

**Cash Balance Retirement Plan
Summary Plan Description**

This Summary Plan Description describes The Scripps Research Institute Cash Balance Retirement Plan as in effect January 1, 2004

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INTRODUCTION

Providing for a financially secure retirement is, for most individuals, their most important financial priority. The Scripps Research Institute (called "TSRI" in this booklet) makes a substantial contribution to your retirement income. This booklet has been prepared to help you understand your Cash Balance Retirement Plan and to help you to begin now to plan for your retirement years.

To prepare for retirement, you need to understand the sources of your retirement income, which generally will come from: Social Security, The Scripps Research Institute Cash Balance Retirement Plan, The Scripps Research Institute Tax Sheltered Annuity Plan, and your personal savings and investments. The first two sources can provide a basic level of income, but if there's a gap between the amount you'll need and the amount you'll receive, your Tax Sheltered Annuity Plan contributions and other personal resources can bridge that gap.

Beginning January 1, 1996, the former traditional defined benefit Retirement Plan was amended to become a "cash balance retirement plan" and was renamed The Scripps Research Institute Cash Balance Retirement Plan. If you were a Plan participant on January 1, 1996, your traditional benefit has been converted to a single sum amount credited to an "account" held in your name. For all Plan participants performing services for TSRI on or after January 1, 1996, TSRI will credit your Plan "account" with a percentage of your compensation each year. In addition, beginning January 1, 2000, TSRI will make an additional allocation to this Plan that matches contributions you make under the Tax Sheltered Annuity (TSA) Plan, subject to certain limits. All Plan "accounts" are credited with interest each year. When you terminate employment you can receive your full account balance in a single payment or receive monthly payments.

This Summary Plan Description explains the Cash Balance Retirement Plan as in effect on January 1, 2004. It is intended to describe the Cash Balance Retirement Plan to you in easy-to-understand terms, and do it as accurately as possible. If these pages inadvertently say anything that disagrees with the formal documents that govern the Cash Balance Retirement Plan, the legal Plan documents are the ones that must be followed. TSRI has the sole discretionary authority to interpret this summary and the Plan documents.

ELIGIBILITY

If you are a participant in The Scripps Research Institute Cash Balance Retirement Plan you remain a participant as long as you are an "eligible employee" (as defined below).

Each other eligible employee automatically becomes a participant on the first day of the month following employment (or, if later, transfer to an "eligible employee" status with TSRI).

An "eligible employee" is each employee of TSRI except those individuals:

- who are eligible for The Scripps Research Institute Staff Retirement Plan
- who are leased employees
- who are covered by a collective bargaining agreement unless otherwise provided in the bargaining agreement
- who are classified in the following job classifications: Graduate Students; Visiting Investigators; Consultants; Volunteer; Work Study Student; Adjunct Assistant, Associate or Full Professor; Guest Scientist; and Emeritus Status Positions
- who are not classified by TSRI as an employee on its payroll records, e.g., Research Associate in Division 7 (Stipend Pay) Status, etc.

HOW THE PLAN WORKS: IMPORTANT CONCEPTS

Account Balance

Your Account Balance is a lump sum cash "account". It is the sum of: (1) an Opening Account Balance for participants who were participants in the Plan on January 1, 1996, (2) annual Deposit and Interest Credits, and (3) starting January 1, 2000, a TSA Match Credit (plus associated Interest Credits) based on contributions you make under the Tax Sheltered Annuity (TSA) Plan.

Opening Account Balance

If you were a Retirement Plan participant on January 1, 1996, you accumulated a traditional pension benefit to which you would be entitled when you retired from TSRI. Your Opening Account Balance was a lump sum cash amount converted from your accumulated pension. To do this:

- we calculated the amount of that accumulated pension as of December 31, 1995, and
- we converted that accumulated pension into an equivalent lump sum cash account for you called your "Opening Account Balance."

Deposit Credits

TSRI began crediting Participants with Deposit Credits with the first deposit credited as of December 31, 1996. Deposit Credits are determined each calendar year for your account provided you are credited with at least 500 Hours of Service during the calendar year. Beginning January 1, 2000, TSRI will credit your Account with the greater of:

- 5% of your compensation for the calendar year; or
- \$2,000 if you complete at least 1,000 hours of service or \$1,000 if you complete at least 500 but less than 1,000 hours of service.

For this purpose, the term "compensation" means your salary or wages for the calendar year as reported on Form W-2 for tax purposes, as well as any gross income for the calendar year reported on Form 1042-S. It also includes before-tax contributions you may have made under The Scripps Research Institute Tax Sheltered Annuity Plan or under a "Section 125 flexible benefits plan." Not included, however, are lump sum payments for vacation, severance or other similar types of pay, compensation earned while eligible for The Scripps Memorial Employees Retirement Plan or The Scripps Research Institute Staff Retirement Plan, and compensation in excess of \$205,000, as adjusted for cost-of-living increases by the Internal Revenue Service.

Interest Credits

Every year, as of December 31, the Plan will credit your account with annual Interest Credits. The annual Interest Credit equals the 10-Year Treasury Bond Rate on the first business day in October of the prior calendar year. In no event, however, will the Interest Credit rate exceed the 30-Year Treasury securities rate for the month of September of the prior calendar year. The annual Interest Credit for 2004 will be 5.5%. Also, beginning January 1, 2000, the Interest Credit will not be less than the greater of (1) 5.5% or (2) the 10-Year Treasury Bond Rate on the first business day in October of the prior calendar year.

After you terminate employment, if complete payment from the Cash Balance Retirement Plan has not been made to you, your account will continue to receive Interest Credits.

TSA Match Credits

Beginning January 1, 2000 TSRI will match 50% of what you defer to the voluntary Tax Sheltered Annuity (TSA) Plan (to a maximum of 3% of your pay). The match will be in the form of credits added to your Cash Balance account.

HOW YOUR ACCOUNT BALANCE IS CALCULATED

Under the Cash Balance Retirement Plan, TSRI will maintain an Account Balance in your name. The Account will include your Opening Account Balance, if applicable, and Deposit Credits, Interest Credits and TSA Match Credits added by TSRI.

Example:

Here is an example of how the Deposit, Interest Credits and TSA Match Credits work.

Assumptions: Your Account Balance as of January 1, 2004, is \$2,500
 Your 2004 annual Form W-2 pay is \$40,000 (as adjusted)
 Effective Annual Rate for Interest Credits = 5.5%
 You completed at least 1,000 hours of service during 2004

Your Account Balance as of December 31, 2004 is determined as follows:

Account Balance as of January 1, 2004	\$2,500
Plus	+
A Deposit Credit of 5% of pay between January 1, 2004 and December 31, 2004 (5% of \$40,000)	\$2,000
Plus	+
Twelve months of Interest Credits based on January 1, 2004 Account Balance and an effective annual rate of 5.5%	\$137.50
Equals	=
Account Balance as of December 31, 2004	\$4,637.50
Plus	+
If you are participating in the TSA Plan in 2004 and you defer at least 6% of Pre-Tax pay to the TSA (\$2,400), TSRI provides a Cash Balance Matching Pay credit of 3% (50% of 6%) x \$40,000	\$1,200
Equals	=
Account Balance with TSA Match as of December 31, 2004	\$5,837.50

HOW THE PLAN IS FUNDED

You do not make any contribution to your account. TSRI makes all Plan contributions.

PLAN STATEMENTS

All participants will receive annual account statements. These statements will show the growth in your Account Balance - the combination of Deposit Credits, TSA Match Credits if any and Interest Credits - through the end of the year.

These statements are generally an accurate reflection of your Account Balance. However, your Account Balance may be adjusted if there are mistakes in calculation, updated information pertinent to any calculation or amendments to the Plan.

VESTING

You are eligible to begin accumulating your Account Balance when you become a Plan participant. However, your Account does not belong to you until you are 100% vested. You become vested

- after completing five years of service, or
- if you reach age 65 while employed by TSRI, or
- if you become disabled (as described in the section entitled “If You Become Disabled”) while employed by TSRI, or
- if you die while employed by TSRI.

If you terminate your employment before at least one of the events described above, you will forfeit your Account.

You earn a year of service for each calendar year in which you complete at least 1,000 Hours of Service. Years of Service are counted over your period of employment with TSRI, including certain authorized leave of absence periods.

Years of service can be lost if you terminate employment with TSRI when you are 0% vested and then you incur five consecutive "one year breaks in service." A "one year break in service" occurs in any calendar year in which you are credited with less than 501 Hours of Service. In that case, you are considered a new employee for all Plan purposes.

WHAT THE PLAN PAYS

Normally, the amount you receive equals your Account Balance determined as of the date your payments begin. If you participated in the Retirement Plan prior to 1996, your benefit under this Plan will never be less than your annual accrued benefit under the Retirement Plan as of December 31, 1995, based on your compensation and service as of December 31, 1995 (unless your service is disregarded because of a break in service).

However, if it provides a greater benefit, you will receive the actuarially equivalent value of an annual benefit equal to 1.15% of Average Annual Compensation times Years of Benefit Accrual Service (up to a maximum of 40 years), as those terms were defined in the Retirement Plan on December 31, 1995. If your benefit is greater under this Defined Benefit formula and you start monthly payments before age 65, your monthly benefit is reduced 1/15th for each of the first five years and 1/30th for each of the next five years that payments begin before age 65. Please note that the discussion below, which refers to payment of the Account Balance, also applies to payment of this other benefit amount.

Lastly, if greater than the benefits described in the preceding paragraphs, you may receive a minimum benefit under this Plan of \$35 per month times your Years of Benefit Accrual Service as of December 31, 1999.

If you continue working beyond age 65, when you retire you will receive the greater of your benefit determined at the later retirement date or the benefit you would have received at age 65, but increased actuarially to take into account that payments were delayed.

The benefits described in this section are in addition to any Account Balance provided due to TSA Match Credits.

WHEN THE PLAN PAYS YOUR BENEFIT

Termination of Employment Before Retirement, Death or Disability

You may receive payment of your Account Balance following your termination of employment if you are vested in the Cash Balance Retirement Plan. Payment of your Account Balance can occur following your termination of employment if you request payment. Payment can be made as soon as administratively practicable after each April 1, August 1 or December 1 in accordance with the following chart and depending upon your date of termination:

<u>Date of Termination</u>	<u>Earliest Payout Date is As Soon as Practicable after the Next...</u>
From November 1 to February 28	April 1
From March 1 to June 30	August 1
From July 1 to October 31	December 1

Alternatively, you may elect to leave your Account Balance in the Plan and continue to earn Interest Credits. If you leave your Account Balance in the Plan you can later elect to withdraw the money. Payment can be made as soon as administratively practicable following any later April 1, August 1, or December 1, provided you request payment at least 30 days before the applicable distribution date.

Payments will commence, however, no later than 60 days after the later of the calendar year in which you attain age 65 or the calendar year in which you terminate your employment from TSRI.

All payment requests must be in writing. Payment may be made in any of the forms of payment described in the section entitled "Payment Options." As described below, the "standard method" of payment will apply unless you elect otherwise (and with your spouse's consent if you are married).

If your Account Balance is \$5,000 or less, it will automatically be paid in a single cash payment after you leave at the time described in the first paragraph above.

Retirement

You are eligible to retire once you terminate employment, are age 55 or older and have completed five or more years of vesting service. When you retire you may receive your Account Balance as a single payment. Or, you may choose among a variety of monthly payment options. If you retire prior to age 65, payments will commence no later than 60 days after the calendar year in which you attain age 65. If you continue working for TSRI after your 65th birthday, you may elect to retire and commence your benefit payments at your later retirement date.

Unless you elect otherwise, you must receive your benefits in what is called the "standard method." The "standard method" for an unmarried person pays a monthly income for your lifetime and the "standard method" for a married person pays a monthly income for your lifetime with 50% of that monthly amount continuing to your spouse if you die after retirement.

If you (and your spouse if you are married) agree that another form of payment better meets your needs, you may select any of the other forms of payment available with your spouse's consent. By law, your spouse's consent must be in writing and witnessed by a Plan representative or notary public. Please note, however, that your spouse's consent is NOT needed if you choose the 100% Joint and Survivor Annuity with your spouse as beneficiary.

You will receive more information on all the available payment options when you are ready to retire.

If You Become Disabled

If your employment with TSRI terminates because you are permanently disabled, payment of your Account Balance can occur as early as the first day of any month following the date you terminate employment, and can be paid in any of the forms of payments listed in the section entitled "Payment Options" if you request payment. Alternatively, you may elect to leave your Account Balance in the Plan and continue to earn Interest Credits. As described above, the "standard method" of payment will apply unless you elect otherwise (and with your spouse's consent if you are married).

You are considered permanently disabled if, due to a physical or mental condition, you are unable to perform your usual duties and therefore can no longer work as evidenced by written notification from the Social Security Administration that you are disabled under Title II or Title XVI of the Social Security Act.

Until you receive payment of your Account Balance, you will continue to receive Interest Credits until a distribution occurs. If you are disabled, you can defer payment of your Account Balance until April 1 of the calendar year following the year you reach age 70½.

If You Die

If you die before you receive any part of your Account Balance, your beneficiary will be entitled to receive your vested balance. If you are married, your spouse will be the beneficiary with respect to 50% of your Account Balance, unless your spouse elects to waive entitlement to that benefit. Any other person(s), including your spouse, can be designated the beneficiary with respect to the remaining 50% of your Account Balance. If you are single, payment is made to your beneficiary. If you fail to make any election, your beneficiary will be determined in accordance with the Plan document.

Your spouse can waive entitlement to this benefit provided he or she consents to its waiver in writing witnessed by a Plan representative or notary public and consents to a specific alternate beneficiary.

Your beneficiary may receive your Account Balance as a lump sum payment immediately following your death. If your spouse is your beneficiary, he or she may also receive your benefit in the form of a monthly annuity. If your spouse does not elect an earlier starting date, the annuity payments will begin on the first day of the month following the later of your date of death or when you would have reached age 65.

Automatic Cash Pay-Out

While you must generally make a written request for payments to begin when payment is to be made before age 65, if your Account Balance is \$5,000 or less when you terminate employment (or die prior to receiving any payment), you (or your beneficiary) will receive the total value of your benefit in a lump sum after your termination of employment (or death). Payments are made as soon as administratively practicable after any April 1, August 1 or December 1 at the time described in the chart under "Termination of Employment Before Retirement, Death or Disability." You may not defer such a small payment to a later date and you may not select any other payment option under the Plan.

HOW THE PLAN PAYS YOUR VESTED ACCOUNT BALANCE

Electing a Payment Method

When you terminate employment or retire from TSRI, you will be provided a written explanation of payment options for your Account Balance. You may elect your preferred payment option during the 90 days before the date you want to receive your Account Balance in a lump sum or, alternatively, the date you want to start receiving it under an annuity option. To make your election, submit your request in writing to the Plan Administrator. You may change your election by submitting a new request before the original date you selected arrives.

Payment Options

You may elect one of the following forms of benefit payments. . .

- **Single Sum Payment** - pays you a lump sum cash payment equal to your Account Balance. In some cases, a larger amount will be paid as stated under "What the Plan Pays" above or as otherwise required by law.
- **Single-Life Annuity** - pays you monthly payments during your life only.
- **Five-Year Certain Life Annuity** - pays you monthly payments for your life and, if you die before receiving 60 payments, your beneficiary will receive the remaining balance of the 60 payments.

- **Ten-Year Certain Life Annuity** - pays you monthly payments for your life and, if you die before receiving 120 payments, your beneficiary will receive the remaining balance of the 120 payments.
- **100% Joint-and-Survivor Annuity** - pays you monthly payments during your life and, after your death, pays your beneficiary monthly payments for life equal to 100% of the monthly amount you were receiving.
- **50% Joint-and-Survivor Annuity** - pays you monthly payments during your life and, after your death, pays your beneficiary monthly payments for life equal to 50% of the monthly amount you were receiving.
- **Level Payment Option** - available only on the benefit you had earned under the Retirement Plan as of December 31, 1995 - pays you a higher monthly payment from the Plan until you attain age 65, which is then reduced at that age so that benefit payments available from both sources result in a reasonably level amount.

If you are married on your benefit starting date, you may elect a lump sum payment (or any distribution option other than the 50% or 100% Joint-and-Survivor Annuity), as long as your spouse consents in writing to this election. This consent must be witnessed by a Plan representative or a notary public. Once your spouse consents, your spouse may not revoke such consent, unless you revoke the election. If your spouse does not consent to a form other than a Joint-and-Survivor Annuity, you must elect the 50% or 100% Joint-and-Survivor Annuity, and your spouse will be the beneficiary. If you want to choose someone other than your spouse as the beneficiary under either the 50% or 100% Joint-and-Survivor Annuities, you must have your spouse's consent.

In certain circumstances, your spouse does not need to consent regarding benefit payment if

- your spouse cannot be located or
- you are legally separated from your spouse.

This exception does not apply unless you agree in writing that if ordered by a court you will pay any court-assigned portion to your spouse, and any legal fees and expenses, and you will not hold TSRI responsible for making any payment.

If You Do Not Make an Election

If you want to receive your Account Balance in a lump sum, you must make an election requesting this form of payment. If you do not make an election during the 90 days before the date you select for the payment, the Plan will automatically pay your Account Balance in the "standard method" that is - as a Single-Life Annuity if you are not married on your starting date or as a 50% Joint-and-Survivor Annuity with your spouse as beneficiary if you are married on your starting date.

Automatic Cash Pay-Out

Once again, if your vested Account Balance is \$5,000 or less, it will be paid to you (or your spouse or beneficiary if you should die before you receive your benefit) in one lump sum. You may not choose any other payment option. The amount is paid as soon as administratively practicable following any April 1, August 1, or December 1 at the time described in the chart under “Termination of Employment Before Retirement, Death or Disability.”

Working Past Age 65

If you continue to work for TSRI beyond age 65, you will not receive payment until you terminate employment. You will continue to accumulate Deposit and Interest Credits and, if applicable, TSA Match Credits in your Account.

Participation Upon Reemployment

If you are rehired by TSRI and previously had participated in the Plan, you will resume your participation on the date you are reemployed. If you are rehired by TSRI but were not previously eligible to participate, you will become a participant when you meet the eligibility criteria (see the section entitled “Eligibility”).

Your Account Balance Upon Reemployment

These rules apply if you are reemployed and during your prior employment you were a participant in the Plan:

- If you were previously vested but did not receive any Plan distribution, your Account Balance will not be affected. Your account will continue to receive Interest Credits during your separation and after your return. You will remain vested and you will resume accumulating new Deposits, any TSA Match Credits, and Interest Credits again upon your reemployment. Any pension benefit earned as of December 31, 1995 will be converted to a single sum if that has not yet occurred.
- If you were previously vested and you have received your Account Balance as a lump sum payment, you will remain vested and you will resume accumulating new Deposits, any TSA Match Credits, and Interest Credits again upon your reemployment and you remain vested.
- If you are receiving payment under an annuity option when you are rehired, your benefit payments will continue when you are reemployed. You will remain vested and you will resume accumulating new Deposits, any TSA Match Credits, and Interest Credits again upon your reemployment.
- If you are rehired and were previously not vested in the Plan, your prior unvested Account Balance will be reinstated (plus Interest Credits for the separation interval), provided you are reemployed before you incur five consecutive one year breaks in

service (as described under the section entitled “Vesting”). You will resume accumulating new Deposits, any TSA Match Credits, and Interest Credits again upon your reemployment.

Contributions Following Reemployment After Qualified Military Leave

If you become absent from your job for qualified military leave in the U.S. uniformed military service and then return to employment with TSRI, your period of qualified military service will not be considered a termination of employment for purposes of the Plan, and you will be able to resume participation in the Plan upon your return from qualified military service. You will receive Deposit and Interest Credits, and, if applicable, a TSA Match Credit (plus associated Interest Credits) based on any make up contributions you make under the Tax Sheltered Annuity (TSA) Plan. Please contact the Plan Administrator for additional information.

Limitations

The tax law sets a maximum amount of pay that may be used to determine a benefit. In 2004, this amount is \$205,000.

Certain other limitations may reduce your benefit. If these limitations apply to you, you will be notified.

OTHER INFORMATION

How do I Apply for Benefits?

Any claim for benefits under the Plan must be made in writing to TSRI. You may also appoint an authorized representative to act on your behalf in pursuing a benefit claim or appeal of an adverse benefit determination. The written claim must be signed by the claimant and submitted to The Plan Administrator, The Scripps Research Institute, 10550 No. Torrey Pines Road, Mail Drop TPC-11, La Jolla, CA 92037.

What if My Application Is Denied?

If your application for benefits is denied in whole or in part, TSRI will give you or your duly appointed representative, a written or electronic notice of such denial and of the right to a review of the claim. Such written or electronic notice will explain, in a way that the claimant can understand, the specific reasons for the denial, references to the specific Plan provisions on which the denial is based, a description of any information or material necessary to perfect the application, an explanation of why such material is necessary, an explanation of the Plan’s review procedure and the time limits applicable to such procedures, and a statement of the claimant’s right to bring a civil action under section 502(a) of ERISA if the claim is denied on review. Such written or electronic notice will be given to the claimant within 90 days after TSRI receives the application, unless special circumstances require an extension of time of up to an

additional 90 days for processing the application. If such an extension of time for processing is required, written or electronic notification of the extension will be provided to the claimant prior to the termination of the initial 90-day period. This notice of extension will indicate the special circumstances requiring the extension of time and the date by which TSRI expects to render its decision. The claimant will be permitted to appeal such denial in accordance with the procedures described below.

Can I Appeal a Denial?

Any claimant or duly appointed representative whose initial claim for benefits is denied in whole or in part, may appeal the denial by submitting to a Review Panel a written request for a review of the claim within 60 days after receipt of a notification of an adverse benefit determination from TSRI. The Review Panel is selected by TSRI.

The request for review must be made in writing and shall be addressed to the Review Panel in care of The Scripps Research Institute, 10550 N. Torrey Pines Road, Mail Drop TPC-11, La Jolla, CA 92037. The request for review shall set forth all of the grounds on which it is based, all facts in support thereof and any other matters which the claimant deems pertinent. The Review Panel may require the claimant to submit such additional facts, documents or other material as the Review Panel may deem necessary or appropriate in making its review. The Review Panel shall (1) give the claimant the opportunity to submit written comments, documents, records and other information relating to the claim for benefits; and (2) provide the claimant, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits.

How are Decisions on Review Made?

The Review Panel's determination will take into account all comments, documents, records, and other information that the claimant has submitted without regard to whether such information was submitted or considered in the initial benefit determination. The Review Panel will provide the claimant with written or electronic notification of its decision within a reasonable period of time, but not later than 60 days after receiving the review request, unless special circumstances require an extension of time for reviewing the request, up to an additional 60 days. If such an extension for review is required, written or electronic notification of the extension will be provided to the claimant within the initial 60-day period. The notice of extension will indicate the special circumstances requiring the extension of time and the date by which the Review Panel expects to render a decision.

If an extension of time is required due to the claimant's failure to submit information necessary to review the application, the period of time that the Review Panel has to review the application will be tolled from the date on which the notice of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information.

What Happens if the Application is Denied on Review?

In the event that the Review Panel confirms the denial of the claim for benefits in whole or in part, it shall provide the claimant with written or electronic notification of its benefit determination on review. In the case of an adverse benefit determination, the notification shall set forth, in a manner calculated to be understood by the claimant: (a) the specific reason or reasons for the adverse determination; (b) references to the specific plan provisions on which the benefit determination is based; (c) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other relevant information to the claimant's claim for benefits; and (d) a statement of the claimant's right to bring an action under section 502(a) of ERISA.

Can I Bring a Lawsuit to Enforce My Rights under the Plan?

Notwithstanding anything to the contrary in the Plan, no legal action for benefits under the Plan may be brought unless and until a claimant or duly appointed representative (1) has submitted a written application for benefits as described under the section entitled "How do I Apply for Benefits?"; (2) has received written or electronic notification from TSRI that the application is denied as described in the section entitled "What if My Application is Denied?"; (3) has filed a written request for a review of the application as described in the section entitled "Can I Appeal a Denial?"; and (4) has received written or electronic notification that the Review Panel has affirmed the denial of the application as described in the section entitled "What Happens if the Application is Denied on Review?".

In all cases, no action claiming benefits or coverage under the Plan may be brought after the later of the expiration of three (3) years from the event giving rise to the claim or the date the claimant has received written or electronic notification that the Review Panel has affirmed the denial of the application as described in the section entitled "What Happens if the Application is Denied on Review?"

Who Decides Questions under the Plan?

Notwithstanding anything to the contrary in this summary plan description or the Plan document, TSRI has the discretionary authority to grant or deny benefits under the Plan, to determine all factual and legal questions that arise under the Plan, and to construe and interpret all terms contained in the Plan and this booklet. Benefits will be paid under this Plan only if TSRI determines in its discretion that the claimant is entitled to them.

Qualified Domestic Relations Order (QDRO)

If you get divorced or legally separated, the Plan benefit may be subject to a property settlement. The court may then issue a qualified domestic relations order - a court order related to divorce or separation - which could award a portion of your Account Balance to your former spouse. Participants and beneficiaries can obtain, without charge, a copy of the Plan's procedures governing qualified domestic relations order determination from the Plan Administrator.

Top Heavy Plan Rules

Although it is unlikely, the Plan could become a "top-heavy" plan. The Plan Administrator is responsible for determining each year if the Plan is a top-heavy plan.

If the Plan should become top heavy in any year, you may be entitled to accelerated vesting. The Plan Administrator will inform you of your rights if the Plan should become top heavy.

Loss or Reduction in Benefit

Certain circumstances might adversely affect the amount of pension or Account Balance you could expect to receive from the Cash Balance Retirement Plan. For example:

- If your benefit exceeds certain legal limits described in the Internal Revenue Code, such as in section 415.
- If the Cash Balance Retirement Plan is amended to reduce future contributions or is terminated.
- If you terminate employment before becoming 100% vested.
- If the Plan is required to pay benefits to your spouse, former spouse, or a dependent under the terms of a QDRO. (See above.)
- If you (or your beneficiary) cannot be located. You should always keep TSRI informed of your current mailing address.
- If TSRI finds it necessary to recalculate your pension or Account Balance because of corrected data that it receives.

Tax Considerations

The Cash Balance Retirement Plan is intended to meet the qualification requirements of section 401(a) of the Internal Revenue Code. As long as the Cash Balance Retirement Plan remains qualified, your Cash Balance Retirement Plan funds are taxable only when you receive them. If you receive them at a time when your income has decreased, such as at retirement, you may be in a lower tax bracket. We encourage you to consult with your tax advisor for additional information on your own tax status before you receive any payments from the Plan.

If you choose an annuity payment option, you may elect in writing that taxes not be withheld. If you do not make such an election, taxes will be withheld automatically when you receive the Account Balance. If you elect a lump sum payment, a 20% federal withholding tax will be applied unless your Account Balance is transferred directly from the Plan into an individual retirement account (an IRA) or another eligible retirement plan that accepts rollovers (known as a "direct rollover"). An "eligible retirement plan" means a traditional IRA, a qualified 401(a) or 403(a) plan, a "403(b)" plan maintained by certain tax exempt entities (including TSRI) or a "457(b)" plan maintained by a governmental employer. This means that rather than receiving a

check made payable to you, you authorize the Employer to transfer your benefit directly to an IRA set up in your name or to your account established under another employer's eligible retirement plan. When the Plan benefit is directly transferred to an IRA or eligible retirement plan, no 20% federal withholding applies. Alternatively, you may elect to receive a check made payable to you (with 20% of the taxable Plan benefit withheld), and then deposit this amount into an IRA or eligible retirement plan within 60 days after receipt of the distribution (known as a "regular rollover"). However, unless you also contribute to the IRA or another type of eligible retirement plan, from your own funds, an amount equal to the 20% withheld, you will have to pay tax on the 20% that was not rolled over.

Generally, a 10% additional federal income tax (and any applicable state tax) will apply to the taxable amount of distributions made before the participant attains age 59½. The following distributions, however, are exempt from the additional tax:

- Distributions rolled over into an IRA;
- Distributions made after the Participant's death;
- Distributions attributable to the Participant's disability;
- Distributions made after the Participant has terminated employment after having attained age 55;
- Distributions used for payment of medical expenses, to the extent they are deductible;
- Payments to an alternate payee pursuant to a qualified domestic relations order; and
- Distributions which are part of a series of substantially equal periodic payments (paid at least annually) for the life or life expectancy of the employee or the joint lives or joint life expectancies of the employee and his or her beneficiary.

Amendment or Termination of the Plan

TSRI, by action of its Board of Trustees, has the right to amend or terminate the Cash Balance Retirement Plan. Under certain circumstances, the Committee may also amend the Plan. However, no amendment may reduce or eliminate your existing Account Balance under the Plan. In the unexpected event of a Plan termination which results in the cessation of your future Deposit and Interest Credits, your Account Balance will become 100% vested and nonforfeitable. If all of the assets of the terminated Plan are to be distributed, the assets are first used to provide the participants and their beneficiaries with their Account Balance under the terms of the Plan based on the priorities established by federal law. Any remaining Plan assets are returned to TSRI.

Federal Pension Benefit Insurance

Because the Plan is a defined benefit pension plan, your Account Balance is insured by the Pension Benefit Guaranty Corporation (PBGC), if the Cash Balance Retirement Plan should

terminate. The PBGC is a government corporation established under federal law.

Generally, the PBGC guarantees vested Account Balances at the level in effect on the date when the Plan terminates. However, if benefits have been increased by Plan amendment anytime within five years before the Plan ends, the whole amount of the vested increase is not guaranteed. Also, there is a ceiling on the dollar amount the PBGC guarantees, which changes from time to time. For more information on the PBGC insurance protection and its limitations, ask your Plan Administrator or the PBGC. Address inquires to the PBGC to the Office of Communications, PBGC, 1200 K Street NW, Washington DC 20005-4026. You may reach the PBGC Office of Communications by calling (202) 326-4000.

YOUR RIGHTS UNDER ERISA

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act (ERISA). ERISA provides that all Plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

- Examine without charge at the Human Resources Department and at other specified locations, all documents governing the Plan, including a copy of the latest annual report (Form 5500 series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration (EBSA) (formerly known as the Pension and Welfare Benefits Administration).
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including copies of the latest annual report (Form 5500 series) and updated summary plan description. The Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of the summary annual report.
- Obtain a statement telling you whether you have a right to receive a benefit at the Normal Retirement Date (age 65) and, if so, what your benefits would be at such date if you stopped working under the Plan at that time. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to get such a right. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called

“fiduciaries,” have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining your Plan benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a Plan benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents related to the decision without charge, and to appeal any denial, all within certain time schedules. Under ERISA, there are steps you can take to enforce the above rights. For instance:

- if you request a copy of Plan documents or the latest annual report from the Plan Administrator and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 per day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator.
- if you have completed the claim and appeal procedures described earlier in this summary plan description and your claim for benefits is denied or ignored, in whole or in part, you may file suit in a state or Federal court.
- if you disagree with the Plan Administrator’s decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in a Federal court.
- if it should happen that Plan fiduciaries misuse the Plan’s money, or if you should be discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court.

The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance With Your Questions

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Administration (EBSA) (formerly known as the Pension and Welfare Benefits Administration), U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the EBSA or accessing its website at <http://www.dol.gov/ebsa/>.

GOVERNING DOCUMENTS

This summary is designed to explain in everyday language the highlights of the Cash Balance Retirement Plan. The description contained in this summary was developed with reference to the circumstances applicable to most participants and does not fully cover less usual circumstances.

The Cash Balance Retirement Plan document, including amendments thereto, is the only document governing your rights and benefits, and TSRI's obligations. In the event of a conflict or inconsistency between the description contained in this summary and the actual provisions of the Plan, the provisions of the Cash Balance Retirement Plan document will govern.

You may examine all Plan documents without charge in TSRI's Human Resources office during regular working hours, or obtain a copy of the documents upon written request to the Plan Administrator.

Official Plan Name:	The Scripps Research Institute Cash Balance Retirement Plan
Employer/Plan Sponsor:	The Scripps Research Institute 10550 N. Torrey Pines Road La Jolla, CA 92037
Employer Identification Number:	33-0435954
Plan Administrator:	Same as Plan Sponsor
Plan Number:	001
Plan Year:	January 1 - December 31
Trustee:	Northern Trust 801 South Canal Street Chicago, IL 60607
Type of Plan:	Defined Benefit Plan
Agent for Service of Legal Process:	Trustee or Plan Administrator