the provisions of Article 4, a Participant shall only be eligible to have Excess Company Contributions credited on his behalf in accordance with Sections 4.02 for as long as he remains an Eligible Employee or Eligible Executive.
 - (c) If a former Participant whose participation in the Plan ceased under Section 2.02(a) or 2.02(c) is reemployed or reinstated as an Eligible Executive or Eligible Employee, the former Participant may again become a Participant in accordance with the provisions of Sections 2.01 and 2.02.
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ARTICLE 3. DEFERRALS**3.01 Deferral Elections**

- (a) (i) Subject to the following provisions of this Section, prior to the close of an annual enrollment period established by the Administrative Committee or its delegate in any Plan Year, an Eligible Executive may elect, subject to Section 3.02(a) below, to defer a portion of his Base Salary that is otherwise earned and payable in the next calendar year by filing a Deferral Agreement with the Plan Administrator or its delegate. If an employee becomes an Eligible Executive after January 1 in any Plan Year, he may not elect to defer Base Salary for that year. If an employee is first employed by the Company after the close of the annual enrollment period and becomes an Eligible Executive prior to the beginning of the next Plan Year, he may elect, subject to following provisions of this Section and Section 3.02(a) below, to defer a portion of his Base Salary that is otherwise earned and payable in the next calendar year by filing a Deferral Agreement with the Plan Administrator or its delegate no later than the last business day of the Plan Year in which he became an Eligible Executive.
- (ii) Subject to the following provisions of this Section, prior to the close of an annual enrollment period established by the Administrative Committee or its delegate, an Eligible Executive who was employed on the first day of a Performance Period and who remains continuously employed through the date his Deferral Agreement is submitted, may elect to defer a portion of his Bonus earned with respect to that Performance Period but which is otherwise payable in the next calendar year; provided the Deferral Agreement is filed with Plan Administrator or its delegate no later than six months before the end of the applicable Performance Period.
- (b) The Eligible Executive shall submit the Deferred Agreement in the manner specified by the Plan Administrator and a Deferral Agreement that is not timely filed shall be considered void and shall have no effect. The Plan Administrator shall establish procedures that govern deferral elections under the Plan, including the ability to make separate elections for Base Salary and Bonuses. A Participant's election to defer a portion of Base Salary for any Plan Year shall become irrevocable on the date established by the Administrative Committee or its delegate but no later than the last day of the calendar year preceding the calendar year in which the Base Salary is earned. A Participant's election to defer a portion of Bonus earned with respect to the Performance Period beginning in the Plan Year shall become irrevocable on the date established by the Administrative Committee or its delegate, but no later than six months prior to the end of the applicable Performance Period. A Participant may revoke or change his election to defer a portion of Base Salary or Bonus at any time prior to the date the election becomes irrevocable. Any such revocation or change shall be made in a form and manner determined by the Plan Administrator.
- (c) A Participant's Deferral Agreement shall apply only with respect to Base Salary earned in the Plan Year following the Plan Year in which the Deferral Agreement is filed with the Plan Administrator or its delegate under Section 3.01(a). A Participant's Deferral Agreement shall only apply to a Bonus which is not readily ascertainable at the time the
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Deferral Agreement is filed with the Plan Administrator under Section 3.01(a). An election to defer a Bonus will be void if the Bonus becomes payable as a result of the Participant's death or disability (as defined in Treasury Regulations Section 1.409A-1(e)) or under a Change of Control prior to the end of the Performance Period. An Eligible Executive must file, in accordance with the provisions of Section 3.01(a), a new Deferral Agreement for each Plan Year the Eligible Executive desires to defer a portion of Base Salary or Bonus.

- (d) If a Participant ceases to be an Eligible Executive after the date a deferral election becomes irrevocable but continues to be employed by the Company, he shall continue to be a Participant and his Deferral Agreement currently in effect shall remain in force for the remainder of the applicable Plan Year or Performance Period, but such Participant shall not be eligible to defer any portion of his Base Salary or Bonus earned in a subsequent Plan Year or Performance Period (as applicable) until such time as he shall once again become a Eligible Executive.
- (e) Notwithstanding anything in this Plan to the contrary, if an Eligible Executive
 - (i) receives a withdrawal of deferred cash contributions on account of hardship from any plan which is maintained by the Company and which meets the requirements of Section 401(k) of the Code, and
 - (ii) is precluded from making contributions to such 401(k) plan for at least 6 months after receipt of the hardship withdrawal, the Eligible Executive's Deferral Agreements with respect to Base Salary or Bonus in effect at that time shall be cancelled. Any Base Salary or Bonus payment which would have been deferred pursuant to that Deferral Agreement but for the application of this Section 3.01(e) shall be paid to the Eligible Executive as if he had not entered into the Deferral Agreement.

3.02 Amount of Deferral

- (a) An Eligible Executive may defer up to 25% of Base Salary and up to 100% of Bonus; provided the total amount of Bonus and Base Salary deferred in a calendar year beginning prior to January 1, 2009 shall not exceed 25% of the sum of the Eligible Executive's projected Base Salary for such calendar year and the Bonus received by the Eligible Executive in such calendar year.
- (b) At the direction of the Compensation Committee, the Administrative Committee may establish such other maximum or minimum limits on the amount of Base Salary or Bonus which may be deferred and/or the timing of such deferral. Eligible Executives shall be given written notice of any such limits prior to the date they take effect.

3.03 Crediting to Deferral Account

The amount of Deferrals shall be credited to such Participant's Deferral Account no later than the first business day of the first calendar month following the date the Base Salary or Bonus would have been paid to the Participant in the absence of a Deferral Agreement.

3.04 Vesting

Except as otherwise provided in Section 8.12, a Participant shall at all times be 100% vested in his Deferral Account.

ARTICLE 4. COMPANY CONTRIBUTIONS**4.01 Amount of Company Contributions**

To the extent the Company is prevented from making Company Contributions under Section 3.03 of the Savings Plan on behalf of a Participant in any calendar year beginning prior to January 1, 2014 in which he is a Participant hereunder by reasons of the limitation imposed on contributions by Section 402(g)(1) of the Code or the limitation on compensation imposed by Section 401(a)(17) of the Code, such excess Company Contributions will be credited under this Plan with respect to deferrals made regarding Base Salary pursuant to Section 3.01, to the extent the amount of such Deferrals when added to the amount of deferred cash contributions the Participant has made under the Savings Plan during such calendar year do not exceed the amount of deferred cash contributions the Participant would have made pursuant to his deferred cash contribution election in effect under the Savings Plan during such calendar year, without reference to the limitation imposed on contributions by Section 402(g)(1) of the Code or the limitation imposed on compensation by Section 401(a)(17) of the Code.

4.02 Excess Company Contributions**(a) Excess Basic Contributions:**

- (i) With respect to the period commencing July 1, 2013 and ending December 31, 2013 the Company shall credit, in accordance with the provisions of Section 4.03, to the Excess Company Contribution Account of a Participant who is an Eligible Executive or an Eligible Employee described in Section 2.01(d)(i) and who in either case is entitled to basic retirement contributions under Section 3.04(a)(ii) of the Savings Plan, an Excess Basic Contribution equal to (1) three (3) percent of the portion of such Eligible Employee's Compensation paid during the period July 1, 2013 through December 31, 2013 that exceeds \$127,500 (i.e., the pro-rata portion of the Statutory Compensation Limitation for that portion of 2013) plus (2) three (3) percent of the Eligible Executive's Base Salary and Bonus, if any, that would have otherwise been paid during the period beginning July 1, 2013 and ending on December 31, 2013 had it not been deferred under the provisions of Section 3.01(a).
 - (ii) The Company shall credit each year, in accordance with the provisions of Section 4.03, to the Excess Company Contribution Account of a Participant who is an Eligible Executive or Eligible Employee described in Section 2.01(d)(ii) and who in either case is entitled to basic retirement contributions under the provision of Section 3.04(a)(i) of the Savings Plan, an Excess Basic Contribution equal to (1) three (3) percent of the portion of his Compensation paid in 2013 while an Eligible Employee that exceeds the Statutory Compensation Limitation for 2013 plus (2) three (3) percent of such Eligible Executive's Base Salary and Bonus, if any, that would have otherwise been paid during 2013 had it not been deferred under the provisions of Section 3.01(a).
 - (iii) With respect to a Participant who is an Eligible Employee and Eligible Executive for Plan Years commencing on and after January 1, 2014, the amount of Excess Basic Contributions credited to such Participant's Excess Company Contribution
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Account for a Plan Year shall be equal to the sum of (1) three percent of the portion of such Participant's Compensation earned in that particular Plan Year while an Eligible Employee that exceeds the Statutory Compensation Limitation for that Plan Year, and (2) three percent of his Base Salary and Bonus, if any, that would have otherwise been paid during that calendar year had it not been deferred under the provisions of Section 3.01(a).

- (iv) For avoidance of doubt, Excess Basic Contributions shall only be credited under the provisions of this paragraph (a) on behalf of a Participant who is an Eligible Employee or Eligible Executive if he is eligible to receive Basic Contributions (as that term is defined in the Savings Plan) under the terms of the Savings Plan for that period.
- (b) Excess Matching Contributions:
- (i) With respect to a Participant who is an Eligible Employee or an Eligible Executive for Plan Years commencing on and after January 1, 2014, the amount of Excess Matching Contributions credited to such Participant's Excess Company Contribution Account for a Plan Year shall be equal to his "Effective Rate of Match" (as such term is defined in subparagraph(ii) below) for that Plan Year multiplied by (1) the portion of his Compensation earned while an Eligible Employee in that particular Plan Year that exceeds the Statutory Compensation Limitation for that Plan Year plus (2) the portion of his Base Salary and Bonus, if any, that would have otherwise been paid in that particular Plan Year had it not been deferred under the provisions of Section 3.01(a).
 - (ii) For purposes of this paragraph (b), a Participant "Effective Rate of Match" for a particular Plan Year shall be determined by dividing (1) the dollar amount of Matching Contribution (as such term is defined under the provisions of the Savings Plan) he received under the terms of the Savings Plan for that Plan Year by (2) the amount of his Compensation (as defined under the terms of the Savings Plan) for such Plan Year as limited by the provisions of Section 401(a)(17) of the Code.
 - (iii) For avoidance of doubt, Excess Matching Contributions shall only be credited on behalf of a Participant who is an Eligible Employee or Eligible Executive if he is eligible to receive Matching Contributions (as that term is defined in the Savings Plan) under the terms of the Savings Plan for that period.
- (c) Excess Profit Sharing Contributions:
- (i) With respect to the period commencing July 1, 2013 and ending December 31, 2013, the Company shall credit, in accordance with the provisions of Section 4.03, to the Excess Company Contribution Account of a Participant (1) who is an Eligible Executive or Eligible Employee as defined in Section 2.01(d)(i), (2) who in either case is entitled to a discretionary profit sharing contribution under the provisions of Section 3.05(a) of the Savings Plan, and (3) who was a participant in the Retirement Plan on June 30, 2013, an Excess Profit Sharing Contribution equal to the profit sharing percentage allocated under the provisions of the Savings Plan with respect to the Plan Year ending December
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31, 2013, if any, multiplied by (A) the portion of such Eligible Executive's or Eligible Employee's Compensation paid during the period July 1, 2013 through December 31, 2013 that exceeds \$127,500 (i.e., the pro-rata portion of the Statutory Compensation Limitation for 2013), plus (B) the portion of such Eligible Executive's Base Salary and Bonus, if any, that would have otherwise been paid during the period beginning July 1, 2013 and ending on December 31, 2013 had it not been deferred under the provisions of Section 3.01(a).

- (ii) With respect to the period commencing January 1, 2013 and ending December 31, 2013, the Company shall credit, in accordance with the provisions of Section 4.03, to the Excess Company Contribution Account of a Participant (1) who is an Eligible Executive or Eligible Employee defined in Section 2.01(d)(ii), (2) who in either case is entitled to a discretionary profit sharing contribution under the provisions of Section 3.05(a) of the Savings Plan, and (3) who was a participant in the Retirement Plan on June 30, 2013, an Excess Profit Sharing Contribution equal to the profit sharing percentage allocated under provisions of the Savings Plan, if any, with respect to the Plan Year ending December 31, 2013, multiplied by (A) the portion of his Compensation paid during 2013 while an Eligible Executive or Eligible Employee that exceeds the Statutory Compensation Limitation for 2013, plus (B) the portion of such Eligible Executive's Base Salary and Bonus, if any, that would have otherwise been paid during 2013 had it not been deferred under the provisions of Section 3.01(a).
- (iii) With respect to Eligible Employees and Eligible Executives for Plan Years commencing on and after January 1, 2014, the amount of Excess Profit Sharing Contributions, if any, credited to a Participant's Excess Company Contribution Account for a Plan Year shall be equal to the sum of (1) the profit sharing percentage allocated under provisions of the Savings Plan, if any, with respect to Compensation paid in that Plan Year multiplied by (1) the portion of his Compensation in that particular Plan Year that exceeds the Statutory Compensation Limitation in effect for that Plan Year, and (2) such Eligible Executive's Base Salary and Bonus, if any, that would have otherwise been paid in that particular Plan Year had it not been deferred under the provisions of Section 3.01(a).
- (iv) For avoidance of doubt, Excess Profit Sharing Contributions shall only be credited on behalf of an Eligible Employee or Eligible Executive if he is eligible to receive such Profit Sharing Contributions (as that term is defined in the Savings Plan) under the provisions of the Savings Plan for that period.

4.03 Crediting to Company (Pre-2014) Matching Account and Excess Company Contribution Account

- (a) The Company Contributions determined pursuant to Section 4.01 shall be credited to a Participant's Company Account as soon as administratively practicable following the close of each calendar year.
 - (b)
 - (i) The Excess Basic Contributions credited on a Participant's behalf pursuant to Section 4.02(a)(i) or 4.02(a)(ii) shall be credited to his Excess Company Contribution Account, as soon as administratively practicable following the close of the 2013 Plan Year.
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- (ii) The Excess Basic Contributions credited on a Participant's behalf pursuant to Section 4.02(a)(iii) shall be credited to his Excess Company Contribution Account at the same time as they would have been credited to his accounts under the Savings Plan if not for the application of the Statutory Compensation Limitations or, if applicable, at the same time as they would have been credited to his accounts under the Savings Plan if not for the Participant's election to defer said Base Salary or Bonus under the terms of this Plan.
- (c) The Excess Matching Contributions credited on a Participant's behalf pursuant to Section 4.02(b) shall be credited to a Participant's Excess Company Contribution Account as soon as administratively practicable following the close of each calendar year (or such other date in the calendar year as designated by the Administrative Committee).
- (d) The Excess Profit Sharing Contributions, if any, credited on a Participant's behalf pursuant to Section 4.02(c) shall be credited to a Participant's Excess Company Contribution Account as soon as administratively practicable following the close of each fiscal year of the Company (or such other date as designated by the Administrative Committee).

4.04 Vesting

Except as otherwise provided in this Section 4.04 or in Section 8.12, a Participant shall vest in the Company Contributions made on his behalf under Section 4.01, adjusted pursuant to Article 5, at the same rate at which such contributions would have vested under the Savings Plan had they been contributed thereunder. In the event a Participant terminates employment prior to vesting in all or any part of the Company Pre-2014 Matching Contributions made on his behalf, such Company (Pre-2014) Matching Account shall be forfeited to the Company and shall not be restored even if the Participant is subsequently re-employed by the Company.

Notwithstanding the forgoing, effective as of January 1, 2014, a Participant who is a common law employee of the Company or an Affiliated Company (as defined in the Savings Plan) on January 1, 2014 shall be 100 percent vested in, and have a nonforfeitable right to his Company (Pre-2014) Matching Account.

Except as otherwise provided in Section 8.12, a Participant shall at all times be 100% vested in his Excess Company Contribution Account.

ARTICLE 5. MAINTENANCE OF ACCOUNTS**5.01 *Adjustment of Account***

- (a) As of each Valuation Date, a Participant's Accounts shall be credited or debited with the amount of earnings or losses with which such Accounts would have been credited or debited, assuming it had been invested in one or more investment funds, or earned the rate of return of one or more indices of investment performance, designated by the Administrative Committee and elected by the Participant pursuant to Section 5.02 for purposes of measuring the investment performance of his Accounts.
- (b) The Administrative Committee shall designate at least one investment fund or index of investment performance and may designate other investment funds or investment indices to be used to measure the investment performance of a Participant's Accounts. The designation of any such investment funds or indices shall not require the Company to invest or earmark their general assets in any specific manner. The Administrative Committee may change the designation of investment funds or indices from time to time, in its sole discretion, and any such change shall not be deemed to be an amendment affecting Participants' rights under Section 7.02.

5.02 *Investment Fund or Performance Elections*

In the event the Administrative Committee designates more than one investment fund or index of investment performance under Section 5.01, each Participant shall file an investment election with the Plan Administrator with respect to the investment of his Accounts within such time period and on such form as the Administrative Committee may prescribe. The election shall designate the investment fund or funds or index or indices of investment performance which shall be used to measure the investment performance of the Participant's Accounts. If the Participant fails to make an investment election, his Accounts shall be invested in the default investment fund or index designated as such by the Administrative Committee.

5.03 *Changing Investment Elections*

- (a) A Participant may change his election in Section 5.02 used to measure the investment performance of his future Deferrals, Excess Company Contributions and Company Contributions, within such time periods and in such manner prescribed by the Administrative Committee. The election shall be effective as soon as administratively practicable after the date on which notice is timely filed or at such other time as the Administrative Committee shall determine.
 - (b) A Participant may change his election of the investment fund or funds or index or indices used to measure the future investment performance of his existing Account balances, within such time periods and in such manner prescribed by the Administrative Committee. The election shall be effective as soon as administratively practicable after the date on which the notice is filed or at such other time as the Administrative Committee shall determine.
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5.04 Individual Accounts

The Plan Administrator shall maintain, or cause to be maintained on its books, records showing the individual balance of each Participant's Accounts. At least once a year each Participant shall be furnished with a statement setting forth the value of his Accounts.

5.05 Valuation of Accounts

- (a) The Plan Administrator shall value or cause to be valued each Participant's Accounts at least quarterly. On such Valuation Date there shall be allocated to the Accounts of each Participant the appropriate amount determined in accordance with Section 5.01.
 - (b) Whenever an event requires a determination of the value of Participant's Accounts, the value shall be computed as of the Valuation Date coincident with, or immediately following, the date of the event.
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ARTICLE 6. PAYMENT OF BENEFITS**6.01 Commencement of Payment – Deferral Account**

- (a) Subject to the limitations set forth in this Article 6, each Plan Year a Participant elects to defer Base Salary and/or Bonus, the Participant shall designate on the applicable Deferral Agreement that the distribution of the portion of his Deferral Account attributable to such Plan Year shall commence, pursuant to Section 6.03, upon the occurrence of (i) or (ii) below:
- (i) the Participant's Retirement, or
 - (ii) a designated year not later than the year in which he attains age 70-1/2. A Participant may not elect a year that is less than five (5) years subsequent to the date he executed the Deferral Agreement.
- (b) (i) Subject to clause (ii) below, in the event a Participant elects to have Deferrals commence as of a designated year pursuant to Section 6.01(a), distribution of such Deferrals, adjusted pursuant to Article 5, shall be based on the last Valuation Date of such designated year and payment shall be made in the following January.
- (ii) In the event a Participant incurs a Separation from Service prior to his attaining Retirement or a designated year, as elected pursuant to Section 6.01(a), such election(s) shall become void and distribution of the Participant's Deferral Account shall commence, pursuant to Section 6.03, in the seventh month following the month in which his Separation from Service occurs. The value of such distribution shall be determined as of the last Valuation Date of the month immediately preceding the month in which payment is to commence.
- (iii) If a Participant incurs a Separation from Service due to his Retirement, (1) the portion of his Deferral Account designated to be paid in a designated year(s) shall be paid in accordance with such election(s), and (2) the portion of his Deferral Account scheduled to be paid upon Retirement shall commence in the seventh month following the month in which the Participant's Retirement occurs. The value of such distribution shall be determined as of the last Valuation Date of the month immediately preceding the month in which payment is to commence.
- (c) A Participant shall not be permitted to change his designation of the event which entitles him to distribution of any portion of his Deferral Account. However, a Participant who has elected a designated year distribution pursuant to Section 6.01(a)(ii) may change the designated year as provided in Section 6.08.
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6.02 Unforeseeable Emergency

Notwithstanding anything in the Plan or in a Deferral Agreement to the contrary, the Administrative Committee may, if it determines an Unforeseeable Emergency exists which cannot be satisfied from other sources, approve a request by the Participant for a withdrawal from his vested Accounts. Such request shall be made in a time and manner determined by the Administrative Committee. The payment made from a Participant's Deferral Account pursuant to the provisions of this Section 6.02 shall be limited to the amount reasonably necessary to satisfy the emergency need (which may include amounts necessary to pay any Federal, state, local or foreign income taxes or penalties reasonably anticipated to result from the distribution). Determinations of amounts necessary to satisfy the emergency need must take into account any additional compensation that is available, other than additional compensation that, due to the Unforeseeable Emergency, is available under another nonqualified deferred compensation plan but that has not actually been paid. This Section 6.02 is intended to comply with Section 409A of the Code, related regulations and any other applicable guidance and shall be interpreted accordingly so that distributions shall be permitted under this Section 6.02 only to the extent they comply with Section 409A of the Code and the regulations promulgated thereunder.

6.03 Method of Payment - Deferral Account

- (a)
 - (i) Except as otherwise provided in this Article 6, upon a Participant's Retirement, the payment of the portion of his Deferral Account that is attributable to Deferrals made pursuant to a Deferral Agreement executed prior to October 1, 2012 that is payable upon Retirement pursuant to Section 6.01(a)(i) shall be made in approximately equal annual installments for a period of fifteen years. A Participant shall not be permitted to change the form of payment.
 - (ii) Except as otherwise provided in this Article 6, upon a Participant's Retirement, the payment of the portion of a Participant's Deferral Account that is attributable to Deferrals made pursuant to his Deferral Agreement(s) executed on or after October 1, 2012 and credited to his Deferral Account on and after January 1, 2013 that is payable upon Retirement pursuant to Section 6.01(a)(i) shall be made in approximately equal annual installments for a period of whole years not to exceed fifteen (15) years, as elected by the Participant. Such election of the number of annual installments (form of payment) shall be made by the Participant at the time he completes his Deferral Agreement with respect to a Deferral pursuant to Section 6.01(a)(i). A Participant shall not be permitted to change a form of payment election made pursuant to the provisions of this Section 6.03(a) (ii).
 - (iii) Except as otherwise provided in this Article 6, the payment of the portion of a Participant's Deferral Account attributable to Deferrals made pursuant to his Deferral Agreement(s) executed prior to October 1, 2012 that is payable as of a designated year pursuant to Section 6.01(a)(ii), shall be made in a single lump sum.
 - (iv) Except as otherwise provided in this Article 6, the payment of the portion of a Participant's Deferral Account that is attributable to Deferrals made pursuant to his Deferral Agreement(s) executed on or after October 1, 2012 and credited to
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his Deferral Account on and after January 1, 2013 that is payable as of a designated year pursuant to Section 6.01(a)(ii), shall be made in approximately equal annual installments for a period of whole years not to exceed five (5) years, as elected by the Participant. Such election of the number of annual installments (form of payment) shall be made by the Participant at the time he completes his Deferral Agreement with respect to a Deferral pursuant to Section 6.01(a)(ii).

- (v) Notwithstanding any other provision of the Plan to the contrary, if a Participant incurs a Separation from Service for reasons other than Retirement, the Participant's Deferral Account shall be distributed to him in one lump sum payment.
- (b) During any installment payment period described in paragraph (a) of this Section 6.03, each portion of the Participant's Deferral Account shall continue to be credited with earnings or losses as described in Section 5.01. The first installment shall be made as set forth in Section 6.01(b). Subsequent installments, if any, shall be paid in January of the year following the year in which the preceding installment was paid. The amount of each installment shall equal the balance in the applicable portion of the Participant's Deferral Account as of the last Valuation Date of the month immediately preceding the month in which payment is to be made, divided by the number of remaining installments (including the installment being determined).

6.04 Method and Timing of Payment – Company (Pre-2014) Matching Account

- (a) Upon Separation from Service with the Company and all Affiliates for reasons other than death, the amount credited to a Participant's Company (Pre-2014) Matching Account, to the extent vested under the terms of the Plan, shall be distributed to the Participant in one lump sum payment in the seventh month following the month in which such Participant's Separation from Service occurs. The value of such distribution shall be determined as of the last Valuation Date in the month immediately preceding the month in which payment is to commence.
- (b) In the event the Participant incurs a Separation from Service for reasons other than death prior to vesting in all or any part of the amount credited to his Company (Pre-2014) Matching Account, such nonvested amount shall be forfeited.
- (c) In the event of a Participant's death while employed by the Company or an Affiliated Company, his Company (Pre-2014) Matching Account shall be fully vested and payable to his Beneficiary in accordance with Section 6.06.

6.05 Method and Timing of Payment – Excess Contribution Company Account

- (a) Except as otherwise provided in this Article 6, upon a Participant's Retirement, the payment of his Excess Contribution Company Account shall be made in approximately equal annual installments for a period of five years. During such payment period, that portion of the Participant's Excess Contribution Company Account shall continue to be credited with earnings or losses as described in Section 5.01. The first installment shall be made as set forth in Section 6.01(b)(ii). Subsequent installments, if any, shall be paid in January of the year following the year in which the preceding installment was paid.
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The amount of each installment shall equal the balance in the applicable portion of the Participant's Excess Contribution Company Account as of the last Valuation Date in the month immediately preceding the month in which payment is to be made, divided by the number of remaining installments (including the installment being determined).

- (b) Notwithstanding the foregoing, if a Participant incurs a Separation from Service for reasons other than Retirement or death, the Participant's Excess Contribution Company Account shall be distributed to him, in one lump sum payment. The distribution of a Participant's Excess Contribution Account shall be distributed in the seventh month following the month in which his Separation from Service occurs. The value of such distribution shall be determined as of the last Valuation Date of the month immediately preceding the month in which payment is to commence.

6.06 Designation of Beneficiary – Payment on Death of Participant

- (a) Each Participant shall file with the Plan Administrator a written designation of one or more persons as the Beneficiary who shall be entitled to receive the amount, if any, payable under the Plan upon his death pursuant to Sections 6.03, 6.04 and 6.05. A Participant may, from time to time, revoke or change his Beneficiary designation without the consent of any prior Beneficiary by filing a new designation with the Plan Administrator. The last such designation received by the Plan Administrator shall be controlling; provided, however, that no designation, or change or revocation thereof, shall be effective unless received by the Plan Administrator prior to the Participant's death, and in no event shall it be effective as of a date prior to such receipt. If no such Beneficiary designation is in effect at the time of a Participant's death or if no designated Beneficiary survives the Participant, the Participant's estate shall be his Beneficiary and shall receive the payment of the amount, if any, payable under the Plan upon his death. If the Participant has designated more than one Beneficiary and one or more Beneficiaries predecease the Participant, any death benefit that would have been payable to a deceased Beneficiary shall be proportionately allocated among the surviving Beneficiaries.
- (b) Notwithstanding any Plan provision to the contrary, in the event of the Participant's death, his entire vested Account balances shall be paid to his Beneficiary in a single lump sum within 90 days of the end of the month in which the Participant's death occurs. The value of such distribution shall be determined as of the last Valuation Date in the month immediately preceding the month in which payment is to be made. A Beneficiary may not elect, directly or indirectly, when within such 90-day period payment under this paragraph (b) shall be made.

6.07 Special Distribution Rules

- (a) Notwithstanding any Plan provisions to the contrary, the Plan Administrator, may in its sole discretion, elect to pay the value of the Participant's Accounts (including the value of his Grandfathered Deferral Account and Grandfathered Company Account) upon a Separation from Service for any reason in a single lump sum payment if the balance of his Accounts does not exceed the then applicable dollar amount under Section 402(g)(1)(B) of the Code, provided such payment represents the complete liquidation of the Participant's interest in the Plan.
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- (b) Notwithstanding any Plan provisions to the contrary, a distribution due to Separation from Service, but not distributions due to death, of a Participant who is a Specified Employee shall not commence earlier than the seventh month following the month in which such Participant's Separation from Service occurs.

6.08 Change of Distribution Election

- (a) In accordance with such procedures as the Plan Administrator may prescribe, a Participant may elect to change his designated year election(s) under Section 6.01(a)(ii) applicable to the portion of his Deferral Account that is attributable to Deferrals made pursuant to his Deferral Agreement(s), as described in this Section 6.08
- (b) A Participant may elect to change his designated year election made pursuant to Section 6.01(a)(ii) to (i) a later designated year (but not later than his attainment of age 70-1/2), and/or (ii) a different installment period (from one (1) to five (5) years), by filing with the Plan Administrator a new commencement of distribution election form applicable to that portion of the Participant's Deferral Account (or subaccounts thereof), subject to the following limitations:
- (i) Such election must be made at least 12 months prior to the designated year then in effect with respect to that portion of his Deferral Account (or subaccounts thereof), and such election will not become effective until at least 12 months after the date on which the election is made; and
 - (ii) The distribution of that portion of his Deferral Account (or subaccount(s) thereof) shall be deferred for five years from the date such payment would otherwise have commenced absent this election (and, for the avoidance of doubt, may be in the form of either a lump sum or up to five (5) annual installments).

It is the Company's intent that the provisions of Sections 6.08 comply with the subsequent election provisions of Section 409A(a)(4)(C) of the Code, related regulations and other applicable guidance, and this Section 6.08 shall be interpreted accordingly. The Plan Administrator may impose additional restrictions or conditions on a Participant's ability to make an election pursuant to this Section 6.08.

6.09 Change of Control

In the event there is a Change of Control and a Participant incurs a Separation from Service for any reasons within two years of the date such Change of Control occurs, then notwithstanding any other provisions of the Plan to the contrary and in lieu of any other benefit to which the Participant may be entitled under the Plan, the Participant shall receive a lump sum payment, payable in the seventh month following the month in which such Participant's Separation from Service occurs equal to the balance of his Deferred, Excess Contribution Company and Company (Pre- 2014) Matching Accounts as of the last Valuation Date of the month immediately preceding the date payment is to be made.

ARTICLE 7. AMENDMENT OR TERMINATION**7.01 *Right to Terminate***

The Company may, by action of the Board of Directors, terminate this Plan and the related Deferral Agreements at any time. To the extent consistent with the rules relating to plan terminations and liquidations in Treasury Regulation Section 1.409A-3(j)(4)(ix) or otherwise consistent with Section 409A of the Code, the Company may provide that, without the prior written consent of Participants, all of the Participants' Accounts shall be distributed in a lump sum upon termination of the Plan. Unless so distributed, in the event of a Plan termination, the Company shall continue to maintain the Participants' Accounts until distributed pursuant to the terms of the Plan and Participants shall remain 100% vested in all amounts credited to their Accounts.

7.02 *Right to Amend*

The Company may, by action of the Board of Directors, amend this Plan and the related Deferral Agreements at any time and for any reason. If any amendment to this Plan or to the Deferral Agreements shall adversely affect the rights of a Participant with respect to the vested Account balances of any Participant accrued as of the date of any such amendment, such Participant must consent in writing to such amendment prior to its effective date. Notwithstanding the foregoing, a change in any investment fund or index under Section 5.01 or the imposition of additional limits upon future deferral elections shall not be deemed to adversely affect any Participant's rights. Any action to amend the Plan by the Board of Directors shall be taken in such manner as may be permitted under the by-laws of the Company. The Board of Directors of the Company delegated to the Administrative Committee on June 20, 2013 the authority to amend the Plan without the consent of the Board of Directors for the purpose of (i) conforming the Plan to the requirements of law, (ii) facilitating the administration of the Plan, (iii) clarifying provisions based on the Administrative Committee's interpretation of the document and (iv) making such other amendments as the Board of Directors may authorize.

7.03 *Uniform Action*

Notwithstanding anything in this Plan to the contrary, any action to amend or terminate the Plan or the Deferral Agreements must be taken in a uniform and nondiscriminatory manner.

7.04 *Compliance with Securities and Other Laws*

Notwithstanding any Plan provision to the contrary, the Company may at any time impose such restrictions on the Plan and participation therein, including limiting the amount of any Bonus deferred or the timing thereof, as the Company may deem advisable from time to time in order to comply or preserve compliance with any applicable laws, including any applicable state and federal securities laws and exemptions from registration available thereunder.

ARTICLE 8. GENERAL PROVISIONS**8.01 Administration**

- (a) The Plan shall be administered by the Administrative Committee. Effective July 1, 2013, "Administrative Committee" shall mean the Benefits Administration Committee under the Savings Plan. The Administrative Committee shall have the exclusive responsibility and complete discretionary authority to control the operation, management and administration of the Plan, with all powers necessary to enable it properly to carry out such responsibilities, including, but not limited to, the power to interpret the Plan and any related documents, to establish procedures for making any elections called for under the Plan, to make factual determinations regarding any and all matters arising under the Plan, including, but not limited to, the right to determine eligibility for benefits, the right to construe the terms of the Plan, the right to remedy possible ambiguities, inequities, inconsistencies or omissions, and the right to resolve all interpretive, equitable or other questions arising under the Plan.
- (b) The Administrative Committee may delegate all or part of its administrative duties to one or more persons, whether or not such person or persons are members of the Administrative Committee or employees of the Company. The Administrative Committee (and, to the extent consistent with the scope of delegated administrative authority, the person or persons delegated authority hereunder) may engage agents and representatives, including recordkeepers and legal counsel, in connection with the administration of the Plan.
- (c) Any dispute between a Participant or Beneficiary and the Plan Administrator shall be subject to resolution by determination of the Administrative Committee.
- (d) All acts and decisions of the Administrative Committee shall be final, conclusive and binding upon all Participants, former Participants, Beneficiaries, and employees of the Company.
- (e) It is the intent of the Company that the Plan complies with Section 409A of the Code, related regulations and other applicable guidance promulgated with respect thereto and the provisions of the Plan shall be interpreted to be consistent therewith. Without limiting the foregoing, a Participant shall not be deemed to have experienced a Retirement until the Participant has had a "separation from service," as that term is used in Section 409A(a)(2)(A)(i) of the Code and defined in related regulations or other applicable guidance.

8.02 Unsecured Interest

Neither the Company nor the Administrative Committee in any way guarantees the performance of the investment funds or indices a Participant may designate under Article 5. No special or separate fund shall be established, and no segregation of assets shall be made, to assure the payments hereunder. No Participant hereunder shall have any right, title, or interest whatsoever in any specific assets of the Company. Nothing contained in this Plan and no action taken pursuant to its provisions shall create or be construed to create a trust of any kind or a fiduciary relationship between the Company and a Participant or any other person. To the extent that any person acquires a right to receive payments under this Plan, such right shall be no greater than the right of any unsecured creditor of the Company.

8.03 Funding

- (a) All amounts payable in accordance with this Plan shall constitute a general unsecured obligation of the Company. Such amounts, as well as any administrative costs relating to the Plan, shall be paid out of the general assets of the Company, to the extent not paid by a grantor trust established pursuant to paragraph (b) below.
- (b) The Company may, for administrative reasons, establish a grantor trust for the benefit of Participants participating in the Plan. The assets of said trust will be held separate and apart from other Company funds, and shall be used exclusively for the purposes set forth in the Plan and the applicable trust agreement, subject to the following conditions:
 - (i) the creation of said trust shall not cause the Plan to be other than “unfunded” for purposes of Title I of ERISA;
 - (ii) the Company shall be treated as “grantor” of said trust for purposes of Section 677 of the Code; and
 - (iii) said trust agreement shall provide that its assets may be used to satisfy claims of the Company’s general creditors, and the rights of such general creditors are enforceable by them under federal and state law.

8.04 No Contract of Employment

The existence of this Plan or of a Deferral Agreement does not constitute a contract for continued employment between an Eligible Executive, Eligible Employee or a Participant and the Company. Except as otherwise limited by the terms of any valid employment contract or agreement entered into between the Company and an Eligible Executive, Eligible Employee or Participant, the Company reserves the right to modify an Eligible Executive’s, Eligible Employee’s or Participant’s remuneration and to terminate an Eligible Executive, Eligible Employee or Participant for any reason and at any time, notwithstanding the existence of this Plan or of a Deferral Agreement.

8.05 Withholding Taxes

All payments under this Plan shall be net of an amount sufficient to satisfy any federal, state or local tax withholding requirements.

8.06 Nonalienation

Except insofar as may otherwise be required by law, no amount payable at any time under the Plan shall be subject in any manner to alienation by anticipation, sale, transfer, assignment, bankruptcy, pledge, attachment, charge or encumbrance of any kind nor in any manner be subject to the debts or liabilities of any person and any attempt to so alienate or subject any such amount, whether presently or thereafter payable, shall be void. If any person shall attempt to, or shall, alienate, sell, transfer, assign, pledge, attach, charge or otherwise encumber any amount payable under the Plan, or any part thereof, or if by reason of his bankruptcy or other event happening at

any such time such amount would be made subject to his debts or liabilities or would otherwise not be enjoyed by him, then the Administrative Committee, if it so elects, may direct that such amount be withheld and that the same or any part thereof be paid or applied to or for the benefit of such person, his spouse, children or other dependents, or any of them, in such manner and proportion as the Administrative Committee deems proper.

8.07 Claims Procedure

The Plan Administrator shall provide adequate notice in writing to any Participant, former Participant or Beneficiary whose claim for a withdrawal or payment under this Plan has been denied, setting forth the specific reasons for such denial. A reasonable opportunity shall be afforded to any such Participant, former Participant or Beneficiary for a full and fair review by the Administrative Committee of a decision denying the claim. The Administrative Committee's decision on any such review shall be final and binding on the Participant, former Participant or Beneficiary and all other interested persons.

8.08 Competency

If the Administrative Committee shall find that any person to whom any amount is or was payable hereunder is unable to care for his affairs because of illness or accident, or has died, then the Administrative Committee, if it so elects, may direct that any payment due him or his estate (unless a prior claim therefore has been made by a duly appointed legal representative) or any part thereof be paid or applied for the benefit of such person to his spouse, children or other dependents, to an institution maintaining or having custody of such person, or to any other person deemed by the Plan Administrator to be a proper recipient on behalf of such person otherwise entitled to payment, in such manner and proportion as the Administrative Committee may deem proper. Any such payment shall be in complete discharge of the liabilities of the Company and the Plan therefore.

8.09 Limitation of Liability

The Company, the members of the Compensation Committee and of the Administrative Committee, the Plan Administrator, and any officer, employee or agent of the Company or said Committees shall not incur any liability individually or on behalf of any other individuals or on behalf of the Company for any act or failure to act, made in good faith in relation to this Plan.

8.10 Indemnification

The Company, the members of the Compensation Committee and of the Administrative Committee, the Plan Administrator, and the officers, employees and agents of the Company and said Committees shall, unless prohibited by any applicable law, be indemnified against any and all liabilities arising by reason of any act or failure to act in relation to the Plan including, without limitation, expenses reasonably incurred in the defense of any claim relating to the Plan, amounts paid in any compromise or settlement relating to the Plan and any civil penalty or excise tax imposed by any applicable statute, if:

- (a) the act or failure to act shall have occurred
-

- (i) in the course of the person's service as an officer, employee or agent of the Company or as a member of the Compensation Committee or of the Administrative Committee, or as the Plan Administrator, or
 - (ii) in connection with a service provided with or without charge to the Plan or to the Participants or Beneficiaries of the Plan, if such service was requested by the Compensation Committee or the Administrative Committee or the Plan Administrator; and
- (b) the act or failure to act is in good faith and in, or not opposed to, the best interests of the Company.

This determination shall be made by the Company and, if such determination is made in good faith and not arbitrarily or capriciously, shall be conclusive.

The foregoing indemnification shall be from the assets of the Company. However, the Company's obligation hereunder shall be offset to the extent of any otherwise applicable insurance coverage under a policy maintained by the Company or any other person, or other source of indemnification.

8.11 Payment of Expenses

All administrative expenses of the Plan and all benefits under the Plan shall be paid from the general assets of the Company.

8.12 Forfeiture for Cause

In the event that a Participant shall at any time be convicted of a crime involving dishonesty or fraud on the part of such Participant in his relationship with the Company or an Affiliate, all benefits that would otherwise be payable to him under the Plan shall be forfeited. The determination as to whether a Participant has been convicted of a crime involving dishonesty or fraud on the part of the Participant in his relationship with the Company or an Affiliate shall be made by the Administrative Committee in a fair and reasonable manner and the decision of the Administrative Committee with respect thereto shall be conclusive.

8.13 Mergers/Transfers

This Plan shall be binding upon and inure to the benefit of the Company and its successors and assignees and the Participant, his designees and his estate. Nothing in this Plan shall preclude the Company from consolidating or merging into or with, or transferring all or substantially all of its assets to, another corporation which assumes this Plan and all obligations of the Company hereunder. Upon such a consolidation, merger or transfer of assets and assumption, the term "Company" shall refer to such other corporation and this Plan shall continue in full force and effect.

8.14 Elections

All elections, designations, requests, notices, instructions, and other communications from an Eligible Executive, Eligible Employee or other person to the Plan Administrator required or permitted under the Plan shall be in such form as is prescribed from time to time by the Plan Administrator, shall be mailed by first-class mail or delivered to such location as shall be specified by the Plan Administrator, and shall be deemed to have been given and delivered only upon actual receipt thereof at such location.

8.15 Acceleration of or Delay in Payments

The Administrative Committee, in its sole and absolute discretion, may elect to accelerate the time or form of payment of a benefit owed to the Participant hereunder, provided such acceleration is permitted under Treas. Reg. Section 1.409A-3(j)(4). The Administrative Committee may also, in its sole and absolute discretion, delay the time for payment of a benefit owed to the Participant hereunder, to the extent permitted under Treas. Reg. Section 1.409A-2(b)(7).

8.16 Insurance Products

The Company may require each Eligible Executive to assist it in obtaining life insurance policies on the lives of each Eligible Executive, which policies would be owned by, and be payable to, the Company. The Eligible Executive may be required to complete an application for life insurance, furnish underwriting information including medical examinations by a life insurance company-approved examiner, and authorize release of medical history to the life insurance company's underwriter, as designated by the Company. An Eligible Executive shall have no right or interest in such policies or the proceeds thereof.

8.17 Compliance

It is the intent of the Company that the Plan complies with the provisions of Section 409A of the Code, any regulations and other guidance promulgated with respect thereto and the provisions of the Plan shall be interpreted to be consistent therewith.

8.18 Construction

- (a) The Plan is intended to constitute an unfunded deferred compensation arrangement for a select group of management or highly compensated employees and therefore exempt from the requirements of Sections 201, 301 and 401 of ERISA. All rights hereunder shall be governed by and construed in accordance with the laws of the State of New York.
- (b) The masculine pronoun shall mean the feminine wherever appropriate.
- (c) The captions preceding the sections and articles hereof have been inserted solely as a matter of convenience and in no way define or limit the scope or intent of any provisions of the Plan.

8.19 Discharge of Corporation's Obligation

The payment by the Company of the benefits due under each and every Deferral Agreement to the Participant or his Beneficiary shall discharge the Company's obligation under the Plan, and the Participant or Beneficiary shall have no further rights under this Plan or the Deferral Agreements upon receipt by the appropriate person of all such benefits.

8.20 *Successors*

The Plan shall be binding upon the successors and assigns of the Company, whether such succession is by purchase, merger or otherwise.

ARTICLE 9. SIGNATURE AND VERIFICATION

IN WITNESS WHEREOF, the members of the Administrative Committee have on the 29th day of December, 2016 executed this Amendment and Restatement of the Plan.

/s/Archana Singh
Archana Singh (Chair)
Executive Vice President and Chief Human Resources Officer

/s/Joseph Barker
Joseph Barker
Senior Counsel – Litigation

/s/Vincent Marzano
Vincent Marzano
Vice President and Treasurer

/s/Patrick F. Nevins
Patrick F. Nevins
Director of Benefits

APPENDIX APROVISIONS APPLICABLE TO A PARTICIPANT'S
GRANDFATHERED DEFERRAL ACCOUNT AND
GRANDFATHERED COMPANY ACCOUNT

This Appendix A constitutes an integral part of the Plan and is applicable with respect to the Grandfathered Deferred Account and the Grandfathered Company Account of those individuals who were Participants in the Plan on December 31, 2004. The Grandfathered Deferral Account and Grandfathered Company Account are subject to all the terms and conditions of the Plan as set forth on and after October 3, 2004, except as otherwise provided by this Appendix A. Section references in this Appendix A correspond to appropriate Sections of the Plan.

ARTICLE 1. DEFINITIONS

1.08 "Change of Control" shall mean, effective on and after January 1, 2009, the later of a "Change of Control" as such term is defined under the terms of the John Wiley & Sons Inc. Supplemental Executive Retirement Plan as amended and restated effective as January 1, 2009 or a "Change of Control" as defined in Section 1.08 of the Plan as in effect on October 3, 2004 without regard to any amendments after such date which would constitute a material modification for purposes of Section 409A of the Code.

ARTICLE 5. MAINTENANCE OF ACCOUNTS

5.03 "Changing Investment Elections" The provisions of Section 5.03 as set forth in the foregoing provisions of the Plan shall be applicable to a Participant's Grandfathered Deferral and Grandfathered Company Account on and after January 1, 2009.

ARTICLE 6. PAYMENT OF BENEFITS

6.01 "Commencement of Payment"

- (b) (i) In the event a Participant elects to have any Deferrals held in his Grandfathered Deferral Account commence as of a designated year pursuant to Section 6.01(a)(ii), distribution of such Deferrals, adjusted pursuant to Article 5, shall be based on the value as of the last business day of such designated year and payment shall be made in the January following the last day of that designated year.
 - (ii) Notwithstanding the foregoing, in the event such Participant's Separation from Service occurs for reasons other than Retirement or death prior to such designated year, the value of the Participant's Grandfathered Deferral and Grandfathered Company Accounts shall be determined as of the last Valuation Date of the month in which such Separation from Service occurred and distribution shall be made in the following month.
 - (iii) Notwithstanding any Plan provision to the contrary if a Participant's Separation from Service is due to his Retirement, the value of the portion of his Grandfathered Deferral Account and Grandfathered Company Accounts scheduled to be paid upon his Retirement shall be determined as of the last Valuation Date in the month of his Retirement and distribution shall be made in the following month.
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Notwithstanding any Plan provision to the contrary, in the event of the Participant's death, his entire vested Grandfathered Deferral Account balance and Grandfathered Company Account balance shall be paid to his Beneficiary in a single lump sum within 90 days of the end of the month in which the Participant's death occurs. The value of such distribution shall be determined as of the last Valuation Date in the month immediately preceding the month in which payment is to be made. A Beneficiary may not elect, directly or indirectly, when within such 90 day period payment under this subparagraph (iii) shall be made.

JOHN WILEY & SONS, INC.
Amendment to the Deferred Compensation Plan of John Wiley & Sons, Inc.

WHEREAS, John Wiley & Sons, Inc. (the “Company”) maintains the Deferred Compensation Plan of John Wiley & Sons, Inc. (the “Plan”) for purposes of attracting and retaining key employees; and

WHEREAS, pursuant to Section 7.02 of the Plan, the Board of Directors of the Company (the “Board”) reserves the right to amend said Plan from time to time, subject to certain conditions not here relevant; and

WHEREAS, the Board wishes to clarify the eligibility provisions of the Plan; and

WHEREAS, the Board wishes to discontinue the Excess Basic Contributions under the Plan; and

WHEREAS, the Board wishes to delegate to the members of the Administrative Committee of the Plan, in their settlor capacities, the authority to take any actions it deems necessary or advisable, with the advice of counsel, including amending the Plan, to effectuate the intent of these resolutions.

NOW, THEREFORE be it,

RESOLVED, that, effective as of January 1, 2020, Section 1.35 of the Plan is amended to read as follows:

“1.35 “**Savings Plan**” shall mean the John Wiley & Sons, Inc. Employees’ Savings Plan, as amended from time to time, and any other similar tax-qualified savings plan covering Eligible Employees who are not eligible to participate in (a) the John Wiley & Sons, Inc. Employees’ Savings Plan pursuant to Section 2.01 of said Plan, and (b) any nonqualified excess plan similar to this Plan that is maintained by the Company.”

RESOLVED, that, effective as of January 1, 2020, Section 2.01(a) of the Plan is amended to read as follows:

“(a) (i) An Employee of the Company who is at a salary grade 18 or higher (Vice President level or higher effective January 1, 2019), or such other salary grade designated by the Administrative Committee, in the current Plan Year shall be an Eligible Executive with respect to the following Plan Year and may elect to participate in this Plan by executing a Deferral Agreement authorizing Deferrals with respect to his Base Salary payable in the next-following Plan Year, provided such election is made by December 31st of the current Plan Year.

(ii) Effective with respect to Plan Years beginning on and after January 1, 2014, an Employee who (1) was an Employee on the first day of the Performance Period beginning in that Plan Year, and (2) is an Employee who on September 1st (October 1st for Plan Years beginning on and after January 1, 2016) of that same Plan Year (or such other date in that Plan Year, as designated by the Administrative Committee, and in all events consistent with the requirements of Section 409A of the Code) is at a salary grade 18 or higher (Vice President level or higher effective January 1, 2019), shall be an Eligible Executive with respect to the Performance Period in which such date occurs and may elect to participate in this Plan by executing a Deferral Agreement authorizing Deferrals with respect to his Bonus, if any, payable in the Plan Year following such September 1st or October 1st, as applicable.

RESOLVED, that, effective as of January 1, 2020, Section 2.01(d) of the Plan is amended to read as follows:

“(d) Effective with respect to Plan Years commencing on or after January 1, 2014, an Employee shall be an Eligible Employee for the portion of any Plan Year during which the Employee is (i) eligible to participate in the Savings Plan (effective January 1, 2020 and later, or a savings plan described in Section 1.35 that is not the John Wiley & Sons, Inc. Employees’ Savings Plan), and (ii) the Eligible Employee’s Compensation in that Plan Year exceeds the Statutory Compensation Limitation in effect for that particular Plan Year.”

and be it further

RESOLVED, that, effective as of January 1, 2020, the Excess Basic Contributions will be eliminated and Section 4.02(a) of the Plan is amended by adding a new subsection (v) to read as follows:

“(v) Excess Basic Contributions will no longer be made to the Plan with respect to Plan Years beginning on and after January 1, 2020.”

and be it further

RESOLVED, that the Board of Directors of the Company hereby delegates to the members of the Administrative Committee of the Plan, in their settlor capacities, all power and authority to take any and all actions, including further amendments to the Plan, as it deems necessary or appropriate to effectuate the intent of the foregoing resolutions;

and be it further

RESOLVED, that it is the Company's intention to continue to operate the Plan in compliance with the provisions of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and any regulations or other guidance issued thereunder;

and be it further

RESOLVED, that the foregoing resolutions are subject to and conditions upon said resolutions not adversely affecting the Plan continued compliance with the provisions of Section 409A of the Code.

***EMPLOYEES' RETIREMENT PLAN OF
JOHN WILEY & SONS, INC.***

*Effective as of January 1, 1955
Amended and Restated as of June 30, 2013
and including Amendments
through January 1, 2014*

*EMPLOYEES' RETIREMENT PLAN OF
JOHN WILEY & SONS, INC.*

The Plan set forth in this document is known as the Employees' Retirement Plan of John Wiley & Sons, Inc. (the "Plan"). This Plan is a defined benefit plan and is intended to comply with all requirements of the Internal Revenue Code of 1986, as amended that apply to qualified plan.

The Plan was last amended and restated, generally effective January 1, 2012 to reflect administrative changes and current law and regulations including but not limited to the Pension Protection Act of 2006 ("PPA"); the Heroes Earnings Assistance and Relief Tax Act of 2008 ("HEART"); and the Worker, Retiree, and Employer Recovery Act of 2008 ("WRERA"), to the extent applicable and effective as of the date of that restatement. This amendment and restatement of the Plan is effective as of June 30, 2013 and is intended to reflect that (i) participation in the Plan was frozen and (ii) all Benefit Service, Total Compensation and Compensation accruals ceased as of June 30, 2013. Effective as of January 1, 2014 the Plan was further amended to revise the Stability Period and time for determining the applicable IRS Interest Rate, and to provide an automatic lump sum feature and a limited lump sum option.

EMPLOYEES' RETIREMENT PLAN OF
JOHN WILEY & SONS, INC.

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**EMPLOYEES' RETIREMENT PLAN OF
JOHN WILEY & SONS, INC.**

ARTICLE 1. DEFINITIONS

- 1.01 **"Accrued Benefit"** means, as of any date of determination, the normal retirement Pension of a Participant computed under Section 4.01(b) on the basis of the Participant's Benefit Service and other applicable components of the Plan formula as of that date.
- 1.02 **"Affiliated Company"** means any company not participating in the Plan which is a member of a controlled group of corporations (as defined in Section 414(b) of the Code) which also includes as a member the Company; any trade or business under common control (as defined in Section 414(c) of the Code) with the Company; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Section 414(m) of the Code) which includes the Company; and any other entity required to be aggregated with the Company pursuant to regulations under Section 414(o) of the Code. Notwithstanding the foregoing sentence, for purposes of Section 4.08, Section 3.01(d)(iii) and Section 3.02(d)(iii), the definitions in Sections 414(b) and (c) of the Code shall be modified as provided in Section 415(h) of the Code.
- 1.03 **"Annuity Starting Date"** means, unless the Plan expressly provides otherwise, the first day of the first period for which an amount is paid as an annuity or any other form.
- 1.04 **"Average Final Compensation"** means the average annual Compensation of a Participant during the three consecutive calendar years of his or her Eligibility Service affording the highest such average, or during all of the years of his or her Eligibility Service if less than three years, provided, however and notwithstanding any Plan provision to the contrary, a Participant's Average Final Compensation shall be determined without regard to Compensation earned after
-

December 31, 1997; provided, however, if a Participant has less than three years of Eligibility Service on December 31, 1997 or is first hired after that date, the determination of such Participant's Average Final Compensation shall include Compensation received prior to July 1, 2013, and during his or her first three years of Eligibility Service or during all of his or her years of Eligibility Service, if less than three.

The determination of Average Final Compensation shall be subject to the provisions of Section 401(a)(17) of the Code.

- 1.05 "**Beneficiary**" means the person or persons named by a Participant by written designation filed with the Benefits Administration Board to receive payments after the Participant's death. Notwithstanding the foregoing, in determining beneficiary status, the Benefits Administration Board shall take into the account the additional beneficiary rules in Section 9.03 of the Plan.
- 1.06 "**Benefits Administration Board**" means a board composed of at least three persons named by the Board of Directors to administer and supervise the Plan as provided in Article 7.
- 1.07 "**Benefit Service**" means service recognized for purposes of computing the amount of any benefit, determined as provided in Section 3.02.
- 1.08 "**Board of Directors**" means the Board of Directors of John Wiley & Sons, Inc., as from time to time constituted, or its delegate.
- 1.09 "**Break in Service**" means a period which constitutes a break in an Employee's Eligibility Service, as provided in Section 3.01(a).
- 1.10 "**Code**" means the Internal Revenue Code of 1986, as amended from time to time.

- 1.11 **"Company"** means John Wiley & Sons, Inc. or any successor by merger, purchase or otherwise, with respect to its employees; or any other company participating in the Plan as provided in Section 10.03 with respect to its employees.
- 1.12 **"Compensation"** means the basic cash remuneration plus 50 percent of any bonuses, incentive pay, and overtime pay, paid to an Employee for services rendered to the Company, determined prior to any pre-tax contributions under a "qualified cash or deferred arrangement" (as defined under Section 401(k) of the Code and its applicable regulations) or under a "cafeteria plan" (as defined under Section 125 of the Code and its applicable regulations) or any salary reduction made pursuant to an arrangement under Section 132(f) of the Code or pursuant to the provisions of another deferred compensation plan maintained by the Company, but excluding any amount earned on and after October 1, 1995 by the employee on a piece work basis, any amount contributed by the Company under this Plan or any other public or private retirement pension or employee benefit plan, health, hospitalization, long-term sick leave, long-term disability, workers' compensation, death or retirement benefits whether obtained through insurance coverage or otherwise, any stock, options, or other rights received under any Company incentive stock, stock option, or stock purchase plan, and all other forms of special pay. The Compensation for a period of absence which is counted as Benefit Service shall be the Participant's base rate of Compensation in effect immediately before the period of absence. However, if a Participant is entitled to Benefit Service on account of a period of service in the uniformed services of the United States, the Participant shall be deemed to have earned Compensation during the period of absence at the base rate he or she would have received had he or she remained employed as an Employee for that period or, if such rate is not reasonably certain, on the basis of the Participant's base rate of compensation during the 12-month period immediately preceding such period. For any Plan Year commencing on or after January 1, 2002, annual Compensation taken into account for any purpose under the Plan shall not exceed \$200,000, as adjusted from time to time by the Secretary of the Treasury in accordance with Section 401(a)(17) of the Code. For purposes of determining benefit accruals in Plan Years beginning after December 31, 2001, annual Compensation for Plan Years beginning before January 1, 2002 shall not exceed \$200,000; provided, however, that such limit shall not apply so as to reduce the amount of the Participant's frozen accrued benefit determined as of December 31, 1993 based on the Participant's Compensation, Total Compensation and Benefit Service to that date under the terms of the Plan then in effect. Effective January 1, 1997, the compensation limit shall be applied without regard to the family aggregation provisions of Section 414(q)(6) of the Code in determining benefit accruals for Plan Years beginning on and after January 1, 1994, and, to the extent permissible under the IRS rules or regulations, for any earlier Plan Year. Notwithstanding the foregoing, including basic cash remuneration, bonuses, incentive pay or overtime pay received by an Employee on or after July 1, 2013 shall not be recognized as Compensation.

1.13 “*Covered Compensation*” means, for any Participant, the average of the taxable wage bases in effect under Section 230 of the Social Security Act for each year in the 35-year period ending with the year in which the Participant attains his or her Social Security Retirement Age. In determining a Participant’s Covered Compensation for any Plan Year, the taxable wage base for the current Plan Year and any subsequent Plan Year shall be assumed to be the same as the taxable wage base in effect as of the beginning of the Plan Year for which the determination is made. With respect to a Participant who retires or terminates employment with the right to a vested Pension on or after January 1, 2002, no increases in the taxable wage base effective after December 31, 1997 shall be taken into account, with respect to a Participant who retires or terminates employment with the right to a vested Pension on or after January 1, 2002.

1.14 “*Effective Date*” means January 1, 1955.

- 1.15 “**Eligibility Service**” means service recognized for purposes of determining eligibility for membership in the Plan, determined as provided in Section 2.02, and eligibility for a vested Pension under the Plan, determined as provided in Section 3.01.
- 1.16 “**Employee**” means any person employed by the Company who receives compensation other than a pension, severance pay, retainer or fee under contract, but excluding any Leased Employee, any person who is compensated solely on a piece work basis, any person who is included in a unit of employees covered by a collective bargaining agreement which does not provide for his or her participation in the Plan, any person classified as a consultant by the Company, any person on the payroll of a third party with whom the Company has contracted for the provision of said person’s services, and, effective as of May 1, 1999, any person who is accruing benefits under another defined benefit or defined contribution plan (qualified or nonqualified) maintained by the Company, other than the John Wiley & Sons, Inc. Employees’ Savings Plan, or a nonqualified deferred compensation plan maintained by John Wiley & Sons, Inc.. In addition, any person who, pursuant to a written contract with the Company that provides that he or she (a) is an independent contractor and not an employee, and (b) waives participation in the Plan, shall be excluded from the definition of Employee, and shall not be eligible to participate in the Plan during the period such written contract is in effect regardless such person’s reclassification as an employee for such period by the Internal Revenue Service for tax withholding purposes. The term “employee” as used in this Plan means any individual who is employed by the Company or an Affiliated Company as a common law employee of the Company or an Affiliated Company, regardless of whether the individual is an “Employee,” and any Leased Employee.
- 1.17 “**Equivalent Actuarial Value**” means equivalent value determined on the basis of the applicable factors set forth in Appendix A, except as otherwise specified in the Plan.

1.18 “*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

1.19 “*Funding Agent*” means the trustee or trustees or the legal reserve life insurance company by whom the funds of the Plan are held, as provided in Article 8.

1.20 “*Hour of Service*” means, with respect to any applicable computation period,

- (a) each hour for which the employee is paid or entitled to payment for the performance of duties for the Company or an Affiliated Company,
- (b) each hour for which an employee is paid or entitled to payment by the Company or an Affiliated Company on account of a period during which no duties are performed, whether or not the employment relationship has terminated, due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence, but not more than 501 hours for any single continuous period,
- (c) each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Company or an Affiliated Company, excluding any hour credited under (a) or (b), which shall be credited to the computation period or periods to which the award, agreement or payment pertains, rather than to the computation period in which the award, agreement or payment is made,
- (d) solely for purposes of determining whether an employee has incurred a Break in Service under the Plan, each hour for which an employee would normally be credited under paragraph (a) or (b) above during a period of Parental Leave but not more than 501 hours for any single continuous period. However, the number of hours credited to an employee under this paragraph (d) during the computation period in which the Parental Leave began, when added to the hours credited to an employee under paragraphs (a) through (c) above during that computation period, shall not exceed 501. If the number of hours credited under this paragraph (d) for the computation period in which the Parental Leave began is zero, the provisions of this paragraph (d) shall apply as though the Parental Leave began in the immediately following computation period, and

- (e) solely for purposes of determining whether an employee has incurred a Break in Service under the Plan, each hour for which an employee would normally be credited under paragraph (a) or (b) above during a period of leave for the birth, adoption or placement of a child, to care for a spouse or other immediate family member with a serious illness or for the employee's own illness pursuant to the Family and Medical Leave Act of 1993 and its regulations.

No hours shall be credited on account of any period during which the Employee performs no duties and receives payment solely for the purpose of complying with unemployment compensation, workers' compensation or disability insurance laws. The Hours of Service credited shall be determined as required by Title 29 of the Code of Federal Regulations, Section 2530.200b-2(b) and (c).

1.21 "**IRS Interest Rate**" means, with respect to determining the amount of a benefit with an Annuity Starting Date:

- (a) prior to May 1, 2008, the interest rate prescribed under Section 417(e)(3)(A)(ii)(II) of the Code (as it read prior to the first day of the 2008 Plan Year) published in first full calendar month preceding the applicable Stability Period;
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- (b) on or after May 1, 2008, the interest rate prescribed under Section 417(e)(3)(C) of the Code (as it reads effective on and after the first day of the 2008 Plan Year) published in the first full calendar month immediately preceding the applicable Stability Period, subject to the second to last paragraph of Section 5.02, and
 - (c) on or after January 1, 2014, the interest rate prescribed under Section 417(e)(3)(C) of the Code (as it reads effective on and after the first day of the 2014 Plan Year) published in by the fourth calendar month immediately preceding the applicable Stability Period, subject to the last paragraph of Section 5.01 and the second to last paragraph of Section 5.02.
- 1.22 “**IRS Mortality Table**” means, with respect to determining the amount of a benefit with an Annuity Starting Date:
- (a) on or after January 1, 2002 and prior to May 1, 2008, the mortality table prescribed by Revenue Ruling 2001-62 as in effect on the first day of the applicable Stability Period; and
 - (b) on or after May 1, 2008, the mortality table prescribed under Section 417(e)(3)(B) of the Code (as it reads effective on and after the first day of the 2008 Plan Year) as in effect on the first day of the applicable Stability Period, subject to the second to last paragraph of Section 5.02.
- 1.23 “**Leased Employee**” means any person (other than a common law employee of the Company) who, pursuant to an agreement between the Company and any other person (“leasing organization”), has performed services for the Company or any 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 the primary direction of or control by the Company.

- 1.24 "**Limitation Year**" means for each 12-month period until the Plan Year ending April 30, 1990, the Plan Year, the period from May 1, 1990 until December 31, 1990, and each calendar year thereafter.
- 1.25 "**Non-Suspendible Month**" means a four or five week payroll period ending in a month which precedes the April 1 following the calendar year in which the Participant attains age 70½ and in which the Participant receives payment from the Company or an Affiliated Company for less than eight days of service during that four or five week payroll period.
- 1.26 "**Normal Retirement Age**" means an Employee's 65th birthday, or in the case of a person who becomes a Participant on or after May 1, 1988, the fifth anniversary of the date he or she becomes a Participant, if later. Effective as of January 1, 2007, Normal Retirement Age means in the case of a person who becomes a Participant on and after May 1, 1988, the later of (i) an Employee's 65th birthday or (ii) the earlier of (1) the fifth anniversary of the date he or she became a Participant or (2) the date he or she completes five years of Eligibility Service.
- 1.27 "**Normal Retirement Date**" means the first day of the calendar month coinciding with or immediately following an Employee's Normal Retirement Age.
- 1.28 "**Parental Leave**" means a period commencing on or after the first day of the Plan Year which began in 1985 in which the Employee is absent from work immediately following his or her or her active employment because of the Employee's pregnancy, the birth of the Employee's child, the placement of a child with the Employee in connection with the adoption of that child by the Employee, or for purposes of caring for that child for a period beginning immediately following birth or placement.

- 1.29 “**Participant**” means any person included in the membership of the Plan, as provided in Article 2.
- 1.30 “**Pension**” means annual payments under the Plan as provided in Article 5.
- 1.31 “**Plan**” means the Employees’ Retirement Plan of John Wiley & Sons, Inc., as set forth in this document or as amended from time to time.
- 1.32 “**Plan Asset Committee**” means a committee composed of at least four persons named by the Board of Directors for purposes of managing the assets of the Plan as provided in Section 7.
- 1.33 “**Plan Year**” means the 12-month period beginning on any May 1.
- 1.34 “**Qualified Joint and Survivor Annuity**” means an annuity described in Section 5.01(b).
- 1.35 “**Registered Domestic Partner**” means the individual registered with the Company as the Participant’s registered domestic partner as such term is defined in the John Wiley & Sons, Inc. Flexible Benefits Plan.
- 1.36 “**Severance Date**” means with respect to an employee’s employment with the Company or an Affiliated Company the earlier of (a) the date an employee quits, retires, is discharged or dies, (b) the last day of an authorized leave of absence, or if later, the first anniversary of the date on which an employee is first absent from service, with or without pay, for any other reason such as vacation, sickness, disability, layoff or other leave of absence.
- 1.37 “**Social Security Retirement Age**” means age 65 with respect to a Participant who was born before January 1, 1938; age 66 with respect to a Participant who was born after December 31, 1937 and before January 1, 1955; and age 67 with respect to a Participant who was born after December 31, 1954.

- 1.38 “*Social Security Wage Base*” means for any calendar year the maximum amount of annual earnings subject to tax under the provisions of the Federal Insurance Contributions Act as in effect on the first day of that calendar year.
- 1.39 “*Spouse*” means, prior to September 16, 2013 the Participant’s legal spouse, as defined under federal law, including the Defense of Marriage Act. Effective on and after September 16, 2013 (or such other earlier date as may be prescribed by the Internal Revenue Service, “Spouse” means any person who is the legal spouse of the Participant under applicable domestic or foreign law, regardless of the laws of the state in which they work or reside. For purposes of this Plan, a Participant shall be considered to be “married” only if he is in a relationship with a Spouse which has not been terminated or declared null under applicable law.
- 1.40 “*Spousal Consent*” means irrevocable written consent given by a Participant’s Spouse to an election made by the Participant of a specified form of Pension or a designation of a specified Beneficiary as provided in Article 5. The specified form or specified Beneficiary shall not be changed unless further Spousal Consent is given. Spousal Consent shall be duly witnessed by a notary public and shall acknowledge the effect on the Spouse of the Participant’s election. The requirement for Spousal Consent may be waived by the Benefits Administration Board in the event that the Participant establishes to its satisfaction that he or she has no Spouse, that such Spouse cannot be located, or under such other circumstances as may be permitted under applicable Treasury Department regulations. Spousal Consent shall be applicable only to the particular Spouse who provides such consent.
- 1.41 “*Stability Period*” means (i) with respect to an Annuity Starting Date prior to January 1, 2014 the calendar year in which occurs the Annuity Starting Date for the distribution and (ii) with respect to an Annuity Starting Date on or after January 1, 2014, the calendar month in which the Annuity Starting Date occurs.

1.42 **“Total Compensation”** means the basic cash remuneration and any bonus, incentive pay, and overtime pay paid to an Employee during a calendar year, commencing on and after January 1, 2005, for services rendered to the Company, determined prior to any pre-tax contributions under a “qualified cash or deferred arrangement” (as defined under Section 401(k) of the Code and its applicable regulations) or under a “cafeteria plan” (as defined under Section 125 of the Code and its applicable regulations) or any salary reduction made pursuant to an arrangement under Section 132(f) of the Code or pursuant to the provisions of another deferred compensation plan maintained by the Company, but excluding any amount earned by the employee on a piece work basis, any amount contributed by the Company under this Plan or any other public or private retirement pension or employee benefit plan, health, hospitalization, long-term disability, workers’ compensation, death or retirement benefits whether obtained through insurance coverage or otherwise, any stock, options, or other rights received under any Company incentive stock, stock option, or stock purchase plan, and all other forms of special pay. Notwithstanding any Plan provisions to the contrary, any basic cash remuneration, any bonus, incentive pay, or overtime pay received by an Employee on or after July 1, 2013 shall be excluded from Total Compensation. The Total Compensation for a period of absence which is counted as Benefit Service on and after January 1, 2005 and prior to July 1, 2013 shall be the Participant’s base rate of Compensation in effect immediately before the period of absence. However, if a Participant is entitled to Benefit Service on and after January 1, 2005, and prior to July 1, 2013 on account of a period of service in the uniformed services of the United States, the Participant shall be deemed to have earned Total Compensation during the period of absence prior to July 1, 2013 at the base rate he or she would have received had he or she remained employed as an Employee for that period or, if such rate is not reasonably certain, on the basis of the Participant’s base rate of compensation during the 12-month period immediately preceding such period.

Annual Total Compensation taken into account for any purpose under the Plan shall not exceed \$200,000, as adjusted from time to time by the Secretary of the Treasury in accordance with Section 401(a)(17) of the Code.

ARTICLE 2. PARTICIPATION

2.01 *Participation Requirements*

- (a) Every employee of the Company on January 1, 2012 who was a Participant in the Plan on December 31, 2011 shall continue to be a Participant, provided he or she is then an Employee.
- (b) Prior to July 1, 2013 every other employee in the employ of the Company shall become a Participant in the Plan as of the first day of the calendar month coinciding with or immediately following the date (i) he or she completes one year of Eligibility Service or (ii) his or her 21st birthday, whichever is later, provided he or she is then an Employee. Notwithstanding the foregoing, any other employee in the employ of the Company who as of June 30, 2013 has completed one of year of Eligibility Service and has attained at age 21 shall become a Participant as of June 30, 2013, provided he or she is an Employee on that date.
- (c) Effective as July 1, 2013, participation in the Plan shall be frozen. Any person who was first employed by the Company on or after July 1, 2013 or any person in the employ of the Company or an Affiliated Company on June 30, 2013, who is not a Participant as of such date, shall not become a Participant of the Plan.
- (d) Every former employee of the Company or an Affiliated Company who was a Participant on December 31, 2011 shall, subject to Section 2.03, continue to be a Participant. Such Participant's benefit shall be determined in accordance with the provisions of the Plan in effect on the date his or her employment terminated, unless otherwise provided in the Plan.

2.02 ***Determination of Service***

Solely for purposes of this Article, an employee, except as otherwise provided in Appendix B attached hereto, shall be credited with one year of Eligibility Service for the 12-month period beginning on the date he or she first completes an Hour of Service if he or she completes at least 1,000 Hours of Service by the end of that period. For each Plan Year beginning after that date and before he or she becomes a Participant, an employee shall be credited with one year of Eligibility Service if he or she completes at least 1,000 Hours of Service by the end of the Plan Year.

Solely for purposes of this Section 2.02, there shall be a Break in Service of one year for any Plan Year after the Plan Year in which an Employee first completes an Hour of Service during which he or she does not complete more than 500 Hours of Service.

2.03 ***Events Affecting Participation***

A person's participation in the Plan shall end when he or she is no longer employed by the Company and all Affiliated Companies if he or she is not entitled to either an immediate or a deferred Pension under the Plan. However, participation shall continue while on approved leave of absence from service or during a period while he or she is not an Employee but is in the employ of the Company or an Affiliated Company, but no Eligibility Service or Benefit Service shall be counted for that period, except as specifically provided in Article 3 and Section 4.08, and such person's benefit shall be determined in accordance with the provisions of the Plan in effect on the date he or she ceased to be an Employee.

2.04 ***Participation Upon Reemployment***

If an Employee's participation in the Plan ends and he or she again becomes an Employee, he or she shall be considered a new Employee for all purposes of the Plan, except as provided in Section 3.03.

ARTICLE 3. SERVICE

3.01 **Eligibility Service**

- (a) Except as otherwise provided in Section 2.02 or Appendix B attached hereto, Eligibility Service shall begin on the date the Employee first completes an Hour of Service and end on the Employee's Severance Date. If an Employee's employment is terminated and he or she is later reemployed within one year, the period between his or her Severance Date and the date of his or her reemployment shall be included in his or her Eligibility Service. However, if his or her employment is terminated during a period of absence from service for reasons such as vacation, sickness, disability, layoff or leave of absence approved by the Company, Eligibility Service shall be counted for the period from his or her Severance Date to the date of his or her reemployment only if he or she is reemployed within one year of the first day of that absence. A Break in Service shall occur if an Employee is not reemployed within one year after a Severance Date, provided, however, that if an Employee's employment is terminated or if the Employee is otherwise absent from work because of Parental Leave, a Break in Service shall occur only if the Employee is not reemployed or does not return to active service within two years of his or her Severance Date; and provided further that the first year of such absence for Parental Leave, measured from his or her Severance Date, shall not be considered in determining the Employee's "period of Break in Service" for purposes of Section 3.03(d). If the Employee has a Break in Service, any period before the Break in Service shall be excluded from his or her Eligibility Service, except as provided in Section 3.03.

 - (b) If an Employee shall have been absent from the service of the Company because of service in the uniformed services of the United States and if he or she shall have returned to the service of the Company having applied to return while his or her reemployment rights were protected by law, that absence shall not count as a Break in Service, but instead shall be counted as Eligibility Service to the extent required by law. Effective January 1, 2007, if an individual who was an Employee dies or, effective as of January 1, 2010, becomes disabled (as described in Section 4.05(a)) while performing qualified military service (as defined in Section 414(u) of the Code) and while his or her reemployment rights are protected by the Uniformed Services Employment and Reemployment Rights Act of 1994 and any related legislation or guidance, such individual's period of time in qualified military service through the date he died or became disabled shall be counted as Eligibility Service.
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- (c) A period during which an Employee is on a leave of absence approved by the Company shall not be considered as a Break in Service. Under rules uniformly applicable to all Employees similarly situated, the Benefits Administration Board may authorize Eligibility Service to be counted for any portion of that period of leave which is not counted as Eligibility Service under paragraph (a) of this Section.
- (d) For purposes of determining eligibility for participation and vesting each of the following periods of service shall be counted in a person's Eligibility Service to the extent that it would be recognized under paragraphs (a) through (c) above with respect to Employees:
 - (i) a period of service as an employee, but not an Employee, of the Company,
 - (ii) a period of service as an employee of an Affiliated Company, and
 - (iii) in the case of a person who is a Leased Employee before or after a period of service as an Employee or a period of service described in (i) or (ii) above, a period during which he or she has performed services for the Company or an Affiliated Company as a Leased Employee. A person who would qualify as a Leased Employee except that he or she has not performed services on a substantially full-time basis for one year shall nonetheless be deemed a Leased Employee for purposes of this clause (iii).

The Break in Service rules of Section 3.03 shall be applied as though all such periods of service were service as an Employee.

- (e) Notwithstanding any prior provision to the contrary, with respect to any person who was employed by the Company or an Affiliated Company during the period prior to May 1, 1990, Eligibility Service for service rendered during that period shall not be less than the Years of Service credited to such Employee for benefit eligibility purposes as of April 30, 1990, assuming the terms of the Plan as in effect on April 30, 1989 had remained in effect through such date, unless that service is disregarded pursuant to the Plan's Break in Service provisions.

3.02 **Benefit Service**

- (a) Except as provided below or in Appendix B attached hereto, all Eligibility Service rendered prior to July 1, 2013 as an Employee after reaching age 21 shall be Benefit Service under the Plan. Any period between a Severance Date and a reemployment date which is counted as Eligibility Service as provided in Section 3.01(a) shall not be counted as Benefit Service. Notwithstanding any Plan provision to the contrary, Benefit Service shall be frozen as of June 30, 2013 and no Benefit Service shall be credited to a Participant for any period of service or period of absence occurring on or after July 1, 2013.

- (b) Benefit Service shall include, to the extent required by law, any period of absence from service with the Company due to a period of service in the uniformed services of the United States rendered prior to July 1, 2013 which is counted in a Participant's Eligibility Service as provided in Section 3.01(b) and which occurs after the date the Participant becomes an Employee or attains age 21, if later. Effective January 1, 2007, if an individual who was an Employee dies or, effective as of January 1, 2010, becomes disabled (as described in Section 4.05(a)) while performing qualified military service (as defined in Section 414(u) of the Code) and while his or her reemployment rights are protected by the Uniformed Services Employment and Reemployment Rights Act of 1994 and any related legislation or guidance, such individual's period of time in qualified military service through the date he died or became disabled which is counted in a Participant's Eligibility Service as provided in Section 3.01(b) and which occurs (i) after the date the Participant becomes an Employee or attains age 21, if later, and (ii) prior to July 1, 2013 shall be counted as Benefit Service. The Participant shall be deemed to have earned Compensation during the period of absence which is recognized as Benefit Service at the rate he or she would have received had he or she remained employed as an Employee for that period or, if such rate is not reasonably certain, on the basis of the Participant's rate of compensation during the 12-month period immediately preceding such period of absence (or if shorter, the period of employment immediately preceding such period).
- (c) Under rules uniformly applicable to all Employees similarly situated, the Benefits Administration Board may count as Benefit Service any period, not more than two years, prior to July 1, 2013 during which an Employee is on an approved leave of absence which is counted as Eligibility Service as provided in Section 3.01(c).
- (d) Benefit Service shall not be credited for any period in which a Participant is (i) not an Employee but is in the employ of the Company, or (ii) in the employ of an Affiliated Company, or (iii) performing services for the Company or an Affiliated Company as a Leased Employee. Nor shall any person, who pursuant to a written contract with the Company that provides that he or she (iv) is an independent contractor and not an employee, and (v) waives participation in the Plan, receive any Benefit Service for the period such written contract is in effect.

- (e) With respect to an Employee who was employed by the Company during the period prior to May 1, 1990, Credited Service for employment during such period shall not be less than the Years of Service credited to such Employee for benefit accrual purposes as of April 30, 1990, assuming the terms of the Plan as in effect on April 30, 1989 had remained in effect until such date, unless that service is disregarded pursuant to the Plan's Break in Service provisions.

3.03 **Restoration of Retired Participant or Other Former Employee to Service**

- (a) If a Participant in receipt of a Pension is restored to service with the Company as an Employee or with an Affiliated Company, the following shall apply:
 - (i) Except as otherwise provided below, the payment of his or her Pension shall cease (unless the provisions of Sections 4.02(c) and 5.04(b) are applicable) and any election of an optional benefit in effect shall be void.
 - (ii) Any Eligibility Service and Benefit Service to which he or she was entitled when he or she retired or terminated service shall be restored to him or her.
 - (iii) Except as otherwise provided in subparagraph (v) below, upon later retirement or termination, his or her Pension shall be based on the benefit formula then in effect and his or her Compensation, Total Compensation and Benefit Service before and , if any, after the period when he or she was not in the service of the Company. The resulting Pension amount shall be offset by an amount of Equivalent Actuarial Value to the benefits, if any; he or she received before the earlier of the date of his or her restoration to service or his or her Normal Retirement Date.

- (iv) The part of the Participant's Pension upon later retirement payable with respect to any Benefit Service rendered before his or her previous retirement or termination of service shall never be less than the amount of his or her previous Pension modified to reflect any option in effect on his or her later retirement.
- (v) Notwithstanding the foregoing, if a Participant in receipt of a Pension is restored to service on or after May 1, 2004 with the Company as an Employee or with an Affiliated Company for a period of 90 or less days, the payment of his or her Pension shall not cease and any election of an optional benefit shall remain in effect during such period of reemployment; provided, however, if the Participant completes more than 90 consecutive days of service with the Company or an Affiliated Company subsequent to his or her reemployment, or if earlier, the Participant's period of reemployment with the Company or an Affiliated Company exceeds an accumulated total of 90 days in a calendar year, the payment of such Participant's Pension shall cease as of the first day of the month coincident with or next following his or her completion of such 90 days of service, provided the Participant is still employed as of such date (unless the provisions of Section 4.02(c) and 5.04(b) are applicable). Upon such Participant's subsequent retirement, he or she shall be entitled, prior to any adjustment with respect to the timing or form of payment, an additional Pension equal to the difference between (i) his or her Accrued Benefit based on the formula then in effect and his or her Compensation, Total Compensation and Benefit Service accrued before and, if any, after the period when he or she was not in the service of the Company and (ii) his or her Accrued Benefit determined as of his or her previous termination of employment, reduced by an amount of Equivalent Actuarial Value to the benefits, if any, he or she received before his or her Normal Retirement Date. If the Participant's Annuity Starting Date with respect to the pre-reemployment portion of his or her benefit is prior to his or her Normal Retirement Date, any additional Pension payable upon the Participant's subsequent termination of employment shall be paid in the form of payment elected by such Participant on his or her subsequent retirement and if the Participant's Annuity Starting Date occurred on or after his or her Normal Retirement Date, any additional Pension payable upon his or her subsequent termination of employment will be paid in the same optional form of benefit as in effect with respect to the portion of his or her benefit attributable to pre-reemployment service.

- (b) If a Participant entitled to but not in receipt of a Pension, or a former Participant, or an employee who was never a Participant is reemployed by the Company or an Affiliated Company without having had a Break in Service, his or her Eligibility Service and Benefit Service shall be determined as provided in Sections 3.01 and 3.02, and if reemployed as an Employee, he or she shall, in the case of a former Participant, immediately be restored as a Participant as of his or her date of reemployment, and in the case of an employee who was never a Participant, become a Participant in accordance with Section 2.01. However, if a former Participant received a lump sum settlement in lieu of a Pension, the Benefit Service to which he or she was entitled at the time of his or her termination of service shall be restored to him or her in accordance with the provisions of Section 3.03(c)(ii).
- (c) If a Participant entitled to but not in receipt of a Pension or a former Participant who received a lump sum settlement in lieu of a Pension is restored to service with the Company or an Affiliated Company, after having had a Break in Service, the following shall apply:

- (i) Upon completion of one year of Eligibility Service, determined as provided in Section 2.02, following the Break in Service the Eligibility Service to which he or she was previously entitled shall be restored to him or her, and he or she shall again become a Participant as of his or her date of restoration to service as an Employee.
 - (ii) Any Benefit Service to which the Participant was entitled at the time of his or her termination of service shall be restored to him or her, except that if he or she received a lump sum settlement by the end of the second Plan Year following the Plan Year in which his or her termination occurred, that Benefit Service shall not be restored to him or her.
 - (iii) Upon later termination or retirement of a Participant whose previous Benefit Service has been restored under this paragraph (c), his or her Pension shall be based on the benefit formula then in effect and his or her Compensation, Total Compensation and Benefit Service before and, if any, after the period when he or she was not in the service of the Company. The resulting Pension amount shall be offset, if applicable, but not below zero, by an amount of Equivalent Actuarial Value to any lump sum settlement received upon his or her prior termination.
- (d) If a former Participant who is not entitled to a Pension is restored to service with the Company or an Affiliated Company, either as an Employee or as an employee, after having had a Break in Service, the following shall apply:
- (i) Upon completion of one year of Eligibility Service, determined as provided in Section 2.02, following the Break in Service, he or she shall again become a Participant as of his or her date of restoration to service as an Employee if his or her Eligibility Service is restored under paragraph (ii) below.

- (ii) Upon his or her restoration to participation, the Eligibility Service to which he or she was previously entitled shall be restored to him or her if his or her period of Break in Service does not equal or exceed the greater of (A) five years, or (B) his or her period of Eligibility Service before his or her Break in Service, determined at the time of the Break in Service, excluding any Eligibility Service disregarded under this paragraph (d) by reason of any earlier Break in Service. If any such former Participant was restored to service prior to January 1, 1985, or if he or she had a Break in Service on December 31, 1984 and his or her period of Break in Service as of that date would have resulted in the exclusion of his or her previously accrued Eligibility Service under the Plan provisions then in effect, then clause (A) of the preceding sentence shall not be applicable, and his or her previously accrued Eligibility Service shall be excluded.
- (iii) Any Benefit Service to which the Participant was entitled at the time of his or her termination of service which is included in the Eligibility Service so restored shall be restored to him or her.
- (iv) Upon later termination or retirement of a Participant whose previous Benefit Service has been restored under this paragraph (d), his or her Pension, if any, shall be based on the benefit formula then in effect and his or her Compensation, Total Compensation and Benefit Service before and after the period, if any when he or she was not an Employee.

- (e) If an employee who was never a Participant is restored to service with the Company or an Affiliated Company prior to July 1, 2013, after having had a Break in Service, upon completion of one year of Eligibility Service following the Break in Service, the Eligibility Service to which he or she was previously entitled under Section 3.01(d) shall be restored to him or her if he or she would be entitled to nonforfeitable benefits under the Plan if he or she were a Participant, or otherwise, if his or her period of Break in Service does not equal or exceed the greater of (i) five years or (ii) his or her period of Eligibility Service before his or her Break in Service, determined at the time of the Break in Service, excluding any Eligibility Service disregarded under this paragraph (e) by reason of any earlier Break in Service. If an employee who was never a Participant is restored to Service with the Company or an Affiliated Company on or after July 1, 2013, he or she shall not become a Plan Participant.

ARTICLE 4. ELIGIBILITY FOR AND AMOUNT OF BENEFITS

4.01 **Normal Retirement**

- (a) The right of a Participant to his or her normal retirement Pension shall be nonforfeitable as of his or her Normal Retirement Age, provided he or she is an employee of the Company or an Affiliated Company at that time. A Participant who has attained his or her Normal Retirement Age may retire from service with the Company and all Affiliated Companies and receive a normal retirement Pension beginning on his or her Normal Retirement Date, subject to the Notice and timing requirements of Article 5, or he or she may postpone his or her retirement and remain in service after his or her Normal Retirement Date, in which event the provisions of Section 4.02 shall be applicable.
- (b) Subject to the provisions of Section 5.01, the annual normal retirement Pension payable upon retirement on a Participant's Normal Retirement Date shall be equal to the sum of (i) and (ii) below:
 - (i) (A) the sum of (1) 1.17 percent of the Participant's Average Final Compensation not in excess of Covered Compensation, and (2) 1.67 percent of such Average Final Compensation in excess of Covered Compensation, multiplied by the number of years of his or her Benefit Service rendered prior to January 1, 2005 up to 35 years; provided, however, that on and after May 1, 1994, such amount shall not be less than
 - (B) the sum of:
 - (1) the Participant's Accrued Benefit on April 30, 1994 under the terms of the Plan as then in effect, and
 - (2) 1.17 percent of the Participant's Average Final Compensation not in excess of Covered Compensation, plus 1.67 percent of such Average Final Compensation in excess of Covered Compensation, multiplied by the number of years of his or her Benefit Service rendered on and after May 1, 1994, and prior to January 1, 2005 up to 35 years of Benefit Service minus the number of years of Benefit Service used in (1) above.

The combined maximum years of Benefit Service rendered before and after May 1, 1994 used to compute the annual normal retirement Pension under this proviso (B) shall not exceed 35 years.

- (ii) (A) For each year (or portion thereof) of Benefit Service earned after December 31, 2004 and prior to July 1, 2013;
 - (1) 1.0 percent of a Participant's Total Compensation for each (or partial) calendar year beginning after December 31, 2004 and prior to June 30, 2013 not in excess of 80 percent of the Social Security Wage Base for such calendar year and
 - (2) 1.3 percent of such Participant's Total Compensation for each (or partial) calendar year beginning after December 31, 2004 and prior to June 30, 2013 in excess of 80 percent of the Social Security Wage Base for such calendar year;provided, however, that for each of Benefit Service earned after December 31, 2004, the sum of (1) and (2) above shall not be less than the sum of:
 - (3) 1.17 percent of the Participant's Average Final Compensation not in excess of Covered Compensation and
 - (4) 1.67 percent of such Average Final Compensation in excess of Covered Compensation,

- (iii) Notwithstanding the foregoing, in no event shall the combined number of years of Benefit Service used to compute any Participant's annual normal retirement Pension under the provisions of subparagraph (i) and (ii) exceed 35 years. For purposes of determining the order in which Benefit Service shall be allocated between and counted under the provisions of subparagraph (i) or (ii) with respect to a Participant who completes more than 35 years of Benefit Service, such Participant's Benefit Service shall be allocated in the order that produces, based on consecutive years of Benefit Service, the largest annual normal retirement Pension for each Participant.

For purposes of the Plan, the Accrued Benefit as of the last day of the Plan Year beginning in 1993 shall be determined with regard to the \$200,000 limitation on Compensation provided in Section 1.12, but shall not be less than the Participant's Accrued Benefit determined as of the last day of the Plan Year beginning in 1988.

- (c) In no event shall any Participant's annual normal retirement Pension be less than the greatest annual amount of reduced early retirement Pension which the Participant could have received under Section 4.03 before his or her Normal Retirement Date.
- (d) Subject to Section 5.01, in no event shall the Pension payable to a Participant under the Plan at his or her Normal Retirement Date be less than \$120 multiplied by his or her years of Benefit Service.
- (e) Notwithstanding any Plan provision to the contrary, the individuals named on Appendix C shall receive, in addition to any normal retirement Pension determined under paragraph (b) above the amount of retirement Pension set forth in Appendix C. Payment of said amounts shall be in the form of an annuity for the life of the Participant, unless otherwise indicated on Appendix C, and will commence as of May 1, 2008.

4.02 **Late Retirement**

- (a) If a Participant postpones his or her retirement as provided in Section 4.01(a), upon his or her termination of employment from the Company and all Affiliated Companies, he or she shall be entitled to a late retirement Pension beginning on the first day of the next calendar month, subject to the notice and timing requirements of Article 5, which shall be his or her late retirement date.
- (b) Subject to the provisions of Section 5.01, the annual late retirement Pension shall be an immediate Pension beginning on the Participant's late retirement date and, shall be equal to (i) the amount determined in accordance with Section 4.01(b) based on the Participant's Benefit Service, Average Final Compensation, and Total Compensation accrued to his or her late retirement date, or, if greater, (ii) the amount of the Pension to which the Participant would have been entitled if he or she had retired on his or her Normal Retirement Date, in either case based on his or her Average Final Compensation, Benefit Service and Total Compensation determined as of such Normal Retirement Date or June 30, 2013, if earlier, under the provisions of the Plan as then in effect, recomputed as of the first day of each subsequent Plan Year before the Participant's actual late retirement date (and as of the actual late retirement date) as if each such date were the Participant's late retirement date. Effective as of May 1, 1992, the late retirement Pension determined under the preceding sentence for a Participant who terminates employment on and after May 1, 1992 shall never be less than an amount of Equivalent Actuarial Value to the Pension determined in accordance with Section 4.01(b) based on the Participant's Benefit Service, Average Final Compensation, and Total Compensation accrued to his or her Normal Retirement Date, or June 30, 2013, if earlier, recomputed as of the first day of each subsequent Plan Year before the Participant's late retirement date (and as of the actual late retirement date) as if each such date were the Participant's late retirement date.

- (c) In the event a Participant commences receipt of his or her Pension while in active service under the provisions of Section 5.04(b), such commencement date shall not be the Participant's Annuity Starting Date for purposes of Article 5 and the Participant shall receive a late retirement Pension commencing on such date in an amount determined as if he or she had retired on such date. The Pension payable to the Participant during his or her period of active service shall be in the form of a Qualified Joint and Survivor Annuity, if he or she is married, or as a single life annuity, if he or she is unmarried. In the event of the death of the Participant during active service, the provisions of Section 4.06 shall apply with respect to any death benefit payable. Upon subsequent retirement, the Participant's Pension shall be paid in accordance with Section 5.01(a) or (b), as appropriate, unless he or she elects an optional form of payment under Section 5.02. Subsequently, as of the end of each prior Plan Year before the Participant's actual late retirement date (and as of his or her actual late retirement date), the Participant's Pension shall be recomputed to reflect any additional accruals. The Participant's recomputed Pension shall then be paid as of the following January 1 (or applicable as of his or her late retirement date). The Participant's recomputed Pension shall then be reduced by the Equivalent Actuarial Value of the total payments of his or her late retirement Pension made with respect to monthly payments other than for Non-Suspendible Months of continued employment which were paid prior to each such recomputation to arrive at the Participant's late retirement Pension; provided that no such reduction shall reduce the Participant's late retirement Pension below the amount of late retirement Pension payable to the Participant prior to the recomputation of such Pension.

- (d) Notwithstanding paragraphs (b) and (c) above, in the event a Participant remains in service after the April 1 following the calendar year in which he or she attains age 70½, and does not commence payment of his or her Pension while in service under the provisions of Section 5.04(b), then his or her Pension shall be the excess, if any, of (i) over (ii) where:
- (i) is the greater of (A) the Participant's Pension determined in accordance with Section 4.01(b) as of his or her actual retirement date taking into account the Participant's Benefit Service, Average Final Compensation, and Total Compensation accrued as of that date, or June 30, 2013, if earlier or (B) an amount of Equivalent Actuarial Value to the Pension to which the Participant would have been entitled under Section 4.01(b) if he or she retired at the end of the Plan Year preceding such April 1 based on accruals through such date or June 30, 2013, if earlier, recomputed in accordance with regulations issued by the U.S. Treasury Department as of the first day of each calendar year which begins subsequent to said date (and as of his or her actual late retirement date) as if such date were the Participant's late retirement date, and
 - (ii) is the actuarial equivalent value of any distributions made with respect to the Participant's retirement benefits after said date.
- (e) The pension payable to a Participant who is not a 5 percent owner (as defined in Section 416(i) of the Code) of the Company or an Affiliated Company and who is receiving payments under the provisions of paragraph (c) and Section 5.04(b) as of December 31, 1996, shall continue to be governed by the provisions of paragraph (c) above on and after January 1, 1997.

(f) For purposes of this Section 4.02, Equivalent Actuarial Value or actuarial equivalent value shall be determined on the basis set forth in Appendix A.

4.03 **Early Retirement**

- (a) A Participant who has not reached his or her Normal Retirement Date but who, prior to his or her termination of employment from the Company and all Affiliated Companies, has reached his or her 55th birthday and completed 10 years of Eligibility Service may retire from service and receive an early retirement Pension beginning on the first day of the calendar month after the Benefits Administration Board receives his or her written application to retire.
- (b) The early retirement Pension shall be a deferred Pension beginning on the Participant's Normal Retirement Date and, subject to the provisions of Section 5.01, shall be equal to his or her Accrued Benefit. However, the Participant may elect to receive an early retirement Pension beginning on the first day of any calendar month before his or her Normal Retirement Date, provided that an early payment date shall be subject to the notice and timing requirements described in Article 5. In that case, the Participant's Pension shall be equal to the deferred Pension reduced by one-third of one percent for each month by which the date the Participant's early retirement Pension begins precedes his or her Normal Retirement Date; provided, however, that no reduction shall apply if the Participant has reached age 62 and completed 20 years of Eligibility Service on the date he or she terminates employment with the Company and all Affiliated Companies.

- 4.04 *Vesting*
- (a) A Participant shall be 100 percent vested in, and have a nonforfeitable right to, his or her Accrued Benefit upon completion of five years of Eligibility Service since his or her 18th birthday. If the Participant's employment with the Company and Affiliated Company is subsequently terminated for reasons other than retirement or death, he or she shall be eligible for a vested Pension after the Benefits Administration Board receives his or her written application for the Pension.
 - (b) The vested Pension shall begin on the Participant's Normal Retirement Date and, subject to the provisions of Section 5.01, shall be equal to his or her Accrued Benefit. However, if on the date of his or her termination, he or she had completed ten years of Eligibility Service, the Participant may elect to have his or her vested Pension begin on the first day of any calendar month on or after his or her 55th birthday and before his or her Normal Retirement Date; provided that the election of an early payment date shall be subject to the notice and timing requirements described in Article 5. In that case, the Participant's Pension shall be equal to the vested Pension otherwise payable at his or her Normal Retirement Date reduced by one-third of one percent for each month by which the date the Participant's vested Pension precedes his or her Normal Retirement Date.
 - (c) Notwithstanding paragraph (b) above, effective as the date on or after January 1, 2014 designated by the Benefits Administration Board, a Participant who has not attained age 55 and who is eligible to receive a vested Pension under the Plan pursuant to the provisions of this Section 4.04 where the present value of such vested Pension as determined pursuant to the provisions of Section 5.02 is more than \$1,000 but not more than \$5,000, may elect to receive such vested Pension in a single lump sum payment determined as provided under Section 5.02 - Option 7 as of the first day of any month following his or her termination of employment with the Company and Affiliated Company and prior to the first day of the calendar month in which his or her 55th birthday occurs.

4.05 **Disability**

- (a) Notwithstanding any other Plan provision to the contrary, a Participant who ceases to be actively employed by the Company prior to July 1, 2013 and while an Employee on account of disability shall continue to be credited with (i) Eligibility Service but only for the period he or she is eligible for and continuously receiving either (1) disability benefits under the Company's long-term disability plan or (2) disability insurance benefits under the Social Security Act and (ii) Benefit Service for the period prior to July 1, 2013 during which he or she is continuously receiving the disability benefits described in clause (1) and (2) of this sentence. With respect to a Participant who, on or after January 1, 2010 and prior to July 1, 2013, becomes disabled while in qualified military service (as defined in Section 414(u) of the Code) and while his or her reemployment rights are protected by the Uniformed Services Employment and Reemployment Rights Act of 1994 and any related legislation or guidance, such Participant shall be deemed to be disabled for purposes of the Plan if he or she would qualify for disability benefits under the Company's long-term disability program even though he or she otherwise may be ineligible for benefits thereunder due to the injury occurring while in the military service. There shall also be included in his or her Eligibility Service and Benefit Service any applicable waiting period for disability benefits under the Company's long-term disability plan or the Social Security Act; provided no Benefit Service shall be credited for any period after June 30, 2013; and provided further that after expiration of such period the Participant becomes entitled to such long-term disability benefits or Social Security disability insurance benefits. Upon attaining age 65, the Participant shall be entitled to a disability retirement Pension in an amount provided in paragraph (b) below. Such disability retirement Pension shall commence on the Participant's Normal Retirement Date. The Total Compensation credited to a Participant for a period of absence accruing on or after December 31, 2004 that is counted as Benefit Service under the preceding provisions of this paragraph (a), shall be the Participant's base rate of compensation in effect immediately prior to the date he or she ceased employment on account of disability.

- (b) Subject to Section 5.01, the disability retirement Pension shall be calculated as a normal retirement Pension in accordance with Section 4.01(b) as in effect on the date the Participant's Pension commences, based on his or her Average Final Compensation at the time he or she ceased employment on account of disability, his or her Total Compensation under Section 1.42 and paragraph (a) above, and his or her Benefit Service under Section 3.02 and paragraph (a) above. Notwithstanding the foregoing, all Benefit Service, Average Total Compensation and Total Compensation accruals under the ongoing provisions of this Section 4.05 shall cease as of June 30, 2013.
- (c) If the Participant's disability benefits under the Company's long-term disability plan or disability insurance benefits under the Social Security Act are discontinued prior to his or her Normal Retirement Date and he or she is not restored to service with the Company or an Affiliated Company, he or she shall be entitled to retire on an early retirement Pension as of the first day of the calendar month immediately after such discontinuance or to receive a vested retirement Pension payable in accordance with Section 4.04 if at the date he or she ceased to be disabled he or she had completed the service requirements for such Pension and, in the case of an early retirement Pension, at the date he or she ceased to be disabled he or she had attained the required age for early retirement. In either case, the Pension shall be computed on the basis of his or her Average Final Compensation, Total Compensation, at the date of discontinuance of disability benefit determined in accordance with Section 1.42 and paragraph (a) above, and Benefit Service at the date of discontinuance of disability benefits, determined in accordance with Article 3 and paragraph (a) above, and the benefit formula in effect on the date he or she ceases to be disabled.

4.06 ***Spouse's Pension***

(a) If a Participant:

- (i) dies while employed by the Company or any Affiliated Company and prior to his or her Annuity Starting Date having met the requirements for any Pension under Section 4.01, 4.02, 4.03 or 4.04, or
 - (ii) dies after retiring on any Pension under Section 4.01, 4.02 or 4.03, or after terminating service on or after August 23, 1984 with entitlement to a vested Pension, but in either case before his or her Annuity Starting Date, or
 - (iii) dies while accruing service under Section 4.05 and while entitled to any Pension, but before his or her Annuity Starting Date,
- a spouse's Pension shall be payable to his or her surviving Spouse (or surviving Registered Domestic Partner) for life.

Notwithstanding any provision of the Plan to the contrary, if a Participant dies while performing qualified military service (as defined in Section 414(u) of the Code) and while his or her reemployment rights are protected by the Uniformed Services Employment and Reemployment Rights Act of 1994 and any related legislation or guidance, the surviving Spouse (or surviving Registered Domestic Partner) of such Participant shall be entitled to any additional benefits, including benefit accruals relating to the period of qualified military service rendered prior to July 1, 2013, as if the Participant had been reemployed by the Company or any Affiliated Company and then terminated employment from the Company and all Affiliated Companies on account of death.

- (b) (i) If the spouse's Pension is payable to the Participant's Spouse, the spouse's Pension shall commence on what would have been the Participant's Normal Retirement Date (or the first day of the month following his or her date of death, if later). However:
 - (A) if the Participant dies in active service with the Company or any Affiliated Company or while accruing Eligibility Service under Section 4.05 in either case after having completed at least five years of Eligibility Service, or after retiring early but before his or her Annuity Starting Date, the Spouse may elect to begin receiving payments as of the first day of any month following the Participant's date of death and prior to what would have been his or her Normal Retirement Date; and
 - (B) if the Participant dies after terminating service with the Company and all Affiliated Companies with the right to a vested Pension and having completed ten years of Eligibility Service, but prior to his or her Annuity Starting Date, the Spouse may elect to begin receiving payments as of the first day of any month following what would have been the Participant's 55th birthday (or following his or her date of death, if later) and prior to what would have been his or her Normal Retirement Date.
- (ii) If the spouse's Pension is payable to the Participant's surviving Registered Domestic Partner, the spouse's Pension shall commence as of the first day of the month coincident with or next following the date on which the Benefits Administration Committee is officially notified of the Participant's death, but only after written application is made to commence such payment, provided, however such payment shall not commence later than one year following the Participant's date of death.

An election by the Spouse to commence receiving payments prior to what would have been the Participant's Normal Retirement Date (or by a surviving Registered Domestic Partner to commence payments prior to the first anniversary of the Participant's death) shall be made on a form provided by the Benefits Administration Board and may be made during the 90-day period ending on the date the payments to the Spouse commence.

- (c) (i) In the case of a Participant who dies in active service with the Company or any Affiliated Company or while accruing Eligibility Service under Section 4.05, in either case after having completed at least five years of Eligibility Service, the spouse's Pension shall be equal to one-half of the annual Pension the Participant would have been entitled to commencing on his or her Normal Retirement Date (or the first day of the month following his or her date of death, if later) in the form of a life annuity, had he or she terminated employment on the day preceding his or her death. If payments to the Spouse (or Registered Domestic Partner) begin in accordance with the foregoing provisions of this Section 4.06 prior to what would have been the Participant's Normal Retirement Date, there shall be no reduction for early commencement.
 - (ii) In the case of any other eligible Participant who dies prior to his or her Annuity Starting Date, the spouse's Pension shall be equal to the amount of benefit the Spouse (or surviving Registered Domestic Partner) would have received if the Pension to which the Participant was entitled at his or her date of death had commenced on his or her Normal Retirement Date (or the first day of the month following his or her date of death, if later) in the form of a Qualified Joint and Survivor Annuity and the Participant had died immediately thereafter. The spouse's Pension shall be further adjusted to reflect its commencement prior the Participant's Normal Retirement Date as follows:
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- (A) if the spouse's Pension payable to a Spouse (or Registered Domestic Partner) of a Participant who dies after retiring but prior to his or her Annuity Starting Date commences prior to the what would have been the Participant's Normal Retirement Date, the amount of the Pension payable to the Spouse (or Registered Domestic Partner) will be based on the amount of early retirement Pension to which the Participant would have been entitled if he or she had requested benefit commencement at that earlier commencement date, reduced in accordance with Section 4.03(b); and
- (B) if the spouse's Pension payable to a Spouse (or surviving Registered Domestic Partner) of a Participant who dies after terminating with the right to a vested Pension and having completed at least ten years of Eligibility Service, but prior to his or her Annuity Starting Date commences prior to what would have been the Participant's Normal Retirement Date, the amount of the Pension payable to the Spouse (or Registered Domestic Partner) shall be based on the amount of vested Pension to which the Participant would have been entitled if he or she had requested benefit commencement at that earlier date, reduced in accordance with Section 4.04(b) and in the event such commencement date is prior to the 55th anniversary of the Participant's birth, the benefit payment to the Registered Domestic Partner shall be of Equivalent Actuarial Value to the benefit otherwise payable hereunder to the Registered Domestic Partner on the date the Participant would have attained age 55.

However, if within the 90 day period prior to his or her Annuity Starting Date a Participant has elected an optional form of Pension which provides for monthly payments to his or her Spouse (or Registered Domestic Partner) for life in an amount equal to at least 50 percent but not more than 100 percent of the monthly amount payable under the option for the life of the Participant and such option is of Equivalent Actuarial Value to the Qualified Joint and Survivor Annuity, such optional form of Pension shall be used for computing the spouse's Pension instead of the Qualified Joint and Survivor Annuity. Notwithstanding the foregoing sentence, the optional form of Pension elected pursuant to the preceding sentence shall only be payable to a Spouse (or Registered Domestic Partner) entitled to a payment under paragraph (c)(i) above if the value of such optional form of payment exceeds the value of payments under paragraph (c)(i).

4.07 **Lost Participants**

- (a) Notwithstanding the foregoing provisions of Article 4, in the event a Participant's Pension otherwise scheduled to commence on the Participant's Normal Retirement Date (or late retirement date, if applicable) is delayed because the Benefits Administration Board is unable to locate the Participant, the Benefits Administration Board shall commence payment as soon as practicable after the date the Participant is located. Unless the Participant elects an optional form of payment in accordance with the provisions of Section 5.02, payment shall be in the automatic form set forth in Section 5.01 applicable to the Participant on his or her Annuity Starting Date. The Pension payable to the Participant as of his or her Annuity Starting Date shall be of Equivalent Actuarial Value to the Pension otherwise payable to the Participant on his or her Normal Retirement Date.

In the event a Participant whose Pension is delayed beyond his or her Normal Retirement Date (or late retirement date, if applicable) as described above dies prior to his or her Annuity Starting Date and is survived by a Spouse (or Registered Domestic Partner), the Spouse (or Registered Domestic Partner) shall be entitled to receive a spouse's Pension under the provisions of Section 4.06 computed on the basis of the Equivalent Actuarial Value of the Pension payable to the Participant on his or her Normal Retirement Date (or late retirement date, if applicable).

- (b) In lieu of the Pension otherwise payable under paragraph (a) above, a Participant described in paragraph (a) whose Pension will be paid in the form of an annuity may elect to receive:
 - (i) a reduced Pension equal to the Pension otherwise payable under paragraph (a) above (as adjusted to reflect the form of payment elected by the Participant under the provisions of Section 5.01 or 5.02, as applicable) reduced by the Equivalent Actuarial Value of the lump sum payment under clause (ii) below, and
 - (ii) a lump sum payment equal to the sum of the monthly payments the Participant would have received during the period beginning on his or her Normal Retirement Date (or late retirement date, if applicable) and ending with the month preceding his or her Annuity Starting Date. The amount of such monthly payments shall be determined as of the Participant's Normal Retirement Date (or late retirement date, if applicable) on the basis of the actual form of payment in which the Participant's Pension under subparagraph (i) above is payable.

An election under this paragraph (b) shall be subject to the notice and spousal consent requirements set forth in Section 5.03 applicable to the election of an optional form of payment.

- (c) For purposes of paragraph (a) and (b), Equivalent Actuarial Value shall be determined on the basis set forth in Appendix A.

4.08 **Maximum Benefit Limitation**

- (a) The provisions of Section 415 of the Code are incorporated into the Plan by reference. The following provisions of this Section reflecting the increased limitations of Section 415(b) of the Code effective on and after January 1, 2002 shall apply to all current and former Participants (with benefits limited by Section 415(b) of the Code) who have an Accrued Benefit under the Plan immediately prior to January 1, 2002 (other than an Accrued Benefit resulting from a benefit increase solely as a result of the increases in limitations under Section 415(b)).
- (b) Notwithstanding any other provision of the Plan, the annual benefit to which a Participant is entitled under the Plan shall not, in any Limitation Year, be in an amount which would exceed the applicable limitations under Section 415 of the Code and regulations thereof. As of January 1 of each calendar year commencing on or after January 1, 2003, the dollar limitation as determined by the Commissioner of Internal Revenue for that calendar year shall become effective as the maximum permissible dollar amount of benefit payable under the Plan during the Limitation Year ending within that calendar year including benefit payable to Participants who retired prior to that Limitation Year. The determination of the amount of any increase in the Pension payable to a Participant in receipt of a Pension on the last day of the prior Limitation Year shall be determined based on the Participant's age at the date his or her Pension commenced.

- (c) To the extent required to comply with Section 415 of the Code, if a Participant participates in more than one defined benefit pension plan required to be aggregated with this Plan under Section 415 of the Code and if the provisions of Section 415 require an adjustment to benefits to comply with Section 415 of the Code, adjustments to a Participant's benefits payable with respect to such Participant shall be made first under any other defined benefit plan maintained by the Company or an Affiliated Company which provides for a reduction in this circumstance prior to making any adjustment under this Plan.
- (d) The term "remuneration" for purposes of applying the limitations under Section 415 of the Code with respect to any Participant shall mean the wages, salaries, and other amounts paid in respect of such Participant by the Company or an Affiliated Company for personal services actually rendered and including any elective amounts that are not includible in gross income of the Participant by reason of Section 125, 132(f), 402(g) or 457(b) of the Code and shall exclude other deferred compensation, stock options, and other distributions which receive special tax benefits under the Code. For Limitation Years beginning on or after July 1, 2007, "remuneration" shall include payments made by the later of 2½ months after severance from employment, or the end of the Limitation Year that includes the date of severance from employment, if, absent a severance from employment, such payments would have been paid to the employee while the employee continued in employment with the Company or an Affiliated Company, and are regular compensation for services during the employee's regular working hours, compensation for services outside the employee's regular working hours (such as overtime or shift differential), commissions, bonuses or other similar compensation. Effective for Limitation Years beginning on and after July 1, 2007, for purposes of applying the maximum benefit limitations under this Section 4.08, remuneration shall not exceed the limitation on compensation under Section 401(a)(17) of the Code.

Effective on and after January 1, 2009, notwithstanding the preceding sentence, 'remuneration' shall also include:

- (i) salary continuation payments for military service as described in Treasury Regulation Section 1.415(c)-2(e)(4);
- (ii) compensation paid after severance from employment as described in Treasury Regulation Section 1.415(c)-2(e)(3)(ii) and (iii)(A), and
- (iii) foreign income as described in Treasury Regulation Section 1.415(c)-2(g)(5)(i), excluding amounts described in Treasury Regulation Section 1.415(c)-2(g)(5)(ii).

Effective for Plan Years and Limitation Years beginning on or after January 1, 2009, "remuneration" shall include differential wage payments (as defined in Section 3401(h)(2) of the Code) paid to an individual by the Company or an Affiliated Company.

Payments not described above shall not be considered remuneration 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.

4.09 ***Transfers and Employment With an Affiliated Company***

- (a) If an Employee (i) becomes employed by the Company in any capacity other than as an Employee as defined in Article 1, (ii) becomes employed by an Affiliated Company, or (iii) becomes a Leased Employee, he or she shall retain any Benefit Service he or she has under this Plan. Upon his or her later retirement or termination of employment with the Company or Affiliated Company (or upon benefit commencement in the case of a Leased Employee), any benefits to which the Employee is entitled under the Plan shall be determined under the Plan provisions in effect on the date he or she ceases to be an Employee as defined in Article 1, and only on the basis of his or her Benefit Service, Average Final Compensation, and Total Compensation accrued prior to July 1, 2013 and while he or she was an Employee as defined in Article 1.

- (b) Subject to the Break in Service provisions of Article 3 and except as otherwise provided in paragraphs (c) and (d) below, in the case of a person who (i) was originally employed by the Company in any capacity other than as an Employee as defined in Article 1, (ii) was originally employed by an Affiliated Company, or (iii) was originally providing services to the Company as a Leased Employee, and thereafter becomes an Employee, upon his or her later retirement or termination of employment, the benefits payable under the Plan shall be computed under the Plan provisions in effect at that time, and only on the basis of the Benefit Service, Average Final Compensation, and Total Compensation accrued while he or she is an Employee as defined in Article 1 and prior to July 1, 2013.

- (c) Notwithstanding any Plan provision to the contrary, in the case of a person who is employed by the Company as an Employee prior to January 1, 2005 and who was previously employed by an Affiliated Company, other than a person who retired or otherwise terminated employment with the Company prior to May 1, 1984, the annual Pension computed under the Plan shall include as Benefit Service any period of employment with an Affiliated Company rendered prior to January 1, 2005 (but only during the period it qualified as such); provided, the annual Pension payable hereunder shall be reduced by the Equivalent Actuarial Value of any retirement benefit the Participant received or is entitled to receive under a retirement plan of such Affiliated Company with respect to any service which is recognized as Benefit Service for purposes of computation of benefits under this Plan. Notwithstanding any Plan provision to the contrary, in the case of a person who is employed by the Company as an Employee on or after January 1, 2005 and prior to July 1, 2013 and who was previously employed by an Affiliated Company, the annual Pension computed under the Plan shall include as Benefit Service any period of employment with an Affiliated Company rendered prior to January 1, 2005 (but only during the period it qualified as such) to the extent such employment was recognized as service for the purpose of calculating a benefit under a defined benefit plan maintained by such Affiliated Company; provided, the annual Pension payable hereunder shall be reduced by the Equivalent Actuarial Value of any retirement benefit the Participant received or is entitled to receive under a defined benefit plan of such Affiliated Company with respect to any service which is recognized as Benefit Service for purposes of computation of benefits under this Plan.
- (d) Notwithstanding any Plan provisions to the contrary, with respect to any person who immediately prior to the date on which he or she becomes an Employee is in the employ of the Company as an employee but not as an Employee, the annual Pension computed under the Plan shall include as Benefit Service any period of employment with the Company rendered as an employee prior to January 1, 2005.

- (e) Notwithstanding the foregoing provisions of this Section 4.09, the Pension computed under Section 4.01, 4.02, or 4.03 of any Participant previously employed by The Ronald Press Company ("Ronald"), excluding Employees who have retired or otherwise terminated their employment with the Company prior to May 1, 1984, shall be equal to the Pension which the Participant would have been entitled to if he or she had been credited with service with Ronald, in addition to his or her service with the Company, minus an amount equal to an annual annuity commencing at age 65 for the life of the Participant which could have been obtained in September 1977 (under the actuarial assumptions used by the Plan) for an amount equal to the lump sum payment the Participant received from Ronald in September 1977 as additional compensation (being the payment referred to in Section 3.3 of the Stock Purchase Agreement between the Company and the shareholders of Ronald). The provisions of this paragraph (d) shall be applicable only if it results in a larger Pension to the Participant.

ARTICLE 5. PAYMENT OF PENSIONS

5.01 *Automatic Form of Payment*

- (a) If the Participant is not married on his or her Annuity Starting Date, his or her Pension shall be payable in monthly installments ending with the last monthly payment before death, unless the Participant has elected an optional benefit as provided in Section 5.02.
- (b) If the Participant is married on his or her Annuity Starting Date or has a Registered Domestic Partner on his or her Annuity Starting Date, and if he or she has not elected an optional form of benefit as provided in Section 5.02, the Pension payable shall be in the form of a Qualified Joint and Survivor Annuity of Equivalent Actuarial Value to the Pension otherwise payable, providing for a reduced Pension payable to the Participant during his or her life, and after his or her death providing that one-half of that reduced Pension will continue to be paid during the life of, and to, the Spouse (or Registered Domestic Partner) to whom he or she was married at his or her Annuity Starting Date. Notwithstanding the preceding, if an option described in Section 5.02 provides for payments continuing after the Participant's death for the life of a Beneficiary at a rate of at least 50 percent but not more than 100 percent of the Pension payable for the life of the Participant and if such option, with the Spouse to whom the Participant is married on his or her Annuity Starting Date or the Participant's Registered Domestic Partner on his or her Annuity Starting Date) named as Beneficiary, would be of greater actuarial value than the joint and survivor annuity described above, such option with such Spouse (or Registered Domestic Partner) as Beneficiary shall be the Qualified Joint and Survivor Annuity.

- (c) Notwithstanding any Plan provision to the contrary, effective as of January 1, 2014, if the Participant's Annuity Starting Date occurs on or after his or her Normal Retirement Date and the present value of his or her Pension amounts to \$5,000 or less, or if the Participant's Annuity Starting Date occurs before his or her Normal Retirement Date and the present value of his or her Pension amounts to \$1,000 or less as of such Annuity Starting Date, a lump sum payment of Equivalent Actuarial Value shall be made in lieu of all benefits. Notwithstanding any Plan provision to the contrary, effective as of January 1, 2014, a lump sum payment of Equivalent Actuarial Value shall be made in lieu of all benefits if the present value of the Pension payable on behalf of a Participant to a his or her spouse, Registered Domestic Partner or other Beneficiary determined as of his or her Normal Retirement Age or actual date of death, if later, amounts to \$5,000 or less. In determining the amount of a lump sum payment payable under this paragraph, (i) Equivalent Actuarial Value shall mean a benefit, in the case of a lump sum benefit payable prior to a Participant's Normal Retirement Age, of Equivalent Actuarial Value to the benefit which would otherwise have been provided commencing at the Participant's Normal Retirement Age, and (ii) the Equivalent Actuarial Value shall be determined by using the IRS Mortality Table and the IRS Interest Rate. Such Equivalent Actuarial Value shall be determined as of the Participant's Annuity Starting Date by using the IRS Mortality Table and the IRS Interest Rate in effect as of such Annuity Starting Date. The lump sum payment shall be made as soon as practicable following the determination that the amount qualifies for distribution under this paragraph. The determination as to whether a lump sum payment is due shall be made as in accordance with procedures established by the Benefits Administration Committee on a basis uniformly applicable to all Participants similarly situated. In no event shall such lump sum payment be made following the date Pension payments have commenced as an annuity. Notwithstanding the foregoing, in calculating the amount of a lump sum payment under this paragraph (c) with an Annuity Starting Date on or after January 1, 2014 and prior to January 1, 2015, in no event shall such lump sum payment be less than the lump sum amount that would have been provided if the IRS Interest Rate under Section 1.21(a) and the Stability Period under Section 1.41(i) continued in effect for the 2014 calendar year.

5.02 **Optional Forms of Payment**

Any Participant may, subject to the provisions of Section 5.03, elect to convert the Pension otherwise payable to him or her under the provisions of Section 4.01, 4.02 4.03 or 4.04(b) into an optional benefit of Equivalent Actuarial Value, as provided in one of the options named below. A Participant described in Section 4.04(c) may, elect to convert the Pension otherwise payable to him or her under the provisions of Section 4.04 into an optional benefit of Equivalent Actuarial Value, only as provided in Option 7 below.

Option 1.

A modified Pension payable during the Participant's life, and after his or her death payable during the life of, and to, the Beneficiary named by him or her when he or she elected the option.

Option 2.

A modified Pension payable during the Participant's life, and after his or her death payable at 50% (or, effective with respect to an Annuity Starting Date occurring on or after May 1, 2008, 75%) the rate of his or her modified Pension during the life of, and to, the Beneficiary named by him or her when he or she elected the option.

Option 3.

Either Option 1 or Option 2; provided, that in the event the Beneficiary predeceases the Participant, the annual Pension payable to the Participant after the Beneficiary's death shall equal the Pension that would have been payable pursuant to Section 5.01(a).

Option 4.

In the case of a Participant who retires before the first day on which he or she shall be entitled (upon proper application) to receive his or her old age Social Security insurance benefit (regardless of reduction on account of commencement of such Social Security benefit prior to Social Security Retirement Age), a Pension payable until such date during the Participant's lifetime, and at any reduced amount thereafter, but not less than zero, for the remainder of the Participant's life. For purposes of this Option 4, "Social Security Benefit" means the old age insurance benefit which the Employee is entitled to receive under Title II of the Social Security Act as in effect on the date he or she retires or otherwise terminates employment, or which he or she would be entitled to receive if he or she did not disqualify himself or herself from receiving Social Security benefits by entering into covered employment or for any other reason. In computing any Social Security Benefit, no wage index adjustment or cost-of-living adjustment shall be assumed with respect to any period after the end of the calendar year in which the Employee retires or terminates service. The Employee's Social Security Benefit shall be determined on the basis of the Employee's actual earnings, where available from Company records, in conjunction with a salary increase assumption based on the actual yearly change in the national average wages as determined by the Social Security Administration for all other years prior to retirement or other termination of employment with the Company where actual earnings are not so available.

Notwithstanding the foregoing and except as provided below, in determining the amount of benefit available under this Option 4 for any Participant who terminates employment with the Company or an Affiliated Company on or after May 1, 2004, the Equivalent Actuarial Value shall in no event be less than the amount determined by using the IRS Mortality Table and the IRS Interest Rate.

Option 5.

A Pension payable for the Participant's life, with no Pension payable after his or her death.

Option 6.

Effective as of the date on or after January 1, 2014 designated by the Benefits Administration Board, a lump sum payment of Equivalent Actuarial Value to the Pension otherwise payable to the Participant, provided the amount of the lump sum payment at the Annuity Starting Date exceeds \$1,000 but not \$5,000. In determining the amount of a lump sum optional benefit available under this Option, (a) Equivalent Actuarial Value shall mean a benefit, in the case of a lump sum benefit payable prior to a Participant's Normal Retirement Date, of equivalent value to the benefit which would otherwise have been provided commencing at the Participant's Normal Retirement Date and (b) in no event shall the Equivalent Actuarial Value be less than the amount determined by using the IRS Mortality Table and the IRS Interest Rate.

Notwithstanding the foregoing, in calculating the amount of (i) a benefit under Option 4 with an Annuity Starting Date on or after January 1, 2008 and prior to May 1, 2009, in no event shall such benefit be less than the benefit that would have been provided if the IRS Interest Rate under Section 1.21(a) and the IRS Mortality Table under Section 1.22(a) continued in effect for that period and (ii) a benefit under Option 4, or Option 6 with an Annuity Starting Date on or after January 1, 2014 and prior to January 1, 2015, in no event shall such benefit be less than the benefit that would have been provided if the IRS Interest Rate under Section 1.21(a) and the Stability Period under Section 1.41(i) continued in effect for that period.

In the event a Participant is not entitled to any Pension upon his or her termination of employment, he or she shall be deemed cashed-out under the provisions of this Plan as of the date he or she terminated service. However, if a Participant described in the preceding sentences is subsequently reemployed by the Company or an Affiliated Company, the provisions of Section 3.03 shall apply to him or her without regard to such sentence.

5.03 ***Election of Options***

A Participant's election of an optional form of payment under the provisions of Section 4.02 shall be subject to the following provisions:

- (a) A married Participant's election of any option shall only be effective if Spousal Consent to the election is received by the Benefits Administration Board, unless:
 - (i) the option provides for monthly payments to his or her Spouse for life after the Participant's death, in an amount equal to at least 50 percent but not more than 100 percent of the monthly amount payable under the option to the Participant, and
 - (ii) the option is of Equivalent Actuarial Value to the Qualified Joint and Survivor Annuity.

- (b) Upon receipt of notification that a Participant wishes to commence payments of his or her Pension, the Company shall furnish to each Participant a written explanation in nontechnical language of the terms and conditions of the Pension payable to the Participant in the normal and optional forms described in Sections 5.01 and 5.02. Such explanation shall include a general description of the eligibility conditions for, and the material features and relative values of, the optional forms of Pensions under the Plan, any rights the Participant may have to defer commencement of his or her Pension, the consequences of failing to defer receipt of his or her Pension, the requirement for Spousal Consent as provided in paragraph (a) above, and the right of the Participant to make, and to revoke, elections under Section 5.02.
- (c) The Company must provide the notice required by paragraph (b) no more than 90 days and no less than 30 days prior to the Participant's Annuity Starting Date. A Participant's Annuity Starting Date may not occur less than 30 days after receipt of the notice, except as otherwise provided in paragraph (d). An election under Section 5.02 shall be made on a form provided by the Benefits Administration Board and may be made during the 90-day period following the date the notice is furnished to the Participant, but not prior to the date the Participant receives the written explanation described in paragraph (b). Notwithstanding the foregoing, an election made after the Annuity Starting Date shall be deemed to have been made within the election period if (i) the written explanation described in paragraph (b) is provided to the Participant before the Annuity Starting Date, (ii) distribution commences not later than 90 days after the date such written explanation is provided to the participant, and (iii) the Participant's election is made before the distribution commences. A distribution shall not be deemed to violate the requirements of clause (ii) of the preceding sentence merely because, due solely to administrative delay, it commences more than 90 days after the date such written explanation is provided to the Participant.

- (d) Notwithstanding the provisions of paragraph (c) above, a Participant may, after having received the notice required by paragraph (b), affirmatively elect to have his or her benefit commence sooner than 30 days following his or her receipt of the notice, provided all of the following requirements are met:
- (i) the Benefits Administration Board clearly informs the Participant that he or she has a period of at least 30 days after receiving the notice to decide when to have his or her benefits begin and, if applicable, to choose a particular optional form of payment;
 - (ii) the Participant affirmatively waives the 30-day period referred to above and elects a date for his or her benefits to begin and, if applicable, an optional form of payment, after receiving the notice;
 - (iii) the Participant is permitted to revoke his or her election until the later of his or her Annuity Starting Date or seven days following the day he or she received the notice;
 - (iv) payment does not commence less than seven days following the day after the notice is received by the Participant (except the 90 day period may be extended due to administrative delay; and
 - (v) the Participant's Annuity Starting Date is after the date the notice is provided.

- (e) An election of an option under Section 5.02 may be revoked on a form provided by the Benefits Administration Board, and subsequent elections and revocations may be made at any time and from time to time during the election period specified in paragraph (c) or (d) above, whichever is applicable. An election of an optional benefit shall be effective on the Participant's Annuity Starting Date and may not be modified or revoked after his or her Annuity Starting Date unless otherwise provided under paragraph (d) above. A revocation of any election shall be effective when the completed form is filed with the Benefits Administration Board. If a Participant who has elected an optional benefit dies before the date the election of the option becomes effective, the election shall be revoked except as provided in Section 4.06(c). If the Beneficiary designated under an option dies before the date the election of the option becomes effective, the election shall be revoked.

5.04 **Commencement of Payments**

- (a) Except as otherwise provided in Article 4 or this Article 5, payment of a Participant's Pension shall begin as soon as administratively practicable following the latest of (i) the Participant's 65th birthday, (ii) the fifth anniversary of the date on which he or she became a Participant, or (iii) the date he or she terminates service with the Company, (but not more than 60 days after the close of the Plan Year in which the latest of (i), (ii) or (iii) occurs).
- (b) Notwithstanding the preceding paragraph, in the case of a Participant who is 5 percent owner (as defined in Section 416(i) of the Code) who remains in the active service of the Company or an Affiliated Company after April 1 following the calendar year in which he or she attains age 70½ in accordance with the provisions of Section 4.02(c), the Participant's Pension shall begin not later than the April 1 following the calendar year in which he or she attains age 70½. Notwithstanding the foregoing, in the case of any Participant who is not a 5 percent owner and who remains in active service of the Company or an Affiliated Company after the April 1 of the calendar year in which he or she attains age 70½, such Participant's Pension shall be payable as of the last day of the month following the date he or she terminates employment with the Company and all Affiliated Companies, subject to the notice and timing requirements of Article 5, unless otherwise required to commence earlier to comply with applicable law.

5.05 ***Distribution Limitation***

Notwithstanding any other provision of this Article 5, all distributions from this Plan shall conform to the regulations issued under Section 401(a)(9) of the Code, including the incidental death benefit provisions of Section 401(a)(9)(G) of the Code. Distributions under this Section 5.05 shall meet the requirements of Treasury regulations 1.401(a)(9)-2 through 1.401(a)(9)-9. Further, such regulations shall override any plan provision that is inconsistent with Section 401(a)(9) of the Code. The life expectancies of Participants and their spouses shall not be recalculated. If a Participant dies after Pension payments have commenced, any payments continuing on to his or her Spouse or Beneficiary shall be distributed at least as rapidly as under the method of distribution being used as of the Participant's date of death.

All distributions shall be subject to the following rules:

- (a) Any additional benefits accruing to a Participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.
- (b) If the Participant's Pension is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a non-Spouse Beneficiary, annuity payments to be made on or after the Participant's required beginning date to the designated beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Q&A-2(c)(2) of Section 1.401(a)(9)-6 of the U. S. Treasury Department regulations, in the manner describe in Q&A-2(c)(1) of the regulations, to determine the applicable percentage.

- (c) For purposes of this Section, the following definitions shall apply:
 - (i) Designated beneficiary. The individual who is designated as the beneficiary under Section 1.05 is the designated beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-4, Q&A-1, of the Treasury regulations.
 - (ii) 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.
 - (iii) Life expectancy. Life expectancy as computed using the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.
 - (iv) Required beginning date. The date specified in Section 5.04(b).

5.06 ***Direct Rollover of Certain Distributions***

- (a) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Article, a distributee may elect, at the time and in the manner prescribed by the Benefits Administration Board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

- (b) The following definitions apply to the terms used in this Section:
- (i) "Eligible rollover distribution" means 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:
 - (A) 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;
 - (B) any distribution to the extent such distribution is required under Section 401(a)(9) of the Code;
 - (C) after-tax amounts unless such amount is rolled over or transferred (i.e., directly rolled) to an individual retirement account or individual retirement annuity described in Section 408(a) or 408(b) of the Code, respectively, or effective as of January 1, 2008, a Roth individual account described in Section 408A(b) of the Code or transferred to a defined contribution plan qualified under Section 401(a) of the Code that agrees to separately account for such amount; or for taxable years beginning after December 31, 2006 to a defined benefit plan qualified under Section 401(a) of the Code or to an annuity contract described in Section 403(b) of the Code, if such qualified plan or contract provides for separate accounting for such amounts; and
 - (D) effective on and after January 1, 2002, any in-service withdrawal that is made on account of hardship.
 - (ii) An "eligible retirement plan" means any of the following types of Plans that accept the distributee's eligible rollover:

- (A) an individual retirement account or an individual retirement annuity described in Section 408(a) and 408(b) of the Code, respectively;
 - (B) an annuity plan described in Section 403(a) of the Code;
 - (C) a qualified Plan described in Section 401(a) of the Code;
 - (D) effective January 1, 2002, an annuity contract described in Section 403(b) of the Code;
 - (E) effective January 1, 2002, 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; and
 - (F) effective January 1, 2008, a Roth IRA described in Section 408A of the Code.
- (iii) 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; and
 - (iv) A "direct rollover" is a payment by the Plan to the eligible retirement plan specified by the distributee.
- (c) Notwithstanding any provision of this Section to the contrary, effective as of January 1, 2007, the non-spouse Beneficiary of a deceased Participant may elect, at the time and in the manner prescribed by the Benefits Administration Board, to directly rollover any portion of his or her distribution from the Plan to an individual retirement account or annuity described in Section 408(a) or 408(b) of the Code or effective as of January 1, 2008 as Roth IRA described in Section 408A of the Code, (collectively "IRA") that is established on behalf of the designated beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Section 402(c)(11) or Section 408(d)(3)(c)(ii) of the Code.

In the event that the provisions of this Section 5.06 or any part thereof cease to be required by law as a result of subsequent legislation or otherwise, this Section or any applicable part thereof shall be ineffective without the necessity of further amendments to the Plan. Effective for distributions on and after January 1, 2010, distributions under this paragraph that would have been eligible rollover distributions if made to a Participant, surviving Spouse or alternate payee will be treated as eligible rollover distributions for all purposes under the Code, regardless of whether the non-spouse Beneficiary elects to directly roll over such distribution.

ARTICLE 6. CONTRIBUTIONS

6.01 Company's Contributions

It is the intention of the Company to continue the Plan and make the contributions that are necessary to maintain the Plan on a sound actuarial basis and to meet the minimum funding standards prescribed by law. However, subject to the provisions of Article 10, the Company may discontinue its contributions for any reason at any time. Any forfeiture shall be used to reduce the Company's contributions otherwise payable.

6.02 Return of Contributions

- (a) The Company's contributions to the Plan are conditioned upon their deductibility under Section 404 of the Code. If all or part of the Company's deductions for contributions to the Plan are disallowed by the Internal Revenue Service, the portion of the contributions to which that disallowance applies shall be returned to the Company without interest, but reduced by any investment loss attributable to those contributions. The return shall be made within one year after the date of the disallowance of deduction.
- (b) The Company may recover without interest the amount of its contributions to the Plan made on account of a mistake in fact, reduced by any investment loss attributable to those contributions, if recovery is made within one year after the date of those contributions.

ARTICLE 7. ADMINISTRATION OF PLAN

7.01 *Named Fiduciary and Administrator*

The Benefits Administration Board and the Plan Asset Committee shall be “named fiduciaries” within the meaning of Section 402(a) of ERISA, and the Benefits Administration Board shall carry out the duties of the “administrator” of the Plan as imposed under ERISA.

7.02 *Appointment and Duties of Benefits Administration Board*

The general administration of the Plan and the responsibility for carrying out the provisions of the Plan shall be placed in a Benefits Administration Board of not less than three persons appointed from time to time by the Board of Directors to serve at the pleasure of the Board of Directors. Any member of the Benefits Administration Board may resign by delivering his or her written resignation to the Board of Directors and the Secretary of the Benefits Administration Board. Any members of the Benefits Administration Board shall be deemed to have resigned upon his or her termination of employment with the Company and all Affiliated Companies.

The members of the Benefits Administration Board shall elect a chairman from their number and a secretary who may be, but need not be, one of the members of the Benefits Administration Board; may appoint from their number such subcommittees with such powers as they shall determine; may authorize one or more of their number or any agent to execute or deliver any instrument or make any payment on their behalf; may retain counsel, employ agents and provide for such clerical, accounting, actuarial and consulting services as they may require in carrying out the provisions of the Plan; and may allocate among themselves or delegate to other persons all or such portion of their duties under the Plan, other than those granted to the Plan Asset Committee under the Plan or to the Funding Agent under the trust agreement or insurance or annuity contract adopted for use in implementing the Plan, as they, in their sole discretion, shall decide.

7.03 ***Appointment and Duties of Plan Asset Committee***

Effective as of March 11, 1999, the responsibility for the management of the assets of the Plan shall be placed in a Plan Asset Committee of not less than four persons appointed from time to time by the Board of Directors to serve at the pleasure of the Board of Directors. Any person appointed a member of the Plan Asset Committee shall signify his or her acceptance by filing written acceptance with the Board of Directors and Secretary of said Committee. Any member of the Plan Asset Committee may resign by delivering his written resignation to the Board of Directors and the Secretary of said Committee. Any member of the Plan Asset Committee shall be deemed to have resigned upon his or her termination of employment with the Company and all Affiliated Companies.

The members of the Plan Asset Committee shall elect a chairman from their number and a secretary who may be, but need not be, one of the members of the Plan Asset Committee; may appoint from their number such subcommittees with such powers as they shall determine; may authorize one or more of their number or any agent to execute or deliver any instrument or make any payment on their behalf; may retain counsel, employ agents and provide for such clerical, accounting, and consulting services as they may require in carrying out their duties; and may allocate among themselves or delegate to other persons all or such portion of their duties under the Plan, other than those granted to the Funding Agent under the trust agreement or insurance or annuity contract adopted for use in implementing the Plan, as they, in their sole discretion, shall decide.

Notwithstanding any Plan provision to the contrary, any provision contained in this Article relating to the Plan Asset Committee shall be effective as of March 11, 1999.

7.04 **Meetings**

The Benefits Administration Board and the Plan Asset Committee shall hold meetings upon such notice, at such place or places, and at such time or times as each may from time to time determine.

7.05 **Action of Majority**

Any act which the Plan authorizes or requires the Benefits Administration Board or the Plan Asset Committee to do may be done by a majority of its respective members. The action of that majority expressed from time to time by a vote at a meeting or in writing without a meeting shall constitute the action of the Benefits Administration Board or the Plan Asset Committee, whichever is applicable, and shall have the same effect for all purposes as if assented to by all members of such Board or Committee at the time in office.

7.06 **Compensation and Bonding**

No member of the Benefits Administration Board or the Plan Asset Committee shall receive any compensation from the Plan for his or her services as such, and no bond or other security need be required of him or her in that capacity in any jurisdiction.

7.07 **Establishment of Rules**

Subject to the limitations of the Plan, the Benefits Administration Board from time to time shall establish rules for the administration of the Plan and the transaction of its business. The Benefits Administration Board shall have total and complete discretion to interpret the Plan; including, but not limited to, the discretion to (a) decide all questions arising in the administration, interpretation and application of the Plan including the power to construe and interpret the Plan; (b) exercise itself or through its delegates full discretionary authority to determine all questions and matters that may arise in the administration of the Plan, (b) decides all facts relevant to the determination of eligibility or participation; (c) make such adjustments which it deems necessary or desirable to correct any arithmetical or accounting errors; and (d) determine the amount, form and timing of any distribution to be made hereunder. In making its decisions, the Benefits Administration Board shall be entitled to, but need not rely upon, information supplied by a Participant, Beneficiary, or representative thereof. The Benefits Administration Board shall have full and complete discretion to determine whether a domestic relations order constitutes a qualified domestic relations order and whether the alternate payee otherwise qualifies for benefits hereunder. The Benefits Administration Board shall have total and complete discretion to correct any defect, supply any omission, or reconcile any inconsistency in such manner and to such extent as it shall deem necessary to carry out the purposes of this Plan and to ensure that the Plan and its trust continue to meet all the applicable requirements of ERISA and qualify under Sections 401(a) and 501(a) of the Code. The Benefits Administration Board's decisions in such matters shall be binding and conclusive as to all parties. The determination of the Benefits Administration Board as to the interpretation of the Plan or any disputed question shall be conclusive and final to the extent permitted by applicable law. No member of the Benefits Administration Board shall participate in the determination by the Benefits Administration as to any of his or her rights or benefits under the Plan.

7.08 ***Prudent Conduct***

The members of the Benefits Administration Board and Plan Asset Committee shall use that degree of care, skill, prudence and diligence that a prudent man acting in a like capacity and familiar with such matters would use in a similar situation.

7.09 ***Actuary***

As an aid to the Benefits Administration Board in fixing the rate of contributions payable to the Plan, the actuary designated by the Benefits Administration Board shall make annual actuarial valuations of the contingent assets and liabilities of the Plan, and shall submit to the Benefits Administration Board the rates of contribution which he or she recommends for use.

7.10 **Maintenance of Accounts**

The Benefits Administration Board shall maintain accounts showing the fiscal transactions of the Plan and shall keep in convenient form such data as may be necessary for actuarial valuations of the Plan.

7.11 **Service in More Than One Fiduciary Capacity**

Any individual, entity or group of persons may serve in more than one fiduciary capacity with respect to the Plan and/or the funds of the Plan.

7.12 **Limitation of Liability**

The Company, the Board of Directors, the members of the Benefits Administration Board, the members of the Plan Asset Committee, and any officer, employee or agent of the Company shall not incur any liability individually or on behalf of any other individuals or on behalf of the Company for any act, or failure to act, made in good faith in relation to the Plan or the funds of the Plan. However, this limitation shall not act to relieve any such individual or the Company from a responsibility or liability for any fiduciary responsibility, obligation or duty under Part 4, Title I of ERISA.

7.13 **Indemnification**

The members of the Benefits Administration Board, the members of the Plan Asset Committee, the Board of Directors, and the officers, employees and agents of the Company shall be indemnified against any and all liabilities arising by reason of any act, or failure to act, in relation to the Plan or the funds of the Plan, including, without limitation, expenses reasonably incurred in the defense of any claim relating to the Plan or the funds of the Plan, and amounts paid in any compromise or settlement relating to the Plan or the funds of the Plan, except for actions or failures to act made in bad faith. The foregoing indemnification shall be from the funds of the Plan to the extent of those funds and to the extent permitted under applicable law; otherwise from the assets of the Company.

7.14 ***Appointment of Investment Manager***

The Company, in its sole discretion, shall determine the investment policy for the Plan. However, if it deems such action to be advisable, the Plan Asset Committee, subject to the provisions of the trust instrument adopted for use in implementing the Plan pursuant to Section 8.01 and in accordance with the investment policy of the Plan, may provide direction to the Funding Agent thereunder, including, but not limited to, the direction of investment of all or part of the Plan assets. In discharging its duties, the Plan Asset Committee shall evaluate and monitor the investment performance of the Funding Agent and investment manager, if any. However, the Plan Asset Committee may, in its sole discretion, appoint one or more investment managers to manage the assets of the Plan (including the power to acquire and dispose of all or part of such assets) as the Plan Asset Committee shall designate. In that event, the authority over and responsibility for the management of the assets so designated shall be the sole responsibility of that investment manager.

For purposes of this Article, the term "investment manager" means an individual who:

- (a) has the power to manage, acquire or dispose of any asset of the Plan;
- (b) is (i) registered as an investment advisor under the Investment Advisors Act of 1940, (ii) a bank, as defined in that Act, or (iii) an insurance company qualified to perform services described in paragraph (a) above; and
- (c) has acknowledged in writing that he or she is a fiduciary with respect to the Plan.

7.15 ***Expenses of Administration***

All expenses that arise in connection with the administration of the Plan, including but not limited to the compensation of the Funding Agent, administrative expenses and proper charges and disbursements of the Funding Agent and compensation and other expenses and charges of any enrolled actuary, counsel, accountant, specialist, or other person who has been retained by the Company in connection with the administration thereof, shall be paid from the funds of the Plan held by the Funding Agent under the trust agreement or insurance or annuity contract adopted for use in implementing the Plan to the extent not paid by the Company.

7.16 ***Non-Discrimination***

Whenever in the administration of the Plan any action is to be taken by the Benefits Administration Board with respect to eligibility or classification of Employees, contributions or benefits, such action shall be uniform in nature as applied to all persons similarly situated and no such action shall be taken which will discriminate in favor of employees who are officers, shareholders, or highly compensated. In determining who is a highly compensated employee (other than as a 5-percent owner) under the Plan, the Company makes a calendar year data election. The effect of this election is that the look-back year is the calendar year beginning with or within the look-back year.

7.17 ***Claims and Review Procedures***

The Benefits Administration Board shall establish a procedure for the resolution of disputes and dispositions of claims arising under the Plan. Until modified by the Benefits Administration Board, this procedure is as follows:

Any of the Employees, former Employees, or any Beneficiaries of such Employees or former Employees may, if they so desire, file with the Benefits Administration Board or its delegate, a written claim for benefits under the Plan. Generally, within ninety (90) days after the filing of such a claim, the Benefits Administration Board or its delegate shall notify the claimant whether his or her claim is upheld or denied. The Benefits Administration Board or its delegate may, under special circumstances, extend the period of time for processing a claim by an additional ninety (90) days. If such an extension of time is required written notice shall be furnished to the claimant or his or her duly authorized representative prior to the termination of the initial ninety (90) day period. Such notice will indicate the special circumstance requiring an extension. In the event the claim is denied, the Benefits Administration Board or its delegate shall state in writing:

- (a) the specific reasons for the denial;
- (b) specific references to pertinent Plan provisions on which the denial is based;
- (c) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
- (d) an explanation of the claim review procedure set forth in this Section 7.17.

The Benefits Administration Board shall from time to time appoint a committee (the "Review Panel") which shall consist of three individuals who may, but need not, be Employees. The Review Panel shall be the named fiduciary that has the authority to act with respect to any appeal from a denial of benefits or a determination of benefit rights. The Review Panel shall not include any member who either made the initial adverse determination or is the subordinate of such individual. Furthermore, in the case of an appeal from the denial of disability retirement benefits, the Review Panel shall not afford deference to the initial adverse benefit determination.

Within sixty (60) days after receipt of notice that his or her claim has been denied, the claimant or his or her duly authorized representative may file with the Review Panel, a written request for a review hearing and may, in conjunction therewith, submit written issues and comments. The Review Panel shall then schedule, within sixty (60) days after the filing of such request, a full and fair hearing of the claim. The Review Panel may, under special circumstances, extend such period of time by an additional sixty (60) days. Prior to said hearing, the claimant or his or her representative shall have a reasonable opportunity to review a copy of the Plan, the Trust agreement, and other pertinent documents in the possession of the Review Panel. In no event shall the decision on review be rendered more than 120 days after the Review Panel received the request for a review. Any claim for benefits and any request for a review hearing hereunder must be filed on forms to be furnished by the Benefits Administration Board upon a Participant's request.

The Review Panel shall give prompt written notice of its decision to the claimant and the Benefits Administration Board or its delegate. In the event that the Review Panel confirms the denial of the claim for benefits in whole or in part, the notice shall set forth, in a manner calculated to be understood by the claimant, the specific reasons for the decision and specific references to the provisions of the Plan on which the decision is based. In addition, in the case of the Review Panel's affirmation of the denial of disability retirement benefits, the notice shall set forth:

- (a) The claimant's right to receive, upon request and free of charge, copies of all documents and records relevant to the claim, including any guidelines, protocols, or similar criteria that was relied upon by the Review Panel;
- (b) If relevant, an explanation of any scientific or clinical judgment that was the basis of the determination; and

(c) The following statement: "You and the Plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor office." No legal action for benefits under the Plan shall be brought unless and until the claimant (i) has submitted a written application for benefits in accordance with paragraph (a), (ii) has been notified by the Company that the application is denied, (iii) has filed a written request for a review of the application in accordance with paragraph (c) and (iv) has been notified in writing that the Review Panel or its delegate has affirmed the denial of the application; provided, however, that legal action may be brought after the Company or the Benefits Administration Board or Review Panel has failed to take any action on the claim within the time prescribed above.

7.18 ***Limitations of Time for Submitting Claims and Filing Suits***

No suit to recover benefits under this Plan or to allege that the Plan was not administered in accordance with its terms and/or ERISA or that any fiduciary under the Plan violated his fiduciary duties under ERISA shall be brought more than six months following the exhaustion of the claims and review procedures described in Article 7. If a Participant has received or has commenced to receive a benefit from the Plan, no claim for benefits under the Plan's claims and review procedure shall be made regarding the calculation or the amount of the benefits more than six months following the date on which the Participant received or commenced to receive such distribution.

ARTICLE 8. MANAGEMENT OF FUNDS

8.01 **Funding Agent**

All the funds of the Plan shall be held by a Funding Agent appointed from time to time by the Board of Directors under a trust instrument or an insurance or annuity contract adopted, or as amended, by the Company for use in providing the benefits of the Plan and paying its expenses not paid directly by the Company. The Company shall have no liability for the payment of benefits under the Plan nor for the administration of the funds paid over to the Funding Agent.

8.02 **Exclusive Benefit Rule**

Except as otherwise provided in the Plan, no part of the corpus or income of the funds of the Plan shall be used for, or diverted to, purposes other than for the exclusive benefit of Participants and other persons entitled to benefits under the Plan and paying Plan expenses not otherwise paid by the Company, before the satisfaction of all liabilities with respect to them. No person shall have any interest in or right to any part of the earnings of the funds of the Plan, or any right in, or to, any part of the assets held under the Plan, except as and to the extent expressly provided in the Plan.

ARTICLE 9. GENERAL PROVISIONS

9.01 **Nonalienation**

- (a) Except as required by any applicable law, or by paragraph (b), no benefit under the Plan shall in any manner be anticipated, assigned or alienated, and any attempt to do so shall be void. However, payment shall be made in accordance with the provisions of any judgment, decree, or order which:
- (i) creates for, or assigns to, a spouse, former spouse, child or other dependent of a Participant the right to receive all or a portion of the Participant's benefits under the Plan for the purpose of providing child support, alimony payments or marital property rights to that spouse, child or dependent,
 - (ii) is made pursuant to a State domestic relations law,
 - (iii) does not require the Plan to provide any type of benefit, or any option, not otherwise provided under the Plan, and
 - (iv) otherwise meets the requirements of Section 206(d) of ERISA, as amended, as a "qualified domestic relations order," as determined by the Benefits Administration Board.
- (b) A Participant's benefits under the Plan shall be offset by the amount the Participant is required to pay to the Plan under the circumstances set forth in Section 401(a)(13)(C) of the Code.

9.02 **Conditions of Employment Not Affected by Plan**

The establishment of the Plan shall not confer any legal rights upon any Employee or other person for a continuation of employment, nor shall it interfere with the right of the Company (which right is hereby reserved) to discharge any Employee and to treat him or her without regard to the effect which that treatment might have upon him or her as a Participant or potential Participant of the Plan.

9.03 **Facility of Payment**

- (a) If the Benefits Administration Board shall find that a Participant or other person entitled to a benefit is unable to care for his or her affairs because of illness or accident or because he or she is a minor, the Benefits Administration Board may direct that any benefit due him or her, unless claim shall have been made for the benefit by a duly appointed legal representative, be paid to his or her spouse, a Registered Domestic Partner, a child, a parent or other blood relative, or to a person with whom he or she resides. Any payment so made shall be a complete discharge of the liabilities of the Plan for that benefit.

Furthermore, if the Benefits Administration Board receives from a Participant a power of attorney valid under state law, the Benefits Administration Board shall comply with the instructions of the named attorney to the extent that the Benefits Administration Board would comply with such instructions if given by the Participant and such instructions are consistent with the power of attorney.

- (b) **Beneficiary's Ability to Disclaim Interest in Plan**
Notwithstanding any provision of this Plan to the contrary, a Beneficiary may waive his designation by filing a disclaimer complying with the requirements of Section 2518 of the Code with the Benefits Administration Board in accordance with rules prescribed by the Benefits Administration Board. The Beneficiary filing such a disclaimer shall be treated as if he predeceased or failed to survive the Participant.

9.04 **Information**

Each Participant or other person entitled to a benefit, before any benefit shall be payable to him or her or on his or her account under the Plan, shall file with the Benefits Administration Board the information that it shall require to establish his or her rights and benefits under the Plan.

9.05 **Top-Heavy Provisions**

(a) The following definitions apply to the terms used in this Section:

(i) "applicable determination date" means the last day of the preceding Plan Year;

(ii) "top-heavy ratio" means the ratio of (A) the present value of the cumulative Accrued Benefits under the Plan for key employees to (B) the present value of the cumulative Accrued Benefits under the Plan for all key employees and non-key employees; provided, however, that if an individual has not performed services for the Company at any time during the one-year period ending on the applicable determination date, any accrued benefit for such individual (and the account of such individual) shall not be taken into account, and provided further, that the present values of Accrued Benefits under the Plan for an employee as of the applicable determination date shall be increased by the distributions made with respect to the employee under the Plan and any aggregated with the Plan under Section 416(g)(2) of the Code during the one-year period (five-year period in the case of a distribution made for a reason other than severance from employment, death or disability) ending on the applicable determination date, and any distributions made with respect to the employee under a termination which, had it not been terminated, would have been in the required aggregation group;

- (iii) “applicable valuation date” means the date within the preceding Plan Year as of which annual Plan costs are or would be computed for minimum funding purposes;
- (iv) “key employee” means any employee or former employee (including any deceased employee) who at any time during the Plan Year that includes the applicable determination date was an officer of a Company or an Affiliated Company having remuneration greater than \$130,000 (as adjusted under Section 416(i)(1) of the Code for Plan Years beginning after December 31, 2002), a 5 percent owner (as defined in Section 416(i)(1)(B)(i) of the Code) of a Company or an Affiliated Company or a one percent owner (as defined in Section 416(i)(1)(B)(ii) of the Code) of a Company or an Affiliated Company having remuneration greater than \$150,000. The determination of which is a key employee shall be made in accordance with Section 416(i) of the Code and the applicable regulations and other guidance of general applicability issued thereunder. For purposes of this Section, Remuneration shall mean the wages, salaries and other amounts paid in respect of such employee by the Company or an Affiliated Company for personal services actually rendered, including by way of limitation, bonuses, overtime payments and commissions; but excluding deferred compensation, stock options and other distributions which receive special tax benefits under the Code. Remuneration shall include elective deferrals as defined in Section 402(g)(3) of the Code and amounts contributed by the Company or an Affiliated Company pursuant to a salary reduction agreement which are not included in the gross income of the employee under Section 125, 132(f)(4) or 457 of the Code.
- (v) “non-key employee” means any employee who is not a key employee;

- (vi) "average Remuneration" means the average annual remuneration of a Participant for the five consecutive years of his or her Eligibility Service after December 31, 1983 during which he or she received the greatest aggregate remuneration, as limited by Section 401(a)(17) of the Code, from the Company or an Affiliated Company, excluding any remuneration for service after the last Plan Year with respect to which the Plan is top-heavy. For purposes of this Section 9.05 "remuneration" shall have the same meaning as set forth in Section 4.08(d).
 - (vii) "required aggregation group" means each other qualified plan of the Company or an Affiliated Company (including plans that terminated within the five-year period ending on the determination date) in which there are members who are key employees or which enables the Plan to meet the requirements of Section 401(a)(4) or 410 of the Code; and
 - (viii) "permissive aggregation group" means each plan in the required aggregation group and any other qualified plan(s) of the Company or an Affiliated Company in which all members are non-key employees, if the resulting aggregation group continues to meet the requirements of Sections 401(a)(4) and 410 of the Code.
- (b) For purposes of this Section, the Plan shall be "top-heavy" with respect to any Plan Year, if as of the applicable determination date the top-heavy ratio exceeds 60 percent. The top-heavy ratio shall be determined as of the applicable valuation date in accordance with Section 416(g)(3) and (4)(B) of the Code on the basis of the actuarial assumptions described in Appendix A. For purposes of determining whether the Plan is top-heavy, the present value of Accrued Benefits under the Plan will be combined with the present value of accrued benefits or account balances under each other plan in the required aggregation group, and, in the Company's discretion, may be combined with the present value of accrued benefits or account balances under any other qualified plan(s) in the permissive aggregation group. The accrued benefit of a non-key employee under the Plan or any other defined benefit plan in the aggregation group shall be determined (i) under the method, if any, that uniformly applies for accrual purposes under all plans maintained by the Company or an Affiliated Company, or (ii) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule described in Section 411(b)(1)(C) of the Code.

- (c) The following provisions shall be applicable to Participants for any Plan Year with respect to which the Plan is top-heavy:
- (i) In lieu of the vesting requirements specified in Section 4.04, a Participant shall be vested in, and have a nonforfeitable right to, a percentage of his or her Accrued Benefit determined in accordance with the provisions of Section 1.01 and subparagraph (ii) below, as set forth in the following vesting schedule:

Years of Eligibility Service Percentage Vested

Less than 2 years	0%
2 years	20
3 years	40
4 years	60
5 or more years	100

- (ii) With respect to Plan Years beginning prior to January 1, 2014, the Accrued Benefit of a Participant who is a non-key employee shall not be less than 2 percent of his or her average Remuneration multiplied by the number of years of his or her Eligibility Service, not in excess of 10, during the Plan Years for which the Plan is top-heavy. For purposes of the preceding sentence, years of Eligibility Service shall be disregarding the extent that such years of Eligibility Service occurred during a Plan Year when the Plan benefits (within the meaning of Section 410(b) of the Code) no key employee or former key employee. That minimum benefit shall be payable at a Participant's Normal Retirement Date. If payments commence at a time other than the Participant's Normal Retirement Date, that minimum Accrued Benefit shall be of Equivalent Actuarial Value to that minimum benefit.

- (d) If the Plan is top-heavy with respect to a Plan Year and ceases to be top-heavy for a subsequent Plan Year, the following provisions shall be applicable:
 - (i) The Accrued Benefit in any such subsequent Plan Year shall not be less than the minimum Accrued Benefit provided in paragraph (c)(i) above, computed as of the end of the most recent Plan Year for which the Plan was top-heavy.
 - (ii) If a Participant has completed three years of Eligibility Service on or before the last day of the most recent Plan Year for which the Plan was top-heavy, the vesting schedule set forth in paragraph (c)(i) above shall continue to be applicable.
 - (iii) If a Participant has completed at least two, but less than three, years of Eligibility Service on or before the last day of the most recent Plan Year for which the Plan was top-heavy, the vesting provisions of Section 4.04 shall again be applicable; provided, however, that in no event shall the vested percentage of a Participant's Accrued Benefit be less than the percentage determined under paragraph (c)(i) above as of the last day of the most recent Plan Year for which the Plan was top-heavy.

9.06 ***Prevention of Escheat***

Notwithstanding the foregoing, if the Benefits Administration Board is unable to locate any person to whom a payment is due under the Plan or any person fails to present a check for payment in a timely manner, the amount due such person shall be forfeited at such time as the Benefits Administration Board shall determine in its sole discretion and pursuant to nondiscriminatory rules established for that purpose (but in all events prior to the time such payment would otherwise escheat under any applicable State law). If, however, such a person later files a claim for such payment before the Plan is terminated, the benefit will be reinstated and payment made without any interest earned thereon.

9.07 ***Electronic Transmission of Notices to Participants***

Notwithstanding any provision of the Plan to the contrary, any notice required to be distributed to Participants, Beneficiaries and alternate payees pursuant to the terms of the Plan may, at the direction of the Benefits Administration Board, be transmitted electronically to the extent permitted by, and in accordance with any procedures set forth in, applicable law and regulations.

9.08 ***Non-duplication of Benefits***

Benefits payable under this Plan with respect to a Participant shall be adjusted by the Benefits Administration Board in a uniform and nondiscriminatory manner, and on an actuarially equivalent basis, to reflect any employer-provided vested benefits payable from a defined benefit pension plan intended to qualify under Section 401(a) of the Code which is sponsored by or which has received contributions from the Company, to the extent the plan provides a benefit that is based on employment for which the Participant receives Benefit Service under this Plan.

9.09 ***Construction***

(a) The Plan shall be construed, regulated and administered under ERISA as in effect from time to time, and the laws of the State of New York, except where ERISA controls.

(b) The titles and headings of the Articles and Sections in this Plan are for convenience only. In case of ambiguity or inconsistency, the text rather than the titles or headings shall control.

9.10 **Limitation on Benefits in the Event of a Liquidity Short Fall**

Notwithstanding any provisions of the Plan to the contrary, in the event the Plan has a liquidity shortfall within the meaning of Section 401(a)(32) of the Code, the Funding Agent shall, as directed by the Benefits Administration Board, cease payment during the period of such liquidity shortfall of (a) any payment in excess of the monthly amount payable under a single life annuity (plus any social security supplements described in Section 411(a)(9) of the Code) to any Participant or Beneficiary whose Annuity Starting Date occurs during such period, (b) any payment for the purchase of an irrevocable commitment from an insurer to pay benefits, or (c) any other payment specified in regulations promulgated under Section 401(a)(32) of the Code.

9.11 **Limitations Based on Funded Status of the Plan**

Notwithstanding any provision of the Plan to the contrary, the following provisions shall apply as required by Section 436 of the Code effective for Plan Years beginning on or after May 1, 2008, except to the extent the exception under Section 436(d)(4) of the Code applies:

- (a) In the event the Plan's adjusted funding target attainment percentage for a Plan Year is less than 60 percent (or would be less than 60 percent to the extent described in Section 9.12 below), then the limitations of this paragraph (a) shall apply as follows:
 - (i) Benefit accruals shall cease as of the applicable Section 436 measurement date under the provisions of Section 436(e) of the Code. In addition, if the Plan is required to cease benefit accruals under this clause (a)(i), the Plan may not be amended in a manner that would increase the liabilities of the Plan by reason of an increase in benefits or the establishment of new benefits. For purposes of determining whether the accrual limitation under this clause (a)(i) applies to the Plan, the adjusted funding target attainment percentage for a Plan Year shall be determined in accordance with "Special Rules for Certain Years" under Section 436(j)(3) of the Code (except as provided under Section 203(b) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, if applicable).

- (ii) A Participant or Beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an annuity starting date on or after the applicable Section 436 measurement date, and the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment. This clause (a)(ii) shall not apply to any payment of a benefit which under Section 411(a)(11) of the Code may be immediately distributed without the consent of the Participant. For purposes of determining whether the limitations under this clause (a)(ii) applies to payments under a social security leveling option, within the meaning of Section 436(j)(3)(C)(i) of the Code, the adjusted funding target attainment percentage for a Plan Year shall be determined in accordance with the "Special Rule for Certain Years" under Section 436(j)(3) of the Code and any Treasury Regulations or other published guidance thereunder.
- (b) In the event the Plan's adjusted funding target attainment percentage for a Plan Year is less than 80 percent (or would be less than 80 percent to the extent described in Section 9.11(b)(ii) below) but not less than 60 percent then the limitations of this paragraph (b) shall apply as follows:
 - (i) A Participant or Beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an annuity starting date on or after the applicable Section 436 measurement date, and the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment, unless the present value of the portion of the benefit that is being paid in a prohibited payment does not exceed the lesser of:

- (A) 50 percent of the present value of the benefit payable in the optional form of benefit that includes the prohibited payment; or
- (B) 100% of the PBGC maximum benefit guarantee amount (as defined in Treasury Regulation Section 1.436-1(d)(3)(iii)(C)).

The limitation set forth in this clause (b)(i) does not apply to any payment of a benefit which under Section 411(a)(11) of the Code may be immediately distributed without the consent of the Participant. If an optional form of benefit that is otherwise available under the terms of the Plan is not available to a Participant or Beneficiary as of the annuity starting date because of the application of the requirements of this clause (b)(i), the Participant or Beneficiary is permitted to elect to bifurcate the benefit into unrestricted and restricted portions (as described in Treasury Regulation Section 1.436-1(d)(3)(iii)(D)). The Participant or Beneficiary may also elect any other optional form of benefit otherwise available under the Plan at that annuity starting date that would satisfy the 50% PBGC maximum benefit guarantee amount limitation described in this clause (b)(i) or may elect to defer the commencement of such benefit in accordance with any general right to defer commencement of benefits under the Plan. For purposes of determining whether the limitations under this clause (b)(i) applies to payments under a social security leveling option, within the meaning of Section 436(j)(3)(C)(i) of the Code, the adjusted funding target attainment percentage for a Plan Year shall be determined in accordance with the "Special Rule for Certain Years" under Section 436(j)(3) of the Code and any Treasury Regulations or other published guidance thereunder.

Notwithstanding the foregoing, Participants and Beneficiaries are permitted to elect payment in any optional form of benefit otherwise available under the Plan that provides for the current payment of the unrestricted portion of the benefit (as described in Treasury Regulation Section 1.436-1(d)(3)(iii)(D)), with a delayed commencement for the restricted portion of the benefit (subject to other applicable qualification requirements, such as Sections 411(a)(11) and 401(a)(9) of the Code).

- (ii) An amendment that has the effect of increasing liabilities of the Plan by reason of increases in benefits, establishment of new benefits, changing the rate of benefit accrual, or changing the rate at which benefits become nonforfeitable shall not become effective during a Plan Year if the adjusted funding target attainment percentage for the Plan Year is:
 - (A) less than 80 percent; or
 - (B) 80 percent or more, but would be less than 80 percent if the benefits attributable to the amendment were taken into account in determining the adjusted funding target attainment percentage.

The limitations of this clause (b)(ii) shall not apply to any amendment to the Plan that provides a benefit increase under a Plan formula that is not based on compensation, provided that the rate of such increase does not exceed the contemporaneous rate of increase in the average wages of Participants covered by the amendment.

- (c) Notwithstanding any other provisions of this Plan to the contrary, a Participant or beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an annuity starting date that occurs during any period in which the Employer is a debtor in a case under Title 11, United States Code, or similar Federal or State law, except for payments made within a Plan Year with an annuity starting date that occurs on or after the date on which the Plan's enrolled actuary certifies that the Plan's adjusted funding target attainment percentage for the Plan Year is not less than 100 percent. In addition, during such period in which the Employer is a debtor, the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer prior to the date on which the Plan's enrolled actuary certifies that the Plan's adjusted funding target benefit percentage for that Plan Year is not less than 100 percent. The limitation set forth in this paragraph (c) does not apply to any payment of a benefit which under Section 411(a)(11) of the Code may be immediately distributed without the consent of the Participant.
- (d) Notwithstanding any other provisions of this Plan to the contrary, the provisions of this paragraph (d) shall apply after the limitations of paragraphs (a), (b) and (c) above cease to apply:
 - (i) If a limitation on prohibited payments under clause (a)(ii), clause (b)(i) or paragraph (c) above applied to the Plan as of a Section 436 measurement date, but that limit no longer applies to the Plan as of a different Section 436 measurement date, then that limitation does not apply to benefits with Annuity Starting Dates that are on or after that later Section 436 measurement date.

- (ii) If a limitation on benefit accruals under clause (a)(i) above applied to the Plan as of a Section 436 measurement date, but that limitation no longer applies to the Plan as of a later Section 436 measurement date, then benefit accruals shall resume prospectively and that limitation shall not apply to benefit accruals that are based on service on or after that later Section 436 measurement date, except as otherwise provided under the Plan. The Plan shall comply with the rules relating to partial years of participation and the prohibition on double proration under 29 CFR § 2530.204-2(c) and (d).

In addition, benefit accruals that were not permitted to accrue because of the application of clause (a)(i) above shall be restored when that limitation ceases to apply if the continuous period of the limitation was 12 months or less and the Plan's enrolled actuary certifies that the adjusted funding target attainment percentage for the Plan Year would not be less than 60 percent taking into account any restored benefit accruals for the prior Plan Year.

- (iii) If a Plan amendment does not take effect as of the effective date of the amendment because of the limitations of clause (a)(i) or (b)(ii) above, but is permitted to take effect later in the same Plan Year (as a result of additional contributions or pursuant to the enrolled actuary's certification of the adjusted funding target attainment percentage for the Plan Year that meets the requirements of Treasury Regulation Section 1.436-1(g)(5)(ii)(C)), then the Plan amendment must automatically take effect as of the first day of the Plan Year (or, if later, the original effective date of the Plan amendment). If the Plan amendment cannot take effect during the same Plan Year, then it shall be treated as if it were never adopted, unless the Plan amendment provides otherwise.

- (e) The limitations on prohibited payments set forth in clauses (a)(ii) and (b)(i) and paragraph (c) do not apply to prohibited payments that are made to carry out the termination of the Plan in accordance with applicable law. Any other limitations under this Section 9.11 do not cease to apply as a result of termination of the Plan.
- (f) The limitations on prohibited payments set forth in clauses (a)(ii) and (b)(i) and paragraph (c) do not apply for a Plan Year if the terms of the Plan, as in effect for the period beginning on September 1, 2005, and continuing through the end of the Plan Year, provide for no benefit accruals with respect to any participants. This paragraph (f) shall cease to apply as of the date any benefits accrue under the Plan or the date on which a Plan amendment that increases benefits takes effect.
- (g) During any period in which none of the presumptions under Section 436(h) of the Code (or Treasury Regulation Section 1.436-1(h)) apply to the Plan and the Plan's enrolled actuary has not yet issued a certification of the Plan's adjusted funding target attainment percentage for the Plan Year, the limitations under clause (b)(ii) above shall be based on the inclusive presumed adjusted funding target attainment percentage for the Plan, calculated in accordance with the rules of Treasury Regulation Section 1.436-1(g)(2)(iii).
- (h) For purposes of this Section 9.11, the terms "adjusted funding target attainment percentage," "section 436 measurement date," "annuity starting date," "prohibited payment," "unrestricted portion of the benefit," and "restricted portion of the benefit" shall have the meanings given under Section 436 of the Code, the regulations thereunder, and any applicable Internal Revenue Service guidance.

- (i) This Section 9.11 and Section 9.12 of the Plan shall be interpreted and administered in accordance with Section 436 of the Code and Section 1.436-1 of the Treasury Regulations, including, without limitation, Section 1.436-1(f).
- (j) In the event that the provisions of this Section 9.11 or any part thereof cease to be required by law as a result of subsequent legislation or otherwise, this Section or any applicable part thereof shall be ineffective without the necessity of further amendments to the Plan.

9.12 **Limitations on Unpredictable Contingent Event Benefit**

- (a) Notwithstanding any provision of the Plan to the contrary, with respect to Plan Years beginning on or after May 1, 2008, an unpredictable contingent event benefit with respect to an unpredictable contingent event occurring during a Plan Year shall not be paid to a Participant or Beneficiary if the Plan's adjusted funding target attainment percentage (as defined in Section 9.11) for such Plan Year is less than 60 percent or would be less than 60 percent if the adjusted funding target attainment percentage were redetermined applying an actuarial assumption that the likelihood of occurrence of the unpredictable contingent event during the Plan Year is 100 percent.
- (b) If an unpredictable contingent event benefit with respect to an unpredictable contingent event that occurs during a Plan Year is not permitted to be paid after the occurrence of the event because of the limitations of this Section 9.12, but is permitted to be paid later in the same Plan Year (as a result of additional contributions or pursuant to the enrolled actuary's certification of the adjusted funding target attainment percentage for the Plan Year that meets the requirements of Treasury Regulation Section 1.436-1(g)(5)(ii)(B)), then that unpredictable contingent event benefit shall be paid, retroactive to the period that benefit would have been payable under the terms of the Plan (determined without regard to this Section). If the unpredictable contingent event benefit does not become payable during the Plan Year in accordance with the preceding sentence, then the Plan is treated as if it does not provide for that benefit.

- (c) During any period in which none of the presumptions under Section 436(h) of the Code (or Treasury Regulation Section 1.436-1(h)) apply to the Plan and the Plan's enrolled actuary has not yet issued a certification of the Plan's adjusted funding target attainment percentage for the Plan Year, the limitations under this Section shall be based on the inclusive presumed adjusted funding target attainment percentage for the Plan, calculated in accordance with the rules of Treasury Regulation Section 1.436-1(g)(2)(iii).
- (d) For purposes of this Section 9.12, the terms "unpredictable contingent event" and "unpredictable contingent event benefit" shall have the meanings given under Section 436 of the Code, the regulations thereunder, and any applicable Internal Revenue Service guidance.
- (e) In the event that the provisions of this Section 9.12 or any part thereof cease to be required by law as a result of subsequent legislation or otherwise, this Section or any applicable part thereof shall be ineffective without the necessity of further amendments to the Plan.

ARTICLE 10. AMENDMENT, MERGER AND TERMINATION

10.01

Amendment of Plan

The Company, by action of its Board of Directors or its delegate taken at a meeting held either in person or by telephone or other electronic means, or by unanimous written consent in lieu of a meeting or through a delegate appointed by such action and to the extent authorized in such action, reserves the right at any time and from time to time, and retroactively if deemed necessary or appropriate, to amend in whole or in part any or all of the provisions of the Plan. However, no amendment shall make it possible for any part of the funds of the Plan to be used for, or diverted to, purposes other than for the exclusive benefit of persons entitled to benefits under the Plan, before the satisfaction of all liabilities with respect to them. Except to the extent permitted under Section 411(d)(6)(B) of the Code and the regulations issued thereunder, no amendment shall be made which has the effect of decreasing the Accrued Benefit of any Participant or of reducing the nonforfeitable percentage of the Accrued Benefit of a Participant below the nonforfeitable percentage computed under the Plan as in effect on the date on which the amendment is adopted or, if later, the date on which the amendment becomes effective. For purposes of this Section, a Plan amendment that has the effect of (a) eliminating or reducing an early retirement benefit or retirement-type subsidy, or (b) eliminating an optional form, with respect to benefits attributable to service before the amendment shall be treated as reducing a Participant's Accrued Benefit. In the case of a retirement-type subsidy, the preceding sentence shall apply only with respect to a Participant who satisfies (either before or after the amendment) the pre-amendment conditions for the subsidy. Notwithstanding the preceding, the Accrued Benefit of a Participant, early retirement benefit, retirement-type subsidy, or optional form of benefit may be reduced to the extent permitted under Section 412(c)(8) of the Code (as it read before the first day of the 2008 Plan Year) or Section 412(d)(2) of the Code (as it reads for Plan Years beginning on and after January 1, 2008), or to the extent permitted under the Sections 1.411(d)-3 and 1.411(d)-4 of the U. S. Treasury Department regulations.

10.02 ***Merger, Consolidation, or Transfer***

The Board of Directors may, in its sole discretion, merge this Plan with another qualified plan or transfer a portion of the Plan's assets or liabilities to another qualified plan, subject to any applicable legal requirements. However, the Plan may not be merged or consolidated with, and its assets or liabilities may not be transferred to, any other plan unless each person entitled to benefits under the Plan would, if the resulting plan were then terminated, receive a benefit immediately after the merger, consolidation, or transfer which is equal to or greater than the benefit he or she would have been entitled to receive immediately before the merger, consolidation, or transfer if the Plan had then terminated.

10.03 ***Additional Participating Companies***

- (a) If any company is now or becomes a subsidiary or associated company of the Company, the Board of Directors may include the employees of that company in the membership of the Plan upon appropriate action by that company necessary to adopt the Plan. In that event, or if any persons become Employees of the Company as the result of merger or consolidation or as the result of acquisition of all or part of the assets or business of another company, the Board of Directors shall determine to what extent, if any, credit and benefits shall be granted for previous service with the subsidiary, associated or other company, but subject to the continued qualification of the trust for the Plan as tax-exempt under the Code.
- (b) If a company participating in the Plan pursuant to the provisions of Section 10.03(a) ceases to be a subsidiary or affiliate of the Company, its participation in the Plan shall cease as of that date and its employees shall cease to be eligible Employees as defined in Section 1.14, subject to the provisions of Section 10.04. A Company participating in the Plan pursuant to the provisions of Section 10.03(a) may voluntarily cease its participation in the Plan upon appropriate action by it, and upon such action, its employees shall cease to be eligible Employees as defined in Section 1.16, subject to the provisions of Section 10.04. In either event, the funds of the Plan held on account of Participants in the employ of that company shall continue to be held as part of the Plan, unless the Board of Directors directs the Funding Agent to segregate the funds held on account of the Participants in the employ of that company as a separate trust, pursuant to certification to the Funding Agent by the Benefits Administration Board (determined as if the Plan had then terminated), and continue the Plan as a separate plan for the employees of that company under which the Board of Directors of that company shall succeed to all the powers and duties of the Board of Directors, including the appointment of the member of the Benefits Administration Board and a Plan Asset Committee.

Termination of Plan

The Company, by action of its Board of Directors, may terminate the Plan for any reason at any time. In case of termination of the Plan, the rights of Participants to their benefits accrued under the Plan as of the date of the termination, to the extent then funded or protected by law, if greater, shall be nonforfeitable. The funds of the Plan shall be used for the exclusive benefit of persons entitled to benefits under the Plan as of the date of termination, except as provided in Section 6.02. However, any funds not required to satisfy all liabilities of the Plan for benefits because of erroneous actuarial computation shall be returned to the Company. The Benefits Administration Board shall determine on the basis of actuarial valuation the share of the funds of the Plan allocable to each person entitled to benefits under the Plan in accordance with Section 4044 of ERISA, or corresponding provision of any applicable law in effect at the time. In the event of a partial termination of the Plan, the provisions of this Section shall be applicable to the Participants affected by that partial termination.

Limitation Concerning Highly Compensated Employees or Highly Compensated Former Employees

- (a) The provisions of this Section shall apply (i) in the event the Plan is terminated, to any Participant who is a highly compensated employee or highly compensated former employee of the Company or an Affiliated Company and (ii) in any other event, to any Participant who is one of the 25 highly compensated employees or highly compensated former employees of the Company or Affiliated Company with the greatest remuneration (as defined in Section 4.08) in any Plan Year. The amount of the annual payments to any one of the Participants to whom this Section applies shall not be greater than an amount equal to the annual payments that would be made on behalf of the Participant during the year under a single life annuity that is of Equivalent Actuarial Value to the sum of the Participant's Accrued Benefit and the Participant's other benefits under the Plan.

For purposes of this Section 10.05(a) of the Plan, highly compensated employee shall mean for a Plan Year commencing on or after January 1, 1997, any employee of the Company or an Affiliated Company (whether or not eligible for membership in the Plan) who:

- (a) was a 5 percent owner (as defined in Section 416(i) of the Code) for such Plan Year or the prior Plan Year, or
(b) for the preceding Plan Year received statutory Compensation in excess of \$80,000.

The \$80,000 dollar amount in the preceding sentence shall be adjusted from time to time for cost of living in accordance with Section 414(q) of the Code.

Notwithstanding the foregoing, employees who are nonresident aliens and who receive no earned income from the Company or an Affiliated Company which constitutes income from sources within the United States shall be disregarded for all purposes of this Section. The provisions of this Section shall be further subject to such additional requirements as shall be described in Section 414(q) of the Code and its applicable regulations, which shall override any aspects of this Section inconsistent therewith.”

- (b) If, (i) after payment of Pension or other benefits to any one of the Participants to whom this Section applies, the value of Plan assets equals or exceeds 110 percent of the value of current liabilities (as that term is defined in Section 412(l)(7) of the Code) of the Plan, (ii) the value of the Accrued Benefit and other benefits of any one of the Participants to whom this Section applies is less than one percent of the value of current liabilities of the Plan, or (iii) the value of the benefits payable to a Participant to whom this Section applies does not exceed the amount described in Section 411(a)(11)(A) of the Code, the provisions of paragraph (a) above will not be applicable to the payment of benefits to such Participant.
- (c) If any Participant to whom this Section applies elects to receive a lump sum payment in lieu of his or her Pension and the provisions of paragraph (b) above are not met with respect to such Participant, the Participant shall be entitled to receive his or her benefit in full provided he or she shall agree to repay to the Plan any portion of the lump sum payment which would be restricted by operation of the provisions of paragraph (a), and shall provide adequate security to guarantee that repayment.
- (d) Notwithstanding paragraph (a) of this Section, in the event the Plan is terminated, the restriction of this Section shall not be applicable if the benefit payable to any highly compensated employee and any highly compensated former employee is limited to a benefit that is nondiscriminatory under Section 401(a)(4) of the Code.

- (e) If it should subsequently be determined by statute, court decision acquiesced in by the Commissioner of Internal Revenue, or ruling by the Commissioner of Internal Revenue, that the provisions of this Section are no longer necessary to qualify the Plan under the Code, this Section shall be ineffective without the necessity of further amendment to the Plan.

APPENDIX A. ACTUARIAL ASSUMPTIONS

- (1) **Equivalent Actuarial Value**
Unless otherwise specified in the Plan or in (2) or (3) below, Equivalent Actuarial Value shall be determined with respect to a Participant whose Annuity Starting Date is on or after May 1, 1994 on the following basis:
Interest Rate: 8%
Mortality and Other Actuarial Tables: Unisex mortality table derived from the 1984 George B. Buck Mortality Table for men and women based on a blend of 80 percent male lives and 20 percent female lives for Plan Participants and 80 percent female lives and 20 percent male lives for spouses or contingent annuitants.
- (2) Unless otherwise specified in the Plan, the Equivalent Actuarial Value determined for purposes of Section 4.08 of the Plan for pensions beginning before the Participant's 65th birthday or after the Participant's 65th birthday shall be based on the mortality table as specified in (1) above and an interest rate of 5 percent.
- (3) In no event shall the Equivalent Actuarial Value of a Participant's Pension be less than the amount that would have been determined if the calculation were based on the Participant's Pension accrued to April 30, 1994 and the Plan's provisions in effect on said date.

APPENDIX B.

Notwithstanding any Plan provisions to the contrary, with respect to an individual described below who becomes an employee due to the acquisition by the Company or an Affiliated Company of all or any portion of his or her prior employer, such employee's period of service rendered with such former employer immediately prior to the date said employee became employed by a Company may be credited as Eligibility Service for purposes of determining eligibility for participation and benefits as set forth below:

- (1) Effective as of June 24, 1999 with respect to an individual who becomes an employee of the Company or one of its wholly-owned subsidiaries on June 16, 1999 and who immediately preceding said date was an employee of Jossey-Bass or any of its affiliated companies, any period of employment with Jossey-Bass or any of its affiliated companies, rendered by such employee prior to June 16, 1999 shall be recognized as Eligibility Service under the Plan for purposes of determining eligibility for membership and benefits, but not for purposes of determining Benefit Service, to the extent such employment was recognized under the terms of the Pearson, Inc. Pension Equity Plan as in effect on June 16, 1999 for purposes of determining plan eligibility and vesting.
- (2) Effective as of November 12, 1999 with respect to an individual who becomes an employee of the Company or one of its wholly-owned subsidiaries on November 12, 1999 and who immediately preceding said date was an employee of IDG Books Worldwide, Inc. ("IDG") or any of its affiliated companies, (i) any period of employment with IDG or any of its affiliated companies rendered by such individual prior to November 12, 1999, or (ii) any period of employment rendered by said employee immediately prior to the date such individual became an employee of IDG (August 2, 1999) which was recognized for purposes of determining plan eligibility for membership and vesting under the terms of the Pearson, Inc. Pension Equity Plan as in effect on August 1, 1999 shall be recognized as Eligibility Service under the Plan for purposes of determining eligibility for membership and benefits, but not for purposes of determining Benefit Service.

- (3) Effective as of September 21, 2001, to provide that with respect to an individual who becomes an Employee of the Company or one of its wholly-owned subsidiaries on September 21, 2001 and who immediately preceding said date was an employee of HMI, any period of employment with HMI (including any predecessor company) or any of its affiliated companies rendered by such employee prior to September 21, 2001 shall be recognized as Eligibility Service under the Plan for determining eligibility for membership and benefits, but not for purposes of determining Benefit Service, to the extent such period of employment would have been counted as Eligibility Service under the Plan had it been rendered at the Company or one of its Affiliated Companies.
- (4) Effective as of May 1, 2012, in the case of an individual who became an Employee of the Company or any Affiliated Company as a result of the acquisition of Harlan Davidson Inc. ("HDI") by the Company on May 1, 2012 and who immediately prior to said date was an employee of HDI, any period of employment with HDI prior to May 1, 2012 shall be recognized as Eligibility Service under the Plan for determining eligibility for membership and benefits, but not for purposes of determining Benefit Service, to the extent such period of employment would have been counted as Eligibility Service under the Plan had it been rendered at the Company or one of its Affiliated Companies.
- (5) Effective as of February 16, 2012, in the case of an individual who became an employee of the Company or any Affiliated Company as a result of the acquisition of Inscape Publishing, Inc. ("IPI") by the Company on February 16, 2012 and who immediately prior to said date was an employee of IPI, any period of employment as an employee of IPI rendered prior to February 16, 2012 shall be recognized as Eligibility Service under the Plan for determining eligibility for membership and benefits, but not for purposes of determining Benefit Service, to the extent such period of employment would have been counted as Eligibility Service under the Plan had it been rendered at the Company or one of its Affiliated Companies.

- (6) Effective as of October 25, 2012, in the case of an individual who became an employee of the Company or any Affiliated Company as a result of the acquisition of Deltak edu, LLC. ("Deltak") by the Company on October 25, 2012, any period of employment as an employee of Deltak rendered on and after October 25, 2012 and prior to becoming an Employee of the Company on January 1, 2013 shall be recognized as Eligibility Service under the Plan for determining eligibility for membership and benefits, but not for purposes of determining Benefit Service, to the extent such period of employment would have been counted as Eligibility Service under the Plan had it been rendered at the Company.
- (7) Effective as of November 1, 2012, in the case of an individual who became an employee of the Company or any Affiliated Company as a result of the acquisition of Efficient Learning Systems, Inc. ("ELS") by the Company on November 1, 2012, any period of employment as an employee of ELS rendered on and after November 1, 2012 and prior to becoming an Employee of the Company on January 1, 2013 shall be recognized as Eligibility Service under the Plan for determining eligibility for membership and benefits, but not for purposes of determining Benefit Service, to the extent such period of employment would have been counted as Eligibility Service under the Plan had it been rendered at the Company.

APPENDIX C. ADDITIONAL NORMAL RETIREMENT PENSION

The Participants listed below shall be eligible for the following additional normal retirement Pension:

<u>Name</u>	<u>Additional Annual Normal Retirement Pension</u>	<u>Form of Payment</u>
Anthony, Norma	\$2,699.28	Life Annuity
Arendash, Stella	\$2,271.00	Life Annuity
Bodian, Nat	\$2,821.20	Life Annuity
Bukofsky, John	\$2,440.68	Life Annuity
Corring, Alfred	\$1,437.96	Life Annuity
Cowell, Mark	\$4,090.68	Life Annuity
Maslowsky, Peter	\$6,212.16	Life Annuity
Miranda, Blanca	\$3,916.68	Life Annuity
Monroe, Audrey	\$1,873.32	Life Annuity
Weiss, Rudolph	\$6,302.52	50 % Joint & Survivor Annuity*

* Upon the Participant's death, payments shall continue to the same beneficiaries as named under the form of payment elected with respect to the benefit determined pursuant to the formula set forth in Section 4.01(b) of the Retirement Plan.

ATTACHMENT A

Section 5.04 of the Employees' Retirement Plan of John Wiley & Sons, Inc. is hereby amended by adding the following new subsection (c) at the end thereof:

“(c) Special Lump Sum Opportunity

- (i) Except as provided below, a Participant with a vested Accrued Benefit whose employment with the Company terminated prior to April 30, 2016, may elect to receive his entire Accrued Benefit as a single lump sum as of October 1, 2016 or such other date that the Benefits Administration Board determines in its sole and absolute discretion that is applied in a uniform and nondiscriminatory manner (“Payment Date”), provided that (A) the Participant has not commenced receiving his benefits as of the Payment Date; and (B) the Participant makes the election to receive his benefit as of the Payment Date, on a form that is postmarked on or before August 31, 2016, or such other date as shall be approved by the Benefits Administration Board in its sole discretion (that is applied in a uniform and nondiscriminatory manner). For purposes of this paragraph (c), an “eligible Participant” is a Participant who satisfies the requirements of this subparagraph (i) and is not excluded pursuant to subparagraph (ii) below.
 - (ii) This opportunity will not be available to (A) a Participant as to whom a domestic relations order has been served on the Plan or as to whom the Plan has knowledge of the pendency of such an order; (B) a Participant who is required to commence his benefit pursuant to the provisions of Section 401(a)(9) of the Code; (C) the surviving Spouse or Beneficiary of a deceased Participant; or (D) any other classification of Participant that the Benefits Administration Board determines in its sole discretion (that is applied in a uniform and nondiscriminatory manner) shall not be offered this opportunity.
 - (iii) An eligible Participant who (A) is eligible for an early retirement Pension pursuant to Section 4.03, or (B) attains his Normal Retirement Date, as of the Payment Date, will have a one-time opportunity to elect to receive his Pension benefit in a lump sum. The lump sum payment will be calculated by applying an actuarial reduction based on the Equivalent Actuarial Value basis described in subparagraph (vii) below. Payment in a form other than a lump sum will be calculated after applying the applicable early commencement reductions described in Section 4.03(b), if applicable. Such Participant may elect to receive his Pension
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benefit, as of the Payment Date, in a lump sum, the applicable automatic form of payment described in Section 5.01 or any optional form of payment available to him under Section 5.02. For such Participant, Equivalent Actuarial Value with respect to an optional form of payment shall be determined based on the form of benefit elected.

- (iv) An eligible Participant who is not eligible for an early retirement Pension but (A) is age 55 or older, (B) has at least 10 years of Eligibility Service, and (C) is eligible to commence a vested Pension pursuant to Section 4.04(b) as of the Payment Date, will have a one-time opportunity to elect to receive his Pension benefit in a lump sum. The lump sum payment will be calculated by applying an actuarial reduction based on the Equivalent Actuarial Value basis described in subparagraph (vii) below. Payment in a form other than a lump sum will be calculated after applying the early commencement reductions described in Section 4.04(b). Such Participant may elect to receive his Pension benefit, as of the Payment Date, in a lump sum, the applicable automatic form of payment described in Section 5.01 or any optional form of payment available to him under Section 5.02. For such Participant, Equivalent Actuarial Value with respect to an optional form of payment shall be determined based on the form of benefit elected.
 - (v) An eligible Participant who (A) is age 55 or older, (B) has less than 10 years of Eligibility Service, and (C) is eligible to commence a vested Pension pursuant to Section 4.04 as of his Normal Retirement Date occurring on or after the Payment Date, will have a one-time opportunity to receive his Pension benefit as of the Payment Date, in a lump sum which will be calculated by applying an actuarial reduction based on the Equivalent Actuarial Value basis described in subparagraph (vii) below. Such Participant may elect to receive his Pension benefit, as of the Payment Date, in a lump sum, the applicable automatic form of payment described in Section 5.01 or Option 2 under Section 5.02 (but only with his Spouse as Beneficiary). For such Participant, Equivalent Actuarial Value with respect to an optional form of payment shall be determined based on the form of benefit elected.
 - (vi) An eligible Participant who has a vested Pension benefit but (A) has not attained age 55, and (B) is eligible to commence a vested Pension benefit pursuant to Section 4.04 as of his Normal Retirement Date, will have a one-time opportunity to receive his Pension benefit as of the Payment Date, in a lump sum, which will be calculated by applying an actuarial reduction based on the Equivalent Actuarial Value basis described in subparagraph (vii)
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below. Such Participant may elect to receive his Pension benefit, as of the Payment Date, in a lump sum, the applicable automatic form of payment described in Section 5.01 or Option 2 under Section 5.02 (but only with his Spouse as Beneficiary). For such Participant, Equivalent Actuarial Value with respect to an optional form of payment shall be determined based on the form of benefit elected.

- (vii) Solely for purposes of calculating the lump sum for this paragraph (c), Equivalent Actuarial Value of the lump sum shall be determined by using the IRS Mortality Table and the IRS Interest Rate.

EXHIBIT B
AMENDMENT TO THE
EMPLOYEES' RETIREMENT PLAN OF JOHN WILEY & SONS, INC.

“ARTICLE 11. LIMITATIONS BASED ON FUNDED STATUS OF THE PLAN AND LIMITATIONS ON UNPREDICTABLE CONTINGENT EVENT BENEFITS

11.01 ***Limitations Applicable if the Plan's Adjusted Funding Target Attainment Percentage is Less Than 80 Percent, But Not Less 60 Percent***

Notwithstanding any other provisions of the Plan, if the Plan's adjusted funding target attainment percentage for a Plan Year is less than 80 percent (or would be less than 80 percent to the extent described in subsection (b) below) but is not less than 60 percent, then the limitations set forth in this Section 11.01 apply.

- (a) 50 Percent Limitation on Single Sum Payments, Other Accelerated Forms of

Distribution, and Other Prohibited Payments

A Participant or Beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an annuity starting date on or after the applicable Code Section 436 measurement date, and the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment, unless the present value of the benefit that is being paid in a prohibited payment does not exceed the lesser of:

- (i) 50 percent of the present value of the benefit payable in the optional form of benefit that includes the prohibited payment; or
(ii) 100 percent of the PBGC maximum benefit guarantee amount (as defined in Section 1.436-1(d)(3)(iii)(C) of the Treasury Regulations).

The limitation set forth in this subsection (a) does not apply to any payment of a benefit which under Code Section 411(a)(11) may be immediately distributed

without the consent of the Participant. If an optional form of benefit that is otherwise available under the terms of the Plan is not available to a Participant or Beneficiary as of the annuity starting date because of the application of the requirements of this subsection (a), the Participant or Beneficiary is permitted to elect to bifurcate the benefit into unrestricted and restricted portions (as described in Section 1.436-1(d)(3)(iii)(D) of the Treasury Regulations). The Participant or Beneficiary may also elect any other optional form of benefit otherwise available under the Plan at that annuity starting date that would satisfy the 50 percent/PBGC maximum benefit guarantee amount limitation described in this subsection (a), or may elect to defer the benefit in accordance with any general right to defer commencement of benefits under the Plan.

During a period when Section 11.01(a) applies to the Plan, Participants and Beneficiaries are permitted to elect payment in any optional form of benefit otherwise available under the Plan that provides for the current payment of the unrestricted portion of the benefit (as described in §1.436-1(d)(3)(iii)(D) of the Treasury Regulations), with a delayed commencement for the restricted portion of the benefit (subject to other applicable qualification requirements, such as Sections 411(a)(11) and 401(a)(9) of the Internal Revenue Code).

(b) Plan Amendments Increasing Liability for Benefits

No amendment to the Plan that has the effect of increasing liabilities of the Plan by reason of increases in benefits, establishment of new benefits, changing the rate of benefit accrual, or changing the rate at which benefits become nonforfeitable shall take effect in a Plan Year if the adjusted funding target attainment percentage for the Plan Year is:

- (i) less than 80 percent; or
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(ii) 80 percent or more, but would be less than 80 percent if the benefits attributable to the amendment were taken into account in determining the adjusted funding target attainment percentage. The limitation set forth in this subsection (b) does not apply to any amendment to the Plan that provides a benefit increase under a Plan formula that is not based on compensation, provided that the rate of such increase does not exceed the contemporaneous rate of increase in the average wages of Participants covered by the amendment.

11.02 Limitations Applicable if the Plan's Adjusted Funding Target Attainment Percentage is Less Than 60 Percent

Notwithstanding any other provisions of the Plan, if the Plan's adjusted funding target attainment percentage for a Plan Year is less than 60 percent (or would be less than 60 percent to the extent described in subsection (b) below), then the limitations in this Section 11.02 apply.

(a) Single Sums, Other Accelerated Forms of Distribution, and Other Prohibited

Payments Not Permitted

A Participant or Beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an annuity starting date on or after the applicable Code Section 436 measurement date, and the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment. The limitation set forth in this subsection (a) does not apply to any payment of a benefit which under Code Section 411(a)(11) may be immediately distributed without the consent of the Participant.

(b) Shutdown Benefits and Other Unpredictable Contingent Event Benefits Not

Permitted to Be Paid

An unpredictable contingent event benefit with respect to an unpredictable contingent event occurring during a Plan Year shall not be paid if the adjusted funding target attainment percentage for the Plan Year is:

(i) less than 60 percent; or

(ii) 60 percent or more, but would be less than 60 percent if the adjusted funding target attainment percentage were redetermined applying an actuarial assumption that the likelihood of occurrence of the unpredictable contingent event during the Plan Year is 100 percent.

(c) Benefit Accruals Frozen

Benefit accruals under the Plan shall cease as of the applicable Code Section 436 measurement date. In addition, if the Plan is required to cease benefit accruals under this subsection (c), then the Plan is not permitted to be amended in a manner that would increase the liabilities of the Plan by reason of an increase in benefits or establishment of new benefits.

11.03

Limitations Applicable if the Plan Sponsor is in Bankruptcy

Notwithstanding any other provisions of the Plan, a Participant or Beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an annuity starting date that occurs during any period in which the Plan sponsor is a debtor in a case under title 11, United States Code, or similar federal or state law, except for payments made within a Plan Year with an annuity starting date that occurs on or after the date on which the Plan's enrolled actuary certifies that the Plan's adjusted funding target attainment percentage for that Plan Year is not less than 100 percent. In addition, during such period in which the Plan sponsor is a debtor, the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment, except for payments that occur on a date within a Plan Year that is on or after the date on which the Plan's enrolled actuary certifies that the Plan's

adjusted funding target attainment percentage for that Plan Year is not less than 100 percent. The limitation set forth in this Section 11.03 does not apply to any payment of a benefit which under Code Section 411(a)(11) may be immediately distributed without the consent of the Participant.

11.04 Provisions Applicable After Limitations Cease to Apply

(a) Resumption of Prohibited Payments

If a limitation on prohibited payments under Section 11.01(a), 11.02(a), or 11.03 applied to the Plan as of a Code Section 436 measurement date, but that limit no longer applies to the Plan as of a later Code Section 436 measurement date, then that limitation does not apply to benefits with annuity starting dates that are on or after that later Code Section 436 measurement date.

(b) Resumption of Benefit Accruals

If a limitation on benefit accruals under Section 11.02(c) applied to the Plan as of a Code Section 436 measurement date, but that limitation no longer applies to the Plan as of a later Code Section 436 measurement date, then benefit accruals shall resume prospectively and that limitation does not apply to benefit accruals that are based on service on or after that later Code Section 436 measurement date, except as otherwise provided under the Plan. The Plan shall comply with the rules relating to partial years of participation and the prohibition on double proration under Department of Labor Regulation 29 CFR Section 2530.204-2(c) and (d).

In addition, benefit accruals that were not permitted to accrue because of the application of Section 11.02(c) shall be restored when that limitation ceases to apply if the continuous period of the limitation was 12 months or less and the Plan's enrolled actuary certifies that the adjusted funding target attainment percentage for the Plan Year would not be less than 60 percent taking into account any restored benefit accruals for the prior Plan Year.

(c) Shutdown and Other Unpredictable Contingent Event Benefits

If an unpredictable contingent event benefit with respect to an unpredictable contingent event that occurs during the Plan Year is not permitted to be paid after the occurrence of the event because of the limitation of Section 11.02(b), but is permitted to be paid later in the same Plan Year (as a result of additional contributions or pursuant to the enrolled actuary's certification of the adjusted funding target attainment percentage for the Plan Year that meets the requirements of Section 1.436-1(g)(5)(ii)(B) of the Treasury Regulations), then that unpredictable contingent event benefit shall be paid, retroactive to the period that benefit would have been payable under the terms of the Plan (determined without regard to Section 11.02(b)). If the unpredictable contingent event benefit does not become payable during the Plan Year in accordance with the preceding sentence, then the Plan is treated as if it does not provide for that benefit.

(d) Treatment of Plan Amendments That Do Not Take Effect

If a Plan amendment does not take effect as of the effective date of the amendment because of the limitation of Section 11.01(b) or 11.02(c), but is permitted to take effect later in the same Plan Year (as a result of additional contributions or pursuant to the enrolled actuary's certification of the adjusted funding target attainment percentage for the Plan Year that meets the requirements of Section 1.436-1(g)(5)(ii)(C) of the Treasury Regulations), then the Plan amendment must automatically take effect as of the first day of the Plan Year (or, if later, the original effective date of the amendment). If the Plan amendment cannot take effect during the same Plan Year, then it shall be treated as if it were never adopted, unless the Plan amendment provides otherwise.

11.05

Notice Requirement

See Section 101(j) of ERISA for rules requiring the plan administrator of a single employer defined benefit pension plan to provide a written notice to Participants and Beneficiaries within 30 days after certain specified dates if the Plan has become subject to a limitation described in Section 11.01(a), Section 11.02, or Section 11.03.

11.06 ***Methods to Avoid or Terminate Benefit Limitations***

See Section 436(b)(2), (c)(2), (e)(2) and (f) of the Code and 1.436-1(f) of the Treasury Regulations for rules relating to employer contributions and other methods to avoid or terminate the application of the limitations set forth in Sections 11.01, 11.02 or 11.03 for a Plan Year. In general, methods a plan sponsor may use to avoid or terminate one or more limitations under Sections 11.01, 11.02 or 11.03 for a Plan Year include employer contributions and elections to increase the amount of plan assets which are taken into account in determining the adjusted funding target attainment percentage, making an employer contribution that is specifically designated as a current year contribution that is made to avoid or terminate application of certain benefit limitations, or providing security to the Plan. The Employer may use any method permissible under Section 436(b)(2), (c)(2), (e)(2), and (f) of the Code and Section 1.436-1(t) of the Treasury Regulations to avoid or terminate the application of the limitations set forth in Sections 11.01, 11.02 or 11.03 for a Plan Year.

11.07 ***Special Rules***

(a) Rules of Operation for Periods Prior to and After Certification of Plan's Adjusted

Funding Target Attainment Percentage

(i) In General

Code Section 436(h) and Section 1.436-1(h) of the Treasury Regulations set forth a series of presumptions that apply:

- (A) before the Plan's enrolled actuary issues a certification of the Plan's adjusted funding target attainment percentage for the Plan Year; and
 - (B) if the Plan's enrolled actuary does not issue a certification of the Plan's adjusted funding target attainment percentage for the Plan Year before the first day of the 10th month of the Plan Year (or if the Plan's enrolled actuary issues a range certification for the Plan Year pursuant to Section
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1.436-1(h)(4)(ii) of the Treasury Regulations but does not issue a certification of the specific adjusted funding target attainment percentage for the Plan by the last day of the Plan Year). For any period during which a presumption under Code Section 436(h) and Section 1.436-1(h) of the Treasury Regulations applies to the Plan, the limitations under Sections 11.01, 11.02 and 11.03 are applied to the Plan as if the adjusted funding target attainment percentage for the Plan Year were the presumed adjusted funding target attainment percentage determined under the rules of Code Section 436(h) and Section 1.436-1(h) (1), (2), or (3) of the Treasury Regulations. These presumptions are set forth in subsections (ii), (iii) and (iv) below.

(ii) Presumption of Continued Underfunding Beginning First Day of Plan Year

If a limitation under Section 11.01, 11.02 or 11.03 applied to the Plan on the last day of the preceding Plan Year, then, commencing on the first day of the current Plan Year and continuing until the Plan's enrolled actuary issues a certification of the adjusted funding target attainment percentage for the Plan for the current Plan Year, or, if earlier, the date subsection (iii) or (iv) applies to the Plan:

(A) the adjusted funding target attainment percentage of the Plan for the current Plan Year is presumed to be the adjusted funding target attainment percentage in effect on the last day of the preceding Plan Year; and

(B) the first day of the current Plan Year is a Code Section 436 measurement date.

(iii) Presumption of Underfunding Beginning First Day of 4th Month

If the Plan's enrolled actuary has not issued a certification of the adjusted funding target attainment percentage for the Plan Year before the first day of the 4th month of the Plan Year and the Plan's adjusted funding target attainment

percentage for the preceding Plan Year was either at least 60 percent but less than 70 percent or at least 80 percent but less than 90 percent, or is described in Section 1.436-1(h)(2)(ii) of the Treasury Regulations, then, commencing on the first day of the 4th month of the current Plan Year and continuing until the Plan's enrolled actuary issues a certification of the adjusted funding target attainment percentage for the Plan for the current Plan Year, or, if earlier, the date subsection (iv) applies to the Plan:

(A) the adjusted funding target attainment percentage of the Plan for the current Plan Year is presumed to be the Plan's adjusted funding target attainment percentage for the preceding Plan Year reduced by 10 percentage points; and

(B) the first day of the 4th month of the current Plan Year is a Code Section 436 measurement date.

(iv) Presumption of Underfunding On and After First Day of 10th Month

If the Plan's enrolled actuary has not issued a certification of the adjusted funding target attainment percentage for the Plan Year before the first day of the 10th month of the Plan Year (of if the Plan's enrolled actuary has issued a range certification for the Plan Year pursuant to Section 1.436-1(h)(4)(ii) of the Treasury Regulations but has not issued a certification of the specific adjusted funding target attainment percentage for the Plan by the last day of the Plan Year), then, commencing on the first day of the 10th month of the current Plan Year and continuing through the end of the Plan Year:

(A) the adjusted funding target attainment percentage of the Plan for the current Plan Year is presumed to be less than 60 percent; and

(B) the first day of the 10th month of the current Plan Year is a Code Section 436 measurement date.

(b) New Plans, Plan Termination, Certain Frozen Plans, and Other Special Rules

(i) First Five Plan Years

The limitations in Sections 11.01(b), 11.02(b) and 11.02(c) do not apply to a new Plan for the first five Plan Years of the Plan, determined under the rules of Code Section 436(i) and Section 1.436-1(a)(3)(i) of the Treasury Regulations.

(ii) Plan Termination

The limitations on prohibited payments in Sections 11.01(a), 11.02(a) and 11.03 do not apply to prohibited payments that are made to carry out the termination of the Plan in accordance with applicable law. Any other limitations under this Section of the Plan do not cease to apply as a result of termination of the Plan.

(iii) Exception to Limitations on Prohibited Payments Under Certain Frozen Plans

The limitations on prohibited payments set forth in Sections 11.01(a), 11.02(a) and 11.03 do not apply for a Plan Year if the terms of the Plan, as in effect for the period beginning on September 1, 2005, and continuing through the end of the Plan Year, provide for no benefit accruals with respect to any Participants. This subsection (iii) shall cease to apply as of the date any benefits accrue under the Plan or the date on which a Plan amendment that increases benefits takes effect.

(iv) Special Rules Relating to Unpredictable Contingent Event Benefits and Plan

Amendments Increasing Benefit Liability

During any period in which none of the presumptions under Section 11.07(a) apply to the Plan and the Plan's enrolled actuary has not yet issued a certification of the Plan's adjusted funding target attainment percentage for the Plan Year, the limitations under Sections 11.01(b) and 11.02(b) shall be based on the inclusive presumed adjusted funding target attainment percentage for the Plan, calculated in accordance with the rules of Section 1.436-1(g)(2)(iii) of the Treasury Regulations.

(c) Special Rules Under PRA 2010

(i) Payments Under Social Security Leveling Options

For purposes of determining whether the limitations under Section 11.01(b) or 11.02(a) apply to payments under a Social Security leveling option, within the meaning of Code Section 436(j)(3)(C)(i), the adjusted funding target attainment percentage for a Plan Year shall be determined in accordance with the "Special Rule for Certain Years" under Code Section 436(j)(3) and any Treasury Regulations or other published guidance thereunder issued by the Internal Revenue Service.

(ii) Limitation on Benefit Accruals

For purposes of determining whether the accrual limitation under Section 11.02(c) applies to the Plan, the adjusted funding target attainment percentage for a Plan Year shall be determined in accordance with the "Special Rule for Certain Years" under Code Section 436(j)(3) (except as provided under Section 203(b) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, if applicable).

(d) Interpretation of Provisions

The limitations imposed by this Article 11 of the Plan shall be interpreted and administered in accordance with Code Section 436 and Section 1.436-1 of the Treasury Regulations, including without limitation, Section 1.436-1(f).

11.06 Definitions

The definitions in the following Treasury Regulations apply for purposes of this Article 11: Section 1.436-1(j)(1) defining adjusted funding target attainment percentage; Section 1.436-1(j)(2) defining annuity starting date; Section 1.436-1(j)(6) defining prohibited payment; Section 1.436-1(j)(8) defining Code Section 436 measurement date; and Section 1.436-1(j)(9) defining an unpredictable contingent event and an unpredictable contingent event benefit."

Exhibit B

***JOHN WILEY & SONS, INC.
EMPLOYEES' SAVINGS PLAN***

*Effective December 1, 1977
Amended and Restated Effective July 1, 2013
including amendments through January 1, 2014*

JOHN WILEY & SONS, INC.
EMPLOYEES' SAVINGS PLAN

INTRODUCTION

Effective as of December 1, 1977, John Wiley & Sons, Inc. established the John Wiley & Sons, Inc. Employees' Savings Plan ("Plan") for the benefit of such of its employees as are eligible thereunder. The Plan was subsequently amended and restated several times to comply with applicable law.

The Plan was last amended and restated, generally effective January 1, 2012 and incorporated all amendments through December 31, 2012. This amendment and restatement of the Plan is effective as of July 1, 2013 (unless otherwise stated in the Plan) and is intended to reflect design and administrative changes and current law and regulations to the extent applicable and effective as of the date of this restatement.

Except as otherwise specifically provided herein, the rights and benefits of any Participant who retires or whose employment is terminated are determined in accordance with the provisions of the Plan in effect and operative at the time of such retirement or termination.

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JOHN WILEY & SONS, INC.
EMPLOYEES' SAVINGS PLAN

ARTICLE 1. DEFINITIONS

- 1.01 "**Accounts**" means the Basic Retirement Contribution Account, the Catch-up Contribution Account, the Company Contribution Account, the Company Matching Account, the Deferred Account, the Discretionary Profit-Sharing Contribution Account, the Employee Contribution Account, the Transfer ESOP Account and the Rollover Account.
- 1.02 "**Actual Deferral Percentage**" means, with respect to a specified group of Employees, the average of the ratios, calculated separately for each Employee in that group, of (a) the amount of Deferred Cash Contributions made pursuant to Section 3.01 for a Plan Year (including Deferred Cash Contributions returned to a Highly Compensated Employee under Section 3.01(c) and Deferred Cash Contributions returned to any Employee pursuant to Section 3.01(e)) to (b) the Employee's Statutory Compensation for that entire Plan Year, provided that, upon the direction of the Benefits Administration Board, Statutory Compensation for a Plan Year shall only be counted if received during the period an Employee is, or is eligible to become, a Participant. The Actual Deferral Percentage for each group and the ratio determined for each Employee in the group shall be calculated to the nearest one-hundredth of 1 percent. For purposes of determining the Actual Deferral Percentage for a Plan Year, Deferred Cash Contributions may be taken into account for a Plan Year only if they:
- (a) relate to compensation that either would have been received by the Employee in the Plan Year but for the deferral election, or are attributable to services performed by the Employee in the Plan Year and would have been received by the Employee within 2½ months after the close of the Plan Year but for the deferral election,

- (b) are allocated to the Employee as of a date within that Plan Year and the allocation is not contingent on the participation or performance of service after such date, and
- (c) are actually paid to the Trustees no later than 12 months after the end of the Plan Year to which the contributions relate.

- 1.03 "**Affiliated Company**" means any company not participating in the Plan which is a member of a controlled group of corporations (as defined in Section 414(b) of the Code) which also includes as a member the Company; any trade or business under common control (as defined in Section 414(c) of the Code) with the Company; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Section 414(m) of the Code) which includes the Company; and any other entity required to be aggregated with the Company pursuant to regulations under Section 414(o) of the Code. Notwithstanding the foregoing, for purposes of Sections 1.31 and 3.11, the definitions in Sections 414(b) and (c) of the Code shall be modified by substituting the phrase "more than 50 percent" for the phrase "at least 80 percent" each place it appears in Section 1563(a)(1) of the Code.
- 1.04 "**Annual Dollar Limit**" means the annual dollar limit set forth in Section 401(a)(17)(A) of the Code, as adjusted from time to time for cost of living in accordance with Section 401(a)(17)(B) of the Code.
- 1.05 "**Annuity Starting Date**" means the first day of the first period for which an amount is paid as an annuity or any other form following a Participant's retirement or other termination of employment.
- 1.06 "**Basic Retirement Contribution**" means, effective as of July 1, 2013, the amounts contributed pursuant to Section 3.04.

- 1.07 **"Basic Retirement Contribution Account"** means, effective as of July 1, 2013, the separate account maintained for each eligible Participant, which is credited with (i) Basic Retirement Contributions pursuant to Section 3.04, (ii) certain Transfers attributable to employer contributions and (iii) earnings on those contributions.
- 1.08 **"Beneficiary"** means any person, persons or entity designated by a Participant to receive any benefits payable in the event of the Participant's death. However, a married Participant's spouse shall be the Participant's Beneficiary unless or until he or she elects another Beneficiary with Spousal Consent. If no Beneficiary designation is in effect at the Participant's death, or if no person, persons or entity so designated survives the Participant, the Participant's surviving spouse, if any, shall be deemed to be the Beneficiary; otherwise the Beneficiary shall be the first of the following persons or classes then living: (a) his or her issue in equal shares (b) the participant's parents in equal shares, or (c) the estate of the Participant. If a Participant's Beneficiary survives the Participant but dies before the distribution of the Participant's Account, the Beneficiary's portion of the Participant's Account shall be paid to the estate of the Beneficiary. Notwithstanding the foregoing, in determining beneficiary status, the Benefits Administration Board shall take into the account the additional beneficiary rules in Section 13.03.
- 1.09 **"Benefits Administration Board"** means the persons named by the Board of Directors to administer and supervise the Plan as provided in Article 10.
- 1.10 **"Board of Directors"** means the Board of Directors of John Wiley & Sons, Inc., as from time to time constituted.
- 1.11 **"Break in Service"** means an event affecting forfeitures, which shall occur as of the Participant's Severance Date if he or she is not reemployed by the Company or an Affiliated Company within

one year after a Severance Date. However, if an employee is absent from work immediately following his or her active employment, irrespective of whether the employee's employment is terminated, because of the employee's pregnancy, the birth of the employee's child, the placement of a child with the employee in connection with the adoption of that child by the employee or for purposes of caring for that child for a period beginning immediately following that birth or placement and that absence from work began on or after the first day of the Plan Year which began in 1985, a Break in Service shall occur only if the Participant does not return to work within two years of his or her Severance Date. A Break in Service shall not occur during an approved leave of absence or during a period of military service, which is included in the Employee's Years of Service pursuant to Section 1.48.

1.12 "**Catch-up Contributions**" means, effective as of January 1, 2002, pre-tax contributions made to the Plan pursuant to Section 3.16, which constitute catch-up contributions under Section 414(v) of the Code.

1.13 "**Catch-up Contribution Account**" means the separate account maintained for each Participant, which is credited with Catch-up Contributions and earnings on those contributions.

1.14 "**Code**" means the Internal Revenue Code of 1986, as amended from time to time.

1.15 "**Company**" means John Wiley & Sons, Inc. or any successor by merger, purchase or otherwise, with respect to its employees; or any other company participating in the Plan as provided in Section 12.03, with respect to its employees.

1.16 "**Company Contributions**" means amounts contributed pursuant to Section 3.03.

1.17 **“Company Contribution Account”** means the account credited with (i) Company Contributions,

(ii) certain Transfers attributable to matching contributions or employer contributions and

(iii) earnings on those contributions.

1.18 **“Compensation”** means, with respect to the period prior to July 1, 2013, the basic cash remuneration and overtime pay paid to an Employee for services rendered to the Company, determined prior to any reduction pursuant to Section 3.01 or 3.16 or pursuant to a cafeteria plan under Section 125 of the Code or an arrangement under Section 132(f) of the Code, and excluding bonuses, incentive pay, any amount earned on and after October 1, 1995 by the employee on a piece work basis and all other forms of special pay. “Compensation” means, with respect to the period beginning on and after July 1, 2013, the basic cash remuneration, including amounts paid pursuant to any short term disability policy of the Company, and any bonus, incentive pay and overtime pay paid to an Employee during a calendar year for services rendered to the Company, determined prior to any pre-tax contributions under a “qualified cash or deferred arrangement” (as defined under Section 401(k) of the Code and its applicable regulations), or under a “cafeteria plan” (as defined under Section 125 of the Code and its applicable regulations), or any salary reduction made pursuant to an arrangement under Section 132(f) of the Code, or pursuant to the provisions of another deferred compensation plan maintained by the Company, but excluding any amount earned by the Employee on a piece work basis, any amount contributed by the Company under this Plan or any other public or private retirement pension or employee benefit plan, health, hospitalization, long-term disability, workers’ compensation, death, or retirement benefits whether obtained through insurance coverage or otherwise, any stock, options, or other rights received under any Company incentive stock, stock option, or stock purchase plan, and all other forms of special pay.

However, Compensation for a Plan Year shall not exceed the Annual Dollar Limit. The Annual Dollar Limit shall apply to Compensation earned after the date an Employee becomes a Participant under Section 2.02. Notwithstanding the foregoing, effective with respect to Plan Years beginning on or after January 1, 2008, Compensation for purposes of determining Deferred Cash Contributions shall not include amounts that are excluded from compensation within the meaning of Section 415(c)(3) of the Code and Section 1.415(c)-(2) of the regulations thereunder.

- 1.19 "**Contribution Percentage**" means, with respect to a specified group of Employees, the average of the ratios, calculated separately for each Employee in that group, of (a) the sum of the Employee Contributions and Company Contributions for that Plan Year (excluding any Company Contributions forfeited under the provisions of Sections 3.01 and 3.09), to (b) his or her Statutory Compensation for that entire Plan Year; provided that, upon the direction of the Benefits Administration Board, Statutory Compensation for a Plan Year shall only be counted if received during the period an Employee is, or is eligible to become, a Participant. The Contribution Percentage for each group and the ratio determined for each Employee in the group shall be calculated to the nearest one one-hundredth of 1 percent.
- 1.20 "**Deferred Account**" means the account credited with (i) Deferred Cash Contributions made on a Participant's behalf, (ii) certain Transfers attributable to deferred cash contributions and (iii) earnings on those contributions.
- 1.21 "**Deferred Cash Contributions**" means amounts contributed pursuant to Section 3.01.
- 1.22 "**Disability**" means total and permanent physical or mental disability, as evidenced by eligibility for and continued receipt of disability payments under the Company's long-term disability program. Effective as of January 1, 2010, with respect to a Participant who becomes disabled while in qualified military service (as defined in Section 414(u) of the Code) and while his or her reemployment rights are protected by the Uniformed Services Employment and Reemployment Rights Act of 1994 and any related legislation or guidance, such Participant shall be deemed to have incurred a Disability for purposes of the Plan if he or she would be considered totally and permanently disabled under the Company's long-term disability program even though he or she otherwise may be ineligible for benefits thereunder due to the injury occurring while in the military service.

- 1.23 "**Discretionary Profit-Sharing Contribution**" means amounts contributed pursuant to Section 3.05.
- 1.24 "**Discretionary Profit-Sharing Contribution Account**" means, effective as of July 1, 2013, the separate account maintained for each eligible Participant, which is credited with Discretionary Profit-Sharing Contributions pursuant to Section 3.05 and earnings on those contributions.
- 1.25 "**Earnings**" means the amount of income to be returned with any excess deferrals, excess contributions or excess aggregate contributions under Section 3.01, 3.09, 3.010 or 3.11 for the Plan Year, including for Plan Years beginning prior to January 1, 2008 any "gap" period, as determined in accordance with regulations prescribed by the Secretary of the Treasury under the provisions of Section 402(g), 401(k) and 401(m) of the Code.
- 1.26 "**Effective Date**" means December 1, 1977 for the Plan. The effective date of this restatement is July 1, 2013.
- 1.27 "**Employee**" means any person employed by the Company who receives stated compensation other than a pension, severance pay, retainer, or fee under contract; however, the term "Employee" excludes any Leased Employee, any person who is compensated solely on a piece work basis, any

person who is included in a unit of employees covered by a collective bargaining agreement which does not provide for his or her participation in the Plan, any person classified as a consultant by the Company, any other person on the payroll of a third party with whom the Company has contracted for the provision of said person's services, and effective January 1, 2007, any person who is a bona fide resident of Puerto Rico. In addition, any person who, pursuant to a written contract with the Company that provides that he or she (a) is classified as an independent contractor and not as an employee and (b) waives participation in the Plan, shall be excluded from the definition of Employee and shall not be eligible to participate in the Plan during the period such written contract is in effect, regardless of such person's reclassification for such period by the Internal Revenue Service for tax withholding purposes. The term "employee" as used in this Plan means any individual who is employed by the Company or an Affiliated Company as a common law employee of the Company or Affiliated Company, regardless of whether the individual is an "Employee," and any Leased Employee.

1.28 "**Employee Contributions**" means amounts contributed pursuant to Section 3.02.

1.29 "**Employee Contribution Account**" means the account credited with (i) Employee Contributions, (ii) certain Transfers attributable to after-tax contributions and (iii) earnings on those contributions.

1.30 "**Enrollment Date**" means July 1, 1998 and the first day of any calendar quarter following that date.

On and after January 1, 1991 and before July 1, 1998, Enrollment Date meant any January 1 and July 1. Prior to January 1, 1991, Enrollment Date meant the first day of any calendar month. On and after January 1, 2011, Enrollment Date means the first day of the first payroll period commencing on or next following the date the Employee meets the requirements of Section 2.01.

1.31 “**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

1.32 “**Fund**” or “**Investment Fund**” means the separate funds in which contributions to the Plan are invested in accordance with Article 4.

1.33 “**Highly Compensated Employee**” means for each Plan Year, any employee of the Company or an Affiliated Company (whether or not eligible for membership in the Plan) who:

(a) was a 5-percent owner (as defined in Section 416(i) of the Code) for such Plan Year or the prior Plan Year, or

(b) for the preceding Plan Year received Statutory Compensation in excess of \$80,000.

The \$80,000 dollar amount in the preceding sentence shall be adjusted from time to time for cost of living in accordance with Section 414(q) of the Code.

Notwithstanding the foregoing, employees who are nonresident aliens and who receive no earned income from the Company or an Affiliated Company, which constitutes income from sources within the United States, shall be disregarded for all purposes of this Section.

The provisions of this Section shall be further subject to such additional requirements as shall be described in Section 414(q) of the Code and its applicable regulations, which shall override any aspects of this Section inconsistent therewith.

1.34 “**Hour of Service**” means each hour for which the employee is paid or entitled to payment for the performance of duties for the Company or an Affiliated Company.

1.35 “**Leased Employee**” means any person (other than a common law employee of the Company who, pursuant to an agreement between the Company and any other person (“leasing organization”), has

performed services for the Company or any 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 the primary direction of or control by the Company. In the case of any person who is a Leased Employee (or who would qualify as a Leased Employee but for the requirement that substantially full-time service be performed for one year) before or after a period of service as an Employee, the entire period during which he has performed services as a Leased Employee shall be counted as service as an Employee for all purposes of the Plan, except that he shall not, by reason of that status, become a Participant of the Plan.

- 1.36 "**NonHighly Compensated Employee**" means for any Plan Year an employee of the Company or an Affiliated Company who is not a Highly Compensated Employee for that Plan Year.
- 1.37 "**Notice**" means the indication by the Employee of his or her wishes regarding a Plan transaction through the means written, electronic or telephonic, provided for the particular purpose by the Benefits Administration Board.
- 1.38 "**Participant**" means any person included in the membership of the Plan as provided in Article 2.
- 1.39 "**Plan**" means the John Wiley & Sons, Inc. Employees' Savings Plan, as set forth in this document or as amended from time to time.
- 1.40 "**Plan Asset Committee**" means the persons named by the Board of Directors for purposes of managing the assets of the Plan as provided in Article 10.

- 1.41 "**Plan Year**" means, on and after January 1, 1991, the 12-month period beginning on any January 1.
The period from May 1, 1990 to December 31, 1990 was a short Plan Year. Prior to May 1, 1990, Plan Year meant the 12-month period beginning on any May 1.
- 1.42 "**Pre-tax Contributions**" means a Participant's Deferred Cash Contributions and Catch-up Contributions.
- 1.43 "**Rollover Account**" means the account credited with (i) Rollover Contributions made by a Participant, (ii) certain Transfers attributable to rollover contributions and (iii) earnings on those contributions.
- 1.44 "**Rollover Contributions**" means amounts contributed pursuant to Section 3.04.
- 1.45 "**Severance Date**" means the earlier of (a) the date an employee quits, retires, is discharged or dies, or (b) the last day of an authorized leave of absence, or if later, the first anniversary of the date on which an employee is first absent from service, with or without pay, for any reason such as vacation, sickness, disability, layoff or leave of absence.
- 1.46 "**Spousal Consent**" means the written consent of a Participant's spouse to the Participant's designation of a specified Beneficiary. The spouse's consent shall be witnessed by a notary public. The consent of the spouse shall also acknowledge the effect on him or her of the Participant's election. The requirement for spousal consent may be waived by the Benefits Administration Board if it believes there is no spouse, that the spouse cannot be located, that a legal separation has occurred, or because of such other circumstances as may be established by applicable law.

- 1.47 **"Spouse"** means, prior to September 16, 2013 the Participant's spouse, as defined under federal law, including the Defense of Marriage Act. Effective on and after September 16, 2013 (or such other earlier date as may be prescribed by the Internal Revenue Service), "Spouse" means any person who is the legal spouse of the Participant under applicable domestic or foreign law, regardless of the laws of the state in which they work or reside. For purposes of this Plan, a Participant shall be considered to be "married" only if he is in a relationship with a Spouse which has not been terminated or declared null under applicable law.
- 1.48 **"Statutory Compensation"** means the wages, salaries, and other amounts paid in respect of an employee for services actually rendered to a Company or an Affiliated Company, including by way of example, overtime, bonuses and commissions, but excluding deferred compensation, stock options and other distributions which receive special tax benefits under the Code. For purposes of determining Highly Compensated Employees under Section 1.33 and key employees under Section 13.06(a)(iii), Statutory Compensation shall include amounts contributed by the Company pursuant to a salary reduction agreement, which are not includible in the gross income of the employee under Sections 125, 132(f), 402(g)(3), 414(v) or 457(b) of the Code. For all other purposes, Statutory Compensation shall also include the amounts referred to in the preceding sentence, unless the Benefits Administration Board directs otherwise for a particular Plan Year. Statutory Compensation for a Plan Year shall not exceed the Annual Dollar Limit, provided that such Limit shall not be applied in determining Highly Compensated Employees under Section 1.33. For Plan Years beginning on or after July 1, 2007, "Statutory Compensation" shall also include:
- (a) salary continuation payments for military service as described in Treasury Regulation Section 1.415(c)-2(e)(4),
 - (b) compensation paid after severance from employment as described in Treasury Regulation Section 1.415(c)-2(e)(3)(i), (ii) and (iii)(A),

(c) foreign income as described in Treasury Regulation Section 1.415(c)-2(g)(5)(i), excluding amounts described in Treasury Regulation Section 1.415(c)-2(g)(5)(ii). Payments not described above, including, but not limited to, amounts described in Treasury Regulation Section 1.415(c)-2(e)(3)(iii)(B) and (iv), shall not be considered Statutory Compensation if paid after severance from employment, even if such amounts are paid by the later of 2½ months after the date of severance from employment or the end of the Plan Year that includes the date of severance from employment, except compensation used to determine Basic Retirement Contributions described in Section 3.04(b) with respect to a Participant who is permanently and totally disabled as defined in Section 22(e)(3) of the Code. Effective for Plan Years beginning on or after July 1, 2007, Statutory Compensation shall not exceed the limitation on compensation under Section 401(a)(17) of the Code. Effective for Plan Years beginning on or after January 1, 2009, Statutory Compensation shall also include differential wage payments (as defined in Section 3401(h)(2) of the Code) paid to an individual by the Company.

1.49 "**Termination of Employment**" means separation from service with the Company and all Affiliated Companies as determined by the Company for purposes of determining whether a Participant is eligible for a distribution pursuant to Article 9.

1.50 "**Transfers**" means the portion of the Basic Retirement Contribution Account, Company Contribution Account, the Employee Contribution Account, the Deferred Account, the Catch-up Contribution Account, the Transfer ESOP Account, and the Rollover Account of any Participant that is attributable to amounts transferred to the Plan on his or her behalf from the trust of a qualified profit sharing or other defined contribution plan pursuant to the provisions of Section 12.02.

- 1.51 “**Transfer ESOP Account**” means (i) the account credited with certain Transfers attributable to employer contributions and (ii) the earnings on those contributions.
- 1.52 “**Trustees**” means the trustees holding the funds of the Plan as provided in Article 11.
- 1.53 “**Valuation Date**” means the date or dates in each calendar month on which any valuation is made, as determined under the procedure established by Benefits Administration Board pursuant to Section 5.04.
- 1.54 “**Vested Portion**” means the portion of the Accounts in which the Participant has a nonforfeitable interest as provided in Article 6, or if applicable, Section 13.05.
- 1.55 “**Year of Participation**” means any period totaling 12 months during which the Participant has an election pursuant to Section 3.01 or 3.02 in effect, and any period after the Employee is eligible to participate during which an election to contribute is not or would not be effective because the Participant is (a) absent due to a parental leave described in Section 1.011, (b) on an unpaid leave of absence, (c) employed by an Affiliated Company not participating in the Plan, or (d) absent for any other reason approved by the Benefits Administration Board.
- 1.56 “**Years of Service**” means, except as otherwise provided in Appendix A, an employee’s period of employment with the Company or any Affiliated Company, whether or not as an Employee, beginning on the date he or she first completes an Hour of Service and ending on his or her Severance Date, provided that:
- (a) if his or her employment terminates and he or she is reemployed within one year of the earlier of (i) his or her date of termination or (ii) the first day of an absence from service immediately preceding his or her date of termination, the period between his or her Severance Date and his or her date of reemployment shall be included in his or her Years of Service;

- (b) if he or she is absent from the service of the Company or any Affiliated Company because of service in the uniformed services of the United States and he or she returns to service with the Company or an Affiliated Company having applied to return while his or her reemployment rights were protected by law, the absence shall be included in his or her Years of Service;
- (c) if he or she is on a leave of absence approved by the Company, under rules uniformly applicable to all Employees similarly situated, the Company may authorize the inclusion in his or her Years of Service of any portion of that period of leave which is not included in his or her Years of Service under (a) or (b) above; and
- (d) if his or her employment terminates and he or she is reemployed, his or her Years of Service after reemployment shall be aggregated with his or her previous period or periods of Years of Service.

ARTICLE 2. ELIGIBILITY AND PARTICIPATION

2.01 Eligibility

Each employee shall be eligible to become a Participant on any Enrollment Date next following the date on which he or she complete six months (three months, effective on and after January 1, 2014) of employment with the Company or Affiliated Company, provided he or she is then an Employee, except as otherwise provided in Appendix A.

2.02 Participation

- (a) Effective as of July 1, 2013, a person who is a Participant on June 30, 2013 shall remain a Participant on July 1, 2013, subject to the provisions of Section 2.05. .
- (b)
 - (i) An Employee who has satisfied the eligibility requirements under Section 2.01 and who is not a Participant on June 30, 2013 shall become a Participant on July 1, 2013, provided he or she is an Employee as of that date. Any other eligible Employee shall become a Participant on his or her Enrollment Date, provided he or she is an Employee on such date.
 - (ii) An individual who on June 30, 2013 is Disabled (as such term is defined in Section 3.04) but is not a Participant on such date, shall become a Participant on July 1 2013, provided he or she is still Disabled, on that date.
- (c) Effective as of July 1, 2013, an eligible Employee who becomes a Participant pursuant to paragraphs (a) and (b)(i) above may make the following elections under the procedures the Benefits Administration Board shall prescribe:
 - (i) He or she may designate a different percentage rate of Compensation he or she wishes to defer pursuant to Section 3.01 or contribute under Section 3.02 or both;
 - (ii) He or she may make an investment election; and

(iii) He or she may designate a Beneficiary.

An individual who becomes a Participant pursuant to paragraph (b)(ii) above may make the elections described in clauses (ii) and (iii) of the preceding sentence under the procedures the Benefits Administration Board shall prescribe.

2.03 Reemployment of Former Employees and Former Participants

Any person reemployed by the Company as an Employee, who was previously a Participant or who was previously eligible to become a Participant, shall be eligible to become a Participant hereunder entitled to have contributions made on his or her behalf pursuant to the provisions of Article 3 as soon as administratively practicable following the Employee's reemployment date, but no later than the first day of the first payroll period of the first month following the Employee's reemployment date (the "reenrollment date"). Any person reemployed by the Company as an Employee on or after January 1, 2002, who was not previously eligible to become a Participant, shall become a Participant upon completing the eligibility requirements described in Section 2.01 and shall be eligible to have Deferred Cash Contributions made on his or her behalf pursuant to the provisions of Section 3.01 as soon as administratively practicable following his or her Enrollment Date.

2.04 Transferred Participants

Notwithstanding any provision of the Plan to the contrary, a Participant who remains in the employ of the Company or an Affiliated Company but ceases to be an Employee shall continue to be a Participant in the Plan but shall not be eligible to make Employee Contributions or receive allocations of Deferred Cash Contributions, Basic Retirement Contributions, Discretionary Profit Sharing Contributions or Company Contributions while his or her employment status is other than as an Employee.

2.05 Termination of Participation

A Participant's participation shall terminate on the date he or she is no longer employed by the Company or any Affiliated Company unless the Participant is entitled to benefits under the Plan, in which event his or her participation shall terminate when those benefits are distributed to him or her.

ARTICLE 3. CONTRIBUTIONS

3.01 *Deferred Cash Contributions*

- (a) A Participant may elect on his or her application filed under Section 2.02 to reduce his or her Compensation payable while an Employee by at least 2 percent and not more than 50 percent, in multiples of 1 percent, and have that amount contributed to the Plan by the Company as Deferred Cash Contributions. Deferred Cash Contributions shall be further limited as provided below and in Sections 3.09, 3.11 and 3.12. Any Deferred Cash Contributions shall be paid to the Trustees as soon as practicable, but in no event later than the 15th day of the month following the month in which the amounts would otherwise have been payable to the Participant in cash.

Notwithstanding the foregoing, with respect to a Participant who is first employed or reemployed by the Company on or after January 1, 2006, effective as of his or her Enrollment Date or reenrollment date, as defined in Article 2, the Participant shall have his or her Compensation payable while an Employee reduced by 3 percent (4 percent for a Participant who is first employed or is reemployed by the Company on or after January 1, 2014) and have that amount contributed to the Plan by the Company as Deferred Cash Contributions, and effective as of the first payroll period of each July following said Participant's Enrollment Date or reenrollment date, said contribution percentage shall be increased each year by 1 percent to a maximum of 10 percent (the "escalating contribution option"). Such amounts shall be contributed on the Participant's behalf by the Company as Deferred Cash Contributions until and unless the Participant elects, in accordance with the procedures and within such time periods as the Benefits Administration Board shall prescribe, to receive such Compensation (or any portion thereof) directly from the Company in cash. Such reduction in Compensation shall commence on or as soon as administratively practicable following (i) the Participant's Enrollment Date, or (ii) the

Participant's reenrollment date, as defined in Article 2, and shall be applied to Compensation which could have been subsequently received by the Participant. Such Participant may elect, subject to the provision of paragraphs (b) through (d) below, to opt out of this escalating contribution option and/or to increase the reduction of his or her subsequent Compensation, in multiples of 1 percent, up to a total of 50 percent, reduce the reduction of his or her Compensation in multiples of 1 percent, to a minimum of 2 percent or elect a 0 percent reduction. Such election shall be effective with the first payroll period on or after the date as of which the election is to apply, or as soon as administratively practicable thereafter.

Notwithstanding the foregoing, with respect to a Participant who is an Employee on January 1, 2014, and immediately prior to that date such Participant's Deferred Cash Contribution rate is 0 to 3 percent, effective as of January 1, 2014, such Participant's Compensation payable while an Employee shall be reduced by 4 percent and such amount shall be contributed to the Plan by the Company as Deferred Cash Contributions, and effective as of the first payroll period of each subsequent July, said contribution percentage shall be increased each year by 1 percent to a maximum of 10 percent (the "escalating contribution option"). Such amounts shall be contributed to the Plan on the Participant's behalf by the Company as Deferred Cash Contributions unless or until the Participant elects, in accordance with procedures and within such time periods as the Benefits Administration Board shall prescribe, to receive such Compensation (or any portion thereof) directly from the Company in cash. Such reduction in Compensation shall commence with the first payroll period in January of 2014, and shall be applied to Compensation which could have been subsequently received by the Participant. Such Participant may elect, subject to the provision of paragraphs (b) through (d) below, to opt out of this escalating contribution option and/or to increase the reduction of his or her

subsequent Compensation, in multiples of 1 percent, up to a total of 50 percent, reduce the reduction of his or her Compensation, in multiples of 1 percent, to a minimum of 2 percent or elect 0 percent reduction. Such election shall be effective with the first payroll period on or after the date as of which the election is to apply, or as soon as administratively practicable thereafter.

Alternatively, a Participant who elects to instead receive the 3 percent (4 percent for Participants employed or reemployed by the Company on or after January 1, 2014) of Compensation described in the above paragraphs directly from the Employer in cash may elect at a later date, subject to the provisions of paragraphs (b) and (e) below, (i) to have his or her subsequent Compensation reduced by at least 2 percent, but no more than 50 percent, in multiples of 1 percent, and have that amount contributed to the Plan by the Company as Deferred Cash Contributions, or (ii) to have his or her subsequent Compensation reduced, in multiples of 1 percent, by at least 2 percent but not greater than 10 percent, and have that amount contributed to the Plan by the Company as Deferred Cash Contributions, with the elected contribution percentage being increased each year by 1, 2 or 3 percent (as designated by the Participant) to a maximum of 10 percent, effective as of the first payroll period of each July following the effective date of the Participant's election (or the first payroll period of another calendar month designated by the Participant). Such election shall be effective with the first payroll period on or after the date as of which the election is to apply or as soon as administratively practicable thereafter.

Except as otherwise provided in Section 2.04, each other Participant may elect, subject to the provisions of paragraphs (b) through (d) below, (i) to have his or her subsequent Compensation reduced by at least 2 percent, but no more than 50 percent, in multiples of 1 percent, and have that amount contributed to the Plan by the Company as Deferred Cash Contributions or, (ii) to have his or her subsequent Compensation reduced, in multiples of 1

percent, by at least 2 percent but not greater than 10 percent, and have that amount contributed to the Plan by the Company as Deferred Cash Contributions, with the elected contribution percentage being increased each year by 1, 2 or 3 percent (as designated by the Participant) to a maximum of 10 percent, effective as of the first payroll period of each July following the effective date of the Participant's election (or the first payroll period of another calendar month designated by the Participant). Such election shall be effective with the first payroll period on or after the date as of which the election is to apply or as soon as administratively practicable thereafter.

Notwithstanding the foregoing, a Participant's election to reduce his or her Compensation pursuant to the foregoing provisions of this Section 3.01 shall be in multiples of 1 percent, unless otherwise provided by the Benefits Administration Board under rules uniformly applicable to all employees similarly situated.

Deferred Cash contributions shall be paid to the Trustees as soon as administratively practicable, but in no event later than the 15th business day of the month following the month in which the amounts would otherwise have been payable to the Participant in cash.

- (b) No Participant shall be permitted to have Pre-tax Contributions or similar contributions made under this Plan or any other qualified plan maintained by the Company or an Affiliated Company during any calendar year, in excess of the dollar limitation contained in Section 402(g) of the Code in effect for such calendar year, except to the extent permitted under Section 3.16 of the Plan and Section 414(v) of the Code, if applicable. If a Participant's Pre-tax Contributions in a calendar year reach that dollar limitation, his or her election of Pre-tax Contributions for the remainder of the calendar year will be canceled. Each Participant affected by this paragraph (b) may elect to change or suspend the rate at which he or she makes Employee Contributions in a manner to be determined by the

Benefits Administration Board. As of the first pay period of the calendar year following such cancellation, the Participant's election of Pre-tax Contributions shall again become effective in accordance with his or her previous election, unless the Participant elects otherwise in accordance with Section 3.07.

- (c) In the event that the sum of the Deferred Cash Contributions and similar contributions to any other qualified defined contribution plan maintained by the Company or an Affiliated Company exceeds the dollar limitation in Section 3.01(b) for any calendar year, the Participant shall be deemed to have elected a return of Deferred Cash Contributions in excess of such limit ("excess deferrals") from this Plan. The excess deferrals, together with Earnings, shall be returned to the Participant no later than the April 15 following the end of the calendar year in which the excess deferrals were made. The amount of excess deferrals to be returned for any calendar year shall be reduced by any Deferred Cash Contributions previously returned to the Participant under Section 3.07 for that calendar year.
- (d) In the event any Deferred Cash Contributions returned under this paragraph (c) were matched by Company Contributions under Section 3.03, those Company Contributions, together with Earnings, shall be forfeited and used to reduce Company contributions. In the event those Company Contributions subject to forfeiture have been distributed to the Participant, the Company shall make reasonable efforts to recover the contributions from the Participant. Notwithstanding the foregoing, in lieu of a return of the excess deferrals, a Participant may elect to have the Plan treat all or a portion of the excess deferrals as Employee Contributions, subject to the limitations of Section 3.02. For this purpose, the excess deferrals, together with Earnings, shall be deemed distributed to the Participant and then recontributed to the Plan by the Participant as Employee Contributions for the Plan Year in which the excess deferrals were made. Recharacterized excess deferrals, together

with Earnings, shall be considered Employee Contributions made in the Plan Year to which the excess deferrals relate for purposes of Section 3.08 and shall be subject to the withdrawal provisions applicable to Employee Contributions under Article 7. If the excess deferrals were matched by Matching Contributions, the corresponding Matching Contributions shall remain allocated to the Participant's Company Contributions Account to the extent such excess deferrals, if made as Employee Contributions, would have been matched under the provisions of Section 3.03. The Participant's election to recharacterize excess deferrals shall be made no later than April 1 following the close of the Plan Year in which the excess deferrals were made, or within such shorter period as the Benefits Administration Board may prescribe. Any excess deferrals, together with Earnings, which are not recharacterized under this paragraph shall be returned to the Participant as provided above.

- (e) If a Participant makes tax-deferred contributions under another qualified defined contribution plan maintained by an employer other than the Company or an Affiliated Company for any calendar year and those contributions when added to his or her Deferred Cash Contributions exceed the dollar limitation under Section 3.01(b) for that calendar year, the Participant may allocate all or a portion of such excess deferrals to this Plan. In that event, such excess deferrals, together with Earnings, shall be returned to the Participant no later than the April 15 following the end of the calendar year in which such excess deferrals were made. However, the Plan shall not be required to return excess deferrals unless the Participant notifies the Benefits Administration Board, in writing, by March 1 of that following calendar year of the amount of the excess deferrals allocated to this Plan. The amount of any such excess deferrals to be returned for any calendar year shall be reduced by any Deferred Cash Contributions previously returned to the Participant under Section 3.07 for that calendar year. In the event any Deferred Cash Contributions returned

under this paragraph (d) were matched by Company Contributions under Section 3.03, those Company Contributions, together with Earnings, shall be forfeited and used to reduce Company contributions. In the event those Company Contributions subject to forfeiture have been distributed to the Participant, the Company shall make reasonable efforts to recover the contributions from the Participant.

Notwithstanding the foregoing, if the Participant is a Nonhighly Compensated Employee, then, in lieu of a return of the excess deferrals, the Participant may elect to have the Plan treat all or a portion of the excess deferrals attributable to his Pre-tax Contributions as Employee Contributions, subject to the limitations of Section 3.02. For this purpose, the excess deferrals, together with Earnings, shall be deemed distributed to the Participant and then recontributed to the Plan by the Participant as Employee Contributions for the Plan year in which the excess deferrals were made. Recharacterized excess deferrals shall be considered Employee Contributions made in the Plan Year to which the excess deferrals relate for purposes of Section 3.09 and shall be subject to the withdrawal provisions applicable to Employee Contributions under Article 7. If the excess deferrals were matched by Company Contributions, the corresponding Company Contributions shall remain allocated to the Participant's Employer Account to the extent such excess deferrals, if made as Employee Contributions, would have been matched under the provisions of Section 3.03. The Participant's election to recharacterize excess deferrals shall be made no later than April 1 following the close of the Plan Year in which the excess deferrals were made or within such shorter period as the Benefits Administration Board may prescribe.

3.02 Employee Contributions

Any Participant may make Employee Contributions under this Section whether or not he or she has elected to have Deferred Cash Contributions made on his or her behalf pursuant to Section 3.01. The amount of Employee Contributions shall be at least 2 percent and not more than 25 percent

of his or her Compensation while a Participant, in multiples of 1 percent; provided, however, that if the Participant has an election under Section 3.01 in effect, the maximum percentage of Compensation that the Participant may elect to contribute under this Section, shall be equal to the excess of 50 percent (25 percent with respect to Plan Years commencing prior to January 1, 2011), over the percentage elected by the Participant under Section 3.01 but not greater than 25 percent. Employee Contributions shall be further limited as provided in Sections 3.10, 3.11, and

3.12. The Employee Contributions of a Participant shall be made through payroll deductions and shall be paid to the Trustees as soon as administratively practicable, but in no event later than the 15th day of the month following the month in which such amounts would otherwise have been payable to the Participant in cash.

3.03 Company Contributions

(a) With respect to Plan Years commencing prior to January 1, 2014, the Company shall contribute on behalf of a Participant who elects to make Deferred Cash Contributions, Employee Contributions and/or Catch-up Contributions, an amount equal to (i) 100 percent of the first 2 percent of Compensation, plus (ii) 25 percent of the next 4 percent of Compensation so contributed to the Plan on behalf of or by the Participant during each payroll period, in the following order of priority: (a) Deferred Cash Contributions, then (b) Employee Contributions, and then (c) Catch-up Contributions.

With respect to Plan Years commencing on or after January 1, 2014, the Company shall contribute on behalf of a Participant who elects to make Deferred Cash Contributions, Employee Contributions and/or Catch-up Contributions, an amount equal to (i) 25 percent of the first 6 percent of Compensation so contributed to the Plan on behalf of or by the Participant during each payroll period, in the following order of priority: (a) Deferred Cash Contributions, then (b) Employee Contributions, and then (c) Catch-up Contributions. In no event, however, shall the Company Contributions pursuant to this Section with respect to Plan Years commencing on or after January 1, 2014 exceed 1.5 percent of the Participant's Compensation paid while a Participant with respect to a particular Plan Year.

- (b) Notwithstanding anything contained herein to the contrary, with respect to Plan Years beginning on and after January 1, 2014, if as of the last day of the Plan Year the amount of Company Contributions allocated to a Participant's Company Contribution Account for such Plan Year is less than 25 percent of the first 6 percent of Compensation contributed to the Plan by or on behalf of the Participant as Deferred Cash Contributions, Employee Contributions and/or Catch-up Contributions for such Plan Year, the Company shall make an additional "true-up" Company Contribution on behalf of such Participant in an amount equal to the difference. Such true-up Company Contribution shall be credited to the Participant's Company Contribution Account as soon as practicable following the end of the Plan Year. The true-up Company Contribution described in the preceding sentence shall also be made with respect to a Participant who terminates employment during the Plan Year and such true-up Company Contribution shall be made as soon as administratively practicable following the end of the calendar year in which the Participant terminates employment or, if so determined by the Benefits Administration Board, the date the Participant terminates employment with the Company and all Affiliated Companies, if earlier.
- (c) The Company Contributions are made expressly conditional on the Plan satisfying the provisions of Sections 3.01, 3.09, 3.10, 3.11 and 3.12, as applicable. If any portion of the Deferred Cash Contribution, Employee Contribution and/or Catch-up Contribution to which the Company Contribution relates is returned to the Participant under Section 3.01, 3.09, 3.10, 3.11 and/or 3.12, the corresponding Company Contribution shall be forfeited (except as otherwise provided under Section 3.01), and if any amount of the Company

Contribution is deemed an excess aggregate contribution under Section 3.10, such amount shall be forfeited in accordance with the provisions of that Section. In the event those Company Contributions subject to forfeiture have been distributed to the Participant, the Company shall make reasonable efforts to recover the contributions from the Participant. The Company Contributions shall be paid to the Trustees as soon as practicable.

3.04 Basic Retirement Contributions

- (a) With respect to the Plan Year commencing January 1, 2013, the Company shall make a Basic Retirement Contribution on behalf of each Participant who (i) is employed by the Company as an Employee on December 31, 2013, (ii) while employed by the Company as an Employee during the Plan Year ending December 31, 2013 (the "2013 Plan Year"),
 - (1) dies or terminates employment due to Retirement (as defined below), (2) incurs a Disability, or (3) incurs an involuntary Termination of Employment due to a corporate restructuring, as defined by the Benefits Administration Board, (all hereinafter referred to as an "eligible 2013 Participant") in the amount as determined below.
 - (i) If an eligible 2013 Participant who is not Disabled (as defined in this Section) was hired on or after July 1, 2012, and was not a participant in the Employees' Retirement Plan of John Wiley & Sons, Inc. ("Retirement Plan") on June 30, 2013, his or her Basic Retirement Contribution for the 2013 Plan Year shall be equal to 3 percent of his or her Compensation during the period January 1, 2013 through December 31, 2013.
 - (ii) If an eligible 2013 Participant who is not Disabled was a participant in the Retirement Plan on June 30, 2013, his or her Basic Retirement Contribution for the 2013 Plan Year shall be equal to 3 percent of his or her Compensation during the period July 1, 2013 through December 31, 2013.

- (iii) Notwithstanding the foregoing, with respect to a Participant who is a participant under the Retirement Plan as of June 30, 2013 and who either (1) was accruing Benefit Service credits under the provisions of Section 4.05(a) of the Retirement Plan on June 30, 2013 and who is Disabled on or prior to July 1, 2013, or (2) is an Employee on July 1, 2013 who becomes Disabled after July 1, 2013 and prior to January 1, 2014, the Company shall make Basic Retirement Contributions to the Plan on behalf of such Disabled Participant for the portion of the period July 1, 2013 through December 31, 2013 during which he or she is Disabled. Such Basic Retirement Contribution shall be equal to 3 percent of the base rate of compensation such Participant would have received during that period had he or she been employed at the base rate of pay in effect immediately prior to the date he or she ceased employment on account of becoming Disabled.
- (iv) Notwithstanding the foregoing, with respect to a Participant who is not a participant under the Retirement Plan as of June 30, 2013 and who becomes Disabled on or after January 1, 2013 and prior to January 1, 2014, the Company shall make Basic Retirement Contributions to the Plan on behalf of such Disabled Participant for the portion of the period January 1, 2013 through December 31, 2013 during which he or she is Disabled. Such Basic Retirement Contribution shall be equal to 3 percent of the base rate of compensation such Participant would have received during that period had he or she been employed at the base rate of pay in effect immediately prior to the date he or she ceased employment on account of becoming Disabled.

The Basic Retirement Contribution for the 2013 Plan Year shall be allocated to the Participant's Basic Retirement Contribution Account as soon as practicable following the end of such Plan Year.

- (b) Effective for Plan Years beginning on or after January 1, 2014, the Company shall make a Basic Retirement Contribution on behalf of a Participant who is (i) employed by the Company as an Employee, or (ii) is Disabled, (both hereinafter referred to an "eligible Participant") in the amount as determined below:
- (i) With respect to a Participant who is employed by the Company as an Employee, the Basic Retirement Contribution shall be equal to three percent of such Participant's Compensation for each payroll period.
 - (ii) With respect to a Participant who is Disabled the Company shall contribute Basic Retirement Contributions for such Participant during the period he or she is considered Disabled. The Basic Retirement Contribution made on such Participant behalf during the period he or she remains Disabled shall be equal to three percent of such Participant's base rate of compensation that he or she would have received during that period had he or she been employed at the base rate of pay in effect immediately prior to the date he or she ceased employment on account of becoming Disabled.

With respect to Plan Years beginning on or after January 1, 2014, Basic Retirement Contributions shall be allocated to the Participant's Basic Retirement Contribution Account as soon as practicable following each pay period.

Notwithstanding the foregoing and except as otherwise provided above with respect to a Participant who is Disabled, in no event shall the Basic Retirement Contributions pursuant to this paragraph (b) exceed three percent (3%) of the Participant Compensation with respect to a particular Plan Year.

- (c) For purposes of this Section, the term "Disabled" shall have the meaning set forth in Section 22(e)(3) of the Code and shall mean the inability of such Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than 12 months. The permanence and degree of such impairment shall be supported by medical evidence.

A Participant is considered no longer Disabled for the purposes of this Section upon the earliest to occur of the Participant's: (1) no longer satisfying the requirements of Section 22(e)(3) of the Code (as determined by an independent third party selected by the Company); (2) ineligibility for benefits under the Company's long-term disability program; (3) attainment of age 65; (4) commencement of benefits under the Retirement Plan; or (5) death.

For purpose of this Section, the term "Retirement" shall mean the Termination of Employment with the Company and all Affiliated Companies by a Participant on or after the date he or she attains at least age 55 and has completed ten or more years of Years of Service.

3.05 Discretionary Profit-Sharing Contributions

- (a) Effective as of July 1, 2013, the Company, in its sole and absolute discretion, may, with respect to Plan Years beginning on or after January 1, 2013, contribute Discretionary Profit-Sharing Contributions on behalf of each Participant who is an Employee as of the last day of such Plan Year or who, while employed as an Employee during that Plan Year
- (i) terminates employment due to death, Retirement (as defined in Section 3.04(c)) or Disability or (ii) incurs an involuntary Termination of Employment due to a corporate restructuring, as defined by the Benefits Administration Board. The amount of such

Discretionary Profit-Sharing Contributions, if any, shall be determined by the Board of Directors as of the close of the Company fiscal year (e.g. April 30th) in which the Plan Year ends and shall be allocated to the Participant's Discretionary Profit-Sharing Contribution Account as soon as practicable following the end of the Company's fiscal year but no later than the time (including extensions) prescribed by law for the filing of the Company's federal income tax return for the year for which the contributions are made.

- (b) The Discretionary Profit Sharing Contributions, if any, for a particular Plan Year shall be a specified percentage (as determined by the Board of Directors) of an eligible Participant's Compensation received while an Employee during such Plan Year (or with respect to the Plan Year ending December 31, 2013, the portion of such Plan Year during which the eligible Participant was eligible for Basic Retirement Contributions under Section 3.04).

3.06 Rollover Contributions

- (a) With the permission of the Benefits Administration Board and without regard to any limitations on contributions set forth in this Article 3, the Plan may receive from or on behalf of an Employee, whether or not he or she has met the eligibility requirements for participation, in cash, any amount (excluding amounts attributable to after-tax amounts) previously received (or deemed to be received) by him or her from a qualified plan. The Plan may receive such amount either directly from the Employee, from an individual retirement account or from a qualified plan in the form of a direct rollover. Notwithstanding the foregoing, effective as of January 1, 2002, with the permission of the Benefits Administration Board, the Plan may receive directly from or accept on behalf of an Employee, whether or not he or she has met the eligibility requirements for participation, in cash, a direct rollover of an eligible rollover distribution, excluding after-tax contributions, from (i) an annuity contract described in Section 403(b) of the

Code, or (ii) 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. For purposes of this Section 3.06, a qualified plan shall mean a "qualified plan" described in Section 401(a) of the Code or an annuity plan described in Section 403(a) of the Code.

(b) Notwithstanding the foregoing, the Plan shall not accept any amount unless such amount is eligible to be rolled over to a qualified trust in accordance with applicable law and the Employee provides evidence satisfactory to the Benefits Administration Board that such amount qualifies for rollover treatment.

(c) Rollover Contributions may be received in either of the following ways:

(i) The Plan may accept such amount as a direct rollover of an eligible rollover distribution from an eligible retirement plan.

(ii) The Plan may accept such amount directly from the Employee provided such amount:

(A) was distributed to the Employee by an eligible retirement plan;

(B) is received by the Plan on or before the 60th day after the day it was received by the Employee;

(C) would otherwise be includible in gross income; and

(D) is not attributable to Roth contributions as described in Section 402A of the Code.

Notwithstanding clause (B) above, the Benefits Administration Board may accept a Rollover Contribution more than 60 days after the amount was received by the Employee provided the Employee has received from the Secretary of the Treasury a waiver of the 60-day requirement, pursuant to Section 402(c)(3)(B) of the Code.

For Purposes of this Section 3.06, "eligible retirement plan" means a qualified plan as defined in paragraph (a), an individual retirement account or individual retirement annuity of the Employee described in Section 408(a) or 408(b) of the Code which contains only amounts that were originally distributed from a qualified plan described in Section 401(a) of the Code or an annuity plan described in Section 403(a) of the Code (i.e., a "conduit IRA"), an annuity contract described in Section 403(b) of the Code, and an eligible plan under Section 457(b) of the Code that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

3.07 Change in Contributions

The percentages of Compensation designated by a Participant under Sections 3.01, 3.02 and 3.16 shall automatically apply to increases and decreases in his or her Compensation. Subject to the provisions of Section 3.01, 3.02 and 3.16, a Participant may change the percentage of his or her authorized payroll deduction or reduction by giving such advance Notice as the Benefits Administration Board shall prescribe. The changed percentage shall become effective as soon as administratively practicable following such Notice.

3.08 Suspension of Contributions

- (a) A Participant may suspend his or her contributions under Section 3.02 and/or revoke his or her election under Sections 3.01 and 3.16 by giving such advance Notice as the Benefits Administration Board shall prescribe. The suspension or revocation shall become effective as soon as administratively practicable following such Notice.

- (b) A Participant who has suspended his or her contributions under Section 3.02 may elect to resume such contributions by giving such advance Notice as the Benefits Administration Board shall prescribe to resume such contributions in accordance with Section 3.02. Such contributions shall resume as soon as administratively practicable following such advance Notice. A Participant who has revoked his or her election under Sections 3.01 and/or 3.16 may apply to the Benefits Administration Board to resume having his or her Compensation reduced in accordance with Sections 3.01 and/or 3.16 as soon as administratively practicable following such Notice as the Benefits Administration Board shall prescribe. A Participant who is not permitted to make Deferred Cash Contributions and Employee Contributions pursuant to Section 7.03 or 7.05 may apply to the Benefits Administration Board to have said contributions resume as soon as administratively practicable following such advance Notice as the Benefits Administration Board shall prescribe.

3.09 Actual Deferral Percentage Test

With respect to each Plan Year, the Actual Deferral Percentage for that Plan Year for Highly Compensated Employees who are Participants or eligible to become Participants for that Plan Year shall not exceed the Actual Deferral Percentage for the Plan Year for all NonHighly Compensated Employees for the Plan Year who were Participants or eligible to become Participants during the Plan Year multiplied by 1.25. If the Actual Deferral Percentage for such Highly Compensated Employees does not meet the foregoing test, the Actual Deferral Percentage for such Highly Compensated Employees for that Plan Year may not exceed the Actual Deferral Percentage for the Plan Year for all NonHighly Compensated Employees for the Plan Year who were Participants or eligible to become Participants during the Plan Year by more than two percentage points, and such Actual Deferral Percentage for such Highly Compensated Employees for the Plan Year may not be more than 2.0 times the Actual Deferral Percentage for the Plan Year for all NonHighly Compensated Employees for the Plan Year who were Participants or eligible to become Participants

during the Plan Year (or such lesser amount as the Benefits Administration Board shall determine to satisfy the provisions of Section 3.09). Notwithstanding the foregoing, the Benefits Administration Board may elect to use the Actual Deferral Percentage for NonHighly Compensated Employees for the preceding Plan Year rather than the Plan Year being tested provided that such election must be evidenced by a Plan amendment.

The Benefits Administration Board may implement rules limiting the Deferred Cash Contributions, which may be made on behalf of some or all Highly Compensated Employees so that this limitation is satisfied.

If the Benefits Administration Board determines that the limitation under this Section has been exceeded in any Plan Year, the following provisions shall apply:

- (a) The actual deferral ratio of the Highly Compensated Employee with the highest actual deferral ratio shall be reduced to the extent necessary to meet the actual deferral percentage test or to cause such ratio to equal the actual deferral ratio of the Highly Compensated Employee with the next highest ratio. This process will be repeated until the actual deferral percentage test is passed. Each ratio shall be rounded to the nearest one one-hundredth of 1 percent of the Participant's Statutory Compensation. The amount of Deferred Cash Contributions made by each Highly Compensated Employee in excess of the amount permitted under his or her revised deferral ratio shall be added together. This total dollar amount of excess contributions ("excess contributions") shall then be allocated to some or all Highly Compensated Employees in accordance with the provisions of paragraph (b) below.

- (b) The Deferred Cash Contributions of the Highly Compensated Employee with the highest dollar amount of Deferred Cash Contributions shall be reduced by the lesser of (i) the amount required to cause that Employee's Deferred Cash Contributions to equal the dollar amount of the Deferred Cash Contributions of the Highly Compensated Employee with the next highest dollar amount of Deferred Cash Contributions, or (ii) an amount equal to the total excess contributions. This procedure is repeated until all excess contributions are allocated. The amount of excess contributions allocated to a Highly Compensated Employee, together with Earnings thereon, shall be distributed to him or her in accordance with the provisions of paragraph (c).
- (c) The excess contributions, together with Earnings thereon, allocated to a Participant shall be paid to the Participant before the close of the Plan Year following the Plan Year in which the excess contributions were made, and to the extent practicable, within 2½ months of the close of the Plan Year in which the excess contributions were made. However, any excess contributions for any Plan Year shall be reduced by any Deferred Cash Contributions previously returned to the Participant under Section 3.01 for that Plan Year. The Benefits Administration Board shall prescribe procedures for determining which portion of Deferred Cash Contributions is matched by Company Contributions. In the event any Deferred Cash Contributions returned under this Section were matched by Company Contributions, such corresponding Company Contributions, with Earnings thereon, shall be forfeited and used to reduce Company contributions.
- (d) In the event any Company Contributions subject to forfeiture under this Section have been distributed to the Participant, the Company shall make reasonable efforts to recover the contributions from the Participant.

3.10 Contribution Percentage Test

With respect to each Plan Year, the Contribution Percentage for that Plan Year for Highly Compensated Employees who are Participants or eligible to become Participants for that Plan Year shall not exceed the Contribution Percentage for the Plan Year for all NonHighly Compensated Employees for the Plan Year who were Participants or eligible to become Participants during the Plan Year multiplied by 1.25. If the Contribution Percentage for such Plan Year for such Highly Compensated Employees does not meet the foregoing test, the Contribution Percentage for such Highly Compensated Employees for that Plan Year may not exceed the Contribution Percentage for the Plan Year for all NonHighly Compensated Employees for the Plan Year who were Participants or eligible to become Participants during the Plan Year by more than two percentage points, and the Contribution Percentage for such Highly Compensated Employees for the Plan Year may not be more than 2.0 times the Contribution Percentage for the Plan Year for all NonHighly Compensated Employees for the Plan Year who were Participants or eligible to become Participants during the Plan Year (or such lesser amount as the Benefits Administration Board shall determine to satisfy the provisions of Section 3.09). Notwithstanding the foregoing, the Benefits Administration Board may elect to use the Actual Contribution Percentage for NonHighly Compensated Employees for the preceding Plan Year rather than the Plan Year being tested provided that such election must be evidenced by a Plan amendment.

The Benefits Administration Board may implement rules limiting the Employee Contributions, which may be made by some or all Highly Compensated Employees so that this limitation is satisfied. If the Benefits Administration Board determines that the limitation under this Section 3.08 has been exceeded in any Plan Year, the following provisions shall apply:

- (a) The actual contribution ratio of the Highly Compensated Employee with the highest actual contribution ratio shall be reduced to the extent necessary to meet the test or to cause such ratio to equal the actual contribution ratio of the Highly Compensated Employee with the

next highest actual contribution ratio. This process will be repeated until the actual contribution percentage test is passed. Each ratio shall be rounded to the nearest one one-hundredth of 1 percent of a Participant's Statutory Compensation. The amount of Employee Contributions and Company Contributions made by or on behalf of each Highly Compensated Employee in excess of the amount permitted under his or her revised actual contribution ratio shall be added together. This total dollar amount of excess contributions ("excess aggregate contributions") shall then be allocated to some or all Highly Compensated Employees in accordance with the provisions of paragraph (b) below.

- (b) The Employee Contributions and Company Contributions of the Highly Compensated Employee with the highest dollar amount of such contributions shall be reduced by the lesser of (i) the amount required to cause that Employee's Employee Contributions, and Company Contributions to equal the dollar amount of such contributions of the Highly Compensated Employee with the next highest dollar amount of such contributions, or (ii) an amount equal to the total excess aggregate contributions. This procedure is repeated until all excess aggregate contributions are allocated. The amount of excess aggregate contributions allocated to each Highly Compensated Employee, together with Earnings thereon, shall be distributed or forfeited in accordance with the provisions of paragraph (c) below.
- (c) Excess aggregate contributions allocated to a Highly Compensated Employee under paragraph (b) above shall be distributed or forfeited as follows:
 - (i) unmatched Employee Contributions, to the extent of the excess aggregate contributions, together with Earnings, shall be paid to the Participant; and then, if necessary,

- (ii) so much of the matched Employee Contributions and corresponding Company Contributions, together with Earnings, as shall be necessary shall be reduced, with the Employee Contributions, together with Earnings, being paid to the Participant and the Company Contributions, together with Earnings, being forfeited and applied to reduce Company Contributions, then, if necessary
 - (iii) so much of the Company Contributions, together with Earnings, as shall be necessary to equal the balance of the excess aggregate contributions shall be reduced, with the vested Company Contributions, together with applicable Earnings, being paid to the Participant and the Company Contributions which are forfeitable under the Plan, together with applicable Earnings, being forfeited and applied to reduce Company contributions.
 - (iv) The Benefits Administration Board shall prescribe procedures for determining which portion of Employee Contributions is matched by Company Contributions.
- (d) Any repayment or forfeiture of excess aggregate contributions shall be made before the close of the Plan Year following the Plan Year for which the excess aggregate contributions were made, and to the extent practicable, any repayment or forfeiture shall be made within 2½ months of the close of the Plan Year in which the excess aggregate contributions were made. In the event any Company Contributions subject to forfeiture have been distributed to the Participant, the Company shall make reasonable efforts to recover the contributions from the Participant.

3.11 Additional Discrimination Testing Provisions

- (a) If any Highly Compensated Employee is a member of another qualified plan of the Company or an Affiliated Company, including, effective as of January 1, 2006, an employee stock ownership plan described in Section 4975(e)(7) of the Code but

excluding any other qualified plan which must be mandatorily disaggregated under Section 410(b) of the Code, under which deferred cash contributions or matching contributions are made on behalf of the Highly Compensated Employee or under which the Highly Compensated Employee makes after-tax contributions, the Benefits Administration Board shall implement rules, which shall be uniformly applicable to all employees similarly situated, to take into account all such contributions for the Highly Compensated Employee made for the applicable Plan Year under all such plans in applying the limitations of Sections 3.09 and 3.10. If any other such qualified plan has a plan year other than the Plan Year, the contributions to be taken into account in applying the limitations of Sections 3.09 and 3.10 will be those made within the Plan Year.

- (b) In the event that this Plan is aggregated with one or more other plans to satisfy the requirements of Sections 401(a)(4) and 410(b) of the Code (other than for purposes of the average benefit percentage test) or if one or more plans is aggregated with this Plan to satisfy the requirements of such sections of the Code, then the provisions of Sections 3.08, and 3.10 shall be applied by determining the Actual Deferral Percentage and Contribution Percentage of employees as if all such plans were a single plan. If this Plan is permissively aggregated with any other plan or plans for purposes of satisfying the provisions of Section 401(k)(3) of the Code, the aggregated plans must also satisfy the provisions of Sections 401(a)(4) and 410(b) of the Code as though they were a single plan. Plans may be aggregated under this paragraph (b) only if they have the same plan year.
- (c) The Company may elect to use Deferred Cash Contributions to satisfy the tests described in Section 3.10, provided that the test described in Section 3.09 is met prior to such election, and continues to be met following the Company's election to shift the application of those Deferred Cash Contributions from Section 3.09 to Section 3.10 and provided further that the tests described in Section 3.09 and 3.10 are both performed on either a prior year testing method or a current year testing method.

- (d) The Company may authorize that special "qualified nonelective contributions" shall be made for a Plan Year, which shall be allocated in such amounts and to such Participants, who are not Highly Compensated Employees, as the Benefits Administration Board shall determine provided such allocation procedure complies with the applicable provisions of Treasury Regulation Section 1.401(k)-2(a)(6). The Benefits Administration Board shall establish such separate accounts as may be necessary. Qualified nonelective contributions shall be 100 percent nonforfeitable when made. Qualified nonelective contributions made before the last day of the Plan Year ending before July 1, 1989 and earnings credited thereon as of that date may only be withdrawn by a Participant while in service under the provisions of Section 7.04 or 7.05. Any qualified nonelective contributions made on or after the last day of the Plan Year ending before July 1, 1989 and any earnings credited on any qualified nonelective contributions after such date shall only be available for withdrawal under the provisions of Section 7.04. Qualified nonelective contributions made for the Plan Year may be used to satisfy the tests described in Sections 3.09 and 3.10, where necessary.

 - (e) If the Company elects to apply the provisions of Section 410(b)(4)(B) to satisfy the requirements of Section 401(k)(3)(A)(i) of the Code, the Company may apply the provisions of Sections 3.09 and 3.10 by excluding from consideration all eligible employees (other than Highly Compensated Employees) who have not met the minimum age and service requirements of Section 410(a)(1)(A) of the Code.
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3.12 *Maximum Annual Additions*

- (a) The annual addition to a Participant's Accounts for any Plan Year beginning prior to January 1, 2002, which shall be considered the "limitation year" for purposes of Section 415 of the Code, when added to the Participant's annual addition for that Plan Year under any other qualified defined contribution plan of the Company or an Affiliated Company, shall not exceed an amount which is equal to the lesser of (i) 25 percent of his or her aggregate remuneration for that Plan Year or (ii) \$30,000, as adjusted pursuant to Section 415(d) of the Code. With respect to Plan Years (which shall be considered the "limitation year") beginning after December 31, 2001 and except to the extent permitted under Section 3.16 of the Plan and Section 414(v) of the Code, if applicable, the annual addition that may be contributed or allocated to a Participant's account under the Plan or any other qualified defined contribution plan of the Company or an Affiliated Company, for any limitation year shall not exceed the lesser of:
- (i) \$40,000, as adjusted for increases in the cost-of-living under Section 415(d) of the Code, or
 - (ii) 100 percent of the Participant's remuneration for the limitation year.

The remuneration limit referred to in (b) 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.

- (b) For purposes of this Section, the "annual addition" to a Participant's Accounts under this Plan or any other qualified defined contribution plan (including a deemed qualified defined contribution plan under a qualified defined benefit plan) maintained by the Company or an Affiliated Company shall be the sum of:
- (i) the total contributions, including Deferred Cash Contributions, made on the Participant's behalf by the Company and all Affiliated Companies,

(ii) all Participant contributions, exclusive of any Rollover Contributions and Catch-Up Contributions, and

(iii) forfeitures, if applicable, that have been allocated to the Participant's Accounts under this Plan or his or her accounts under any other such qualified defined contribution plan, and
(iv) solely for purposes of clause (i) of paragraph (a) above, amounts described in Sections 415(1)(1) and 419A(d)(2) allocated to the Participant.

For purposes of this paragraph (b), any Deferred Cash Contributions distributed under Section 3.09 and any Company Contributions or Employee Contributions distributed or forfeited under the provisions of Section 3.01, 3.09, 3.10 or 3.11 shall be included in the annual addition for the year allocated. However, (i) any loan repayments made under Article 8, (ii) amounts required to be repaid under Section 6.03 as a condition of the restoration of a Participant's forfeited Company Contribution Account balance, (iii) any excess deferrals timely distributed from the Plan under Section 3.01(c) or (d), and (iv) any Catch-up Contributions, shall be excluded from the definition of Annual Addition.

(c) For purposes of this Section, the term "remuneration" with respect to any Participant shall mean the wages, salaries and other amounts paid in respect of such Participant by the Company or an Affiliated Company for personal services actually rendered, and shall include amounts contributed by the Company pursuant to a salary reduction agreement which are not includible in the gross income of the employee under Section 125, 132(f), 402(g)(3), 414(v) or 457(b) of the Code, but shall exclude deferred compensation, stock options and other distributions which receive special tax benefits under the Code.
For Plan Years beginning on or after July 1, 2007, "remuneration" shall also include:

- (i) salary continuation payments for military service as described in Treasury Regulation Section 1.415(c)-2(e)(4),
- (ii) compensation paid after severance from employment as described in Treasury Regulation Section 1.415(c)-2(e)(3)(i), (ii) and (iii)(A),
- (iii) foreign income as described in Treasury Regulation Section 1.415(c)-2(g)(5)(i), excluding amounts described in Treasury Regulation Section 1.415(c)-2(g)(5)(ii).

Payments not described above, including, but not limited to, amounts described in Treasury Regulation Section 1.415(c)-2(e)(3)(iii)(B) and (iv), shall not be considered remuneration if paid after severance from employment, even if such amounts are paid by the later of 2½ months after the date of severance from employment or the end of the Plan Year that includes the date of severance from employment, except compensation used to determine Basic Retirement Contributions described in Section 3.04(b) with respect to a Participant who is permanently and totally disabled as defined in Section 22(e)(3) of the Code. Effective for Plan Years beginning on or after July 1, 2007, remuneration shall not exceed the limitation on compensation under Section 401(a)(17) of the Code.

- (d) With respect to Plan Years beginning prior to July 1, 2007, if the annual addition to a Participant's Accounts for any Plan Year, prior to the application of the limitation set forth in paragraph (a) above, exceeds that limitation due to a reasonable error in estimating a Participant's annual compensation or in determining the amount of Deferred Cash Contributions that may be made with respect to a Participant under Section 415 of the Code, or as the result of the allocation of forfeitures, the amount of contributions credited to the Participant's Accounts in that Plan Year shall be adjusted to the extent necessary to satisfy that limitation in accordance with the following order of priority:

- (i) The Participant's unmatched Employee Contributions under Section 3.02 shall be reduced to the extent necessary. The amount of the reduction shall be returned to the Participant, together with any earnings on the contributions to be returned.
- (ii) The Participant's unmatched Pre-tax Contributions shall be reduced to the extent necessary. The amount of the reduction shall be returned to the Participant together with any earnings on the contributions to be returned.
- (iii) The Participant's matched Pre-tax Contributions and corresponding Company Contributions shall be reduced to the extent necessary. The amount of the reduction attributable to the Participant's matched Employee Contributions shall be returned to the Participant, together with any earnings on those contributions to be returned, and the amount attributable to the Company Contributions shall be forfeited and used to reduce subsequent contributions payable by the Company.
- (iv) The Participant's matched Deferred Cash Contributions and corresponding Matching Contributions shall be reduced to the extent necessary. The amount of the reduction attributable to the Participant's matched Deferred Cash Contributions shall be returned to the Participant, together with any earnings on those contributions to be returned, and the amount attributable to the Matching Contributions shall be forfeited and used to reduce subsequent contributions payable by the Company.

Any Deferred Cash Contributions returned to a Participant under this paragraph (d) shall be disregarded in applying the dollar limitation on Deferred Cash Contributions under Section 3.01(b), and in performing the Actual Deferral Percentage Test under Section 3.09. Any Employee Contributions returned under this paragraph (d) shall be disregarded in performing the Contribution Percentage Test under Section 3.10.

Notwithstanding the foregoing, effective for Plan Years beginning on and after July 1, 2007, to the extent that the annual additions to a Participant's Accounts exceed the limitation set forth in paragraph (a), corrections shall be made in a manner consistent with the provisions of the Employee Plans Compliance Resolution System as set forth in Revenue Procedure 2008-50 or any subsequent guidance.

3.13 Return of Contributions

- (a) If all or part of the Company's deductions for contributions to the Plan are disallowed by the Internal Revenue Service, the portion of the contributions to which that disallowance applies shall be returned to the Company without interest but reduced by any investment loss attributable to those contributions, provided that the contribution is returned within one year after the disallowance of deduction. For this purpose, all contributions made by the Company are expressly declared to be conditioned upon their deductibility under Section 404 of the Code.
- (b) The Company may recover without interest the amount of its contributions to the Plan made on account of a mistake of fact, reduced by any investment loss attributable to those contributions, if recovery is made within one year after the date of those contributions.
- (c) In the event that Pre-tax Contributions made under Section 3.01 or 3.16 are returned to the Company in accordance with the provisions of this Section, the elections to reduce Compensation, which were made by Participants on whose behalf those contributions were made, shall be void retroactively to the beginning of the period for which those contributions were made. The Pre-tax Contributions so returned shall be distributed in cash to those Participants for whom those contributions were made, provided, however, that if the contributions are returned under the provisions of paragraph (a) above, the amount of Pre-tax Contributions to be distributed to Participants shall be adjusted to reflect any investment gains or losses attributable to those contributions.

3.14 Contributions Not Contingent Upon Profits

The Company may make contributions to the Plan without regard to the existence or the amount of current and accumulated earnings and profits. Notwithstanding the foregoing, however, this Plan is designed to qualify as a "profit-sharing plan" for all purposes of the Code.

3.15 Contributions During Period of Military Leave

- (a) 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.
- (b) Without regard to any limitations on contributions set forth in this Article 3, with respect to a Participant who is reemployed and is credited with Years of Service under the provisions of Section 1.56(b) because of a period of service in the uniformed services of the United States, contributions shall be made in accordance with this Section. For purposes of determining the amount of contributions under this Section, an eligible Participant's Compensation for the period of absence shall be deemed to be the rate of Compensation he or she would have received had he or she remained employed as an Employee for that period or, if such rate is not reasonably ascertainable, on the basis of the Participant's rate of Compensation during the 12-month period immediately preceding such period of absence (or if shorter, the Participant's period of employment immediately preceding such period). Earnings (or losses) on contributions under this Section shall be credited in accordance with the provisions of Article 4, commencing with the dates the contributions are made to the Trust.

- (i) Such Participant may elect to contribute to the Plan the Pre-tax Contributions and/or Employee Contributions that could have been contributed to the Plan in accordance with the provisions of the Plan had he or she remained continuously employed by the Company throughout such period of absence ("make-up contributions"). For purposes of determining the amount of make-up contributions a Participant may make, his or her Compensation for the period of absence shall be deemed to be the rate of Compensation he would have received had he or she remained employed as an Employee of that period, or if such rate is not reasonably ascertainable, on the basis of the Participant's rate of Compensation during the 12- month period immediately preceding such period of absence (or if shorter, the period of employment immediately preceding such period). Any Pre-tax Contributions and/or Employee Contributions so determined shall be limited as provided in Sections 3.01, 3.02, 3.09, 3.10, 3.11 and 3.16 with respect to the Plan Year or Years to which such contributions relate rather than the Plan Year in which payment is made. Any payment to the Plan described in this paragraph shall be made during the applicable repayment period. The make-up contributions may be made over a period not to exceed three times the period of military leave or five years, if less, but in no event later than the Participant's termination of employment (unless he or she is subsequently rehired). The make-up period shall start on the later of: (i) the Participant's date of reemployment, or (ii) the date the Company notifies the Employee of his or her rights under this Section. Earnings (or losses) on make-up contributions shall be credited commencing with the date the make-up contribution is made in accordance with the provisions of Article 4.
- (ii) With respect to a Participant who makes the election described in subparagraph (i) above, the Company shall make Company Contributions on the make-up

contributions in the amount described in the provisions of Section 3.03, as in effect for the Plan Year to which such make-up contributions relate. Company Contributions under this paragraph shall be made to the Plan at the same time as Company Contributions required to be made for Pre-tax Contributions made during the same period as the make-up contributions are actually made. Earnings (or losses) on Company Contributions shall be credited commencing with the date the contributions are made in accordance with the provisions of Article 4. Any limitations on Company Contributions described in Sections 3.03, 3.09 and 3.10 shall be applied with respect to the Plan Year or Years to which such contributions relate rather than the Plan Year or Years in which payment is made.

- (iii) The Company shall make any Basic Retirement Contributions or Discretionary Profit Sharing Contributions on behalf of such Participant that would have been contributed to the Plan on his or her behalf in accordance with Sections 3.04 and 3.05 had the Participant remained continuously employed by the Company throughout such period of absence ("make-up Non-Matching Contributions"). Such make-up Non-Matching Contributions shall be made within 90 days following the Participant's reemployment or when the contribution is otherwise due for the Plan Year in which the absence occurs, if later; provided however if it is impossible or unreasonable for the Employer to make the contribution within that time period, the contributions will be made as soon as practicable following the Participant's date of reemployment. Make-up Non-Matching Contributions so determined shall be limited as provided in Sections 3.04 and 3.05 with respect to the Plan Year or Plan Years to which such contributions relate rather than the Plan Year in which the payment is made.

- (c) With respect to a Participant who dies while performing qualified military service (as defined in Section 414(u) of the Code, the Company shall make the Non-Matching Contributions and Matching Contributions on such Participant's behalf that would have been made had the Participant remained employed to the date of his death. Matching Contributions made under this paragraph shall be determined based on the average actual Deferred Cash, Catch-up or Employee Contributions the Participant made for the 12- month period of employment immediately preceding the Participant 's qualified military service (or, if shorter, the Participant's period of employment as an Employee of the Company immediately preceding such qualified military service).
- (d) Notwithstanding any other provisions of this Section, the maximum amount of make-up contributions made by or on behalf of a Participant shall be reduced by the actual amount of Non-Matching Contributions, Deferred Cash Contributions (including Catch-Up Contributions), Employee Contributions, Basic Retirement Contribution, Discretionary Profit Sharing Contribution and/or Company Contributions, as applicable, made by or on behalf of the Participant during his or her period of qualified military service.
- (e) All contributions under this Section are considered "annual additions," as defined in Section 415(c)(2) of the Code, and shall be limited in accordance with the provisions of Section 3.12 with respect to the Plan Year or Years to which such contributions relate rather than the Plan Year in which payment is made.

3.16 Catch-up Contributions

Effective for Plan Years beginning on and after December 31, 2001, a Participant who is eligible to make Deferred Cash Contributions under the Plan and who has attained or will have attained age 50 before the last day of the Participant's taxable year, may elect, in accordance with

procedures prescribed by the Benefits Administration Board, to make Catch-up Contributions for any Participant's taxable year in accordance with, and subject to the limitations of, Section 414(v) of the Code. Such Catch-Up Contributions shall be subject to the following special rules:

- (a) A Participant's Catch-Up Contributions shall not be taken into account for purposes of applying the limitations under Sections 402(g) and 415 of the Code and Participants' Catch-Up Contributions shall not be taken into account in applying the Actual Deferral Percentage test under Section 3.09.
- (b) The Plan shall not be treated as failing to satisfy the provisions of the Plan implementing the requirements of Section 401(k)(3), 401(k)(11), 401(k)(12), 410(b), or 416 of the Code, as applicable, by reason of making such Catch-Up Contributions.
- (c) The determination of whether a Deferred Cash Contribution under this Section constitutes a Catch-Up Contributions shall be made in accordance with Section 414(v) of the Code and the regulations issued thereunder on the last day of the Plan Year (or in the case of Section 415 of the Code, the Limitation Year, except that, with respect to Deferred Cash Contributions in excess of an applicable limit that is tested on the basis of taxable year or calendar year (e.g., the limit under Section 401(a)(30) of the Code) the determination of whether such Deferred Cash Contributions are treated as Catch-Up Contributions is made at the time they are deferred". Pre-tax Contributions that are intended to be Catch-Up Contributions for a taxable year but do not qualify as Catch-Up Contributions for such year shall be treated for all purposes under the Plan as Deferred Cash Contributions made under Section 3.01.
- (d) In the event that the sum of a Participant's Catch-Up Contributions and similar contributions to any other qualified defined contribution plan and/or Code Section 403(b) plan maintained by the Company or an Affiliated Company exceeds the dollar limit on catch-up contributions under Section 414(v) of the Code for any calendar year as in effect for such calendar year, the Participant shall be deemed to have elected a return

- of the Catch-Up Contributions in excess of the limit under Section 414(v) of the Code and such amount shall be treated in the same manner as "excess deferrals" under Section 3.01(c).
- (e) If a Participant makes catch-up contributions under a qualified defined contribution plan and/or Code Section 403(b) plan maintained by an employer other than the Company or an Affiliated Company for any calendar year and those contributions when added to his or her Catch-Up Contributions exceed the dollar limit on catch-up contributions under Section 414(v) of the Code for that calendar year, the Participant may allocate all or a portion of such "excess catch-up contributions" to this Plan. In the event such Participant notifies the Benefits Administration Board of the "excess catch-up contributions" in the same manner as is required for allocated "excess deferrals" under Section 3.01(d), such "excess catch-up contributions" shall be distributed in the same manner as "excess deferrals" under Section 3.01(d).
 - (f) A Participant's Catch-Up Contributions shall be subject to the same withdrawal and distribution restrictions as Deferred Cash Contributions made under Section 3.01.

ARTICLE 4. INVESTMENT OF CONTRIBUTIONS

4.01 Investment Funds

- (a) Contributions to the Plan shall be invested by the Trustee as directed by the Participant in accordance with the provisions of this Article 4 (or beneficiary in the event of the death of a Participant) in one or more of the following Investment Funds:
 - (i) the Company Stock Fund or
 - (ii) one or more other Investment Funds, as authorized by the Plan Asset Committee (prior to March 11, 1999, the Benefits Administration Board) which from time to time may include such equity funds, international equity funds, fixed income funds, money market funds, life-cycle fund, target date fund and other funds as the Plan Asset Committee elects to offer.
- (b) In any Investment Fund, the Trustees may keep such amounts of cash as it, in its sole discretion, shall deem necessary or advisable as part of the Funds, all within the limitations specified in the trust agreement.
- (c) Dividends, interest, and other distributions received on the assets held by the Trustees in respect to each of the above Funds shall be reinvested in the respective Fund.
- (d) For the purpose of determining the value of the John Wiley & Sons, Inc. common stock held in the Company Stock Fund, such stock shall be valued as of the closing quoted selling price of such stock on the New York Stock Exchange composite tape on the business day such stock is delivered to the Trustee unless otherwise prescribed by the Plan Asset Committee.

4.02 Investment of Participants' Accounts

A Participant shall make two investment elections, one covering the contributions made to his or her Employee Contribution Account, Deferred Account, Basic Retirement Contribution Account, Catch-up Contribution Account, Company Contribution Account and Discretionary Profit-Sharing Contribution Account, and other covering contributions to his or her Rollover Account, in accordance with one of the following options:

- (a) 100 percent in one of the available Investment Funds other than the Company Stock Fund; or
- (b) in more than one Investment Fund allocated in multiples of 1 percent, provided, however, that amounts invested in the Company Stock Fund shall not exceed 25%.

Effective as of July 1, 2006, if a Participant fails to make an investment election, any contributions made on the Participant's behalf shall be invested in the Plan investment fund as determined by the Plan Asset Committee.

4.03 Responsibility for Investments

Each Participant is solely responsible for the selection of his or her investment options. The Trustees, the Benefits Administration Board, the Plan Asset Committee, the Company, and the officers, supervisors and other employees of the Company are not empowered to advise a Participant as to the manner in which his or her Accounts shall be invested. The fact that an Investment Fund is available to Participants for investment under the Plan shall not be construed as a recommendation for investment in the Investment Fund.

4.04 Change of Election

A Participant may change his or her investment election under Section 4.02 by giving such advance Notice as the Benefits Administration Board shall prescribe. Such changed investment election shall become effective as soon as administratively practicable following such Notice, and shall be effective only with respect to subsequent contributions.

4.05 *Transfer of Accounts Among the Funds*

A Participant may elect to transfer all or any portion of his or her Accounts among the Investment Funds, in multiples of 1 percent by giving such advance Notice as the Benefits Administration Board shall prescribe; provided, however, that amounts invested in the Company Stock Fund shall not exceed 25% and a Participant's right of transfer shall be subject to any restriction imposed by the Investment Fund or the Benefits Administration Board. Such transfer shall be effective as soon as administratively practicable following such Notice.

4.06 *Limitations Imposed by Contract, Prospectus or Other Documents of Similar Import* Notwithstanding anything in this Article to the contrary, any amounts invested in a fund of guaranteed investment contracts or an investment fund covered by a prospectus or other document of similar import or effect shall be subject to any and all terms of such contracts, prospectus or other documents of similar import or effect, including any limitations therein placed on the exercise of any rights otherwise granted to a Participant under any other provisions of this Plan with respect to such amounts..

4.07 *ERISA Section 404(c) Compliance*

This Plan is intended to constitute a plan described in Section 404(c) of ERISA. The fact that an Investment Fund is available to Participants for investment under the Plan shall not be construed as a recommendation for investment in the Investment Fund.

4.08 Additional Rules for Allocation of Earnings

In addition to the rules in this Article 4 providing for the allocation of income or earnings with respect to the Investment Funds under this Plan, the Plan Asset Committee shall have the authority and discretion to determine the allocation or use of any other funds that may accrue to the Plan as a result of any investments, insurance policies or other events, including, but not limited to, the settlement of litigation involving any such funds or the demutualization of an insurance company holding assets of the Plan in one or more group annuity contracts. The Plan Asset Committee shall have the discretion to allocate such amounts to the Investment Fund or Funds that gave rise to such amounts, based on the proportion of the Accounts invested in such Investment Funds. The receipt by the Plan of any such funds shall not be construed as giving any Participant any right, title or interest in or to any such funds.

4.09 Participants Directing Investment to be Named Fiduciaries

To the extent that a Participant exercises control over the investment of the assets in his or her Account in accordance with the provisions of this Article, he shall be deemed a Named Fiduciary within the meaning of Section 402(a)(2) of ERISA.

ARTICLE 5. VALUATION OF THE ACCOUNTS

5.01 Maintenance of Records

The Benefits Administration Board shall maintain, or provide for the maintenance of individual accounts for each Participant that reflect the amount in his or her Employee Contribution Account, Deferred Account, Transfer ESOP Account, Catch-up Contribution Account, Company Contribution Account, Basic Retirement Contribution Account, Discretionary Profit Sharing Contribution Account and Rollover Account.

5.02 Valuation of the Investment Funds

On each Valuation Date there shall be allocated to the Accounts of each Participant his or her proportionate share of the increase or decrease in the fair market value of his or her Accounts in each of the Funds. Whenever an event requires a determination of the value of the Participant's Accounts, the value shall be computed as of the Valuation Date coincident with or immediately following the date of determination, subject to the provisions of Section 5.03.

5.03 Discretionary Power of the Benefit Administration Board

The Benefit Administration Board reserves the right to change from time to time the procedures used in valuing the Accounts or crediting (or debiting) the Accounts if it determines, after due deliberation and upon the advice of counsel and/or the current recordkeeper, that such an action is justified in that it results in a more accurate reflection of the fair market value of assets. In the event of a conflict between the provisions of this Article and such new administrative procedures, those new administrative procedures shall prevail.

5.04 Valuation Dates

The Benefits Administration Board shall establish procedures for determining the Valuation Dates, which shall apply for withdrawals, distributions, or other relevant purposes. Valuation Dates need not be the same for all purposes. The Investment Funds shall generally be revalued by the Trustees on each trading day of the New York Stock Exchange.

5.05 Statement of Accounts

A Participant (or, in the event of the death of the Participant, a Beneficiary) shall be furnished with a statement setting forth the value of his or her Accounts, the Vested Portion of his or her Accounts and such other information as required under Section 105(a) of ERISA. Such statement shall be furnished in the time and manner prescribed by Section 105(a) of ERISA and related guidance thereto.

ARTICLE 6. VESTED PORTION OF ACCOUNTS

6.01 Employee Contribution Account, Deferred Account, Transfer ESOP Account, Catch-up Contribution Account and Rollover Account

A Participant shall at all times be 100 percent vested in, and have a nonforfeitable right to, his or her Employee Contribution Account, Deferred Account, Transfer ESOP Account, Catch-up Contribution Account and Rollover Account.

6.02 Basic Retirement Contribution Account and Discretionary Profit-Sharing Contribution Account

A Participant shall be at all times 100 percent vested in, and have a nonforfeitable right to, his or her Basic Retirement Contribution Account and Discretionary Profit-Sharing Contribution Account.

6.03 Company Contribution Account

(a) A Participant shall be vested in, and have a nonforfeitable right to, his or her Company Contribution Account in accordance with the following schedule:

<u>Years of Participation</u>	<u>Nonforfeitable Percentage</u>
less than 1 year	0%
1 but less than 2 years	34
2 but less than 3 years	67
3 or more years	100

Notwithstanding the foregoing, a Participant shall be 100 percent vested in, and have a nonforfeitable right to, his Company Contribution Account upon completion of five Years of Service. Notwithstanding the foregoing, a Participant who completes at least one Hour of Service on or after January 1, 2002 shall be 100 percent vested in, and have a nonforfeitable right to, his or her Company Contributions Account upon the completion of three Years of Service.

Except as otherwise provided in Appendix A, a Participant who completes at least one Hour of Service on or after January 1, 2011, shall be vested in, and have a nonforfeitable right to, his or her Company Contribution Account in accordance with the following schedule:

<i>Years of Service</i>	<i>Nonforfeitable Percentage</i>
less than 1 year	0%
1 but less than 2 years	34
2 but less than 3 years	67
3 or more years	100

- (b) Notwithstanding the foregoing, a Participant shall be 100 percent vested in, and have a nonforfeitable right to, his or her Accounts if while employed by the Company or an Affiliated Company a Participant dies, incurs a Disability or attains age 65.
- (c) Notwithstanding the foregoing, a Participant who dies or (effective as of January 1, 2010, incurs a Disability) while in qualified military service (as defined in Section 414(u) of the Code) and while his or her reemployment rights are protected by the Uniformed Services Employment and Reemployment Rights Act of 1994 and any related legislation or guidance, he or she shall be considered to have died or incurred such Disability while employed by the Company or an Affiliated Company and he or she shall be 100 percent vested in his Company Contribution Account as of the date of his or her death or Disability.

- (d) Notwithstanding any Plan provision to the contrary, a Participant who completes at least one Hour of Service on or after January 1, 2014 shall be 100 percent vested in, and have a nonforfeitable right to, his or her Company Contribution Account.

6.04 Disposition of Forfeitures

- (a) Upon termination of employment of a Participant who was not fully vested in his or her Company Contribution Account, the non-vested portion of his or her Company Contribution Account shall not be forfeited until the Participant has a period of Break in Service of five years or receives a distribution of the Vested Portion of his or her Accounts, if earlier. If the former Participant is not reemployed by the Company or an Affiliated Company before he or she has a period of Break in Service of five years or receives such a distribution, the non-vested portion of his or her Company Contribution Account shall be forfeited. Any amounts forfeited pursuant to this paragraph (a) (or any other provision of the Plan) shall be applied, in the discretion of the Benefits Administration Board, to any one or more of the following: (1) to restore (unadjusted by any gains or losses) amounts previously forfeited which are being restored in accordance with paragraph (b); (2) to pay for those administrative expenses which are properly payable under the Plan; or (3) to reduce Company Contributions. If the amount of the Vested Portion of a Participant's Company Contribution Account at the time of his or her termination of employment is zero and the Participant had not at any time made Deferred Cash Contributions to the Plan, the Participant shall be deemed to have received a distribution of such zero vested benefit.
- (b) If an amount of a Participant's Company Contribution Account has been forfeited in accordance with paragraph (a) above, that amount shall be subsequently restored to the Participant's Company Contribution Account provided (i) he or she is reemployed by the

Company or an Affiliated Company before he or she has a period of Break in Service of five years and (ii) he or she repays to the Plan during his or her period of reemployment and within five years of his or her date of reemployment an amount in cash equal to the full amount distributed to him or her from the Plan on account of his or her termination of employment, other than the amount attributable to Rollover Contributions made under Section 3.04, provided, however, that he or she may elect to repay to the Plan all or part of that amount as well, subject to the limitations of Section 3.11. Repayment shall be made in one lump sum.

- (c) In the event that any amounts to be restored by the Company to a Participant's Company Contribution Account have been forfeited under paragraph (a) above, those amounts shall be taken first from any forfeitures which have not as yet been applied against Company contributions and if any amounts remain to be restored, the Company shall make a special Company contribution equal to those amounts.

ARTICLE 7. WITHDRAWALS WHILE STILL EMPLOYED

7.01 Withdrawal of Employee Contributions

- (a) A Participant may, subject to Section 7.06, elect to withdraw all or part of the Employee Contributions in his or her Employee Contribution Account made before January 1, 1987, not to exceed his or her non-taxable basis, excluding earnings thereon.
- (b) A Participant who has withdrawn the amounts described in paragraph (a) above may, subject to Section 7.06, elect to withdraw all or part of his or her Employee Contribution Account attributable to Employee Contributions made on or after January 1, 1987, with earnings thereon. Notwithstanding the preceding sentence, a Participant who has not been a Participant for at least five years as of the date of the withdrawal may not withdraw his or her matched Employee Contributions, if any, made within the 24-month period preceding the date of withdrawal.
- (c) A Participant who has withdrawn the amounts described in paragraphs (a) and (b) above may, subject to Section 7.06, elects to withdraw the remaining amounts in his or her Employee Contribution Account attributable to Employee Contributions made before January 1, 1987.
- (d) Any such withdrawal under the preceding paragraphs of this Section 7.01 shall be made no more than twice in any calendar year.

7.02 Withdrawal of Rollover Contributions

A Participant who has withdrawn the amounts available for withdrawal under Section 7.01 may, subject to Section 7.06, elect to withdraw all or part of his or her Rollover Account.

7.03 Withdrawal of Company Contributions

- (a) Except as otherwise provided in Appendix A, a Participant who has withdrawn the total amount available for withdrawal under Sections 7.01 and 7.02 and who is vested in his or her Company Contribution Account may, subject to Section 7.06, elect to withdraw once during any calendar year up to 50 percent of the Vested Portion of his or her Company Contribution Account attributable to Company contributions which have been credited to his or her Company Contribution Account for at least 24 months.
- (b) A Participant who makes any withdrawal from his or her Company Contribution Account shall be prohibited from making further contributions to his or her Deferred Account, Catch-up Contribution Account or Employee Contribution Account for a period of six calendar months commencing with the month following the month in which his or her request for withdrawal is received by the Benefits Administration Board, or if later, following the end of any suspension period pursuant to this Section 7.03. Upon the expiration of the six-month period, a Participant can re-elect, in accordance with Sections 3.01, 3.02 and 3.16 of the Plan, to make contributions to his or her Deferred Account, Catch-up Contribution Account or Employee Contribution Account.

7.04 Withdrawal After Age 59½

- (a) A Participant who shall have attained age 59½ as of the effective date of any withdrawal pursuant to this Section may, (prior to January 1, 2002, no more than once in any calendar year) and subject to Section 7.06, elect to withdraw in the following order all or part of (a)

the Employee Contributions in his or her Employee Contribution Account made before January 1, 1987, not to exceed his or her non-taxable basis, (b) the portion of his or her Employee Contribution Account attributable to Employee Contributions made on or after January 1, 1987, with earnings thereon, (c) the remainder of his or her Employee Contribution Account, (d) his or her Rollover Account, (e) the Vested Portion of his or her Company Contribution Account, (f) his or her Transfer ESOP Account, (g) his or her Deferred Account and Catch-up Contribution Account, (h) his or her Basic Retirement Contribution Account, and then his or her Discretionary Profit Sharing Contribution Account.

7.05 Hardship Withdrawal

- (a) Except as otherwise provided in Appendix A, a Participant who has not yet attained age 59½ may, no more than once in any calendar year and subject to Section 7.06, elect to withdraw in the following order all or part of (i) the Employee Contributions in his or her Employee Contribution Account made before January 1, 1987, not to exceed his or her non-taxable basis, (ii) the portion of his or her Employee Contribution Account attributable to Employee Contributions made on or after January 1, 1987, with earnings thereon, (iii) the remainder of his or her Employee Contribution Account, (iv) his or her Rollover Account, (v) the Vested Portion of his or her Company Contribution Account, (vi) his or her Transfer ESOP Account, and then (vii) his or her Pre-tax Contributions and any earnings credited to his or her Deferred Account prior to the last day of the Plan Year ending before July 1, 1989, provided that he or she furnishes proof of "Hardship" satisfactory to the Benefits Administration Board in accordance with the provisions of paragraphs (b) and (c) below.

- (b) As a condition for Hardship there must exist with respect to the Participant an immediate and heavy financial need to draw upon his or her Accounts.
- (i) The Benefits Administration Board shall presume the existence of such immediate and heavy financial need if the requested withdrawal is on account of any of the following:
- (A) expenses for (or necessary to obtain) medical care that would be deductible under Section 213(d) of the Code (determined without regard to whether the expenses exceed 7.5 percent of adjusted gross income);
 - (B) costs directly related to the purchase of a principal residence of the Participant (excluding mortgage payments);
 - (C) payment of tuition and related educational fees, and room and board expenses, for the next 12 months of post-secondary education of the Participant, his or her spouse, children or dependents (as defined in Section 152 of the Code and determined without regard to Sections 152(b)(1), (b)(2) and (d)(1)(B) of the Code);
 - (D) effective as of January 1, 2006, payment of amounts necessary to prevent eviction of the Participant from his or her principal residence or to avoid foreclosure on the mortgage of his or her principal residence;
 - (E) effective as of January 1, 2006, payments for burial or funeral expenses for the Participant's deceased parent, spouse, children or dependents (as defined in Section 152 of the Code and without regard to Section 152(d)(1)(B) of the Code);
 - (F) effective as of January 1, 2006, expenses for the repair of damages to the Participant's principal residence that would qualify for the casualty deduction under Section 165 of the Code (determined without regard to

- (G) whether the loss exceeds 10 percent of the Participant's adjusted gross income); or
- (G) the inability of the Participant to meet such other expenses, debts, or other obligations recognized by the Internal Revenue Service as giving rise to an immediate and heavy financial need for purposes of Section 401(k) of the Code.
- (ii) Notwithstanding the foregoing, if a Participant requests a Hardship withdrawal from only his or her Employee Contribution Account, the Benefits Administration Board may determine, but is not required to determine, the existence of immediate and heavy financial need in situations other than those described in (A) through (G) above where the Participant demonstrates the withdrawal is necessary for one of the following reasons:
 - (A) the payment of uninsured expenses relating to the Participant's principal residence (preservation or renovation);
 - (B) satisfaction of tax liens or defaulted loans;
 - (C) payment of unpaid child support or alimony/maintenance obligations;
 - (D) payment of expenses relating to adoption or placement of a relative in an extended care facility;
 - (E) payment of reasonable funeral expenses for a family member not described in clause (b)(i)(E) above;
 - (F) payment of legal fees for defense of civil or criminal action for the Participant, his spouse, or dependents (as defined in Section 152 of the Code); or
 - (G) any other reason which the Benefits Administration Board may deem appropriate, with reference to all the relevant facts and circumstances and in accordance with applicable tax laws under Section 401(k) of the Code and its applicable regulations.

Notwithstanding any Plan provision to the contrary, in the event a Participant elects to withdraw under the provisions of this Section 7.05 any portion of his or her Company Contribution Account in excess of the amount of said Account which is available for withdrawal pursuant to Section 7.03 and/or any portion of his or her Transfer ESOP Account, Deferred Account or Catch-up Contribution Account, the Participant's Pre-tax Contributions and Employee Contributions shall be suspended for 6 months after receipt of the distribution.

The amount of a hardship withdrawal may not be in excess of the amount of the financial need of the employee, including any amounts necessary to pay any federal, state or local taxes and any amounts necessary to pay any penalties reasonably anticipated to result from the hardship distribution.

In evaluating the relevant facts and circumstances, the Benefits Administration Board shall act in a nondiscriminatory fashion and shall treat uniformly those Participants who are similarly situated. The Participant shall furnish to the Benefits Administration Board such supporting documents as the Benefits Administration Board may request in accordance with uniform and nondiscriminatory rules prescribed by the Benefits Administration Board.

- (c) As a condition for a Hardship withdrawal, the Participant must demonstrate that the requested withdrawal is necessary to satisfy the financial need described in paragraph (b) as follows:
 - (i) If a withdrawal will not be made from a Participant's Deferred Account or Catch-up Contribution Account, the Participant shall certify to the Benefits

Administration Board, on such form as the Benefits Administration Board shall prescribe, that the financial need cannot be met by reimbursement from insurance or by withdrawing all available amounts under the Plan. A Participant may withdraw an amount from his or her Employee Contribution Account under this subparagraph even if two withdrawals have been made from that Account during the calendar year and/or withdraw an amount from his or her Company Contribution Account even if a withdrawal has been made from that Account during the calendar year.

- (ii) If the withdrawal will be made from a Participant's Deferred Account or Catch-up Contribution Account, the Participant who requests a hardship withdrawal to satisfy a financial need described in (b)(i) above must comply with (A) or (B) as follows:

(A) The Participant must certify to the Benefits Administration Board, on such form as the Benefits Administration Board may prescribe, that the financial need cannot be fully relieved (1) through reimbursement or compensation by insurance or otherwise, (2) by reasonable liquidation of the Participant's assets, (3) by cessation of Deferred Cash Contributions, Employee Contributions and Catch-up Contributions, or (4) by other distributions or nontaxable (at the time of the loan) loans from the Plan or other plans of the Company or Affiliated Companies or by borrowing from commercial sources at a reasonable rate in an amount sufficient to satisfy the need. The actions listed are required to be taken to the extent necessary to relieve the hardship but any action, which would have the effect of increasing the hardship, need not be taken. For purposes of this clause (A), there shall be attributed to the Participant those assets of the Participant's spouse and minor children, which are reasonably available to

the Participant. The Participant shall furnish to the Benefits Administration Board such supporting documents as the Benefits Administration Board may request in accordance with uniform and nondiscriminatory rules prescribed by the Benefits Administration Board. If, on the basis of the Participant's certification and the supporting documents, the Benefits Administration Board finds it can reasonably rely on the Participant's certification, then the Benefits Administration Board shall find that the requested withdrawal is necessary to meet the Participant's financial need.

- (B) The Participant must request, on such form as the Benefits Administration Board shall prescribe, that the Benefits Administration Board make its determination of the necessity for the withdrawal solely on the basis of his or her application. In that event, the Benefits Administration Board shall make such determination, provided all of the following requirements are met: (1) the Participant has obtained all distributions, other than distributions available only on account of hardship, and all nontaxable loans currently available under all plans of the Company and Affiliated Companies, (2) the Participant is prohibited from making Deferred Cash Contributions, Catch-up Contributions and Employee Contributions to the Plan and all other plans of the Company and Affiliated Companies under the terms of such plans or by means of an otherwise legally enforceable agreement for at least 12 months after receipt of the distribution, and (3) the limitation described in Section 3.01(b) under all plans of the Company and Affiliated Companies for the calendar year following the year in which the withdrawal is made must be reduced by the Participant's elective deferrals made in the calendar year of the distribution for

hardship. For purposes of clause (2), "all other plans of the Company and Affiliated Companies" shall include stock option plans, stock purchase plans, qualified and non-qualified deferred compensation plans and such other plans as may be designated under regulations issued under Section 401(k) of the Code, but shall not include health and welfare benefit plans and the mandatory employee contribution portion of a defined benefit plan.

Notwithstanding the foregoing, a Participant who receives a distribution of Deferred Cash Contributions after December 31, 2001 on account of hardship shall be prohibited from making deferred cash contributions, catch-up contributions and employee contributions under this and all other plans of the Company or an Affiliated Company for 6 months after receipt of the distribution, and a Participant who receives a distribution of Deferred Cash Contributions in calendar year 2001 on account of hardship shall be prohibited from making Deferred Cash Contributions and employee contributions under this and all other plans of the Company and Affiliated Company for 6 months after receipt of the distribution or until January 1, 2002, if later. Upon the expiration of the 6 month period, a Participant can re-elect, in accordance with Sections 3.01, 3.02 and 3.15 of the Plan, to make contributions to his or her Deferred Account, Catch-up Contribution Account, or Employee Contribution Account. Notwithstanding the foregoing, the post-hardship contribution limit under Section 1.401(k)-1(d)(2)(iv)(B)(3) shall be eliminated, effective with respect to calendar years beginning after December 31, 2001, for a Participant who receives a hardship distribution of Deferred Cash Contributions on or after January 1, 2001.

7.06 Procedures and Restrictions

To make a withdrawal, a Participant shall give such advance Notice as the Benefits Administration Board shall prescribe. A withdrawal shall be made as soon as administratively practicable following the expiration of the Notice Period. The minimum withdrawal shall be \$100 or the total value of the Vested Portion of his or her Accounts available for withdrawal, if less. If a loan and a hardship withdrawal are processed as of the same Valuation Date, the amount available for the hardship withdrawal will equal the Vested Portion of the Participant's Accounts on such Valuation Date reduced by the amount of the loan. The amount of the withdrawal shall be allocated between and among the Investment Funds in proportion to the value of the Participant's Accounts from which the withdrawal is made in each Investment Fund as of the date of the withdrawal. Subject to the provisions of Section 9.09, all payments to Participants under this Article shall be made in cash as soon as practicable.

7.07 Determination of Vested Portion of Company Contribution Account

If a Participant is not fully vested in his or her Company Contribution Account at the time he or she makes a withdrawal from that Account under this Article 7, as of any subsequent Valuation Date such Participant's Vested Portion of his or her Company Contribution Account shall be determined in accordance with the following formula:

$$X = P \times (AB + (R \times D)) - (R \times D)$$

where X is the value of the Participant's Vested Portion of such Account, P is the nonforfeitable percentage at the relevant time, AB is the value of his or her Company Contribution Account at the relevant time, R is the ratio of the balance in the Company Contribution Account as of the relevant time to the balance in such Account immediately after the prior distribution, and D is the amount of the prior distribution from such Account.

7.08 Withdrawals by Individuals on Active Military Duty

Notwithstanding any provision of the Plan to the contrary, a Participant who is on active military duty (as defined in Section 3401(h)(2)(A) of the Code) may withdraw all or any portion of his or her Deferred Account, his or her Employee Contribution Account and his or her Rollover Account (regardless of whether he or she is receiving differential wage payments as defined in Section 414(u)(12)(B) of the Code). A Participant who elects a withdrawal of his Deferred Account under the preceding sentence shall be prohibited from making Deferred Cash Contributions and Employee Contributions for six months following such withdrawal.

ARTICLE 8. LOANS TO PARTICIPANTS

8.01 Amount Available

- (a) A Participant who is an employee of the Company or an Affiliated Company may borrow, on written application to the Benefits Administration Board and on approval by the Benefits Administration Board under such uniform rules as it shall adopt, an amount not in excess of the maximum loan amount determined in accordance with paragraph (b) below. Notwithstanding the foregoing, effective on and after January 1, 2005, the Benefits Administration Board may, in its sole discretion, deny a loan to a Participant who is a director or executive officer (or the equivalent thereof) of the Company or an Affiliated Company based on a reasonable concern regarding the legality of the loan under Section 13(k) of the Securities Exchange Act of 1934.

- (b) A Participant may borrow up to 100 percent of his or her Catch-up Contribution Account, Company Contribution Account, Company Matching Account, the Deferred Account, the Employee Contribution Account, the Transfer ESOP Account and the Rollover Account. Notwithstanding the foregoing a Participant may borrow no more than an amount, which, when added to the outstanding balance of any other loans to the Participant from this Plan or any other qualified plan of the Company or Affiliated Company, including the amount of any unpaid deemed loan distribution and accrued interest, does not exceed the lesser of
 - (i) 50 percent of the Vested Portion of his or her Catch-up Contribution Account, Company Contribution Account, Company Matching Account, the Deferred Account, the Employee Contribution Account, the Transfer ESOP Account and the Rollover Account, or
 - (ii) \$50,000 reduced by the excess, if any, of (A) the highest outstanding balance of loans to the Participant from such plans during the one year period ending on the day before the day the loan is made, over (B) the outstanding balance of loans to the Participant from such plans on the date on which the loan is made.

- (c) Loans from the Plan shall be repaid with interest and the interest rate to be charged shall be determined at the time of the loan application and shall be determined by the Benefits Administration Board based on the interest rates charged by a person in the business of lending money for loans of similar purpose and duration. The interest rate so determined for purposes of the Plan shall be fixed for the duration of each loan.
- (d) The amount of the loan is to be transferred from the Investment Funds in which the Participant's Accounts are invested to a special "Loan Fund" for the Participant under the Plan. The Loan Fund consists solely of the amount transferred to the Loan Fund and is invested solely in the loan made to the Participant. The amount transferred to the Loan Fund shall be pledged as security for the loan. Payments of principal on the loan will reduce the amount held in the Participant's Loan Fund. Those payments, together with the attendant interest payment, will be reinvested in the Investment Funds in accordance with the Participant's then effective investment election.
- (e) Discretionary Profit-Sharing Contributions, Basic Retirement Contributions and their related earnings shall not be available for a loan under any circumstances.

8.02 Terms

- (a) In addition to such rules and regulations as the Benefits Administration Board may adopt, all loans shall comply with the following terms and conditions:
 - (i) An application for a loan by a Participant shall be made in writing to the Benefits Administration Board, whose action in approving or disapproving the application

shall be final, and the Participant shall certify in such application as to the existence and amount of any outstanding loans (including any loans deemed distributed) from any qualified plans maintained by the Company and all Affiliated Companies;

- (ii) Each loan shall be evidenced by a promissory note payable to the Plan;
- (iii) The period of repayment for any loan shall be arrived at by mutual agreement between the Benefits Administration Board and the Participant, but that period shall not exceed five years unless the loan is to be used in conjunction with the purchase of the principal residence of the Participant;
- (iv) If a Participant with an outstanding loan takes an authorized leave of absence without pay or reduced pay that is less than the required loan payments, for reasons other than to enter the uniformed services of the United States, loan payments may be suspended at the request of the Participant, for a period of up to 12 months or until the end of the term of the loan, if earlier. Upon a Participant's reemployment from the leave of absence, the Participant shall resume payments either in the same amount as before the leave with the full balance due upon the expiration of the repayment period or by reamortizing the loan in substantially level installments over the remaining term of the loan.
- (v) If a Participant takes a leave of absence to enter the uniformed services of the United States, loan repayments shall be suspended during the period of leave. If a Participant enters the uniformed services of the United States, the interest rate applicable to the unpaid loan balance during the period of leave shall be reduced to 6%, in accordance with Section 107 of the Service member's Civil Relief Act of 2003. Upon the Participant's reemployment from the uniformed services, the Participant shall resume payments either in the same amount as before the leave with the full balance due upon the expiration of the repayment period or the period

of repayment shall be extended by the number of months of the period of service in the uniformed services or, if greater, the number of months that would remain if the original loan term were five years plus the number of months in the period of absence; provided, however, if the Participant incurs a termination of employment and requests a distribution pursuant to Article 9, the loan shall be canceled, and the outstanding loan balance shall be distributed pursuant to Article 9.

- (vi) Payments of principal and interest will be made by payroll deductions or in a manner agreed to by the Participant and the Benefits Administration Board in substantially level amounts, but no less frequently than quarterly, in an amount sufficient to amortize the loan over the repayment period;
 - (vii) A loan may be prepaid in full, or in part, as of any date without penalty; and
 - (viii) If at the time a loan is to be issued to a Participant a prior loan has been deemed distributed to the Participant and not repaid, a new loan may only be issued to a Participant if the Participant enters into an agreement, enforceable under law, that requires repayment by payroll withholding or if the Participant repays the unpaid prior loan balance, including accrued interest to the date of repayment.
 - (ix) The Benefits Administration Board may deny any loan if in its judgment the Participant will not have sufficient income to meet the loan terms as they become due.
- (b) If a loan is not repaid in accordance with the terms contained in the promissory note and a default occurs, the Plan may execute upon its security interest in the Participant's Accounts under the Plan to satisfy the debt; however, the Plan shall not levy against any portion of the Loan Fund attributable to amounts held in the Participant's Deferred Account or Company Contribution Account until such time as a distribution of the Deferred Account or Company Contribution Account could otherwise be made under the Plan.

- (c) Any additional rules or restrictions as may be necessary to implement and administer the loan program shall be in writing and communicated to employees. Such further documentation is hereby incorporated into the Plan by reference, and the Benefits Administration Board is hereby authorized to make such revisions to these rules as it deems necessary or appropriate, on the advice of counsel.

- (d) To the extent required by law and under such rules as the Benefits Administration Board shall adopt, loans shall also be made available on a reasonably equivalent basis to any Beneficiary or former Employee (i) who maintains an account balance under the Plan and
(ii) who is still a party-in-interest (within the meaning of Section 3(14) of ERISA).

ARTICLE 9. DISTRIBUTION OF ACCOUNTS UPON TERMINATION OF EMPLOYMENT

9.01 Eligibility

Upon a Participant's Termination of Employment or death, the Vested Portion of his or her Accounts, as determined under Article 6, shall become available for distribution as provided in this Article.

9.02 Forms of Distribution

- (a) Distribution of the Vested Portion of a Participant's Account shall be made to the Participant in a cash lump sum. However, effective as of January 1, 2011, a Participant may elect, in such manner as the Benefits Administration Board shall prescribe, to receive:
 - (i) payments, in cash, in approximately equal annual installments over a period of 2 to 20 years, as elected by the Participant, not to exceed the life expectancy of the last survivor of the Participant and his or her Beneficiary; or
 - (ii) effective on or after July 1, 2013, payments in cash in approximately equal annual installments over the life expectancy of the Participant as actuarially determined at the time of commencement of the initial installment and as redetermined annually (or such other period as determined by the BAB) thereafter. The amount of such installments will be based on the value of his or her Accounts as of the Valuation Date for the payment cycle and shall be determined in accordance with the procedures established by the Benefits Administration Board and shall be representative of both the frequency elected and the number of years and fractions thereof of the Participant's life expectancy based on his or her age and the single life table set forth in Treasury regulations

1.401(a)(9)-9 in effect at the time the installment election is made by the Participant.

In the event that the Participant dies before all installments have been paid, the remaining balance in his or her Account shall be paid in an immediate cash lump sum to his or her Beneficiary.

- (b) Notwithstanding the foregoing, if a Participant dies before his or her benefits commence, the Vested Portion of his or her Accounts shall be paid to his or her Beneficiary in a lump sum. However, if a Participant had met the requirements under paragraph (a) to receive installments and the value of the Vested Portion of his or her Accounts (disregarding his or her Rollover Account) exceeds \$5,000, his or her Beneficiary may elect to receive the Vested Portion of the Participant's Accounts in installments as provided in Section 9.02(a)(i) above. In the event a Beneficiary who elected installments dies before all such installments have been paid, the remaining balance in the Participant's Account shall be paid in an immediate cash lump sum to said Beneficiary's estate.

9.03 Commencement of Payments

- (a) Except as otherwise provided in this Article, distribution of the Vested Portion of a Participant's Accounts shall commence as soon as administratively practicable following the later of (i) the Participant's Termination of Employment or (ii) the 65th anniversary of the Participant's date of birth (but not more than 60 days after the close of the Plan Year in which the later of (i) or (ii) occurs).
- (b) In lieu of a distribution as described in paragraph (a) above, a Participant may, in accordance with such procedures as the Benefits Administration Board shall prescribe,

elect to have the distribution of the Vested Portion of his or her Accounts commence as of the Valuation Date coincident with or immediately following the Participant's retirement, or Termination of Employment.

- (c) In the event a Participant who terminates employment elects not to receive a distribution as described in paragraph (b), he or she may nevertheless elect in accordance with such procedures as the Benefits Administration Board shall prescribe to have the distribution made or commence on any Valuation Date after his or her retirement or Termination of Employment and prior to the April 1 following the calendar year in which the Participant terminated employment or attained age seventy and one-half (70½). In the event a Participant fails to file a claim for benefits in accordance with the provisions of paragraph (a) or (b) above, the Participant shall be deemed to have elected to defer distribution of his or her Accounts to as soon as administratively practicable following the date the Participant terminated employment or attained age seventy and one-half (70½), if later; provided that in no event shall payment commence later than the April 1 following the calendar year in which the Participant terminated employment or attained age seventy and one-half (70½), if later.
- (d) In the case of the death of a Participant before his or her benefits commence, the Vested Portion of the Participant's Account shall be distributed to his or her Beneficiary within five (5) years of the death of the Participant, unless the Participant's Beneficiary elected pursuant to the provisions of Section 9.02(b) to have the vested Portion of the Participant's Account distributed in installments over a period not extending beyond the life expectancy of the Beneficiary. Notwithstanding the foregoing, distribution of said installments must commence no later than one year after the date of the Participant's death.

9.04 Age 70½ Required Distribution

- (a) Notwithstanding any provision of the Plan to the contrary, if a Participant is a 5-percent owner (as defined in Section 416(i) of the Code), distribution of the Participant's Accounts shall begin no later than the April 1 following the calendar year in which he or she attains age 70½. No minimum distribution payments will be made to a Participant under the provisions of Section 401(a)(9) of the Code on or after January 1, 1998 if the Participant is not a 5-percent owner as defined above. However, if a Participant who is not a five percent owner (as defined in Section 416(i) of the Code) attains age 70½ prior to January 1, 1999 and remains in service after the April 1 following the calendar year in which he or she attains age 70½, he or she may elect to have the provisions of paragraph (b) apply as if the Participant a five percent owner. Such election shall be made in accordance with such administrative procedures the Benefits Administration Board shall prescribe.

- (b) In the event a Participant is required to begin receiving payments while in service under the provisions of paragraph (a) above, the Participant may elect to receive payments while in service in accordance with option (i) or (ii), as follows:
 - (i) A Participant may receive one lump sum payment on or before the Participant's required beginning date equal to his or her entire Account balance and annual lump sum payments thereafter of amounts accrued during each calendar year; or
 - (ii) A Participant may receive annual payments of the minimum amount necessary to satisfy the minimum distribution requirements of Section 401(a)(9) of the Code. With respect to distribution calendar years commencing on and after January 1, 2003, such minimum amount shall be the lesser of:

- (A) the quotient obtained by dividing the Participant's Accounts by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury 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 Accounts by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's and spouse's attained ages as of the Participant's and the spouse's birthdays in the distribution calendar year.

An election under this Section shall be made by a Participant by giving written notice to the Benefits Administration Board within the 180-day period (90-day period prior to January 1, 2010) prior to his or her required beginning date. The commencement of payments under this Section shall not constitute an Annuity Starting Date for purposes of Sections 72, 401(a)(11) and 417 of the Code. Upon the Participant's subsequent Termination of Employment, payment of the Participant's Accounts shall be made in accordance with the provisions of Section 9.02. In the event a Participant fails to make an election under this Section, payment shall be made in accordance with clause (ii) above.

(c) For purposes of paragraph (b) above, the following definitions apply:

- (i) "Designated beneficiary" means the individual who is designated as the Beneficiary and is the designated beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-4, Q&A-1 of the Treasury regulations. In the event a trust is designated as the beneficiary of the Participant, the beneficiaries of the trust

shall be deemed designated beneficiaries provided the applicable requirements set forth in Section 1.401(a)(9)-4, Q&A-5 and 6 of the Treasury regulations are met.

- (ii) "Distribution calendar year" means a calendar year for which a minimum distribution is required. For a Participant who is a five percent (5%) owner in active service, the first distribution calendar year is the calendar year in which the Participant attains age seventy and one-half (70½). For a Participant who is a non-five percent (5%) owner, the first distribution calendar year is the later of the year in which the Participant attains age seventy and one-half (70½) or the year in which the Participant terminates employment.
- (iii) "Life expectancy" means life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.
- (iv) "Participant's Accounts" means the balance of the Participant's Accounts as of the last Valuation Date in the calendar year immediately preceding the distribution calendar year ("valuation calendar year") increased by the amount of contributions made and allocated or forfeitures allocated to the Participant's Accounts as of dates in the valuation calendar year after such last Valuation Date and decreased by distributions made in the valuation calendar year after such last Valuation Date. The Participant's Accounts 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.

Required minimum distributions will be determined under paragraph (b) above beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

9.05 Small Benefits

Notwithstanding any provision of the Plan to the contrary, a lump sum payment shall be made in lieu of all vested benefits if the value of the Vested Portion of the Participant's Accounts (disregarding the value of his or her Rollover Account) as of his or her Termination of Employment amounts to \$5,000 or less. The lump sum payment shall automatically be made as soon as administratively practicable following the Participant's Termination of Employment.

9.06 Status of Accounts Pending Distribution

Until completely distributed under Section 9.03 or 9.04, the Accounts of a Participant who is entitled to a distribution shall continue to be invested as part of the funds of the Plan and the Participant shall retain investment transfer rights as described in Section 4.05 during the deferral period. However, loans or withdrawals shall not be permitted during the deferral period except to the extent required by law.

9.07 Proof of Death and Right of Beneficiary or Other Person

The Benefits Administration Board may require and rely upon such proof of death and such evidence of the right of any Beneficiary or other person to receive the value of the Accounts of a deceased Participant as the Benefits Administration Board may deem proper and its determination of the right of that Beneficiary or other person to receive payment shall be conclusive.

9.08 Distribution Limitation

Notwithstanding any other provision of this Article 9, all distributions from this Plan shall conform to the regulations issued under Section 401(a)(9) of the Code, including the incidental death benefit provisions of Section 401(a)(9)(G) of the Code. Distributions under Section 9.05 shall meet the requirements of Treasury regulations 1.401(a)(9)-2 through 1.401(a)(9)-9. Such requirements shall be administered in accordance with the regulations issued under Section 401(a)(9) of the Code and

with respect to distributions made for distribution calendar years beginning on or after January 1, 2003, the Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Code in accordance with the Treasury regulations under Section 401(a)(9) that were issued April 17, 2002, as prescribed in Section 9.04.

9.09 Direct Rollover of Certain Distributions

- (a) Elective Rollovers. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Benefits Administration Board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

- (b) Mandatory Rollovers. Notwithstanding any provision of the Plan to the contrary, effective March 28, 2005 if the Vested Portion of a Participant's Accounts (determined after any offset for a defaulted loan balance and disregarding the Participant's Rollover Account) amounts to at least \$1,001 but does not exceed \$5,000 and if the Participant fails to make an affirmative election to either receive the lump sum payment in cash or have it directly rolled over to an eligible retirement plan pursuant to the provisions of paragraph (a) within such election period as shall be prescribed by the Benefits Administration Board, the Benefits Administration Board shall direct the Trustee to transfer such lump sum payment to an individual retirement plan (within the meaning of Section 7701(a)(37) of the Code) ("IRA") selected by the Plan Asset Committee. The IRA shall be maintained for the exclusive benefit of the Participant on whose behalf such transfer is made. The transfer shall occur as soon as practicable following the end of the election period. The funds in the IRA shall be invested in an investment product designed to preserve principal and provide a reasonable rate of return, whether or not such return is guaranteed, consistent with liquidity,

as determined from time to time by the Plan Asset Committee. In implementing the provisions of this paragraph, the Benefits Administration Board shall:

- (i) enter into a written agreement with each IRA provider setting forth the terms and conditions applicable to the establishment and maintenance of the IRAs in conformity with applicable law;
- (ii) furnish Participants with notice of the Plan's automatic rollover provisions, including, but not limited to, a description of the nature of the investment product in which the assets of the IRA will be invested and how the fees and expenses attendant to the IRA will be allocated, and a statement that a Participant may roll over the assets of the IRA to another eligible retirement plan. Such notice shall be provided to Participants in such time and form as shall be prescribed by the Benefits Administration Board in accordance with applicable law; and
- (iii) fulfill such other requirements of the safe harbor contained in Department of Labor Regulation §2550.404a-2 and, if applicable, the conditions of Department of Labor Prohibited Transaction Class Exemption 2004-16.

(c) Definitions. The following definitions apply to the terms used in this Section 9.09:

- (i) "Eligible rollover distribution" means 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:
 - (A) 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;

- (B) any distribution to the extent such distribution is required under Section 401(a)(9) of the Code;
 - (C) after-tax amounts from the Participant's Accounts (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities) unless such amount is rolled over or transferred (i.e., directly rolled over) to an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in 408(b) of the Code, or effective on or after January 1, 2008, a Roth individual retirement account described in Section 408A(b) of the Code; or transferred (i.e., directly rolled over) to:
 - (1) a defined contribution plan qualified under Section 401(a) or 403(a) of the Code;
 - (2) effective on and after January 1, 2007, any qualified plan described in Section 401(a) of the Code; or
 - (3) effective on and after January 1, 2007, an annuity plan described in Section 403(b) of the Code;provided that a plan described in subparagraph (1), (2) or (3) above agrees to separately account for such after-tax amount and earnings thereon; and
 - (D) effective on and after January 1, 2002, any in-service withdrawal that is made pursuant to the provisions of Section 7.05.
- (ii) "Eligible retirement plan" means any of the following types of plans that accept the distributee's eligible rollover distribution:
- (A) a qualified plan described in Section 401(a) of the Code;
 - (B) an annuity plan described in Section 403(a) of the Code;
 - (C) an individual retirement account or individual retirement annuity described in Section 408(a) or 408(b) of the Code, respectively;

- (D) effective January 1, 2002, an annuity contract described in Section 403(b) of the Code;
- (E) effective January 1, 2002, 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; and
- (F) a Roth IRA (as defined in Section 408A(b) of the Code).

- (iii) "Distributee" means an employee or former employee. In addition, solely for purposes of paragraph (a) above, 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; and
 - (iv) "Direct rollover" means a payment by the Plan to the eligible retirement plan specified by the distributee.
- (d) Notwithstanding any provision of this Section to the contrary, effective as of January 1, 2007, a non-spouse Beneficiary of a deceased Participant may elect, at the time and in the manner prescribed by the Benefits Administration Board, to directly roll over any portion of a distribution that would constitute an eligible rollover distribution if it were made to a Participant, surviving spouse or alternate payee, provided such direct rollover is made to an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, or, effective for distributions made on or after January 1, 2008, a Roth IRA described in Section 408A(b) of the Code that is established on behalf of the non-spouse Beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Sections 402(c)(11) and 408(d)(3)(C)(ii) of the

Code. Effective for distributions on and after January 1, 2010, distributions under this paragraph that would have been eligible rollover distributions if made to a Participant, surviving spouse or alternate payee will be treated as eligible rollover distributions for all purposes under the Code, regardless of whether the non-spouse Beneficiary elects to directly roll over such distribution.

9.10 Waiver of Notice Period

Except as provided in the following sentence, if the value of the Vested Portion of a Participant's Accounts (disregarding his or her Rollover Account) exceeds \$5,000, an election by the Participant to receive a distribution prior to age 65 shall not be valid unless the written election is made (a) after the Participant has received the notice required under Section 1.411(a)-11(c) of the Income Tax Regulations and (b) within a reasonable time before the effective date of the commencement of the distribution as prescribed by said regulations. If such distribution is one to which Sections 401(a)(11) and 417 of the Code do not apply, such distribution may commence less than 30 days after the notice required under Section 1.411(a)-11(c) of the Income Tax Regulations is given, provided that:

- (i) the Benefits Administration Board clearly informs the Participant that he or she has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and
- (ii) the Participant, after receiving the notice under Sections 411 and 417, affirmatively elects a distribution.

If such distribution is one to which Sections 401(a)(11) and 417 of the Code do apply, a Participant may, after receiving the notice required under Sections 411 and 417 of the Code, affirmatively elect to have his or her benefit commence sooner than 30 days following his or her receipt of the required notice, provided all of the following requirements are met:

- (i) the Benefits Administration Board clearly informs the Participant that he or she has a period of at least 30 days after receiving the notice to decide when to have his or her benefit begin, and if applicable, to choose a particular optional form of payment;
- (ii) the Participant affirmatively elects a date for benefits to begin, and if applicable, an optional form of payment, after receiving the notice;
- (iii) the Participant is permitted to revoke his or her election until the later of his or her Annuity Starting Date or seven days following the day he or she received the notice;
- (iv) the Participant's Annuity Starting Date is after the date the notice is provided; and
- (v) payment does not commence less than seven days following the day after the notice is received by the Participant.

ARTICLE 10. ADMINISTRATION OF PLAN

10.01 *Appointment of Benefits Administration Board*

The general administration of the Plan and the responsibility for carrying out the provisions of the Plan and for the Plan's compliance with the ERISA reporting and disclosure requirements shall be placed in a Benefits Administration Board of not less than three persons appointed from time to time by the Board of Directors to serve at the pleasure of the Board of Directors. Any member of the Benefits Administration Board may resign by delivering his or her written resignation to the Board of Directors and the Secretary of the Benefits Administration Board. A member of the Benefits Administration Board is considered to have resigned upon termination of employment as an Employee of the Company and all Affiliated Companies.

The Benefits Administration Board shall elect a chairman from their number and a secretary who may be but need not be one of the members of the Benefits Administration Board; may appoint from their number such subcommittees with such powers as they shall determine; may authorize one or more of their number or any agent to execute or deliver any instrument or make any payment on their behalf; may retain counsel, employ agents and provide for such clerical, accounting, and consulting services as they may require in carrying out the provisions of the Plan; and may allocate among themselves or delegate to other persons all or such portion of their duties under the Plan, other than those granted to the Trustees under the trust agreement adopted for use in implementing the Plan, as they, in their sole discretion, shall decide.

10.02 *Appointment and Duties of Plan Asset Committee*

The responsibility for the management of the assets of the Plan shall be placed in a Plan Asset Committee of not less than four persons appointed from time to time by the Board of Directors to serve at the pleasure of the Board of Directors. Any member of the Plan Asset Committee may

resign by delivering his written resignation to the Board of Directors and the Secretary of said Committee. A member of the Plan Asset Committee is considered to have resigned upon termination of employment as an Employee of the Company and all Affiliated Companies.

The members of the Plan Asset Committee shall elect a chairman from their number and a secretary who may be, but need not be, one of the members of the Plan Asset Committee; may appoint from their number such subcommittees with such powers as they shall determine; may authorize one or more of their number or any agent to execute or deliver any instrument or make any payment on their behalf; may retain counsel, employ agents and provide for such clerical, accounting, and consulting services as they may require in carrying out their duties; and may allocate among themselves or delegate to other persons all or such portion of their duties under the Plan, other than those granted to the Funding Agent under the trust agreement or insurance or annuity contract adopted for use in implementing the Plan, as they, in their sole discretion, shall decide. Notwithstanding any Plan provision to the contrary, any provision contained in this Article relating to the Plan Asset Committee shall be effective as March 11, 1999.

10.03 *Individual Accounts*

The Benefits Administration Board shall maintain, or cause to be maintained, records showing the individual balances in each Participant's Accounts. However, maintenance of those records and Accounts shall not require any segregation of the funds of the Plan.

10.04 *Meetings*

The Benefits Administration Board and the Plan Asset Committee shall hold meetings upon such notice, at such place or places, and at such time or times as each may from time to time determine.

10.05 ***Action of Majority***

Any act which the Plan authorizes or requires the Benefits Administration Board or the Plan Asset Committee to do may be done by a majority of its respective members. The action of that majority expressed from time to time by a vote at a meeting or in writing without a meeting shall constitute the action of the Benefits Administration Board or the Plan Asset Committee, whichever is applicable, and shall have the same effect for all purposes as if assented to by all members of such Board or Committee at that time in office.

10.06 ***Compensation and Bonding***

No member of the Benefits Administration Board or the Plan Asset Committee shall receive any compensation from the Plan for his or her services as such. Except as may otherwise be required by law, no bond or other security need be required of any member in that capacity in any jurisdiction.

10.07 ***Non-Discrimination***

Whenever in the administration of the Plan any action is to be taken by the Benefits Administration Board with respect to eligibility or classification of Employees, contributions or benefits, such action shall be uniform in nature as applied to all persons similarly situated and no such action shall be taken which will discriminate in favor of Employees who are Highly Compensated Employees.

10.08 ***Establishment of Rules***

Subject to the limitations of the Plan, the Benefits Administration Board from time to time shall establish rules for the administration of the Plan and the transaction of its business. The Benefits Administration Board shall have total and complete discretion to interpret the Plan; including, but not limited to, the discretion to (a) determine all questions arising in the administration, interpretation and application of the Plan including the power to construe and interpret the Plan; (b) exercise itself or through its delegates full discretionary authority to determine all questions and

matters that may arise in the administration of the Plan, including, without limitation, the resolution of questions of fact, interpretation or application as well as issues of eligibility and allegations of a failure to administer the Plan in accordance with its terms and/or ERISA or a breach of fiduciary duties under ERISA; (c) make such adjustments which it deems necessary or desirable to correct any arithmetical or account errors and (d) determine the amount, form and timing of any distribution to be made hereunder. In making its decision, the Benefits Administration Board shall be entitled to, but need not rely upon, information supplied by a Participant, Beneficiary, or representative thereof. The Benefits Administration Board shall have full and complete discretion to determine whether a domestic relations order constitutes a qualified domestic relations order and whether the alternate payee otherwise qualifies for benefits hereunder. The Benefits Administration Board may correct any defect, supply an omission, or reconcile any inconsistency in such manner and to such extent as it shall deem necessary to carry out the purposes of this Plan. The Benefits Administration Board's decisions in such matters shall be binding and conclusive as to all parties.

10.09 ***Prudent Conduct***

The members of the Benefits Administration Board and Plan Asset Committee shall use that degree of care, skill, prudence and diligence that a prudent man acting in a like capacity and familiar with such matters would use in a similar situation.

10.10 ***Service in More Than One Fiduciary Capacity***

Any individual, entity or group of persons may serve in more than one fiduciary capacity with respect to the Plan and/or the funds of the Plan.

10.11 ***Limitation of Liability***

The Company, the Board of Directors, the Benefits Administration Board, the Plan Asset Committee, and any officer, employee or agent of such entities and the Company shall not incur any

liability individually or on behalf of any other individuals or on behalf of the Company for any act or failure to act, made in good faith in relation to the Plan or the funds of the Plan. However, this limitation shall not act to relieve any such individual or the Company from a responsibility or liability for any fiduciary responsibility, obligation or duty under Part 4, Title I of ERISA.

10.12 ***Indemnification***

The Benefits Administration Board, the Plan Asset Committee, the Board of Directors, and the officers, employees and agents of such entities and the Company shall be indemnified against any and all liabilities arising by reason of any act, or failure to act, in relation to the Plan or the funds of the Plan, including, without limitation, expenses reasonably incurred in the defense of any claim relating to the Plan or the funds of the Plan, and amounts paid in any compromise or settlement relating to the Plan or the funds of the Plan, except for actions or failures to act made in bad faith or which are judicially determined to be due to gross negligence or willful misconduct. The foregoing indemnification shall be from the funds of the Plan to the extent of those funds and to the extent permitted under applicable law; otherwise from the assets of the Company.

10.13 ***Appointment of Investment Manager***

The Plan Asset Committee may, in its discretion, appoint one or more investment managers (within the meaning of Section 3(38) of ERISA) to manage (including the power to acquire and dispose of) all or part of the assets of the Plan, as the Company shall designate. In that event authority over and responsibility for the management of the assets so designated shall be the sole responsibility of that investment manager. However, in discharging its duties, the Plan Asset Committee shall evaluate and monitor the investment performance of any investment manager.

10.14 *Named Fiduciary*

The Benefits Administration Board and the Plan Asset Committee shall be “named fiduciaries” within the meaning of Section 402(a) of ERISA, and the Benefits Administration Board shall carry out the duties of the “administrator” of the Plan as imposed under ERISA.

10.15 *Claims and Review Procedures*

The Benefits Administration Board shall establish a procedure for the resolution of disputes and dispositions of claims arising under the Plan. Until modified by the Benefits Administration Board, this procedure is as follows:

Any of the Employees, former Employees, or any Beneficiaries of such Employees or former Employees may, if they so desire, file with the Benefits Administration Board a written claim for benefits under the Plan. Generally, within ninety (90) days after the filing of such a claim, the Benefits Administration Board shall notify the claimant whether his or her claim is upheld or denied. The Benefits Administration Board may, under special circumstances, extend the period of time for processing a claim by an additional ninety (90) days. If such an extension of time is required written notice shall be furnished to the claimant or his or her duly authorized representative prior to the termination of the initial ninety (90) day period. Such notice will indicate the special circumstance requiring an extension. In the event the claim is denied, the Benefits Administration Board shall state in writing:

- (a) the specific reasons for the denial;
- (b) specific references to pertinent Plan provisions on which the denial is based;
- (c) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
- (d) an explanation of the claim review procedure set forth this Section 10.15.

The Benefits Administration Board shall from time to time appoint a committee (the "Review Panel") which shall consist of three individuals who may, but need not, be Employees. The Review Panel shall be the named fiduciary that has the authority to act with respect to any appeal from a denial of benefits or a determination of benefit rights. The Review Panel shall not include any member who either made the initial adverse determination or is the subordinate of such individual. Furthermore, in the case of an appeal from the denial of disability retirement benefits, the Review Panel shall not afford deference to the initial adverse benefit determination.

Within sixty (60) days after receipt of notice that his or her claim has been denied, the claimant or his or her duly authorized representative may file with the Review Panel, a written request for a review hearing and may, in conjunction therewith, submit written issues and comments. The Review Panel shall then schedule, within sixty (60) days after the filing of such request, a full and fair hearing of the claim. The Review Panel may, under special circumstances, extend such period of time by an additional sixty (60) days. Prior to said hearing, the claimant or his or her representative shall have a reasonable opportunity to review a copy of the Plan, the Trust agreement, and other pertinent documents in the possession of the Review Panel. In no event shall the decision on review be rendered more than 120 days after the Review Panel received the request for a review. Any claim for benefits and any request for a review hearing hereunder must be filed on forms to be furnished by the Benefits Administration Board upon a Participant's request.

The Review Panel shall give prompt written notice of its decision to the claimant and the Benefits Administration Board. In the event that the Review Panel confirms the denial of the claim for benefits in whole or in part, the notice shall set forth, in a manner calculated to be understood by the claimant, the specific reasons for the decision and specific references to the provisions of the Plan on which the decision is based. In addition, in the case of the Review Panel's affirmation of the denial of disability retirement benefits, the notice shall set forth:

- (a) The claimant's right to receive, upon request and free of charge, copies of all documents and records relevant to the claim, including any guidelines, protocols, or similar criteria that was relied upon by the Review Panel;
 - (b) If relevant, an explanation of any scientific or clinical judgment that was the basis of the determination; and
 - (c) The following statement: "You and the Plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor office.
No legal action for benefits under the Plan shall be brought unless and until the claimant
- (i) has submitted a written application for benefits in accordance with paragraph (a), (ii) has been notified by the Company that the application is denied, (iii) has filed a written request for a review of the application in accordance with paragraph (c) and (iv) has been notified in writing that the Benefits Administration Board has affirmed the denial of the application; provided, however, that legal action may be brought after the Company or the Benefits Administration Board has failed to take any action on the claim within the time prescribed above.

10.16 Accuracy of Statements

Each Participant shall have the responsibility of making sure that each transaction involving his Accounts under the Plan is as he had intended. This responsibility shall be fulfilled by periodically checking the balance of his Accounts under the Plan and any recent transactions on the internet website or by voice response and checking his or her pay statements, if applicable. If any transaction is inaccurate or incorrect, the Participant should promptly bring the matter to the attention of the Benefits Administration Board. Unless a Participant reports an error within a reasonable period of time, not to exceed sixty days from the date on which the transaction was

supposed to have occurred, and the Participant either becomes aware of such error or such error should have been reasonably apparent to the Participant, the Participant shall be conclusively deemed to have agreed to any of the payroll deductions, elections and/or transactions resulting from such error. The Benefits Administration Board shall have the authority to prescribe uniform nondiscriminatory procedures concerning the circumstances an error should have or would have become reasonably apparent to a Participant.

10.17 ***Limitations of Time for Submitting Claims and Filing Suits***

No suit to recover benefits under this Plan or to allege that the Plan was not administered in accordance with its terms and/or ERISA or that any fiduciary under the Plan violated his fiduciary duties under ERISA shall be brought more than six months following the exhaustion of the claims and review procedures described in Article 10. If a Participant has received or has commenced to receive a benefit from the Plan, no claim for benefits under the Plan's claims and review procedure shall be made regarding the calculation or the amount of the benefits more than six months following the date on which the Participant received or commenced to receive such distribution.

10.18 ***Committee's Authority to Suspend Processing of Withdrawals, Loans and Distributions*** Notwithstanding any provision in Articles 7, 8 or 9 to the contrary (other than the payment of Required Minimum Distributions in accordance with Section 9.04), the Benefits Administration Board shall have the authority to impose a suspension of the processing of pending and prospective withdrawals, loans and distributions from a Participant's Accounts under the circumstances described in administrative rules prescribed by the Benefits Administration Board in which there is an allegation of an unauthorized withdrawal, loan or distribution, pending the Benefits Administration Board investigation of such allegations.

ARTICLE 11. MANAGEMENT OF FUNDS

11.01 *Trust Agreement*

All the funds of the Plan shall be held by Trustees appointed from time to time by the Board of Directors under a trust agreement adopted, or as amended, by the Board of Directors for use in providing the benefits of the Plan and paying its expenses not paid directly by the Company. The Company shall have no liability for the payment of benefits under the Plan or for the administration of the funds paid over to the Trustees.

11.02 *Exclusive Benefit Rule*

Except as otherwise provided in the Plan, no part of the corpus or income of the funds of the Plan shall be used for, or diverted to, purposes other than for the exclusive benefit of Participants and other persons entitled to benefits under the Plan and paying the expenses of the Plan not paid directly by the Company. No person shall have any interest in, or right to, any part of the earnings of the funds of the Plan, or any right in, or to, any part of the assets held under the Plan, except as and to the extent expressly provided in the Plan.

11.03 *No Direct Rights or Liability*

No person shall have any interest in or right to any of the corpus or income of the funds of the Plan, except as and to the extent expressly provided in the Plan and the Company shall have no liability for the payment of benefits under the Plan or for the administration of the funds paid over to the Trustees.

11.04 Plan Expenses

Unless paid by the Company, reasonable plan expenses shall be paid from the Fund in accordance with such uniform and nondiscriminatory rules as shall be prescribed by the Benefits Administration Board. Such rules may include a specific allocation of expenses to a particular investment fund or a particular Participant's Account or to a particular Participant if the Benefits Administration Board determines that such allocation of expense is desirable for the equitable administration of the Plan.

ARTICLE 12. AMENDMENT, MERGER AND TERMINATION

12.01 Amendment of Plan

The Company, by action of its Board of Directors taken at a meeting held either in person or by telephone or other electronic means, or by unanimous written consent in lieu of a meeting or through a delegate appointed by such action and to the extent authorized in such action, reserves the right at any time and from time to time, and retroactively if deemed necessary or appropriate, to amend in whole or in part any or all of the provisions of the Plan. However, no amendment shall make it possible for any part of the funds of the Plan to be used for, or diverted to, purposes other than for the exclusive benefit of persons entitled to benefits under the Plan. No amendment shall be made which has the effect of decreasing the balance of the Accounts of any Participant or of reducing the nonforfeitable percentage of the balance of the Accounts of a Participant below the nonforfeitable percentage computed under the Plan as in effect on the date on which the amendment is adopted, or if later, the date on which the amendment becomes effective. Except to the extent permitted under Section 411(d)(6) of the Code and the regulations issued thereunder, no amendment shall be made that has the effect of decreasing the balance of the Accounts of any Participant or of reducing the nonforfeitable percentage of the balance of the Accounts of a Participant below the nonforfeitable percentage computed under the Plan as in effect on the date on which the amendment is adopted, or if later, the date on which the amendment becomes effective. In addition, no amendment shall be made that has the effect of eliminating or restricting 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 Accounts 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 respect 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.

12.02 *Merger, Consolidation or Transfer*

The Board of Directors or its delegate may, in its sole discretion, merge this Plan with another qualified Plan or transfer a portion of the Plan's assets or liabilities to another qualified plan, subject to any applicable legal requirements. However, the Plan may not be merged or consolidated with, and its assets or liabilities may not be transferred to, any other plan unless each person entitled to benefits under the Plan would, if the resulting plan were then terminated, receive a benefit immediately after the merger, consolidation, or transfer which is equal to or greater than the benefit he or she would have been entitled to receive immediately before the merger, consolidation, or transfer if the Plan had then terminated.

12.03 *Additional Participating Companies*

- (a) If any company is or becomes a subsidiary of or associated with the Company, the Board of Directors or the Benefits Administration Board may include the employees of that subsidiary or associated company in the membership of the Plan upon appropriate action by that company necessary to adopt the Plan. In that event, or if any persons become Employees of the Company as the result of merger or consolidation or as the result of acquisition of all or part of the assets or business of another company, the Board of Directors or the Benefits Administration Board shall determine to what extent, if any, previous service with the subsidiary, associated or other company shall be recognized under the Plan, but subject to the continued qualification of the trust for the Plan as tax-exempt under the Code.

- (b) Any subsidiary or associated company may terminate its participation in the Plan upon appropriate action by it. In that event the funds of the Plan held on account of Participants in the employ of that company, and any unpaid balances of the Accounts of all Participants who have separated from the employ of that company, shall be determined by the Benefits Administration Board. Those funds shall be distributed as provided in Section 12.04 if the Plan, as it separately pertains to that company, should be terminated, or shall be segregated by the Trustees as a separate trust, pursuant to certification to the Trustees by the Benefits Administration Board, if the company is continuing the Plan as a separate plan for the employees of that company under which the board of directors of that company shall succeed to all the powers and duties of the Board of Directors, including the appointment of the members of the Benefits Administration Board.

12.04 Termination of Plan

- (a) The Board of Directors may terminate the Plan or completely discontinue contributions under the Plan for any reason at any time. In case of termination or partial termination of the Plan, or complete discontinuance of Company contributions to the Plan, the rights of affected Participants to their Accounts under the Plan as of the date of the termination or discontinuance shall be nonforfeitable. In the event of the Plan's termination, the total amount in each Participant's Accounts shall be distributed to him or her if permitted by law or continued in trust for his or her benefit, as the Benefits Administration Board shall direct.
- (b) Upon termination of the Plan, Pre-tax Contributions, with earnings thereon, shall only be distributed to Participants if (i) neither the Company nor an Affiliated Company establishes or maintains a successor defined contribution plan, and (ii) payment is made to the Participants in the form of a lump sum distribution (as defined in Section 402(e)(4)(D) of

the Code, without regard to subclauses (I) through (IV) of clause (i) thereof). For purposes of this paragraph, a "successor defined contribution plan" is a defined contribution plan (other than an employee stock ownership plan as defined in Section 4975(e)(7) or 409(a) of the Code ("ESOP"), a simplified employee pension as defined in Section 408(k) of the Code ("SEP"), a SIMPLE IRA plan as defined in Section 408(p) of the Code, a plan or contract that satisfies the requirements of Section 403(b) of the Code, or a plan that is described in Section 457(b) or (f) which exists at the time the Plan is terminated or within the 12-month period beginning on the date all assets are distributed that accepts salary deferrals. However, in no event shall a defined contribution plan be deemed a successor plan if fewer than 2 percent of the employees who are eligible to participate in the Plan at the time of its termination are or were eligible to participate under another defined contribution plan of the Company or an Affiliated Company (other than a plan excluded under the prior sentence) at any time during the period beginning 12 months before and ending 12 months after the date of the Plan's termination.

12.05 ***Distribution of Accounts Upon a Sale of Assets or a Sale of a Subsidiary***

Notwithstanding any Plan provision to the contrary, upon the disposition by the Company of at least 85 percent of the assets (within the meaning of Section 409(d)(2) of the Code) used by the Company in a trade or business or upon the disposition by the Company of its interest in a subsidiary (within the meaning of Section 409(d)(3) of the Code), a Participant's Pre-tax Contributions, with earnings thereon, may be distributed to those Participants who continue in employment with the employer acquiring such assets or with the sold subsidiary, provided that (a) the Company maintains the Plan after the disposition, (b) the buyer does not adopt the Plan or otherwise become a participating employer in the Plan and does not accept any transfer of assets or liabilities from the Plan to a plan it maintains in a transaction subject to Section 414(l)(1) of the Code, (c) payment is made to the Participant in the form of a lump sum distribution (as defined in

Section 402(e)(4)(D) of the Code, without regard to subclauses (I) through (IV) of clause (i) thereof, and (d) payment is made by the end of the second calendar year following the calendar year in which the disposition occurred. Notwithstanding the foregoing, if the value of the Vested Portion of the Participant's Accounts (disregarding his or her Rollover Account) is \$5,000 or less, the Participant's vested Accounts shall be distributed as soon as administratively practicable after the Valuation Date following the date the Participant's employment with the Company terminates due to the disposition referenced above.

Effective with respect to distributions made on and after January 1, 2002 and notwithstanding the foregoing, a Participant's pre-tax contributions, qualified nonelective contributions, qualified matching contributions, and earnings attributable to these contributions shall be distributed on account of the Participant's severance from employment. However, such a distribution shall be subject to the other provisions of the Plan regarding distributions, other than provisions that require a separation from service before such amounts may be distributed.

ARTICLE 13. GENERAL PROVISIONS

13.01 *Nonalienation*

- (a) Except as required by any applicable law or by paragraph (c), no benefit under the Plan shall in any manner be anticipated, assigned or alienated, and any attempt to do so shall be void. However, payment shall be made in accordance with the provisions of any judgment, decree, or order which:
- (i) creates for, or assigns to, a spouse, former spouse, child or other dependent of a Participant the right to receive all or a portion of the Participant's benefits under the Plan for the purpose of providing child support, alimony payments or marital property rights to that spouse, child or dependent,
 - (ii) is made pursuant to a State domestic relations law,
 - (iii) does not require the Plan to provide any type of benefit, or any option, not otherwise provided under the Plan, and
 - (iv) otherwise meets the requirements of Section 206(d) of ERISA, as amended, as a "qualified domestic relations order", as determined by the Benefits Administration Board.
- (b) Notwithstanding anything herein to the contrary, if the amount payable to the alternate payee under the qualified domestic relations order is \$5,000 or less, such amount shall be paid in one lump sum as soon as practicable following the qualification of the order. If the amount exceeds \$5,000, it may be paid as soon as practicable following the qualification of the order if the qualified domestic relations order so provides and the alternate payee consents thereto; otherwise it may not be payable before the earliest of (i) the Participant's termination of employment, (ii) the time such amount could be withdrawn under Article 7 or (iii) the Participant's attainment of age 50.

- (c) A Participant's benefit under the Plan shall be offset or reduced by the amount the Participant is required to pay to the Plan under the circumstances set forth in Section 401(a)(13)(C) of the Code.

13.02 ***Conditions of Employment Not Affected by Plan***

The establishment of the Plan shall not confer any legal rights upon any Employee or other person for a continuation of employment, nor shall it interfere with the rights of the Company to discharge any Employee and to treat him or her without regard to the effect which that treatment might have upon him or her as a Participant or potential Participant of the Plan.

13.03 ***Facility of Payment***

- (a) If the Benefits Administration Board shall find that a Participant or other person entitled to a benefit is unable to care for his or her affairs because of illness or accident or because he or she is a minor, the Benefits Administration Board may direct that any benefit due him or her, unless claim shall have been made for the benefit by a duly appointed legal representative, be paid to his or her spouse, a child, a parent or other blood relative, or to a person with whom he or she resides. Any payment so made shall be a complete discharge of the liabilities of the Plan for that benefit.

Furthermore, if the Benefits Administration Board receives from a Participant a power of attorney valid under state law, the Benefits Administration Board shall comply with the instructions of the named attorney to the extent that the Benefits Administration Board would comply with such instructions if given by the Participant and such instructions are consistent with the power of attorney.

(b) Beneficiary's Ability to Disclaim Interest in Plan

Notwithstanding any provision of this Plan to the contrary, a Beneficiary may waive his designation by filing a disclaimer complying with the requirements of Section 2518 of the Code with the Benefits Administration Board in accordance with rules prescribed by the Benefits Administration Board. The Beneficiary filing such a disclaimer shall be treated as if he predeceased or failed to survive the Participant.

13.04 *Erroneous Allocation*

Notwithstanding any provision of the Plan to the contrary, if a Participant's Account is credited with an erroneous amount due to a mistake in fact or law, the Benefits Administration Board shall adjust such Account in such equitable manner as it deems appropriate to correct the erroneous allocation.

13.05 *Information*

Each Participant, Beneficiary or other person entitled to a benefit, before any benefit shall be payable to him or her or on his or her account under the Plan, shall file with the Benefits Administration Board the information that it shall require to establish his or her rights and benefits under the Plan.

13.06 *Top-Heavy Provisions*

(a) The following definitions apply to the terms used in this Section:

- (i) "applicable determination date" means the last day of the preceding Plan Year;
- (ii) "top-heavy ratio" means the ratio of (A) the value of the aggregate of the Accounts under the Plan for key employees to (B) the value of the aggregate of the Accounts under the Plan for all key employees and non-key employees;

- (iii) 'key employee' means 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 Company or Affiliated Company having Statutory Compensation greater than \$130,000 (as adjusted under Section 416(i)(1) of the Code for Plan Years beginning after December 31, 2002), a 5 percent owner (as defined in Section 416(i)(1)(B)(i) of the Code) of the Company or Affiliated Company, or a 1 percent owner (as defined in Section 416(i)(1)(B)(ii) of the Code) of the Company or Affiliated Company having Statutory Compensation of more than \$150,000. The determination of who is a key employee will be made in accordance with Section 416(i) of the Code and the applicable regulations and other guidance of general applicability issued thereunder;
 - (iv) "non-key employee" means any Employee who is not a key employee;
 - (v) "applicable Valuation Date" means the Valuation Date coincident with or immediately preceding the last day of the preceding Plan Year;
 - (vi) "required aggregation group" means any other qualified plan(s) of the Company or an Affiliated Company (including plans that terminated within the five-year period ending on the applicable determination date) in which there are participants who are key employees or which enable(s) the Plan to meet the requirements of Section 401(a)(4) or 410 of the Code; and
 - (vii) "permissive aggregation group" means each plan in the required aggregation group and any other qualified plan(s) of the Company or an Affiliated Company in which all members are non-key employees, if the resulting aggregation group continues to meet the requirements of Sections 401(a)(4) and 410 of the Code.
- (b) For purposes of this Section, the Plan shall be "top-heavy" with respect to any Plan Year if as of the applicable determination date the top-heavy ratio exceeds 60 percent. The top-

heavy ratio shall be determined as of the applicable Valuation Date in accordance with Sections 416(g)(3) and (4) of the Code and Article 5 of this Plan, and shall take into account any contributions made after the applicable Valuation Date but before the last day of the Plan Year in which the applicable Valuation Date occurs. The determination of whether the Plan is top-heavy is subject to the following:

- (i) the Accounts under the Plan will be combined with the account balances or the present value of accrued benefits under each other plan in the required aggregation group and, in the Company's discretion, may be combined with the account balances or the present value of accrued benefits under any other qualified plan in the permissive aggregation group;
- (ii) the Accounts for an employee as of the applicable 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 one-year period (five-year period in the case of a distribution made for a reason other than severance from employment, death, or disability) ending on the applicable determination date;
- (iii) distributions under any plan that terminated within the five-year period ending on the applicable determination date shall be taken into account if such plan contained key employees and, therefore, would have been part of the required aggregation group; and
- (iv) if an individual has not performed services for the Company or an Affiliated Company at any time during the one-year period ending on the applicable determination date, such individual's accounts and the present value of his or her accrued benefits shall not be taken into account.

- (c) The following provisions shall be applicable to Participants for any Plan Year with respect to which the Plan is top-heavy:
- (i) In lieu of the vesting requirements specified in Section 6.03, a Participant shall be vested in, and have a nonforfeitable right to, his or her Company Contribution Account upon the completion of three Years of Service, provided that in no event shall the Vested Portion of a Participant's Company Contribution Account be less than the percentage determined under Section 6.03.
 - (ii) An additional Company contribution shall be allocated on behalf of each Participant (and each Employee eligible to become a Participant) who is a non-key employee, and who has not separated from service as of the last day of the Plan Year, to the extent that the contributions made on his or her behalf under Section 3.03 for the Plan Year (and not needed to meet the contribution percentage test set forth in Section 3.09) would otherwise be less than 3 percent of his or her remuneration. However, if the greatest percentage of remuneration contributed on behalf of a key employee under Sections 3.01 and 3.03 for the Plan Year (disregarding any contributions made under Section 3.16 for the Plan Year) would be less than 3 percent, that lesser percentage shall be substituted for "3 percent" in the preceding sentence. Notwithstanding the foregoing provisions of this sub-paragraph (ii), no minimum contribution shall be made under this Plan with respect to a Participant (or an Employee eligible to become a Participant) if the required minimum benefit under Section 416(c)(1) of the Code is provided to him or her by any other qualified pension plan of the Company or an Affiliated Company. For the purposes of this subparagraph (ii), remuneration has the same meaning as set forth in Section 3.12(c). For purposes of determining whether the Plan satisfies the minimum benefits requirements of Section 416(c) of the Code for Plan Years beginning after December 31, 2001, 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.

- (d) If the Plan is top-heavy with respect to a Plan Year and ceases to be top-heavy for a subsequent Plan Year, a Participant who has completed three Years of Service on or before the last day of the most recent Plan Year for which the Plan was top-heavy shall continue to be vested in and have a nonforfeitable right to his or her Company Contribution Account.
- (e) The top-heavy requirements of Section 416 of the Code and Section 13.06 of the Plan shall not apply in any year beginning after December 31, 2001, in which the Plan 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.

13.07 ***Prevention of Escheat***

Notwithstanding the foregoing, if the Benefits Administration Board is unable to locate any person to whom a payment is due under the Plan or any person fails to present a check for payment in a timely manner, the amount due such person shall be forfeited at such time as the Benefits Administration Board shall determine in its sole discretion and pursuant to nondiscriminatory rules established for that purpose (but in all events prior to the time such

payment would otherwise escheat under any applicable State law). If, however, such a person later files a claim for such payment before the Plan is terminated, the benefit will be reinstated and payment made without any interest earned thereon.

13.08 ***Elections***

Any elections, notifications or designations made by a Participant pursuant to the provisions of the Plan shall be made in writing or in electronic form in a time and manner determined by the Benefits Administration Board under rules uniformly applicable to all employees similarly situated. The Benefits Administration Board reserves the right to change from time to time the time and manner for making notifications, elections or designations by Participants under the Plan if it determines after due deliberation that such action is justified in that it improves the administration of the Plan. In the event of a conflict between the provisions for making an election, notification or designation set forth in the Plan and such new administrative procedures, those new administrative procedures shall prevail.

13.09 ***Transfer of Trust Fund Assets***

The Benefits Administration Board may make a transfer of liabilities and corresponding assets from the trust to trusts of plans of Affiliated Companies or other plans, provided such Plans are qualified under Section 401(a) of the Code, subject to the provisions of Section 12.02. All such transfers shall be made in accordance with ERISA.

13.10 ***Construction***

(a) The Plan shall be construed, regulated and administered under ERISA and the laws of the State of New York, except where ERISA controls.

(b) The titles and headings of the Articles and Sections in this Plan are for convenience only.

In the case of ambiguity or inconsistency, the text rather than the titles or headings shall control.

13.11 *Blackout Periods*

Notwithstanding any provision of the Plan to the contrary, when required by administrative reasons, the Benefits Administration Board may temporarily suspend, limit, or restrict the rights of Participants, Beneficiaries or alternate payees to direct or diversify the investment of some or all of their Accounts, to obtain loans from the Plan, and to obtain distributions (including in- service withdrawals) from the Plan. The number and length of such suspensions and the imposition of such limitations or restrictions shall be limited to the greatest extent practicable. Any suspension, limitation or restriction of rights under this Section 13.11 shall comply with all applicable law and any guidance issued thereunder and may be imposed only if the Benefits Administration Board timely provides notice of the suspension, limitation or restriction of such rights, as required by Section 101 of ERISA, any guidance issued thereunder, and any other applicable law.

ARTICLE 14. WILSON LEARNING CORPORATION; CREATIVE INTERACTIVE MEDIA, INC.

14.01 The following provisions shall apply only to Participants who are Employees of Wilson Learning or Creative Interactive Media, Inc.:

(a) The term "Compensation," as used in the Plan, shall have the following meaning:

The compensation paid by the Company to a participant (exclusive of expense reimbursement and moving expense payments) which is reported to be subject to Federal income tax withholding on Treasury Form W-2 (or any comparable successor form). Compensation received by a nonresident alien employee, which does not constitute income from sources within the United States, shall be excluded. However, in no event shall the Compensation under this Section exceed the actual dollar limitation set forth in Section 1.18.

(b) The Accounts of Participants under the Wilson Learning Corporation Savings and Investment Plan ("Wilson Plan") shall be transferred to Accounts under this Plan as follows:

Wilson Plan Accounts

Base Account
Matching Account

Transferred To

Employee Contribution Account
Company Contribution Account

- (c) Notwithstanding the provisions of Section 6.03, a Participant shall be vested in the amount transferred from the Matching Account under the Wilson Plan to his Company Contribution Account to the extent he was vested under the Wilson Plan at the time of transfer or to the extent he would be vested under Section 6.02 (treating participating in the Wilson Plan as a period of participation for purposes of determining Years of Participation), whichever is greater. Any amount, which is not vested pursuant to the preceding sentence, shall vest as provided in Section 6.02 (treating participation in the Wilson Plan as a period of participation for purposes of determining Years of Participation).

APPENDIX A

1. For the purpose of determining when an Employee shall become a Participant in accordance with the provisions of Section 2.01 of the Plan, and for purposes of determining a Participant's Years of Service for vesting purposes under Section 6.03(a) of the Plan, each of the following periods of service shall be recognized:
 - (a) in the case of an individual who became an Employee of the Company or any Affiliated Company on January 1, 2002 and who immediately prior to said date was an employee of Hungry Minds, Inc. ("HMI"),
 - (i) any period of employment with HMI or any of its affiliated companies rendered prior to January 1, 2002; or
 - (ii) any period of employment rendered immediately prior to the date such individual became an employee of HMI, which was recognized for participation and vesting purposes under the Hungry Minds, Inc. 401(k), Profit Sharing, and Employee Stock Ownership Plan as in effect on December 31, 2001.
 - (b) any period of employment with Blackwell Publishing Inc. ("Blackwell") rendered for participation and vesting purposes under the Blackwell Publishing, Inc. Savings & Retirement Plan as in effect on February 5, 2007.
 - (c) any period of employment with ISUP rendered prior to February 5, 2007 which was recognized for participation and vesting purposes under the ISUP, Inc. 401(k) Retirement Savings Plan as in effect on February 5, 2007;
 - (d) effective as of May 1, 2012, in the case of an individual who became an Employee of the Company or any Affiliated Company on May 1, 2012 and who immediately prior to said date was an employee of Harlan Davidson Inc. ("HDI"), any period of employment with HDI prior to May 1, 2012 to the extent such employment would have been recognized for

- (e) participation and vesting purposes under the Plan had it been rendered as an employee of the Company; effective as of February 16, 2012, in the case of an individual who became an employee of the Company or any Affiliated Company as a result of the acquisition of Inscape Publishing, Inc. ("IPI"), by the Company on February 16, 2012 and who immediately prior to said date was an employee of IPI, any period of employment as an employee of IPI rendered prior to February 16, 2012 to the extent such employment would have been recognized for participation and vesting purposes under the Plan had it been rendered as an employee of the Company;
- (f) effective as of October 25, 2012, in the case of an individual who became an employee of the Company or any Affiliated Company as a result of the acquisition of Deltak edu, LLC. ("Deltak") by the Company on October 25, 2012 and who immediately prior to said date was an employee of Deltak, any period of employment as an employee of Deltak rendered prior to October 25, 2012 to the extent such employment would have been recognized for participation and vesting purposes under the Plan had it been rendered as an employee of the Company;
- (g) effective as of November 1, 2012, in the case of an individual who became an employee of the Company or any Affiliated Company as a result of the acquisition of Efficient Learning Systems, Inc. ("ELS") by the Company on November 1, 2012 and who immediately prior to said date was an employee of ELS, any period of employment with ELS prior to November 1, 2012 to the extent such employment would have been recognized for participation and vesting purposes under the Plan had it been rendered as an employee of the Company;
- (h) notwithstanding the foregoing, with respect to a Participant who had his or her account balances under the Deltak edu 401(k) Retirement Plan (the "Deltak Plan") transferred to the Plan ("Deltak Participant"), effective as of April 2, 2013 or as soon as practicable thereafter (the "Merger Date"), Years of Service for such Deltak Participant shall be equal to: (i) the

number of years credited to him or her under the terms of the Deltak Plan for the period of such prior employment ending on December 31, 2012 or the date on which such prior employment terminated, plus (ii) the greater of (1) the service credited to him or her, if any, on the basis of the "1,000 hour rule" for the portion of the calendar year ending on the Merger Date or the date on which his or her employment terminated, or (2) the Years of Service he or she would be credited with under this Plan for the entire calendar year ending December 31, 2013;

- (i) notwithstanding the foregoing, with respect to a Participant who had his or her account balances under the Inscape Publishing, Inc. Savings and Retirement Plan (the "IPI Plan") transferred to the Plan ("IPI Participant"), effective as of April 10, 2013 or as soon practicable thereafter (the "IPI Merger Date"), Years of Service for such IPI Participant shall be equal to: (i) the number of years credited to him or her under the terms of the IPI Plan for the period of such prior employment ending on December 31, 2012 or the date on which such prior employment terminated, plus (ii) the greater of (1) the service credited to him or her, if any, on the basis of the "1,000 hour rule" for the portion of the calendar year ending on the IPI Merger Date or the date on which his or her employment terminated, or
(2) the Years of Service he or she would be credited with under this Plan for the entire calendar year ending December 31, 2013, and
- (j) notwithstanding the foregoing, with respect to a Participant who had his or her account balances under the Efficient Learning Systems, Inc. Retirement Trust (the "ELS Plan") transferred to the Plan ("ELS Participant"), effective as of May 10, 2013 or as soon as practicable thereafter (the "Merger Date"), Years of Service for such ELS Participant shall be equal to: (i) the number of years credited to him or her under the terms of the ELS Plan for the period of such prior employment ending on December 31, 2012 or the date on which such prior employment terminated, plus (ii) the greater of (1) the service credited to him or her, if any, on the basis of the "1,000 hour rule" for the portion of the

calendar year ending on the Merger Date or the date on which his or her employment terminated, or (2) the Years of Service he or she would be credited with under this Plan for the entire calendar year ending December 31, 2013.

2. The following special rules shall apply to the portion of the Plan accounts transferred to this Plan from another qualified Plan:

(a) With respect to an IPI Participant (as defined in item 1(i) above), in lieu of the vesting schedule set forth in Section 6.03(a), the discretionary matching contributions and discretionary profit-sharing contributions transferred from the IPI Plan to the Plan shall vest in accordance with the following schedule:

Years of Service	Vested Percentage
Less than 1 year	0%
1 but less than 2 years	25%
2 but less than 3 years	50%
3 but less than 4 years	75%
4 or more years	100%

(b) The safe harbor matching contributions transferred from the IPI Plan to the Plan on behalf of an IPI Participant (as defined in item 1(i) above) shall not be available for an in- service withdrawal under the provisions of Section 7.03 and 7.05 of the Plan.

JOHN WILEY & SONS, INC.
Amendment to the John Wiley & Sons, Inc. Employees' Savings Plan

WHEREAS, John Wiley & Sons, Inc. (the "Company") maintains the John Wiley & Sons, Inc. Employees' Savings Plan (the "Plan"); and

WHEREAS, pursuant to Section 12.01 of the Plan, the Board of Directors of the Company (the "Board") reserves the right to amend the Plan from time to time, subject to certain conditions not here relevant; and

WHEREAS, the Board wishes to change the default beneficiary provisions of the Plan; and

WHEREAS, the Board wishes to clarify that the disability eligibility provisions for Basic Retirement Contributions and Discretionary Profit-Sharing Contributions are the same; and

WHEREAS, the Board wishes to discontinue offering the Company Stock Fund as an Investment Fund under the Plan; and

WHEREAS, the Board wishes to utilize the safe harbor provisions of the Internal Revenue Code in determining eligibility for hardship withdrawals under the Plan; and

WHEREAS, the Board wishes to replace a member of the Benefits Administration Board; and

WHEREAS, the Board hereby affirms the current membership of the Benefits Administration Board and the Plan Asset Committee and wishes to designate all future members by the titles of their job titles with the Company.

NOW, THEREFORE be it,

RESOLVED, that, effective as of February 1, 2019, the definition of "Beneficiary" in Section 1.08 of the Plan is amended to read as follows:

"1.08 '**Beneficiary**' means any person, persons or entity designated by a Participant to receive any benefits payable in the event of the Participant's death. However, a married Participant's spouse shall be the Participant's Beneficiary unless or until he or she elects another Beneficiary with Spousal Consent. If no Beneficiary designation is in effect at the Participant's death, or if no person, persons or entity so designated survives the Participant, the Participant's surviving spouse, if any, shall be deemed to be the Beneficiary; otherwise the Beneficiary shall be the first of the following persons or classes then living: (a) his or her issue in equal shares (b) the Participant's parents in equal shares, or (c) the estate of the

Participant. Notwithstanding the foregoing, in determining beneficiary status, the Benefits Administration Board shall take into the account the additional beneficiary rules in Section 13.03.

Effective with the death of a Participant occurring on and after February 1, 2019, the following shall apply in determining "Beneficiary":

- (a) If no Beneficiary designation is in effect at the Participant's death, or if no person, persons or entity so designated survives the Participant, the Participant's surviving spouse, if any, shall be deemed to be the Beneficiary; otherwise the Beneficiary shall be the estate of the Participant.
- (b) Unless the Participant has indicated otherwise on the beneficiary designation, any designation of a beneficiary identified as Participant's spouse shall be deemed revoked by the divorce of the Participant and such Beneficiary. Such revocation shall be effective upon receipt of acceptable documentary evidence of divorce, delivered after the Participant's death to the Plan's recordkeeper and/or the Company. The Plan's Recordkeeper and/or the Company shall not be liable for any payment or transfer made to a Beneficiary in the absence of such documentation. Notwithstanding anything to the contrary in this section, any domestic relations order submitted to and qualified by either the Plan's Recordkeeper and/or the Company at any time prior to the final transfer and/or payment of the Participant's Accounts shall be deemed to constitute such acceptable documentary evidence of divorce.
- (c) To be entitled to receive any undistributed amounts credited to the Accounts at the Participant's death, any person or persons designated as a Beneficiary must be alive and any entity designated as a Beneficiary must be in existence at the time of the Participant's death. In the event that the order of the deaths of the Participant and any primary Beneficiary cannot be determined or have occurred within 120 hours of each other, the Participant shall be deemed to have survived.
- (d) In the event that the death of the Participant or any Beneficiary is the result of a criminal act involving any other Beneficiary, a person convicted of such criminal act shall not be entitled to receive any undistributed amounts credited to the Accounts.
- (e) As long as a Beneficiary remains a minor, any inherited Account opened for such Beneficiary shall be controlled by such person(s) demonstrated to the Company's satisfaction to be authorized to act on behalf of the minor. The minor's representative may be the court-appointed guardian or conservator or a person named to serve as the minor's representative in the Participant's last will and testament admitted to probate

or other person deemed by the Company to be authorized to act for the minor. A minor is a person who has not yet reached the age of majority for the ownership of investments under the law of the state of the minor's domicile. A former minor may request that the inherited Accounts be transferred to him or her at any time after attaining the age of majority."

and be it further

RESOLVED, that, effective as of January 1, 2019, the first two paragraphs of Section 3.04(c) of the Plan are clarified to read as follows:

"(c) For purposes of this Section, the term "Disabled" shall mean the inability of such Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than 12 months, as evidenced by the Participant's eligibility for benefits under the Company's long-term disability program.

A Participant is considered no longer Disabled for the purposes of this Section upon the earliest to occur of the Participant's: (1) ineligibility for benefits under the Company's long-term disability program; (2) attainment of age 65; (3) commencement of benefits under the Retirement Plan; or (4) death."

and be it further

RESOLVED, that, effective as of July 31, 2019, the Company Stock Fund will be eliminated as an Investment Fund and Section 4.01(a) of the Plan is amended to read as follows:

"4.01 Investment Funds

- (a) Contributions to the Plan shall be invested by the Trustee as directed by the Participant in accordance with the provisions of this Article 4 (or beneficiary in the event of the death of a Participant) in one or more of the following Investment Funds:
 - (i) the Company Stock Fund or
 - (ii) one or more other Investment Funds, as authorized by the Plan Asset Committee (prior to March 11, 1999, the Benefits Administration Board) which from time to time may include such equity funds, international equity

funds, fixed income funds, money market funds, life-cycle fund, target date fund and other funds as the Plan Asset Committee elects to offer.

- (iii) Effective February 1, 2019, Participants will no longer be permitted to contribute to or reallocate funds to the Company Stock Fund. Effective July 31, 2019, no Plan assets shall be invested in the Company Stock Fund.”

and be it further

RESOLVED, that, effective as of February 1, 2019, the hardship withdrawal provisions described in Section 7.05(b)(i) of the Plan are amended to read as follows:

- “(i) The Benefits Administration Board shall presume the existence of such immediate and heavy financial need if the requested withdrawal is on account of any of the following:
 - (A) expenses for (or necessary to obtain) medical care that would be deductible under Section 213(d) of the Code (determined without regard to whether the expenses exceed 7.5 percent of adjusted gross income);
 - (B) costs directly related to the purchase of a principal residence of the Participant (excluding mortgage payments);
 - (C) payment of tuition and related educational fees, and room and board expenses, for the next 12 months of post-secondary education of the Participant, his or her spouse, children or dependents (as defined in Section 152 of the Code and determined without regard to Sections 152(b)(1), (b)(2) and (d)(1)(B) of the Code);
 - (D) effective as of January 1, 2006, payment of amounts necessary to prevent eviction of the Participant from his or her principal residence or to avoid foreclosure on the mortgage of his or her principal residence;
 - (E) effective as of January 1, 2006, payments for burial or funeral expenses for the Participant’s deceased parent, spouse, children or dependents (as defined in Section 152 of the Code and without regard to Section 152(d)(1)(B) of the Code); and
 - (F) effective January 1, 2006, expenses for the repair of damages to the Participant’s principal residence that would qualify for the casualty

deduction under Section 165 of the Code determined without regard to whether the loss exceeds 10 percent of the Participant's adjusted gross income and without regard to whether the damages to the Participant's principal residence are attributable to a federally declared disaster, as such term is defined in Section 165(i)(5) of the Code."

and be it further

RESOLVED, that, effective as of February 1, 2019, the hardship withdrawal provisions described in Section 7.05(b)(ii) of the Plan, subsections (A) through (G), are eliminated;

and be it further

RESOLVED, that effective immediately, Kevin Monaco is appointed as a member of the Benefits Administration Board pursuant to Section 10.01 of the Plan and as a member of the Plan Asset Committee pursuant to Section 10.02 of the Plan;

and be it further

RESOLVED, that effective January 1, 2019, members of the Benefits Administration Board shall be designated only by Company job title and all prior designations are void as of such date.

Section 10.01 of the Plan is amended by inserting the following after the first paragraph:

"Effective January 1, 2019, the persons holding the following positions shall comprise the Benefits Administration Board:

- EVP & Chief Human Resources Officer
- Chief Financial Officer & EVP, Operations
- SVP Treasurer and Tax
- VP of Global Rewards
- Director, Rewards
- Sr. Litigation Counsel

Upon the resignation or removal of a member by the Board of Directors, the person holding or later assuming such member's position title shall automatically replace such member on the Benefits Administration Board, without further action by the Board of Directors."

and be it further

RESOLVED, that effective January 1, 2019, members of the Plan Asset Committee shall be designated only by Company job title and all prior designations are void as of such date. Section 10.02 of the Plan is amended by inserting the following after the first paragraph:

“Effective January 1, 2019, the persons holding the following positions shall comprise the Plan Asset Committee:

EVP & Chief Human Resources Officer
Chief Financial Officer & EVP, Operations
SVP Treasurer and Tax
VP of Global Rewards
Director, Rewards

Upon the resignation or removal of a member by the Board of Directors, the person holding or later assuming such member’s position title shall automatically replace such member on the Plan Asset Committee, without further action by the Board of Directors.”

and be it further

RESOLVED, that the Board hereby delegates to the Benefits Administration Board of the Plan all power and authority to take any and all actions, including further amendments to the Plan, as it deems necessary or appropriate to effectuate the intent of the foregoing resolutions;

and be it further

RESOLVED, that the foregoing resolutions are subject to and conditions upon said resolutions not adversely affecting the continued qualified status of the Plan under Section 401 of the Internal Revenue Code of 1986, as amended (the “Code”) or the tax-exempt status of the related trust under Section 501 of the Code.

Approved by the John Wiley & Sons Board of Directors on December 19, 2018.

JOHN WILEY & SONS, INC.

WHEREAS, John Wiley & Sons, Inc. (the "Company") maintains the John Wiley & Sons, Inc. Employees' Savings Plan (the "Plan"); and

WHEREAS, pursuant to Section 12.01 of the Plan, the Board of Directors of the Company (the "Board") reserves the right to amend the Plan from time to time, subject to certain conditions not here relevant; and

WHEREAS, the Board wishes to clarify and amend the provisions of the Plan related to participating companies and the crediting of prior service with an acquired company; and

WHEREAS, the Company acquired certain assets of Knewton, a privately-held company headquartered in New York ("Knewton") and, in connection with this acquisition, certain employees of Knewton became employees of the Company as of May 31, 2019 and thereby became eligible to participate in the Plan, and their prior service as employees of Knewton is to be recognized for eligibility and vesting purposes under the Plan; and

WHEREAS, pursuant to Section 12.03 of the Plan, the members of the Benefits Administration Board of the Plan, acting in their settlor capacities, amended the Plan by unanimous written consent dated September 9, 2019 to recognize certain prior service as an employee with Knewton for eligibility and vesting purposes under the Plan; and

WHEREAS, the Board wishes to delegate to the Benefits Administration Board of the Plan the authority to further amend the Plan, as it deems necessary or appropriate, to effectuate these clarifications and amendments to the Plan.

NOW, THEREFORE be it,

RESOLVED, that, effective as of January 1, 2019, Section 12.03 of the Plan is amended and clarified to read as follows:

"12.03 Additional Participating Companies

- (a) If any company (or a division thereof) is or becomes a subsidiary of or similarly associated with the Company, the Board of Directors may include the employees of that subsidiary or associated company in the membership of the Plan upon appropriate action by that company necessary to adopt the Plan. In that event, or if any persons become Employees of the Company as the result of merger or consolidation or as the result of acquisition of all or part of the assets or business of another company that does not adopt the Plan, the Board of Directors or the members of the Benefits Administration Board in their settlor capacities, shall determine to what extent, if any, previous service as an employee of such other entity shall be recognized under the Plan if such persons become participants in the Plan, in accordance with the terms of the applicable asset or stock purchase agreement and this Plan but subject to the continued qualification of the trust for the Plan as tax-exempt under the Code, and amend the Plan accordingly.

- (b) Any subsidiary or associated company may terminate its participation in the Plan upon appropriate action by it. In that event the funds of the Plan held on account of Participants in the employ of that subsidiary or associated company, and any unpaid balances of the Accounts of all Participants who have separated from the employ of that subsidiary or associated company, shall be determined by the Benefits Administration Board. Those funds shall be distributed as provided in Section 12.04 if the Plan, as it separately pertains to that subsidiary or associated company, should be terminated, or shall be segregated by the Trustees as a separate trust, pursuant to certification to the Trustees by the Benefits Administration Board, if the Plan is continuing as a separate plan for the employees of that subsidiary or associated company, in which event the board of directors of that subsidiary or associated company shall succeed to all the powers and duties of the Board of Directors, including the appointment of the members of such plan's benefits administration board."

and be it further

RESOLVED, that the Board hereby ratifies the Benefits Administration Board's amendment to Appendix A Section 1 of the Plan that recognizes prior service as an employee with Knewton for purposes of eligibility and vesting under the Plan for such persons who became eligible to participate in the Plan as of May 31, 2019 and acknowledges that future amendments adopted by the Benefits Administration Board pursuant to Section 12.03 of the Plan as amended by these resolutions will not require approval or ratification by the Board;

and be it further

RESOLVED, that the Board hereby delegates to the members of the Benefits Administration Board, in their settlor capacities, all power and authority to take any and all actions, including further amendments to the Plan, as it deems necessary or appropriate to effectuate the intent of the foregoing resolutions;

and be it further

RESOLVED, that the foregoing resolutions are subject to and conditioned upon said resolutions not adversely affecting the continued qualified status of the Plan under Section 401 of the Internal Revenue Code of 1986, as amended (the "Code") or the tax-exempt status of the related trust under Section 501 of the Code.

Approved by the John Wiley & Sons Board of Directors on September 26, 2019.

JOHN WILEY & SONS, INC.
Amendment to the John Wiley & Sons, Inc. Employees' Savings Plan

WHEREAS, John Wiley & Sons, Inc. (the "Company") maintains the John Wiley & Sons, Inc. Employees' Savings Plan (the "Plan"); and

WHEREAS, pursuant to Section 12.01 of the Plan, the Board of Directors of the Company (the "Board") reserves the right to amend the Plan from time to time, subject to certain conditions not here relevant; and

WHEREAS, the Board wishes to clarify the eligibility provisions of the Plan to confirm that eligibility is limited to Employees who are ineligible to participate in another savings plan maintained by the Company or an Affiliated Company; and

WHEREAS, the Board wishes to amend the Company Contribution provisions of the Plan; and

WHEREAS, the Board wishes to discontinue the Basic Retirement Contributions under the Plan; and

WHEREAS, the Board wishes to delegate to the Benefits Administration Board of the Plan the authority to further amend the Plan, as it deems necessary or appropriate, to effectuate these clarifications and amendments to the Plan.

NOW, THEREFORE be it,

RESOLVED, that, effective immediately, Section 2.01 of the Plan is clarified to read as follows:

"2.01 Eligibility

Each employee shall be eligible to become a Participant on any Enrollment Date next following the date on which he or she complete six months (three months, effective on and after January 1, 2014) of employment with the Company or Affiliated Company, provided he or she is then (i) an Employee, except as otherwise provided in Appendix A, and (ii) ineligible to participate in another defined contribution savings plan maintained by the Company or an Affiliated Company."

and be it further

RESOLVED, that, effective as of January 1, 2020, Section 3.03(a) of the Plan is amended to read as follows:

- “(a) With respect to Plan Years commencing prior to January 1, 2014, the Company shall contribute on behalf of a Participant who elects to make Deferred Cash Contributions, Employee Contributions and/or Catch-up Contributions, an amount equal to (i) 100 percent of the first 2 percent of Compensation, plus (ii) 25 percent of the next 4 percent of Compensation so contributed to the Plan on behalf of or by the Participant during each payroll period, in the following order of priority: (a) Deferred Cash Contributions, then (b) Employee Contributions, and then (c) Catch-up Contributions.

With respect to Plan Years commencing on January 1, 2014 through January 1, 2019, the Company shall contribute on behalf of a Participant who elects to make Deferred Cash Contributions, Employee Contributions and/or Catch-up Contributions, an amount equal to (i) 25 percent of the first 6 percent of Compensation so contributed to the Plan on behalf of or by the Participant during each payroll period, in the following order of priority: (a) Deferred Cash Contributions, then (b) Employee Contributions, and then (c) Catch-up Contributions. In no event, however, shall the Company Contributions pursuant to this Section with respect to Plan Years commencing on or after January 1, 2014 through January 1, 2019 exceed 1.5 percent of the Participant’s Compensation paid while a Participant with respect to a particular Plan Year.

With respect to Plan Years commencing on or after January 1, 2020, the Company shall contribute on behalf of a Participant who elects to make Deferred Cash Contributions, Employee Contributions and/or Catch-up Contributions, an amount equal to (i) 100 percent of the first 3 percent of Compensation, plus (ii) 50 percent of the next 3 percent of Compensation so contributed to the Plan on behalf of or by the Participant during each payroll period, in the following order of priority: (a) Deferred Cash Contributions, then (b) Employee Contributions, and then (c) Catch-up Contributions. In no event, however, shall the Company Contributions pursuant to this Section with respect to Plan Years commencing on or after January 1, 2020 exceed 4.5 percent of the Participant’s Compensation paid while a Participant with respect to a particular Plan Year.”

and be it further

RESOLVED, that, effective as of January 1, 2020, Section 3.03(b) of the Plan is amended by adding the following paragraph to the end thereof:

“Effective with respect to Plan Years beginning on and after January 1, 2020, if as of the last day of the Plan Year the amount of Company Contributions allocated to a Participant’s Company Contribution Account for such Plan Year is less than 100 percent of the first 3 percent of Compensation plus 50 percent of the next 3 percent of Compensation contributed to the Plan by or on behalf of the Participant as Deferred Cash Contributions, Employee Contributions and/or Catch-up Contributions for such Plan Year, the Company shall make an additional "true-up" Company Contribution on behalf of such Participant in an amount equal to the difference. Such true-up Company Contribution shall be credited to the Participant’s Company Contribution Account as soon as practicable following the end of the Plan Year. The true-up Company Contribution described in the preceding sentence shall also be made with respect to a Participant who terminates employment during the Plan Year and such true-up Company Contribution shall be made as soon as administratively practicable following the end of the calendar year in which the Participant terminates employment or, if so determined by the Benefits Administration Board, the date the Participant terminates employment with the Company and all Affiliated Companies, if earlier.”

and be it further

RESOLVED, that, effective as of January 1, 2020, the Basic Retirement Contribution will be eliminated and the following new Section 3.04(c) is added to the Plan to read as follows:

“(c) Effective beginning January 1, 2020, Basic Retirement Contributions will no longer be made to the Plan.”

and be it further

RESOLVED, that the Board hereby delegates to the members of the Benefits Administration Board of the Plan, in their settlor capacities, all power and authority to take any and all actions, including further amendments to the Plan, as it deems necessary or appropriate to effectuate the intent of the foregoing resolutions;

and be it further

RESOLVED, that the foregoing resolutions are subject to and conditions upon said resolutions not adversely affecting the continued qualified status of the Plan under Section 401 of the Internal Revenue Code of 1986, as amended (the “Code”) or the tax-exempt status of the related trust under Section 501 of the Code.

JOHN WILEY & SONS, INC.

**UNANIMOUS WRITTEN CONSENT OF THE
BENEFITS ADMINISTRATION BOARD**

JOHN WILEY & SONS, INC. EMPLOYEES' SAVINGS PLAN

The undersigned, being all the members of the Benefits Administration Board (the "BAB") appointed under the provisions of the John Wiley & Sons, Inc. Employees' Savings Plan (the "Wiley Plan") and acting in their settlor capacities pursuant to the authority granted by the Board of Directors of John Wiley & Sons, Inc. (the "Board"), do hereby unanimously consent to the adoption of the following resolutions with respect to the Wiley Plan.

WHEREAS, John Wiley & Sons, Inc. (the "Company") maintains the Wiley Plan to provide retirement benefits for its eligible employees and those of any affiliated company or subsidiary that has adopted the Wiley Plan; and

WHEREAS, the Company acquired the companies listed below and agreed to assume the assets and liabilities of the savings plans of those companies and recognize previous service with such companies under the Wiley Plan:

Company	Name of Savings Plan
The Learning House, Inc.	The Learning House Inc. Retirement Trust
Zyante Inc.	Zyante, Inc. Retirement Trust
Atypon Systems, LLC	Atypon Systems, LLC 401(k) Plan
Mthree Consulting	The Company 401k Plan
Madgex, Inc.	TriNet 401k Plan for Employees of Madgex, Inc

WHEREAS, at the meeting held on June 29, 2020 where the Board approved the merger of the above plans into the Wiley Plan (the "Plan Mergers") (Attachment A), the Board also approved the following amendments to the Wiley Plan effective September 1, 2020:

- Deferred Cash Contributions can be pre-tax contributions or Roth contributions
- The provision of The Learning House Plan that permits in-service withdrawal of after-tax contributions will be preserved to the extent permitted and required under the Internal Revenue Code (the "Code")
- Qualified Reservist Distributions will be an additional distribution option
- Partial withdrawals will be available to participants following termination of employment

WHEREAS, pursuant to the Resolutions adopted on July 9, 2020, the Board approved the following: (1) merger of The Learning House Plan and the Zyante Plan into the Wiley Plan on or about September 1, 2020; (2) merger of the Atypon Plan and the Mthree Plan into the Wiley Plan on or about January 1, 2021; and (3) the trustee-to-trustee transfer of active Madgex employee accounts in the TriNet Plan to the Wiley Plan on or about January 1, 2021, with the employees of each company becoming employees of the Company as of said merger or account transfer date, as applicable, and therefore eligible to participate in the Wiley Plan as of such dates; and

WHEREAS, the Wiley Human Resources Department has determined that certain employees of Mthree will remain employees of Mthree and not become employees of the Company, such that the Mthree Savings Plan should not be merged into the Wiley Plan and should remain a free-standing plan for those who remain Mthree employees, with the accounts of the employees who will become employees of the Company on January 1, 2021 being transferred to the Wiley Plan on or after January 1, 2021; and

WHEREAS, pursuant to the Board Resolutions adopted on July 9, 2020, the Board also delegated to the BAB the authority to amend the Wiley Plan, as it deems necessary or advisable, and to take any actions it deems necessary or advisable, with the advice of counsel, to effectuate the Plan Mergers as of the dates selected by the BAB.

NOW, THEREFORE be it,

RESOLVED, that effective September 1, 2020, Article I of the Wiley Plan is amended by the addition of the following definitions:

“**Roth Contributions**” means the amount of Deferred Cash Contributions contributed under Section 3.01 that the Participant elected to include in gross income at the time of deferral pursuant to Section 3.01(f).

“**Roth Account**” means the account credited with Roth Contributions made by the Participant, and earnings on those contributions.

“**Roth Rollover Account**” means the account credited with Roth Rollover Contributions made by a Participant pursuant to Section 3.06, and earnings on those contributions.”

RESOLVED, that effective September 1, 2020, Section 1.20 of the Wiley Plan is amended to read as follows:

“**Deferred Account**” means the account credited with (i) Pre-Tax Contributions made on a Participant’s behalf, (ii) certain Transfers attributable to deferred cash contributions, and (iii) earnings on those contributions.”

RESOLVED, that effective September 1, 2020, Section 3.01 of the Wiley Plan is amended to include Roth Contributions under the Deferred Cash Contributions provisions, as applicable; and

RESOLVED, that effective September 1, 2020, Subsection (f) is added to Section 3.01 of the Wiley Plan as follows:

“(f) **Roth Contributions**

Unless a Participant makes an election under the provisions of this subsection (f), Deferred Cash Contributions and Catch-Up Contributions made by a Member under Section 3.01(a) and Section 3.16 shall be deemed to be Pre-Tax Contributions. In lieu of making Deferred Cash Contributions and Catch-Up Contributions on a pre-tax basis pursuant to the provisions of Section 3.01(a) and Section 3.16, a Participant may elect, in accordance with procedures prescribed by the Benefits Administration Board, to have some or all of the Deferred Cash Contributions and/or Catch-Up Contributions that otherwise would be contributed to the Plan on a pre-tax basis designated as Roth Contributions or Roth Catch-Up Contributions, as applicable, and included in his gross income at the time of deferral. Such election, once made, may only be revoked with respect to Deferred Cash Contributions to be contributed after the effective date of the revocation election.”

RESOLVED, that effective September 1, 2020, Section 3.06 of the Wiley Plan is amended to include Roth Contributions under the Rollover Contributions provisions, as applicable; and

RESOLVED, that effective September 1, 2020, Section 3.16 of the Wiley Plan is amended to include Roth Contributions under the Catch-up Contributions provisions, as applicable; and

RESOLVED, that effective September 1, 2020, the Sections of the Wiley Plan that are applicable to the addition of Roth Contributions shall be deemed amended until such time the Wiley Plan document is restated; and

RESOLVED, that effective September 1, 2020, Subsection (e) is added to Section 7.01 of the Wiley Plan as follows:

“(e) Notwithstanding the foregoing, Employee Contributions that are attributable to after-tax contributions that were transferred from The Learning House Inc. Retirement Trust to the Plan on September 1, 2020 and earning thereon, shall treated as provided in Appendix A Section 1(I).”

RESOLVED, that effective September 1, 2020, Section 7.08 of the Wiley Plan is amended by the addition of the following sentence at the end of such Section:

“Effective September 1, 2020, a Participant who is eligible for a qualified reservist distribution as described in Section 7.09 as well as a withdrawal under this Section shall be deemed to have elected to receive a qualified reservist distribution under Section 7.09 and shall not be prohibited from making Deferred Cash Contributions and Employee Contributions for six months following his qualified reservist withdrawal.”

RESOLVED, that effective September 1, 2020, Article 7 of the Wiley Plan is amended by the addition of the following new Section 7.09:

“7.09 *Qualified Reservist Distribution for Withdrawals by Individuals Called to Active Duty*

Notwithstanding any provision of the Plan to the contrary, a Participant who is a member of a reserve component (as defined in Section 101 of Title 37 of the United States Code) ordered or called to active duty for a period in excess of 179 days or for an indefinite period may withdraw all or any portion of his Deferred Account or Roth Account as a qualified reservist distribution (as defined in Section 72(t)(2)(G)(iii) of the Code) as of the date prescribed in Section 401(k)(2)(B)(i)(V) of the Code.”

RESOLVED, that effective September 1, 2020, Subsection (a)(iii) describing partial withdrawals permitted on distribution of a Participant’s Account on termination of employment is added to Section 9.02 of the Wiley Plan as follows:

“(iii) Effective September 1, 2020, payments made in partial withdrawals from the Participant’s Accounts at any time, subject to the requirements of Section 401(a)(9) of the Code.”

RESOLVED, that, effective as of September 1, 2020, Appendix A Section 1 of the Plan is amended by the addition of subsection (l) as follows:

“effective as of September 1, 2020, in the case of an individual who became an employee of the Company or any Affiliated Company as a result of the acquisition of certain assets of The Learning House, Inc. by the Company on November 1, 2018 and who immediately prior to said date was an employee of The Learning House, any period of employment as an employee of The Learning House rendered prior to November 1, 2018 to the extent such employment would have been recognized for participation and vesting purposes under the Plan had it been rendered as an employee of the Company.

The following special rules shall apply to the portion of the Plan Accounts that were transferred to this Plan from another qualified plan:

Employee Contributions that are attributable to after-tax contributions that were transferred from The Learning House Inc. Retirement Trust to the Plan on September 1, 2020 and earnings thereon, shall be available for withdrawal at any time, provided such contributions were made to The Learning House plan at least 24 months preceding the date of the withdrawal.”

RESOLVED, that, effective as of September 1, 2020, Appendix A Section 1 of the Plan is amended by the addition of subsection (m) as follows:

“effective as of September 1, 2020, in the case of an individual who became an employee of the Company or any Affiliated Company as a result of the acquisition of certain assets of Zyante Inc. by the Company on April 1, 2019 and who immediately prior to said date was an employee of Zyante, any period of employment as an employee of Zyante rendered prior to April 1, 2019 to the extent such employment would have been recognized for participation and vesting purposes under the Plan had it been rendered as an employee of the Company.”

RESOLVED, that, effective as of January 1, 2021, Appendix A Section 1 of the Plan is amended by the addition of the subsection below:

“effective as of January 1, 2021, in the case of an individual who became an employee of the Company or any Affiliated Company as a result of the acquisition of certain assets of Atypon Systems, LLC by the Company on October 1, 2016 and who immediately prior to said date was an employee of Atypon, any period of employment as an employee of Atypon rendered prior to October 1, 2016 to the extent such employment would have been recognized for participation and vesting purposes under the Plan had it been rendered as an employee of the Company.”

RESOLVED, that, effective as of January 1, 2021, Appendix A Section 1 of the Plan is amended by the addition of subsection (o) as follows:

“effective as of January 1, 2021, in the case of an individual who became an employee of the Company or any Affiliated Company as a result of the acquisition of certain assets of Mthree Consulting by the Company on December 31, 2019 and who immediately prior to said date was an employee of Mthree, any period of employment as an employee of Mthree rendered prior to December 31, 2019 to the extent such employment would have been recognized for participation and vesting purposes under the Plan had it been rendered as an employee of the Company.”

RESOLVED, that, effective as of January 1, 2021, Appendix A Section 1 of the Plan is amended by the addition of subsection (p) as follows:

“effective as of January 1, 2021, in the case of an individual who became an employee of the Company or any Affiliated Company as a result of the acquisition of certain assets of Madgex, Inc. by the Company on March 2, 2020 and who immediately prior to said date was an employee of Madgex, any period of employment as an employee of Madgex rendered prior to March 2, 2020 to the extent such employment would have been recognized for participation and vesting purposes under the Plan had it been rendered as an employee of the Company.”

RESOLVED, that the foregoing resolutions are subject to and conditioned upon said amendments not adversely affecting the continued qualified status of the Plan under Section 401 of the Internal Revenue Code of 1986, as amended (the "Code") or the tax-exempt status of the related trust under Section 501 of the Code.

This consent may be executed in any number of counterparts which together shall constitute one and the same consent.

IN WITNESS WHEREOF, the undersigned have set their hand on this 16th day of December, 2020.

/s/Danielle McMahan
Danielle McMahan
Chief People Officer

/s/John Kritzmacher
John Kritzmacher
Chief Financial Officer

/s/Kevin Monaco
Kevin Monaco
SVP, Treasurer & Tax

/s/Elisa Wyman
SVP, Rewards

/s/Kristy Grazioso
Kristy Grazioso
VP, Global Employment Attorney

SUBSIDIARIES OF JOHN WILEY & SONS, INC. (1)
As of April 30, 2021

	Jurisdiction In Which Incorporated
Wiley edu, LLC	Delaware
Wiley Periodicals LLC	Delaware
Inscape Publishing LLC	Delaware
Atypon Systems LLC	Delaware
Profiles International, LLC	Texas
PIIEU Ltd	United Kingdom
Zyante Inc.	Delaware
John Wiley & Sons Canada Ltd	Canada
Consultants M Trois Inc	Canada
Wiley Publishing LLC	Delaware
Wiley India Private Ltd.	India
Wiley APAC Services LLP	India
WWL LLC	Delaware
Wiley Global Technology (Private) Limited	Sri Lanka
John Wiley & Sons Rus LLC	Russia
Wiley International LLC	Delaware
John Wiley & Sons (HK) Limited	Hong Kong
Wiley HK2 Limited	Hong Kong
Wiley Europe Investment Holdings, Ltd.	United Kingdom
Wiley Europe Ltd.	United Kingdom
Wiley Heyden Ltd.	United Kingdom
John Wiley & Sons, Ltd.	United Kingdom
E-Learning SAS	France
mThree Corporate Consulting Limited	United States
mThree Corporate Consulting Limited	United Kingdom
Atypon Systems Ltd UK	United Kingdom
John Wiley & Sons Singapore Pte. Ltd.	United Kingdom
John Wiley & Sons Commercial Service (Beijing) Co., Ltd.	Singapore
Madgex Holdings Ltd	China
Hindawi Limited	United Kingdom
Blackwell Science (Overseas Holdings)	United Kingdom
Wiley-VCH GmbH	Germany
Wiley Fachverlag GmbH	Germany
Wiley-VHCA AG	Switzerland
John Wiley & Sons A/S	Denmark
Wiley Publishing Japan KK	Japan
Wiley Publishing Australia Pty Ltd.	Australia
John Wiley and Sons Australia, Ltd.	Australia
J Wiley Ltd.	United Kingdom
CrossKnowledge Group Limited	United Kingdom

(1) The names of other subsidiaries that would not constitute a significant subsidiary in the aggregate have been omitted.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
John Wiley & Sons, Inc.:

We consent to the incorporation by reference in the registration statements (Nos. 33-62605, 333-93691, 333-123359, and 333-167697) on Form S-8 of John Wiley & Sons, Inc. of our reports dated July 6, 2021, with respect to the consolidated statements of financial position of John Wiley & Sons, Inc. and subsidiaries (the Company) as of April 30, 2021 and 2020, the related consolidated statements of income (loss), comprehensive income (loss), cash flows, and shareholders' equity for each of the years in the three-year period ended April 30, 2021, and the related notes and financial statement schedule in Item 15(2), and the effectiveness of internal control over financial reporting as of April 30, 2021, which reports appear in the April 30, 2021 annual report on Form 10-K of John Wiley & Sons, Inc.

Our report dated July 6, 2021, on the effectiveness of internal control over financial reporting contains an explanatory paragraph that states the Company acquired Hindawi during the year ended April 30, 2021, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of April 30, 2021, Hindawi's internal control over financial reporting. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of Hindawi.

/s/ KPMG LLP

New York, New York
July 6, 2021

CERTIFICATIONS PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Brian A. Napack, certify that:

1. I have reviewed this annual report on Form 10-K of John Wiley & Sons, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Brian A. Napack
Brian A. Napack
President and Chief Executive Officer
Dated: July 6, 2021

CERTIFICATIONS PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John A. Kritzmacher, certify that:

1. I have reviewed this annual report on Form 10-K of John Wiley & Sons, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

By: /s/ John A. Kritzmacher
John A. Kritzmacher
Executive Vice President and Chief Financial Officer
Dated: July 6, 2021

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of John Wiley & Sons, Inc. (the "Company") on Form 10-K for the year ended April 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian A. Napack, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Brian A. Napack
Brian A. Napack
President and Chief Executive Officer
Dated: July 6, 2021

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of John Wiley & Sons, Inc. (the "Company") on Form 10-K for the year ended April 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John A. Kritzmacher, Executive Vice President and Chief Financial Officer, of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ John A. Kritzmacher
John A. Kritzmacher
Executive Vice President and Chief Financial Officer
Dated: July 6, 2021