

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

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

Date of Report (Date of earliest event reported): November 8, 2007

KELLY SERVICES, INC.

(Exact name of Registrant as specified in its charter)

<u>DELAWARE</u>	<u>0-1088</u>	<u>38-1510762</u>
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

999 WEST BIG BEAVER ROAD, TROY, MICHIGAN 48084

(Address of principal executive offices)
(Zip Code)

(248) 362-4444

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement**Short-Term Incentive Plan**

On November 8, 2007, upon the recommendation of its Compensation Committee, the Board of Directors (the "Board") of Kelly Services, Inc. (the "Company") approved amendments to the Company's Short-Term Incentive Plan (the "STIP"). The STIP, which is administered by the Compensation Committee, provides key officers and employees with the opportunity for annual bonuses based on Company performance. The STIP was amended to exempt amounts payable from Section 409A of the Code by providing that payments will be made from the STIP no later than March 1 of the year following the end of each performance period. The STIP was also amended to clarify the Compensation Committee's authority to make adjustments to performance measures, including adjustments in the case of a windfall or catastrophic loss.

Executive Severance Plan

On November 8, 2007, upon the recommendation of its Compensation Committee, the Board approved amendments to the Company's Executive Severance Plan (the "Severance Plan") to exempt the cash severance benefits payable under the Severance Plan from Section 409A of the Code and to cause other benefits provided under the Severance Plan to comply with Section 409A of the Code to the extent necessary.

The Severance Plan applies to two tiers of Company executives: (i) the Chief Executive Officer and other named executive officers of the Company (the "Tier I Executives") and (ii) other senior officers as designated by the Compensation Committee (the "Tier II Executives"). Both Tier I and Tier II Executives are entitled to receive severance benefits under the Severance Plan if they incur a "qualifying termination". Generally, a qualifying termination includes the executive's termination by the Company without cause and, in the case of a Tier I Executive only, the executive's voluntary resignation due to adverse changes to his compensation and job conditions (as further described in the Severance Plan). The benefits payable under the Severance Plan include: (i) a pro rated target bonus for the year of termination; (ii) with respect to Tier II Executives, continued salary for a period of one year; (iii) with respect to Tier I Executives, salary continuation equal to two times salary and bonus paid over a two-year period; (iv) continued welfare benefits for a period of one year (two years with respect to Tier I Executives); and (v) payment of up to \$10,000 for professional outplacement services.

In order to exempt the cash severance benefits payable under the Severance Plan from Section 409A of the Code, (i) the salary continuation benefits in excess of \$450,000 (or two times the executive's prior year compensation, if less) will be paid in a lump sum shortly after the executive's qualifying termination, (ii) a Tier I Executive may not incur a qualifying termination as a result of his voluntary resignation unless the he incurs a material adverse change to his compensation or job conditions that results in the voluntary resignation, (iii) a Tier I Executive must notify the Company of his intent to resign and receive severance benefits as a result of a material adverse change in his compensation or job conditions and (iv) the Company must be provided 30 days to remedy any adverse change in a Tier I Executive's compensation or job conditions after receiving notice from the Tier I Executive.

2008 Management Retirement Plan

On November 8, 2007, upon the recommendation of its Compensation Committee, the Board adopted the Kelly Services, Inc. 2008 Management Retirement Plan (the "2008 Plan"), effective as of January 1, 2008. The 2008 Plan is a non-qualified defined contribution/deferred compensation plan available to "highly compensated employees" (as defined by the Internal Revenue Service). The 2008 Plan provides eligible participants the opportunity to defer portions of their base salary and incentive compensation. The 2008 Plan also provides discretionary Company matching and retirement contributions. Deferrals are payable in cash at certain future dates specified by participants in accordance with the 2008 Plan or upon the occurrence of certain events, such as death, other termination of employment or as otherwise contemplated in the 2008 Plan. Participants may elect payment of their accounts in a lump sum or installments over a 5, 10, 15 or 20-year payment period. Deferred amounts are credited with earnings, gains and losses in accordance with investment crediting options established by the Company from time to time.

The 2008 Plan is adopted to comply with the provisions of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"). As a result, it applies to amounts deferred and Company contributions that vest on or after January 1, 2005. Amounts deferred and Company contributions that vested before January 1, 2005 will continue to be subject and governed by the terms of the Kelly Services, Inc. Management Retirement Plan (the "Prior Plan"). The Prior Plan is frozen as to future deferrals immediately prior to January 1, 2008.

The foregoing descriptions of the STIP, Severance Plan and 2008 Plan are qualified in their entirety by reference to the full text of the plan documents.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

On November 8, 2007, the Company entered into a five-year, yen-denominated loan agreement. The proceeds of 5.5 billion yen, the U.S. dollar equivalent of \$48.4 million, will be used to repay all of the Company's outstanding short term, yen-denominated borrowings. The loan agreement bears interest at variable rates and contains customary terms and conditions consistent with the previous borrowings. The Company's total debt will not increase as a result of this action.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

- 10.1 Short-Term Incentive Plan
- 10.3 Executive Severance Plan
- 10.12 2008 Management Retirement Plan

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

KELLY SERVICES, INC.

Date: November 14, 2007

/s/ Daniel T. Lis
Daniel T. Lis

Senior Vice President, General Counsel
and Corporate Secretary

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Short-Term Incentive Plan
10.3	Executive Severance Plan
10.12	2008 Management Retirement Plan

KELLY SERVICES, INC.
SHORT-TERM INCENTIVE PLAN

Section 1 - Purposes.

This KELLY SERVICES, INC. SHORT-TERM INCENTIVE PLAN (the "Plan") provides for annual incentive compensation payable in cash to those key officers and employees of the Company or any affiliated entity, who, from time to time, may be selected for participation. The Plan is intended to provide incentives and rewards for the contributions of such employees toward the successful achievement of the Company's financial and business goals established for the current year.

Section 2 - Administration.

The Plan shall be administered by the Compensation Committee of the Board of Directors. The Committee shall have authority to make rules and adopt administrative procedures in connection with the Plan and shall have discretion to provide for situations or conditions not specifically provided for herein consistent with the overall purposes of the Plan.

Section 3 - Selection of Participants.

The Committee may delegate to the chief executive officer of the Company, if also a director, its authority to select those key officers and employees entitled to participate under the Plan each year. Approval of eligible participants may be made at any time during each award year.

Section 4 - Establishing Performance Objectives.

The Committee annually, during the first quarter of the year, shall establish one or more performance objectives which may consist of quantitatively measurable performance standards or qualitative performance standards, the achievement of which requires subjective assessment, or both. With respect to those senior executive officers determined by the Committee most likely to be named in the Summary Compensation Table of the Company's proxy statement for the following year's Annual Meeting of Stockholders (the "Named Officers"), the Committee shall apply the special provisions of Section 8. The Committee shall specify during the first quarter which, if any, types or categories of extraordinary, unusual, non-recurring or other items of gain or loss shall be excluded or otherwise not taken into account when actual corporate or divisional/departamental results are calculated.

Section 5 - Establishing Target Awards.

During the first quarter of each year the Committee shall establish a target award, expressed as a percentage of eligible salary for that year (annual base salary, excluding pay for disability, overtime, bonuses, sick pay and other reimbursements and allowances), for each officer or other employee selected to participate under the Plan. Individual participants may earn an award payout ranging from zero percent to the maximum percent of their target award that the Committee may set in place from time to time. The Committee shall also specify what portion of the target award, if any, is based on the achievement of the Company performance objective(s) and what portion or portions are based on the achievement of other objectives. The Committee will establish an award payout schedule based upon the extent to which the Company performance objective (or objectives) is or is not achieved or exceeded.

Section 6 - Determining Final Awards.

The Committee shall have discretion to adjust final awards up or down from the target award depending on (a) the extent to which the Company performance objective(s) is either exceeded or not met, and (b) the extent to which other objectives, e.g. subsidiary, division, department, unit or other performance objectives are attained. The Committee shall have full discretion to make other adjustments in final awards based on individual performance as it considers appropriate in the circumstances.

Section 7 – Windfalls and Catastrophic Losses

A Windfall is an excessively large potential payment for results not driven by participant actions (e.g., acquisitions, market reconfigurations, significant changes in the Company's business) or due to inequities or errors in the Plan.

A Catastrophic Loss is a situation where incentive payments are unexpectedly reduced or eliminated due to business situations that were not foreseeable or preventable by participants (e.g. tornadoes, floods or other natural disasters, etc.).

If any situation is identified as a Windfall or Catastrophic Loss, participants will be notified if there is to be any adjustment in the calculation or payment; provided, however, that no award to a Named Officer may be increased pursuant to this Section 7.

Section 8 - Special Provisions Applicable to the Named Officers.

During the first quarter of each year the Committee shall consider the establishment of a Plan target award, expressed as a percentage of eligible salary, for each of the Named Officers.

The Committee shall next establish objective performance standards for the corporate and/or divisional/departmental portions of the awards, and determine what percentage of the target award, if any, will be based on each such objective performance standard.

The Committee will select one or a combination of the following as objective performance standards: pre-tax or after tax corporate earnings for the year or the equivalent of such amounts in basic or diluted earnings per share, sales, gross profit, earnings from operations, net operating profit after taxes above the cost of capital, market share, customer satisfaction, quality metrics, shareholder value and return on assets, investment or equity.

The Committee shall also specify during the first quarter which, if any, types or categories of extraordinary, unusual, non-recurring or other items of gain or loss shall be excluded or otherwise not taken into account when actual corporate or divisional/departmental results are calculated.

The Committee will finally establish an award payout schedule based upon the extent to which the objective performance standard(s) is or is not achieved or exceeded. The Committee retains the right in its discretion to reduce an award based on Company, divisional/departmental or individual performance, but will have no discretion to increase any award so calculated.

In addition to awards based on quantitatively determinable performance standards, the Committee may, in its discretion and acting in the best interests of the Company, set one or more other incentive goals for a portion or all of a Named Officer's Plan award, the achievement of which need not be quantitatively determinable but, instead, may require subjective assessments of the quality of performance to which the goals relate ("qualitative performance standards"). If a qualitative performance standard is established with respect to a Named Officer's Plan target award, the Committee shall specify at the time of the award what percentage of the total award will be based on that

objective. The Committee will, however, have discretion to increase or decrease that portion of an award which does not qualify for the performance-based exclusion from the Section 162(m) cap on compensation deductibility.

In no event shall the total annual Plan award to a Named Officer, including the non-performance-based portion, exceed \$2,000,000 a year.

Section 9 - Time of Distribution.

Distribution of awards shall be made as soon as practicable following the close of the year for which earned, but in no event later than March 1 of the year following the award year.

Section 10 - Forfeiture.

Until such time as the full amount of an award has been paid, a participant's right to receive any unpaid amount shall be wholly contingent and shall be forfeited if, prior to payment, the participant is no longer in the employ of the Company, provided, however, that the Committee may in its discretion waive such condition of continued employment. A participant on an approved leave of absence as of the payment date is not eligible to receive payment of an award until the participant returns to active status. It shall be an overriding precondition to the payment of any award (a) that the participant not engage in any activity that, in the opinion of the Committee, is in competition with any activity of the Company or any affiliated entity or otherwise inimical to the best interests of the Company and (b) that the participant furnish the Committee with all such information confirming satisfaction of the foregoing condition as the Committee shall reasonably request. If the Committee makes a determination that a participant has engaged in any such competitive or otherwise inimical activity, such determination shall operate to immediately cancel all then unpaid award amounts.

Section 11 - Death.

Any award remaining unpaid, in whole or in part, at the death of a participant shall be paid to the participant's legal representative or to a beneficiary designated by the participant in accord with rules established by the Committee.

Section 12 - No Right to Employment or Award.

No person shall have any claim or right to receive an award, and selection to participate in the Plan shall not confer upon any employee a right with respect to continued employment by the Company. Further the Company and each affiliated entity reaffirms its at-will relationship with its employees and expressly reserves the right at any time to dismiss a participant free from any liability or claim, except as provided under this Plan.

Section 13 - Amendment or Termination.

The Board of Directors of the Company reserves the right at any time to make any changes in the Plan as it may consider desirable or may discontinue or terminate the Plan at any time, except that Section 8 cannot be changed in anyway which would violate IRS regulations under Internal Revenue Code Section 162(m) without stockholder approval.

KELLY SERVICES, INC.
EXECUTIVE SEVERANCE PLAN
April 4, 2006
(as amended November 8, 2007)

Introduction. Kelly Services, Inc. (the "Company") hereby establishes a severance plan to be known as the Executive Severance Plan (the "Plan"). The Plan shall provide severance benefits to certain employees of the Company, as identified in Appendix A ("Executive" or "Executives"), upon certain terminations of employment from the Company, as described in this Plan document. The purpose of the Plan is to recognize the past service of Executives whose employment is terminated under certain specified circumstances as described herein by providing severance payments. With respect to Executives identified in Appendix A, this Plan supersedes all prior plans, policies and practices of the Company, including provisions of any employment agreement between the Executive and the Company with respect to severance or separation pay for the Executive. The Plan is the only severance program for such Executives. In the event of a "Change in Control" of the Company, as defined in the Kelly Services, Inc. Change in Control Severance Plan for Senior Executives (the "CIC Plan"), Executives identified in Appendix A, who are also participants in the CIC Plan, will receive severance benefits in accordance with the CIC Plan, which supersedes and is in lieu of this Executive Severance Plan.

Effective Date and Term. The Plan, as amended on November 8, 2007 to comply with Section 409A of the Code, commenced on April 4, 2006 (the "Effective Date") and shall continue in effect for three full years (through April 3, 2009) (the "Initial Term"). The Initial Term of this Plan automatically shall be extended for three additional years at the end of the Initial Term, and then again after each successive three-year period thereafter (each such three-year period following the Initial Term a "Successive Period"). However, the Company may terminate this Plan entirely or terminate any individual Executive's participation in the Plan at the end of the Initial Term, or at the end of any Successive Period thereafter, by giving all Executives (or select Executives, if terminating select Executives' participation in the Plan) written notice of intent not to renew, delivered at least twelve (12) months prior to the end of such Initial Term or Successive Period. If such notice is properly delivered by the Company, this Plan (or the participation of select Executives), along with all corresponding rights, duties, and covenants shall automatically expire at the end of the Initial Term or Successive Period then in progress.

1. Definitions.

- (a) "Base Salary" means, at any time, the then regular annual rate of pay which the Executive is receiving as annual salary, including any amounts deferred under any qualified retirement plan or nonqualified deferred compensation plan, but excluding amounts: (i) received under short-term or long-term incentive or other bonus plans, regardless of whether or not the amounts are deferred, or (ii) designated by the Company as payment toward reimbursement of expenses.
- (b) "Board" or "Board of Directors" means the Board of Directors of the Company.
- (c) "Cause" shall mean the occurrence of any one or more of the following:
 - (i) The Executive's willful and continued failure to substantially perform his duties with the Company (other than any such failure resulting from the Executive's Disability), after a written demand for substantial performance is delivered to the Executive, by the Board or the Chief Executive Officer of the Company, that specifically identifies the manner in which the Board or the Chief Executive Officer believes that the Executive has not substantially performed his duties, and the Executive has been given an opportunity, within thirty (30) days following Executive's receipt of such notice, to meet in person with the Board (or its designee) to explain or defend the alleged act or acts, or failure or failures to act relied upon by the Company and, to the extent such cure is possible, the Executive has not cured such act or acts or failure or failures to act within the thirty (30) day period;
 - (ii) The Executive's gross negligence or willful engagement in conduct that is demonstrably and materially injurious to the Company, monetarily or otherwise;
 - (iii) The Executive's conviction of, or plea of guilty or nolo contendere, to any felony or to any other crime which involves the personal enrichment of the Executive at the expense of the Company; and
 - (iv) The Executive's material breach of the Company's Code of Business Conduct and Ethics.

Notwithstanding the above, for purposes of this provision, no act or acts or failures to act shall be considered "willful" or "intentional" unless done or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's act or omission was in the best interests 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 instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company

- (d) "Compensation Committee" means the Compensation Committee of the Board of Directors of the Company.
- (e) "Code" means the Internal Revenue Code of 1986, as amended.
- (f) "Disability" shall have the meaning ascribed to such term in the Company's governing long-term disability plan, or if no such plan exists, at the sole discretion of the Board.
- (g) "Earned Compensation" means the sum of (i) any Base Salary earned, but unpaid, for services rendered to the Company on or prior to the date of termination, (ii) any annual Incentive Compensation payable for services rendered in the calendar year preceding the calendar year in which the date of termination occurs that has not been paid on or prior to the date of termination (other than Base Salary and Incentive Compensation that has been deferred, if any, pursuant to Executive's election), (iii) any accrued but unused vacation days and (iv) any business expenses incurred on or prior to the date of the Executive's termination that are eligible for reimbursement in accordance with the Company's expense reimbursement policies as then in effect.
- (h) "Good Reason" means, without the Executive's express written consent, the occurrence after the Effective Date of any one (1) or more of the following that continues for a period of more than 30 days after the Executive has provided the Company written notice of such occurrence:
 - (i) A material reduction of the Executive's authorities, duties, responsibilities, title or reporting requirements as an executive and/or officer of the Company other than an insubstantial and inadvertent reduction that is remedied by the Company;
 - (ii) The Company's requiring the Executive to be based at a location greater than fifty (50) miles from the location of the Executive's principal job location or office as of the Effective Date; except for required travel on the Company's business to an extent substantially consistent with the Executive's business travel obligations prior to the Effective Date;
 - (iii) A material reduction by the Company of the Executive's Base Salary in effect on the Effective Date hereof, as the same shall be increased from time to time;
 - (iv) The failure of the Company to continue in effect, or the failure to continue the Executive's participation on substantially the same basis in, any of the Company's short- and long-term incentive compensation plans, or employee benefit or retirement plans, policies, practices, or other compensation arrangements (except for the expiration or termination of this Plan in accordance with its terms) in which the Executive participates prior to the Effective Date that results in a material reduction in the Executive's Target Annual Total Compensation unless such failure to continue the plan, policy, practice, or arrangement pertains to all plan participants generally; provided, however, that a decrease in the Executive's Target Annual Total Compensation in excess of ten percent (10%) shall constitute Good Reason.

Any claim by the Executive that Good Reason exists shall be presumed to be correct unless the Company establishes by clear and convincing evidence that Good Reason does not exist.

- (i) “Qualifying Termination” means (i) the termination by the Company of the Executive’s employment (as defined in Section 5(g)) with the Company and its affiliates without Cause, or (ii) with respect to the Executives identified on Appendix A as Tier One (1) Executives only, the termination by the Executive of the Executive’s employment (as defined in Section 5(g)) with the Company and its affiliates for Good Reason.
- (j) “Severance Period” means the annual period(s) of time over which payments are made pursuant to Section 3(b) hereof, as identified in Appendix A with respect to each eligible Executive.
- (k) “Incentive Compensation” means with respect to any calendar year, the annual incentive bonus the Executive would have been entitled to receive under any applicable plan or program of the Company (or of a subsidiary) providing for incentive compensation had he remained employed by the Company and assuming that performance at the level designated as “target” for such calendar year had been met.
- (l) “Vested Benefits” means amounts which are vested or which the Executive is otherwise entitled to receive under the terms of or in accordance with any plan, policy, practice or program of, or any contract or agreement with, the Company or any of its subsidiaries (collectively referred to as the “Benefit Plans”), at or subsequent to the date of his termination without regard to the performance by Executive of further services or the resolution of a contingency.

2. Eligibility. Only Executives identified in Appendix A are eligible for severance benefits in accordance with the terms of the Plan.

3. Benefits upon Certain Terminations.

- (a) Termination for Any Reason. In the event of the termination of Executive’s employment for any reason, Executive shall be entitled to any Earned Compensation owed to Executive but not yet paid as of the date of termination. Such amount(s) shall be paid in accordance with the Company’s applicable policy, practice or procedure following the Executive’s date of termination. Executive shall also be entitled to payment of Vested Benefits, if any. Any such payment shall be made in accordance with the terms of the applicable Benefit Plan(s) and the requirements of applicable law. Nothing in this Plan shall be construed to amend or modify the terms of any such Benefit Plan(s). No additional termination benefits shall be paid or payable to or in respect of Executive pursuant to this Plan unless the Executive qualifies for payment under Section 3(b) hereof.
- (b) Qualifying Termination. If following the Effective Date, the Executive experiences a Qualifying Termination, the Executive shall be entitled to the following payments and other benefits (in addition to the payments under Section 3(a) hereof):
 - (i) The Executive’s then-current “target” bonus opportunity established under the Company’s annual bonus plan for the plan year in which the Executive’s termination occurs; adjusted on a pro rata basis based on the number of days the Executive was actually employed during such plan year. This amount shall be paid subject to and in accordance with Section 5(g).
 - (ii) Salary continuation payments in an amount equal to such multiple as may be identified with respect to a particular Executive in Appendix A times the Executive’s Base Salary (or such other amount as set forth in Appendix A). This amount shall be paid subject to and in accordance with Section 5(g).
 - (iii) The Company will provide comparable medical (including prescription drug), dental, vision and hospitalization benefits to the Executive and his or her eligible dependents for the Severance Period, provided the Executive continues to pay the applicable employee rate for such coverage. Any such coverage provided by the Company shall be provided under the benefit plan(s) applicable to employees of the Company in general and shall be subject to the terms of such plan(s), as such terms may be amended by the Company in its sole discretion from time to time. In the case of any coverage or plan to which the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA) would apply, any continuation of such coverage under COBRA shall begin after the Severance Period. Any period of continuation coverage required under COBRA shall otherwise be provided in accordance with COBRA and the regulations issued thereunder; provided, however, in the event the Company is unable to provide such coverage on account of any limitations under the terms of any applicable contract with an insurance carrier or third party administrator, or the terms of any applicable plan, the Company shall pay the Executive an

amount equal to the portion of the premium or cost for such coverage that is paid by the Company for employees generally. These amounts shall be paid or provided subject to and in accordance with Section 5(g).

(iv) Reimbursement of professional outplacement services, actually incurred during the initial twelve (12) month period following termination, not to exceed \$10,000 in cost, provided the Executive requests reimbursement within 90 days of the date such expense is incurred. The Company shall reimburse such expenses within 90 days of the date such expense reimbursement is received from the Executive.

4. Conditions and Limitations on Severance Payments. The following conditions and limitations shall apply to all severance benefits payable under this Plan and all severance payments under the Plan shall be specifically conditioned upon the Executive's satisfaction of the conditions noted:

- (a) Full Discharge of Company Obligations. The amounts payable to Executive under this Plan following termination of his employment (including amounts payable with respect to Vested Benefits) shall be in full and complete satisfaction of Executive's rights under this Plan and any other claims he may have in respect of his employment by the Company or any of its subsidiaries other than claims for common law torts or under other contracts between Executive and the Company or its subsidiaries. Such amounts shall constitute liquidated damages with respect to any and all such rights and claims and, upon Executive's receipt of such amounts, the Company shall be released and discharged from any and all liability to Executive in connection with this Plan or otherwise in connection with Executive's employment with the Company and its subsidiaries and, as a condition to payment of any such amounts that are in excess of the Earned Compensation and the Vested Benefits following the date of termination, Executive and the Company shall execute (and not revoke) a valid mutual release to be prepared by the Company pursuant to which the Executive and the Company (and its subsidiaries and affiliates) shall each mutually agree to release the other, to the maximum extent permitted under applicable law, from any and all claims either party may have against the other that relate to or arise out of the employment or termination of employment of the Executive, except any claims or rights which cannot be waived by law.
- (b) No Mitigation; No Offset. In the event of any termination of employment that entitles the Executive to a payment or payments under this Plan, Executive shall be under no obligation to seek other employment and there shall be no offset against amounts due Executive under this Plan on account of any remuneration attributable to any subsequent employment that he may obtain, except as may be applied pursuant to COBRA or other applicable law respecting the continuation of benefits.
- (c) Company Property. Promptly following termination of Executive's employment, Executive shall return to the Company all property of the Company, and all copies thereof in Executive's possession or under his control, except that Executive may retain his personal notes, diaries, Rolodexes, calendars and correspondence.
- (d) Confidentiality. The Company has advised the Executive and the Executive acknowledges that it is the policy of the Company to maintain as secret and confidential all Protected Information (as defined below), and that Protected Information has been and will be developed at substantial cost and effort to the Company. All Protected Information shall remain confidential permanently, and the Executive shall not, at any time, directly or indirectly, divulge, furnish, or make accessible to any person, firm, corporation, association, or other entity (otherwise than as may be required in the regular course of the Executive's employment with the Company), nor use in any manner, either during the term of employment or after termination, at any time, for any reason, any Protected Information, or cause any such information of the Company to enter the public domain.

For purposes of this Plan, "Protected Information" means trade secrets, confidential and proprietary business information of the Company, and any other information of the Company, including, but not limited to, customer lists (including potential customers), sources of supply, processes, plans, materials, pricing information, internal memoranda, marketing plans, internal policies, and products and services which may be developed from time to time by the Company and its agents or employees, including the Executive; provided, however, that information that is in the public domain (other than as a result of a breach of this Plan), approved for release by the Company or lawfully obtained from third parties who are not bound by a confidentiality agreement with the Company, is not Protected Information.

- (e) Noncompetition. Executives agrees that for a period of twelve (12) months after the Executive's termination of employment, the Executive shall not directly or indirectly, individually, or as a director, employee, officer,

principal, agent, or in any other capacity or relationship, engage in any business or employment, or aid or endeavor to assist any business or legal entity that is in direct competition with the business of the Company as then being carried out (provided, however, that notwithstanding anything to the contrary contained in this Plan, the Executive may own up to two percent (2%) of the outstanding shares of the capital stock of a company whose securities are registered under Section 12 of the Securities Exchange Act of 1934). Executive acknowledges that Company has operations in all 50 states, the District of Columbia and at least twenty-nine other countries, that the Company's strategic plan is to continue to expand its operations and presence both domestically and internationally and that as a member of Company's senior management, Executive's services are integral to these operations and expansion plans. In the event of a violation of this Section 4(e), Company retains all rights to seek monetary damages against the Executive or to seek other equitable remedies against the Executive.

- (f) Non-Solicitation of Employees. During Executive's employment with the Company, and any subsidiary thereof, and during the twelve (12) month period following any termination of Executive's employment for any reason, Executive shall not, except in the course of carrying out his duties hereunder, directly or indirectly induce any employee of the Company or any of its subsidiaries to terminate employment with such entity, and shall not directly or indirectly, either individually or as owner, agent, employee, consultant or otherwise, knowingly employ or offer employment to any person who is or was employed by the Company or a subsidiary thereof unless such person shall have ceased to be employed by such entity for a period of at least six (6) months.
- (g) Non-Disparagement. Executive shall not disparage, slander or injure the business reputation or goodwill of the Company in any material way, including, by way of illustration, through any contact with vendors, suppliers, employees or agents of the Company which could harm the business reputation or goodwill of the Company.
- (h) Confidentiality of Payments under the Plan. Executive shall keep all aspects of this Plan not otherwise publicly available strictly confidential, including but not limited to the fact and amount and/or duration of any payment under this Plan, except that Executive may make necessary disclosures to his or her attorney(s) or tax advisor(s) that are retained to advise Executive in connection with amounts paid under this Plan.
- (i) Remedies. To the extent permitted by law, if the Company determines that the Executive has engaged in any of the restricted activities referenced in this Section 4, the Company will immediately cease any unpaid severance payments and will have the right to seek repayment of any such payments that have already been made. In addition, the covenants and obligations of Executive with respect to confidentiality, Company property, non-competition, non-solicitation and non-disparagement relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants and obligations may cause the Company irreparable injury for which adequate remedies are not available at law. Therefore, the Company shall be entitled to an injunction, restraining order or such other equitable relief restraining Executive from committing any violation of the covenants and obligations under the Plan. These injunctive remedies shall be cumulative and, in addition to, any other rights and remedies the Company has at law or in equity.

5. Miscellaneous.

- (a) Survival. Sections 4(d), (e), (f), (g) and (h) (relating to confidentiality, non-competition, non-solicitation and non-disparagement) and 5(q) (relating to governing law) shall survive the termination of this Plan.
- (b) Binding Effect. This Plan shall be binding on, and shall inure to the benefit of, the Company and any person or entity that succeeds to the interest of the Company (regardless of whether such succession does or does not occur by operation of law) by reason of a merger, consolidation or reorganization involving the Company or a sale of all or substantially all of the assets of the Company, provided that the assignee or transferee is the successor to all or substantially all of the assets of the Company and such assignee or transferee assumes the liabilities, obligations and duties of the Company, as contained in this Plan, either contractually or as a matter of law. In the event of a sale of assets as described in the preceding sentence, the Company shall use its reasonable best efforts to cause such assignee or transferee to expressly assume the liabilities, obligations and duties of the Company hereunder. This Plan shall also inure to the benefit of Executive's heirs, executors, administrators and legal representatives and beneficiaries.
- (c) Inalienability; Assignment. Except as provided under Section 5(b), in no event may any Executive sell, transfer, anticipate, assign or otherwise dispose of any right or interest under the Plan. At no time will any such right or interest be subject to the claims of creditors nor liable to attachment, execution or other legal process.
- (d) Entire Plan. This Plan contains the entire understanding of the Company and the Executive with respect to the subject matter hereof. In addition, the payments provided for under this Plan in the event of the Executive's termination of employment shall be in lieu of any severance benefits payable under any severance plan, program, or policy of the Company to which the Executive might otherwise be entitled. At the time of a Change in Control, Executives identified in Appendix A, that are also participants in the CIC Plan, will receive severance benefits in accordance with the CIC Plan which supersedes and are in lieu of this Executive Severance Plan.
- (e) This Plan document constitutes the entire understanding of the Company and the Executive with respect to the matters referred to herein. With respect to Executives identified in Appendix A, this Plan supersedes all prior plans, policies and practices of the Company, including provisions of any employment agreement between the Executive and the Company with respect to severance or separation pay for the Executives, other than the CIC Plan. If the latter plan is triggered by a Change in Control then it supersedes and pays in lieu of the Plan.
- (f) Severability; Reformation. In the event that one or more of the provisions of this Plan shall become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby. In the event any of Sections 4(d), (e), (f), (g) or (h) is not enforceable in accordance with its terms, such Section(s) shall be interpreted or reformed to make such Section enforceable in a manner which provides the Company the maximum rights permitted at law.
- (g) Compliance with Section 409A of the Code. It is intended that the payments and benefits provided under the Plan shall either be exempt from the application of, or comply with, the requirements of Section 409A of the Code. The Plan shall be construed, administered, and governed in a manner that effects such intent. To the extent applicable, the following provisions will apply to the benefits paid or provided under the Plan:
- (i) Any benefit payable or to be provided as a result of an Executive's termination of employment shall be paid or provided, to the extent necessary to comply with Section 409A of the Code, if and only if such termination of employment constitutes a "separation from service".
- (ii) Any amount payable to an Executive under Section 3(b)(ii) that constitutes "separation pay" shall be paid to the Executive in equal installments over the Severance Period and in accordance with the Company's payroll practices. All amounts payable to the Executive under Section 3(b)(i) and any amount payable to the Executive under Section 3(b)(ii) that does not constitute "separation pay" shall be paid to the Executive as a separate payment during the "short-term deferral period".
- (iii) Notwithstanding anything contained in the Plan to the contrary, if the Executive is a "specified employee," as determined under the Company's policy for determining specified employees on the date of his termination of employment, then to the extent required in order to comply with Section 409A of the Code,

all payments, benefits or reimbursements paid or provided under the Plan that constitute a “deferral of compensation” that are provided as a result of a “separation from service” and that would otherwise be paid or provided during the first six months following the date of such “separation from service” shall be accumulated through and paid or provided (together with interest at the applicable federal rate under Section 7872(f)(2)(A) of the Code in effect on the date of termination of employment) within 30 days after the first business day following the six month anniversary of such “separation from service” (or, if the Executive dies during such six-month period, within 30 days after the Executive’s death).

(iv) The taxable benefits described in Section 3(b)(iii) (other than any disability benefit or death benefit) are intended to be exempt from Section 409A of the Code as provided in Treasury regulation section 1.409A-1(b)(9)(v). In the event these benefits are not so exempt from Section 409A of the Code, then the benefits provided in Section 3(b)(iii) shall be subject to the following additional rules: (A) the Executive must request reimbursement of eligible expenses (to the extent required) within 120 days of the end of the tax year in which the expense is incurred, (B) the Company will reimburse the Executive within 90 days of the date the expense reimbursement request is received in writing from the Executive (or such later date required in Section 5(g)(iii)), (C) the benefits provide in Section 3(b)(iii) may not be exchanged for cash or another benefit, and (D) benefits payable or provided under Section 3(b)(iii) in one year may not affect the amount of benefits payable or provided in another year.

(v) For purposes of this Section 5(g), the following terms shall have the following meanings:

“deferral of compensation” means an amount that constitutes deferred compensation within the meaning of Section 409A of the Code, which is not exempt from Section 409A of the Code as “separation pay” or is not paid within the “short-term deferral period”.

“separation from service” has the meaning provided in Treasury regulation section 1.409A-1(h).

“separation pay” has the meaning provided in Treasury regulation section 1.409A-1(b)(9)(iii).

“short-term deferral period” means the period beginning on the date of the Executive’s “separation from service” and ending no later than the 15th day of the third month following the later of (A) the end of the Executive’s taxable year in which the “separation from service” occurs or (B) the end of the Company’s taxable year in which the “separation from service” occurs.

Although the Company shall use its best efforts to avoid the imposition of taxation, interest and penalties under Section 409A of the Code, the tax treatment of the benefits provided under the Plan is not warranted or guaranteed. Neither the Company nor its directors, officers, employees or advisers shall be held liable for any taxes, interest, penalties or other monetary amounts owed by the Executive or other taxpayer as a result of the Plan.

(h) Waiver. Waiver by any party hereto of any breach or default by the other party of any of the terms of this Plan shall not operate as a waiver of any other breach or default, whether similar to or different from the breach or default waived. No waiver of any provision of this Plan shall be implied from any course of dealing between the parties hereto or from any failure by either party hereto to assert its or his rights hereunder on any occasion or series of occasions.

(i) Administration. The Plan is administered by the Compensation Committee or its designee (the “Plan Administrator”). The Plan Administrator has the power, in its sole discretion, to approve and interpret the Plan, to decide all matters under the Plan, including eligibility to participate and benefit entitlement, and to adopt rules and procedures it deems appropriate for the administration and implementation of the Plan. The Plan Administrator’s determinations and interpretations shall be conclusive and binding on all individuals. In administering the Plan, the Plan Administrator may, at its option, employ compensation consultants, accountants, counsel and other persons to assist or render advice and other services, all at the expense of the Company.

The Plan Administrator may delegate all or part of its authority to such other person or persons as the Plan Administrator designates from time to time.

The Company shall indemnify and hold harmless each of the members of the Compensation Committee and any employee to whom any of the duties of the Compensation Committee may be delegated, from and

against any and all claims, losses, costs, damages, expenses or liabilities arising from any action or failure to act with respect to this Plan, except in the case of willful misconduct by such member or such employee. This indemnification shall be in addition to, and not in limitation of, any other indemnification of any such member or employee.

- (j) Claims. Any person that believes he or she is entitled to any payment under the Plan may submit a claim in writing to the Company. Any such claim should be sent to the Company's General Counsel. If the claim is denied (either in full or in part), the claimant will be provided with written notice explaining the specific reasons for the denial and referring to the provisions of the Plan on which the denial is based. The notice will describe any additional information needed to support the claim. The denial notice will be provided within 90 days after the claim is received. If special circumstances require an extension of time (up to 90 days), written notice of the extension will be given within the initial 90-day period.
- (k) Appeal Procedure. If a claimant's claim is denied, the claimant may apply in writing to the Compensation Committee for a review of the decision denying the claim. The claimant then has the right to review pertinent documents and to submit issues and comments in writing. The Compensation Committee will provide written notice of its decision on review within 60 days after it receives a review request. If additional time (up to 60 days) is needed to review the request, the claimant will be given written notice of the reason for the delay.
- (l) Source of Payments. All payments under the Plan will be paid in cash (except with respect to the payment of Vested Benefits which will be paid in accordance with the terms of the applicable Benefit Plans) from the general funds of the Company; no separate fund will be established under the Plan and no assets will be segregated or set aside for the sole purpose of making payments under the Plan. Any right of any person to receive any payment under the Plan will be no greater than the right of any other unsecured creditor of the Company.
- (m) No Expansion of Employment Rights. Neither the establishment or maintenance of the Plan, the payment of any amount under the Plan, nor any action of the Company shall confer upon any individual any right to be continued as an employee nor any right or interest in the Plan other than as provided in the Plan.
- (n) Amendment and Termination. No provision of this Plan may be modified, waived, or discharged unless such modification, waiver, or discharge is agreed to by the Compensation Committee and the Executive (or his legal representative) affected by such modification, waiver or discharge in writing, signed by such Executive and a member of the Compensation Committee or by their respective legal representatives or successors; provided that pursuant to Section 5(g) the Compensation Committee may modify the Plan at any time without the Executives' consent to comply with the requirements of Section 409A of the Code as determined by the Compensation Committee in its sole and absolute discretion. Nothing in this Section 5(n) shall limit the Company's right to terminate the Plan or terminate any individual Executive's participation in the Plan as of the end of the Initial Term or as of the end of any Successive Period thereafter as provided under the Plan.
- (o) Headings. Headings to Sections in this Plan are for convenience only and are not intended to be part of or to affect the meaning or interpretation hereof.
- (p) Withholding. Any payments provided for herein shall be reduced by any amounts required to be withheld by the Company from time to time under applicable federal, state or local income or employment tax laws or similar statutes or other provisions of law then in effect.
- (q) Governing Law. This Plan shall be governed by the laws of the State of Michigan, without reference to principles of conflicts or choice of law under which the law of any other jurisdiction would apply.

IN WITNESS WHEREOF, the Company has executed this Plan on this 8th day of November, 2007.

KELLY SERVICES, INC.

/s/ B. Joseph White
By: B. Joseph White,
Chair of the Compensation Committee of the
Board of Directors

ATTEST:

/s/ Daniel T. Lis
By: Daniel T. Lis,
Senior Vice President, General Counsel and
Secretary of the Board of Directors

KELLY SERVICES, INC.
2008 MANAGEMENT RETIREMENT PLAN
(EFFECTIVE JANUARY 1, 2008)

KELLY SERVICES, INC.
MANAGEMENT RETIREMENT PLAN

ARTICLE 1

ESTABLISHMENT OF THE PLAN

Kelly Services, Inc. hereby establishes, effective as of January 1, 2008, the Kelly Services, Inc. 2008 Management Retirement Plan on the terms and conditions hereinafter set forth. Such Plan provides certain eligible employees with the opportunity to defer portions of their base salary and bonus and receive certain other retirement benefits all in accordance with the provisions of the Plan.

The Plan is intended to be a non-qualified deferred compensation arrangement for a select group of management or highly compensated employees.

ARTICLE 2

DEFINITIONS

The following terms shall have the following meanings described in this Article unless the context clearly indicates another meaning. All references in the Plan to specific Articles or Sections shall refer to Articles or Sections of the Plan unless otherwise stated.

2.1 Account means the record established for each Participant in accordance with Section 5.1.

2.2 Affiliated Group means all entities with whom Kelly Services, Inc. would be considered a single employer under Sections 414(b) and 414(c) of the Code, provided that in applying Section 1563(a)(1), (2), and (3) for purposes of determining a controlled group of corporations under Section 414(b) of the Code, the language "at least 50 percent" is used instead of "at least 80 percent" each place it appears in Section 1563(a)(1), (2), and (3), and in applying Treasury Regulation Section 1.414(c)-2 for purposes of determining trades or businesses (whether or not incorporated) that are under common control for purposes of Section 414(c), "at least 50 percent" is used instead of "at least 80 percent" each place it appears in that regulation. Such term shall be interpreted in a manner consistent with the definition of "service recipient" contained in Section 409A of the Code.

2.3 Change in Control means the occurrence of a "change in the ownership," a "change in the effective control" or a "change in the ownership of a substantial portion of the assets" of Kelly Services, Inc. within the meaning of Section 409A of the Code.

2.4 Code means the Internal Revenue Code of 1986, as amended.

2.5 Commencement Date means the date a Participant's Sub-Account becomes payable in accordance with Section 6.1.

2.6 Company means Kelly Services, Inc. and any member of the Affiliated Group that, with the written authorization of the board of directors of Kelly Services, Inc. or its delegate, adopts the Plan for the benefit of its employees pursuant to a resolution of its board of directors or its delegate. The Account of a Participant employed by a participating member of the Affiliated Group shall be paid in accordance with the Plan solely by such member to the extent attributable to Compensation that would have been paid by such participating member in the absence of deferral pursuant to the Plan, unless the board of directors of Kelly Services, Inc. otherwise determines that Kelly Services, Inc. shall be the obligor.

2.7 Compensation means a Participant's taxable base, commission and eligible bonus compensation (as specified by the Plan Administrator) paid by the Company as reported on Form W-2 for the Plan Year.

2.8 Deferred Compensation means a portion of the Participant's Compensation allocated to the Participant's Account in accordance with Section 4.1 of the Plan.

2.9 Election Agreement means the agreement entered into by an Employee in the manner determined by the Company (including, but not limited to, written agreement, use of a voice response system or other electronic

medium, or any combination thereof) pursuant to which the Employee becomes a Participant in the Plan and selects Deferred Compensation and the period over which such amounts and investment return thereon will be distributed.

2.10 Employee means, with respect to each Company adopting the Plan, any person who is (i) classified as a salaried staff employee by the Company (ii) a highly compensated employee (as defined in Section 414(q) of the Code) or has an annual compensation rate greater than the amount as specified in Section 414(q)(1)(B)(i) of the Code in the first year of employment with the Company, and (iii) paid on the bi-weekly, or bi-monthly payroll, or such other person as designated by the Company. The term "Employee" shall not include any person who is (i) covered by a collective bargaining agreement, (ii) a non-resident alien who does not receive United States source income, (iii) classified as an hourly employee by the Company or (iv) paid on a weekly basis.

2.11 Participant means any Employee who (i) at any time elected to defer the receipt of Compensation in accordance with the Plan or received a credit to his or her Account pursuant to Sections 4.3, 4.4 or 4.5 hereof, and (ii) in conjunction with his or her beneficiary, has not received a complete payment of the vested amount credited to his or her Account.

2.12 Plan means the Kelly Services, Inc. 2008 Management Retirement Plan.

2.13 Plan Administrator means the Company or Benefit Plans Committee designated pursuant to Article 7.

2.14 Plan Year means the period beginning on January 1 and ending on December 31 of each year.

2.15 Prior Plan means the Kelly Services, Inc. Management Retirement Plan, as amended through October 3, 2004.

2.16 Retirement means termination of employment with the Company after attainment of age fifty-five (55) and completion of ten (10) years of service.

2.17 Separation from Service means the Participant's termination of employment that constitutes a "separation from service" within the meaning of Section 409A of the Code.

2.18 Specified Age means the date the Participant attains either age 45, 50, 55, 60 or 65 as designated by the Participant on an Election Agreement or a Subsequent Payment Election.

2.19 Sub-Account means a separate sub-account maintained within a Participant's Account with respect to amounts that have been deferred into the Plan by a Participant or that have been contributed to the Plan by the Company that are subject to the same terms as to time and manner of payment.

2.20 Subsequent Payment Election has the meaning given to such term in Section 6.3 hereof.

2.21 Valuation Date means the last business day of each calendar month or such other dates as determined by the Plan Administrator.

ARTICLE 3

PARTICIPATION AND YEARS OF SERVICE

3.1 Eligibility. An Employee shall be eligible to participate in the Plan if he or she is an Employee designated as eligible by the Company. Individuals not specifically designated by the Company are not eligible to participate in the Plan.

3.2 Participation. An Employee shall become a Participant as of the date he or she satisfies the eligibility requirements of Section 3.1 and with respect to Deferred Compensation, completes all administrative forms required by the Plan Administrator in the manner determined by the Company (including, but not limited to, written forms provided by the Plan Administrator, use of a voice response system or other electronic medium, or any combination thereof). An individual's entitlement to defer Compensation shall cease with respect to the calendar year (or with respect to any bonus Compensation subject to a deferral election, the end of a performance period) following the calendar year (or such performance period) in which he or she ceases to be an eligible Employee, although such individual shall continue to be subject to all of the terms and conditions of the Plan for as long as he or she remains a Participant.

3.3 Years of Service. A person shall be credited with years of service equal to his or her period of continuous service. A person shall be credited with continuous service for the aggregate periods of time between his or her employment commencement date or any reemployment commencement date and the termination date that next follows such employment commencement date or reemployment commencement date; provided, however, that an employee who has a reemployment commencement date within the 12-consecutive-month period following the earlier of the first date of his or her absence or termination date shall be credited with continuous service for the period between such termination date and reemployment commencement date. Continuous service completed by the employee prior to a termination date shall not be included in determining the employee's years of service unless (i) the employee has a reemployment commencement date within the 12-consecutive-month period following the termination date, (ii) the employee had a non-forfeitable right to any portion of his or her Company credits or Company matching credits as of the termination date, or (iii) the period of time between the termination date and his or her reemployment commencement date is less than five years. For purposes of this Section 3.3, the following terms have the following meanings:

(a) The "employment commencement date" of an employee means the date he or she first completes an hour of service.

(b) An "hour of service" means an hour for which a person is paid, or entitled to payment, for the performance of duties for the Company.

(c) The "reemployment commencement date" of an employee means the first date following a termination date on which he or she again completes an hour of service.

(d) The "termination date" of an employee means the date on which he or she retires, dies, or his or her employment with the Company is otherwise terminated.

ARTICLE 4

BENEFITS

4.1 Deferred Compensation. A Participant may elect to have his or her gross Compensation deferred in any whole percentage of at least 2%, not to exceed 25%, of the Participant's base salary for each payroll period during the Plan Year or 50% of the Participant's eligible bonus for a performance period beginning in the Plan Year (or such other percentage as specified by the Plan Administrator) and to have that amount credited to his or her Account as Deferred Compensation. Amounts deferred under the Plan are subject to applicable tax withholding (such as FICA, local taxes, etc.). A Participant shall at all times have a fully vested interest in his or her Deferred Compensation and the earnings allocable thereto. Deferred Compensation shall be credited to a Participant's Account as of the dates specified by the Plan Administrator.

4.2 Election Procedures.

(a) An Employee who has not previously participated in the Plan must complete and submit an irrevocable Election Agreement to the Plan Administrator in the manner determined by the Company (including, but not limited to, written agreement, use of a voice response system or other electronic medium, or any combination thereof) no later than thirty (30) days following the date on which such Employee first becomes eligible to participate in the Plan under Section 3.2 in order to become a Participant in the Plan Year in which the Employee first becomes eligible. Such Election Agreement shall set forth the amount of Compensation, if any, the Participant wishes to defer into the Plan under Section 4.1 and the time and manner of payment of each Sub-Account. An Election Agreement made under this Section 4.2(a) will remain in effect until a new Election Agreement made by the Participant under Section 4.2(c) or (d) has become irrevocable or until the deferral election made pursuant to the Election Agreement hereunder is otherwise cancelled in accordance with Section 4.2(f). All Election Agreements made by a newly eligible Employee after such thirty (30)-day period and all Election Agreements made by an Employee who previously participated in the Plan must be made in accordance with Section 4.2(c) (with respect to deferral of Compensation) and (d) (with respect to specifying the time and manner of payment). Once the Election Agreement becomes irrevocable under this Section 4.2(a), a Participant may modify the time and manner of payment of his or her Sub-Accounts subject to such Election Agreement only in accordance with Section 6.3.

For this purpose, an Employee is treated as not having previously participated in the Plan if (i) as of the date he or she is designated as eligible to participate, he or she is not eligible to participate in an "aggregated plan", and (ii) if he or she previously participated in the Plan or an "aggregated plan", he or she either (A) received payments of all amounts previously deferred under the Plan and any "aggregated plan" as of the date he or she is designated as

eligible to participate under Section 3.2, and on or before the last payment was not eligible to continue participation in the Plan or plans for periods after the last payment, or (B) regardless of whether he or she has received full payment of all amounts deferred under the Plan or an "aggregated plan", he or she ceased to be eligible to participate in the Plan or an "aggregated plan" (other than the accrual of earnings) for a period of at least 24 consecutive months prior to the date he or she is again designated as eligible to participate in the Plan under Section 3.2. For purposes of this Section 4.2(a), an "aggregated plan" is a plan that is required to be aggregated with the Plan under Section 409A of the Code, and the portion of the Plan consisting of deferrals of Compensation shall not be aggregated with the portion of the Plan relating to credits of Company contributions.

(b) A newly eligible Participant's Election Agreement with respect to the deferral of Compensation that is made with the Plan Administrator in accordance with Section 4.2(a) shall be effective only (i) as to salary Compensation payable with respect to services rendered by the Participant after the date the Election Agreement becomes irrevocable and (ii) as to bonus Compensation earned during a performance period that commences after the Election Agreement becomes irrevocable. An Election Agreement made under this Section 4.2(b) will remain in effect until a new Election Agreement made by the Participant under Section 4.2(c) has become irrevocable or until the deferral election made pursuant to the Election Agreement hereunder is otherwise cancelled in accordance with Section 4.2(f).

(c) A Participant who is not eligible to make an Election Agreement under Section 4.2(a) may make an Election Agreement with respect to the deferral of Compensation at any time in accordance with this Section 4.2(c) by completing and submitting an Election Agreement to the Plan Administrator in the manner determined by the Company (including, but not limited to, written agreement, use of a voice response system or other electronic medium, or any combination thereof). The Election Agreement with respect to the deferral of Compensation shall become irrevocable on December 31 of the Plan Year in which it is submitted to the Plan Administrator and shall only apply to salary Compensation earned in the immediately following Plan Year and any bonus Compensation earned during a performance period that commences on or after the first day of following Plan Year. An Election Agreement made under this Section 4.2(c) by a Participant will remain in effect until a new Election Agreement made by the Participant under this Section 4.2(c) has become irrevocable or until the deferral election made pursuant to the Election Agreement hereunder is otherwise cancelled in accordance with Section 4.2(f). Once the Election Agreement becomes irrevocable under this Section 4.2(c), a Participant may modify the time and manner of payment of the Sub-Accounts subject to such Election Agreement only in accordance with Section 6.3.

(d) A Participant who is not eligible to make an Election Agreement under Section 4.2(a) may make an Election Agreement setting forth the time and manner of payment of one or more Sub-Accounts subject to such Election Agreement in accordance with this Section 4.2(d) by completing and submitting an Election Agreement with the Plan Administrator in the manner determined by the Company (including, but not limited to, written agreement, use of a voice response system or other electronic medium, or any combination thereof). The Election Agreement shall become irrevocable on December 31 of the Plan Year in which it is made with the Plan Administrator and shall apply to Deferred Compensation and Company contributions credited to a Participant's Sub-Accounts after the date in which the election becomes irrevocable. An Election Agreement made under this Section 4.2(d) will remain in effect until a new Election Agreement made by the Participant under this Section 4.2(d) has become irrevocable. Once the Election Agreement becomes irrevocable (or is deemed to become irrevocable) under this Section 4.2(d), a Participant may modify the time and manner of payment of his or her Sub-Accounts subject to such Election Agreement only in accordance with Section 6.3.

(e) In the event a Participant fails to properly designate the time and manner of payment of his or her Sub-Accounts under Section 4.2(a) or this Section 4.2(e), the Participant shall be deemed to have irrevocably elected to receive his or her Sub-Accounts upon his or her Separation from Service (subject to Section 6.5) in a lump sum.

(f) Once an Election Agreement becomes irrevocable with respect to the deferral of Compensation, the Election Agreement may not be cancelled for the Plan Year (or the performance period for any bonus Compensation). Notwithstanding the foregoing, the Plan Administrator may, in its sole discretion, cancel a Participant's Election Agreement with respect to the deferral of Compensation for a Plan Year (or in the case of bonus Compensation, for a performance period) as the result of a Participant's disability or other hardship to the extent such cancellation does not result in an acceleration of a Participant's Account in violation of Section 409A of the Code.

4.3 Company Credits. Each year, the Company will decide on an amount, if any, to be credited to a Participant's Account as a Company credit. A Participant shall have a fully vested interest in his or her Company credits and the earnings allocable thereto after completing three years of service with the Company or upon his or her death prior to termination of employment with the Company. Company credits for a Plan Year shall be credited to a

Participant's Account in the first quarter of the following Plan Year as of the date specified by the Plan Administrator. To be eligible for a Company credit for a Plan Year, a Participant must be employed on the last scheduled workday of the Plan Year; provided however, that a Participant will be eligible for a Company credit for a Plan Year if the Participant's employment terminated during the Plan Year on account of death or Retirement.

4.4 Company Matching Credits. The Company will credit a Company matching credit to a Participant's Account equal to 50% of the first 8% of a Participant's base salary that is deferred for a payroll period and shall credit a Company matching credit to a Participant's Account equal to 50% of the first 8% of a Participant's eligible bonus that is deferred. A Participant shall have a fully vested interest in his or her Company matching credit and the earnings allocable thereto after completing three years of service with the Company or upon his or her death prior to termination of employment with the Company. Company matching credits shall be credited to a Participant's Account at least monthly, as of the date specified by the Plan Administrator.

4.5 Company Discretionary Credits. The Company may credit a Company discretionary credit to a Participant's Account as of the date or dates specified by the Company in an amount within the Company's complete and absolute discretion. The Company discretionary credit shall vest in accordance with a vesting schedule established by the Company in its complete and absolute discretion.

4.6 Forfeitures. Upon termination of employment for any reason other than death, the non-vested portion of the Participant's Account shall be forfeited. The amount of the forfeiture shall be computed and subtracted from the Participant's Account as of the day of the forfeiture. Forfeited amounts may be used by the Company to offset future accruals to the Plan or to reduce the outstanding liability of the Company to the Plan. A reemployed Participant's Account will be credited with any previously forfeited amounts in accordance with the rules and procedures as specified by the Plan Administrator.

ARTICLE 5

ACCOUNTS

5.1 Participant Accounts. The Plan Administrator shall establish an Account in the name of each Participant which will contain Sub-Accounts to which amounts shall be allocated on the basis of the time and manner of payment of such amounts. A Participant's Account shall be maintained by the Plan Administrator in accordance with the terms of this Plan until all of the Participant's Account has been distributed to a Participant or his or her beneficiary in accordance with the terms of the Plan.

5.2 Investment Return. Each Account (including Company credits) shall be deemed to bear an investment return on all existing amounts and future contributions as if the Account were invested in the manner elected by the Participant from a list of investment funds determined by the Company, from the date of crediting, and income and losses thereon, through the date of complete distribution of the Account. A Participant may change his or her investment election as of the dates specified by the Plan Administrator in accordance with the procedures specified by the Plan Administrator. The Company shall have no obligation to actually invest funds pursuant to a Participant's elections, and if the Company does invest funds, a Participant shall have no rights to any invested assets other than as a general unsecured creditor of the Company.

5.3 Valuation of Accounts. The value of an Account as of any Valuation Date shall equal the value of the Participant's Account on the previous Valuation Date, plus the amounts credited to such Account, less any payments debited to such Account, plus the investment gain or loss deemed to be earned on such Account in accordance with Section 5.2, through the Valuation Date.

ARTICLE 6

DISTRIBUTIONS

6.1 When Distribution Begins. Pursuant to an Election Agreement or Subsequent Payment Election (as provided in Section 6.3), a Participant may designate that a Sub-Account be paid on his or her Separation from Service or the later of his or her Separation from Service or a Specified Age. The occurrence of such Separation from Service or the attainment of such Specified Age shall constitute the Commencement Date for such Sub-Account and such Sub-Account shall be paid in accordance with the process described in Section 6.5.

6.2 Manner of Payment. A Participant's Sub-Accounts shall be distributed in a lump sum payment, monthly installments, or a combination of both according to the Participant's Election Agreement applicable to such Sub-

Accounts. The Participant may elect to have monthly installment payments made over a 5, 10, 15, or 20-year payment period. If a Participant elects installment payments but no payment period, the monthly installments will be made over a 20-year period. Installment payments shall be calculated and recalculated monthly by multiplying the balance credited to the Participant's Account (including any increase or decrease resulting from payment of benefits and investment return) as of the most recent Valuation Date by a fraction, the numerator of which is one and the denominator of which is the remaining number of payments to be made to the Participant.

6.3 Valid Election Agreement Changes. Notwithstanding anything provided in Sections 6.1 or 6.2, a Participant may elect in the manner determined by the Company (including, but not limited to, written form provided by the Plan Administrator, use of a voice response system or other electronic medium, or any combination thereof) to change the time or manner of payment of his or her Sub-Accounts (a "Subsequent Payment Election"). The Subsequent Payment Election shall become irrevocable upon receipt by the Plan Administrator and shall be made in accordance with the following rules:

(a) The Subsequent Payment Election may not take effect until at least twelve (12) months after the date on which it is accepted by the Plan Administrator. The Subsequent Payment Election most recently accepted by the Plan Administrator and that satisfies the requirements of this Section 6.3 shall govern the payout of the Sub-Account.

(b) A Participant may make no more than two Subsequent Payment Elections to change the manner of payment of his or her Sub-Accounts to a manner of payment otherwise permitted under the Plan. Except in the event of the death of the Participant, the payment of such Sub-Account will be delayed until the fifth (5th) anniversary of the first day of the month that the Sub-Account would otherwise have been paid under the Plan if such Subsequent Payment Election had not been made (or, in the case of installment payments, which are treated as a single payment for purposes of this Section, on the fifth (5th) anniversary of the first day of the month that the first installment payment was scheduled to be made).

(c) A Participant may elect to change the time of payment of his or her Sub-Accounts to a time permitted under the Plan. Such Subsequent Payment Election must be filed with the Plan Administrator at least twelve (12) months prior to the first day of the month that the Sub-Account would otherwise have been paid under the Plan (or, in the case of installment payments, at least twelve (12) months from the first day of the month that the first installment payment was scheduled to be made). On such Subsequent Payment Election, the Participant must delay the payment date for a period of at least five (5) years after the first day of the month that the Sub-Account would otherwise have been paid under the Plan (or, in the case of installment payments, at least five (5) years from the first day of the month that the first installment payment was scheduled to be made).

(d) The Plan Administrator shall disregard any Subsequent Payment Election by a Participant to the extent such election would result in an acceleration of the time or schedule of any payment or amount scheduled to be paid under the Plan within the meaning of Section 409A of the Code.

6.4 Minimum Distribution. Subject to Section 6.5, if at the time of a Participant's Separation from Service or subsequent installment payment date, the balance credited to the Participant's Sub-Accounts as of the most recent Valuation Date is less than \$10,000, then, notwithstanding any election made by the Participant on his or her Election Agreement, the Participant's Sub-Accounts shall be distributed in a lump sum payment.

The minimum monthly installment payment under the Plan shall be \$300 (except for the final payment). The \$300 minimum monthly payment may result in a payment period shorter than that elected by the Participant, because payment will cease when the balance credited to the Participant's Account is reduced to zero.

6.5 Distribution Process.

(a) Payments will commence to be paid during the 60-day period that begins on the first business day of the month following the thirtieth (30th) day after the Participant's Commencement Date.

(b) Notwithstanding Section 6.5(a), if a Participant's Sub-Account is payable as a result of the Participant's Separation from Service for any reason other than the Participant's death and such Participant is a "specified employee" within the meaning of Section 409A of the Code as of the date of his or her Separation from Service (based on the methodology established by the Plan Administrator), such Sub-Account shall begin to be paid on the first day of the seventh month following the Participant's Separation from Service.

6.6 Death Benefits.

(a) If a Participant dies prior to his or her Commencement Date with respect to any Sub-Account, the date of the Participant's death will be determined to be the Commencement Date with respect to such Sub-Account for distribution of benefits to the Participant's beneficiary. The distribution will be made in the form elected by the Participant with respect to the Sub-Account and paid in accordance with the process outlined in Section 6.5(a). If the Participant dies after his or her Commencement Date with respect to any Sub-Account, benefits will continue to be distributed from such Sub-Account to the beneficiary in the same manner as distributions were being made to the Participant.

(b) If a Participant is married at the time of his or her death, his or her surviving spouse will be his or her beneficiary unless his or her spouse has consented in writing to the designation of another beneficiary.

(c) The Participant may change the beneficiary designation at any time by signing and submitting a new beneficiary designation form to the Plan Administrator in the manner determined by the Company (including, but not limited to, written form, use of a voice response system or other electronic medium, or any combination thereof); provided, however, that a married Participant may not change his or her beneficiary without the written consent of his or her spouse.

(d) If the Participant designates a trust as beneficiary, the Plan Administrator shall determine the rights of the trustee without responsibility for determining the validity, existence or provisions of the trust. Further, neither the Plan Administrator nor the Company shall have responsibility for the application of sums paid to the trustee or for the discharge of the trust.

(e) If no beneficiary has been designated, distribution shall be made to the Participant's spouse, or if none, to his or her children in equal shares, or if none, to his or her parents in equal shares, or if none, to his or her estate.

6.7 Acceleration of Payment. To the extent permitted by Section 409A of the Code, the Plan Administrator may, in its sole discretion, accelerate the time or schedule of a payment under the Plan as provided in this Section. The provisions of this Section are intended to comply with the exception to accelerated payments under Treasury Regulation Section 1.409A-3(j) and shall be interpreted and administered accordingly.

(a) The Plan Administrator may, in its sole discretion, accelerate the time or schedule of a payment under the Plan to an individual other than the Participant as may be necessary to fulfill a domestic relations order (as defined in Section 414(p)(1)(B) of the Code).

(b) The Plan Administrator may, in its sole discretion, provide for the acceleration of the time or schedule of a payment under the Plan to the extent necessary for any Federal officer or employee in the executive branch to comply with an ethics agreement with the Federal government. Additionally, the Plan Administrator may, in its sole discretion, provide for the acceleration of the time or schedule of a payment under the Plan to the extent reasonably necessary to avoid the violation of an applicable Federal, state, local, or foreign ethics law or conflicts of interest law (including where such payment is reasonably necessary to permit the Participant to participate in activities in the normal course of his or her position in which the Participant would otherwise not be able to participate under an applicable rule).

(c) The Plan Administrator may, in its sole discretion, provide for the acceleration of the time or schedule of a payment under the Plan to pay the Federal Insurance Contributions Act (FICA) tax imposed under Sections 3101, 3121(a), and 3121(v)(2) of the Code, or the Railroad Retirement Act (RRTA) tax imposed under Sections 3201, 3211, 3231(e)(1), and 3231(e)(8) of the Code, where applicable, on compensation deferred under the Plan (the FICA or RRTA amount). Additionally, the Plan Administrator may, in its sole discretion, provide for the acceleration of the time or schedule of a payment, to pay the income tax at source on wages imposed under Section 3401 of the Code or the corresponding withholding provisions of applicable state, local, or foreign tax laws as a result of the payment of the FICA or RRTA amount, and to pay the additional income tax at source on wages attributable to the pyramiding Section 3401 of the Code wages and taxes. However, the total payment under this acceleration provision must not exceed the aggregate of the FICA or RRTA amount, and the income tax withholding related to such FICA or RRTA amount.

(d) Subject to Section 6.5(b) hereof, the Plan Administrator may, in its sole discretion, provide for the acceleration of the time or schedule of a payment under the Plan at any time the Plan fails to meet the

requirements of Section 409A of the Code. The payment may not exceed the amount required to be included in income as a result of the failure to comply with the requirements of Section 409A of the Code.

(e) Subject to Section 6.5(b) hereof, the Plan Administrator may, in its sole discretion, provide for the acceleration of the time or schedule of a payment under the Plan to reflect payment of state, local, or foreign tax obligations arising from participation in the Plan that apply to an amount deferred under the Plan before the amount is paid or made available to the participant (the state, local, or foreign tax amount). Such payment may not exceed the amount of such taxes due as a result of participation in the Plan. The payment may be made in the form of withholding pursuant to provisions of applicable state, local, or foreign law or by payment directly to the participant. Additionally, the Plan Administrator may, in its sole discretion, provide for the acceleration of the time or schedule of a payment under the Plan to pay the income tax at source on wages imposed under Section 3401 of the Code as a result of such payment and to pay the additional income tax at source on wages imposed under Section 3401 of the Code attributable to such additional wages and taxes. However, the total payment under this acceleration provision must not exceed the aggregate of the state, local, and foreign tax amount, and the income tax withholding related to such state, local, and foreign tax amount.

(f) Subject to Section 6.5(b) hereof, the Plan Administrator may, in its sole discretion, provide for the acceleration of the time or schedule of a payment under the Plan as satisfaction of a debt of the Participant to the Company (or any entity which would be considered to be a single employer with the Company under Section 414(b) or Section 414(c) of the Code), where such debt is incurred in the ordinary course of the service relationship between the Company (or any entity which would be considered to be a single employer with the Company under Section 414(b) or Section 414(c) of the Code) and the Participant, the entire amount of reduction in any of the taxable years of the Company (or any entity which would be considered to be a single employer with the Company under Section 414(b) or Section 414(c) of the Code) does not exceed \$5,000, and the reduction is made at the same time and in the same amount as the debt otherwise would have been due and collected from the Participant.

(g) Subject to Section 6.5(b) hereof, the Plan Administrator may, in its sole discretion, provide for the acceleration of the time or schedule of a payment under the Plan where such payments occur as part of a settlement between the Participant and the Company (or any entity which would be considered to be a single employer with the Company under Section 414(b) or Section 414(c) of the Code) of an arm's length, bona fide dispute as to the Participant's right to the deferred amount.

(h) Subject to Section 6.5(b) hereof, the Plan Administrator may, in its sole discretion, provide for the acceleration of the time or schedule of a payment under the Plan as provided in Section 7.7 hereof.

(i) Subject to Section 6.5(b) hereof, a payment may be accelerated upon such other events and conditions as the Internal Revenue Service may prescribe in generally applicable guidance published in the Internal Revenue Bulletin.

Except as otherwise specifically provided in this Plan, including but not limited to Section 4.2(f), this Section 6.7 and Section 7.7 hereof, the Plan Administrator may not accelerate the time or schedule of any payment or amount scheduled to be paid under the Plan within the meaning of Section 409A of the Code.

6.8 Delay of Payments. To the extent permitted under Section 409A of the Code, the Plan Administrator may, in its sole discretion, delay payment under any of the following circumstances, provided that the Plan Administrator treats all payments to similarly situated Participants on a reasonably consistent basis:

(a) A payment may be delayed to the extent that the Plan Administrator reasonably anticipates that if the payment were made as scheduled, the Company's deduction with respect to such payment would not be permitted due to the application of Section 162(m) of the Code. If a payment is delayed pursuant to this Section 6.8(a), then the payment must be made either (i) during the Company's first taxable year in which the Plan Administrator reasonably anticipates, or should reasonably anticipate, that if the payment is made during such year, the deduction of such payment will not be barred by application of Section 162(m) of the Code, or (ii) during the period beginning with the first business day of the seventh month following the Participant's separation from service as defined in Section 409A of the Code (the "six month anniversary") and ending on the later of (x) the last day of the taxable year of the Company in which the six month anniversary occurs or (y) the 15th day of the third month following the six month anniversary. Where any scheduled payment to a specific Participant in a Company's taxable year is delayed in accordance with this paragraph, all scheduled payments to that Participant that could be delayed in accordance with this paragraph must also be delayed. The Plan Administrator may not provide the Participant an election with respect to the timing of the payment under this Section 6.8(a). For purposes of this Section 6.8(a), the

term Company includes any entity which would be considered to be a single employer with the Company under Section 414(b) or Section 414(c) of the Code.

(b) A Payment may be delayed where the Plan Administrator reasonably anticipates that the making of the payment will violate federal securities laws or other applicable law; provided that the delayed payment is made at the earliest date at which the Plan Administrator reasonably anticipates that the making of the payment will not cause such violation. For purposes of the preceding sentence, the making of a payment that would cause inclusion in gross income or the application of any penalty provision or other provision of the Code is not treated as a violation of applicable law.

(c) A payment may be delayed upon such other events and conditions as the Internal Revenue Service may prescribe in generally applicable guidance published in the Internal Revenue Bulletin.

6.9 Actual Payment Date. To the extent permitted by Section 409A of the Code, the Plan Administrator may delay payment in the event that it is not administratively possible to make payment on the date (or within the periods) specified in this Article VI, or the making of the payment would jeopardize the ability of the Company (or any entity which would be considered to be a single employer with the Company under Section 414(b) or Section 414(c) of the Code) to continue as a going concern. Notwithstanding the foregoing, payment must be made no later than the latest possible date permitted under Section 409A of the Code.

ARTICLE 7

ADMINISTRATION

7.1 Plan Administrator. The Company shall have the sole responsibility for the administration of the Plan and is designated as Plan Administrator.

7.2 Appointment of Administrative Plan Administrator. The Company may delegate its duties as Plan Administrator to a Benefit Plans Committee. The members of the Benefit Plans Committee shall be selected by the Company. If a Benefit Plans Committee is appointed, it shall be the Plan Administrator.

7.3 Powers of Plan Administrator. The Plan Administrator shall have the full and exclusive power, discretion and authority to administer the Plan. The determinations and decisions of the Plan Administrator are final and binding on all persons. The Plan Administrator's powers shall include but shall not be limited to, the power to:

- (a) Maintain records pertaining to the Plan.
- (b) Construe and interpret the terms and provisions of the Plan.
- (c) Establish procedures by which Participants may apply for benefits under the Plan and appeal a denial of benefits.
- (d) Determine the rights under the Plan of any Participant applying for or receiving benefits.
- (e) Administer the claims procedure provided in this Article.
- (f) Perform all acts necessary to meet the reporting and disclosure obligations imposed by the Employee Retirement Income Security Act of 1974 ("ERISA").
- (g) Delegate specific responsibilities for the operation and administration of the Plan to such employees or agents as it deems advisable and necessary.

In the exercise of its powers, the Plan Administrator shall be entitled to rely upon all tables, valuations, certificates and reports furnished by any accountant or consultant and upon opinions given by any legal counsel in each case duly selected by the Plan Administrator.

7.4 Limitation of Liability. The Plan Administrator, the Company, and its officers and board of directors shall not be liable for any act or omission relating to their duties under the Plan, unless such act or omission is attributable to their own willful misconduct or lack of good faith.

7.5 Claims Procedures.

(a) All claims under the Plan shall be directed to the attention of the Plan Administrator. Any Participant or beneficiary whose application for benefits or other claim under the Plan has been denied, in whole or in part, shall be given written notice of the denial by the Plan Administrator within sixty (60) days after the receipt of the claim. The notice shall explain that the Participant or beneficiary may request a review of the denial and the procedure for requesting review. The notice shall describe any additional information necessary to perfect the Participant's or beneficiary's claim and explain why such information is necessary. If a Participant or beneficiary does not receive a written response to a claim within sixty (60) days after receipt of the claim by the Plan Administrator, the claim will be deemed to be denied.

(b) A Participant or beneficiary may make a written request to the Plan Administrator for a review of any denial of claims under this Plan. The request for review must be in writing and must be made within sixty (60) days after the mailing date of the notice of denial or the deemed denial. The request shall refer to the provisions of the Plan on which it is based and shall set forth the facts relied upon as justifying a reversal or modification of the determination being appealed.

(c) A Participant or beneficiary who requests a review of denial of claims in accordance with this claims procedure may examine pertinent documents and submit pertinent issues and comments in writing. A Participant or beneficiary may have a duly authorized representative act on his or her behalf in exercising his or her right to request a review and any other rights granted by this claims procedure. The Plan Administrator shall provide a review of the decision denying the claim within sixty (60) days after receiving the written request for review. If a Participant or beneficiary does not receive a written response to a request for a review within the foregoing time limit, such request will be deemed to be denied. A decision by the Plan Administrator for review shall be final and binding on all persons.

7.6 Withholding of Taxes. Subject to Section 6.7 hereof, to the extent required by the law in effect at the time payments are made, the Company may withhold or cause to be withheld from any amounts deferred or payable under the Plan all federal, state, local and other taxes as shall be legally required. The Company shall have the right in its sole discretion to (i) require a Participant to pay or provide for payment of the amount of any taxes that the Company may be required to withhold with respect to amounts that the Company credits to a Participant's Account or (ii) deduct from any amount of salary, bonus, incentive compensation or other payment otherwise payable in cash to the Participant the amount of any taxes that the Company may be required to withhold with respect to amounts that the Company credits to a Participant's Account.

7.7 Distributions Upon Termination of Plan. In the event that the Plan is terminated, the amounts allocated to a Participant's Sub-Accounts shall be paid to the Participant or his or her beneficiary on the dates on which the Participant or his or her beneficiary would otherwise receive payments hereunder without regard to the termination of the Plan. Notwithstanding the preceding sentence, and subject to Section 6.5(b) hereof.

(a) The Company, by action of its board of directors, shall have the authority, in its sole discretion, to terminate the Plan and pay each Participant's entire Account to the Participant or, if applicable, his or her beneficiary within twelve (12) months of a corporate dissolution taxed under Section 331 of the Code or with the approval of a bankruptcy court pursuant to 11 U.S.C. 503(b)(1)(a), provided that the amounts are included in the Participant's gross income in the latest of the following years (or, if earlier, the taxable year in which the amount is actually or constructively received): (i) the calendar year in which the Plan termination and liquidation occurs; (ii) the first calendar year in which the amount is no longer subject to a substantial risk of forfeiture as defined under Section 409A of the Code; or (iii) the first calendar year in which the payment is administratively practicable.

(b) The Company, by action of its board of directors, shall have the authority, in its sole discretion, to terminate the Plan and pay each Participant's entire Account to the Participant or, if applicable, his or her beneficiary pursuant to an irrevocable action taken by the board of directors within the 30 days preceding or the 12 months following a Change in Control, provided that this paragraph will only apply if all agreements, methods, programs, and other arrangements sponsored by the Company (or any entity which would be considered to be a single employer with the Company under Section 414(b) or Section 414(c) of the Code) immediately after the time of the change in control event with respect to which deferrals of compensation are treated as having been deferred under a single plan under Section 409A of the Code are terminated and paid with respect to each Participant that experienced the Change in Control event, so that under the terms of the termination and payment all such

Participants are required to receive all amounts of compensation deferred under the terminated agreements, methods, programs, and other arrangements within 12 months of the date the Company (or any entity which would be considered to be a single employer with the Company under Section 414(b) or Section 414(c) of the Code) irrevocably takes all necessary action to terminate and liquidate the agreements, methods, programs, and other arrangements.

(c) The Company, by action of its board of directors, shall have the authority, in its sole discretion, to terminate the Plan and pay each Participant's entire Account to the Participant or, if applicable, his or her beneficiary, provided that: (i) the termination and liquidation does not occur proximate to a downturn in the financial health of the Company (or any entity which would be considered to be a single employer with the Company under Section 414(b) or Section 414(c) of the Code); (ii) The Company (or any entity which would be considered to be a single employer with the Company under Section 414(b) or Section 414(c) of the Code) terminates and liquidates all agreements, methods, programs, and other arrangements sponsored by the Company (or any entity which would be considered to be a single employer with the Company under Section 414(b) or Section 414(c) of the Code) that would be aggregated with any terminated and liquidated agreements, methods, programs, and other arrangements under Section 409A of the Code if the same Participant had deferrals of compensation under all of the agreements, methods, programs, and other arrangements that are terminated and liquidated; (iii) no payments in liquidation of the Plan are made within 12 months of the date the board of directors takes all necessary action to irrevocably terminate and liquidate the Plan other than payments that would be payable under the terms of the Plan if the action to terminate and liquidate the Plan had not occurred; (iv) all payments are made within 24 months of the date the board of directors takes all necessary action to irrevocably terminate and liquidate the Plan; and (v) the Company (or any entity which would be considered to be a single employer with the Company under Section 414(b) or Section 414(c) of the Code) does not adopt a new plan that would be aggregated with any terminated and liquidated plan under Section 409A of the Code if the same Participant participated in both plans, at any time within three years following the date the board takes all necessary action to irrevocably terminate and liquidate the Plan.

(a) Other Events. The Company, by action of its board of directors, shall have the authority, in its sole discretion, to terminate the Plan and pay each Participant's entire Account to the Participant or, if applicable, his or her beneficiary upon such other events and conditions as the Internal Revenue Service may prescribe in generally applicable guidance published in the Internal Revenue Bulletin.

7.8 Compliance with Section 409A of the Code.

(a) It is intended that the Plan comply with the provisions of Section 409A of the Code, so as to prevent the inclusion in gross income of any amounts deferred hereunder in a taxable year that is prior to the taxable year or years in which such amounts would otherwise actually be paid or made available to Participants or his or her beneficiaries. This Plan shall be construed, administered, and governed in a manner that effects such intent, and the Plan Administrator shall not take any action that would be inconsistent with such intent.

(b) Although the Plan Administrator shall use its best efforts to avoid the imposition of taxation, interest and penalties under Section 409A of the Code, the tax treatment of deferrals under this Plan is not warranted or guaranteed. Neither the Company, the board of directors of the Company, nor the Plan Administrator (nor its designee) shall be held liable for any taxes, interest, penalties or other monetary amounts owed by any Participant, beneficiary or other taxpayer as a result of the Plan.

(c) Any reference in this Plan to Section 409A of the Code will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section 409A by the U.S. Department of Treasury or the Internal Revenue Service. For purposes of the Plan, the phrase "permitted by Section 409A of the Code," or words or phrases of similar import, shall mean that the event or circumstance shall only be permitted to the extent it would not cause an amount deferred or payable under the Plan to be includible in the gross income of a Participant or beneficiary under Section 409A(a)(1) of the Code.

ARTICLE 8

MISCELLANEOUS

8.1 Unfunded Plan.

(a) The Plan shall be an unfunded plan maintained by the Company for the purpose of providing benefits for a select group of management or highly compensated employees. The Company is not required to set aside, earmark or entrust any fund or money with which to pay its obligations under this Plan or to invest in any particular investment vehicle and may change investments of Company assets at any time.

(b) All benefits under this Plan shall be paid by the Company from its general assets, which assets shall, at all times, remain subject to the claims of the Company's creditors. Neither Participants, their beneficiaries nor their legal representatives shall have any right, other than the right of an unsecured general creditor, against the Company in respect of any portion of a Participant's Account and shall have no right, title or interest, legal or equitable, in or to any asset of the Company.

8.2 Spendthrift Provision. The Plan shall not in any manner be liable for or subject to the debts or liabilities of any Participant or beneficiary. No benefit or interest under the Plan is subject to assignment, alienation, pledge or encumbrance, whether voluntary or involuntary, except as provided in Section 206(d)(3) of ERISA, relating to qualified domestic relations orders. Any assignment, alienation, pledge or encumbrance of benefits shall be void and will not be recognized by the Company except to the extent required by law. With respect to a qualified domestic relations order, a separate Account shall be established for the alternate payee in accordance with such order, with such Account immediately distributed to the alternate payee.

8.3 Employment Rights. The existence of the Plan shall not grant a Participant any legal or equitable right to continue as an Employee nor affect the right of the Company to discharge a Participant.

8.4 Amendment or Termination. Kelly Services, Inc. reserves the right to amend, terminate or freeze the Plan, in whole or in part, at any time by action of its board of directors and the Kelly Services, Inc. Benefit Plans Committee reserves the right to amend or modify the Plan with respect to administrative matters at any time without prior notice by action of the Committee. Moreover, the Committee may amend the Plan at any time in its sole discretion to ensure that the Plan complies with the requirements of Section 409A of the Code or other applicable law; provided, however, that such amendments, in the aggregate, may not materially increase the benefit costs of the Plan. In no event shall any such action by the board of directors of Kelly Services or Committee adversely affect any Participant or beneficiary who has an Account, or result in any change in the timing or manner of payment of the amount of any Account (except as otherwise permitted under the Plan), without the consent of the Participant or beneficiary, unless the board of directors or the Committee, as the case may be, determines in good faith that such action is necessary to ensure compliance with Section 409A of the Code. A Company affiliated with Kelly Services, Inc. which has adopted this Plan may terminate its participation in the Plan at any time by action of its board of directors or its delegate, except as may otherwise be prohibited by Section 409A of the Code. To the extent permitted by Section 409A of the Code, the Committee may, in its sole discretion, modify the rules applicable to Deferral Elections, Payment Elections and Subsequent Payment Elections to the extent necessary to satisfy the requirements of the Uniformed Service Employment and Reemployment Rights Act of 1994, as amended, 38 U.S.C. 4301-4334.

8.5 No Fiduciary Relationship Created. Nothing contained in this Plan, and no action taken pursuant to the provisions of this Plan, shall create or be deemed to create a fiduciary relationship between the Company or Plan Administrator and any Participant, beneficiary or any other person.

8.6 Obligations to Employer. If a Participant becomes entitled to a distribution under the Plan and if at such time the Participant has outstanding any debt, obligation, or other liability representing an amount owing to the Company that has been presented to the Plan Administrator within twelve (12) months after the Participant's termination of employment, then, subject to the requirements of Section 409A of the Code (including the delay of payments required under Section 6.5(b)), the Plan Administrator may offset such amount owed to it against the amount otherwise distributable.

8.7 Receipt of Release. Any payment to any Participant or beneficiary in accordance with the provisions of this Plan shall, to the extent thereof, be in full satisfaction of all claims against the Plan Administrator, the Company and any of their officers, directors, shareholders, employees or agents. The Plan Administrator may require a Participant or beneficiary, as a condition precedent to a payment from the Plan, to execute a release. The Plan

Administrator shall provide such release within 10 days after the Commencement Date and the Participant must return such release to the Plan Administrator within 50 days after the Commencement Date.

8.8 No Warranty or Representation. The Company makes no warranty or representation regarding the effect of deferrals made or benefits paid under this Plan for federal, state or local tax purposes.

8.9 Construction. Wherever the context of the Plan dictates, words used in the plural shall be read as the singular and the singular as the plural.

8.10 Governing Law. The provisions of the Plan shall be governed by ERISA, but to the extent that Michigan law is not preempted by ERISA, the provisions of the Plan shall be governed by the laws of the State of Michigan.

8.11 Counterparts. This Plan may be signed in any one or more counterparts each of which together shall constitute one instrument.

8.12 Expenses. Subject to Section 409A of the Code (including the delay of payments required under Section 6.5(b)), the Company may elect to debit a Participant's Account for the expenses of administration of the Plan, including the expenses of the Plan Administrator and the fees of any trustee.

ARTICLE 9

PRIOR PLAN AND TRANSITION RULES

9.1 Prior Plan.

(a) Any "amounts deferred" in taxable years before January 1, 2005 under the Prior Plan (within the meaning of Section 409A of the Code) and any earnings thereon shall be governed by the terms of the Prior Plan as in effect on October 3, 2004, and it is intended that such amounts and any earnings thereon be exempt from the application of Section 409A of the Code. Nothing contained herein is intended to materially enhance a benefit or right existing under the Prior Plan as of October 3, 2004 or add a new material benefit or right to such Prior Plan.

(b) Any "amounts deferred" in taxable years on or after January 1, 2005 (within the meaning of Section 409A of the Code) and any earnings thereon shall be governed by the terms and conditions of the Plan. The Plan Administrator may, in its sole discretion, transfer all or any portion of the Accounts from the Prior Plan to this Plan to effectuate this Section 9.1(b).

9.2 Transition Relief for Deferral Elections. A Participant designated by the Plan Administrator may, no later than a date specified by the Plan Administrator (provided that such date occurs no later than December 31, 2007 or such other date as permitted under Section 409A of the Code) elect in the manner determined by the Company (including, but not limited to, written form provided by the Plan Administrator, use of a voice response system or other electronic medium, or any combination thereof) to (i) change the date of payment of his or her Account to a date otherwise permitted under the Plan or (ii) change the manner of payment of his or her Account to a manner of payment otherwise permitted under the Plan, without complying with the special timing requirements of Section 4.2. Notwithstanding the preceding sentence, a Participant cannot in 2007 change his or her Payment Election with respect to payments that the Participant would otherwise receive in 2007, and a Participant may not cause payments to be made in 2007 that would not otherwise be payable in such year. This Section 9.2 is intended to comply with Notice 2006-79 and the applicable proposed and final Treasury Regulations issued under Section 409A of the Code and shall be interpreted in a manner consistent with such intent.

IN WITNESS WHEREOF, the Company has executed this amended and restated Plan this 8th day of November, 2007.

KELLY SERVICES, INC.

By: /s/ Daniel T. Lis

Daniel T. Lis

Its: Senior Vice President,
General Counsel and Corporate Secretary