



JAUNT, Inc.  
104 Keystone Place  
Charlottesville, VA 22902-6200

**Resolution# 2023071202**

**Adopting Resolution  
Updated Retirement Plan**

The undersigned authorized representative of Jaunt, Inc. (the Employer) hereby certifies that the following resolutions were duly adopted by the Employer on \_\_\_\_\_, and that such resolutions have not been modified or rescinded as of the date hereof:

**RESOLVED**, that the form of amended 457 Plan and Trust effective July 1, 2023, presented to this meeting is hereby approved and adopted and that an authorized representative of the Employer is hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Plan.

The undersigned further certifies that attached hereto as Exhibits A and B, respectively, are true copies of Deferred Compensation Plan for Employees of Jaunt, Inc. as amended and restated and the Summary of 457 Provisions, which are hereby approved and adopted.

\_\_\_\_\_  
Brad Burdette, President

\_\_\_\_\_  
Date

## Changes to Jaunt 457 Governmental Plan

Provision	Old Document	New Document
Maximum Deferral Amount	17%	100%
Employer Contribution	3%	7%
Matching Formula	25% of 3% of Compensation	50% of 6% of Compensation
Contribution Frequency	Annual	Per Payroll

Jaunt’s retirement provider, Mutual of America, introduced a new online platform in the Fall of 2022. When the Jaunt 457 plan document parameters were entered into this new system, several issues arose demonstrating that Jaunt was not following current IRS regulations and that its retirement contributions were not in compliance with the plan document. Therefore, the following changes must be made immediately to the plan to bring it into compliance.

- The Maximum Deferral rate was capped at 17% of total compensation. The new plan raises it to:
  - 100% of the participant’s compensation, or
  - The elective deferral limit (e.g., \$22,500 in 2023 plus over-50 catch-up contribution),
  - whichever is less.
- The Employer Contribution (beginning after one year of service) was 3% of compensation. This will be changed to 7% in the new plan, as this has been the actual practice of Jaunt, documented back to 2014, the earliest payroll records.
- The Matching Formula will be changed from 25% of 3% of total compensation to 50% of 6% of compensation, as this has been the actual practice of Jaunt, documented back to 2014, the earliest available payroll records.
- The Contribution Frequency will be changed from Annual to Per Payroll as this has been the actual practice of Jaunt, documented back to 2014, the earliest available payroll records.

Jaunt is in the process of preparing an RFP for a benefits consultant. One of the tasks required will be a full review of the 457-retirement plan.

### Documents provided:

- **1993 Plan with areas to be changed highlighted - begins on Page 2 of this document**
  - P. 6 (p.2), Section 1.3 (a) (1) EMPLOYEE CONTRIBUTIONS and P. 7 (p. 2A), Section 1.3 (a) (2) Additional Unmatched Percentage
  - P. 7 (p. 2A), Section 1.3 (b) (2) EMPLOYER CONTRIBUTIONS
  - P. 7 (p. 2A), Section 1.3 (b) (1) EMPLOYER CONTRIBUTIONS
- **New plan with changed areas highlighted - begins on Page 47 of this document**
  - P.56(p. 7) 7, Section 3.04 (a) & (b) and Section 3.05 (a) NORMAL LIMITATION and NORMAL RETIREMENT AGE CATCH-UP CONTRIBUTION
  - P.56(p. 7), Section 3.03 MATCHING CONTRIBUTIONS
- **Adoption Agreement for Eligible Governmental 457 Plan with changed areas highlighted - begins on Page 77 of this document**
  - P. 80 (p. 4) 13.b.1. - SALARY REDUCTION CONTRIBUTIONS
  - P. 81 (p. 5 ) 16.a. – MATCHING CONTRIBUTIONS and 16.g – Time Period for Matching contributions
- **Board Resolution verbiage - Page 90 of this document**



JAUNT, INC.  
104 Keystone Place  
Charlottesville, VA 22902

#### Board of Directors Resolution

WHEREAS, the Board of Directors of JAUNT, Inc. (Board) has assembled in a meeting this 17th day of March 1993;

WHEREAS, JAUNT (Organization) is considering adoption of a Thrift Plan (Plan) to provide retirement benefits for employees of the Organization;

WHEREAS, the retirement benefits provided by this proposed Plan would be funded through a Group Annuity Contract (Contract) between the Organization and the Mutual of America Life Insurance Company (Mutual);

WHEREAS, the Contract provides that Mutual will be compensated for any administrative services rendered in connection with the Contract and the Plan; and

WHEREAS, Mutual has offered to provide such administrative services pursuant to either a full services arrangement at the standard contractual charge or a modified services arrangement at a reduced contractual charge (as described in the attached Notices).

NOW, THEREFORE, BE IT RESOLVED THAT:

- 1) The proposed Plan is hereby approved, and the appropriate officers of the Organization are authorized and directed to execute the Plan document and enter into the Contract;
- 2) The Organization hereby accepts Mutual's offer to provide administrative services to the Plan pursuant to the modified services arrangement described in the attached Notice; and
- 3) The appropriate officers and agents of the Organization are hereby authorized and directed to take such further action as may be necessary, appropriate, or advisable to implement the foregoing resolutions.

The undersigned Officer of JAUNT (the Organization) hereby certifies that the foregoing resolutions were duly adopted by the Board of Directors on the 17th day of March 1993, and that the documents attached thereto are true copies of the documents referenced in those resolutions.

Corporate Seal

Nelson W. Bore  
Signature

Treasurer  
Title

April 8, 1993  
Date



**DEFERRED COMPENSATION PLAN  
FOR  
EMPLOYEES OF  
JAUNT, INCORPORATED  
457-133-B**

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Section 1. ADOPTION AGREEMENT

The undersigned Employer hereby establishes its retirement plan to be known as the Deferred Compensation Plan for Employees of the Employer named in Section 1.1(a). The Employer hereby adopts a DEFERRED COMPENSATION PLAN, (hereinafter referred to as the "Plan"), to be effective as of the date specified in Section 1.1(b) for the exclusive benefit of its eligible Employees who qualify under the terms and conditions thereof. The Plan is intended to comply with the eligible deferred compensation plan requirements of Section 457 of the Code and the regulations thereunder, as now in effect or as hereafter amended. All amounts deferred under the Plan, including all income attributable thereto, remain solely the property of the Employer until paid to the Participant or to his Beneficiary, as provided herein. The Employer hereby selects the following plan specifications for its Plan.

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Section 1.1: EMPLOYER, ADMINISTRATOR, EFFECTIVE DATES

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- (a) NAME OF EMPLOYER: Jaunt, Incorporated.
- (b) PLAN EFFECTIVE DATE: January 1, 1992.
- (c) PLAN YEAR: The consecutive twelve-month period beginning on January 1 and ending December 31.
- (d) PLAN ADMINISTRATOR: The Employer named in Section 1.1(a) above.
- (e) This is a Plan of the State, political subdivision of the State, any agency or instrumentality of the State or any agency or instrumentality of the political subdivision of the State.

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Section 1.2: REQUIREMENTS FOR PARTICIPATION

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- (a) ELIGIBLE CLASS OF EMPLOYEES:  
All Employees shall be eligible to participate in this Plan.
- (b) MINIMUM AGE & SERVICE REQUIREMENTS FOR EMPLOYER CONTRIBUTIONS
  - (1) The minimum age requirement is 18 years of age.
  - (2) The minimum Year(s) of Service requirement is one year.

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Section 1.3: CONTRIBUTIONS

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(a) EMPLOYEE CONTRIBUTIONS

- (1) Each Employee may authorize the Employer to make Employee Contributions in his behalf, in an amount equal to any whole percentage from 10% to 4% of his Compensation, subject to the maximum amount as determined in accordance with Section 5.1 of this Plan. Such Employee Contributions shall be eligible for Employer Matching Contributions.

**(2) Additional Unmatched Percentage**

An additional percentage of Employee Contributions may be made by an Employee who has contributed the maximum percentage indicated in Section 1.3(a)(1) above. Such additional contribution percentage shall be any whole percentage to a maximum of 17%, limited to a maximum amount as determined in accordance with Section 5.4, and shall not be eligible for Employer Matching Contributions.

**(b) EMPLOYER CONTRIBUTIONS**

- (1) Subject to the limitations of Section 5.6, Employer Matching Contributions shall be made on behalf of each Participant who makes an Employee Contribution and satisfies the age and service requirements of Section 1.2(b)(1).

Such Employer Contribution shall be an amount equal to 25% of the Employee Contribution made by each Participant during the Plan Year pursuant to Section 1.3(a) above.

- (2) Subject to the limitations of Section 5.6, the monthly Employer Contribution on behalf of each Participant who has satisfied the age and service requirements of Section 1.2(b)(2) shall be in an amount equal to 3% of the Participant's Compensation.

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**Section 1.4: COMPENSATION**

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- (a) For purposes of calculating Employee and Employer Contributions and with regard to Section 2.6, Compensation includes all of the following items:
- (1) Employer contributions made pursuant to a salary reduction agreement which are not includible in the gross income of the Participant under Sections 125, 402(a)(8), 402(h) or 403(b) of the Code;
  - (2) Compensation deferred under an eligible deferred compensation plan within the meaning of Section 457(b) of the Code; and
  - (3) Employee contributions under Section 414(h)(2) of the Code that are picked up by an employing unit under a government plan.
- (b) Compensation excludes all of the following items (1) reimbursements; (2) expense allowances; (3) cash and noncash fringe benefits; (4) moving expenses; (5) welfare benefits; (f) deferred Compensation (except as elected in Section 1.4(a)(2) above).



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**Section 1.5: VESTING REQUIREMENT**

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- (a) A Participant shall at all times have 100% immediate vesting in the amounts in his Employee Contribution Accounts.
- (b) The amounts in a Participant's Employer Contribution Accounts shall be 100% vested upon the attainment of Normal Retirement Age, or if earlier, upon meeting the applicable vesting requirement in accordance with the following schedule:

<u>Years of Vesting Service</u>	<u>Vesting Percentage</u>
less than 3	0
3	50
4	75
5	100

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**Section 1.6: INVESTMENT OPTIONS**

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A Participant shall designate the allocation of all contributions made on his behalf to the investment accounts available under this Plan and described in Section 6.2 with no restrictions.

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**Section 1.7 WITHDRAWAL RESTRICTIONS**

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Withdrawals shall be permitted on the vested amounts in a Participant's Employer Contribution Accounts only upon termination of employment, death or UNFORESEEN EMERGENCIES (as defined in Section 8.4).

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**THE EMPLOYER HEREBY REPRESENTS THAT:**

The Plan specifications selected in these Specifications, together with the provisions of the Plan referred to herein, as both may be amended from time to time in accordance with Section 12 of the Plan, shall constitute the entire Plan.

Contributions under the Plan shall be placed with Mutual under Contracts issued, according to its rules and procedures, in conjunction with this Plan. Mutual shall be entitled to rely upon written statements furnished by the Employer, Plan Administrator, or Named Fiduciary(ies) in the performance of their duties under this Plan, and payments by Mutual in accordance with the provisions of the above mentioned Contract shall fully discharge Mutual's liability for such payments. Mutual is not responsible for the failure of the Employer, Plan Administrator or Named Fiduciary to perform their duties under the Plan.

IN WITNESS WHEREOF, the Employer has caused these Specifications to be executed by an authorized individual as of this 8th day of April, 1993.

For The Employer, By: Linda A. Wilson  
(signature of authorized officer)

Title: Executive Director

Date: April 8, 1993

## Section 2. GENERAL DEFINITIONS

The following words and phrases as used herein have the meanings defined, unless a different meaning is plainly required by the context. Words of the masculine gender as used herein shall include the feminine, and words in the singular form as used herein shall be construed as though they were also used in the plural form in all cases where they would so apply and vice versa.

- 2.1 "Accounting Date" means the last day of the Plan Year.
- 2.2 "Accounts" means the Accounts maintained for each Participant, representing the Participant's interest in the investment accounts under this Plan.
- 2.3 "Benefit Commencement Date" means the date, on or after a Participant's date of termination of employment with the Employer, on which a Participant's benefit payments begin under the Plan. Unless the Participant elects an Early Retirement Date or a deferred retirement date, a Participant's benefit payments must begin on a Benefit Commencement Date that is no later than the April 1st of the calendar year following the calendar year in which the Participant attains age 70-1/2, except in the case of a Participant who attained age 70-1/2 before January 1, 1988 or in the case of a Participant who attained age 70-1/2 during 1988 and who had not retired as of January 1, 1989 where the provisions of Section 9.3(3)(f) shall apply, and except as may be otherwise permitted in accordance with applicable IRS regulations, rulings or pronouncements.
- 2.4 "Code" means the Internal Revenue Code of 1986, as amended.
- 2.5 "Compensation" means, for all purposes (except as specified in Section 5.6), the wages, salaries, fees for professional services and other amounts received by the Participant during the Plan Year (in cash or otherwise) for personal services actually rendered in the course of employment with the Employer, to the extent that such amounts are includible in the Participant's gross income under the Code.

Compensation includes, but is not limited to : (a) tips; (b) bonuses; (c) commissions paid to salesmen; (d) compensation for services on the basis of a percentage of profits; and (e) commissions on insurance premiums.

In addition, if so elected in Section 1.4, Compensation includes all of the following items:

- (a) employer contributions made pursuant to a salary reduction agreement which are not includible in the gross income of the Participant under Sections 125, 402(a)(8), 402(h) and 403(b) of the Code;

- (b) compensation deferred under an eligible deferred compensation plan within the meaning of Section 457(b) of the Code; and
- (c) employee contributions under Section 414(h)(2) of the Code that are picked up by an employing unit under a government plan.

Unless otherwise elected in Section 1.4, Compensation does not include any of the following items:

- (a) employer contributions to a plan of deferred compensation which are not includible in the Participant's gross income for the taxable year in which contributed, or employer contributions under a simplified employee pension plan to the extent such contributions are deductible by the employee, or any distributions from a plan of deferred compensation;
- (b) amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or property) held by the employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;
- (c) amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option;
- (d) other amounts which received special tax benefits, or contributions made by an employer (whether or not under a salary reduction agreement) towards the purchase of an annuity described in Section 403(b) of the Code (whether or not the amounts are actually excludible from the gross income of the employee); and
- (e) any other deferred compensation, reimbursement, expense allowances, cash or noncash fringe benefits, moving expenses and welfare benefits.

Except as provided below, the annual Compensation of each Participant shall be limited to \$200,000 for the purposes of determining all benefits provided under the Plan for all Plan Years beginning after December 31, 1988. This limitation shall be adjusted by the Secretary of the Treasury at the same time and in the same manner as under Section 415(d) of the Code, except that the dollar increase in effect on January 1 of any calendar year shall be effective for Plan Years beginning in such calendar year and the first adjustment to the \$200,000 limitation is effective on January 1, 1990. The annual Compensation limit for a short Plan Year of fewer than twelve consecutive months is an amount equal to the annual Compensation limit for the calendar year in which the short Plan Year begins multiplied by a fraction, the denominator of which is 12 and the numerator of which is the number of months in the short Plan Year.

If Compensation for any prior Plan Year is taken into account in determining an Employee's contributions or benefits for the current Plan Year, the Compensation for such prior Plan Year is subject to the applicable annual compensation limit in effect for that prior year. For this purpose, for Plan years beginning before January 1, 1990, the applicable annual Compensation limit is \$200,000.

In determining the Compensation of a Participant for purposes of this limitation, the rules of Section 414(q)(6) of the Code shall apply, except in applying such rules, the term "Family" shall include only the Eligible Spouse of the Participant and any lineal descendants of the Participant who have not attained age 19 before the close of the year. If, as a result of the application of such rules the adjusted \$200,000 limitation is exceeded, then except for purposes of determining the portion of Compensation up to the integration level, if this Plan provides for permitted disparity, the limitation shall be prorated among the affected individuals in proportion to each such individual's Compensation as determined before the application of this limitation.

- 2.6 **"Contract"** means any one or more group annuity contracts issued by Mutual to the Employer to fund this Plan, as amended from time to time.
- 2.7 **"Early Retirement Age"** means the date on which a Participant attains his 55th birthday.
- 2.8 **"Early Retirement Date"** means the first of any month on or after a Participant's Early Retirement Age and before his Normal retirement Age on which the Participant elects by written notification to the Plan Administrator to retire.
- 2.9 **"Eligible Spouse"** means the person to whom a Participant is legally married at his Benefit Commencement Date or any earlier date on which a distribution of all or a portion of the Participant's Accounts is made under this Plan.
- 2.10 **"Employee"** means any individual whether appointed, elected or under contract to the Employer, providing personal services for which Compensation or statutory fees are paid from a legal salary appropriation.
- 2.11 **"Employee Contributions"** means "Salary Reduction Contributions" made by the Employer on behalf of a Participant pursuant to a salary reduction agreement between the Participant and the Employer.
- 2.12 **"Employer Contributions"** means, the total contributions made by an Employer to this Plan. If specified in Section 1.3(b)(2), **"Employer Matching Contributions"** means an Employer Contribution made to this Plan on behalf of an Participant on account of an Employee Contribution made by such Participant.

- 2.13 "Entry Date" means the first day of each month.
- 2.14 "Mutual" means Mutual of America Life Insurance Company.
- 2.15 "Normal Retirement Age" means the age occurring after the Participant's termination of employment for any reason which is no earlier than:
- (a) in the case of a Participant who participates in a basic pension plan of the Employer, the earliest retirement age at which a Participant has the right to retire under the Employer's basic pension plan without the Employer's consent and without any reduction of benefits for early retirement.
  - (b) in the case of a Participant who does not participate in a basic plan of the Employer, age 65.
  - (c) in the case of a Participant who continues to work beyond the Normal Retirement Age, the Normal Retirement Age shall be any age at which the Participant separates from service with the Employer but shall not be greater than age 70-1/2.
- 2.16 "Normal Retirement Date" means the first day of the month coinciding with or next following a Participant's Normal Retirement Age.
- 2.17 "Participant" means an eligible Employee who has met the participation requirements as specified in Section 1.2, and is covered under the terms of the Plan.
- 2.18 "Participation Agreement" means the application form and Salary Reduction Agreement provided to the Employer by the Employee.
- 2.19 "Salary Reduction Agreement" means a written agreement, signed by the Employee and submitted to the Employer which specifies the amount by which the Participant elects to reduce his Compensation and have contributed to the Plan on his behalf.

## Section 3. SERVICE

### 3.1 Hour of Service

"Hour of Service" means:

- (a) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer. These hours shall be credited to the Employee for the computation period in which the duties are performed; and
- (b) Each hour for which an Employee is paid, or entitled to payment, by the Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence, provided, however, that no more than 501 Hours of Service shall be credited under this Clause (b) for any single continuous period (whether or not such period occurs in a single computation period). Hours under this paragraph shall be calculated and credited pursuant to Section 2530.200b-2 of the Department of Labor Regulations which are incorporated herein by this reference; and
- (c) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer. The same Hours of Service shall not be credited both under Clause (a) or Clause (b), as the case may be, and under this Clause (c). These hours shall be credited to the Employee for the computation period or periods to which the award or agreement pertains rather than the computation period in which the award, agreement or payment is made; and
- (d) Each hour for which an Employee would have been scheduled to work for the Employer during the period of time that he is absent from work because of service with the Armed Forces of the United States, but only if the Employee returns to work within the period during which he retains reemployment rights pursuant to federal law.

Hours of Service shall be determined on the basis of actual hours for which an Employee is paid or entitled to payment. Hours of Service shall be credited for employment with other members of an affiliated service group (under Section 414(m) of the Code), a controlled group of corporations (under Section 414(b) of the Code), or a group of trades or businesses under common control (under Section 414(c) of the Code), of which the adopting Employer is a member and any other entity required to be aggregated with the Employer pursuant to Section 414(o) of the Code

and the regulations thereunder. Hours of Service shall also be credited for any individual considered an employee for purposes of this Plan under Section 414(n) or Section 414(o) of the Code and the regulations thereunder.

Where the Employer maintains the plan of a predecessor employer, service for such predecessor employer shall be treated as service for the Employer.

### 3.2 Eligibility Service

An Employee shall be credited with a Year of Service for the first eligibility computation period described in the following paragraph during which the Employee completes 1,000 Hours of Service and for each eligibility computation period thereafter during which the Employee completes at least 1,000 Hours of Service.

The initial eligibility computation period shall be the twelve consecutive month period beginning on the day the Employee first performs an Hour of Service for the Employer. Each subsequent eligibility computation period shall be twelve consecutive month period measured from the anniversary of the day the Employee first performed an Hour of Service for the Employer. If the eligibility service requirement specified in Section 1.2-B is a fractional year, an Employee shall not be required to complete any specified number of Hours of Service to receive credit for such fractional year.

During the Employee's initial or subsequent eligibility computation period, in the case of an Employee who is absent from work for any period after December 31, 1984 (a) by reason of the pregnancy of the Employee, (b) by reason of the birth of a child of the Employee, (c) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee, or (d) for purposes of caring for such child for a period beginning immediately following such birth or placement, the Plan shall treat as Hours of Service, solely for purposes of determining under this paragraph whether a one-year Break-in-Service has occurred, the Hours of Service that normally would have been credited such Employee but for such absence (or if the number of such hours cannot be determined, then 8 hours per day) up to the maximum of 501 hours. Such hours shall prevent a Break-in-Service from occurring or if not required to be credited for that purpose, to the immediately following year.

A Break-in-Service for purposes of this Section shall be an eligibility computation period described above during which the Employee does not complete more than 500 Hours of Service.

Years of Service and Breaks-in-Service shall be measured on the same eligibility computation period.



If the Plan requires more than one Year of Service under Section 1.2-B, and an Employee has a one-year Break-in-Service before satisfying that requirement, service before such break shall not be taken into account for purposes of this Section.

If a Participant does not have a nonforfeitable right to any part of his Accounts attributable to Employer Contributions, Years of Service before a period of consecutive one-year Breaks-in-Service shall not be taken into account in computing eligibility service if the number of consecutive one-year Breaks-in-Service in such period equals or exceeds the greater of five or the aggregate number of such years of Service. Such aggregate number of Years of Service shall not include any Years of Service disregarded under the preceding sentence by reason of prior Breaks-in-Service.

If a Participant's Years of Service are disregarded pursuant to the preceding paragraph, such Participant shall be treated as a new Employee for eligibility purposes. If a Participant's Years of Service are not disregarded pursuant to the preceding paragraph, such Participant shall continue to participate in the Plan, or if terminated, shall participate immediately upon reemployment.

### 3.3 Vesting Service

An Employee's entire Period of Service as hereinafter defined shall be credited to the Employee as Years of Vesting Service. In computing total Years of Vesting Service, credit shall be granted for years and completed months of service, any fraction of a month being considered as one-twelfth of a year.

A "Period of Service" shall mean the period of time beginning on the day an Employee first performs an Hour of Service for the Employer and ending on his Employment Severance Date.

A Period of Service under this Plan shall also include:

- (a) any period during which the Employee is absent from work with the Employer after his Employment Severance Date if he returns to work with the Employer within the twelve-month period following the earlier of his Employment Severance Date and his most recent date of absence from employment for any reason; and
- (b) in the case of an Employee who terminates his employment with the Employer and who is later reemployed, the period beginning on the date on which he completes an Hour of Service for the Employer after his date of reemployment (exclusive of any period referred to in the preceding Clause (a) and ending on a subsequent Employment Severance Date.

If the Employer is a member of an affiliated service group (under Section 414(m) of the Code), a controlled group of corporations (under Section 414(b) of the Code) or a group of trades or businesses under common control (under Section 414(c) of the Code), service shall be credited for service with any individual member of such group. Service shall also be credited for any individual required under Section 414(n) or Section 414(o) of the Code to be covered as an Employee of any Employer aggregated under Section 414(b), (c) or (m) of the Code for purposes of this Plan.

A Period of Service under this Plan shall not include any period between the first and second anniversaries of the date on which an Employee is first absent from work with the Employer due to maternity or paternity reasons (as defined in Section 3.4) if such Employee's leave of absence for such reasons extends beyond such first anniversary.

In the case of a Participant who has five or more consecutive one-year Breaks-in-Service, all Years of Vesting Service after such Breaks-in-Service shall be disregarded for purpose of vesting his Accounts that accrued before such Breaks-in-Service. In addition, in the case of a Participant who has five or more consecutive one-year Breaks-in-Service, all Years of Vesting Service before such Breaks-in-Service shall be disregarded for the purpose of vesting his Accounts unless such Participant had a nonforfeitable right to any part of his Accounts attributable to Employer Contributions upon his Employment Severance Date.

For this purpose, a one-year Break-in-Service is a period of twelve consecutive months in which the Participant does not earn Vesting Service as described in this Section. However, an absence from work for up to 24 consecutive months for maternity or paternity reasons (as defined in Section 3.4) shall not count toward a one-year Break-in-Service even if a Participant does not receive Vesting Service for the entire period of absence.

### 3.4 Employment Severance Date

Except as provided in the following paragraph, an Employee's "Employment Severance Date" shall mean the earlier of (a) the date on which the Employee quits, is discharged, retires, or dies, and (b) the date that marks the first anniversary of the date on which the Employee is first absent from work with the Employer due to disability, vacation, leave, layoff or similar reason.

Anything in the preceding paragraph to the contrary notwithstanding, an Employee's "Employment Severance Date" shall mean:

- (a) in the case of an Employee who is absent from work with the Employer for service with the Armed Forces of the United States, the Employee's date of termination of employment with the Employer unless such Employee returns to the employment of the Employer within the period during which he retains reemployment rights pursuant to federal law; and
- (b) solely as it applies to the Employment Severance Date for determining when a Break-in-Service has occurred, in the case of an Employee who is absent from work with the Employer for maternity or paternity reasons, the date that marks the second anniversary of the date on which the Employee is first absent from work with the Employer due to maternity or paternity reasons if such leave of absence extends beyond the first anniversary of such first date of absence.

For purposes of this Section 3, an absence from work for maternity or paternity reasons means an absence by reason of (a) the pregnancy of the Employee, (b) the birth of a child of the Employee, (c) the placement of a child with the Employee in connection with the adoption of such child by such Employee, or (d) the care of such child for a period beginning immediately following such birth or placement.

## Section 4. ELIGIBILITY FOR PLAN PARTICIPATION

### 4.1 When An Employee Becomes A Participant

Each Employee of the Employer in the Eligible Class of Employees shall be eligible to participate in the Plan as of the Entry Date coincident with or next following the date he completes a Participation Agreement.

### 4.2 Participation Procedures

The Plan Administrator shall determine the Employees who are eligible to become Participants. Any Employee eligible to become a Participant shall be provided with a Participation Agreement and such other forms for his execution as may be needed for Plan administration purposes and shall be bound by the terms and conditions of this Plan and any and all amendments thereto as may be adopted from time to time.

The Employee shall specify the amount or percentage of Compensation to be deferred and allocated to his Accounts.

### 4.3 Participation In Other Plans

If the Participant is deferring income under any plan maintained under Sections 402(a)(8), 402(h), (403(b), 457 or 501 (c)(18) of the Code, the amount of such deferrals must be identified at all times when a deferred Compensation amount is designated under the Plan.

### 4.4 Termination Of Participation

The participation of a Participant shall cease upon payment to the Participant of his entire Accounts with respect to the Participant or upon the Participant's death prior to such payment. If payment is made to the Participant as an annuity, participation shall end on the Benefit Commencement Date.

If a Participant separates from service with the Employer in order to accept employment with another public employer in this State which maintains an eligible state deferred compensation plan under Section 457 of the Code, the Participant's Accounts under this Plan shall be payable only upon separation from service with that employer, or with a successor public employer, if any, except that if a new employer's plan accepts transfers from plans of other public employers, then the Participant's Accounts shall be transferred to such other employer's plan.

## Section 5. DEFERRALS AND ALLOCATIONS

### 5.1 Employee Contribution Amounts Deferred

A Participant may elect to defer Compensation under the Plan by authorizing, on a Participation Agreement, regular payroll deductions that do not in the aggregate exceed the limitations of Section 5.4.

Employee Contributions shall take effect with the first payroll period that begins after the Participant's Entry Date and shall remain in effect until modified or terminated.

Employee Contributions shall be allocated to the Employee Contribution Accounts (as defined in Section 6.1) maintained for the Participant under this Plan.

### 5.2 Employer Contributions

The Employer shall make an Employer Matching Contribution in an amount as specified in Section 1.3(b) for each Participant who makes an Employee Contribution, subject to the limitations and provisions of Section 5.4.

The Employer shall make an Employer Contribution for each Employee who has satisfied the eligibility requirements pursuant to Section 1.2(b), in an amount as specified in Section 1.3(b)(2), subject to the limitations and provisions of Section 5.4.

A Participant whose employment with the Employer terminates before the end of a Plan Year shall share only in the Employer Contributions for such Plan Year that were made or were attributable to service before the Participant's Employment Severance Date.

Employer Contributions made for a Participant shall be allocated to the Employer Contribution Account (as defined in Section 6.1) maintained for the Participant under this Plan.

### 5.3 Election, Suspension and Resumption of Employee Contributions

Each Participant on whose behalf Employee Contributions are made must make an election specifying the percentage chosen as soon as practicable after the Entry Date, or, such election must be made at least 30 days before the beginning of the month for which the Participant shall make contributions.

A Participant may discontinue or temporarily suspend the deferral of Compensation under this Plan as of the first day of any month by giving written notice thereof to his Employer at any time during the calendar month preceding the month in which deferrals are to be suspended or discontinued.

A Participant may change the deferred Compensation amount by filing a new Salary Reduction Agreement with the Employer. The change shall be effective with the first pay period indicated in the Salary Reduction Agreement which occurs on or after the first of the following month, or as soon thereafter as administratively practical.

Each Participant may suspend Employee Contributions by written notice to the Employer at least 30 days before the date such suspension is to be effective.

A Participant who suspends contributions pursuant to the preceding paragraph may elect to resume Employee Contributions. Such election may be effective as of the Entry Date coincident with or next following the first day of the calendar year following such suspension and must be by written notice to the Employer at least 30 days before the applicable month. Such resumption would require the Participant to complete a new salary reduction agreement specifying the percentage chosen for such resumed contributions.

#### 5.4 Limitations On Deferrals

(a) The amount that may be deferred by a Participant in any Plan Year under the Plan shall not exceed the lesser of:

(1) \$7,500, or

(2) 33-1/3 percent of the Participant's Compensation for the year.

(b) Notwithstanding the limitation in Section 5.4(a), during each of the last three years before the Participant's attainment of Normal Retirement Age such a Participant may defer an amount equal to the lesser of:

(1) \$15,000, and

(2) the sum of the limitations provided for in Section 5.4(a) for all Plan Years the Participant was eligible to participate in an eligible deferred compensation plan less all the amounts previously deferred for such years.

A Participant may not elect to have this Section 5.4(b) apply more than once, even if this provision is not fully used in the three years before Normal Retirement Age or if the Participant joins another plan.

For purposes of Section 5.4(b)(2), only years after December 31, 1978 during which the Participant was employed by a public employer in the same State in which the Participant was eligible to participate which sponsored a plan under Section 457 of the Code may be counted.

- (c) The limitations of Section 5.4(a) and 5.4(b) shall be reduced by any amount excluded from the Participant's gross income for the applicable taxable year under Sections 402(a)(8), 402(h), 403(b) 457 and 501(c)(18) of the Code.
- (d) The minimum amount that may be deferred by a Participant shall not be less than \$10.00 per pay period.

#### **5.5 Limitation On Employer Contributions**

In no event shall contributions be allocated to a Participant's Accounts resulting in an Annual Addition to such Accounts for any Plan Year in excess of the limitations provided for in Section 5.4.

Before the Participant's actual Compensation for any Plan Year is determined for purposes of this Section 5.5 and Section 5.6, the maximum permissible amount may be determined on the basis of the Participant's estimated annual Compensation for such Plan Year. Such estimated annual Compensation shall be determined on a reasonable basis and shall be uniformly determined for all Participants similarly situated. Any Employer Contribution based on estimated annual Compensation shall be reduced by any Excess Amount carried over from preceding years.

As soon as is administratively feasible after the end of the Plan Year, the maximum permissible amount for such Plan Year shall be determined on the basis of the Participant's actual Compensation for such Plan Year.

#### **5.6 Determination And Disposition Of Excess Amounts**

- (a) If the Employer Contributions that would otherwise be allocated to the Participant's Accounts would cause the Annual Additions for the Plan Year to exceed the maximum permissible amount, the amount allocated shall be reduced so that the Annual Additions for the Plan Year shall equal the maximum permissible amount as .
- (b) If pursuant to Section 1.3 there is an Excess Amount with respect to a Participant for a Plan Year, such Excess Amount shall be disposed of as follows:
  - (1) If the Participant is covered by this Plan at the end of the Plan Year, the Excess Amount in the Participant's Accounts shall be used to reduce Employer Contributions for such Participant in the next Plan Year and, if necessary, each succeeding Plan Year.
  - (2) If after application of paragraph (a) and if the Participant is not covered by this Plan at the end of the Plan Year, the Excess Amount shall be held unallocated in a forfeiture account. Such forfeiture account shall be applied to reduce

future Employer Contributions for all remaining Participants in the next Plan Year and, if necessary, each succeeding Plan Year.

- (3) If a forfeiture account is in existence at any time during the Plan Year pursuant to Paragraph (2), it shall not participate in the allocation of the Plan's gains and losses under the Contract.

## 5.7 Definitions

The following terms as used in this Section 5 shall have the meanings defined.

- (a) The term "Annual Additions" means the sum of:

- (1) all Employer Contributions;
- (2) all Employee Contributions;
- (3) Forfeitures; and

For this purpose, any Excess Amount applied to reduce Employer Contributions in a Plan Year under Section 5.4(b) shall be considered part of the Annual Additions for such Plan Year.

- (b) The term "Compensation" means the Participant's earned income, wages, salaries, and fees for professional services and other amounts received for personal services actually rendered in the course of employment with the Employer and actually paid or includable in gross income during the Plan Year, (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips and bonuses), and excluding the following:

- (1) Employer contributions to a plan of deferred compensation which are not includable in the Participant's gross income for the taxable year in which contributed, or Employer contributions under a simplified employee pension plan to the extent such contributions are deductible by the Participant, or any distributions from a plan of deferred compensation;
- (2) other amounts which received special tax benefits, or contributions made by the Employer (whether or not under a salary reduction agreement) towards the purchase of an annuity described in Section 403(b) of the Code (whether or not such amounts are actually excludable from the Participant's gross income).



- (3) amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or property) held by the Participant either becomes freely transferable or is no longer subject to a substantial risk of forfeiture; and
- (4) amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option.

Notwithstanding the preceding sentence, Compensation for a Participant in a defined contribution plan who is permanently and totally disabled (as defined in Section 22(e)(3) of the Code) is the Compensation such Participant would have received for the Plan Year if the Participant had been paid at the rate of compensation paid immediately before becoming permanently and totally disabled; such imputed compensation for the disabled Participant may be taken into account only if the Participant is not a Highly Compensated Employee and contributions made on behalf of such Participant are nonforfeitable when made.

- (c) The term "Excess Amount" means the excess of a Participant's Annual Additions for a Plan Year over the Maximum Permissible Amount.

#### 5.8 Return Of Employer Contributions Because Of Mistake Of Fact

Any contribution (or its value, if less) made by the Employer because of a mistake of fact shall be returned to the Employer within one year after the date of such contribution, provided the Employer makes written request for the return of such contribution and to the extent that such contribution has not been used to provide benefits.

## Section 6. PARTICIPANT'S ACCOUNTS

### 6.1 Individual Accounts

Accounts shall be maintained for each Participant under this Plan to which all contributions made by or on behalf of a Participant shall be deposited. Each Account, as defined below, shall reflect (a) the total amount of contributions that are allocated to such Accounts and the earnings thereon, (b) any payments or withdrawals on the Participant's behalf from such Accounts, (c) any forfeitures incurred by the Participant in such Accounts, and (d) any expenses of such Accounts attributable to the Participant's interest therein.

The following terms, as used in this Section 6 shall have the following meanings defined.

- (a) **"Accumulation Unit"** means an accounting measure used to indicate the value of a Participant's Accounts in the investment accounts in Mutual's Pooled Fund Account(s).
- (b) **"Employee Contribution Account"** means the individual account(s) maintained for each Participant reflecting all Employee Contributions made on his behalf.
- (c) **"Employer Contribution Account"** means the individual account(s) maintained for each Participant reflecting all Employer Contributions made on his behalf.

### 6.2 Investment Funds

Subject to the terms and conditions specified and set forth in the Contract and any investment restrictions specified in Section 1.6, as of the date on which an Employee becomes a Participant in this Plan, he is to designate (with the right to change such designation from time to time) the percentage (any multiple of 1% up to 100%) of his Employee Contributions and Employer Contributions with respect to him to be allocated to any one or more of the investment accounts described in the following Paragraphs (a) and (b).

- (a) **Interest Accumulation Account(s)** - The contributions allocated to this account(s) are guaranteed as to principal and shall be accumulated at a fixed rate or rates of interest determined by Mutual which shall be credited daily.
- (b) **Pooled Fund Account(s)** - The contributions allocated to such account(s) shall be invested in one or more pooled funds as selected by the Participant in accordance with the terms of the Contract. The contributions shall purchase Accumulation Units which are valued daily. The value of these Accumulation Units shall vary according to the investment experience of such funds and are not guaranteed as to principal or earnings.

If a Participant fails to make a designation pursuant to the first paragraph of this Section 6.2, all contributions with respect to him shall be allocated to the Interest Accumulation Account(s) described in Paragraph (1) above.

### **6.3 Transfer Between Accounts**

Subject to any restrictions specified in Section 1.6, a Participant may elect, as specified by the Participant in such election, to transfer all of or a portion of the amounts in his Employee Contribution Accounts or the Employer Contribution Accounts, that is invested in any one of the investment accounts described in Section 6.2 to any other of such investment accounts, subject, in the case of a transfer from any Interest Accumulation Account(s), to any limitations, restrictions and charges that may be imposed on such transfer as set forth in the Contract. The effective date of any such transfer shall be the later of (a) the date the Participant shall specify in his election and (b) the date the election is received by Mutual at its home office.

### **6.4 Risk Of Loss**

Each Participant shall assume all risk of any decrease in the value of any amount allocated in Mutual's Pooled Fund Account(s).

## Section 7. VESTING AND FORFEITURES

### 7.1 Employee Contributions

A Participant shall at all times have a nonforfeitable right to 100% of the amounts in his Employee Contribution Accounts.

### 7.2 Employer Contributions

A Participant's right to the amounts in his Employer Contributions Accounts shall be 100% nonforfeitable if:

- (a) he has attained his Normal Retirement Age; or
- (b) his employment with the Employer terminates by reason of death before his Normal Retirement Age; or
- (c) his employment with the Employer terminates for a reason other than death before his Normal Retirement Age and he has satisfied the vesting requirement indicated in Section 1.5(a).

If the Participant terminates his employment with the Employer for a reason other than death before his Normal Retirement Age, the Participant's nonforfeitable right to the amounts in his Accounts attributable to Employer Contributions shall be equal to the nonforfeitable percentage of such amounts as determined in accordance with the vesting requirement in Section 1.5(a). All non-vested amounts in the Participant's Accounts shall be forfeited and treated in accordance with the provisions of Section 7.3.

### 7.3 Forfeitures

The term "Forfeitures" shall mean those Employer Contributions and any earnings thereon allocated to a participant's Accounts to which a Participant who terminates employment does not have a nonforfeitable right.

Forfeitures which shall occur during a Plan year shall be applied first to pay any charge under the Contract made in connection with the termination of employment of the participant which termination resulted in the forfeiture and, any other charges under the Contract which are past due; any amount of forfeitures remaining after such payment shall be used to reduce future Employer Contributions.

If a Participant is not reemployed before the Accounting Date, any amount in his Accounts forfeited shall be treated as an Excess Amount pursuant to Section 5.6.

If a Participant is reemployed before incurring five consecutive one-year Breaks-in-Service, the forfeited portion of his Accounts determined as of the date the Accounts were distributed shall be restored from Forfeitures or Employer Contributions subject to the provisions of Section 9.5.

The Participant's Accounts shall be restored no later than the end of the Plan Year following the Plan Year in which repayment occurs pursuant to Section 9.5.

## Section 8. BENEFITS AND DISTRIBUTIONS

### 8.1 Benefit Payments

The Participant or his Beneficiary shall be entitled to receive a single sum or annuity payments from the Plan:

- (a) upon or after termination of employment;
- (b) upon the death of the Participant; or
- (c) upon occurrence of an Unforeseeable Emergency.

The Participant or Beneficiary must specify within 60 days of such termination or death the date on which benefit payments shall commence, provided however, that such payments shall commence no later than 60 days after the close of the Plan Year in which the Participant attains or would have attained Normal Retirement Age, or if later, the date the Participant separates from service with the Employer. Any such election shall be irrevocable as to the time such payments commence. Benefit payments will be paid in any form provided for by this Plan and elected by the Participant or Beneficiary prior to the date benefit payments begin. If an election under this Section is not made within the specified time period, payment shall be made to the Participant or Beneficiary in one lump sum at the end of the 60 day period.

### 8.2 Specified Payments Option

At any time after his Benefit Commencement Date, a Participant may elect the Specified Payment Option described below. Any such election shall be on Mutual's prescribed form filed at its home office and must specify the amount to be withdrawn each month from the Participant's Accounts.

The Specified Payment Option provides monthly payments to the Participant of the specified amount. The amount of each monthly payment shall be the greater of (i) \$100, and (ii) the amount specified by the Participant in his election of this option.

Payment of the specified amount shall begin on the later of (a) the date designated in the Participant's election form and (b) the date Mutual receives the election form. The amount of the specified payment shall be deducted from the vested amounts in the Participant's Accounts designated in the election form. The value of the designated Accounts shall be reduced each month by the amount of the specified payment. Payments shall continue until the earliest of (a) the death of the Participant; (b) the first date on which the value of any of the designated Accounts is depleted; and (c) the first date on which the value of any of the designated Accounts is not sufficient to provide payment of the specified amount.

Any such election shall be irrevocable at the time such payments commence.

### 8.3 Death Benefit

A death benefit equal to 100% of the value of the Participant's vested Accounts shall become payable under this Plan upon the death of a Participant who dies before his Benefit Commencement Date and before the date on which a distribution of the Participant's Accounts has been made in accordance with Section 8.1 or Section 8.2. Payment of the death benefit shall be made in accordance with the provisions of Section 9.2(b).

### 8.4 Unforeseeable Emergencies

(a) Upon a showing by a Participant of an Unforeseeable Emergency, the Employer may, in its sole discretion, permit a payment to be made to the Participant in an amount which does not exceed the lesser of:

- (1) the amount reasonably needed to meet the financial need created by such Unforeseeable Emergency; and
- (2) an amount which, together with any prior distribution or withdrawal, does not exceed the Participant's Accounts, determined as of the withdrawal date.

Any such payment shall be made pro-rata from the Participant's Accounts unless the Participant specifies, in the request for such payment, a portion of the total amount to be paid from each Investment Account. Such payment shall be charged to the applicable account and shall be made in one lump sum within 60 days after approval of the request.

(b) For purposes of this Section 8.4, an "Unforeseeable Emergency" means under Section 457 of the Code, a severe financial hardship to a Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent of the Participant (as defined in Section 152(a) of the Code), loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. In accordance with the Treasury Regulations, the need to send a Participant's child to college or the desire to purchase a home does not constitute an Unforeseeable Emergency.

(c) For purposes of this Section 8.4, an amount will not be considered to be reasonably required to meet the financial need created by an Unforeseeable Emergency to the extent that such need is or may be relieved:

- (1) through reimbursement or compensation by insurance or otherwise;
- (2) by liquidation of a Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship; or
- (3) by cessation of deferrals under the Plan.



## Section 9. FORM OF BENEFIT PAYMENTS

### 9.1 Determination of Form of Payment

- (a) A Participant who is married and who begins to receive payments under this Plan may have his retirement benefit distributed in the form of a monthly annuity on the Joint and Survivor 10 Years Certain and Continuous Annuity form described in Section 9.3(a) with the Participant's Eligible Spouse as the joint annuitant. However, at any time before his Benefit Commencement Date, such Participant may elect not to have his retirement benefit distributed in this manner and may instead elect to have his retirement benefit distributed in one of the following alternative forms of payment subject, in the case of the forms of payment described in the following Clauses (a), (d) and (e), to the limits on distribution set forth in Section 9.2(a):
- (1) as a monthly annuity on the Joint and Survivor 10 Years Certain and Continuous Annuity form described in Section 9.3(a) with a person other than the Participant's Eligible Spouse named as the joint annuitant;
  - (2) as a monthly annuity on the Joint and Survivor Life Annuity form described in of Section 9.3(b);
  - (3) as a monthly annuity on the Life Annuity form described in Section 9.3(c);
  - (4) as a monthly annuity on the 10 Years Certain and Continuous Annuity form described in Section 9.3(d);
  - (5) as a monthly annuity on the 15 Years Certain and Continuous Annuity form described in Section 9.3(e);
  - (6) as a monthly annuity on the Full Cash Refund Annuity form described in Section 9.3(f); or
  - (7) as a single-sum cash payment under the Lump Sum Option described in Section 9.3(g).
- (b) A Participant who is not married and who begins to receive payments under this Plan may have his retirement benefit distributed in the form of a monthly annuity on the Life Annuity form described in Section 9.3(c). However, at any time such Participant may elect not to have his retirement benefit distributed in this manner and may instead elect to have his retirement benefit distributed in one of the alternative forms of payment described in Section 9.1(a) subject, in the case of the forms of payment described in the Clauses (a) and (d) and (e) of Section 9.1(a), to the limits on distribution set forth in Section 9.2(a).

## 9.2 Distribution Requirements

### (a) Limits On Distribution

The entire value of a Participant's Accounts must be distributed, or begin to be distributed, no later than the Participant's Required Beginning Date.

As of the first Distribution Calendar Year, distributions, if not made in a single sum, may only be made over one of the following periods (or a combination thereof):

- (1) the life of the Participant;
- (2) the life of the Participant and a Designated Beneficiary;
- (3) a period certain not extending beyond the Life Expectancy of the Participant; or
- (4) a period certain not extending beyond the joint and last survivor expectancy of the Participant and a Designated Beneficiary, if the Designated Beneficiary is a surviving Eligible Spouse.

If a Participant's Account is to be distributed over (a) a period not extending beyond the Life Expectancy of the Participant or the joint life and last survivor expectancy of the Participant and the Participant's Eligible Spouse or (b) a period not extending beyond the Life Expectancy of the Eligible Spouse, the amount required to be distributed for each calendar year, beginning with distributions for the first Distribution Calendar Year, must at least equal the quotient obtained by dividing the Participant's Accounts by the Applicable Life Expectancy.

### (b) Death Distributions Provisions

**Distribution beginning before death.** If the Participant dies after distribution of his Accounts has begun, the remaining portion of such Accounts shall continue to be distributed at least as rapidly as under the method of distribution being used before the Participant's death.

**Distribution beginning after death.** If the Participant dies before distribution of his Accounts begins, distribution of the Participant's entire Accounts shall be completed within (1) the Life Expectancy of the Designated Beneficiary, if the Designated Beneficiary is the Participant's Eligible Spouse or (2) 15 years, if the Designated Beneficiary is not the Eligible Spouse.

(c) **Definitions**

- (1) The term "Designated Beneficiary" means the individual who is designated as the Beneficiary under the Plan.
- (2) The term "Distribution Calendar Year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin pursuant to Section 9.2(2).
- (3) The terms "Life Expectancy" and "Joint and Last Survivor Expectancy" mean the use of the expected return multiples in Tables V and VI of Section 1.72-9 of the Income Tax Regulations for computation. Unless otherwise elected by the Participant (or Eligible Spouse) by the time distributions are required to begin, Life Expectancies shall be recalculated annually. Such election shall be irrevocable as to the Participant (or Eligible Spouse) and shall apply to all subsequent years. The Life Expectancy of a non-spouse Beneficiary may not be recalculated.
- (4) The term "Participant's Account" means the Accounts as of the last valuation date in the calendar year immediately preceding the Distribution Calendar Year (valuation calendar year) increased by the amount of any contributions or forfeitures allocated to the Accounts as of the dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. If any portion of the minimum distribution for the first Distribution Calendar Year is made in the second distribution calendar year on or before the Required Beginning Date, the amount of the minimum distribution made in the second Distribution Calendar Year shall be treated as if it had been made in the immediately preceding Distribution Calendar Year.
- (5) The term "Required Beginning Date" means April 1 of the calendar year following the calendar year in which the Participant attains age 70-1/2. The Required Beginning Date of a Participant who attains age 70-1/2 before January 1, 1988, shall be April 1 of the calendar year following the calendar year in which the later of retirement or attainment of age 70-1/2 occurs. The Required Beginning Date of a Participant who attains age 70-1/2 during 1988 and who has not retired as of January 1, 1989, is April 1, 1990.

**(d) Commencement Of Benefits**

Notwithstanding anything in the Plan to the contrary, the distribution of a Participant's Accounts shall commence no later than the earlier of (a) or (b) below:

- (1) The latest date permitted under Section 9.2(1) or 9.2(2) as applicable.
- (2) Unless the Participant (or his Designated Beneficiary) elects otherwise, the 60th day after the close of the Plan Year in which the earlier of the following events occurs:
  - (A) the Participant attains age 70-1/2; or
  - (B) the Participant terminates employment with the Employer.

Any election shall be irrevocable as of the date a Participant's Accounts first become payable.

**9.3 Form Of Benefit Payments**

- (a) **66-2/3% Joint and Survivor 10 Years Certain and Continuous Annuity** - An adjusted monthly benefit payable during the lifetime of the retired Participant and 66-2/3% of such adjusted monthly benefit payable after his death to none joint annuitant named by him at the time he elects this option, and if such joint annuitant survives him, to continue until the death of such joint annuitant. If after the Benefit Commencement Date both the retired Participant and the joint annuitant should die before 120 payments have been paid, the amount of annuity being paid before the death of the payee shall be continued to the last survivor, until a total of 120 monthly payments shall have been paid in the aggregate to the retired Participant, and such designated Beneficiary. If the designated joint annuitant should die before the Participant's Benefit Commencement Date, the election of this form of annuity shall automatically be cancelled.
- (b) **66-2/3% Joint and Survivor Life Annuity** - An adjusted monthly benefit payable during the lifetime of the retired Participant and 66-2/3% of such adjusted monthly benefit payable after his death to one joint annuitant named by him at the time he elects this option, and if such joint annuitant survives him, to continue until the death of the joint annuitant. If the designated joint annuitant should die before the Participant's Benefit Commencement Date, the election of this form of annuity shall automatically be cancelled.

- (c) **Life Annuity** - An adjusted monthly benefit payable during the lifetime of the retired Participant with no further retirement benefit payments payable after his death.
- (d) **10 Years Certain and Continuous Annuity** - An adjusted monthly benefit payable during the lifetime of the retired Participant but, if the retired Participant dies before receiving 120 monthly payments or their equivalent, the same adjusted monthly benefit shall be paid after his death to his designated Beneficiary until the number of payments paid to the retired Participant and such Beneficiary equals 120.
- (e) **15 Years Certain and Continuous Annuity** - An adjusted monthly benefit payable during the lifetime of the retired Participant but, if the retired Participant dies before receiving 180 monthly payments or their equivalent, the same adjusted monthly benefit shall be paid after his death to his designated Beneficiary until the number of payments paid to the retired Participant and his designated Beneficiary equals 180.
- (f) **Full Cash Refund Annuity** - An adjusted monthly benefit payable during the lifetime of the retired Participant continuing to the first day of the month in which his death occurs. Upon his death, the designated Beneficiary shall be entitled to receive, in cash, the excess, if any, of 100% of the value of the Participant's Accounts as of his Benefit Commencement Date over the aggregate amount of payments made to the retired Participant.
- (g) **Lump Sum Option** - Except as otherwise described in this Section 9.3(g) or required by the Plan, the Lump Sum Option provides for a single-sum cash payment to the Participant equal to 100% of the value of the Participant's Accounts as of his Benefit Commencement Date. However, to the extent that any portion of the Participant's Accounts is allocated to Investment Accounts under a Contract which restricts the distribution of such portion from such Investment Accounts as of the Participant's Benefit Commencement Date, the then value of such portion shall be subtracted from 100% of the value of the Participant's Accounts as of his Benefit Commencement Date and any single sum cash payment made under a Lump Sum Option to the Participant shall be equal to the difference. The distribution of the portion of the Participant's Accounts then remaining after such reduced single sum payment has been made to the Participant shall be subject to the provisions of the Contract then applicable to the Investment Accounts to which such portion has been allocated.

#### 9.4 Beneficiary

Subject to the provisions of this Section 9, a Participant shall designate, with the right to change such designation, a Beneficiary to receive any payments to which a Beneficiary may become entitled under the Plan. If no designated Beneficiary is surviving when a payment is to be made to a Beneficiary, any single-sum payment or the commuted value of any remaining periodic payment shall be made to the person or persons in the first surviving class of the following classes of successive preference beneficiaries: (a) the Participant's surviving Eligible Spouse; (b) the Participant's surviving children; (c) the Participant's surviving parents; (d) the Participant's surviving brothers and sisters; (e) the executors or administrators of the Participant's estate.

#### 9.5 Plan Repayment

If a Participant terminates employment and receives the value of the vested portion of his Accounts, the non-vested portion shall be treated as a forfeiture.

If a Participant receives or is deemed to receive a distribution pursuant to this Section and the Participant resumes employment and coverage under this Plan, the previously forfeited portion of the Participant's Accounts shall be restored to the amount on the date of distribution, if the Participant repays to the Plan the full amount of the distribution before the earlier of (a) the date the Participant incurs five consecutive one-year Breaks-in-Service following the date of distribution or (b) five years after the first date on which the Participant is subsequently reemployed by the Employer.

The Employer shall make any contributions necessary to accomplish this restoration.

## **Section 10. ADMINISTRATION AND FUNDING**

### **10.1 Rights Under Plan**

The rights of Participants and Beneficiaries to receive any benefits under this Plan, and the amount of any such benefits, shall be determined in accordance with the terms of this Plan.

In any event, no benefit shall be paid under this Plan unless and until all information, notices and papers necessary to process the benefit have been received by Mutual or by the Plan Administrator.

All amounts deferred under the Plan, including all income attributable thereto, remain solely the property of the Employer until paid or made available to the Participant or to his Beneficiary as provided in this Plan.

### **10.2 Rules**

The records of the Plan shall be conclusive and binding upon the Employer and all other persons having an interest under this Plan.

### **10.3 Payment Of Plan Benefits**

The payment of the benefits provided by this Plan shall be made either by Mutual under the terms of the Contract and, if applicable, another insurance carrier under the terms of any contract(s) issued by such other carrier to the Employer to fund this Plan. Any annuity contract distributed by the Plan must be nontransferable.

### **10.4 Funding Policy**

The Plan shall be funded by the Contract and contributions required by the Plan shall be remitted to Mutual under the terms of the Contract.

### **10.5 Fiduciaries**

The Employer has the overall responsibility and authority as the Named Fiduciary to manage and control the operation and administration of this Plan. The Named Fiduciary may designate one or more persons to carry out its responsibilities under the Plan, including its duties as the Plan Administrator, if the Employer is so designated in Section 1.1(d), and may allocate specific duties and responsibilities among fiduciaries. Any such designation or allocation shall be made in writing and the acceptance of such designation or allocation by the fiduciary shall also be in writing.

## 10.6 Responsibility Of Fiduciaries

A Fiduciary shall discharge his respective duties with respect to the Plan solely in the interest of the Participants, Eligible Spouses, and Beneficiaries and with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

A Fiduciary shall not be liable for an act or omission of another person in carrying out any fiduciary responsibility where such fiduciary responsibility is allocated to such other person by the Named Fiduciary except to the extent provided by law.

## 10.7 Powers And Duties Of The Plan Administrator

The Plan Administrator shall have such powers and duties necessary to carry out the provisions of the Plan, and to discharge his duties hereunder, and without limiting the generality of the foregoing, shall have the following powers:

- (a) to adopt such policies, rules and regulations as he may deem necessary and proper to carry out the provisions of this Plan, which policies, rules and regulations may be changed from time to time in the light of experience, and which policies, rules and regulations shall be applied fairly and uniformly to all Participants;
- (b) to decide applicable questions, including the interpretation of Plan provisions arising in the administration and application of this Plan, including questions of eligibility for participation and/or benefits and of the status and rights of Participants, Beneficiaries, and any other person hereunder;
- (c) to maintain, in conjunction with the Employer, all necessary records for the proper administration of this Plan;
- (d) to receive from the Employer and from Participants such information as shall be necessary for the proper administration of this Plan;
- (e) to be responsible for the preparation and filing of all reports, returns and other documents required by law;
- (f) to furnish each Participant with such information and reports as may be required by law or by the terms of the Plan.

The decisions and determinations of the Plan Administrator, including interpretations of Plan provisions, made in good faith upon any matter within the scope of his authority shall be conclusive and binding on all persons, and the Plan Administrator shall act in a uniform and



nondiscriminatory manner in carrying out his decisions hereunder. The Plan Administrator shall have no power to add to, or subtract from or modify any of the terms of this Plan, or to change or add to any benefits provided by this Plan, or to waive or fail to apply any requirements of eligibility under this Plan.

#### **10.8 Claim Procedures**

All claims for benefits under this Plan shall be directed to the attention of the Plan Administrator. The Plan Administrator shall have 90 days after receipt of the claim within which to render a decision, and upon written notice to the claimant, may extend this period for an additional 90 days if there are special circumstances that require such an extension.

In the event that a claim is wholly or partially denied, the Plan Administrator shall inform the claimant of the reason or reasons for the denial, the specific reference to any Plan provisions on which the denial was based, including any reasonable interpretations of such provisions as authorized in accordance with the provisions of Section 10.7, any additional information which may be necessary to perfect the claim with the reasons therefor, and the procedure for reviewing denied claims.

The Plan Administrator shall have the right to interpret the provisions of the Plan in connection with any claim for benefits (or review after appeal) and such interpretation shall be binding as provided in Section 10.7.

#### **10.9 Claim Review Procedures**

In the event a claim is wholly or partially denied, the claimant or his representative shall have a reasonable opportunity to appeal to the Plan Administrator for review thereof by requesting such review in writing to the Plan Administrator.

The Plan Administrator shall render a decision on review not later than 60 days after receipt of the request for review from the claimant unless special circumstances require extension, in which case the decision may, upon written notice to the claimant, be rendered within 120 days of receipt of the request for review.

The decision on the review shall be rendered in writing and shall include specific reasons with specific reference to the Plan provisions upon which it is based.

#### **10.10 Agents Of The Plan Administrator**

The Plan Administrator may employ agents and provide for such clerical, legal, accounting, advisory or other services as he deems necessary to perform his duties under this Plan. The Plan Administrator shall be, to

the extent permitted by law, fully protected in respect to any action taken or omitted by him in good faith resulting from reliance upon the advice or services of any such agents.

#### **10.11 Certain Records**

The Plan Administrator shall keep on file at the Employer's office a copy of this Plan and the Contract, including any subsequent amendments thereto, and all annual reports for this Plan, for examination by Participants during reasonable business hours to the extent required by law, and, in addition, shall maintain adequate records of his actions in administering this Plan. A Participant shall not be entitled to receive records pertaining to any other Participant. The Plan Administrator may, in his complete discretion, cause to be sent to the Participants other statements of their respective benefits.

#### **10.12 Reports**

The Plan Administrator shall file all reports and take such other actions as he shall deem necessary in order to comply fully with the reporting and disclosure requirements imposed by regulation.

#### **10.13 Information From Employer**

The Employer shall promptly furnish all necessary information to the Plan Administrator to permit him to perform his duties and responsibilities under this Plan. The Plan Administrator shall be entitled to rely on the accuracy and completeness of all information supplied to him by the Employer, unless he knows or should have known that such information is erroneous.

## **Section 11. GENERAL PROVISIONS**

### **11.1 Non-Alienation Of Benefits**

No amount payable under this Plan with respect to a Participant may be voluntarily or involuntarily assigned (either at law or in equity), alienated or be subject to attachment, garnishment, levy, execution or other legal or equitable process, and, to the extent permitted by law, no such amount shall in any way be subject to any legal process to subject the same to the payment of any claim against the payee.

### **11.2 Misstated Information**

If a benefit payable under this Plan with respect to a Participant was based on information that has been misstated, such benefit shall not be invalidated but the amount of the benefit shall be adjusted to the proper amount as determined on the basis of the correct information. Overpayments shall be charged against and underpayments shall be added to any payments thereafter falling due with respect to the Participant.

### **11.3 Receipt Of Notice**

Wherever any right is established or benefit conferred upon any Participant or payee, upon the receipt of information by Mutual, such receipt shall be deemed to take place on the business day that such information is delivered by mail to Mutual at its home office.

### **11.4 Limitation Of Liability**

The payment of any benefits under this Plan is limited to the amount that can be provided by the assets of the Plan in accordance with the terms of the Contract.

### **11.5 Separability Of Provisions**

If any provision of this Plan is found to be invalid, the remainder of the provisions shall remain in full force and effect.

### **11.6 Rights Of Employees**

The establishment of this Plan shall not be construed as conferring any right upon any Employee or any other person for a continuation of employment, nor shall it be construed as limiting in any way the right of the Employer to discharge any Employee or to treat him without regard to the effect which such treatment might have upon him as a Participant under this Plan.

### **11.7 Payment Of Benefits**

Payment of benefits under this Plan shall be made to Participants and Beneficiaries at the last known address filed with the Plan Administrator or the payor.

### **11.8 Conflict With Contract**

In the event of any conflict between the terms of this Plan and the terms of any insurance contract referred to herein, the Plan provisions shall control as to the benefits and rights of Participants and Beneficiaries under the Plan, but shall not be deemed to amend the Contract or to deprive the insurance company of any of its rights under the Contract. However, the terms of any annuity contract purchased by the Plan and distributed to a Participant or beneficiary must comply with the provisions of the Plan.

### **11.9 Transfer Of Funds Between Plans**

If this Plan is an amendment, replacement or restatement of any one or more eligible deferred compensation plans of the Employer, Mutual may accept assets, but only if transferred directly from any of such plans, whether such plans are funded through a trustee arrangement or through insurance or annuity contracts, provided that such contributions are attributable only to amounts deferred under another eligible deferred compensation plan under Section 457 of the Code.

A Participant who leaves the employ of the Employer and who is subsequently employed by another employer who maintains an eligible deferred compensation plan under Section 457 of the Code may elect to have the amounts credited to his Accounts transferred to the eligible deferred compensation plan of such subsequent employer if the subsequent employer agrees, in writing to accept a direct transfer and such election is made in writing within 60 days following the date of the former Participant's termination.

## Section 12. AMENDMENT AND TERMINATION

### 12.1 Amendment

The Employer reserves the right at any time, and from time to time with the consent of Mutual, to modify or amend in whole or in part, any or all of the provisions of the Plan. The right of the Employer is subject to the conditions that:

- (a) no modifications or amendments may be made which shall materially adversely affect the benefits under the Plan of anyone receiving a retirement income whether he be a Participant or beneficiary;
- (b) no part of the assets of the Plan shall by reason of any modification or amendment, be used for or diverted to purposes other than for the exclusive benefit of Participants and beneficiaries under the Plan; and
- (c) no amendments to the vesting requirement in Section 1.5 shall deprive a Participant of his nonforfeitable right to benefits accrued to the date of amendment.

In no event shall any amendment to this Plan:

- (a) (including a change in the actuarial basis for determining optional or early retirement benefits) be effective to the extent that it has the effect of decreasing a Participant's Accounts. Notwithstanding the preceding sentence, a Participant's Accounts may be reduced to the extent permitted under Section 412(c)(8) of the Code. For purposes of this paragraph, a Plan amendment which has the effect of (1) eliminating or reducing an early retirement benefit for a retirement-type subsidy, or (2) eliminating an optional form of benefit, with respect to benefits attributable to service before the amendment shall be treated as reducing a Participant's Accounts. In the case of a retirement-type subsidy, the preceding sentence shall apply only with respect to a Participant who satisfies (either before or after the amendment) the pre-amendment conditions for the subsidy. In general, a retirement-type subsidy is a subsidy that continues after retirement, but does not include a qualified disability benefit, a medical benefit, a social security supplement, a death benefit (including life insurance), or a plant shutdown benefit (that does not continue after retirement age). Furthermore, if the vesting requirement of the Plan is amended, in the case of an Employee who is a Participant as of the later of the date such amendment is adopted or the date it becomes effective, the nonforfeitable percentage (determined as of such date) of such Participant's Accounts attributable to Employer Contributions shall not be less than the percentage computed under the Plan without regard to such amendment.

- (b) change the duties, liabilities or responsibilities of the named or other fiduciaries without their written consent;
- (c) alter the basic purpose of this Plan to provide for the use of funds or assets or the income held under this Plan other than for the benefit of Participants and their beneficiaries; or
- (d) deprive Mutual of any or its rights, exemptions and immunities with respect to any Contract.

## 12.2 Termination of Plan By Employer

It is intended by the Employer that the Plan constitute a permanent plan for providing benefits for Employees. However, the Employer reserves the right to terminate the Plan in whole or in part at any time without the consent of any Participant by an instrument in writing executed in the name of the Employer by any officer or officers duly authorized to execute such instrument. Thereafter, no Participant affected by such termination shall accrue additional benefits hereunder. Upon termination or partial termination of the Plan, the rights of all affected Participants to benefits accrued to the date of such termination shall be governed by and construed in accordance with Section 457 of the Code and the laws of the state.

## 12.3 Allocation

If this Plan is terminated, the funds of this Plan which are then allocated to individual Participants, former Participants or Beneficiaries, shall remain allocated to such persons, and any funds which have not been allocated shall be allocated according to the terms of the Plan as it exists as of the date of termination until distributed in accordance with the provisions of the Plan.

Any funds allocated to such Participants, former Participants and Beneficiaries that represent amounts being held in the Pooled Fund Account(s) shall be transferred to an Interest Accumulation Account as of the first of the month following Mutual's home office receipt of the Employer's request to terminate the Plan.

There shall be no liability or obligation on the part of the Employer to make any further contributions under this Plan toward the provision of benefits in the event of termination of this Plan.

## 12.4 Merger, Consolidation or Transfer of Assets

This Plan shall not be merged or consolidated with, nor shall any assets or liabilities of this Plan be transferred to any other retirement plan unless:

- (a) immediately after the merger, consolidation or transfer each Participant in this Plan would receive a benefit equal to or greater than the benefit he would have been entitled to receive if this Plan had terminated immediately before the merger, consolidation or transfer, and
- (b) resolutions of the Board of Directors of the Employer, or of any new or successor Employer of the affected Participants, shall authorize such transfer of assets with such resolutions to include, in the case of such new or successor Employer, an assumption of liabilities with respect to the inclusion of such Participants in the new Employer's plan.

For the purposes of this Section 12.4, the amount of benefit each Participant is entitled to receive immediately before a merger shall be the benefit provided by the funds allocated to each Participant under the provisions of Section 12.3 determined as if this Plan had terminated on the day immediately preceding a merger.

The amount of benefit each Participant is entitled to receive immediately after a merger shall be determined under the applicable provisions of the merged plan on the assumption that the merged plan terminated the day after the merger and the funds held by the merged plan are allocated to Participants in accordance with the provisions of Section 12.3 of this Plan.

**DEFERRED COMPENSATION PLAN FOR EMPLOYEES OF JAUNT, INC.**



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## ARTICLE I DEFINITIONS

1.01 "**Account**" means the separate Account(s) which the Plan Administrator or the Trustee maintains under the Plan for a Participant's Deferred Compensation. The Plan Administrator or Trustee may establish separate Accounts for multiple Beneficiaries of a Participant to facilitate required minimum distributions under Section 4.03 based on each Beneficiary's life expectancy.

1.02 "**Accounting Date**" means the last day of the Plan Year. The Plan Administrator will allocate Employer contributions and forfeitures for a particular Plan Year as of the Accounting Date of that Plan Year, and on such other dates, if any, as the Plan Administrator determines, consistent with the Plan's allocation conditions and other provisions.

1.03 "**Beneficiary**" means a person who the Plan or a Participant designates and who is or may become entitled to a Participant's Account upon the Participant's death. A Beneficiary who becomes entitled to a benefit under the Plan remains a Beneficiary under the Plan until the Plan Administrator or Trustee has fully distributed to the Beneficiary his or her Plan benefit. A Beneficiary's right to (and the Plan Administrator's or a Trustee's duty to provide to the Beneficiary) information or data concerning the Plan does not arise until the Beneficiary first becomes entitled to receive a benefit under the Plan.

1.04 "**Code**" means the Internal Revenue Code of 1986, as amended.

### 1.05 "**Compensation**"

**(A) Uses and Context.** Any reference in the Plan to Compensation is a reference to the definition in this Section 1.05, unless the Plan reference, or the Employer in the Adoption Agreement, modifies this definition. Except as the Plan otherwise specifically provides, the Plan Administrator will take into account only Compensation actually paid during (or as permitted under the Code, paid for) the relevant period. A Compensation payment includes Compensation paid by the Employer through another person under the common paymaster provisions in Code §§3121 and 3306. In the case of an Independent Contractor, Compensation means the amounts the Employer pays to the Independent Contractor for services, except as the Employer otherwise specifies in the Adoption Agreement. The Employer in the Adoption Agreement may elect to allocate contributions based on a Compensation within specified 12 month period which ends within a Plan Year.

**(B) Base Definitions and Modifications.** The Employer in the Adoption Agreement must elect one of the following base definitions of Compensation: W-2 Wages, Code §3401(a) Wages, or 415 Compensation. The Employer may elect a different base definition as to different Contribution Types. The Employer in the Adoption Agreement may specify any modifications thereto, for purposes of contribution allocations under Article III. If the Employer fails to elect one of the above-referenced definitions, the Employer is deemed to have elected the W-2 Wages definition.

**(1) W-2 Wages.** W-2 Wages means wages for federal income tax withholding purposes, as defined under Code §3401(a), plus all other payments to an Employee in the course of the Employer's trade or business, for which the Employer must furnish the Employee a written statement under Code §§6041, 6051, and 6052, but determined without regard to any rules that limit the remuneration included in wages based on the

nature or location of the employment or services performed (such as the exception for agricultural labor in Code §3401(a)(2)).

**(2) Code §3401(a) Wages (income tax wage withholding).** Code §3401(a) Wages means wages within the meaning of Code §3401(a) for the purposes of income tax withholding at the source, but determined without regard to any rules that limit the remuneration included in wages based on the nature or the location of the employment or the services performed (such as the exception for agricultural labor in Code §3401(a)(2)).

**(3) Code §415 Compensation (current income definition/simplified compensation under Treas. Reg. §1.415(c)-2(d)(2)).** Code §415 Compensation means the Employee's wages, salaries, fees for professional service and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the Plan to the extent that the amounts are includible in gross income (including, but not limited to, commissions paid salespersons, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits and reimbursements or other expense allowances under a nonaccountable plan as described in Treas. Reg. §1.62-2(c)).

Code §415 Compensation does not include:

**(a) Deferred compensation/SEP/SIMPLE.** Employer contributions (other than Elective Deferrals) to a plan of deferred compensation (including a simplified employee pension plan under Code §408(k) or to a simple retirement account under Code §408(p)) to the extent the contributions are not included in the gross income of the Employee for the Taxable Year in which contributed, and any distributions from a plan of deferred compensation (whether or not qualified), regardless of whether such amounts are includible in the gross income of the Employee when distributed.

**(b) Option exercise.** Amounts realized from the exercise of a non-qualified stock option (an option other than a statutory option under Treas. Reg. §1.421-1(b)), or when restricted stock or other property held by an Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture under Code §83.

**(c) Sale of option stock.** Amounts realized from the sale, exchange or other disposition of stock acquired under a statutory stock option as defined under Treas. Reg. §1.421-1(b).

**(d) Other amounts that receive special tax benefits.** Other amounts that receive special tax benefits, such as premiums for group term life insurance (but only to the extent that the premiums are not includible in the gross income of the Employee and are not salary reduction amounts under Code §125).

**(e) Other similar items.** Other items of remuneration which are similar to any of the items in Sections 1.11(B)(3)(a) through (d).

**(4) Alternative (general) 415 Compensation.** Under this definition, Compensation means as defined in Section 1.05(B)(3) but with the addition of: (a) amounts described in Code §§104(a)(3), 105(a), or 105(h) but only to the extent that these amounts are includible in Employee's gross income; (b) amounts paid or reimbursed by the Employer for moving expenses incurred by the Employee, but only to the extent that at the time of payment it is reasonable to believe these amounts are not deductible by the Employee under Code §217; (c) the value of a nonstatutory option (an option other than a statutory option under Treas. Reg. §1.421-1(b)) granted by the Employer to the an Employee, but only to the extent that the value of the option is includible in the Employee's gross income for the Taxable Year of the grant; (d) the amount includible in the Employee's gross income upon the Employee's making of an election under Code §83(b); and (e) amounts that are includible in the Employee's gross income under Code §409A or Code §457(f)(1)(A) or because the amounts are constructively received by the Participant. [Note if the Plan's definition of Compensation is W-2 Wages or Code §3401(a) Wages, then Compensation already includes the amounts described in clause (e).]

**(C) Deemed 125 Compensation.** Deemed 125 Compensation means, in the case of any definition of Compensation which includes a reference to Code §125, amounts under a Code §125 plan of the Employer that are not available to a Participant in cash in lieu of group health coverage, because the Participant is unable to certify that he/she has other health coverage.

**(D) Modification to Compensation.** The Employer must specify in the Adoption Agreement the Compensation the Plan Administrator is to take into account in allocating Deferral Contributions to a Participant's Account. For all Plan Years other than the Plan Year in which the Employee first becomes a Participant, the Plan Administrator will take into account only the Compensation determined for the portion of the Plan Year in which the Employee actually is a Participant.

**(E) Elective Contributions.** Compensation under Section 1.05 includes Elective Contributions unless the Employer in the Adoption Agreement elects to exclude Elective Contributions. "Elective Contributions" are amounts excludible from the Employee's gross income under Code §§125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b), 408(p) or 457, and contributed by the Employer, at the Employee's election, to a cafeteria plan, a qualified transportation fringe benefit plan, a 401(k) arrangement, a SARSEP, a tax-sheltered annuity, a SIMPLE plan or a Code §457 plan.

**(F) Post-Severance Compensation.** Compensation includes Post-Severance Compensation to the extent the Employer elects in the Adoption Agreement or as the Plan otherwise provides. Post-Severance Compensation is Compensation paid after a Participant's Severance from Employment from the Employer, as further described in this Section 1.05(F). As the Employer elects, Post-Severance Compensation may include any or all of regular pay, leave cash-outs, or deferred compensation paid within the time period described in Section 1.05(F)(1), and may also include salary continuation for disabled Participants, all as defined below. Any other payment paid after Severance from Employment that is not described in this Section 1.05(F) is not Compensation even if payment is made within the time period described below. Post-Severance Compensation does not include severance pay, parachute payments under Code §280G(b)(2) or payments under a nonqualified unfunded deferred compensation plan unless the payments would have

been paid at that time without regard to Severance from Employment.

**(1) Timing.** Post-Severance Compensation includes regular pay, leave cashouts, or deferred compensation only to the extent the Employer pays such amounts by the later of 2 1/2 months after Severance from Employment or by the end of the Limitation Year that includes the date of such Severance from Employment.

**(a) Regular pay.** Regular pay means the payment of regular Compensation for services during the Participant's regular working hours, or Compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, but only if the payment would have been paid to the Participant prior to a Severance from Employment if the Participant had continued in employment with the Employer.

**(b) Leave cash-outs.** Leave cash-outs means payments for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued and if Compensation would have included those amounts if they were paid prior to the Participant's Severance from Employment.

**(c) Deferred compensation.** As used in this Section 1.05(F), deferred compensation means the payment of deferred compensation pursuant to an unfunded deferred compensation plan, if Compensation would have included the Deferred Compensation if it had been paid prior to the Participant's Severance from Employment, but only if the payment would have been paid at the same time if the Participant had continued in employment with the Employer and only to the extent that the payment is includible in the Participant's gross income.

**(2) Salary continuation for disabled Participants.** Salary continuation for disabled Participants means Compensation paid to a Participant who is permanently and totally disabled (as defined in Code §22(e)(3)).

**(3) Differential Wage Payments.** An individual receiving a Differential Wage Payment, as defined by Code §3401(h)(2), shall be treated as an employee of the employer making the payment and the Differential Wage Payment shall be treated as compensation for purposes of Code §457(b) and any other Internal Revenue Code section that references the definition of compensation under Code §415, including the definition of Includible Compensation as provided in Section 1.15.

**1.06 "Deferral Contributions"** means as the Employer elects on the Adoption Agreement, Salary Reduction Contributions, Nonelective Contributions and Matching Contributions. The Plan Administrator in applying the Code §457(b) limit will take into account Deferral Contributions in the Taxable Year in which deferred, or if later, in the Taxable Year in which the Deferral Contributions are no longer subject to a Substantial Risk of Forfeiture. The Plan Administrator in determining the amount of a Participant's Deferral Contributions disregards the net income, gain and loss attributable to Deferral Contributions unless the Deferral Contributions are subject to a Substantial Risk of Forfeiture. If a Deferral Contribution is subject to a Substantial Risk of Forfeiture, the Plan Administrator takes into the Deferral Contribution as adjusted for allocable net income, gain or loss in the Taxable Year in which the Substantial Risk of Forfeiture lapses.

1.07 "**Deferred Compensation**" means as to a Participant the amount of Deferral Contributions, Rollover Contributions and Transfers adjusted for allocable net income, gain or loss, in the Participant's Account.

1.08 "**Effective Date**" of this Plan is the date the Employer specifies in the Adoption Agreement. The Employer in the Adoption Agreement may elect special effective dates for Plan provisions the Employer specifies provided any such date(s) are permitted by the Code, by Treasury regulations, or by other applicable guidance.

1.09 "**Elective Deferrals**" means a contribution the Employer makes to the Plan pursuant to a Participant's Salary Reduction Agreement, as described in Section 3.02. The term "Elective Deferrals" includes Pre-Tax Elective Deferrals and Roth Elective Deferrals.

1.10 "**Employee**" means an individual who provides services for the Employer, as a common law employee of the Employer. The Employer in the Adoption Agreement must elect or specify any Employee, or class of Employees, not eligible to participate in the Plan (an "Excluded Employee"). See Section 1.16 regarding potential treatment of an Independent Contractor as an Employee.

1.11 "**Employer**" means the entity specified in the Adoption Agreement, any successor which shall maintain this Plan; and any predecessor which has maintained this Plan. In addition, where appropriate, the term Employer shall include any Participating Employer.

1.12 "**Employer Contribution**" means Nonelective Contributions or Matching Contributions.

1.13 "**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

1.14 "**Excess Deferrals**" means Deferral Contributions to a Governmental Eligible 457 Plan or to a Tax-Exempt Organization Eligible 457 Plan for a Participant that exceed the Taxable Year maximum limitation of Code §§457(b) and (e)(18).

1.15 "**Includible Compensation**" means, for the Employee's Taxable Year, the Employee's total Compensation within the meaning of Code §415(c)(3) paid to an Employee for services rendered to the Employer. Includible Compensation includes Deferral Contributions under the Plan, compensation deferred under any other plan described in Code §457, and any amount excludible from the Employee's gross income under Code §§401(k), 403(b), 125 or 132(f)(4) or any other amount excludible from the Employee's gross income for Federal income tax purposes. The Employer will determine Includible Compensation without regard to community property laws.

1.16 "**Independent Contractor**" means any individual who performs service for the Employer and who the Employer does not treat as an Employee or a Leased Employee. The Employer in the Adoption Agreement may elect to permit Independent Contractors to participate in the Plan. To the extent that the Employer permits Independent Contractor participation, references to Employee in the Plan include Independent Contractors and Compensation means the amounts the Employer pays to the Independent Contractor for services, except as the Employer otherwise specifies in the Adoption Agreement.

1.17 "**Leased Employee**" means an Employee within the meaning of Code §414(n).

1.18 "**Matching Contribution**" means an Employer fixed or discretionary contribution made or forfeiture allocated on account of Salary Reduction Contributions.

1.19 "**Nonelective Contribution**" means an Employer fixed or discretionary contribution not made as a result of a Salary Reduction Agreement and which is not a Matching Contribution.

1.20 "**Normal Retirement Age**" means the age the Employer specifies in the Adoption Agreement consistent with Section 3.05(B).

1.21 "**Participant**" is an Employee other than an Excluded Employee who becomes a Participant in accordance with the provisions of Section 2.01.

1.22 "**Plan**" means the 457 plan established or continued by the Employer in the form of this basic Plan and (if applicable) Trust Agreement, including the Adoption Agreement. The Employer in the Adoption Agreement must designate the name of the Plan. All section references within the Plan are Plan section references unless the context clearly indicates otherwise.

1.23 "**Plan Administrator**" is the Employer unless the Employer designates another person to hold the position of Plan Administrator. The Plan Administrator may be a Participant.

1.24 "**Plan Entry Date**" means the dates the Employer elects in Adoption Agreement.

1.25 "**Plan Year**" means the consecutive 12-month period the Employer elects in the Adoption Agreement.

1.26 "**Pre-Tax Elective Deferrals**" means a Participant's Salary Reduction Contributions which are not includible in the Participant's gross income at the time deferred and have been irrevocably designated as Pre-Tax Elective Deferrals by the Participant in his or her Salary Reduction Agreement. A Participant's Pre-Tax Elective Deferrals will be separately accounted for, as will gains and losses attributable to those Pre-Tax Elective Deferrals.

1.27 "**Rollover Contribution**" means the amount of cash or property which an eligible retirement plan described in Code §402(c)(8)(B) distributes to an eligible Employee or to a Participant in an eligible rollover distribution under Code §402(c)(4) and which the eligible Employee or Participant transfers directly or indirectly to a Governmental Eligible 457 Plan. A Rollover Contribution includes net income, gain or loss attributable to the Rollover Contribution. A Rollover Contribution excludes after-tax Employee contributions, as adjusted for net income, gain or loss.

1.28 "**Roth Elective Deferrals**" means a Participant's Salary Reduction Contributions that are includible in the Participant's gross income at the time deferred and have been irrevocably designated as Roth Elective Deferrals by the Participant in his or her Salary Reduction Agreement. A Participant's Roth Elective Deferrals will be separately accounted for, as will gains and losses attributable to those Roth Elective Deferrals. However, forfeitures may not be allocated to such account. The Plan must also maintain a record of a Participant's investment in the contract (i.e., designated Roth contributions that have not been distributed) and the year in which the Participant first made a Roth Elective Deferral.

1.29 "**Salary Reduction Agreement**" means a written agreement between a Participant and the Employer, by which

the Employer reduces the Participant's Compensation for Compensation not available as of the date of the election and contributes the amount as a Salary Reduction Contribution to the Participant's Account.

1.30 "**Salary Reduction Contribution**" means a contribution the Employer makes to the Plan pursuant to a Participant's Salary Reduction Agreement.

1.31 "**Service**" means any period of time the Employee is in the employ of the Employer. In the case of an Independent Contractor, Service means any period of time the Independent Contractor performs services for the Employer on an independent contractor basis. An Employee or Independent Contractor terminates Service upon incurring a Severance from Employment.

(A) **Qualified Military Service.** Service includes any qualified military service the Plan must credit for contributions and benefits in order to satisfy the crediting of Service requirements of Code §414(u). A Participant whose employment is interrupted by qualified military service under Code §414(u) or who is on a leave of absence for qualified military service under Code §414(u) may elect to make additional Salary Reduction Contributions upon resumption of employment with the Employer equal to the maximum Deferral Contributions that the Participant could have elected during that period if the Participant's employment with the Employer had continued (at the same level of Compensation) without the interruption of leave, reduced by the Deferral Contributions, if any, actually made for the Participant during the period of the interruption or leave. This right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave). The Employer shall make appropriate make-up Nonelective Contributions and Matching Contributions for such a Participant as required under Code §414(u). The Plan shall apply limitations of Article III to all Deferral Contributions under this paragraph with respect to the year to which the Deferral Contribution relates.

(B) "**Continuous Service**" as the Adoption Agreement describes means Service with the Employer during which the Employee does not incur a Severance from Employment.

(C) "**Severance from Employment.**"

(1) **Employee.** An Employee has a Severance from Employment when the Employee ceases to be an Employee of the Employer. A Participant does not incur a Severance from Employment if, in connection with a change in employment, the Participant's new employer continues or assumes sponsorship of the Plan or accepts a Transfer of Plan assets as to the Participant.

(2) **Independent Contractor.** An Independent Contractor has a Severance from Employment when the contract(s) under which the Independent Contractor performs services for the Employer expires (or otherwise terminates), unless the Employer anticipates a renewal of the contractual relationship or the Independent Contractor becoming an Employee. The Employer anticipates renewal if it intends to contract for the services provided under the expired contract and neither the Employer nor the Independent Contractor has eliminated the Independent Contractor as a potential provider of such services under the new contract. Further, the Employer intends to contract for services conditioned only upon the Employer's need for the services provided under the expired contract or the Employer's availability of funds. Notwithstanding the preceding provisions of this Section 1.31, the Plan Administrator will consider an Independent Contractor to have incurred a Severance from Employment: (a) if the Plan Administrator or Trustee will not pay any Deferred Compensation to an

Independent Contractor who is a Participant before a date which is at least twelve months after the expiration of the Independent Contractor's contract (or the last to expire of such contracts) to render Services to the Employer; and (b) if before the applicable twelve-month payment date, the Independent Contractor performs Service as an Independent Contractor or as an Employee, the Plan Administrator or Trustee will not pay to the Independent Contractor his or her Deferred Compensation on the applicable date.

(3) **Deemed Severance.** Notwithstanding Section 1.05(F), if the Employer elects in the Adoption Agreement, then if a Participant performs service in the uniformed services (as defined in Code §414(u)(12)(B)) on active duty for a period of more than 30 days, the Participant will be deemed to have a severance from employment solely for purposes of eligibility for distribution of amounts not subject to Code §412. However, the Plan will not distribute such a Participant's Account on account of this deemed severance unless the Participant specifically elects to receive a benefit distribution hereunder. If a Participant elects to receive a distribution on account of this deemed severance, then no Deferral Contributions may be made for the Participant during the 6-month period beginning on the date of the distribution. If a Participant would be entitled to a distribution on account of a deemed severance, and a distribution on account of another Plan provision, then the other Plan provision will control and the 6-month suspension will not apply.

1.32 "**State**" means (a) one of the 50 states of the United States or the District of Columbia, or (b) a political subdivision of a State, or any agency or instrumentality of a State or its political subdivision. A State does not include the federal government or any agency or instrumentality thereof.

1.33 "**Substantial Risk of Forfeiture**" exists if the Plan expressly conditions a Participant's right to Deferred Compensation upon the Participant's future performance of substantial Service for the Employer.

1.34 "**Tax-Exempt Organization**" means any tax-exempt organization other than a governmental unit or a church or qualified church-controlled organization within the meaning of Code §3121(w)(3).

1.35 "**Taxable Year**" means the calendar year or other taxable year of a Participant.

1.36 "**Transfer**" means a transfer of Eligible 457 Plan assets to another Eligible 457 Plan which is not a Rollover Contribution and which is made in accordance with Section 9.03.

1.37 "**Trust**" means the Trust created under the adopting Employer's Plan. A Trust required under a Governmental Eligible 457 Plan is subject to Article VIII. Any Trust under a Tax-Exempt Organization Eligible 457 Plan is subject to Section 5.09.

1.38 "**Trustee**" means the person or persons who as Trustee execute the Employer's Adoption Agreement, or any successor in office who in writing accepts the position of Trustee.

1.39 **Type of 457 Plan.** This Plan is an Eligible 457 Plan, which is a plan which satisfies the requirements of Code §457(b) and Treas. Reg. §§1.457-3 through -10. The Employer in the Adoption Agreement must specify whether the plan is either a Governmental Eligible 457 Plan or a Tax-Exempt Organization Eligible 457 Plan, as defined below:

**(A) "Governmental Eligible 457 Plan"** means an Eligible 457 Plan established by a State.

**(B) "Tax-Exempt Organization Eligible 457 Plan"** means an Eligible 457 Plan established by a Tax-Exempt Organization.

1.40 **"Vested"** means a Participant's Deferral Contributions that are not subject to a Substantial Risk of Forfeiture, including a vesting schedule.

**ARTICLE II**  
**ELIGIBILITY AND PARTICIPATION**

2.01 ELIGIBILITY. Each Employee who is not an Excluded Employee becomes a Participant in the Plan in accordance with the eligibility conditions and as of the Plan Entry Date the Employer elects in the Adoption Agreement. If this Plan is a restated Plan, each Employee who was a Participant in the Plan on the day before the Effective Date continues as a Participant in the Plan, irrespective of whether he/she satisfies the eligibility conditions in the restated Plan, unless the Employer indicates otherwise in the Adoption Agreement.

2.02 PARTICIPATION UPON RE-EMPLOYMENT. A Participant who incurs a Severance from Employment will re-enter the Plan as a Participant on the date of his or her re-employment. An Employee who satisfies the Plan's eligibility conditions but who incurs a Severance from Employment prior to becoming a Participant will become a Participant on the later of the Plan Entry Date on which he/she would have entered the Plan had he/she not incurred a Severance from Employment or the date of his or her re-employment. Any Employee who incurs a Severance from Employment prior to satisfying the Plan's eligibility conditions becomes a Participant in accordance with the Adoption Agreement.

2.03 CHANGE IN EMPLOYMENT STATUS. If a Participant has not incurred a Severance from Employment but ceases to be eligible to participate in the Plan, by reason of becoming an Excluded Employee, the Plan Administrator must treat the Participant as an Excluded Employee during the period such a Participant is subject to the Adoption Agreement exclusion. The Plan Administrator determines a Participant's sharing in the allocation of Employer Contributions by disregarding his or her Compensation paid by the Employer for services rendered in his or her capacity as an Excluded Employee. However, during such period of exclusion, the Participant, without regard to employment classification, continues to share fully in Plan income allocations under Section 5.07 and to accrue vesting service if applicable.



**ARTICLE III**  
**DEFERRAL CONTRIBUTIONS/LIMITATIONS**

3.01 AMOUNT.

**(A) Contribution Formula.** For each Plan Year, or other period the Employer specifies in the Adoption Agreement, the Employer will contribute to the Plan the type and amount of Deferral Contributions the Employer elects in the Adoption Agreement.

**(B) Return of Contributions.** The Employer contributes to this Plan on the condition its contribution is not due to a mistake of fact. If the Plan has a Trust, the Trustee, upon written request from the Employer, must return to the Employer the amount of the Employer's contribution (adjusted for net income, gain or loss) made by the Employer on account of a mistake of fact. The Trustee will not return any portion of the Employer's contribution under the provisions of this paragraph more than one year after the Employer made the contribution on account of a mistake of fact. In addition, if any Participant Salary Reduction Contribution is due to a mistake of fact, the Employer or the Trustee upon written request from the Employer shall return the Participant's contribution (adjusted for net income, gain or loss), within one year after payment of the contribution.

The Trustee will decrease the Employer contribution returnable for any losses attributable to it. The Trustee may require the Employer to furnish it whatever evidence the Trustee deems necessary to enable the Trustee to confirm the amount the Employer has requested be returned is properly returnable.

**(C) Time of Payment of Contribution.** If the Plan has a Trust, the Employer may pay its contributions for each Plan Year to the Trust in one or more installments and at such time(s) as the Employer determines, without interest. A Governmental Employer shall deposit Salary Reduction Contributions to the Trust within a period that is not longer than is reasonable for the administration of Participant Accounts.

**3.02 SALARY REDUCTION CONTRIBUTIONS.** The Employer in the Adoption Agreement must elect whether the Plan permits Salary Reduction Contributions, and also the Plan limitations, if any, which apply to Salary Reduction Contributions. Unless the Employer elects otherwise in the Adoption Agreement, all such limitations apply on a payroll basis.

**(A) Deferral from Sick, Vacation and Back Pay.** The Employer in the Adoption Agreement must elect whether to permit Participants to make Salary Reduction Contributions from accumulated sick pay, from accumulated vacation pay or from back pay.

**(B) Automatic Enrollment.** The Employer in the Adoption Agreement may provide for automatic Salary Reduction Contributions of a specified amount, subject to giving notice to affected Participants of the automatic election and of their right to make a contrary election.

A Governmental Employer under an Eligible 457 Plan may elect to provide an Eligible Automatic Contribution Arrangement ("EACA"). If the Employer elects to provide an EACA, the Employer will amend the Plan to add necessary language.

**(C) Application to Leave of Absence and Disability.** Unless a Participant in his or her Salary Reduction Agreement elects otherwise, the Participant's Salary Reduction Agreement shall continue to apply during the Participant's leave of absence or the Participant's disability (as the Plan Administrator shall

establish), if the Participant has Compensation other than imputed compensation or disability benefits.

**(D) Post-severance deferrals limited to Post-Severance Compensation.** Deferrals are permitted from an amount received following Severance from Employment only if the amount is Post-Severance Compensation.

**3.03 MATCHING CONTRIBUTIONS.** The Employer in the Adoption Agreement must elect whether the Plan permits Matching Contributions and, if so, the type(s) of Matching Contributions, the time period applicable to any Matching Contribution formula, and as applicable, the amount of Matching Contributions and the Plan limitations, if any, which apply to Matching Contributions. Any Matching Contributions apply to age 50 catch-up contributions, if any, and to any Normal Retirement Age catch-up contributions unless the Employer elects otherwise in the Adoption Agreement.

**3.04 NORMAL LIMITATION.** Except as provided in Sections 3.05 and 3.06, a Participant's maximum Deferral Contributions (excluding Rollover Contributions and Transfers) under this Plan for a Taxable Year may not exceed the lesser of:

(a) The applicable dollar amount as specified under Code §457(e)(15) (or such larger amount as the Commissioner of the Internal Revenue may prescribe), or

(b) 100% of the Participant's Includible Compensation for the Taxable Year.

**3.05 NORMAL RETIREMENT AGE CATCH-UP CONTRIBUTION.** If selected in the Adoption Agreement, a Participant may elect to make this catch-up election. For one or more of the Participant's last three Taxable Years ending before the Taxable Year in which the Participant attains Normal Retirement Age, the Participant's maximum Deferral Contributions may not exceed the lesser of:

(a) Twice the dollar amount under Section 3.04(a) Normal Limitation, or (b) the underutilized limitation.

**(A) Underutilized Limitation.** A Participant's underutilized limitation is equal to the sum of: (i) the normal limitation for the Taxable Year, and (ii) the normal limitation for each of the prior Taxable Years of the Participant commencing after 1978 during which the Participant was eligible to participate in the Plan and the Participant's Deferral Contributions were subject to the Normal Limitation or any other Code §457(b) limit, less the amount of Deferral Contributions for each such prior Taxable Year, excluding age 50 catch-up contributions.

**(B) Normal Retirement Age.** Normal Retirement Age is the age the Employer specifies in the Adoption Agreement provided that the age may not be: (i) earlier than the earliest of age 65 or the age at which Participants have the right to retire and receive under the Employer's defined benefit plan (or money purchase plan if the Participant is not eligible to participate in a defined benefit plan) immediate retirement benefits without actuarial or other reduction because of retirement before a later specified age; or (ii) later than age 70 1/2.

**(1) Participant Designation.** The Employer in the Adoption Agreement may permit a Participant to designate his or her Normal Retirement Age as any age including or between the foregoing ages.

**(2) Multiple 457 Plans.** If the Employer maintains more than one Eligible 457 Plan, the Plans may not permit any Participant to have more than one Normal Retirement Age under the Plans.

**(3) Police and Firefighters.** In a Governmental Eligible 457 Plan with qualified police or firefighter Participants within the meaning of Code §415(b)(2)(H)(ii)(I), the Employer in the Adoption Agreement may elect (or permit the qualified Participants to elect) a Normal Retirement Age as early as age 40 and as late as age 70 1/2.

**(C) Pre-2002 Coordination.** In determining a Participant's underutilized limitation, the Plan Administrator, in accordance with Treas. Reg. §1.457-4(c)(3)(iv), must apply the coordination rule in effect under now repealed Code §457(c)(2). The Plan Administrator also must determine the Normal Limitation for pre-2002 Taxable Years in accordance with Code §457(b)(2) as then in effect.

**3.06 AGE 50 CATCH-UP CONTRIBUTION.** An Employer sponsoring a Governmental Eligible 457 Plan must specify in the Adoption Agreement whether the Participants are eligible to make age 50 catch-up contributions.

If an Employer elects to permit age 50 catch-up contributions, all Employees who are eligible to make Salary Reduction Contributions under this Plan and who have attained age 50 before the close of the Taxable Year are eligible to make age 50 catch-up contributions for that Taxable Year in accordance with, and subject to the limitations of, Code §414(v). Such catch-up contributions are not taken into account for purposes of the provisions of the Plan implementing the required limitations of Code §457. If, for a Taxable Year, an Employee makes a catch-up contribution under Section 3.05, the Employee is not eligible to make age 50 catch-up contributions under this Section 3.06. A catch-up eligible Participant in each Taxable Year is entitled to the greater of the amount determined under Section 3.05 or Section 3.06 Catch-Up Amount plus the Section 3.04 Normal Limitation.

**3.07 CONTRIBUTION ALLOCATION.** The Plan Administrator will allocate to each Participant's Account his or her Deferral Contributions. The Employer will allocate Employer Nonelective and Matching Contributions to the Account of each Participant who satisfies the allocation conditions in the Adoption Agreement in the following manner:

**(a) Fixed match.** To the extent the Employer makes Matching Contributions under a fixed Adoption Agreement formula, the Plan Administrator will allocate the Matching Contribution to the Account of the Participant on whose behalf the Employer makes that contribution. A fixed Matching Contribution formula is a formula under which the Employer contributes a specified percentage or dollar amount on behalf of a Participant based on that Participant's Salary Reduction Contributions.

**(b) Discretionary match.** To the extent the Employer makes Matching Contributions under a discretionary Adoption Agreement formula, the Plan Administrator will allocate the Matching Contributions to a Participant's Account in the same proportion that each Participant's Salary Reduction Contributions taken into account under the formula bear to the total Salary Reduction Contributions of all Participants.

**(c) Tiered match.** If the Matching Contribution formula is a tiered formula, the Plan Administrator will allocate separately the Matching Contributions with respect to each tier of Salary Reduction Contributions, in accordance with the tiered formula.

**(d) Discretionary nonelective.** The Plan Administrator will allocate discretionary Nonelective Contributions for a Plan Year in the same ratio that each Participant's Compensation for the Plan Year bears to the total Compensation of all Participants for the Plan Year, unless the Employer elects otherwise in the Adoption Agreement.

**(e) Fixed nonelective.** The Plan Administrator will allocate fixed Nonelective Contributions for a Plan Year in the same ratio that each Participant's Compensation for the Plan Year bears to the total Compensation of all Participants for the Plan Year, unless the Employer elects otherwise in the Adoption Agreement.

**(f) Other nonelective.** The Plan Administrator will allocate Nonelective Contributions for a Plan Year as specified in the Adoption Agreement.

**3.08 ALLOCATION CONDITIONS.** The Plan Administrator will determine the allocation conditions applicable to Nonelective Contributions or to Matching Contributions (or to both) in accordance with the Employer's elections in the Adoption Agreement. The Plan Administrator will not allocate to a Participant any portion of an Employer Contribution (or forfeiture if applicable) for a Plan Year or applicable portion thereof in which the Participant does not satisfy the applicable allocation condition(s).

**3.09 ROLLOVER CONTRIBUTIONS.** If elected in the Adoption Agreement, an Employer sponsoring a Governmental Eligible 457 Plan may permit Rollover Contributions.

**(A) Operational Administration.** The Employer, operationally and on a nondiscriminatory basis, may elect to limit an eligible Employee's right or a Participant's right to make a Rollover Contribution. Any Participant (or as applicable, any eligible Employee), with the Employer's written consent and after filing with the Trustee the form prescribed by the Plan Administrator, may make a Rollover Contribution to the Trust. Before accepting a Rollover Contribution, the Trustee may require a Participant (or eligible Employee) to furnish satisfactory evidence the proposed transfer is in fact a "Rollover Contribution" which the Code permits an employee to make to an eligible retirement plan. The Trustee, in its sole discretion, may decline to accept a Rollover Contribution of property which could: (1) generate unrelated business taxable income; (2) create difficulty or undue expense in storage, safekeeping or valuation; or (3) create other practical problems for the Trust.

**(B) Pre-Participation Rollover.** If an eligible Employee makes a Rollover Contribution to the Trust prior to satisfying the Plan's eligibility conditions, the Plan Administrator and Trustee must treat the Employee as a limited Participant (as described in Rev. Rul. 96-48 or in any successor ruling). A limited Participant does not share in the Plan's allocation of any Employer Contributions and may not make Salary Reduction Contributions until he/she actually becomes a Participant in the Plan. If a limited Participant has a Severance from Employment prior to becoming a Participant in the Plan, the Trustee will distribute his or her Rollover Contributions Account to the limited Participant in accordance with Article IV.

**(C) Separate Accounting.** If an Employer permits Rollover Contributions, the Plan Administrator must account separately for: (1) amounts rolled into this Plan from an eligible retirement plan (other than from another Governmental Eligible 457 plan); and (2) amounts rolled into this Plan from another Governmental Eligible 457 Plan. The Plan Administrator for purposes of ordering any subsequent distribution from this Plan,

may designate a distribution from a Participant's Rollover Contributions as coming first from either of (1) or (2) above if the Participant has both types of Rollover Contribution Accounts.

**(D) May Include Roth Deferrals.** If this Plan is an eligible governmental 457(b) plan which accepts Roth Elective Deferrals, then a Rollover Contribution may include Roth Deferrals made to another plan, as adjusted for Earnings. Such amounts must be directly rolled over into this Plan from another plan which is qualified under Code §401(a), from a 403(b) plan, or from an eligible governmental 457 plan. The Plan must account separately for the Rollover Contribution, including the Roth Deferrals and the Earnings thereon.

**(E) In-Plan Roth Rollover Contributions.** A Governmental Employer under an Eligible 457 Plan may elect to permit In-Plan Roth Rollover Contribution. If the Employer decides to permit In-Plan Roth Rollover Contributions, the Employer will amend the Plan to add necessary language.

**3.10 DISTRIBUTION OF EXCESS DEFERRALS.** In the event that a Participant has Excess Deferrals, the Plan will distribute to the Participant the Excess Deferrals and allocable net income, gain or loss, in accordance with this Section 3.10.

**(A) Governmental Eligible 457 Plan.** The Plan Administrator will distribute Excess Deferrals from a Governmental Eligible 457 Plan as soon as is reasonably practicable following the Plan Administrator's determination of the amount of the Excess Deferral.

**(B) Tax-Exempt Organization Eligible 457 Plan.** The Plan Administrator will distribute Excess Deferrals from a Tax-Exempt Organization Eligible 457 Plan no later than April 15 following the Taxable Year in which the Excess Deferral occurs.

**(C) Plan Aggregation.** If the Employer maintains more than one Eligible 457 Plan, the Employer must aggregate all such Plans in determining whether any Participant has Excess Deferrals.

**(D) Individual Limitation.** If a Participant participates in another Eligible 457 Plan maintained by a different employer, and the Participant has Excess Deferrals, the Plan Administrator may, but is not required, to correct the Excess Deferrals by making a corrective distribution from this Plan.

**3.11 DEEMED IRA CONTRIBUTIONS.** A Governmental Employer under an Eligible 457 Plan may elect to permit Participants to make IRA contributions to this Plan in accordance with the Code §408(q) deemed IRA rules. If the Employer elects to permit deemed IRA contributions to the Plan, the Employer will amend the Plan to add necessary IRA language and either the Rev. Proc. 2003-13 sample deemed IRA language or an appropriate substitute.

**3.12 ROTH ELECTIVE DEFERRALS.** The Employer may elect in the Adoption Agreement to permit Roth Elective Deferrals. Unless elected otherwise, Roth Elective Deferrals shall be treated in the same manner as Elective Deferrals. The Employer may, in operation, implement deferral election procedures provided such procedures are communicated to Participants and permit Participants to modify their elections at least once each Plan Year.

**(A) Elective Deferrals.** "Elective Deferral" means a contribution the Employer makes to the Plan pursuant to a Participant's Salary Reduction Agreement, as described in

Section 3.02. The term "Elective Deferrals" includes Pre-tax Elective Deferrals and Roth Elective Deferrals.

**(B) Pre-Tax Elective Deferrals.** "Pre-Tax Elective Deferrals" means a Participant's Salary Reduction Contributions which are not includible in the Participant's gross income at the time deferred and have been irrevocably designated as Pre-Tax Elective Deferrals by the Participant in his or her Salary Reduction Agreement. A Participant's Pre-Tax Elective Deferrals will be separately accounted for, as will gains and losses attributable to those Pre-Tax Elective Deferrals.

**(C) Roth Elective Deferrals.** "Roth Elective Deferrals" means a Participant's Salary Reduction Contributions that are includible in the Participant's gross income at the time deferred and have been irrevocably designated as Roth Elective Deferrals by the Participant in his or her Salary Reduction Agreement. A Participant's Roth Elective Deferrals will be separately accounted for, as will gains and losses attributable to those Roth Elective Deferrals. However, forfeitures may not be allocated to such account. The Plan must also maintain a record of a Participant's investment in the contract (i.e., designated Roth contributions that have not been distributed) and the year in which the Participant first made a Roth Elective Deferral.

**(D) Ordering Rules for Distributions.** The Administrator operationally may implement an ordering rule procedure for withdrawals (including, but not limited to, withdrawals on account of an unforeseeable emergency) from a Participant's accounts attributable to Pre-Tax Elective Deferrals or Roth Elective Deferrals. Such ordering rules may specify whether the Pre-Tax Elective Deferrals or Roth Elective Deferrals are distributed first. Furthermore, such procedure may permit the Participant to elect which type of Elective Deferrals shall be distributed first.

**(E) Corrective distributions attributable to Roth Elective Deferrals.** For any Plan Year in which a Participant may make both Roth Elective Deferrals and Pre-Tax Elective Deferrals, the Administrator operationally may implement an ordering rule procedure for the distribution of Excess Deferrals (Treas. Reg. §1.457-4(e)). Such an ordering rule may specify whether the Pre-Tax Elective Deferrals or Roth Elective Deferrals are distributed first, to the extent such type of Elective Deferrals was made for the year. Furthermore, such procedure may permit the Participant to elect which type of Elective Deferrals shall be distributed first.

**(F) Loans.** If Participant loans are permitted under the Plan, then the Administrator may modify the loan policy or program to provide limitations on the ability to borrow from, or use as security, a Participant's Roth Elective Deferral account. Similarly, the loan policy or program may be modified to provide for an ordering rule with respect to the default of a loan that is made from the Participant's Roth Elective Deferral account and other accounts under the Plan.

**(G) Rollovers.** A direct rollover of a distribution from Roth Elective Deferrals shall only be made to a Plan which includes Roth Elective Deferrals as described in Code §402A(e)(1) or to a Roth IRA as described in Code §408A, and only to the extent the rollover is permitted under the rules of Code §402(c).

The Plan shall accept a rollover contribution of Roth Elective Deferrals only if it is a direct rollover from another Plan which permits Roth Elective Deferrals as described in Code

§402A(e)(1) and only to the extent the rollover is permitted under the rules of Code §402(c). The Employer, operationally and on a uniform and nondiscriminatory basis, may decide whether to accept any such rollovers.

The Plan shall not provide for a direct rollover (including an automatic rollover) for distributions from a Participant's Roth Elective Deferral account if the amount of the distributions that are eligible rollover distributions are reasonably expected to total less than \$200 during a year. In addition, any distribution from a Participant's Roth Elective Deferrals are not taken into account in determining whether distributions from a Participant's other accounts are reasonably expected to total less than \$200 during a year. Furthermore, the Plan will treat a Participant's Roth Elective Deferral account and the Participant's other accounts as held under two separate plans for purposes of applying the automatic rollover rules. However, eligible rollover distributions of a Participant's Roth Elective Deferrals are taken into account in determining whether the total amount of the Participant's account balances under the Plan exceed the Plan's limits for purposes of mandatory distributions from the Plan.

The provisions of the Plan that allow a Participant to elect a direct rollover of only a portion of an eligible rollover distribution but only if the amount rolled over is at least \$500 is applied by treating any amount distributed from a Participant's Roth Elective Deferral account as a separate distribution from any amount distributed from the Participant's other accounts in the Plan, even if the amounts are distributed at the same time.

**(H) Automatic Enrollment.** If the Plan utilizes an automatic enrollment feature as described in Section 3.02(B), then any such automatic contribution shall be a Pre-Tax Elective Deferral.

**(I) Operational Compliance.** The Plan Administrator will administer Roth Elective Deferrals in accordance with applicable regulations or other binding authority.

**3.13 BENEFIT ACCRUAL.** If the Employer elects to apply this Section, then effective as of the date adopted, for benefit accrual purposes, the Plan treats an individual who dies or becomes disabled (as defined under the terms of the Plan) while performing qualified military service with respect to the Employer as if the individual had resumed employment in accordance with the individual's reemployment rights under USERRA, on the day preceding death or disability (as the case may be) and terminated employment on the actual date of death or disability.

**(A) Determination of benefits.** The amount of Matching Contributions to be made pursuant to this Section 3.13 shall be determined as though the amount of Salary Reduction Contributions of an individual treated as reemployed under this Section on the basis of the individual's average actual Salary Reduction Contributions for the lesser of: (i) the 12-month period of service with the Employer immediately prior to qualified military service; or (ii) the actual length of continuous service with the Employer.

**3.14 ELIGIBLE AUTOMATIC CONTRIBUTION ARRANGEMENT (EACA).** As elected in the Adoption Agreement, the Employer maintains a Plan with automatic enrollment provisions as an Eligible Automatic Contribution Arrangement ("EACA"). Accordingly, the Plan will satisfy the (1) uniformity requirements, and (2) notice requirements under this Section.

**(A) Uniformity.** The Automatic Deferral Percentage must be a uniform percentage of Compensation. All Participants in the EACA, are subject to Automatic Deferrals, except to the extent otherwise provided in this Plan. If a Participant's Affirmative Election expires or otherwise ceases to be in effect, the Participant will immediately thereafter be subject to Automatic Deferrals, except to the extent otherwise provided in this Plan. However, the Plan does not violate the uniform Automatic Deferral Percentage merely because the Plan applies any of the following provisions:

**(a) Years of participation.** The Automatic Deferral Percentage varies based on the number of plan years the Participant has participated in the Plan while the Plan has applied EACA provisions;

**(b) No reduction from prior default percentage.** The Plan does not reduce an Automatic Deferral Percentage that, immediately prior to the EACA's effective date was higher (for any Participant) than the Automatic Deferral Percentage;

**(c) Applying statutory limits.** The Plan limits the Automatic Deferral amount so as not to exceed the limits of Code Section 457(b)(2) (determined without regard to Age 50 Catch-Up Deferrals).

**(B) EACA notice.** The Plan Administrator annually will provide a notice to each Participant a reasonable period prior to each plan year the Employer maintains the Plan as an EACA ("EACA Plan Year").

**(a) Deemed reasonable notice/new Participant.** The Plan Administrator is deemed to provide timely notice if the Plan Administrator provides the EACA notice at least 30 days and not more than 90 days prior to the beginning of the EACA Plan Year.

**(b) Mid-year notice/new Participant or Plan.** If: (a) an Employee becomes eligible to make Salary Reduction Contributions in the Plan during an EACA Plan Year but after the Plan Administrator has provided the annual EACA notice for that plan year; or (b) the Employer adopts mid-year a new Plan as an EACA, the Plan Administrator must provide the EACA notice no later than the date the Employee becomes eligible to make Salary Reduction Contributions. However, if it is not practicable for the notice to be provided on or before the date an Employee becomes a Participant, then the notice will nonetheless be treated as provided timely if it is provided as soon as practicable after that date and the Employee is permitted to elect to defer from all types of Compensation that may be deferred under the Plan earned beginning on that date.

**(c) Content.** The EACA notice must provide comprehensive information regarding the Participants' rights and obligations under the Plan and must be written in a manner calculated to be understood by the average Participant in accordance with applicable guidance.

**(C) EACA permissible withdrawal.** If elected in in the Adoption Agreement, a Participant who has Automatic Deferrals under the EACA may elect to withdraw all the Automatic Deferrals (and allocable earnings) under the provisions of this Section 3.14. Any distribution made pursuant to this Section will be processed in accordance with normal distribution provisions of the Plan.

**(a) Amount.** If a Participant elects a permissible withdrawal under this Section, then the Plan must make a

distribution equal to the amount (and only the amount) of the Automatic Deferrals made under the EACA (adjusted for allocable gains and losses to the date of the distribution). The Plan may separately account for Automatic Deferrals, in which case the entire account will be distributed. If the Plan does not separately account for the Automatic Deferrals, then the Plan must determine earnings or losses in a manner similar to the rules of Treas. Reg. §1.401(k)-2(b)(2)(iv) for distributions of excess contributions.

**(b) Fees.** Notwithstanding the above, the Plan Administrator may reduce the permissible distribution amount by any generally applicable fees. However, the Plan may not charge a greater fee for distribution under this Section than applies to other distributions. The Plan Administrator may adopt a policy regarding charging such fees consistent with this paragraph.

**(c) Timing.** The Participant may make an election to withdraw the Automatic Deferrals under the EACA no later than 90 days, or such shorter period as specified in the Adoption Agreement, after the date of the first Automatic Deferral under the EACA. For this purpose, the date of the first Automatic Deferral is the date that the Compensation subject to the Automatic Deferral otherwise would have been includible in the Participant's gross income. Furthermore, a Participant's withdrawal right is not restricted due to the Participant making an Affirmative Election during the 90 day period (or shorter period as specified in Adoption Agreement.).

**(d) Rehired Employees.** For purposes of this Section, an Employee who for an entire Plan Year did not have contributions made pursuant to a default election under the EACA will be treated as having not had such contributions for any prior Plan Year as well.

**(e) Effective date of the actual withdrawal election:** The effective date of the permissible withdrawal will be as soon as practicable, but in no event later than the earlier of (1) the pay date of the second payroll period beginning after the election is made, or (2) the first pay date that occurs at least 30 days after the election is made. The election will also be deemed to be an Affirmative Election to have no Salary Reduction Contributions made to the Plan.

**(f) Related matching contributions.** The Plan Administrator will not take any deferrals withdrawn pursuant to this section into account in computing the contribution and allocation of matching contributions, if any. If the Employer has already allocated matching contributions to the Participant's account with respect to deferrals being withdrawn pursuant to this Section, then the matching contributions, as adjusted for gains and losses, must be forfeited. Except as otherwise provided, the Plan will use the forfeited contributions to reduce future contributions or to reduce plan expenses.

**(D) Compensation.** Compensation for purposes of determining the amount of Automatic Deferrals has the same meaning as Compensation with regard to Salary Reduction Contributions in general.

## **(E) Definitions.**

**(a) Definition of Automatic Deferral.** An Automatic Deferral is a Salary Reduction Contribution that results from the operation of this Article III. Under the Automatic Deferral, the Employer automatically will reduce by the Automatic Deferral Percentage as elected the Compensation of each Participant subject to the EACA. The Plan Administrator will cease to apply the Automatic Deferral to a Participant who makes an Affirmative Election as defined in this Section.

**(b) Definition of Automatic Deferral Percentage/Increases.** The Automatic Deferral Percentage is the percentage of Automatic Deferral (including any scheduled increase to the Automatic Deferral Percentage the Employer may elect).

**(c) Effective date of EACA Automatic Deferral.** The effective date of an Employee's Automatic Deferral will be as soon as practicable after the Employee is subject to Automatic Deferrals under the EACA, consistent with (a) applicable law, and (b) the objective of affording the Employee a reasonable period of time after receipt of the notice to make an Affirmative Election (and, if applicable, an investment election).

**(d) Definition of Affirmative Election.** An Affirmative Election is a Participant's election made after the EACA's Effective Date not to defer any Compensation or to defer more or less than the Automatic Deferral Percentage.

**(e) Effective Date of Affirmative Election.** A Participant's Affirmative Election generally is effective as of the first payroll period which follows the payroll period in which the Participant made the Affirmative Election. However, a Participant may make an Affirmative Election which is effective: (a) for the first payroll period in which he or she becomes a Participant if the Participant makes an Affirmative Election within a reasonable period following the Participant's entry date and before the Compensation to which the Election applies becomes currently available; or (b) for the first payroll period following the EACA's effective date, if the Participant makes an Affirmative Election not later than the EACA's effective date.

## **3.15 IN-PLAN ROTH ROLLOVER CONTRIBUTION**

**(a) Employer Election.** The Employer in its Adoption Agreement in which the Employer has elected to permit Roth Deferrals also will elect whether to permit an In-Plan Roth Rollover Contribution in accordance with this Section with regard to otherwise distributable amounts and/or otherwise nondistributable amounts. If the Employer elects to permit such contributions, the Employer in its Adoption Agreement will specify the Effective Date thereof which may not be earlier than distributions made after September 27, 2010, and may not be earlier than January 1, 2013 in the case of rollovers of otherwise nondistributable amounts. An In-Plan Roth Rollover Contribution means a Rollover Contribution to the Plan that consists of a distribution or transfer from a Participant's Plan Account, other than a Roth Deferral Account, that the Participant transfers to the Participant's In-Plan Roth Rollover Contribution Account in the Plan, in accordance with Code §402(c)(4). In-Plan Roth Rollover Contributions will be subject to the Plan rules related to Roth Deferral Accounts, subject to preservation of protected benefits.

**(b) Eligibility for Distribution and Rollover.** A Participant may not make an In-Plan Roth Rollover Contribution with regard to an otherwise distributable amount which is not an Eligible Rollover Distribution.

**(1) Parties eligible to elect.** For purposes of eligibility for an In-Plan Roth Rollover, the Plan will treat a Participant's surviving spouse Beneficiary or alternate payee spouse or alternate payee former spouse as a Participant. A non-spouse Beneficiary may not make an In-Plan Roth Rollover.

**(2) Distribution from partially Vested account.** In-Plan Roth Rollovers are permitted only from Vested amounts allocated to a qualifying source but may be made from partially Vested Accounts. If a distribution is made to a Participant who

has not incurred a Severance from Employment and who is not fully Vested in the Participant's Account from which the In-Plan Roth Rollover Contribution is to be made, and the Participant may increase the Vested percentage in such Account.

**(c) Form and Source of Rollover.**

**(1) Direct Rollover.** An In-Plan Roth Rollover Contribution may be made only by a Direct Rollover.

**(2) Account source.** A Participant may make an In-Plan Roth Rollover from any account (other than a Roth account).

**(3) Cash or in-kind.** The Plan Administrator will effect an In-Plan Roth Rollover Contribution by rolling over the Participant's current investments to the In-Plan Roth Rollover Account. A Plan loan so rolled over without changing the repayment schedule is not treated as a new loan. However the Employer may provide that loans cannot be rolled over in an In-Plan Roth Rollover.

**(4) No Rollover or Distribution Treatment.** Notwithstanding any other Plan provision, an In-Plan Roth Rollover Contribution is not a Rollover Contribution for

purposes of the Plan. Accordingly: (a) if the Employer in its Adoption Agreement has elected \$5,000 as the Plan limit on Mandatory Distributions, the Plan Administrator will take into account amounts attributable to an In-Plan Roth Rollover Contribution, in determining if the \$5,000 limit is exceeded, regardless of the Employer's election as to whether to count Rollover Contributions for this purpose; (b) no spousal consent is required for a Participant to elect to make an In-Plan Roth Rollover Contribution; (c) protected benefits with respect to the amounts subject to the In-Plan Roth Rollover are preserved; and (d) mandatory 20% federal income tax withholding does not apply to the In Plan Roth Rollover Contribution.

**(5) In-Plan Roth Rollover Contribution Account.**

An In-Plan Roth Rollover Contribution Account is a sub-account the Plan Administrator may establish to account for a Participant's Rollover Contributions attributable to the Participant's In-Plan Roth Rollover Contributions. The Plan Administrator has authority to establish such a sub-account, and to the extent necessary, may establish sub-accounts based on the source of the In-Plan Roth Rollover Contribution. The Plan Administrator will administer an In-Plan Roth Rollover Contribution Account in accordance with Code and the Plan provisions.

**ARTICLE IV  
TIME AND METHOD OF  
PAYMENT OF BENEFITS**

4.01 DISTRIBUTION RESTRICTIONS. Except as the Plan provides otherwise, the Plan Administrator or Trustee may not distribute to a Participant the amounts in his or her Account prior to one of the following events:

- (a) The Participant's attaining age 70 1/2;
- (b) The Participant's Severance from Employment; or
- (c) The Participant's death.

4.02 TIME AND METHOD OF PAYMENT OF ACCOUNT. The Plan Administrator, or Trustee at the direction of the Plan Administrator, will distribute to a Participant who has incurred a Severance from Employment the Participant's Vested Account under one or any combination of payment methods and at the time(s) the Adoption Agreement specifies. If the Adoption Agreement permits more than one time or method, the Plan Administrator, in the absence of a Participant election described below, will determine the time and method applicable to a particular Participant. In no event will the Plan Administrator direct (or direct the Trustee to commence) distribution, nor will the Participant elect to have distribution commence, later than the Participant's required beginning date, or under a method that does not satisfy Section 4.03.

**(A) Participant Election of Time and Method.** The Employer in the Adoption Agreement must elect whether to permit Participants to elect the timing and method of distribution of their Account in accordance with this Section 4.02. The Plan Administrator must consent to the specific terms of any such Participant election and the Plan Administrator in its sole discretion may withhold consent. Subject to the foregoing conditions, a Participant: (1) may elect to postpone distribution of his or her Account beyond the time the Employer has elected in the Adoption Agreement, to any fixed or determinable date including, but not beyond, the Participant's required beginning date; and (2) may elect the method of payment. A Participant in a Tax Exempt Organization Eligible 457 Plan may elect the timing and method of payment of his or her Account no later than 30 days before the date the Plan Administrator or Trustee first would commence payment of the Participant's Account in accordance with the Adoption Agreement. The Plan Administrator must furnish to the Participant a form for the Participant to elect the time and a method of payment. A Participant in a Governmental Eligible 457 Plan is not subject to any such requirement in election the timing or method of payment.

**(B) Number of Initial Elections/Subsequent Elections.** A Participant in a Tax-Exempt Organization Eligible 457 Plan may make any number of elections or revoke any prior election under Section 4.02(A) within the election period. Once the initial election period expires, a Participant, before payment would commence under the Participant's initial election, may make one additional election to defer (but not to accelerate) the timing of payment of his or her Account and also as to the method of payment.

**(C) No Election/Default.** If the Participant does not make a timely election regarding the time and method of payment, the Plan Administrator will pay or direct the Trustee to pay the Participant's Account in accordance with the Adoption Agreement.

**(D) Mandatory Distribution.** The Employer in the Adoption Agreement will elect whether the Plan will make Mandatory

Distributions. If the Employer elects Mandatory Distributions, the Employer may determine operationally whether to include Rollover Contributions in determining whether the Participant is subject to Mandatory Distributions.

4.03 REQUIRED MINIMUM DISTRIBUTIONS. The Plan Administrator may not distribute nor direct the Trustee to distribute the Participant's Account, nor may the Participant elect any distribution his or her Account, under a method of payment which, as of the required beginning date, does not satisfy the minimum distribution requirements of Code §401(a)(9) or which is not consistent with applicable Treasury regulations.

**(A) General Rules.**

**(1) Precedence.** The requirements of this Section 4.03 will take precedence over any inconsistent provisions of the Plan.

**(2) Requirements of Treasury Regulations Incorporated.** All distributions required under this Section 4.03 will be determined and made in accordance with the Treasury regulations under Code §401(a)(9).

**(B) Time and Manner of Distribution.**

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

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

**(a) Spouse Designated Beneficiary.** If the Participant's surviving spouse is the Participant's sole designated Beneficiary, then, except as the Employer may elect in the Adoption Agreement, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant dies, or by December 31 of the calendar year in which the Participant would have attained age 70 1/2, if later.

**(b) Non-Spouse Designated Beneficiary.** If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then, except as the Employer may elect in the Adoption Agreement, distributions to the designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

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

**(d) Death of Spouse.** If the Participant's surviving spouse is the Participant's sole designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 4.03(B)(2) other than Section 4.03(B)(2)(a), will apply as if the surviving spouse were the Participant.

For purposes of this Section 4.03(B) and Section 4.03(D), unless Section 4.03(B)(2)(d) applies, distributions are considered to begin on the Participant's required beginning date. If Section 4.03(B)(2)(d) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 4.03(B)(2)(a). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's required beginning date or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 4.03(B)(2)(a), the date distributions are considered to begin is the date distributions actually commence.

**(3) Forms of Distribution.** Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with Sections 4.03(C) and 4.03(D). If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code §401(a)(9) and the Treasury regulations.

**(C) Required Minimum Distributions during Participant's Lifetime.**

**(1) Amount of Required Minimum Distribution for Each Distribution Calendar Year.** During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

**(a) ULT.** The quotient obtained by dividing the Participant's account balance by the number in the Uniform Life Table set forth in Treas. Reg. §1.401(a)(9)-9, using the Participant's attained age as of the Participant's birthday in the distribution calendar year; or

**(b) Younger Spouse.** If the Participant's sole designated Beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in Treas. Reg. §1.401(a)(9)-9, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

**(2) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death.** Required minimum distributions will be determined under this Section 4.03(C) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

**(D) Required Minimum Distributions after Participant's Death.**

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

**(a) Participant Survived by Designated Beneficiary.** If the Participant dies on or after the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated Beneficiary, determined as follows:

**(i) Participant's Life Expectancy.** The Participant's remaining life expectancy is calculated using the attained age of the Participant as of the Participant's birthday in

the calendar year of death, reduced by one for each subsequent calendar year.

**(ii) Spouse's Life Expectancy.** If the Participant's surviving spouse is the Participant's sole designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the attained age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

**(iii) Non-Spouse's Life Expectancy.** If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the attained age of the Beneficiary as of the Beneficiary's birthday in the calendar year following the calendar year of the Participant's death, reduced by one for each subsequent calendar year.

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

**(2) Death before Date Distributions Begin.**

**(a) Participant Survived by Designated Beneficiary.** Except as the Employer may elect in the Adoption Agreement, if the Participant dies before the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's designated Beneficiary, determined as provided in Section 4.03(D)(1).

**(b) No Designated Beneficiary.** If the Participant dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

**(c) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin.** If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 4.03(B)(2)(a), this Section 4.03(D)(2) will apply as if the surviving spouse were the Participant.

**(d) 5-year or Life Expectancy rule; possible election.** The Employer in its Adoption Agreement will elect whether distribution of the Participant's Account will be made in accordance with the life expectancy rule under Section 4.03(D)(2)(a) or the 5-year rule under Section 4.03(D)(2)(b). The Employer's election may permit a Designated Beneficiary to elect which of these rules will apply or may specify which rule applies. However, the life expectancy rule (whether subject to



election or not) applies only in the case of a Designated Beneficiary. The 5-year rule applies as to any Beneficiary who is not a Designated Beneficiary. A permitted election under this Section must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under Section 4.03(D)(2)(a), or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, surviving spouse's) death.

**(E) Definitions.**

**(1) Designated Beneficiary.** The individual who is designated as the Beneficiary under the Plan and is the designated beneficiary under Code §401(a)(9) and Treas. Reg. §1.401(a)(9)-1, Q&A-4.

**(2) Distribution calendar year.** A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which the distributions are required to begin under Section 4.03(B)(2). The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

**(3) Life expectancy.** Life expectancy as computed by use of the Single Life Table in Treas. Reg. §1.401(a)(9)-9.

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

**(5) Required beginning date.** A Participant's required beginning date is the April 1 of the calendar year following the later of: (1) the calendar year in which the Participant attains age 70 1/2, or (2) the calendar year in which the Participant retires or such other date under Code §401(a)(9) by which required minimum distributions must commence.

**4.04 DEATH BENEFITS.** Upon the death of the Participant, the Plan Administrator must pay or direct the Trustee to pay the Participant's Account in accordance with Section 4.03. Subject to Section 4.03, a Beneficiary may elect the timing and method of payment in the same manner as a Participant may elect under Section 4.02, if such elections apply.

If a Participant dies while performing qualified military service (as defined in Code §414(u)), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if the Participant had resumed and then terminated employment on account of death.

**4.05 DISTRIBUTIONS PRIOR TO SEVERANCE FROM EMPLOYMENT.** The Employer must elect in the Adoption Agreement whether to permit in-service distributions of a Participant's Vested Account under this Section 4.05, notwithstanding the Section 4.01 distribution restrictions.

**(A) Unforeseeable Emergency.** In the event of a Participant's or the Participant's spouse, dependents or beneficiaries' unforeseeable emergency, the Plan Administrator may make a distribution to a Participant who has not incurred a Severance from Employment (or who has incurred a Severance but will not begin to receive payments until some future date). In the event of an unforeseeable emergency, the Plan Administrator also may accelerate payments to a Participant or to a Beneficiary. The Plan Administrator will establish a policy for determining whether an unforeseeable emergency exists. An unforeseeable emergency is a severe financial hardship of a Participant or Beneficiary resulting from: (1) illness or accident of the Participant, the Beneficiary, or the Participant's or Beneficiary's spouse or dependent (as defined in Code §152(a)); (2) loss of the Participant's or Beneficiary's property due to casualty; (3) the need to pay for the funeral expenses of the Participant's or Beneficiary's spouse or dependent (as defined in Code §152(a)); or (4) other similar extraordinary and unforeseeable circumstances arising from events beyond the Participant's or Beneficiary's control, or which applicable law may define as an unforeseeable emergency. The Plan Administrator will not pay the Participant or the Beneficiary more than the amount reasonably necessary to satisfy the emergency need, which may include amounts necessary to pay taxes or penalties on the distribution. The Plan Administrator will not make payment to the extent the Participant or Beneficiary may relieve the financial hardship by cessation of deferrals under the Plan, through insurance or other reimbursement, or by liquidation of the individual's assets to the extent such liquidation would not cause severe financial hardship.

The Participant's Beneficiary is a person who a Participant designates and who is or may become entitled to a Participant's Plan Account upon the Participant's death.

**(B) De minimis distribution.** In accordance with the Employer's Adoption Agreement elections, the Plan Administrator may allow a Participant to elect to receive a distribution or the Plan Administrator will distribute (without a Participant election) any amount of the Participant's Account where: (1) the Participant's Account (disregarding Rollover Contributions) does not exceed \$5,000 (or such other amount as does not exceed the Code §411(a)(11)(A) dollar amount); (2) the Participant has not made or received an allocation of any Deferral Contributions under the Plan during the two-year period ending on the date of distribution; and (3) the Participant has not received a prior distribution under this Section 4.05(B).

**(C) Distribution of Rollover Contributions.** The Employer in the Adoption Agreement may elect to permit a Participant to request and to receive distribution of the Participant's Account attributable to Rollover Contributions (but not to Transfers) before the Participant has a distributable event under Section 4.01.

**4.06 DISTRIBUTIONS UNDER QUALIFIED DOMESTIC RELATIONS ORDERS (QDROs).**

Notwithstanding any other provision of this Plan, the Employer in the Adoption Agreement may elect to apply the QDRO provisions of this Section 4.06. If Section 4.06 applies, the Plan Administrator (and any Trustee) must comply with the terms of a QDRO, as defined in Code §414(p), which is issued with respect to the Plan.

**(A) Time and Method of Payment.** This Plan specifically permits distribution to an alternate payee under a QDRO at any time, notwithstanding any contrary Plan provision and irrespective of whether the Participant has attained his or her earliest retirement age (as defined under Code §414(p)) under the Plan. A distribution to an alternate payee prior to the Participant's attainment of earliest retirement age is available only if the QDRO specifies distribution at that time or permits an agreement between the Plan and the alternate payee to authorize an earlier distribution. Nothing in this Section 4.06 gives a Participant a right to receive distribution at a time the Plan otherwise does not permit nor authorizes the alternate payee to receive a form of payment the Plan does not permit.

**(B) QDRO Procedures.** The Plan Administrator must establish reasonable procedures to determine the qualified status of a domestic relations order. Upon receiving a domestic relations order, the Plan Administrator promptly will notify the Participant and any alternate payee named in the order, in writing, of the receipt of the order and the Plan's procedures for determining the qualified status of the order. Within a reasonable period of time after receiving the domestic relations order, the Plan Administrator must determine the qualified status of the order and must notify the Participant and each alternate payee, in writing, of the Plan Administrator's determination. The Plan Administrator must provide notice under this paragraph by mailing to the individual's address specified in the domestic relations order.

**(C) Accounting.** If any portion of the Participant's Account Balance is payable under the domestic relations order during the period the Plan Administrator is making its determination of the qualified status of the domestic relations order, the Plan Administrator must maintain a separate accounting of the amounts payable. If the Plan Administrator determines the order is a QDRO within 18 months of the date amounts first are payable following receipt of the domestic relations order, the Plan Administrator will distribute or will direct the Trustee to distribute the payable amounts in accordance with the QDRO. If the Plan Administrator does not make its determination of the qualified status of the order within the 18-month determination period, the Plan Administrator will distribute or will direct the Trustee to distribute the payable amounts in the manner the Plan would distribute if the order did not exist and will apply the order prospectively if the Plan Administrator later determines the order is a QDRO.

To the extent it is not inconsistent with the provisions of the QDRO, the Plan Administrator may segregate or may direct the Trustee to segregate the QDRO amount in a segregated investment account. The Plan Administrator or Trustee will make any payments or distributions required under this Section 4.06 by separate benefit checks or other separate distribution to the alternate payee(s).

**(D) Permissible QDROs.** A domestic relations order that otherwise satisfies the requirements for a qualified domestic relations order ("QDRO") will not fail to be a QDRO: (i) solely because the order is issued after, or revises, another domestic relations order or QDRO; or (ii) solely because of the time at which the order is issued, including issuance after the annuity starting date or after the Participant's death.

#### 4.07 DIRECT ROLLOVER OF ELIGIBLE ROLLOVER DISTRIBUTIONS – GOVERNMENTAL PLAN.

**(A) Participant Election.** A Participant (including for this purpose, a former Employee) in a Governmental Eligible 457 Plan may elect, at the time and in the manner the Plan

Administrator prescribes, to have any portion of his or her eligible rollover distribution from the Plan paid directly to an eligible retirement plan specified by the Participant in a direct rollover election. For purposes of this election, a "Participant" includes as to their respective interests, a Participant's surviving spouse and the Participant's spouse or former spouse who is an alternate payee under a QDRO.

**(B) Rollover and Withholding Notice.** At least 30 days and not more than 180 days prior to the Trustee's distribution of an eligible rollover distribution, the Plan Administrator must provide a written notice (including a summary notice as permitted under applicable Treasury regulations) explaining to the distributee the rollover option, the applicability of mandatory 20% federal withholding to any amount not directly rolled over, and the recipient's right to roll over within 60 days after the date of receipt of the distribution ("rollover notice").

**(C) Default distribution or rollover.** Except as provided in Paragraph (D), in the case of a Participant who does not elect timely to roll over or to receive distribution of his or her Account, the Plan Administrator or the Trustee, at the Plan Administrator's direction, may distribute to the Participant or may directly roll over the Participant's Account in accordance with the Plan's rollover notice.

**(D) Mandatory default rollover.** If (1) the Plan is a Governmental Eligible 457 Plan, (2) the Plan makes a mandatory distribution after the Code §401(a)(31)(B) Effective Date, greater than \$1,000, and (3) the Participant does not elect to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover or to receive the distribution directly, then the Plan Administrator will pay the distribution in a direct rollover to an individual retirement plan designated by the Plan Administrator.

**(E) Non-spouse beneficiary rollover right.** A non-spouse beneficiary who is a "designated beneficiary" under Section 4.03(E)(1), by a direct trustee-to-trustee transfer ("direct rollover"), may roll over all or any portion of his or her distribution to an individual retirement account the beneficiary establishes for purposes of receiving the distribution. In order to be able to roll over the distribution, the distribution otherwise must satisfy the definition of an eligible rollover distribution.

**(1) Certain requirements not applicable.** Although a non-spouse beneficiary may roll over directly a distribution as provided in Section 4.07(E), the distribution is not subject to the direct rollover requirements of Code §401(a)(31) (including the automatic rollover provisions of Code §401(a)(31)(B)), the notice requirements of Code §402(f) or the mandatory withholding requirements of Code §3405(c). If a non-spouse beneficiary receives a distribution from the Plan, the distribution is not eligible for a "60-day" rollover.

**(2) Trust beneficiary.** If the Participant's named beneficiary is a trust, the Plan may make a direct rollover to an individual retirement account on behalf of the trust, provided the trust satisfies the requirements to be a designated beneficiary within the meaning of Code §401(a)(9)(E).

**(3) Required minimum distributions not eligible for rollover.** A non-spouse beneficiary may not roll over an amount which is a required minimum distribution, as determined under applicable Treasury regulations and other Revenue Service guidance. If the Participant dies before his or her required beginning date and the non-spouse beneficiary rolls over to an IRA the maximum amount eligible for rollover, the beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Treas. Reg. §1.401(a)(9)-3, A-4(c), in

determining the required minimum distributions from the IRA that receives the non-spouse beneficiary's distribution.

**(F) Definitions.** The following definitions apply to this Section:

**(1) Eligible rollover distribution.** An eligible rollover distribution is any distribution of all or any portion of a Participant's Account, except an eligible rollover distribution does not include: (a) any distribution which is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's designated Beneficiary, or for a specified period of ten years or more; (b) any Code §401(a)(9) required minimum distribution; (c) any unforeseeable emergency distribution; and (d) any distribution which otherwise would be an eligible rollover distribution, but where the total distributions to the Participant during that calendar year are reasonably expected to be less than \$200.

**(2) Eligible retirement plan.** An eligible retirement plan is an individual retirement account described in Code §408(a), an individual retirement annuity described in Code §408(b), an annuity plan described in Code §403(a), a qualified plan described in Code §401(a), an annuity contract (or custodial agreement) described in Code §403(b), or an eligible deferred compensation plan described in Code §457(b) and maintained by an Employer described in Code §457(e)(1)(A), which accepts the Participant's, the Participant's spouse or alternate payee's eligible rollover distribution.

A Participant or beneficiary may elect to roll over directly an eligible rollover distribution to a Roth IRA described in Code §408A(b). For this purpose, the term "eligible rollover distribution" includes a rollover distribution described in this Section.

**(3) Direct rollover.** A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

**(4) Mandatory distribution.** A mandatory distribution is an eligible rollover distribution without the Participant's consent before the Participant attains the later of age 62 or Normal

Retirement Age (see paragraph 3.05 (B)). A distribution to a beneficiary is not a mandatory distribution.

**(5) 401(a)(31)(B) Effective Date.** The 401(a)(31)(B) Effective Date is the date of the close of the first regular legislative session of the legislative body with the authority to amend the Plan that begins on or after January 1, 2006.

**4.08 ELECTION TO DEDUCT FROM DISTRIBUTION.** An Eligible Retired Public Safety Officer may elect annually for that taxable year to have the Plan deduct an amount from a distribution which the Eligible Retired Public Safety Officer otherwise would receive and include in income. The Plan will pay such deducted amounts directly to pay qualified health insurance premiums.

**(A) Direct payment.** The Plan will pay directly to the provider of the accident or health insurance plan or qualified long-term care insurance contract the amounts the Eligible Retired Public Safety Officer has elected to have deducted from the distribution. Such amounts may not exceed the lesser of \$3,000 or the amount the Participant paid for such taxable year for qualified health insurance premiums, and which otherwise complies with Code §402(l).

**(B) Definitions.**

**(1) Eligible retired public safety officer.** An "Eligible Retired Public Safety Officer" is an individual who, by reason of disability or attainment of Normal Retirement Age, is separated from service as a Public Safety Officer with the Employer.

**(2) Public safety officer.** A "Public Safety Officer" has the same meaning as in Section 1204(9)(A) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796b(9)(A)).

**(3) Qualified health insurance premiums.** The term "qualified health insurance premiums" means premiums for coverage for the Eligible Retired Public Safety Officer, his or her spouse, and dependents, by an accident or health insurance plan or qualified long-term care insurance contract (as defined in Code §7702B(b)).

**ARTICLE V**  
**PLAN ADMINISTRATOR - DUTIES WITH RESPECT TO PARTICIPANTS' ACCOUNTS**

5.01 TERM/VACANCY. The Plan Administrator will serve until his or her successor is appointed. In case of a vacancy in the position of the Plan Administrator, the Employer will exercise any and all of the powers, authority, duties and discretion conferred upon the Plan Administrator pending the filling of the vacancy.

5.02 POWERS AND DUTIES. The Plan Administrator will have the following powers and duties:

- (a) To select a committee to assist the Plan Administrator;
- (b) To select a secretary for the committee, who need not be a member of the committee;
- (c) To determine the rights of eligibility of an Employee to participate in the Plan and the value of a Participant's Account;
- (d) To adopt rules and procedures and to create administrative forms necessary for the proper and efficient administration of the Plan provided the rules, procedures and forms are not inconsistent with the terms of the Plan;
- (e) To construe and enforce the terms of the Plan and the rules and regulations the Plan Administrator adopts, including interpretation of the Plan documents and documents related to the Plan's operation;
- (f) To direct the distribution of a Participant's Account;
- (g) To review and render decisions respecting a claim for (or denial of a claim for) a benefit under the Plan;
- (h) To furnish the Employer with information which the Employer may require for tax or other purposes;
- (i) To establish a policy in making distributions for unforeseeable emergencies;
- (j) To establish under a Governmental Eligible 457 Plan, policies regarding the receipt of Rollover Contributions and default rollover distributions;
- (k) To establish a policy regarding the making and the receipt of Transfers;
- (l) To establish a policy regarding Participant or Beneficiary direction of investment;
- (m) To engage the services of any person to invest any Account under this Plan and to direct such person to make payment to a Participant of his or her Vested Account;
- (n) To establish under a Governmental Eligible 457 Plan, a policy (see Section 5.02(A)) which the Trustee must observe in making loans, if any, to Participants and Beneficiaries;
- (o) To undertake correction of any Plan failures as necessary to preserve eligible Plan status; and
- (p) To undertake any other action the Plan Administrator deems reasonable or necessary to administer the Plan.

The Plan Administrator shall have total and complete discretion to interpret and construe the Plan and to determine all questions arising in the administration, interpretation and application of the Plan. Any determination the Plan

Administrator makes under the Plan is final and binding upon any affected person.

**(A) Loan Policy.** In a Governmental Eligible 457 Plan, the Plan Administrator, in its sole discretion, may establish, amend or terminate from time to time, a nondiscriminatory policy which the Trustee must observe in making Plan loans, if any, to Participants and to Beneficiaries. If the Plan Administrator adopts a loan policy, the loan policy must be a written document and must include: (1) the identity of the person or positions authorized to administer the participant loan program; (2) the procedure for applying for a loan; (3) the criteria for approving or denying a loan; (4) the limitations, if any, on the types and amounts of loans available; (5) the procedure for determining a reasonable rate of interest; (6) the types of collateral which may secure the loan; and (7) the events constituting default and the steps the Plan will take to preserve Plan assets in the event of default. A loan policy the Plan Administrator adopts under this Section 5.02(A) is part of the Plan, except that the Plan Administrator may amend or terminate the policy without regard to Section 9.01.

**(B) QDRO Policy.** If the QDRO provisions of Section 4.06 apply, the Plan Administrator will establish QDRO procedures.

5.03 COMPENSATION. The Plan Administrator and the members of the Committee will serve without compensation for services, but the Employer will pay all expenses of the Plan Administrator and Committee.

5.04 AUTHORIZED REPRESENTATIVE. The Plan Administrator may authorize any one of the members of the Committee, if any, or the Committee's Secretary, to sign on the Plan Administrator's behalf any Plan notices, directions, applications, certificates, consents, approvals, waivers, letters or other documents.

5.05 INDIVIDUAL ACCOUNTS/RECORDS. The Plan Administrator will maintain a separate Account in the name of each Participant to reflect the value of the Participant's Deferred Compensation under the Plan. The Plan Administrator will maintain records of its activities.

5.06 VALUE OF PARTICIPANT'S ACCOUNT. The value of each Participant's Account consists of his or her accumulated Deferred Compensation, as of the most recent Accounting Date or any later date as the Plan Administrator may determine.

**5.07 ACCOUNT ADMINISTRATION, VALUATION AND EXPENSES.**

**(A) Individual Accounts.** The Plan Administrator, as necessary for the proper administration of the Plan, will maintain, or direct the Trustee to maintain, a separate Account, or multiple Accounts, in the name of each Participant to reflect the Participant's Account Balance under the Plan. The Plan Administrator will make its allocations of Employer Contributions and of Earnings, or will request the Trustee to make such allocations, to the Accounts of the Participants as necessary to maintain proper Plan records and in accordance with the applicable: (i) Contribution Types; (ii) allocation conditions; (iii) investment account types; and (iv) Earnings allocation methods. The Plan Administrator may also maintain, or direct the Trustee to maintain, a separate temporary Account for Participant forfeitures which occur during a Plan Year, pending their accrual and allocation in accordance with the Plan terms, or for other special items as the Plan Administrator

determines is necessary and appropriate for proper plan administration.

**(1) By Contribution Type.** The Plan Administrator, will establish Plan Accounts for each Participant as necessary to reflect his or her Accounts attributable to the following Contribution Types and the Earnings attributable thereto: Pre-Tax Deferrals, Roth Deferrals, Matching Contributions, Nonelective Contributions, Rollover Contributions (including Roth versus pre-tax amounts), and Transfers.

**(2) By investment account type.** The Plan Administrator will establish separate Accounts for each Participant as necessary to reflect his or her investment account types as described below:

**(a) Pooled Accounts.** A Pooled Account is an Account which for investment purposes is not a Segregated Account or a Participant-Directed Account. If any or all Plan investment Accounts are Pooled Accounts, each Participant's Account has an undivided interest in the assets comprising the Pooled Account. In a Pooled Account, the value of each Participant's Account Balance consists of that proportion of the net worth (at fair market value) of the Trust Fund which the net credit balance in his or her Account (exclusive of the cash value of incidental benefit insurance contracts) bears to the total net credit balance in the Accounts of all Participants plus the cash surrender value of any insurance contracts held by the Trustee on the Participant's life. As of each Valuation Date, the Plan Administrator must reduce a Participant-Directed Account for any forfeiture arising from Section 5.07 after the Plan Administrator has made all other allocations, changes or adjustments to the Account (excluding Earnings) for the valuation period.

**(b) Participant-Directed Accounts.** A Participant-Directed Account is an Account that the Plan Administrator establishes and maintains or directs the Trustee to establish and maintain for a Participant to invest in one or more assets that are not pooled assets held by the Trust, such as assets in a brokerage account or other property in which other Participants do not have any interest. As the Plan Administrator determines, a Participant-Directed Account may provide for a limited number and type of investment options or funds, or may be open-ended and subject only to any limitations imposed by applicable law. A Participant may have one or more Participant-Directed Accounts in addition to Pooled or Segregated Accounts. A Participant-Directed Account is credited and charged with the Earnings. As of each Valuation Date, the Plan Administrator must reduce a Participant-Directed Account for any forfeiture arising from Section 5.07 after the Plan Administrator has made all other allocations, changes or adjustments to the Account (excluding Earnings) for the valuation period.

**(c) Segregated Accounts.** A Segregated Account is an Account the Plan Administrator establishes and maintains or directs the Trustee to establish and maintain for a Participant: (i) to facilitate installment payments; (ii) to hold a QDRO amount; (iii) to prevent a distortion of Plan Earnings allocations; or (iv) for such other purposes as the Plan Administrator may direct. A Segregated Account receives all income it earns and bears all expense or loss it incurs. The Trustee will invest the assets of a Segregated Account consistent with the purpose for which the Plan Administrator or Trustee established the Account. As of each Valuation Date, the Plan Administrator must reduce a Segregated Account for any forfeiture arising after the Plan

Administrator has made all other allocations, changes or adjustments to the Account (excluding Earnings) for the Valuation Period. Notwithstanding anything in this Section to the contrary, transferred amounts are not required to be separately accounted for and may be combined with the corresponding Account maintained in this Plan provided all rights, benefits and features and other attributes are identical with respect to each account, or are identical after the combination and such combination does not result in the impermissible elimination of any Code §411(d)(6) protected benefits.

**(3) Amount of Account/distributions.** The amount of a Participant's Account, as determined by the Plan Administrator, is equal to the sum of all contributions, Earnings and other additions credited to the Account, less all distributions (including distributions to Beneficiaries and to alternate payees and also including disbursement of Plan loan proceeds), expenses and other charges against the Account as of a Valuation Date or other relevant date. For purposes of a distribution under the Plan, the amount of a Participant's Account Balance is determined based upon its value on the Valuation Date immediately preceding or coinciding with the date of the distribution. If any or all Plan investment Accounts are Participant-Directed Accounts, the directing Participant's Account Balance consists of the assets held within the Participant-Directed Account and the value of the Account is determined based upon the fair market value of such assets.

**(4) Account statements.** As soon as practicable after the Accounting Date of each Plan Year, the Plan Administrator will deliver to each Participant (and to each Beneficiary) a statement reflecting the amount of his or her Account Balance in the Trust as of the statement date or most recent Valuation Date. No Participant, except the Plan Administrator/Participant or Trustee/Participant, has the right to inspect the records reflecting the Account of any other Participant.

**(B) Allocation of Earnings.** This Section 5.07(B) applies solely to the allocation of Earnings of the Trust Fund. The Plan Administrator will allocate Employer Contributions and Participant forfeitures, if any, in accordance with Article III. Earnings means the net income, gain or loss earned by a particular Account, by the Trust, or with respect to a contribution or to a distribution, as the context requires.

**(1) Allocate as of Valuation Date.** As of each Valuation Date, the Plan Administrator must adjust Accounts to reflect Earnings for the Valuation Period since the last Valuation Date.

**(2) Definition of Valuation Date.** A Valuation Date under this Plan is each: (a) Accounting Date; (b) Valuation Date the Employer elects in the Adoption Agreement; or (c) Valuation Date the Plan Administrator establishes. The Employer in the Adoption Agreement or the Plan Administrator may elect alternative Valuation Dates for the different Contribution Types which the Plan Administrator maintains under the Plan.

**(3) Definition of Valuation Period.** The Valuation Period is the period beginning on the day after the last Valuation Date and ending on the current Valuation Date.

**(4) Allocation methods.** The Plan Administrator will allocate Earnings to the Participant Accounts in accordance with the daily valuation method, balance forward method, balance

forward with adjustment method, weighted average method, Participant-Directed Account method, or other method the Employer elects under the Adoption Agreement. The Employer in the Adoption Agreement may elect alternative methods under which the Plan Administrator will allocate the Earnings to the Accounts reflecting different Contribution Types or investment Account types which the Plan Administrator maintains under the Plan. The Plan Administrator first will adjust the Participant Accounts, as those Accounts stood at the beginning of the current Valuation Period, by reducing the Accounts for any forfeitures, distributions, and loan disbursement payments arising under the Plan, for expenses charged during the Valuation Period to the Accounts (expenses directly related to a Participant's Account). The Plan Administrator then, subject to the restoration allocation requirements of the Plan, will allocate Earnings under the applicable valuation method.

**(a) Daily valuation method.** If the Employer in the Adoption Agreement elects to apply the daily valuation method, the Plan Administrator will allocate Earnings on each day of the Plan Year for which Plan assets are valued on an established market and the Trustee is conducting business. Under the daily valuation method, all assets subject to such method are subject to daily valuation. The assets may be held in Participant-Directed Accounts or in Accounts which are subject to Trustee or other fiduciary investment direction.

**(b) Balance forward method.** If the Employer in the Adoption Agreement elects to apply the balance forward method, the Plan Administrator will allocate Earnings pro rata to the adjusted Participant Accounts, since the last Valuation Date.

**(c) Balance forward with adjustment method.** If the Employer in the Adoption Agreement elects to apply the balance forward with adjustment method, the Plan Administrator will allocate pursuant to the balance forward method, except it will treat as part of the relevant Account at the beginning of the Valuation Period the percentage of the contributions made as the Employer elects in the Adoption Agreement, during the Valuation Period the Employer elects in the Adoption Agreement.

**(d) Weighted average method.** If the Employer in the Adoption Agreement elects to apply a weighted average allocation method, the Plan Administrator will allocate pursuant to the balance forward method, except it will treat a weighted portion of the applicable contributions as if includible in the Participant's Account as of the beginning of the Valuation Period. The weighted portion is a fraction, the numerator of which is the number of months in the Valuation Period, excluding each month in the Valuation Period which begins prior to the contribution date of the applicable contributions, and the denominator of which is the number of months in the Valuation Period. The Employer in the Adoption Agreement may elect to substitute a weighting period other than months for purposes of this weighted average allocation.

**(e) Participant-Directed Account method.** The Employer in the Adoption Agreement must elect to apply the Participant-Directed Account method to any Participant-Directed Account under the Plan. Under the Participant-Directed Account method: (i) each Participant-Directed Account is credited and charged with the Earnings such Account generates; (ii) the Employer's election, if any, in the Adoption Agreement of another method for the allocation of Earnings will not apply to any Participant-Directed Account; and (iii) the Participant-

Directed Account may be valued as often as daily, but will be valued at least annually, and all assets in the Account are not necessarily valued on the same frequency. An Account which is subject to the Participant-Directed Account method includes an individual brokerage account or similar account in title to the Trustee for the benefit of the Participant.

**(C) Allocation of Net Income, Gain or Loss (No Trust).** In a Tax-Exempt Eligible 457 Plan that does not maintain a trust the Plan Administrator will allocate net income, gain or loss in accordance with this provision. As of each Accounting Date (and each other valuation date determined under the Adoption Agreement), the Plan Administrator will adjust Accounts to reflect net income, gain or loss, if any, since the last Accounting Date or Account valuation. The Employer in the Adoption Agreement will elect the method for allocating net income gain or loss. The Plan Administrator will continue to allocate net income, gain and loss to a Participant's Account subject to an installment distribution, until the Account is fully distributed.

**5.08 ACCOUNT CHARGED.** The Plan Administrator will charge all distributions made to a Participant or to his or her Beneficiary, or transferred under Section 9.03 from his or her Account, against the Account of the Participant when made.

**5.09 OWNERSHIP OF FUND/TAX-EXEMPT ORGANIZATION.** If the Employer is a Tax-Exempt Organization, the Plan is an unfunded plan and all Deferred Compensation, property and rights to property purchased by Deferred Compensation and all income attributable thereto remain, until paid or made available under the Plan, the sole property and rights of the Employer, subject only to the claims of the Employer's general creditors. No Participant or Beneficiary will have any vested interest or secured or preferred position with respect to an Account or have any claim against the Employer except as a general creditor. No Participant or Beneficiary shall have any right to sell, assign, transfer or otherwise convey his or her Account or any interest in his or her Deferred Compensation. The Employer or the Plan Administrator, acting as the Employer's agent, may enter into a trust agreement solely for the purpose of investing all or part of the Accounts, which will be subject to the claims of the Employer's general creditors, and in which the Participants or Beneficiaries will not have a vested interest nor a secured or preferred position or have any claim except as the Employer's general creditor. The Employer may not purchase life insurance contracts under this Plan unless the Employer retains all incidents of ownership in such contracts, the Employer is the sole beneficiary of such contracts and the Employer is not under any obligation to transfer the contracts or pass through the proceeds to any Participant or to his or her Beneficiary. The Employer may adopt and attach to the Plan as "Appendix A," the Internal Revenue Service Model Rabbi Trust under Rev. Proc. 92-64 (as amended) to hold the assets of a Tax-Exempt Organization Eligible 457 Plan. If the Employer adopts the Model Rabbi Trust, the Plan incorporates by reference the provisions of the Model Rabbi Trust as if fully set forth herein.

**5.10 PARTICIPANT DIRECTION OF INVESTMENT.** Subject to the terms of the Plan Administrator's adopted policy, if any, and also to written consent of the Trustee, if the Plan has a Trust, a Participant will have the right to direct the investment or re-investment of the assets comprising the Participant's Account. The Plan Administrator will account separately for the Participant-Directed Accounts. The Participant's right to direct investment does not give the Participant any vested interest or secured or preferred position with respect to assets over which he/she has investment responsibility.

**5.11 VESTING/SUBSTANTIAL RISK OF FORFEITURE.** The Employer in the Adoption Agreement may

elect to apply a vesting schedule or to specify any other Substantial Risk of Forfeiture applicable to any or all Deferral Contributions.

**(A) Forfeiture Allocation.** The Employer in the Adoption Agreement must elect the method the Plan Administrator will use to allocate any Participant forfeitures, including those related to lost Participants under Section 5.14. However, if a forfeiture allocation method is not selected in the adoption agreement, forfeitures are allocated as an Employer Contribution. The Plan Administrator will allocate a forfeiture in the Plan Year in which the forfeiture occurs or in the next following Plan Year.

5.12 PRESERVATION OF ELIGIBLE PLAN STATUS. The Plan Administrator may elect to sever from this Plan and to treat as a separate 457 plan, the Accounts of any Participants who have Excess Deferrals that the Plan Administrator has not corrected in accordance with Section 3.10 or in the case of any other Code §457(b) failure that the Employer may not otherwise correct, and which failure would result in the Plan ceasing to be an Eligible 457 Plan. In such event, the Plan Administrator will take any necessary or appropriate action consistent with the Employer's maintenance of separate 457 plans and with preservation of Eligible 457 Plan status of this Plan.

5.13 LIMITED LIABILITY. The Employer will not be liable to pay plan benefits to a Participant in excess of the value of the Participant's Account as the Plan Administrator determines in accordance with the Plan terms. Neither the Employer nor the Plan Administrator will be liable for losses arising from depreciation or shrinkage in the value of any investments acquired under this Plan.

5.14 LOST PARTICIPANTS. If the Plan Administrator is unable to locate any Participant or Beneficiary whose Account becomes distributable (a "lost Participant"), the Plan Administrator will apply the provisions of this Section 5.14.

**(A) Attempt to Locate.** The Plan Administrator will attempt to locate a lost Participant and may use one or more of the following methods: (1) provide a distribution notice to the lost Participant at his or her last known address by certified or registered mail; (2) use a commercial locator service, the internet or other general search method; (3) use the Social Security Administration or PBGC search program; or (4) use such other methods as the Plan Administrator believes prudent.

**(B) Failure to Locate.** If a lost Participant remains unlocated for 6 months following the date the Plan Administrator first attempts to locate the lost Participant using one or more of the methods described in Section 5.14(A), the Plan Administrator may forfeit the lost Participant's Account. If the Plan Administrator forfeits the lost Participant's Account, the forfeiture occurs at the end of the above-described 6-month period and the Plan Administrator will allocate the forfeiture in accordance with Section 5.11. The Plan Administrator under this Section 5.14(B) will forfeit the entire Account of the lost Participant, including Salary Reduction Contributions.

If a lost Participant whose Account was forfeited thereafter at any time but before the Plan has been terminated makes a claim for his or her forfeited Account, the Plan Administrator will restore the forfeited Account to the same dollar amount as the amount forfeited, unadjusted for net income, gains or losses occurring subsequent to the forfeiture. The Plan Administrator will make the restoration in the Plan Year in which the lost Participant makes the claim, first from the amount, if any, of Participant forfeitures the Plan Administrator otherwise would allocate for the Plan Year, then from the amount, if any, of Trust net income or gain for the Plan Year and last from the amount or

additional amount the Employer contributes to the Plan for the Plan Year. The Plan Administrator will distribute the restored Account to the lost Participant not later than 60 days after the close of the Plan Year in which the Plan Administrator restores the forfeited Account.

**(C) Nonexclusivity and Uniformity.** The provisions of this Section 5.14 are intended to provide permissible but not exclusive means for the Plan Administrator to administer the Accounts of lost Participants. The Plan Administrator may utilize any other reasonable method to locate lost Participants and to administer the Accounts of lost Participants, including the default rollover under Section 4.07(C) and such other methods as the Revenue Service or the U.S. Department of Labor ("DOL") may in the future specify. The Plan Administrator will apply Section 5.14 in a reasonable manner, but may in determining a specific course of action as to a particular Account, reasonably take into account differing circumstances such as the amount of a lost Participant's Account, the expense in attempting to locate a lost Participant, the Plan Administrator's ability to establish and the expense of establishing a rollover IRA, and other factors. The Plan Administrator may charge to the Account of a lost Participant the reasonable expenses incurred under this Section 5.14 and which are associated with the lost Participant's Account.

5.15 PLAN CORRECTION. The Plan Administrator, in conjunction with the Employer and Trustee as appropriate, may undertake such correction of Plan errors as the Plan Administrator deems necessary, including but not limited to correction to maintain the Plan's status as an Eligible 457 Plan. The Plan Administrator under this Section 5.15 also may undertake Plan correction in accordance with any correction program that the Internal Revenue Service makes applicable to 457 plans.

**ARTICLE VI**  
**PARTICIPANT ADMINISTRATIVE PROVISIONS**

6.01 **BENEFICIARY DESIGNATION.** A Participant from time to time may designate, in writing, any person(s) (including a trust or other entity), contingently or successively, to whom the Plan Administrator or Trustee will pay the Participant's Account (including any life insurance proceeds payable to the Participant's Account) in the event of death. A Participant also may designate the method of payment of his or her Account. The Plan Administrator will prescribe the form for the Participant's written designation of Beneficiary and, upon the Participant's filing the form with the Plan Administrator, the form revokes all designations filed prior to that date by the same Participant. A divorce decree, or a decree of legal separation, revokes the Participant's designation, if any, of his or her spouse as his or her Beneficiary under the Plan unless the decree or a QDRO provides otherwise. The foregoing revocation provision (if applicable) applies only with respect to a Participant whose divorce becomes effective on or following the date the Employer executes the Adoption Agreement, unless the Employer in the Adoption Agreement specifies a different effective date.

6.02 **NO BENEFICIARY DESIGNATION.** If a Participant fails to name a Beneficiary in accordance with Section 6.01, or if the Beneficiary named by a Participant predeceases the Participant, then the Plan Administrator will pay the Participant's remaining Account in accordance with Article IV in the following order of priority, to:

- (a) The Participant's surviving spouse; or
- (b) The Participant's children (including adopted children), in equal shares by right of representation (one share for each surviving child and one share for each child who predeceases the Participant with living descendants); and if none to
- (c) Parents. The Participant's surviving parents, in equal shares; and if none to
- (d) The Participant's estate.

If the Beneficiary survives the Participant, but dies prior to distribution of the Participant's entire Account, the Trustee will pay the remaining Account to the Beneficiary's estate unless: (1) the Participant's Beneficiary designation provides otherwise; or (2) the Beneficiary has properly designated a beneficiary. A Beneficiary only may designate a beneficiary for the Participant's Account Balance remaining at the Beneficiary's death, if the Participant has not previously designated a successive contingent beneficiary and the Beneficiary's designation otherwise complies with the Plan terms. The Plan Administrator will direct a Trustee if applicable as to the method and to whom the Trustee will make payment under this Section 6.02.

6.03 **SALARY REDUCTION AGREEMENT.**

**(A) General.** A Participant must elect to make Salary Reduction Contributions on a Salary Reduction Agreement form the Plan Administrator provides for this purpose. The Salary Reduction Agreement must be consistent with the Employer's Adoption Agreement elections and the Plan Administrator in a Salary Reduction Agreement may impose such other terms and limitations as the Plan Administrator may determine.

**(B) Election Timing.** A Participant's Salary Reduction Agreement may not take effect earlier than the first day of the calendar month following the date the Participant executes the

Salary Reduction Agreement and as to Compensation paid or made available in such calendar month. However, if an Employee is eligible to become a Participant during the Employee's calendar month of hire, the Employee may execute a Salary Reduction Agreement on or before the date he/she becomes an Employee, effective for the month in which he/she becomes an Employee.

**(C) Sick, Vacation and Back Pay.** If the Employer in the Adoption Agreement permits Participants to make Salary Reduction Contributions from accumulated sick pay, from accumulated vacation pay or from back pay, a Participant who will incur a Severance from Employment may execute a Salary Reduction Agreement before such amounts are paid or made available provided: (i) such amounts are paid or made available before the Participant incurs the Severance; and (ii) the Participant is an Employee in that month.

**(D) Modification of Salary Reduction Agreement.** A Participant's Salary Reduction Agreement remains in effect until a Participant modifies it or ceases to be eligible to participate in the Plan. A Participant may modify his or her Salary Reduction Agreement by executing a new Salary Reduction Agreement. Any modification will become effective no earlier than the beginning of the calendar month commencing after the date the Participant executes the new Salary Reduction Agreement. Filing a new Salary Reduction Agreement will revoke all Salary Reduction Agreements filed prior to that date. The Employer or Plan Administrator may restrict the Participant's right to modify his or her Salary Reduction Agreement in any Taxable Year.

6.04 **PERSONAL DATA TO PLAN ADMINISTRATOR.** Each Participant and each Beneficiary of a deceased Participant must furnish to the Plan Administrator such evidence, data or information as the Plan Administrator considers necessary or desirable for the purpose of administering the Plan. The provisions of this Plan are effective for the benefit of each Participant upon the condition precedent that each Participant will furnish promptly full, true and complete evidence, data and information when requested by the Plan Administrator, provided the Plan Administrator advises each Participant of the effect of his or her failure to comply with its request.

6.05 **ADDRESS FOR NOTIFICATION.** Each Participant and each Beneficiary of a deceased Participant must file with the Plan Administrator from time to time, in writing, his or her address and any change of address. Any communication, statement or notice addressed to a Participant, or Beneficiary, at his or her last address filed with the Plan Administrator, or as shown on the records of the Employer, binds the Participant, or Beneficiary, for all purposes of this Plan.

6.06 **PARTICIPANT OR BENEFICIARY INCAPACITATED.** If, in the opinion of the Plan Administrator or of the Trustee, a Participant or Beneficiary entitled to a Plan distribution is not able to care for his or her affairs because of a mental condition, a physical condition, or by reason of age, the Plan Administrator or at the direction of the Plan Administrator, the Trustee, may make the distribution to the Participant's or Beneficiary's guardian, conservator, trustee, custodian (including under a Uniform Transfers or Gifts to Minors Act) or to his or her attorney-in-fact or to other legal representative upon furnishing evidence of such status satisfactory to the Plan Administrator and to the Trustee. The Plan Administrator and the Trustee do not have any liability with respect to payments so made and neither the Plan Administrator nor the Trustee has any duty to make inquiry as to the competence of any person entitled to receive payments under the Plan.



**ARTICLE VII  
MISCELLANEOUS**

7.01 NO ASSIGNMENT OR ALIENATION. A Participant or Beneficiary does not have the right to commute, sell, assign, pledge, transfer or otherwise convey or encumber the right to receive any payments under the Plan or Trust and the Plan Administrator and the Trustee will not recognize any such anticipation, assignment, or alienation. The payments and the rights under this Plan are nonassignable and nontransferable. Furthermore, a Participant's or Beneficiary's interest in the Trust is not subject to attachment, garnishment, levy, execution or other legal or equitable process.

7.02 EFFECT ON OTHER PLANS. This Plan does not affect benefits under any other retirement, pension, or benefit plan or system established for the benefit of the Employer's Employees, and participation under this Plan does not affect benefits receivable under any such plan or system, except to the extent provided in such plan or system.

7.03 WORD USAGE. Words used in the masculine will apply to the feminine where applicable, and wherever the context of the Plan dictates, the plural will be read as the singular and the singular as the plural.

7.04 STATE LAW. The laws of the state of the Employer's principal place of business will determine all questions arising with respect to the provisions of this Plan, except to the extent Federal law supersedes State law.

7.05 EMPLOYMENT NOT GUARANTEED. Nothing contained in this Plan, or any modification or amendment to the Plan, or in the creation of any Account, or the payment of any benefit, gives any Employee, Participant or Beneficiary any right to continue employment, any legal or equitable right against the Employer, the Plan Administrator, the Trustee, any other Employee of the Employer, or any agents thereof except as expressly provided by the Plan.

7.06 NOTICE, DESIGNATION, ELECTION, CONSENT AND WAIVER. All notices under the Plan and all Participant or Beneficiary designations, elections, consents or waivers must be in writing and made in a form the Plan Administrator specifies or otherwise approves. To the extent permitted by Treasury regulations or other applicable guidance, any Plan notice, election, consent or waiver may be transmitted electronically. Any person entitled to notice under the Plan may waive the notice or shorten the notice period except as otherwise required by the Code.

**ARTICLE VIII**  
**TRUST PROVISIONS—GOVERNMENTAL ELIGIBLE 457 PLAN**

**8.01 GOVERNMENTAL ELIGIBLE 457 PLAN.** The provisions of this Article VIII apply to a Governmental Eligible 457 Plan and do not apply to a Tax-Exempt Organization Eligible 457 Plan. The Employer in the Adoption Agreement may elect to substitute another trust (attached to this Plan as "Appendix A") or to modify any provision of Article VIII, consistent with Code §457(g) and applicable Treasury regulations.

**8.02 ACCEPTANCE/HOLDING.** The Trustee accepts the Trust created under the Plan and agrees to perform the duties and obligations imposed. The Trustee must hold in trust under this Article VIII, all Deferred Compensation until paid in accordance with the Plan terms.

**8.03 RECEIPT OF CONTRIBUTIONS.** The Trustee is accountable to the Employer for the funds contributed to it by the Employer or the Plan Administrator, but the Trustee does not have any duty to see that the contributions received comply with the provisions of the Plan.

**8.04 FULL INVESTMENT POWERS.** The Trustee has full discretion and authority with regard to the investment of the Trust, except with respect to a Trust asset under Participant direction of investment, in accordance with Section 8.12. The Trustee is authorized and empowered, but not by way of limitation, to exercise and perform the following powers, rights and duties:

(a) To invest any part or all of the Trust in any common or preferred stocks, open-end or closed-end mutual funds, put and call options traded on a national exchange, United States retirement plan bonds, corporate bonds, debentures, convertible debentures, commercial paper, U. S. Treasury bills, U. S. Treasury notes and other direct or indirect obligations of the United States Government or its agencies, improved or unimproved real estate situated in the United States, limited partnerships, insurance contracts of any type, mortgages, notes or other property of any kind, real or personal, and to buy or sell options on common stock on a nationally recognized options exchange with or without holding the underlying common stock, as a prudent person would do under like circumstances. Any investment made or retained by the Trustee in good faith will be proper but must be of a kind constituting a diversification considered by law suitable for trust investments;

(b) To retain in cash so much of the Trust as it may deem advisable to satisfy liquidity needs of the Plan and to deposit any cash held in the Trust in a bank account at reasonable interest;

(c) To invest, if the Trustee is a bank or similar financial institution supervised by the United States or by a State, in any type of deposit of the Trustee (or a bank related to the Trustee within the meaning of Code §414(b)) at a reasonable rate of interest or in a common trust fund as described in Code §584, or in a collective investment fund, the provisions of which the Trust incorporates by this reference, which the Trustee (or its affiliate, as defined in Code §1504) maintains exclusively for the collective investment of money contributed by the bank (or its affiliate) in its capacity as Trustee and which conforms to the rules of the Comptroller of the Currency;

(d) To manage, sell, contract to sell, grant options to purchase, convey, exchange, transfer, abandon, improve, repair, insure, lease for any term even though commencing in the future or extending beyond the term of the Trust, and otherwise deal with all property, real or personal, in such manner, for such

considerations and on such terms and conditions as the Trustee decides;

(e) To credit and distribute the Trust as directed by the Plan Administrator of the Plan. The Trustee will not be obliged to inquire as to whether any payee or distributee is entitled to any payment or whether the distribution is proper or within the terms of the Plan, or as to the manner of making any payment or distribution. The Trustee will be accountable only to the Plan Administrator for any payment or distribution made by it in good faith on the order or direction of the Plan Administrator;

(f) To borrow money, to assume indebtedness, extend mortgages and encumber by mortgage or pledge;

(g) To compromise, contest, arbitrate or abandon claims and demands, in the Trustee's discretion;

(h) To have with respect to the Trust all of the rights of an individual owner, including the power to exercise any and all voting rights associated with Trust assets, to give proxies, to participate in any voting trusts, mergers, consolidations or liquidations, to tender shares and to exercise or sell stock subscriptions or conversion rights;

(i) To lease for oil, gas and other mineral purposes and to create mineral severances by grant or reservation; to pool or unitize interest in oil, gas and other minerals; and to enter into operating agreements and to execute division and transfer orders;

(j) To hold any securities or other property in the name of the Trustee or its nominee, with depositories or agent depositories or in another form as it may deem best, with or without disclosing the trust relationship;

(k) To perform any and all other acts in its judgment necessary or appropriate for the proper and advantageous management, investment and distribution of the Trust;

(l) To retain any funds or property subject to any dispute without liability for the payment of interest, and to decline to make payment or delivery of the funds or property until a court of competent jurisdiction makes a final adjudication;

(m) To file all tax returns required of the Trustee;

(n) To furnish to the Employer and the Plan Administrator an annual statement of account showing the condition of the Trust and all investments, receipts, disbursements and other transactions effected by the Trustee during the Plan Year covered by the statement and also stating the assets of the Trust held at the end of the Plan Year, which accounts will be conclusive on all persons, including the Employer and the Plan Administrator, except as to any act or transaction concerning which the Employer or the Plan Administrator files with the Trustee written exceptions or objections within 90 days after the receipt of the accounts; and

(o) To begin, maintain or defend any litigation necessary in connection with the administration of the Trust, except that the Trustee will not be obliged or required to do so unless indemnified to its satisfaction.

**(A) Nondiscretionary Trustee.** The Employer in the Adoption Agreement may elect to appoint a Nondiscretionary Trustee, subject to this Section 8.04(A). The Nondiscretionary Trustee does not have any discretion or authority with regard to the

investment of the Trust, but must act solely as a directed Trustee hereunder. The Nondiscretionary Trustee is authorized and empowered to exercise and perform the above Section 8.04 powers, rights and duties provided that the Trustee shall act solely as a directed Trustee and only in accordance with the written direction of the Employer, the Plan Administrator or of a Participant as applicable. The Nondiscretionary Trustee is not liable for making, retaining or disposing of any investment or for taking or failing to take any other action, in accordance with proper Employer, Plan Administrator or Participant direction.

**8.05 RECORDS AND STATEMENTS.** The records of the Trustee pertaining to the Trust will be open to the inspection of the Plan Administrator and the Employer at all reasonable times and may be audited from time to time by any person or persons as the Employer or Plan Administrator may specify in writing. The Trustee will furnish the Plan Administrator whatever information relating to the Trust the Plan Administrator considers necessary.

**8.06 FEES AND EXPENSES FROM FUND.** The Trustee will receive reasonable annual compensation in accordance with its fee schedule as published from time to time. The Trustee will pay from the Trust all fees and expenses the Trustee reasonably incurs in its administration of the Trust, unless the Employer pays the fees and expenses.

**8.07 PROFESSIONAL AGENTS.** The Trustee may employ and pay from the Trust reasonable compensation to agents, attorneys, accountants and other persons to advise the Trustee as in its opinion may be necessary. The Trustee may delegate to any agent, attorney, accountant or other person selected by it any non-Trustee power or duty vested in it by the Trust, and the Trustee may act or refrain from acting on the advice or opinion of any agent, attorney, accountant or other person so selected.

**8.08 DISTRIBUTION OF CASH OR PROPERTY.** The Trustee may make distribution under the Plan in cash or property, or partly in each, at its fair market value as determined by the Trustee.

**8.09 RESIGNATION AND REMOVAL.** The Trustee or the Custodian may resign its position by giving written notice to the Employer and to the Plan Administrator. The Trustee's notice must specify the effective date of the Trustee's resignation, which date must be at least 30 days following the date of the Trustee's notice, unless the Employer consents in writing to shorter notice.

The Employer may remove a Trustee or a Custodian by giving written notice to the affected party. The Employer's notice must specify the effective date of removal which date must be at least 30 days following the date of the Employer's notice, except where the Employer reasonably determines a shorter notice period or immediate removal is necessary to protect Plan assets.

#### **8.10 SUCCESSOR TRUSTEE.**

**(A) Appointment.** In the event of the resignation or the removal of a Trustee, where no other Trustee continues to service, the Employer must appoint a successor Trustee if it intends to continue the Plan. If two or more persons hold the position of Trustee, in the event of the removal of one such person, during any period the selection of a replacement is pending, or during any period such person is unable to serve for any reason, the remaining person or persons will act as the Trustee. If the Employer fails to appoint a successor Trustee as of the effective date of the Trustee resignation or removal and no other Trustee remains, the Trustee will treat the Employer as

having appointed itself as Trustee and as having filed the Employer's acceptance of appointment as successor Trustee with the former Trustee.

**(B) Automatic Successor.** Any corporation which succeeds to the trust business of the Trustee, or results from any merger or consolidation to which the Trustee is a party, or is the transferee of substantially all the Trustee's assets, will be the successor to the Trustee under this Trust. The successor Trustee will possess all rights, duties and powers under this Trust as if the successor Trustee were the original Trustee. Neither the Trustee nor the successor Trustee need provide notice to any interested person of any transaction resulting in a successor Trustee. The successor Trustee need not file or execute any additional instrument or perform any additional act to become successor Trustee.

**8.11 VALUATION OF TRUST.** The Trustee will value the Trust as of each Accounting Date to determine the fair market value of the Trust assets. The Trustee will value the Trust on such other date(s) the Plan Administrator may direct.

**8.12 PARTICIPANT DIRECTION OF INVESTMENT.** Consistent with the Plan Administrator's policy adopted under Section 5.02(1), the Trustee may consent in writing to permit Participants in the Plan to direct the investment to the Trust assets. The Plan Administrator will advise the Trustee of the portion of the Trust credited to each Participant's Account under the Plan, and subject to such Participant direction. As a condition of Participant direction, the Trustee may impose such conditions, limitations and other provisions as the Trustee may deem appropriate and as are consistent with the Plan Administrator's policy. The Trustee will report to the Plan Administrator the net income, gain or losses incurred by each Participant-Directed Account separately from the net income, gain or losses incurred by the general Trust during the Trust Year.

**8.13 THIRD PARTY RELIANCE.** No person dealing with the Trustee will be obliged to see to the proper application of any money paid or property delivered to the Trustee, or to inquire whether the Trustee has acted pursuant to any of the terms of the Trust. Each person dealing with the Trustee may act upon any notice, request or representation in writing by the Trustee, or by the Trustee's duly authorized agent, and will not be liable to any person whomsoever in so doing. The certificate of the Trustee that it is acting in accordance with the Trust will be conclusive in favor of any person relying on the certificate.

**8.14 INVALIDITY OF ANY TRUST PROVISION.** If any clause or provision of this Article VIII proves to be or is adjudged to be invalid or void for any reason, such void or invalid clause or provision will not affect any of the other provisions of this Article VIII and the balance of the Trust provisions will remain operative.

**8.15 EXCLUSIVE BENEFIT.** The Trustee will hold all the assets of the Trust for the exclusive benefit of the Participants and their Beneficiaries and neither the Employer nor the Trustee will use or divert any part of the corpus or income of the Trust for purposes other than the exclusive benefit of the Participants and Beneficiaries of the Plan. The Employer will not have any right to the assets held by the Trustee and the Trust assets will not be subject to the claims of the Employer's creditors or, except as provided in Section 4.06, of the creditors of any Participant or Beneficiary. No Participant or Beneficiary shall have any right to sell, assign, transfer or otherwise convey his or her Account or any interest in his or her Deferred Compensation. Notwithstanding the foregoing, the Plan Administrator may pay from a Participant's or Beneficiary's Account the amount the Plan Administrator finds is lawfully

demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary. The Trust created under the Employer's Plan is irrevocable and its assets will not inure to the benefit of the Employer.

8.16 SUBSTITUTION OF CUSTODIAL ACCOUNT OR ANNUITY CONTRACT. The Employer in the Adoption Agreement may elect to use one or more custodial accounts or annuity contracts in lieu of or in addition to the Trust established in this Article VIII. Any such custodial account or annuity contract must satisfy the requirements of Code §457(g)(3) and applicable Treasury regulations.

8.17 GROUP TRUST AUTHORITY. Notwithstanding any contrary provision in this Plan, the Trustee may, unless restricted in writing by the Plan Administrator, transfer assets of the Plan to a group trust that is operated or maintained exclusively for the commingling and collective investment of monies provided that the funds in the group trust consist exclusively of trust assets held under plans qualified under Code §401(a), individual retirement accounts that are exempt under Code §408(e), and eligible governmental plans that meets the requirements of Code §457(b). For this purpose, a trust includes a custodial account that is treated as a trust under Code §401(f) or under Code §457(g)(3). For purposes of valuation, the value of the interest maintained by the Plan in such group trust shall be the fair market value of the portion of the group trust held for Plan, determined in accordance with generally recognized valuation procedures.

**ARTICLE IX  
AMENDMENT, TERMINATION, TRANSFERS**

9.01 AMENDMENT BY EMPLOYER/SPONSOR. The Employer has the right at any time and from time to time:

(a) To amend this Plan and Trust Agreement and the Adoption Agreement in any manner it deems necessary or advisable in order to continue the status of this Plan as an Eligible 457 Plan; and

(b) To amend this Plan and Trust Agreement and the Adoption Agreement in any other manner, including deletion, substitution or modification of any Plan, Trust or Adoption Agreement provision.

The Employer must make all amendments in writing. The Employer may amend the Plan by an Adoption Agreement election, by addenda, by separate amendment, or by restatement of the Adoption Agreement or Plan. Each amendment must state the date to which it is either retroactively or prospectively effective. The Employer also may not make any amendment that affects the rights, duties or responsibilities of the Trustee or the Plan Administrator without the written consent of the affected Trustee or the Plan Administrator.

9.02 TERMINATION/FREEZING OF PLAN. The Employer has the right, at any time, to terminate this Plan or to cease (freeze) further Deferral Contributions to the Plan. Upon termination or freezing of the Plan, the provisions of the Plan (other than provisions permitting continued Deferral Contributions) remain operative until distribution of all Accounts. Upon Plan termination, the Plan Administrator or Trustee shall distribute to Participants and Beneficiaries all Deferred Compensation as soon as is reasonably practicable following termination.

9.03 TRANSFERS. The Employer may enter into a Transfer agreement with another employer under which this Plan: (a) may accept a Transfer of a Participant's Account in the other employer's Eligible 457 Plan; or (b) may Transfer a Participant's (or Beneficiary's) Account in this Plan to the other employer's Eligible 457 Plan. The plan sponsors of the plans involved in the Transfer both must be States or both must be Tax-Exempt Organizations and the plans must provide for Transfers. The Participant or Beneficiary, after the Transfer will have Deferred Compensation in the recipient plan at least equal to his or her Deferred Compensation in the transferring plan immediately before the Transfer. Any Transfer also must comply with applicable Treasury regulations, and in particular Treas. Reg. §§1.457-10(b)(2) as to post-severance transfers between Governmental Eligible 457 Plans; 1.457-10(b)(3) as to transfers of all assets between Governmental Eligible 457 Plans; 1.457-10(b)(4) as to transfers between Governmental Eligible 457 Plans of the same Employer; and 1.457-10(b)(5) as to post-severance transfers between Tax-Exempt Organization Eligible 457 Plans. The Plan Administrator will credit any Transfer accepted under this Section 9.03 to the Participant's Account and will treat the transferred amount as a Deferral Contribution for all purposes of this Plan except the Plan Administrator, will not treat such Transfer as a Deferral Contribution subject to the limitations of Article III. In addition, in the case of a Transfer between Tax-Exempt Organization Eligible Plans, the recipient plans shall apply a Participant's distribution elections made under the transferor plan in accordance with Treas. Reg. §1.457-10(b)(6)(ii). The Plan's Transfer of any Participant's or Beneficiary's Account under this Section 9.03 completely discharges the Employer, the Plan Administrator, the Trustee and the Plan from any liability to the Participant or Beneficiary for any Plan benefits.

9.04 PURCHASE OF PERMISSIVE SERVICE CREDIT.

A Participant in a Governmental Eligible 457 Plan, prior to otherwise incurring a distributable event under Article IV, may direct the Trustee to transfer all or a portion of his or her Account to a governmental defined benefit plan (under Code §414(d)) for: (a) the purchase of permissive service credit (under Code §415(n)(3)(A)) under such plan, or (b) the repayment of contributions and earnings previously refunded with respect to a forfeiture of service credited under the plan (or under another governmental plan within the same State) to which Code §415 does not apply by reason of Code §415(k)(3).

**ADOPTION AGREEMENT FOR  
ELIGIBLE GOVERNMENTAL 457 PLAN**

The undersigned Employer, by executing this Adoption Agreement, establishes an Eligible 457 Plan ("Plan"). The Employer, subject to the Employer's Adoption Agreement elections, adopts fully the Plan provisions. This Adoption Agreement, the basic plan document and any attached Appendices, amendments, or agreements permitted or referenced therein, constitute the Employer's entire plan document. *All "Election" references within this Adoption Agreement or the basic plan document are Adoption Agreement Elections. All "Article" or "Section" references are basic plan document references. Numbers in parentheses which follow election numbers are basic plan document references.* Where an Adoption Agreement election calls for the Employer to supply text, the Employer may lengthen any space or line, or create additional tiers. When Employer-supplied text uses terms substantially similar to existing printed options, all clarifications and caveats applicable to the printed options apply to the Employer-supplied text unless the context requires otherwise. The Employer makes the following elections granted under the corresponding provisions of the basic plan document.

1. **EMPLOYER (1.11).**

Name: Jaunt, Inc.

Address: 104 Keystone Place

Street

Charlottesville Virginia 22902-6200

City

State

Zip

Telephone: (434) 296-3184

Taxpayer Identification Number (TIN): 54-1211517

2. **PLAN NAME.**

Name: Deferred Compensation Plan for Employees of Jaunt, Inc.

3. **PLAN YEAR (1.25).** Plan Year means the 12 consecutive month period (except for a short Plan Year) ending every (Choose one of a. or b. and choose c. if applicable): [Note: Complete any applicable blanks under Election c. with a specific date, e.g., "June 30" OR "the last day of February" OR "the first Tuesday in January." In the case of a Short Plan Year or a Short Limitation Year, include the year, e.g., "May 1, 2013."]

a.  **December 31.**

b.  **Plan Year:** ending: \_\_\_\_\_.

c.  **Short Plan Year:** commencing: \_\_\_\_\_ and ending: \_\_\_\_\_.

4. **EFFECTIVE DATE (1.08).** The Employer's adoption of the Plan is a (Choose one of a. or b. Complete c. if new plan OR complete c. and d. if an amendment and restatement. Choose e. if applicable):

a.  **New Plan.**

b.  **Restated Plan.** The Plan is a substitution and amendment of an existing 457 plan.

**Initial Effective Date of Plan**

c.  January 1, 1992 (enter month day, year; hereinafter called the "Effective Date" unless 4d is entered below)

**Restatement Effective Date** (If this is an amendment and restatement, enter effective date of the restatement.)

d.  July 1, 2023 (enter month day, year)

**Special Effective Dates:** (optional)

e.  **Describe:** \_\_\_\_\_.

5. **CONTRIBUTION TYPES.** (If this is a frozen Plan (i.e., all contributions have ceased), choose a. only):

**Frozen Plan**

a.  **Contributions cease.** All Contributions have ceased or will cease (Plan is frozen).

1. **Effective date of freeze:** \_\_\_\_\_ [Note: Effective date is optional unless this is the amendment or restatement to freeze the Plan.]

**Contributions.** The Employer and/or Participants, in accordance with the Plan terms, make the following Contribution Types to the Plan (Choose one or more of b. through d. if applicable):

- b.  **Pre-Tax Elective Deferrals.** The dollar or percentage amount by which each Participant has elected to reduce his/her Compensation, as provided in the Participant's Salary Reduction Agreement (Choose one or more as applicable.):

And will Matching Contributions be made with respect to Elective Deferrals?

1.  **Yes.** See Question 16.  
2.  **No.**

And will **Roth Elective Deferrals** be made?

3.  **Yes.** [Note: The Employer may not limit Deferrals to Roth Deferrals only.]  
4.  **No.**

- c.  **Nonelective Contributions.** See Question 17.

- d.  **Rollover Contributions.** See Question 30.

6. **EXCLUDED EMPLOYEES (1.10).** The following Employees are Excluded Employees and are not eligible to participate in the Plan (Choose one of a. or b.):

- a.  **No exclusions.** All Employees are eligible to participate.  
b.  **Exclusions.** The following Employees are Excluded Employees (Choose one or more of 1. through 4.):  
1.  **Part-time Employees.** The Plan defines part-time Employees as Employees who normally work less than \_\_\_\_\_ hours per week.  
2.  **Hourly-paid Employees.**  
3.  **Leased Employees.** The Plan excludes Leased Employees.  
4.  **Specify:** \_\_\_\_\_

7. **INDEPENDENT CONTRACTOR (1.16).** The Plan (Choose one of a., b. or c.):

- a.  **Participate.** Permits Independent Contractors to participate in the Plan.  
b.  **Not Participate.** Does not permit Independent Contractors to participate in the Plan.  
c.  **Specified Independent Contractors.** Permits the following specified Independent Contractors to participate:  
\_\_\_\_\_

[Note: If the Employer elects to permit any or all Independent Contractors to participate in the Plan, the term Employee as used in the Plan includes such participating Independent Contractors.]

8. **COMPENSATION (1.05).** Subject to the following elections, Compensation for purposes of allocation of Deferral Contributions means:

**Base Definition** (Choose one of a., b., c. or d.):

- a.  Wages, tips and other compensation on Form W-2.  
b.  Code §3401(a) wages (wages for withholding purposes).  
c.  415 safe harbor compensation.  
d.  Alternative (general) 415 Compensation.

[Note: The Plan provides that the base definition of Compensation includes amounts that are not included in income due to Code §§401(k), 125, 132(f)(4), 403(b), SEP, 414(h)(2), & 457. Compensation for an Independent Contractor means the amounts the Employer pays to the Independent Contractor for services, except as the Employer otherwise specifies below.]

**Modifications to Compensation definition.** The Employer elects to modify the Compensation definition as follows (Choose one of e. or f.):

- e.  **No modifications.** The Plan makes no modifications to the definition.  
f.  **Modifications** (Choose one or more of 1. through 5.):  
1.  **Fringe benefits.** The Plan excludes all reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation and welfare benefits.  
2.  **Elective Contributions. [1.05(E)]** The Plan excludes a Participant's Elective Contributions.

3.  **Bonuses.** The Plan excludes bonuses.
4.  **Overtime.** The Plan excludes overtime.
5.  **Specify:** \_\_\_\_\_.

**Compensation taken into account.** For the Plan Year in which an Employee first becomes a Participant, the Plan Administrator will determine the allocation of matching and nonelective contributions by taking into account (*Choose one of g. or h.*):

- g.  **Plan Year.** The Employee's Compensation for the entire Plan Year. (*N/A if no matching or nonelective contributions*)
- h.  **Compensation while a Participant.** The Employee's Compensation only for the portion of the Plan Year in which the Employee actually is a Participant. (*N/A if no matching or nonelective contributions*)
9. **POST-SEVERANCE COMPENSATION (1.05(F)).** Compensation includes the following types of Post-Severance Compensation paid within any applicable time period as may be required (*Choose one of a. or b.*):
- a.  **None.** The Plan does not take into account Post-Severance Compensation as to any Contribution Type except as required under the basic plan document.
- b.  **Adjustments.** The following Compensation adjustments apply (*Choose one or more*):
1.  **Regular Pay.** Post-Severance Compensation will include Regular Pay and it will apply to all Contribution Types.
  2.  **Leave-Cashouts.** Post-Severance Compensation will include Leave Cashouts and it will apply to all Contribution Types.
  3.  **Nonqualified Deferred Compensation.** Post-Severance Compensation will include Deferred Compensation and it will apply to all Contribution Types.
  4.  **Salary Continuation for Disabled Participants.** Post-Severance Compensation will include Salary Continuation for Disabled Participants and it will apply to all Contribution Types.
  5.  **Differential Wage Payments.** Post-Severance Compensation will include Differential Wage Payments (military continuation payments) and it will apply to all Contribution Types.
  6.  **Describe alternative Post-Severance Compensation definition, limit by Contribution Type, or limit by Participant group:** \_\_\_\_\_.
10. **NORMAL RETIREMENT AGE (1.20).** A Participant attains Normal Retirement Age under the Plan (*Choose one of a. or b.*):
- a.  **Plan designation.** [Plan Section 3.05(B)] When the Participant attains age 65. [*Note: The age may not exceed age 70 1/2. The age may not be less than age 65, or, if earlier, the age at which a Participant may retire and receive benefits under the Employer's pension plan, if any.*]
- b.  **Participant designation.** [Plan Section 3.05(B) and (B)(1)] When the Participant attains the age the Participant designates, which may not be earlier than age \_\_\_\_\_ and may not be later than age \_\_\_\_\_. [*Note: The age may not exceed age 70 1/2.*]

**Special Provisions for Police or Fire Department Employees** (*Choose c. and/or d. as applicable*):

- c.  **Police department employees.** [Plan Section 3.05(B)(3)] (*Choose 1. or 2.*):
1.  **Plan designation.** [Plan Section 3.05(B)] When the Participant attains age \_\_\_\_\_. [*Note: The age may not exceed age 70 1/2 and may not be less than age 40.*]
  2.  **Participant designation.** [Plan Section 3.05(B) and (B)(1)] When the Participant attains the age the Participant designates, which may not be earlier than age \_\_\_\_\_ (no earlier than age 40) and may not be later than age \_\_\_\_\_. [*Note: The age may not exceed age 70 1/2.*]
- d.  **Fire department employees.** [Plan Section 3.05(B)(3)] (*Choose 1. or 2.*):
1.  **Plan designation.** [Plan Section 3.05(B)] When the Participant attains age \_\_\_\_\_. [*Note: The age may not exceed age 70 1/2 and may not be less than age 40.*]
  2.  **Participant designation.** [Plan Section 3.05(B) and (B)(1)] When the Participant attains the age the Participant designates, which may not be earlier than age \_\_\_\_\_ (no earlier than age 40) and may not be later than age \_\_\_\_\_. [*Note: The age may not exceed age 70 1/2.*]

11. **ELIGIBILITY CONDITIONS (2.01).** (*Choose one of a. or b.*):

- a.  **No eligibility conditions.** The Employee is eligible to participate in the Plan as of his/her first day of employment with the employer.



- b.  **Eligibility conditions.** To become a Participant in the Plan, an Eligible Employee must satisfy the following eligibility conditions (*Choose one or more of 1., 2. or 3.*):
1.  **Age.** Attainment of age 18.
  2.  **Service.** Service requirement (*Choose one of a. or b.*):
    - a.  **Year of Service.** One year of Continuous Service.
    - b.  **Months of Service.** \_\_\_\_\_ month(s) of Continuous Service.
  3.  **Specify:** All prior service with Greene County shall be counted toward the minimum service requirement for eligibility.

12. **PLAN ENTRY DATE (1.24).** "Plan Entry Date" means the Effective Date and (*Choose one of a. through d.*):

- a.  **Monthly.** The first day of the month coinciding with or next following the Employee's satisfaction of the Plan's eligibility conditions, if any.
- b.  **Annual.** The first day of the Plan Year coinciding with or next following the Employee's satisfaction of the Plan's eligibility conditions, if any.
- c.  **Date of hire.** The Employee's employment commencement date with the Employer.
- d.  **Specify:** \_\_\_\_\_.

13. **SALARY REDUCTION CONTRIBUTIONS (1.30).** A Participant's Salary Reduction Contributions under Election 5b. are subject to the following limitation(s) in addition to those imposed by the Code (*Choose one of a. or b.*):

- a.  **No limitations.**
- b.  **Limitations.** (*Choose one or more of 1., 2. or 3.*):
  1.  **Maximum deferral amount.** A Participant's Salary Reductions may not exceed: 100% (*specify dollar amount or percentage of Compensation*).
  2.  **Minimum deferral amount.** A Participant's Salary Reductions may not be less than: \_\_\_\_\_ (*specify dollar amount or percentage of Compensation*).
  3.  **Specify:** \_\_\_\_\_.

[*Note: Any limitation the Employer elects in b.1. through b.3. will apply on a payroll basis unless the Employer otherwise specifies in b.3.*]

**Special NRA Catch-Up Contributions (3.05).** The Plan (*Choose one of c. or d.*):

- c.  **Permits.** Participants may make NRA catch-up contributions.  
**AND,** Special NRA Catch-Up Contributions (*Choose one of 1. or 2.*): (*N/A if no matching contributions*)
  1.  will be taken into account in applying any matching contribution under the Plan.
  2.  will not be taken into account in applying any matching contribution under the Plan.
- d.  **Does not permit.** Participants may not make NRA catch-up contributions.

**Age 50 Catch-Up Contributions (3.06).** The Plan (*Choose one of e. or f.*):

- e.  **Permits.** Participants may make age 50 catch-up contributions.  
**AND,** Age 50 Catch-Up Contributions (*Choose one of 1. or 2.*): (*N/A if no matching contributions*)
  1.  will be taken into account in applying any matching contribution under the Plan.
  2.  will not be taken into account in applying any matching contribution under the Plan.
- f.  **Does not permit.** Participants may not make age 50 catch-up contributions.

14. **SICK, VACATION AND BACK PAY (3.02(A)).** The Plan (*Choose one of a. or b.*):

- a.  **Permits.** Participants may make Salary Reduction Contributions from accumulated sick pay, from accumulated vacation pay or from back pay.
- b.  **Does Not Permit.** Participants may not make Salary Reduction Contributions from accumulated sick pay, from accumulated vacation pay or from back pay.

15. **AUTOMATIC ENROLLMENT (3.02(B)).** Does the Plan provide for automatic enrollment (*Choose one of the following*) [Note: if Eligible Automatic Contribution Arrangement (EACA), select 15c and complete Questions 31 & 32]:

- a.  **Does not apply.** Does not apply the Plan's automatic enrollment provisions.
- b.  **Applies.** Applies the Plan's automatic enrollment provisions. The Employer as a Pre-Tax Elective Deferral will withhold \_\_\_\_\_% from each Participant's Compensation unless the Participant elects a different percentage (including zero) under his/her Salary Reduction Agreement. The automatic election will apply to (*Choose one of 1. through 3.*):
  - 1.  **All Participants.** All Participants who as of \_\_\_\_\_ are not making Pre-Tax Elective Deferrals at least equal to the automatic amount.
  - 2.  **New Participants.** Each Employee whose Plan Entry Date is on or following: \_\_\_\_\_.
  - 3.  **Describe Application of Automatic Deferrals:** \_\_\_\_\_.
- c.  **EACA.** The Plan will provide an Eligible Automatic Contribution Arrangement (EACA). Complete Questions 31 & 32.

16. **MATCHING CONTRIBUTIONS (3.03).** The Employer Matching Contributions under Election 5.b.1. are made as follows (*Choose one or more of a. through d.*):

- a.  **Fixed formula.** An amount equal to 6% of each Participant's Salary Reduction Contributions.
- b.  **Discretionary formula.** An amount (or additional amount) equal to a matching percentage the Employer from time to time may deem advisable of each Participant's Salary Reduction Contributions.
- c.  **Tiered formula.** The Employer will make matching contributions equal to a uniform percentage of each tier of each Participant's Salary Reduction Contributions, determined as follows:

**NOTE:** Fill in only percentages or dollar amounts, but not both. If percentages are used, each tier represents the amount of the Participant's applicable contributions that equals the specified percentage of the Participant's Compensation (add additional tiers if necessary):

Tiers of Contributions (indicate \$ or %)	Matching Percentage
First _____	_____ %
Next _____	_____ %
Next _____	_____ %
Next _____	_____ %

- d.  **Specify:** \_\_\_\_\_.

**Time Period for Matching Contributions.** The Employer will determine its Matching Contribution based on Salary Reduction Contributions made during each (*Choose one of e. through h.*):

- e.  **Plan Year.**
- f.  **Plan Year quarter.**
- g.  **Payroll period.**
- h.  **Specify:** \_\_\_\_\_.

**Salary Reduction Contributions Taken into Account.** In determining a Participant's Salary Reduction Contributions taken into account for the above-specified time period under the Matching Contribution formula, the following limitations apply (*Choose one of i. through l.*):

- i.  **All Salary Reduction Contributions.** The Plan Administrator will take into account all Salary Reduction Contributions.
- j.  **Specific limitation.** The Plan Administrator will disregard Salary Reduction Contributions exceeding 50 % of the Participant's Compensation.
- k.  **Discretionary.** The Plan Administrator will take into account the Salary Reduction Contributions as a percentage of the Participant's Compensation as the Employer determines.
- l.  **Specify:** \_\_\_\_\_.

**Allocation Conditions.** To receive an allocation of Matching Contributions, a Participant must satisfy the following allocation condition(s) (*Choose one of m. or n.*):

- m.  **No allocation conditions.**

- n.  **Conditions.** The following allocation conditions apply to Matching Contributions (*Choose one or more of 1. through 4.*):
1.  **Service condition.** The Participant must complete the following number of months of Continuous Service during the Plan Year: \_\_\_\_\_.
  2.  **Employment condition.** The Participant must be employed by the Employer on the last day of the Plan Year.
  3.  **Limited Severance Exception.** Any condition specified in 1. or 2. does not apply if the Participant incurs a Severance from Employment during the Plan Year on account of death, disability or attainment of Normal Retirement Age in the current Plan Year or in a prior Plan Year.
  4.  **Specify:** \_\_\_\_\_.

**17. NONELECTIVE CONTRIBUTIONS (1.19).** The Nonelective Contributions under Election 5.c. are made as follows: (*Choose one*):

- a.  **Discretionary - Pro-Rata.** An amount the Employer in its sole discretion may determine.
- b.  **Fixed - Pro Rata.** 7% of Compensation.
- c.  **Other.** A Nonelective Contribution may be made as follows:  
\_\_\_\_\_.

**Allocation Conditions. (3.08).** To receive an allocation of Nonelective Contributions, a Participant must satisfy the following allocation condition(s) (*Choose one of d. or e.*):

- d.  **No allocation conditions.**
- e.  **Conditions.** The following allocation conditions apply to Nonelective Contributions (*Choose one or more of 1. through 4.*):
  1.  **Service condition.** The Participant must complete the following number of months of Continuous Service during the Plan Year: \_\_\_\_\_.
  2.  **Employment condition.** The Participant must be employed by the Employer on the last day of the Plan Year.
  3.  **Limited Severance Exception.** Any condition specified in 1. or 2. does not apply if the Participant incurs a Severance from Employment during the Plan Year on account of death, disability or attainment of Normal Retirement Age in the current Plan Year or in a prior Plan Year.
  4.  **Specify:** \_\_\_\_\_.

**18. TIME AND METHOD OF PAYMENT OF ACCOUNT (4.02).** The Plan will distribute to a Participant who incurs a Severance from Employment his/her Vested Account as follows:

**Timing.** The Plan, in the absence of a permissible Participant election to commence payment later, will pay the Participant's Account (*Choose one of a. through e.*):

- a.  **Specified Date.** \_\_\_\_\_ days after the Participant's Severance from Employment.
- b.  **Immediate.** As soon as administratively practicable following the Participant's Severance from Employment.
- c.  **Designated Plan Year.** As soon as administratively practicable in the \_\_\_\_\_ Plan Year beginning after the Participant's Severance from Employment.
- d.  **Normal Retirement Age.** As soon as administratively practicable after the close of the Plan Year in which the Participant attains Normal Retirement Age.
- e.  **Specify:** \_\_\_\_\_.

**Method.** The Plan, in the absence of a permissible Participant election, will distribute the Participant's Account under one of the following method(s) of distribution (*Choose one or more of f. through j. as applicable*):

- f.  **Lump sum.** A single payment.
- g.  **Installments.** Multiple payments made as follows: \_\_\_\_\_.
- h.  **Installments for required minimum distributions only.** Annual payments, as necessary under Plan Section 4.03.
- i.  **Annuity distribution option(s):** 66 2/3% Joint and Survivor Life Annuity; Life Annuity; 10 Years Certain and Continuous Annuity; 15 Years Certain and Continuous Annuity; Full Cash Refund Annuity
- j.  **Specify:** \_\_\_\_\_.

**Participant Election.** [Plan Sections 4.02(A) and (B)] The Plan (*Choose one of k, l. or m.*):

- k.  **Permits.** Permits a Participant, with Plan Administrator approval of the election, to elect to postpone distribution beyond the time the Employer has elected in a. through e. and also to elect the method of distribution (including a method not described in f. through j. above).

l.  **Does not permit.** Does not permit a Participant to elect the timing and method of Account distribution.

m.  **Specify:** \_\_\_\_\_.

**Mandatory Distributions.** Notwithstanding any other distribution election, following Severance from Employment (*Choose n. or o.*):

n.  **No Mandatory Distributions.** The Plan will not make a Mandatory Distribution.

o.  **Mandatory Distribution.** If the Participant's Vested Account is not in excess of \$5,000 (unless a different amount selected below) as of the date of distribution, the Plan will make a Mandatory Distribution following Severance from Employment.

1.  **Mandatory Distribution.** If the Participant's Vested Account is not in excess of \$\_\_\_\_\_ as of the date of distribution, the Plan will make a Mandatory Distribution following Severance from Employment.

**Rollovers in determination of \$5,000 threshold.** Unless otherwise elected below, amounts attributable to rollover contributions (if any) will be **included** in determining the \$5,000 threshold for timing of distributions, form of distributions or consent rules.

p.  Exclude rollovers (rollover contributions will be **excluded** in determining the \$5,000 threshold)

**NOTE:** Regardless of the above election, if the Participant consent threshold is \$1,000 or less, then the Administrator must include amounts attributable to rollovers for such purpose. In such case, an election to exclude rollovers above will apply for purposes of the timing and form of distributions.

19. **BENEFICIARY DISTRIBUTION ELECTIONS.** Distributions following a Participant's death will be made as follows (*Choose one of a. through d.*):

a.  **Immediate.** As soon as practical following the Participant's death.

b.  **Next Calendar Year.** At such time as the Beneficiary may elect, but in any event on or before the last day of the calendar year which next follows the calendar year of the Participant's death. (*N/A if participant is restricted*)

c.  **As Beneficiary elects.** At such time as the Beneficiary may elect, consistent with Section 4.03. (*N/A if participant is restricted*)

d.  **Describe:** \_\_\_\_\_.

[*Note: The Employer under Election 19d. may describe an alternative distribution timing or afford the Beneficiary an election which is narrower than that permitted under Election 19c., or include special provisions related to certain beneficiaries, (e.g., a surviving spouse). However, any election under Election 19d. must require distribution to commence no later than the Section 4.03 required date.*]

20. **DISTRIBUTIONS PRIOR TO SEVERANCE FROM EMPLOYMENT (4.05).** A Participant prior to Severance from Employment may elect to receive a distribution of his/her Vested Account under the following distribution options (*Choose one of a. or b.*):

a.  **None.** A Participant may not receive a distribution prior to Severance from Employment.

b.  **Distributions.** Prior to Severance from Employment are permitted as follows (*Choose one or more of 1. through 4.*):

1.  **Unforeseeable emergency.** A Participant may elect a distribution from his/her Account in accordance with Plan Section 4.05(A) (for the Participant, spouse, dependents or beneficiaries)

2.  **De minimis exception.** [Plan Section 4.05(B)] If the Participant: (i) has an Account that does not exceed \$5,000; (ii) has not made or received an allocation of any Deferral Contributions under the Plan during the two-year period ending on the date of distribution; and (iii) has not received a prior Plan distribution under this de minimis exception, then (*Choose one of a., b. or c.*):

a.  **Participant election.** The Participant may elect to receive all or any portion of his/her Account.

b.  **Mandatory distribution.** The Plan Administrator will distribute the Participant's entire Account.

c.  **Hybrid.** The Plan Administrator will distribute a Participant's Account that does not exceed \$\_\_\_\_\_ and the Participant may elect to receive all or any portion of his/her Account that exceeds \$\_\_\_\_\_ but that does not exceed \$5,000.

3.  **Age 70 1/2.** A Participant who attains age 70 1/2 prior to Severance from Employment may elect distribution of any or all of his/her Account.

4.  **Specify:** \_\_\_\_\_.

[*Note: An Employer need not permit any in-service distributions. Any election must comply with the distribution restrictions of Code Section 457(d).*]

21. **QDRO (4.06).** The QDRO provisions (*Choose one of a., b. or c.*):

a.  **Apply.**

b.  **Do not apply.**

c.  **Specify:** \_\_\_\_\_.

22. **ALLOCATION OF EARNINGS (5.07(B))**. The Plan allocates Earnings using the following method (*Choose one or more of a. through f.*):

- a.  **Daily**. See Section 5.07(B)(4)(a).
- b.  **Balance forward**. See Section 5.07(B)(4)(b).
- c.  **Balance forward with adjustment**. See Section 5.07(B)(4)(c). Allocate pursuant to the balance forward method, except treat as part of the relevant Account at the beginning of the Valuation Period \_\_\_\_\_% of the contributions made during the following Valuation Period: \_\_\_\_\_.
- d.  **Weighted average**. See Section 5.07(B)(4)(d). If not a monthly weighting period, the weighting period is \_\_\_\_\_.
- e.  **Directed Account method**. See Section 5.07(B)(4)(e).
- f.  **Describe Earnings allocation method:** \_\_\_\_\_.

*[Note: The Employer under Election 22f. may describe Earnings allocation methods from the elections available under Election 22 and/or a combination thereof as to any: (i) Participant group (e.g., Daily applies to Division A Employees OR to Employees hired after "x" date. Balance forward applies to Division B Employees OR to Employees hired on/before "x" date.); (ii) Contribution Type (e.g., Daily applies as to Discretionary Nonelective Contribution Accounts. Participant-Directed Account applies to Fixed Nonelective Contribution Accounts); (iii) investment type, investment vendor or Account type (e.g., Balance forward applies to investments placed with vendor A and Participant-Directed Account applies to investments placed with vendor B OR Daily applies to Participant-Directed Accounts and balance forward applies to pooled Accounts).]*

23. **HEART ACT PROVISIONS (1.31(C)(3)/3.13)**. The Employer elects to (*Choose one of a. or b. and c. or d.*):

**Continued Benefit Accruals.**

- a.  **Not apply the benefit accrual provisions of Section 3.13.**
- b.  **Apply the benefit accrual provisions of Section 3.13.**

**Distributions for deemed severance of employment (1.31(C)(3))**

- c.  **The Plan does NOT permit distributions for deemed severance of employment.**
- d.  **The Plan permits distributions for deemed severance of employment.**

24. **VESTING/SUBSTANTIAL RISK OF FORFEITURE (5.11)**. A Participant's Deferral Contributions are [*Note: If a Participant incurs a Severance from Employment before the specified events or conditions, the Plan will forfeit the Participant's non-vested Account. Caution: if a Deferral is subject to vesting schedule or other substantial risk of forfeiture, it does not count as a deferral for purposes of the annual deferral limit until the year it is fully vested.*] (*Choose all that apply of a. through d.*):

- a.  **100% Vested/No Risk of Forfeiture**. Immediately Vested without regard to additional Service and no Substantial Risk of Forfeiture. The following contributions are 100% Vested:
  - 1.  **All Contributions**. (skip to 25.)
  - 2.  **Only the following contributions**. (select all that apply):
    - a.  **Salary Reduction Contributions**.
    - b.  **Nonelective Contributions**.
    - c.  **Matching Contributions**.
- b.  **Forfeiture under Vesting Schedule**. Vested according to the following:

**Contributions affected.** The following contributions are subject to the vesting schedule (*Choose one or more of 1., 2. or 3.*):

- 1.  **Salary Reduction Contributions**.
- 2.  **Nonelective Contributions**.
- 3.  **Matching Contributions**.
- 4.  **Vesting Schedule**.

Years of Service	Vested Percentage
<u>Less than 3 years of service</u>	<u>0 %</u>
<u>3 years of service</u>	<u>50 %</u>
<u>4 years of service</u>	<u>75 %</u>
<u>5 years of service</u>	<u>100 %</u>
_____	_____ %

**For vesting purposes, a "Year of Service" means:**

5. an Employee must work twelve months (where one Hour of Service equals one month of service) to receive credit for one year of service

[Note: It is extremely rare to apply a vesting schedule to Salary Reduction Contributions.]

- c.  **Substantial Risk of Forfeiture.** Vested only when no longer subject to the following Substantial Risk of Forfeiture as follows:

**Contributions affected.** The following contributions are subject to the substantial risk of forfeiture under c. (Choose one or more of 1., 2. or 3.):

1.  **Salary Reduction Contributions.**
2.  **Nonelective Contributions.**
3.  **Matching Contributions.**

**Risk Provisions:** Vested only when no longer subject to the following Substantial Risk of Forfeiture as follows (Choose one of 4. or 5.):

4.  The Participant must remain employed by the Employer until \_\_\_\_\_, unless earlier Severance from Employment occurs on account of death or disability, as the Plan Administrator shall establish.
5.  **Specify:** \_\_\_\_\_.

**Additional Provisions** (Choose d. if applicable)

- d.  **Specify:** All prior service with Greene County shall be counted toward the Years of Vesting requirement

**FORFEITURE ALLOCATION.** [Plan Sections 5.11(A) and 5.14] The Plan Administrator will allocate any Plan forfeitures as selected below. The Employer has the option to use forfeitures to pay plan expenses first and then allocate the remaining forfeitures in accordance with the selections below: (Choose one of the following):

- e.  **Additional Contributions.** As the following contribution type (Choose one of 1. or 2.):

1.  **Nonelective.** As an additional Nonelective Contribution.
2.  **Matching.** As an additional Matching Contribution.

- f.  **Reduce Fixed Contributions.** To reduce the following fixed contribution (Choose one of 1. or 2.):

1.  **Nonelective.** To reduce the Employer's fixed Nonelective Contribution.
2.  **Matching.** To reduce the Employer's fixed Matching Contribution.

- g.  **Specify:** Reduce future Employer Nonelective and Employer Matching Contributions

25. **TRUST PROVISIONS.** The following provisions apply to Article VIII of the Plan (Choose as applicable; leave blank if not applicable):

- a.  **Modifications.** The Employer modifies the Article VIII Trust provisions as follows: \_\_\_\_\_. The remaining Article VIII provisions apply.
- b.  **Substitution.** The Employer replaces the Trust with the Trust Agreement attached to the Plan.

26. **CUSTODIAL ACCOUNT/ANNUITY CONTRACT (8.16).** The Employer will hold all or part of the Deferred Compensation in one or more custodial accounts or annuity contracts which satisfy the requirements of Code §457(g) (Choose a. or b., c. if applicable):

- a.  **Custodial account(s).**
- b.  **Annuity contract(s).**
- c.  **Specify:** \_\_\_\_\_.

[Note: The Employer under c. may wish to identify the custodial accounts or annuity contracts or to designate a portion of the Deferred Compensation to be held in such vehicles versus held in the Trust.]

27. **VALUATION.** In addition to the last day of the Plan Year, the Trustee (or Plan Administrator as applicable) must value the Trust Fund (or Accounts) on the following Valuation Date(s) (Choose one of a. or b.):

- a.  **No additional Valuation Dates.**

- b.  **Additional Valuation Dates.** (Choose one or more of 1., 2. or 3.):
1.  **Daily Valuation Dates.** Each business day of the Plan Year on which Plan assets for which there is an established market are valued and the Trustee or Employer is conducting business.
  2.  **Last day of a specified period.** The last day of each \_\_\_\_\_ of the Plan Year.
  3.  **Specified Valuation Dates:** \_\_\_\_\_.

[Note: The Employer under Election 26b.3. may describe Valuation Dates from the elections available under Election 26b. and/or a combination thereof as to any: (i) Participant group (e.g., No additional Valuation Dates apply to Division A Employees OR to Employees hired after "x" date. Daily Valuation Dates apply to Division B Employees OR to Employees hired on/before "x" date.); (ii) Contribution Type (e.g., No additional Valuation Dates apply as to Discretionary Nonelective Contribution Accounts. The last day of each Plan Year quarter applies to Fixed Nonelective Contribution Accounts); (iii) investment type, investment vendor or Account type (e.g., No additional Valuation Dates apply to investments placed with vendor A and Daily Valuation Dates apply to investments placed with vendor B OR Daily Valuation Dates apply to Participant-Directed Accounts and no additional Valuation Dates apply to pooled Accounts).]

28. **TRUSTEE** (Select all that apply; leave blank if not applicable.):

- a.  Individual Trustee(s) who serve as Trustee(s) over assets not subject to control by a corporate Trustee. (Add additional Trustees as necessary.)

Name(s)	Title(s)
_____	_____
_____	_____
_____	_____
_____	_____

**Address and Telephone number** (Choose one of 1. or 2.):

1.  Use Employer address and telephone number.
2.  Use address and telephone number below:

Address: \_\_\_\_\_  
Street

\_\_\_\_\_

City

State

Zip

Telephone: \_\_\_\_\_

- b.  Corporate Trustee

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
Street

\_\_\_\_\_

City

State

Zip

Telephone: \_\_\_\_\_

**AND**, the Corporate Trustee shall serve as:

- c.  a Directed (nondiscretionary) Trustee over all Plan assets except for the following:

\_\_\_\_\_

- d.  a Discretionary Trustee over all Plan assets except for the following:

\_\_\_\_\_

29. **PLAN LOANS (5.02(A))**. The Plan permits or does not permit Participant Loans (Choose one of a. or b.):

- a.  **Does not permit.**
- b.  **Permitted pursuant to the Loan Policy.**

30. **ROLLOVER CONTRIBUTIONS (3.09).** The Rollover Contributions under Election 5.d. are made as follows:

**Who may roll over** (Choose one of a. or b.):

- a.  **Participants only.**
- b.  **Eligible Employees or Participants.**

**Sources/Types.** The Plan will accept a Rollover Contribution (Choose one of c. or d.):

- c.  **All.** From any Eligible Retirement Plan and as to all Contribution Types eligible to be rolled into this Plan.
- d.  **Limited.** Only from the following types of Eligible Retirement Plans and/or as to the following Contribution Types:

\_\_\_\_\_

**Distribution of Rollover Contributions** (Choose one of e., f. or g.):

- e.  **Distribution without restrictions.** May elect distribution of his/her Rollover Contributions Account in accordance with Plan Section 4.05(C) at any time.
- f.  **No distribution.** May not elect to receive distribution of his/her Rollover Contributions Account until the Plan has a distributable event under Plan Section 4.01.
- g.  **Specify:** \_\_\_\_\_

31. **EACA Automatic Deferral Provisions (3.14).**

**Participants subject to the Automatic Deferral Provisions.** The Automatic Deferral Provisions apply to Employees who become Participants after the Effective Date of the EACA (except as provided in d. below). Employees who became Participants prior to such Effective Date are subject to the following (a. – d. are optional):

- a.  **All Participants.** All Participants, regardless of any prior Salary Reduction Agreement, unless and until a Participant makes an Affirmative Election after the Effective Date of the EACA.
- b.  **Election of at least Automatic Deferral amount.** All Participants, except those who, on the Effective Date of the EACA, are deferring an amount which is at least equal to the Automatic Deferral Percentage.
- c.  **No existing Salary Reduction Agreement.** All Participants, except those who have in effect a Salary Reduction Agreement on the effective date of the EACA regardless of the Salary Reduction Contribution amount under the Agreement.
- d.  **Describe:** \_\_\_\_\_

**Automatic Deferral Percentage.** Unless a Participant makes an Affirmative Election, the Employer will withhold the following Automatic Deferral Percentage (select e. or f.):

- e.  **Constant.** The Employer will withhold \_\_\_\_\_% of Compensation each payroll period.

**Escalation** of deferral percentage (select one or leave blank if not applicable)

- 1.  **Scheduled increases.** This initial percentage will increase by \_\_\_\_\_% of Compensation per year up to a maximum of \_\_\_\_\_ of Compensation.
- 2.  **Other** (described Automatic Deferral Percentage): \_\_\_\_\_

**Automatic Deferral Optional Elections**

- f.  **Optional elections** (select all that apply or leave blank if not applicable)

**Suspended Salary Reduction Contributions.** If a Participant's Salary Reduction Contributions are suspended pursuant to a provision of the Plan (e.g., distribution due to military leave covered by the HEART Act), then a Participant's Affirmative Election will expire on the date the period of suspension begins unless otherwise elected below.

- 1.  A Participant's Affirmative Election will resume after the suspension period.

**Special Effective Date.** Provisions will be effective as of the earlier of the Effective Date of the EACA provisions unless otherwise specified below.

- 2.  Special Effective Date: \_\_\_\_\_

32. **In-Plan Roth Rollover Contributions.**

- a.  **Yes, allowed.**

**Effective Date** (enter date)

- 1.  In-Plan Roth Rollover Effective Date: \_\_\_\_\_



33. **In-Plan Roth Rollover Transfers.**

a.  **Yes, allowed.**

**Effective Date** (enter date)

1.  In-Plan Roth Rollover Transfers Effective Date: \_\_\_\_\_

This Plan is executed on the date(s) specified below:

**Use of Adoption Agreement.** Failure to complete properly the elections in this Adoption Agreement may result in disqualification of the Employer's Plan. The Employer only may use this Adoption Agreement only in conjunction with the corresponding basic plan document.

EMPLOYER: Jaunt, Inc.

By: \_\_\_\_\_

\_\_\_\_\_

DATE SIGNED

**ADOPTING RESOLUTION**

The undersigned authorized representative of Jaunt, Inc. (the Employer) hereby certifies that the following resolutions were duly adopted by the Employer on \_\_\_\_\_, and that such resolutions have not been modified or rescinded as of the date hereof:

RESOLVED, that the form of amended 457 Plan and Trust effective July 1, 2023, presented to this meeting is hereby approved and adopted and that an authorized representative of the Employer is hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Plan.

The undersigned further certifies that attached hereto as Exhibits A and B, respectively, are true copies of Deferred Compensation Plan for Employees of Jaunt, Inc. as amended and restated and the Summary of 457 Provisions, which are hereby approved and adopted.

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

\_\_\_\_\_  
[print name/title]