

AGRI BANK DISTRICT RETIREMENT PLAN

**(FORMERLY KNOWN AS THE SEVENTH FARM CREDIT DISTRICT
RETIREMENT PLAN)**

**2008 Amendment and Restatement;
updated for 2010 Amendments**

TABLE OF CONTENTS

Page

ARTICLE I, GENERAL

1.1	Plan Name.....	1.01
1.2	Purpose and Status of the Plan.....	1.01
1.3	History of the Plan.....	1.02
1.4	Limited Reversion of Funds.....	1.04
1.5	Adoption by Affiliates.....	1.04
1.6	Effective Date of Revision.....	1.04
1.7	Cross-References.....	1.04
1.8	Headings.....	1.04
1.9	Number and Gender.....	1.04
1.10	Governing Law.....	1.04

ARTICLE II, DEFINITIONS

2.1	Accrued Benefit.....	2.01
2.2	Actuarially Equivalent.....	2.01
2.3	Affiliate.....	2.02
2.4	Base Interest Rate.....	2.03
2.5	Cash Balance Formula.....	2.03
2.6	Choice Period.....	2.03
2.7	Code.....	2.03
2.8	Compensation Limit.....	2.03
2.9	Contribution Credit.....	2.04
2.10	Covered Compensation.....	2.04
2.11	Credited Service.....	2.04
2.12	Deferred Vested Retirement Benefit.....	2.10
2.13	Disability.....	2.10
2.14	Disability Retirement Benefit.....	2.10
2.15	Early Retirement Benefit.....	2.10
2.16	Early Retirement Date.....	2.10
2.17	Employee.....	2.11
2.18	Employer.....	2.11
2.19	Excluded Employee.....	2.11
2.20	Farm Credit Administrative Agreement.....	2.12
2.21	Final Average Pay.....	2.12
2.22	Final Average Pay Formula.....	2.13
2.23	Fourth District Plan.....	2.13
2.24	Fund.....	2.13
2.25	Initial Account Balance.....	2.13
2.26	Interest Credit.....	2.13
2.27	Leased Employee.....	2.13
2.28	Normal Retirement Benefit.....	2.14
2.29	Normal Retirement Date.....	2.14
2.30	Participant.....	2.14
2.31	Pay.....	2.14
2.32	Period Certain Beneficiary.....	2.16
2.33	Period of Severance.....	2.16

2.34	Plan	2.17
2.35	Plan Administrator	2.17
2.36	Plan Sponsor Committee	2.17
2.37	Plan Year.....	2.17
2.38	Restated Effective Date.....	2.17
2.39	Retirement Account.....	2.17
2.40	Social Security Old Age Survivors Wage Base	2.17
2.41	Social Security Retirement Age.....	2.17
2.42	Spouse	2.18
2.43	Trust	2.18
2.44	Trust Committee.....	2.18
2.45	Trustee	2.18
2.46	USERRA	2.18

ARTICLE III, PARTICIPATION

3.1	Closure of the Plan.....	3.01
3.2	Transfer Among Employers.....	3.02
3.3	Transfer to Nonparticipating Affiliates	3.02
3.4	Transfer to Non-Employee Classification	3.03
3.5	Condition of Participation	3.04
3.6	No Employment Rights Created.....	3.04
3.7	Leased Employees.....	3.04

ARTICLE IV, AMOUNT OF BENEFITS – FINAL AVERAGE PAY FORMULA

4.1	Eligibility for Final Average Pay Formula Benefit	4.01
4.2	Normal Retirement Benefit.....	4.03
4.3	Early Retirement Benefit.	4.06
4.4	Deferred Vested Retirement Benefit.	4.07
4.5	Disability Retirement Benefit.	4.08
4.6	Alternative Benefit Amount – Participants Listed on Exhibit F	4.10

ARTICLE V, AMOUNT OF BENEFITS – CASH BALANCE FORMULA

5.1	Eligibility for Cash Balance Formula Benefit	5.01
5.2	2002 Choice Period Election	5.01
5.3	Normal or Early Retirement Benefit.....	5.01
5.4	Deferred Vested Retirement Benefit.	5.01
5.5	Disability Retirement Benefit	5.02

ARTICLE VI, RETIREMENT ACCOUNT

6.1	Application of Article VI	6.01
6.2	Retirement Account.....	6.01
6.3	Initial Account Balance.....	6.01
6.4	Contribution Credits.....	6.02
6.5	Interest Credits.....	6.04

ARTICLE VII, PAYMENT, OPTIONAL FORMS AND SURVIVOR BENEFITS

7.1	Qualified Joint and Survivor Annuity.....	7.01
7.2	Optional Forms of Benefit Payment.....	7.02
7.3	Lump-Sum Distribution Option for Certain Participants Who Are Eligible for Early Retirement.....	7.05
7.4	Lump-Sum Distribution Option for Deferred Vested Final Average Pay Participants.....	7.07
7.5	Payment of Small Amounts Upon Termination of Employment.....	7.08
7.6	Death Benefit for Surviving Spouse of Participants Entitled to Benefits Under Article IV.....	7.08
7.7	Death Benefit Upon Death of Participants Entitled to Benefits Under Article V.....	7.10
7.8	Additional Provisions Relating to Death Benefits.....	7.12
7.9	Limited Benefit Alienation.....	7.12
7.10	Payment of Benefits Pursuant to a Qualified Domestic Relations Order (“QDRO”).....	7.13
7.11	Benefit Payment Procedures.....	7.14
7.12	Suspension of Benefits.....	7.14
7.13	Direct Rollovers.....	7.15
7.14	Designation of Beneficiary.....	7.16
7.15	Spousal Consent.....	7.17
7.16	Election to Transfer Benefits.....	7.17
7.17	Required Minimum Distribution Provisions.....	7.19

ARTICLE VIII, BENEFIT LIMITATIONS

8.1	Benefit Reduction/Offsets.....	8.01
8.2	Limitation on Benefits.....	8.02
8.3	Adjustments to the Maximum Permissible Benefit.....	8.04
8.4	Special Rule for Benefit Accruals as of January 1, 1987.....	8.06
8.5	No Effect of Post-Termination Social Security Old Age Survivors Wage Base Changes.....	8.06

ARTICLE IX, CONTRIBUTIONS

9.1	Contributions by Employers.....	9.01
9.2	Gains Reduce Contributions.....	9.01
9.3	Contribution Reversion.....	9.01

ARTICLE X, TRUSTEE POWERS AND DUTIES

10.1	Acceptance of Trust.....	10.01
10.2	Receipt of Contributions.....	10.01
10.3	Powers of the Trustee.....	10.01
10.4	Investment in Common or Collective Trust Funds.....	10.02
10.5	Payment of Fees and Expenses from the Trust.....	10.03
10.6	Records and Accounting.....	10.03
10.7	Unclaimed Payments or Distributions.....	10.03
10.8	Third Party.....	10.03
10.9	Professional Agents.....	10.04
10.10	Valuation of Trust.....	10.04
10.11	Liability of Trustee.....	10.04

10.12	No Bond	10.04
10.13	Ancillary Trustee.....	10.04

ARTICLE XI, ADMINISTRATION OF PLAN

11.1	Plan Administrator, Named Fiduciary	11.01
11.2	Plan Administrator’s Powers and Duties	11.01
11.3	Plan Administrator’s Compensation	11.01
11.4	Rules and Regulations	11.02
11.5	Reliance on Others.....	11.02
11.6	Uniform Treatment	11.02
11.7	Indemnification	11.02
11.8	Claims Procedure.....	11.02

ARTICLE XII, REQUIRED MINIMUM DISTRIBUTION REQUIREMENTS

12.1	General Rules	12.01
12.2	Time and Manner of Distribution	12.01
12.3	Determination of Amount to be Distributed Each Year.....	12.02
12.4	Requirements For Annuity Distributions That Commence During Participant’s Lifetime	12.03
12.5	Requirements For Minimum Distributions Where Participant Dies Before Date Distributions Begin	12.04
12.6	Definitions.....	12.05

ARTICLE XIII, AMENDMENT AND TERMINATION

13.1	Amendment and Termination	13.01
13.2	Termination of the Plan	13.01
13.3	Merger, Consolidation, Transfer of Assets	13.02

EXHIBITS

Exhibit A	Factors to Convert Life Annuity Form of Benefit to Optional Benefit Forms	A-1
Exhibit B	Pre-Revision “Pay” Definition Under Section 2.31	B-1
Exhibit C	December 31, 1993 Fourth District Plan Provisions Relating to Benefit and Optional Payment Form Calculations	C-1
Exhibit D	Alternative Benefit Under Section 4.2(E)	D-1
Exhibit E	Grandfathered Early Commencement Reduction Factors	E-1
Exhibit F	Alternative Benefit Amount Pursuant to Section 4.6	F-1

ALPHABETICAL LISTING OF DEFINITIONS

<u>Plan Definition</u>	<u>Section Reference</u>
Accrued Benefit.....	2.1
Actuarially Equivalent.....	2.2
Affiliate	2.3
Applicable Mortality Table.....	2.2(B)(1)
Applicable Interest Rate.....	2.2(B)(2)
Base Interest Rate	2.4
Cash Balance Formula	2.5
Choice Period	2.6
Code	2.7
Compensation Limit	2.8
Contribution Credit.....	2.9
Covered Compensation	2.10
Credited Service	2.11
Deferred Vested Retirement Benefit	2.12, 4.4
Designated Beneficiary	12.6(A)
Differential Wage Payment	2.31
Disability.....	2.13
Disability Retirement Benefit.....	2.14, 4.5
Distribution Calendar Year.....	12.6(B)
Early Retirement Benefit	2.15, 4.3
Early Retirement Date.....	2.16
Employee	2.17
Employer.....	2.18
Employment Commencement Date	2.11(A)(2)
Employment Severance Date	2.11(A)(4)
Excluded Employee	2.19
Farm Credit Administrative Agreement.....	2.20
Farm Credit Organization.....	2.11(E)(2)
Final Average Pay.....	2.21
Final Average Pay Formula	2.22
Fourth District Plan	2.23
Fund.....	2.24
Hour of Service	2.11(A)(1)
Initial Account Balance.....	2.25
Interest Credit	2.26
Leased Employee	2.27
Life Expectancy.....	12.6(C)
Normal Retirement Benefit.....	2.28, 4.2
Normal Retirement Date	2.29
Participant.....	2.30
Pay.....	2.31
Period Certain Beneficiary	2.32
Period of Severance	2.33
Plan.....	2.34

ALPHABETICAL LISTING OF DEFINITIONS (cont.)

<u>Plan Definition</u>	<u>Section Reference</u>
Plan Administrator.....	2.35
Plan Sponsor Committee	2.36
Plan Year	2.37
Reemployment Commencement Date.....	2.11(A)(3)
Required Beginning Date.....	12.6(D)
Restated Effective Date	2.38
Retirement Account	2.39
Social Security Old Age Survivors Wage Base.....	2.40
Social Security Retirement Age	2.41
Spouse.....	2.42
Trust.....	2.43
Trust Committee	2.44
Trustee.....	2.45
USERRA	2.46

AGRI BANK DISTRICT RETIREMENT PLAN

(FORMERLY KNOWN AS THE SEVENTH FARM CREDIT DISTRICT RETIREMENT PLAN)

As Amended and Restated Effective January 1, 2008

ARTICLE I GENERAL

1.1 Plan Name. Effective as of January 1, 2008, the name of the plan set forth in this instrument is the "AgriBank District Retirement Plan." Prior to January 1, 2008, the plan was known as the "The Seventh Farm Credit District Retirement Plan."

1.2 Purpose and Status of the Plan.

- (A) **Purpose of the Plan.** The Plan is intended to provide retirement benefits for covered Employees. The Plan is created and maintained for the exclusive benefit of Participants and their Beneficiaries. The Plan is intended to qualify under Code § 401(a).
- (B) **Employers in the Farm Credit System.** Participation in this Plan is limited to Employers who are members of the federal Farm Credit System. The Farm Credit System is defined in the Farm Credit Act of 1971, as amended (12 U.S.C. § 2001 *et seq.*), to include "the Farm Credit Banks, the Federal land bank associations, the production credit associations, the banks for cooperatives, and such other institutions as may be made a part of the System, all of which shall be chartered by, and subject to, regulation by the Farm Credit Administration." 12 U.S.C. § 2002(a).
- (C) **Farm Credit Act of 1971.** Under the provisions of the Farm Credit Act of 1971, AgriBank, FCB is defined and declared to be an "instrumentalit[y] of the United States." 12 U.S.C. § 2011(a). Those Employers that are Production Credit Associations and/or Federal Land Bank Associations are also defined and declared by statute to be "federally chartered instrumentalities of the United States." 12 U.S.C. § 2071(a); 12 U.S.C. § 2091(a). Those Employers that are Agricultural Credit Associations, Federal Land Credit Associations, or service corporations are defined and declared to be "instrumentalities of the United States" in the charters issued to them by the Farm Credit Administration. For this reason, the Plan is intended to be a "governmental plan" as that term is defined in Code § 414(d) and ERISA § 3(32).
- (D) **Status as a Single Employer Plan.** Because of the close relationship that exists between the Employers in the Plan under the provisions of the Farm Credit Act and the terms of their respective charters and because of their status as "instrumentalities of the United States," the Plan, consistent with prior historical practice, is designed and intended to be a single employer plan.

1.3 History of the Plan.

- (A) **Establishment.** Effective May 1, 1974, the employers in the Seventh Farm Credit District established The Seventh Farm Credit District Retirement Plan. The Plan, as so established, has been amended a number of times to conform to changes made to applicable law and to make desired administrative and benefit formula changes and, as so amended has been continuously operated from its inception to January 1, 2008, the general effective date of this 2008 Revision.
- (B) **The Sixth Farm Credit District/Farm Credit System Consolidated Pension Plan.** Effective January 1, 1989, Employers of the Sixth Farm Credit District adopted Supplement III to the Farm Credit System Consolidated Pension Plan to evidence its participation in that plan. Prior to that date, the Sixth Farm Credit District had participated in a plan individually sponsored by it. The plan, as applicable to employees of the Sixth Farm Credit District, has been continuously operated from its initial establishment to January 1, 1993.
- (C) **Formation of AgriBank, FCB/Participation by Former Sixth Farm Credit District Employers.** As of May 1, 1992, the Farm Credit Banks of St. Louis and St. Paul were consolidated to form AgriBank, FCB and the member organizations of the Sixth Farm Credit District became member organizations of the Seventh Farm Credit District. Effective as of the beginning of business on January 1, 1993, the plan maintained by the Sixth Farm Credit District as evidenced by Supplement III of the Farm Credit System Consolidated Pension Plan, was merged into The Seventh Farm Credit District Retirement Plan; accordingly, all of the assets and liabilities of the plan evidenced by Supplement III of the Farm Credit System Consolidated Plan were transferred to this Plan as of January 1, 1993. The Plan, as in effect following such merger, was evidenced by the instrument entitled "The Seventh Farm Credit District Retirement Plan – 1993 Revision." The provisions of the 1993 revision applied only to Participants who terminated their employment with an Employer or Affiliate on or after January 1, 1993. Pension benefits with respect to persons who terminated their employment prior to January 1, 1993, were and shall continue to be determined under the provisions of the plan as in effect for employees of the Sixth Farm Credit District or the Seventh Farm Credit District, as the case may be, at the date of termination of employment.
- (D) **Participation by Certain Former Employers in the Fourth Farm Credit District.** Effective as of January 1, 1994, Farm Credit Bank of Louisville, or its successor, and Farm Credit Services of Mid-America, ACA, withdrew from participation in the Farm Credit Institutions in the Fourth District 1988 Amended Retirement Plan (hereinafter in this Plan defined in Section 2.23 as the "Fourth District Plan") and became participating Employers under the Plan. Also effective as of January 1, 1994, all liabilities for benefits accrued under the Fourth District Plan through December 31, 1993, exclusive of liabilities for the accrued benefits thereunder of active, inactive and retired members of AG Credit, Agricultural Credit Association, Jackson Purchase Agricultural Credit Association, Chattanooga Agricultural Credit Association and Central Kentucky Agricultural Credit Association, were transferred from the Fourth District Plan to this Plan, and assets at least equal of the value of such accrued benefits were also transferred from the Fourth District Plan to this Plan. Special provisions relating

to the calculation of benefits and optional forms of benefit payments for persons whose accrued benefits were transferred from the Fourth District Plan to this Plan were also incorporated into the 1994 revision of the Plan. Except with respect to certain special provisions relating to persons who had previously participated in the Fourth District Plan, the provisions of the 1994 revision shall apply only to Participants who terminate their employment with an Employer or Affiliate on or after January 1, 1994. Pension benefits with respect to persons who terminated their employment prior to January 1, 1994, shall be determined under the provisions of the plan as in effect for employees of the Fourth Farm Credit District or the Seventh Farm Credit District, as the case may be, at the date of termination of their employment.

- (E) **GUST Restatement.** The Plan was amended and restated effective as of January 1, 2001, for law changes as required by the Uruguay Round Agreements Act of 1994, the Uniformed Services Employment and Reemployment Rights Act of 1994, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, the Internal Revenue Restructuring and Reform Act of 1998, and the Community Tax Relief Act of 2000, collectively referred to as the “GUST” amendments, and to make certain other miscellaneous changes. The GUST restatement also reflects the transition to a cash balance benefit formula for all Participants that entered the Plan on or after October 1, 2001, all active Participants who chose between July 1, 2002 and October 1, 2002 to have their benefits determined using the cash balance benefit formula, and Participants who are rehired after a Period of Severance of at least one year. A favorable determination letter covering the 2001 revision of the Plan and all amendments through the Seventh Declaration of Amendment (other than those amendments relating to changes required by EGTRRA and subsequent changes in the applicable provisions of the Code and Treasury Regulations) was issued by the Internal Revenue Service on March 21, 2007.
- (F) **EGTRRA Restatement.** The Plan was amended and restated effective as of the Restated Effective Date of January 1, 2008, for law changes as required by the Economic Growth and Tax Relief Reconciliation Act of 2001 (“EGTRRA”). Prior to the Restated Effective Date and in accordance with IRS Notice 2001-42, “good faith” EGTRRA amendments were adopted in the Second Declaration of Amendment to the 2001 Revision of the Plan.
- (G) **Trust Agreement.** Prior to the effective date of this amended and restated Plan, the trust used to fund benefits under this Plan (as well as two other Farm Credit System defined benefit plans) was the Farm Credit Consolidated Master Trust (the “Master Trust”). The Master Trust was established pursuant to the Wells Fargo Bank Minnesota, N.A. Institutional Trust & Custody Master Trust Agreement for Farm Credit Consolidated Master Trust (the “Master Trust Agreement”), which was entered into by AgriBank, FCB and Wells Fargo Bank Minnesota, N.A. (“Wells Fargo”) on October 1, 2002. Wells Fargo initially served as the trustee of the Master Trust, but was replaced in that role by the Farm Credit Foundations Trust Committee, effective January 1, 2007.

Simultaneous with the creation of a new trust under this amended and restated Plan, all assets attributable to this Plan are withdrawn and transferred out of the Master Trust and become the property of the Trust created under this Plan. The trust agreement set forth in Article X of this Plan is, therefore, now controlling. (The other two Farm Credit System defined plans with assets in the Master Trust similarly withdrew those funds out of the Master Trust; accordingly, the Master Trust Agreement, by its own terms, is no longer operative.)

1.4 Limited Reversion of Funds. Except as otherwise provided in Section 13.2 (relating to plan termination) and Section 9.3 (relating to reversion of contributions), the corpus and income of the Trust shall be used for and be devoted exclusively to the development and payment of the benefits to be provided hereunder to Participants and to the payment of the costs of administering the Plan and related Trust; and no part thereof shall revert to an Employer or be otherwise used for or diverted to any other purpose until all liabilities under the Plan have been fully satisfied.

1.5 Adoption by Affiliates. An Affiliate may adopt this Plan by furnishing to the Farm Credit Foundations Plan Sponsor Committee such instruments as the Farm Credit Foundations Plan Sponsor Committee may require. If the Affiliate's adoption of the Plan is authorized by the Farm Credit Foundations Plan Sponsor Committee in advance or is ratified by the Farm Credit Foundations Plan Sponsor Committee prior to the end of the Affiliate's fiscal year in which it adopts the Plan, such Affiliate shall thereafter for all purposes be an Employer under the Plan.

1.6 Effective Date of Revision. Unless otherwise specifically provided to the contrary herein, the provisions of this 2008 Revision shall be effective as of the Restated Effective Date of January 1, 2008.

1.7 Cross-References. References within a section of the Plan to a particular subsection shall refer to that subsection within the same section and references within a section or subsection to a particular clause shall refer to that clause within the same section or subsection, as the case may be.

1.8 Headings. The headings of articles and sections are included solely for convenience of reference, and if there exists any conflict between such headings and the text of the Plan, the text shall control.

1.9 Number and Gender. Wherever appropriate, the singular number may be read as the plural, the plural may be read as the singular and the masculine gender may be read as the feminine gender.

1.10 Governing Law. This plan shall be administered, construed and enforced according to the laws of the State of Minnesota, without regard to its conflict of laws rules, except to the extent that such laws have been preempted by the provisions of the Internal Revenue Code and by other applicable federal laws and regulations.

ARTICLE II DEFINITIONS

In this instrument, the definitions set forth alphabetically in this Article II shall be applied unless the context otherwise indicates.

2.1 “Accrued Benefit” means the monthly benefit in the form of a single life annuity commencing as of the first day of the month coincident with or next following the Participant’s Normal Retirement Date (or postponed retirement date if the Participant commences his/her retirement benefit after his/her Normal Retirement Date) and continuing thereafter for his/her life as determined under Article IV or Article V, including a combination of Article V and Article VI, as applicable.

2.2 “Actuarially Equivalent” means, except as otherwise hereinafter provided, a benefit having the same value as the benefit with which it is being compared, computed on the basis of an eight percent (8%) annual interest rate and mortality based on the 1984 Unisex Pension Mortality Table as published.

- (A) **Actuarial Factors For Determining Optional Forms of Benefit.** Actuarial factors for determining the amount of optional forms of benefit, based on the foregoing interest and mortality assumptions, are set forth in Exhibit A of this Plan. For purposes of determining Actuarial Equivalents of the Fourth District Plan benefits accrued under that plan through December 31, 1993, and under that plan’s formula pursuant to Section 4.2(C)(1) of this Plan, the appropriate factors set forth in Exhibit C of this Plan shall be applied.
- (B) **Actuarial Factors for Lump-Sum Payments – In General.** For purposes of determining lump-sum payments on and after October 1, 2002, other than those determined under Subsection (A) above and Subsections (C) and (D) below, all single sum payments will be based on the factors listed below:
 - (1) Mortality Table. The mortality table is the “applicable mortality table” prescribed by the Secretary of the Treasury pursuant to Code § 417(e)(3) (which was the mortality table prescribed in Revenue Ruling 95-6 for distributions with an annuity starting date before December 31, 2002, and the mortality table prescribed in Revenue Ruling 2001-62 for distributions with an annuity starting date on or after December 31, 2002, and before January 1, 2008). The mortality table for distributions paid during 2008 was published in Revenue Ruling 2007-67 and tables for future distribution years will be published annually by the Secretary of the Treasury. The term “applicable mortality table” will refer to the table in effect for the year in which the lump sum is distributed.
 - (2) Applicable Interest Rate. The applicable interest rate is the annual interest rate on 30-year Treasury securities prescribed by the Secretary of the Treasury that is effective for the month of September immediately preceding the first day of the Plan Year that includes the date as of which the lump sum is calculated.

- (C) **Actuarial Factors for Lump-Sum Payments – Sections 7.3 and 7.4.** For purposes of determining lump-sum payments that are provided under Section 7.3 (with respect to certain Participants who are early-retirement eligible) and under Section 7.4 (with respect to certain deferred vested Participants) on or after January 1, 2008, all single sum payments will be based on the following factors:
- (1) Interest Rate. An annual interest rate equal to 8.00%.
 - (2) Mortality Table. The RP-2000 Mortality Table weighted 70% male and 30% female.
 - (3) Value of Early Retirement Subsidy – Section 7.3. For Participants eligible for the lump sum provided under Section 7.3, the lump sum shall equal the actuarial equivalent of the immediate Early Retirement Benefit, including the value of any early retirement subsidy to which the Participant might be entitled.
 - (4) Value of Early Retirement Subsidy – Section 7.4. For Participants eligible for the lump sum provided under Section 7.4, the lump sum shall equal the actuarial equivalent of the deferred age 65 Accrued Benefit, excluding the value of any early retirement subsidy that the Participant might otherwise be entitled.
- (D) **Special Rule for Certain Former Fourth District Participants.** The lump-sum benefit that is based on an Accrued Benefit earned under Section 4.2(C)(1), to which the Participant would have been entitled if he/she had terminated employment on December 31, 1993, will be determined using the actuarial equivalence basis defined in the Fourth District Plan.
- (E) **Conversion to Single Life Annuity.** To convert the Retirement Account to an Actuarial Equivalent single life annuity, the Actuarial Equivalent annuity amount will be determined using the applicable interest rate and the applicable mortality table described in Subsection (B).

2.3 “Affiliate” means any of the following institutions or business entities that are not Employers:

- (A) Such institutions or business entities that are affiliated with AgriBank, FCB or any Employer, through stock ownership or partnership interest; or
- (B) Any other entity which, together with an Employer, is a part of a “controlled group,” an organization under “common control” or an “affiliated service group” as those terms are defined in Code §§ 414(b), 414(c), and 414(m) or are otherwise required to be aggregated with an Employer pursuant to the provisions of Code § 414(o); provided, that, for purposes of applying the limitations set forth at Section 4.6 (relating to Alternative Benefit Amounts), an Affiliate shall be determined by substituting the phrase “more than 50 percent” for the phrase “at least 80 percent” wherever it appears in such Code section.

2.4 “Base Interest Rate” means the annual interest rate on 30-year Treasury bonds as published by the IRS for the month of September of the preceding Plan Year which is used to determine the Interest Credit.

2.5 “Cash Balance Formula” means the formula described in Article V and VI.

2.6 “Choice Period” means the period commencing July 1, 2002, and ending September 30, 2002.

2.7 “Code” means the Internal Revenue Code of 1986, as amended from time to time.

2.8 “Compensation Limit” means the limit imposed by Code § 401(a)(17) on the maximum amount of a Participant’s Pay that may be taken into account under the Plan for any Plan Year. The Compensation Limit applies to all Plan Years beginning on or after January 1, 1989.

(A) **Participation Commenced Prior to January 1, 1996.** For a Participant who first commenced participation in the Plan before January 1, 1996, the amount of the Participant’s Pay that is taken into account for purposes of the Plan may not exceed \$200,000 or, beginning January 1, 1990, such larger amount as the Commissioner of Internal Revenue may prescribe. For the 2008 Plan Year, the dollar amount of the Compensation Limit for a Participant who first commenced participation in the Plan before January 1, 1996, is \$345,000.

(B) **Participation Commenced On or After January 1, 1996.** For a Participant who first commenced participation in the Plan on or after January 1, 1996, the amount of the Participant’s Pay that is taken into account for purposes of the Plan may not exceed the following:

(1) Pre-EGTRRA Dollar Limits. For Plan Years ending before January 1, 2002, the amount of a Participant’s Pay that is taken into account may not exceed \$150,000 or such larger amount as the Commissioner of Internal Revenue may prescribe.

(2) EGTRRA Changes. For Plan Years beginning after December 31, 2001, the amount of a Participant’s Pay that is taken into account may not exceed \$200,000 or such larger amount as the Commissioner of Internal Revenue may prescribe. For the 2008 Plan Year, the Dollar amount of the Compensation Limit for a Participant who first commenced participation in the Plan on or after January 1, 1996, is \$230,000.

(C) **Annual Adjustments.** The dollar amounts of the Compensation Limit set forth in this Section shall be adjusted annually, based on calculations issued annually by the Secretary of the Treasury pursuant to Code §§ 401(a)(17)(B) and 415(d).

(D) **Benefit Accruals – EGTRRA Change.** For purposes of determining benefit accruals in a Plan Year beginning after December 31, 2001, the annual compensation taken into account in determining benefit accruals for any prior determination period shall not exceed \$200,000 or such greater Compensation Limit applicable to Participants who participated in the Plan prior to January 1, 1996.

2.9 “Contribution Credit” means the annual credit to a Participant’s Retirement Account described in Section 6.4.

2.10 “Covered Compensation,” with respect to a Participant for a particular Plan Year, means one-twelfth of the unrounded average (without indexing) of the Social Security Old Age Survivors Wage Bases in effect for each calendar year during the thirty-five year period ending with the last day of the calendar year in which the Participant attains (or will attain) his/her Social Security Retirement Age. In determining a Participant’s Covered Compensation for a particular Plan Year, the Social Security Old Age Survivors Wage Base for the current Plan Year and any subsequent Plan Years shall be assumed to be the same as the Social Security Old Age Survivors Wage Base as in effect as of the beginning of the Plan Year for which the determination is being made.

2.11 “Credited Service.” A Participant’s “Credited Service” is used in calculating the amount of a Participant’s benefit under Section 4.2 or his/her Contribution Credit under Section 6.4, whichever is applicable. Subject to the adjustments set forth in Subsection (K) below, a Participant’s “Credited Service” is also used to determine the extent of a Participant’s vested interest in his/her Accrued Benefit under Section 4.4 or Section 5.4, whichever is applicable, and to determine whether a Participant is eligible for an unreduced benefit under Article IV.

- (A) **General Rule.** Except as otherwise provided in the remaining Subsections of this Section and in Section 2.33 (relating to a “Period of Severance”), the term “Credited Service” means the aggregate of the Employee’s periods of employment with Employers, each such period commencing with his/her employment commencement date or reemployment commencement date, as the case may be, and ending with his/her employment severance date, such periods of employment being determined in accordance with the following rules:
- (1) Hour of Service. The term “hour of service” means an hour of service for which the Employee is paid or entitled to payment for the performance of duties for the Employer;
 - (2) Employment Commencement Date. An Employee’s “employment commencement date” is the date on which he/she first performs an hour of service;
 - (3) Reemployment Commencement Date. An Employee’s “reemployment commencement date” is the first date, following a period of severance from employment on which he/she performs an hour of service;
 - (4) Employment Severance Date. An Employee’s “employment severance date” is the earlier to occur of:
 - (a) **Date of Termination/Adjustments for Unused Vacation and Sick Leave.** The date on which he/she quits, retires, is discharged or dies, as adjusted to take into account the period of the Employee’s unused vacation, unused sick leave and vested sick leave; or

- (b) **First Anniversary of Absence from Employment.** The first anniversary of the first date of a period during which he/she remains absent from employment (without pay) with the Employer for any reason other than quit, retirement, discharge, or death;
- (5) Service Performed Within Twelve Months After Employment Severance Date. If the Employee's employment relationship is severed by reason of a quit, discharge, or retirement and he/she subsequently performs an hour of service within twelve months after his/her employment severance date, there shall be taken into account the period of such severance; provided, however, that such service shall not be taken into account if the Employee was not eligible pursuant to the provisions of Article III to accrue additional benefits under the Plan at the time the service was performed (except as may be otherwise provided under Subsection (K) below);
- (6) Service Performed Within Twelve Months After Employment Severance Date – During Absence from Service. If the Employee's employment relationship is severed by reason of a quit, discharge, or retirement during an absence from service of twelve months or less for any reason other than a quit, discharge, retirement, or death and he/she subsequently performs an hour of service within twelve months after the date on which such absence commenced, there shall be taken into account the period of such severance;
- (7) Service Upon Reemployment. In the event that an Employee is reemployed as an Employee but is not eligible pursuant to the provisions of Article III to accrue additional benefits under the Plan upon becoming reemployed, service following the Employee's reemployment will not be taken into account in determining Credited Service except as provided in Subsection (K);
- (8) Service After Becoming Reclassified as an Eligible Employee. In the event that a Participant who has become classified as an Excluded Employee and thereafter becomes classified again as an eligible Employee but is not eligible following such reclassification as an eligible Employee pursuant to the provisions of Article III to accrue additional benefits under the Plan, service following the date the Employee became classified as an Excluded Employee (including service after the date the Employee again became classified as an eligible Employee) will not be taken into account in determining Credited Service except as provided in Subsection (K); and
- (9) Service Performed While Classified as a Leased Employee. In the event that a "leased employee" (as defined in Section 2.27) subsequently becomes an Employee, such Employee's service as a "leased employee" will be taken into account as Credited Service in accordance with and to the extent required by Section 3.7.

- (B) **Special Rule for Employees Who Participated in the Farm Credit System Consolidated Plan under Supplement III.** The Credited Service of an Employee who, prior to January 1, 1993, participated in the Farm Credit System Consolidated Plan pursuant to Supplement III thereof, shall be the greater of (i) the sum of the period of benefit accrual service determined under such other plan through December 31, 1992, plus the period of Credited Service determined under the other provisions of this Section from and after January 1, 1993, or (ii) the Participant's period of Credited Service determined on the basis of the rules set forth in this Section, but applied to the entire period of the Participant's service with a participating employer under such other plan.
- (C) **Special Rule for Former Participants in the Fourth District Plan.** For purposes of calculating the amount of benefit under Sections 4.2(C)(2) or 6.3, whichever is applicable, for a Participant who, prior to January 1, 1994, participated in the Fourth District Plan, the Participant's Credited Service shall be the period of Credited Service determined under the other provisions of this Section from and after January 1, 1994. For purposes of determining the extent of such a Participant's vested interest in his/her Accrued Benefit under Sections 4.4, or 5.4 whichever is applicable, the period of the Participant's Vesting Service completed prior to January 1, 1994, under the Fourth District Plan shall be included.
- (D) **Special Rule for Service with an Affiliate Prior to the Date of Affiliation.** Notwithstanding the provisions of Subsection (A), if and to the extent provided in an agreement under which an Affiliate (other than Farm Credit Bank of Louisville, or its successor, and Farm Credit Services of Mid-America, ACA, with respect to which specific provisions are included in the Plan) became an Affiliate, service with such Affiliate prior to the date on which it became an Affiliate shall be taken into account as Credited Service hereunder. Unless otherwise specifically so provided in such agreement, such Credited Service shall be determined in accordance with the provisions of Subsection (A).
- (E) **Special Rule for Service with Other Farm Credit System Employers.** Notwithstanding the foregoing provisions of this Section, if an Employee transfers employment from another Farm Credit Organization to an Employer prior to incurring a Period of Severance of five or more years' duration, there shall also be taken into account, as Credited Service under this Plan, the period of his/her employment with such other Farm Credit Organization. For purposes of applying the preceding sentence, the following provisions shall apply:
- (1) Participation in Other Qualified Pension Plans. The period of such additional Credited Service shall be the amount of his/her service taken into account for benefit accrual purposes under any tax-qualified pension plan maintained by such other Farm Credit Organization or, if the Employee did not participate in such a plan, such additional Credited Service shall be determined in a manner consistent with the foregoing provisions of this Section;

(2) Definition of “Farm Credit Organization.” The term “Farm Credit Organization” means any unit established under the provisions of the Farm Credit Act of 1971, as amended, except the term “Farm Credit Organization” does not include:

- (a) The Federal Agricultural Mortgage Corporation; and/or
- (b) The Farm Credit Administration for any period after 1985 unless the Employee was employed with an Affiliate after 1985 and before December 8, 1988, in which case the Employee shall receive additional Credited Service in accordance with the foregoing rules but in no event after December 8, 1988; and

(3) Application of Five-Year Period of Severance Condition. The less than five-year Period of Severance condition shall apply to Participants who transfer employment to an Employer on or after January 1, 1993. Additional Credited Service with respect to transfers of employment that occurred prior to January 1, 1993, by a Participant who was not employed with an Employer on January 1, 1993, will be determined in accordance with the rules in effect at the time of the transfer under either this Plan or under Supplement III of the Farm Credit System Consolidated Plan, whichever was applicable to the Participant at the time of transfer, as follows:

- (a) Under this Plan, such additional pre-transfer Credited Service was granted when the transfer to an Employer under this Plan occurred within ninety days following the Participant’s termination of employment from another Farm Credit Organization;
- (b) Under Supplement III of the Farm Credit System Consolidated Plan, such additional pre-transfer Credited Service was granted when the transfer to a participating employer under such Supplement III occurred prior to the Participant’s incurring a Period of Severance of (i) five or more years’ duration or (ii) less than the period of Credited Service that the Participant had completed prior to the transfer; or when the transfer occurred when the Participant had a fully vested interest in his/her benefit under such Supplement III.

Such transfers that occurred prior to January 1, 1993, by Participants who were actively employed by an Employer on January 1, 1993, will be granted such additional Credited Service upon their satisfaction of the conditions set forth at Section 2.33(B).

(F) **Exclusion of Credited Service Due to Prior Distributions under this Plan.** Notwithstanding the foregoing provisions of this Section and of Section 2.33 (relating to a “Period of Severance”), Credited Service for purposes of calculating the amount of benefit under Sections 4.2 or Section 6.4, whichever is applicable, shall not include service completed by a former Participant with respect to which he/she has received, on account of termination of employment, either –

- (1) Distribution of Entire Vested Benefit (With or Without Consent). With or without his/her consent, a distribution of the present value of his/her entire vested benefit, if such distribution was not more than One Thousand Dollars (for distributions made on or after March 28, 2005); or
- (2) Distribution of Entire Vested Benefit (With Consent). With his/her consent, a distribution of the present value of his/her entire vested benefit, if such distribution was more than One Thousand Dollars (for distributions made on or after March 28, 2005); provided, that, if such former Participant –
 - (a) Had accrued a benefit under this Plan and terminated his/her employment prior to January 1, 1989;
 - (b) Received such a distribution which was less than the present value of the entire amount of his/her benefit determined in the manner set forth in Section 4.2;
 - (c) Resumes service with an Employer following such distribution; and
 - (d) Prior to the earlier of (i) his/her incurring a Period of Severance of at least five years' duration or (ii) the fifth anniversary of his/her reemployment, repays to the Trustee the entire amount of such distribution, together with interest thereon, compounded annually, at the rate equal to the Base Interest Rate in effect on the first day of each Plan Year, from the date of distribution to the date of repayment, then, to the extent provided by the foregoing provisions of this Section, Credited Service shall include service attributable to such distribution.

For purposes of applying the foregoing provisions of this Subsection (F), a Participant who terminates employment with no vested interest in a benefit under the Plan shall be deemed to have received a distribution of his/her entire vested benefit on the date of his/her termination of employment and his/her Credited Service for purposes of calculating the amount of benefit under Section 4.2 or Section 6.4, whichever is applicable, shall thereafter not include service completed by the Participant prior to his/her termination of employment; provided, that, if such former Participant resumes employment with an Employer prior to the date on which he/she incurs a five-year Period of Severance following his/her termination of employment, he/she shall be deemed to have repaid to the Trust the amount of such deemed distribution and, to the extent provided in this Subsection (F), his/her Credited Service for such purpose shall include his/her service prior to his/her termination of employment.

The exclusion of Credited Service pursuant to this Subsection (F) is separate from and (if applicable) in addition to the offset that is required under Section 8.1(A) when a Participant has been credited with Credited Service for service with another Farm Credit Organization pursuant to Subsection (E) and the Participant becomes entitled to benefits, or would have become entitled to such benefits had he/she not received a distribution, under the retirement plan of another Farm Credit Organization.

- (G) **Special Rule for Certain Former Employees of the St. Paul Bank for Cooperatives.** Each Employee of St. Paul Bank for Cooperatives who becomes an Employee of CoBank, ACB in connection with the merger of St. Paul Bank for Cooperatives with and into CoBank, ACB will have an employment severance date for purposes of this Section and Section 2.29 (but not for purposes of the successor plan maintained by CoBank, ACB) on the effective date of the merger. Such an Employee, however, will not become entitled to a distribution under the Plan (or the successor plan maintained by CoBank, ACB) solely as a result of such merger. If such an Employee transfers employment from CoBank, ACB to an Employer after the merger, this Subsection does not prevent the Employee's service with CoBank, ACB after the merger from being taken into account pursuant to Subsection (E), subject to and in accordance with the provisions of Subsection (E).
- (H) **Special Rules for Participants Who Have Incurred a Disability.** For purposes of determining Credited Service after a Participant has incurred a Disability for Section 4.5, if applicable, and for determining a Participant's Contribution Credit under Section 6.4, if applicable (and subject to the provisions of Subsection (I) below), a Participant shall be credited with Credited Service from the date of the Disability until the earliest to occur of the following:
- (1) Period of Disability Equals Period of Prior Credited Service. The date on which the period of the Participant's Disability equals the period of his/her Credited Service completed prior to his/her becoming disabled;
 - (2) Recovery from Disability. The Participant's recovery from the Disability;
 - (3) Commencement of Benefits. The Participant's commencement of benefit payments under this Plan; or
 - (4) Normal Retirement Date. The Participant's Normal Retirement Date.
- (I) **Special Rules for Former Fourth District Participants Who Incurred a Disability Prior to 1994.** With respect to an individual who was a Participant under the Fourth District Plan and who had experienced a Disability on or before December 31, 1993, no Credited Service will be recognized for the period of time while such individual is Disabled; provided that the Participant will not experience an employment severance date until the earliest of:
- (1) Recovery from Disability. Twelve months after his/her recovery from Disability if the Participant does not perform an hour of service before such date;

- (2) Commencement of Benefits. The Participant's commencement of benefit payments under this Plan; or
 - (3) Normal Retirement Date. The Participant's Normal Retirement Date.
- (J) **Special Rule for Participants Who are Reemployed Following Service in the Uniformed Services (USERRA).** A Participant or former Participant who becomes reemployed pursuant to the provisions of USERRA following the completion of service in the uniformed services will be credited with Credited Service for his/her period of service in the uniformed services in accordance the provisions of Code § 414(a).
- (K) **Adjustments to Credited Service for Vesting and Benefit Reduction Purposes.** In the event that a Participant is not eligible to receive additional benefit accruals under the Plan upon becoming reemployed or upon being reclassified as an eligible Employee (after having previously been classified as an Excluded Employee), the Participant's service upon becoming reemployed or upon becoming reclassified as an eligible Employee will not be included in his/her Credited Service for benefit accrual purposes. Such service will, however, be included in the Participant's Credited Service for purposes of determining the participant's vesting under the Plan, for purposes of determining whether the Participant is eligible to commence benefits under Plan provisions that refer to the combined total of a Participant's age and years of Credited Service as of the date benefits commence, and for purposes of determining the reduction (if any) that is required for the Participant's benefit in the event that benefits are commenced prior to the Participant's Normal Retirement Date.

2.12 "Deferred Vested Retirement Benefit" means the benefit calculated in accordance with Section 4.4.

2.13 "Disability," with respect to a Participant, means the Participant's mental or physical inability to perform work duties such that the Participant is eligible to receive benefits under the long-term disability plan maintained by the Employer.

2.14 "Disability Retirement Benefit" means the benefit calculated in accordance with Section 4.5.

2.15 "Early Retirement Benefit" means the benefit calculated in accordance with Section 4.3.

2.16 "Early Retirement Date" means the date prior to a Participant's Normal Retirement Date, but following his/her attainment of age fifty-five and completion of at least five years of Credited Service.

2.17 “Employee” means any person who is employed by an Employer as a Full-Time Employee or a Part-Time Employee (as defined below) and who is not an Excluded Employee (as defined in Section 2.19 below).

- (A) **“Full-Time Employee”** means an Employee who is regularly expected and scheduled to work at least 32 hours per week.
- (B) **“Part-Time Employee”** means an Employee who is not a Full-Time Employee but who is regularly expected and scheduled to work at least 20 hours per week.

2.18 “Employer” means AgriBank, FCB, and any other Affiliate that has adopted the Plan, or all of them collectively, as the context requires, and their respective successors. An Affiliate shall cease to be an Employer upon a termination of the Plan as to its Employees.

2.19 “Excluded Employee” means a person (or Employee) who is in any of the following categories:

- (A) **Collectively Bargained Employees.** A person who is covered by a collective bargaining agreement is an Excluded Employee if benefits were negotiated between such person’s representative and an Employer and, as a result, is not covered under this Plan;
- (B) **Employees Covered Under the Civil Service Retirement System.** A person who is accruing benefits under the United States Civil Service Retirement System is an Excluded Employee and, as a result, is not covered under this Plan;
- (C) **Nonresident Aliens With No United States Source Income.** A person who is a nonresident alien who receives no earned income (within the meaning of Code § 911(d)(2)) from an Employer that constitutes income from sources within the United States (within the meaning of Code § 861(a)(3)) is an Excluded Employee and, as a result, is not covered under this Plan;
- (D) **Employees of Entities Acquired by Foreclosure on an Obligation.** A person who is employed with an entity that is acquired by an Employer by foreclosure on an obligation is an Excluded Employee and, as a result, is not covered under this Plan;
- (E) **Interns, Externs, Cooperative Students, and Other Similar Positions.** A person who is employed as an intern, extern, cooperative student, or any other position as part of a program in cooperation with any educational institution is an Excluded Employee and, as a result, is not covered under this Plan;
- (F) **Temporary Employees.** A person who is classified as a temporary employee may not also be considered to be a full-time or part-time employee; accordingly, a person who is classified as a temporary employee is an Excluded Employee and, as a result, is not covered under this Plan;
- (G) **Independent Contractors.** An independent contractor is not a common law employee and is therefore not within the scope of the term Employee as used in this Plan;

- (H) **Leased Employee.** A Leased Employee (as that term is defined elsewhere in this Article II) is an Excluded Employee and, as such, is not eligible to accrue any benefits (or, as may be applicable, to accrue any additional benefits) under the Plan; and/or
- (I) **Reclassified Employees.** A person who is not classified by the Employer as an Employee who is eligible to be covered under this Plan (including, but not limited to, independent contractors, persons the Employer pays outside of its payroll system and out-sourced workers), but for whom there is later a binding determination the individual is (or was) an Employee or a Leased Employee of the Employer is an Excluded Employee. As a result, such person shall not be eligible to participate in this Plan. The classification of an individual as an Employee for all purposes under the Plan is a determination reserved solely to the Employer and will not be modified by any subsequent classification or reclassification made by a judicial or administrative determination.

2.20 “Farm Credit Administrative Agreement” means the Farm Credit System Administrative Agreement Regarding Employee Benefit Plans, as that agreement may be amended from time to time.

2.21 “Final Average Pay,” with respect to a Participant, means one-sixtieth of the Participant’s aggregate Pay for the sixty consecutive months of Credited Service with the Employer preceding the date on which the Participant terminated employment with the Employer which produces the highest average; subject, however, to the following:

- (A) **Treatment of Irregular Payments.** If such sixty consecutive months considers Pay during any period of a Plan Year which is less than the entire Plan Year, then any irregular payments of Pay made during the course of such Plan Year will be considered to have been made ratably over that Plan Year;
- (B) **Employment for Less Than Sixty Consecutive Months.** If the Participant has not been employed with Employers for a total of at least sixty consecutive months, his/her Final Average Pay shall be the average of his/her monthly Pay for the most recently completed consecutive whole months of his/her Credited Service while he/she was employed with the Employer;
- (C) **Treatment of Partial Months of Employment.** Employment for sixteen or more days during a particular month shall be considered to be employment for the entire month and all of the Participant’s Pay for that month shall be taken into account, and employment for fifteen or fewer days during a particular month shall be considered employment for one-half month, which shall be taken into account;
- (D) **Pay Recognition For Credited Service Periods Awarded Due to Unused Vacation and Sick Leave.** For each month of additional Credited Service that the Participant is awarded due to unused vacation, unused sick leave, and/or vested sick leave, the Participant will also be treated as having received Pay in an amount equal to his/her most current “base pay.” These monthly amounts will be treated as additional months of Pay when calculating the highest sixty consecutive months of Pay in the Final Average Pay determination; and

- (E) **Calculation Following Reemployment.** If, following reemployment of a terminated Participant, the Participant completes less than sixty months of Credited Service, the Participant's Final Average Pay shall be determined on the basis of the period of his/her Credited Service completed following his/her reemployment and that portion of the period of his/her Credited Service completed prior to his/her reemployment which, when added to the period of his/her Credited Service completed following his/her reemployment, equals sixty.

2.22 "Final Average Pay Formula" means the formula described in Article IV.

2.23 "Fourth District Plan" means the plan evidenced by the instrument entitled "Farm Credit Institutions in the Fourth District 1988 Amended Retirement Plan," as that instrument was amended and in effect on January 1, 1994.

2.24 "Fund" means the total of all of the assets of every kind and nature, both principal and income, at any time and from time to time held in the Trust.

2.25 "Initial Account Balance," with respect to a Participant who elects to receive a benefit determined using the Cash Balance Formula pursuant to Section 5.1(C), means the amount credited to such Participant's Retirement Account as described in Section 6.3.

2.26 "Interest Credit" means the amount credited to a Participant's Retirement Account pursuant to Section 6.5.

2.27 "Leased Employee" means any person (other than a person classified by the Employer as an Employee of the recipient) who, pursuant to an agreement between the recipient and any other entity ("leasing organization"), has performed services for the recipient (or for the recipient and related persons determined in accordance with Code § 414(n)(6)) on a substantially full-time basis for a period of at least one (1) year (including service for the recipient for which the Employee would have been a Leased Employee but for this Section), and such services are performed under primary direction or control by the recipient employer. Contributions or benefits provided to a Leased Employee by the leasing organization which are attributable to services performed for the recipient employer shall be treated as provided by the recipient employer.

A Leased Employee shall not be considered an Employee of the recipient if:

- (A) Such Employee is covered by a money purchase pension plan providing:
- (1) A non-integrated employer contribution rate of at least ten percent (10%) of compensation, as defined in Code § 415(c)(3), but including amounts contributed by the Employer pursuant to a salary reduction agreement which are excludable from the Employee's gross income under Code §§ 125, 402(a)(8), 402(h), or 403(b);
 - (2) Immediate participation; and
 - (3) Full and immediate vesting; and
- (B) Leased Employees do not constitute more than twenty percent (20%) of the recipient's non-highly compensated workforce.

2.28 “Normal Retirement Benefit” means the benefit calculated in accordance with Section 4.2.

2.29 “Normal Retirement Date” of a Participant means the date on which he/she has both attained his/her sixty-fifth birthday and completed at least five years of participation in the Plan.

2.30 “Participant” means a person who has satisfied the eligibility requirements of Section 3.1 to participate in the Plan and who continues to have rights to benefits under the Plan.

2.31 “Pay” means the wages paid to a Participant, as set forth in more detail in the Subsections below.

(A) **General Rule.** With respect to the Participants identified in Subsection (A)(3) below, Pay means the amount reportable by an Employer, for federal income tax purposes, as wages paid to the Participant by the Employer for such time period, increased by the amounts listed in Subsection (A)(1) below and decreased by the amounts listed in Subsection (A)(2) below.

(1) Amounts Added to Wages. In determining a Participant’s Pay, the amount reportable by an Employer, for federal income tax purposes, as wages paid to the Participant by the Employer for such time period shall be increased by the following amounts:

(a) **Pre-Tax Salary Reductions.** By the amount of contributions made on a before-tax salary reduction basis on the Participant’s behalf under any Code § 125 “cafeteria” plan and/or Code § 401(k) plan maintained by the Employer or any elective contribution pursuant to a qualified transportation fringe benefit program under Code § 132(f)(4).

(2) Amounts Subtracted from Wages. In determining a Participant’s Pay, the amount reportable by an Employer, for federal income tax purposes, as wages paid to the Participant by the Employer for such time period shall be decreased by the portion, if any, of such reportable amount attributable to any of the following:

(a) **Gifts and Awards.** Christmas or holiday gifts, recognition or service awards, and payments of like character;

(b) **Reimbursement for Expenses and Allowances.** Reimbursement for expenses or allowances therefore (including but not limited to automobile allowances and moving allowances, tuition, membership costs and dues);

(c) **Severance Pay.** Any payments in the nature of severance pay;

(d) **Hiring and Retention Bonuses.** Hiring bonuses or other special payments relating to initiation of employment and/or any payments in the nature of retention pay;

- (e) **Employer Contributions to Retirement Plans and Deferred Compensation Plans.** Contributions by the Employer to any pension plan or plan of deferred compensation;
 - (f) **Employer Contributions to Defined Contribution Plans.** Contributions by the Employer to The Seventh Farm Credit District Retirement Savings Plan, the Farm Credit Foundations Defined Contribution / 401(k) Plan, or any successor to such plans (other than pre-tax salary reduction contributions that might be made thereunder);
 - (g) **Payments for Unused Vacation Time.** Payments by the Employer for vacation time that was accrued but not actually taken as vacation;
 - (h) **Employer Provided Benefits.** The value of other fringe benefits, such as health and welfare, hospitalization, and group life insurance benefits, including, by way of illustration, any amount contributed by the Employer to The Seventh Farm Credit District Flexible Account Plan, the Farm Credit Foundations Flexible Benefits Plan, and/or any similar plans or successors to such plans (other than pre-tax salary reduction contributions that might be made thereunder on behalf of the Participant);
 - (i) **Recruitment and Referral Bonuses.** Customer recruitment or Employee referral bonuses (effective January 1, 2002); and
 - (j) **Flex Dollars.** Any amount received as flex dollars (effective as of January 1, 2002).
- (3) Application. The general rule set forth in this Subsection (A) applies to the following Participants beginning as of the following dates:
- (a) **Pre-1993 Participants.** From and after January 1, 1992, for persons who, prior to January 1, 1993, had participated in The Seventh Farm Credit District Retirement Plan;
 - (b) **Participants Under Supplement III of the Farm Credit System Consolidated Pension Plan.** From and after January 1, 1993, for persons who, prior to January 1, 1993, had participated in the Farm Credit System Consolidated Pension Plan pursuant to Supplement III thereof; and
 - (c) **All Participants Entering the Plan in 1993 or Later.** For all persons who became Participants on or after January 1, 1993.
- (B) **Pay for Earlier Periods.** “Pay” for periods prior to the effective dates of the foregoing definitions, as set forth above, shall be determined in accordance with the provisions of Exhibit B of this Plan.

- (C) **Pay for Participants Who are Reemployed Following Service in the Uniformed Services (USERRA).** Effective December 12, 1994, upon a Participant's return to employment with the Employer following military service in the Armed Forces of the United States, Pay will be deemed to have been received by the Participant during each calendar month of such military service in an amount equal to the amount of wages the Participant would have received as required by Code § 414(u).
- (D) **Military Differential Pay (HEART Act).** For Plan Years beginning on or after December 31, 2008, Pay shall include a "differential wage payment." For purposes of this Subsection (D), a "differential wage payment" means any payment which is made by an Employer to a Participant with respect to any period during which the Participant is performing service in the uniformed services (as that term is defined in USERRA) while on active duty for a period of more than 30 days, and which represents all or a portion of the wages the Participant would have received from the Employer if the Participant were performing services for the Employer. For purposes of the Plan, a Participant receiving a "differential wage payment" shall be treated as an Employee of the Employer making the payment.
- (E) **Subject to Compensation Limit.** The amount of "Pay" that may be taken into account for purposes of the Plan is subject to the Compensation Limit as set forth in Section 2.8.

2.32 "Period Certain Beneficiary" is the individual or entity designated in accordance with Section 7.14(A) to receive certain payments after the Participant's death.

2.33 "Period of Severance"

- (A) **General Rule.** An Employee's "Period of Severance" is the period of time commencing on his/her employment severance date (as determined under Section 2.11(A)(4)) and ending on his/her reemployment commencement date (as determined under Section 2.11(A)(3)); provided, that, if, while still employed with an Employer or an Affiliate, the Employee is absent –
- (1) Pregnancy. By reason of the Employee's pregnancy;
 - (2) Birth of Child. By reason of the birth of the Employee's child;
 - (3) Adoption of Child. By reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee; or
 - (4) Caring for Child Following Birth or Adoption. For purposes of caring for such child for a period beginning immediately following such birth or placement;

the Employee's Period of Severance shall commence on the first anniversary of the date on which such Period of Severance would otherwise have commenced under Section 2.11(A)(4) without regard to the nature of such absence.

(B) **Period of Severance of At Least Five Years.** An Employee who incurs a Period of Severance of at least five years' duration shall, for purposes of determining the extent of his/her Accrued Benefit under Article IV and/or Article VI (to the extent applicable), be entitled to Credited Service accumulated prior to such Period of Severance only in the following circumstances:

(1) Vested Prior to Period of Severance. In the case of an Employee who had a vested right to a benefit prior to his/her Period of Severance, the Participant's Credited Service accumulated prior to such Period of Severance shall be taken into account if he/she is thereafter employed with an Employer or Affiliate.

(2) Not Vested Prior to Period of Severance. In the case of an Employee who did not have a vested right to a benefit prior to his/her Period of Severance and who is thereafter employed with an Employer or Affiliate, the Participant's Credited Service accumulated prior to such Period of Severance shall be taken into account if and only if such Period of Severance is less than five years.

(C) **Application of Cashout Rules.** The period of pre-severance Credited Service to which an Employee is entitled under Subsection (B)(1) above for purposes of calculating the amount of his/her benefit under Section 4.2 or Section 6.4, whichever is applicable, shall also be subject to the cashout rules set forth in Section 2.11(F) (relating to the exclusion of Credit Service due to prior distributions under this Plan).

2.34 "Plan" means the AgriBank District Retirement Plan (formerly known as The Seventh Farm Credit District Retirement Plan), as amended from time to time.

2.35 "Plan Administrator" means the Trust Committee.

2.36 "Plan Sponsor Committee" means the Farm Credit Foundations Plan Sponsor Committee, as established pursuant to the terms and conditions of the Farm Credit Administrative Agreement.

2.37 "Plan Year" means the calendar year.

2.38 "Restated Effective Date" means January 1, 2008.

2.39 "Retirement Account" means the notional account described in Section 6.2.

2.40 "Social Security Old Age Survivors Wage Base" means, with respect to a particular Plan Year, an amount equal to the maximum amount of wages on which Federal Social Security Old Age Survivors taxes under the Federal Insurance Contributions Act and applicable regulations would be payable during the Plan Year, whether or not wages are, in fact, subject to such tax for the Plan Year.

2.41 "Social Security Retirement Age" means the retirement age of a Participant, as determined under Code § 415(b)(8).

2.42 “Spouse” means a person of the opposite sex to whom a Participant is legally married. A common law marriage to a person of the opposite sex shall be considered to be a legal marriage if the common law marriage was entered into in a state that recognizes common law marriage and if the common law marriage is recognized as valid under the laws of that state. The Plan Administrator shall have the authority to determine whether a person is a Spouse, including the authority to request such documents as may be necessary, in its discretion, to establish the existence of legal marriage (including, as may be applicable, the existence of a common law marriage).

2.43 “Trust” means the trust established and maintained to fund benefits under the Plan.

2.44 “Trust Committee” means the Farm Credit Foundations Trust Committee, as established pursuant to the terms and conditions of the Farm Credit Administrative Agreement.

2.45 “Trustee” means the Trust Committee, or any successor Trustee.

2.46 “USERRA” means the Uniform Services Employment and Reemployment Rights Act of 1996, 38 U.S.C. § 4301, et seq., as amended from time to time.

ARTICLE III PARTICIPATION

3.1 Closure of the Plan.

- (A) **Closed Effective January 1, 2007.** Effective January 1, 2007, no person who is not already a Participant in this Plan shall be eligible to become a Participant in this Plan.
- (B) **No Additional Benefit Accruals for Reemployed Participants.** A Participant or former Participant who becomes reemployed on or after January 1, 2007, shall not be eligible to accrue any additional benefits under this Plan upon becoming reemployed, subject, however, to the following exceptions:
- (1) Exception for Certain Participants Reemployed Following a Severance Period of Less than One Year. A Participant or former Participant who becomes reemployed on or after January 1, 2007, shall be eligible to accrue additional benefits upon becoming reemployed in accordance with the provisions of Article IV if and only if each of the following conditions is satisfied:
- (a) The Participant became eligible to participate in the Plan before October 1, 2001;
 - (b) The Participant did not make an election during the Choice Period, in accordance with Section 5.1(C) and Section 5.2, to have his/her Accrued Benefit determined pursuant to Article V;
 - (c) The Participant's benefit was determined under Article IV immediately preceding the termination of his/her employment; and
 - (d) The Participant became reemployed by an Employer as an Employee following a Period of Severance that was less than one year.
- (2) Exception for USERRA. A Participant or former Participant who becomes reemployed pursuant to the provisions of USERRA following the completion of service in the uniformed services shall be eligible to accrue additional benefits under this Plan upon becoming reemployed if (a) the Participant or former Participant is reemployed as an Employee; and (b) the Participant or former Participant was eligible to accrue benefits under the Plan immediately prior to the commencement of his/her service in the uniformed services.
- (3) Exception for Disabled Participants Who Are Reemployed After Recovering from Their Disability. A Participant who returns to active employment following the cessation of his/her Disability shall be eligible to accrue additional benefits under this Plan upon becoming reemployed if and only if each of the following conditions is satisfied:

- (a) The Participant was accruing benefits under the provisions of Section 4.5 as of the date of cessation of the Participant's Disability (or would have been accruing benefits but for the limit on the maximum amount of service that may be credited during a period of Disability as set forth in Section 2.11(H));
 - (b) The Participant became reemployed by an Employer as an Employee within sixty days following the cessation of his/her Disability; and
 - (c) The Participant had not commenced benefits prior to becoming reemployed.
- (C) **No Further Benefit Accruals for Ineligible Participants.** A Participant or former Participant who was not eligible to accrue benefits under the terms of the Plan as those terms were in effect on December 31, 2006, shall not be eligible or entitled to accrue any additional benefits under this Plan as of any date subsequent to December 31, 2006.
- (D) **Inconsistent Plan Provisions Superseded.** The provisions of this Section shall supersede and control over any provisions of the Plan to the contrary.

3.2 Transfer Among Employers. A Participant who transfers employment from one Employer to another Employer as an Employee shall continue to participate in the Plan as an Employee of such other Employer.

3.3 Transfer to Nonparticipating Affiliates. A Participant who terminates his/her employment with all Employers, by reason of his/her transfer to an Affiliate that is not an Employer, shall thereupon cease his/her active participation in the Plan (his/her accrual of benefits under the Plan).

- (A) **Reemployment Following Transfer to Nonparticipating Affiliate – General Rule.** In the event that such person subsequently becomes reemployed with an Employer as an Employee, he/she shall not be eligible to resume active participation in the Plan and/or to accrue additional benefits under the Plan except as permitted by Subsection(B) below.
- (B) **Reemployment Following Transfer to Nonparticipating Affiliate – Special Rule.** Notwithstanding the general rule set forth in Subsection(A) above, a Participant who becomes reemployed with an Employer as an Employee following a transfer to a nonparticipating Affiliate may continue his/her active participation in the plan (and his/her accrual of benefits under the Plan) if and only if each of the following conditions is satisfied:
 - (1) Eligible to Participate Before October 1, 2001. The Participant became eligible to participate in the Plan before October 1, 2001;
 - (2) No Election During Choice Period. The Participant did not make an election during the Choice Period, in accordance with Section 5.1(C) and Section 5.2, to have his/her Accrued Benefit determined pursuant to Article V;

- (3) Benefit Determined under Article IV Prior to Transfer. Participant's benefit was determined under Article IV immediately preceding his/her transfer to a nonparticipating Affiliate; and
- (4) Reemployed Following Period of Severance of Less Than One Year. The Participant became reemployed by an Employer as an Employee following a Period of Severance that was less than one year.

3.4 Transfer to Non-Employee Classification. A Participant who, although continuing to be employed with an Employer, transfers to an employment classification which causes him/her to be excluded from the definition of the term "Employee" in Section 2.17, shall thereupon cease his/her active participation in the Plan (his/her accrual of benefits under the Plan).

- (A) **Return to Employee Classification – General Rule.** In the event that such person subsequently transfers to an employment classification with an Employer which is included within the definition of the term "Employee" at Section 2.17, he/she shall not be eligible to resume active participation in the Plan and/or to accrue additional benefits under the Plan except as permitted by Subsection(B) below.
- (B) **Return to Employee Classification – Special Rule.** Notwithstanding the general rule set forth in Subsection(A) above, a Participant who transfers to an employment classification with an Employer which is included in the definition of the term "Employee" at Section 2.17 following a previous transfer to an employment classification that was not included within the definition of "Employee" may continue his/her active participation in the plan (and his/her accrual of benefits under the Plan) if and only if each of the following conditions is satisfied:
 - (1) Eligible to Participate Before October 1, 2001. The Participant became eligible to participate in the Plan before October 1, 2001;
 - (2) No Election During Choice Period. The Participant did not make an election during the Choice Period, in accordance with Section 5.1(C) and Section 5.2, to have his/her Accrued Benefit determined pursuant to Article V;
 - (3) Benefit Determined under Article IV Prior to Transfer. Participant's benefit was determined under Article IV immediately preceding his/her transfer to an employment classification that was not included in the definition of the term "Employee"; and
 - (4) Reclassified as an Employee Within a Period of Less Than One Year. The Participant again became classified as an Employee within a period that was less than one year after the date of the Participant's transfer to an employment classification that was not included in the definition of the term "Employee."

3.5 Condition of Participation. As a condition of participation in the Plan, each Employee shall be bound by all of the terms and conditions of the Plan, including but not limited to the reserved right to amend and to terminate the Plan, and he/she shall furnish to the Plan Administrator satisfactory evidence of his/her birth date and such other pertinent information as the Plan Administrator may require.

3.6 No Employment Rights Created. The establishment of the Plan and the accrual of benefits thereunder shall not be construed as conferring upon any Participant the right to continuing employment with the Employer, nor shall it limit the right of the Employer to discharge any Participant or otherwise to deal with him/her without regard to the effect which such action might have upon him/her as a Participant.

3.7 Leased Employees. A “leased employee,” and any employee who would be a leased employee if he/she were not a common law employee of the Employer, will not be eligible to participate in the Plan. If a leased employee later becomes an Employee, the period during which he/she performed services for the Employer will be taken into account as “Credited Service.” The preceding sentence will not apply if (a) such leased employee is a participant in a money purchase pension plan maintained by the leasing organization that provides a non-integrated employer contribution rate of at least 10% of compensation, immediate participation for all employees, and full and immediate vesting, and (b) leased employees do not constitute more than 20% of the Employer’s non-highly compensated workforce as defined in Code § 414(n)(5)(C). For purposes of this Section a “leased employee” is any individual (other than an Employee) who pursuant to an agreement between the recipient and any other person (“leasing organization”) has performed services for the recipient (or for the recipient and “related persons” determined in accordance with Code § 414(n)(6)(A)) on a substantially full-time basis for a period of at least a year and such services are performed under the primary direction or control of the recipient.

ARTICLE IV
AMOUNT OF BENEFITS – FINAL AVERAGE PAY FORMULA

4.1 Eligibility for Final Average Pay Formula Benefit. A Participant will have his/her Accrued Benefit (or, if applicable, a portion thereof) determined under this Article IV if the Participant satisfies one or more of the conditions set forth in this Section:

- (A) **General Rule.** A Participant's Accrued Benefit will be determined under this Article IV if:
- (1) Eligible to Participate Before October 1, 2001. The Participant became eligible to participate in the Plan before October 1, 2001; and
 - (2) No Election During Choice Period. The Participant did not make an election in accordance with Sections 5.1(C) and 5.2 during the Choice Period to have his/her Accrued Benefit determined pursuant to Article V.
- (B) **Reemployed Participants / Transferred Participants – Period of Severance of Less Than One Year.** A Participant's Accrued Benefit will be determined under this Article IV if the Participant satisfies the conditions set forth in one of the following Subsections:
- (1) Reemployed Former Participant. A Participant who became reemployed following a Period of Severance of less than one year and who satisfies each of the conditions set forth in Section 3.1(B)(1); or
 - (2) Reemployed Following Transfer to Nonparticipating Affiliate. A Participant who became reemployed following a Period of Severance of less than one year following a transfer to a nonparticipating Affiliate and who satisfies each of the conditions set forth in Section 3.3(B) and the Participant did not make an election in accordance with Sections 5.1(C) and 5.2 during the Choice Period to have his/her Accrued Benefit determined pursuant to Article V; or
 - (3) Returned to Classification as Employee. A Participant who returned to the classification of an Employee within one year after transferring to a classification that was not included in the definition of Employee and who satisfies each of the conditions set forth in Section 3.4(B).
- (C) **Reemployed Participants – Period of Severance of One Year or Longer.** The portion of a Participant's Accrued Benefit that was accrued prior to the Participant's Period of Severance will be determined under this Article IV based on his/her Credited Service and Final Average Pay as of the date of the Participant's Employment Severance Date (as defined in Section 2.11(A)(4)), if each of the following conditions is satisfied:
- (1) Eligible to Participate Before October 1, 2001. The Participant became eligible to participate in the Plan before October 1, 2001;

- (2) No Election During Choice Period. The Participant did not make an election in accordance with Section 5.1(C) and Section 5.2 during the Choice Period to have his/her Accrued Benefit determined pursuant to Article V;
- (3) Termination of Employment. The Participant terminated employment with the Employer and all Affiliates;
- (4) Reemployment Following Period of Service of at Least One Year. The Participant was subsequently reemployed after October 1, 2001, after experiencing a Period of Severance of one year or longer;
- (5) Reemployed as Eligible Employee Prior to January 1, 2007. The Participant was reemployed prior to January 1, 2007, as an Employee eligible to participate in the Plan; and
- (6) Eligible to Accrue Additional Benefits Upon Becoming Reemployed. The Participant was eligible, as of the date he/she was reemployed as an Employee, to accrue additional benefits under the Plan in accordance with the provisions of Article III.

That portion of such Participant's Accrued Benefit (if any) accruing on and after the date on which the Participant became reemployed as an Employee will be determined under Article V. To the extent such Participant's benefit is limited pursuant to Article VIII, such reductions will be applied first against the benefit determined under Article V, and to the extent necessary, against the benefit determined under this Article IV.

- (D) **Participants Who Have Incurred a Disability.** A Participant's Accrued Benefit will be determined under this Article IV if:
- (1) Eligible to Participate Before October 1, 2001. The Participant became eligible to participate in the Plan before October 1, 2001; and
 - (2) Accruing Benefits Under Article IV as of Date Disability was Incurred. The Participant was eligible to accrue benefits under this Article IV as of the date the Participant was determined to have incurred a Disability.
- (E) **Special Rule for Participant Keith Rourke.** Notwithstanding Subsection (C) above, Keith Rourke, a non-highly compensated employee, will have the option to elect to have his Accrued Benefit earned on and after his re-employment date of November 12, 2001 until his subsequent termination of employment calculated under Article IV rather than Article V by returning such election to the Plan Administrator no later than July 1, 2003; provided that the Accrued Benefit earned by Keith Rourke following his re-employment on November 12, 2001 will not be less than the Accrued Benefit that he has earned under Article V for the period beginning November 12, 2001 and ending on the earlier of: (1) the date that the election is returned to the Plan Administrator, or (2) the date as of which Keith Rourke terminates employment with the Employer.

- (F) **Special Rule for Participant Peggy Wells.** Notwithstanding Subsection (C) above, Peggy Wells, a non-highly compensated employee, will have the option to elect to have her Accrued Benefit earned on and after her re-employment date of October 1, 2001 until her subsequent termination of employment calculated under Article IV rather than Article V by returning such election to the Plan Administrator no later than December 31, 2003; provided that the Accrued Benefit earned by Peggy Wells following her re-employment on October 1, 2001 will not be less than the Accrued Benefit that she has earned under Article V for the period beginning October 1, 2001 and ending on the earlier of: (1) the date that the election is returned to the Plan Administrator, or (2) the date as of which Peggy Wells terminates employment with the Employer.

4.2 Normal Retirement Benefit.

- (A) **General Rule.** A Participant who terminates his/her employment with the Employer on or after his/her Normal Retirement Date shall be entitled to a nonforfeitable Normal Retirement Benefit in the form of a single life annuity commencing as of the first of the month next following his/her termination of employment and continuing thereafter for his/her life, in an amount as set forth below:
- (1) Calculation of Monthly Benefit. Subject to the provisions of Subsection(A)(2) below, the amount of the single life annuity shall be equal to the product obtained by multiplying the number of years (determined as of a daily basis) of Credited Service completed by the Participant at his/her termination of employment, by the sum of:
- (a) One and one-half (1.5%) percent of the amount of the Participant's Final Average Pay; plus
 - (b) One-fourth percent (0.25%) of that portion of the Participant's Final Average Pay that exceeds the amount of his/her Covered Compensation.
- (2) Adjustments to Calculation of Monthly Benefit. The amount of the monthly pension calculated pursuant to Subsection(A)(1) above is subject to Subsections (B), (C) and (D) of this Section, to the offset under Section 8.1 of benefits receivable under a plan maintained by a prior employer, and to the benefit limitation specified at Section 8.2.
- (B) **Special Rule for Certain Participants as to Benefits Accrued as of December 31, 1992.** Notwithstanding Subsection (A), in no event shall a Participant's monthly Normal Retirement Benefit be less than the amount of Normal Retirement Benefit to which the Participant would have been entitled under The Seventh Farm Credit District Retirement Plan or the Farm Credit System Consolidated Pension Plan — Supplement III, whichever is applicable to the Participant, if the Participant had terminated his/her employment on December 31, 1992.

(C) **Special Rule for Certain Participants in the Former Fourth District Plan.** Notwithstanding the provisions of Subsection (A), the monthly Normal Retirement Benefit of a Participant who, as of December 31, 1993, had a vested interest in an Accrued Benefit or was accruing a benefit on that date under the Fourth District Plan, the payment of which had not as of that date commenced, shall be an amount equal to the sum of:

- (1) Benefit Under Fourth District Plan as of December 31, 1993. The amount of the Participant's accrued benefit under the Fourth District Plan as of December 31, 1993, based on the period of the Participant's past Credited Service, additional Past Credited Service and future Credited Service that he/she completed as of December 31, 1993, but adjusted by applying the benefit formulas set forth in Section 6.03 of the Fourth District Plan as in effect on December 31, 1993, the amount of the Participant's average monthly earnings and monthly covered compensation (as those terms are defined in the Fourth District Plan) as determined on the date of the Participant's termination of employment with the Employers and, unlike the life annuity form of benefit on which benefits under the Plan are generally calculated, in this case such determined amount being calculated on the basis of a five-year certain and life form of payment; plus
- (2) Benefit For Service After 1993. The amount of benefit determined under Subsection (A) of this Section, based on the period of the Participant's Credited Service completed from and after January 1, 1994 and on his/her Final Average Pay calculated by taking into account both the amount of the Participant's Pay while employed with an employer under the Fourth District Plan prior to 1994 and the amount of his/her Pay from and after January 1, 1994.

The pre-1994 benefit formulas in accordance with which the Participant's December 31, 1993 Accrued Benefit is calculated, together with applicable definitions, are set forth for reference in Exhibit C of this Plan.

(D) **Additional Special Rule for Certain Participants in the Former Fourth District Plan.** Notwithstanding the foregoing provisions of this Section and the provisions of Section 7.12(A) (relating to the suspension of benefits following reemployment with an Employer), in the case of a Participant who, as of December 31, 1993, was accruing a benefit under the Fourth District Plan, who had previously accrued a benefit under this Plan or under the Farm Credit System Consolidated Pension Plan — Supplement III and whose benefit under this Plan or the Farm Credit System Consolidated Pension Plan — Supplement III had commenced prior to January 1, 1994,

- (1) The benefit being paid to the Participant under this Plan or the Farm Credit System Consolidated Pension Plan — Supplement III may, at the Participant's option, continue; and

- (2) If the Participant elects to continue receiving such benefits, the amount of the benefit that the Participant would otherwise accrue under this Plan after December 31, 1993 shall be reduced by the actuarial value of such benefits that he/she continued to receive after December 31, 1994, but in no case shall the amount of the Participant's benefit accrued after December 31, 1993, as so reduced, be less than the amount determined under Subsection (C)(1) of this Section, applied for the entire period of the Participant's future Credited Service, in lieu of his/her future Credited Service being limited to the period completed as of December 31, 1993.

(E) **Special Rule for Certain Participants Whose Combined Age and Credited Service Was At Least 65 Years as of January 1, 1990.**

- (1) Notwithstanding Subsection (A), but subject to the succeeding sections of this Article IV, the monthly Normal Retirement Benefit of a Participant,
 - (a) Who was participating in The Seventh Farm Credit District Retirement Plan on January 1, 1990, and
 - (b) Who, as of January 1, 1990, had attained such age and completed such period of Credited Service, each expressed in years and completed calendar months, that their sum is not less than 65 years,

shall not be less than the greater of the amount determined under Subsection (A) without regard to this Subsection (E) or the minimum amount described at Paragraph (2) of this Subsection (E).

- (2) The alternative, minimum benefit referenced above shall be the amount determined under the benefit formula as in effect under Section 5.01 of The Seventh Farm Credit District Retirement Plan on December 31, 1988, based on the Participant's earnings, assumed Social Security benefits and Credited Service as of the date of his/her actual termination of employment. The above-described alternative benefit formula, together with applicable definitions are set forth for reference in Exhibit D of this Plan.

(F) **Special COLA Provision for Certain Participants Who Commenced Benefits Prior to May 1, 1974.** Notwithstanding the foregoing provisions of this Section, Participants who, at the time of their retirement, were entitled to a benefit under the Farm Credit System Consolidated Pension Plan — Supplement III or the predecessor thereof; had commenced receipt of such benefit prior to May 1, 1974; and are receiving such benefit payments under Lincoln National Life Insurance Company group annuity contract GA 717, shall be entitled to a three percent cost-of-living increase to their benefit, commencing as of the beginning of the twelve-month period beginning on May 1 during which the national Consumer Price Index, published by the U.S. Department of Labor, has increased by three percent or more. Any such cost-of-living increase for a particular twelve-month May 1 through April 30 period shall be applied retroactively to the beginning of such twelve-month period and shall continue to be paid to such Participants thereafter.

4.3 Early Retirement Benefit. A Participant whose termination of employment occurs prior to his/her Normal Retirement Date, but following his/her Early Retirement Date, shall be entitled to an Early Retirement Benefit in the form of a single life annuity payable for his/her life, in an amount calculated in the manner set forth in Section 4.2, based on his/her Final Average Pay, Covered Compensation, and Credited Service as of the date of his/her termination of employment, in accordance with the terms and conditions of this Section.

- (A) **Commencement of Early Retirement Benefit.** Subject to the provisions of Subsection (B) relating to early commencement, the first payment of the Participant's Early Retirement Benefit shall be made as of the first day of the month following attainment of his/her Normal Retirement Date, and the last payment of such benefit shall be made for the month during which his/her death occurs.
- (B) **Election to Commence Before Normal Retirement Date.** A Participant who is entitled to an Early Retirement Benefit under this Section, including such a Participant whose benefit is determined in accordance with the provisions of Subsection (C) of Section 4.2, may elect to have his/her benefit commence during any month earlier than the month following attainment of his/her Normal Retirement Date. If a Participant elects to commence his/her Early Retirement Benefit under this Section prior to his/her Normal Retirement Date, the amount of his/her benefit shall be reduced as follows:
- (1) Reduction for Early Commencement – General Rule. Subject to the provisions of Subsection(B)(2) below, the amount of a Participant's benefit shall be reduced by one-fourth of one percent (0.25%) thereof for each complete calendar month by which his/her first Early Retirement Benefit payment precedes the first day of the month next following his/her Normal Retirement Date;
- (2) Exception for Certain Participants Who Terminate Employment After Attaining Age 62 With 30 Years of Credited Service. Notwithstanding the general rule set forth in Subsection(B)(1) above, no reduction shall be made to the benefit of a Participant whose termination of employment occurs after he/she has both attained age sixty-two and completed at least thirty years of Credited Service (including, for this purpose, unused vacation time, unused vested sick leave, and unused sick leave that will be used to adjust the Participant's "employment severance date" in accordance with the provisions of Section 2.11(A)(4)).
- (C) **Special Rule for Certain Participants in the Plan as of December 31, 1992.** Notwithstanding the foregoing provisions of this Section, the Early Retirement Benefit of a Participant who, on December 31, 1992, was a Participant in The Seventh Farm Credit District Retirement Plan shall in no case be less than the benefit to which the Participant would have been entitled if he/she had actually terminated employment on December 31, 1992 and applied the early commencement reduction rules set forth in The Seventh Farm Credit District Retirement Plan as in effect on that date. The above-described early commencement reduction rules are set forth for reference in Exhibit E of this Plan.

- (D) **Additional Special Rule for Certain Participants in the Plan as of December 31, 1993 Who Were Also Participants in the Fourth District Plan.** Notwithstanding the foregoing provisions of this Section, a Participant whose benefit is determined under Section 4.2(C) as a result of his/her having participated in the Fourth District Plan and who is entitled to a deferred Early Retirement Benefit under Subsection (A) of this Section, by reason of his/her having terminated his/her employment following his/her Early Retirement Date, may elect to have all of his/her benefit commence during any month earlier than the month following attainment of his/her Normal Retirement Date, in which case:
- (1) The amount of his/her benefit shall be reduced by one-fourth of one percent thereof for each complete calendar month by which his/her first Early Retirement Benefit payment precedes the first day of the month next following his/her Normal Retirement Date;
 - (2) If the Participant's termination of employment occurs after he/she has both attained age sixty and completed at least thirty years of a combination of vesting service through December 31, 1993 under the terms of the Fourth District Plan as in effect on that date, and Credited Service from and after January 1, 1994 under the terms of this Plan, the portion of such benefit determined under Section 4.2(C)(1) above shall be so reduced only with respect to the amount of such benefit calculated with reference to the Participant's average monthly earnings in excess of the amount of his/her monthly Covered Compensation; and
 - (3) The portion of such benefit determined under Section 4.2(C)(2) above for service from and after January 1, 1994 shall be not reduced, if the Participant's termination of employment occurs after he/she has both attained age sixty-two and completed at least thirty years of Credited Service under the terms of this Plan, with the period of such Credited Service being determined with reference to both the period of the Participant's employment with employers under the Fourth District Plan and with Employers and Affiliates under this Plan.
- (E) **Application of Other Plan Provisions.** A Participant's Early Retirement Benefit under this Section is subject to the offset provided under Section 8.1 for benefits receivable under a plan maintained by a prior employer and to the limitation specified at Section 8.2.

4.4 Deferred Vested Retirement Benefit. A Participant whose termination of employment occurs prior to his/her Normal Retirement Date and prior to the date on which he/she attains age fifty-five, but following his/her completion of at least five years of Credited Service shall be entitled to a Deferred Vested Retirement Benefit in the form of a single life annuity payable for his/her life, in an amount calculated in the manner set forth in Section 4.2 based on his/her Final Average Pay, Covered Compensation, and Credited Service as of the date of his/her termination of employment, in accordance with the terms and conditions of this Section.

- (A) **Commencement of Deferred Vested Retirement Benefit.** Subject to the provisions of Subsection (B) relating to pre-Normal Retirement Date benefit commencement, the first payment of the Participant's Deferred Vested Retirement Benefit shall be made as of the first day of the month following his/her Normal Retirement Date, and the last payment of such benefit shall be made for the month during which his/her death occurs.
- (B) **Election to Commence Before Normal Retirement Date.** A Participant who is entitled to a Deferred Vested Retirement Benefit under Subsection (A) may, upon attaining age fifty-five, elect to have his/her benefit commence during any month earlier than the month following his/her Normal Retirement Date, in which event the amount of his/her benefit shall be reduced by one-fourth of one percent (0.25%) thereof for each complete calendar month by which his/her first vested benefit payment precedes the first day of the month next following his/her Normal Retirement Date.
- (C) **Special Rule for Certain Participants Who Terminated Employment Prior to January 1, 1993.** Notwithstanding the foregoing provisions of this Section, a Participant who terminated employment with an Employer prior to January 1, 1993, who at the time of his/her termination of employment, had completed at least five years but less than ten years of Credited Service and was entitled to a Deferred Vested Retirement Benefit under this Plan, may upon attaining age fifty-five elect to have his/her benefit commence during any month earlier than the month following his/her Normal Retirement Date, in which event the amount of his/her benefit shall be reduced in accordance with the early commencement factors in effect with respect to deferred vested benefits under the Plan on the date of his/her termination of employment.
- (D) **Application of Other Plan Provisions.** A Participant's Deferred Vested Retirement Benefit under this Section is subject to the offset provided under Section 8.1 for benefits receivable under a plan maintained by a prior employer and to the limitation specified at Section 8.2.

4.5 Disability Retirement Benefit. A Participant who experiences a Disability shall be entitled to a Disability Retirement Benefit commencing as of the first day of the month following his/her Normal Retirement Date and continuing thereafter through the month during which occurs the earlier of the date of his/her recovery from the Disability or the date of his/her death, in an amount determined under the provisions of Section 4.2, based on the assumption that, during the period of his/her Disability, he/she had continued to receive pay at the same rate as on the day prior to the Disability, and on the aggregate of the actual period of his/her Credited Service to the date of Disability plus the period of Credited Service that he/she would have completed from his/her date of Disability as provided in Section 2.11(H).

- (A) **Determination of "Pay" for Participants with Disabilities.** For purposes of calculating a Participant's Disability Retirement Benefit under this Section, a Participant's annual "pay" on the day prior to his/her Disability is defined as: (1) the annual rate of compensation for the Employee as recorded in the Employer's payroll system, or (2) the product of the hourly employee rate and the standard number of hours as recorded in the Employer's payroll system for the Employee with respect to an Employee without an annual rate of compensation recorded in the Employer's payroll system.

- (B) **Commencement of Disability Retirement Benefit.** Subject to the provisions of Subsection (C), a Participant who is entitled to a Disability benefit under Subsection (A) may, upon attaining age fifty-five, elect to have his/her benefit commence during any month earlier than the first day of the month following his/her Normal Retirement Date. If a Participant elects to commence his/her Disability Retirement Benefit under this Section prior to his/her Normal Retirement Date, the amount of his/her Disability benefit shall be reduced as follows:
- (1) Reduction for Early Commencement – General Rule. Subject to the provisions of Subsection(B)(2) below, the amount of a Participant's benefit shall be reduced by one-fourth of one percent (0.25%) thereof for each complete calendar month by which his/her first Disability benefit payment precedes the first day of the month next following his/her Normal Retirement Date;
 - (2) Exception for Certain Participants Age 62 or Older With 30 Years of Credited Service. Notwithstanding the general rule set forth in Subsection(B)(1) above, no reduction shall be made to the benefit of a Participant who is entitled to a Disability benefit under Subsection (A) if, as of the date the Participant elects to commence his/her benefit, the Participant has attained age sixty-two and has completed at least thirty years of Credited Service.
- (C) **Special Rule for Certain Participants in the Former Fourth District Plan.** Notwithstanding the provisions of Subsection (B), if the benefit of a Participant who is entitled to a Disability benefit under Subsection (A) is determined under Section 4.2(C) and the Participant elects to have his/her benefit commence earlier than the month following his/her Normal Retirement Date, the amount of the benefit shall be reduced in the manner set forth in Section 4.3(D).
- (D) **Return to Work Following Cessation of Disability.** If the Participant's Disability ceases before his/her Normal Retirement Date and he/she returns to active employment with an Employer as an Employee and is eligible to accrue additional benefits under the provisions of Section 3.1(B), upon his/her subsequent termination of employment, the amount of his/her benefit shall be based on the following:
- (1) Credited Service. The aggregate of his/her actual Credited Service completed at the time of his/her incurring the Disability, plus the additional period of Credited Service credited to him/her under the provisions of Section 2.11(H) during his/her Disability, plus the period of Credited Service that he/she completes following his/her return to active employment with the Employer;
 - (2) Final Average Pay. The greater of his/her Final Average Pay at the date on which he/she incurred the Disability or at his/her subsequent termination of employment; and
 - (3) Benefit Formula. The benefit formula in effect at his/her subsequent termination of employment.

- (E) **Cessation of Disability – Does Not Return to Active Employment.** If the Participant's Disability ceases before his/her Normal Retirement Date and he/she does not return to active employment with an Employer as an Employee within sixty days after the cessation of his/her Disability, the amount of his/her benefit under the Plan shall be determined as if he/she had terminated employment on the date on which his/her Disability ceased.
- (F) **Cessation of Disability – Payments Already Commenced.** If the Participant's Disability ceases after benefit payments have begun and the Participant does not return to active employment with an Employer as an Employee, his/her benefit payments shall continue unchanged after such cessation of Disability.

4.6 Alternative Benefit Amount – Participants Listed on Exhibit F. Effective for monthly benefit payments for the period after April 30, 2001, the monthly benefit of a Participant who is listed on Exhibit F will be the greater of:

- (A) The monthly benefit to which the Participant is otherwise entitled under the Plan;
or
- (B) The monthly benefit, if any, specified for the Participant on Exhibit F.

The monthly benefit amount specified for a Participant on Exhibit F reflects the actual form in which the benefit is being paid to the Participant, as of April 30, 2001. If the benefit of a Participant on Exhibit F is, as of May 1, 2001, being paid in a form other than an annuity for the Participant's life with no death benefits, the benefit payable to the Participant's contingent annuitant or designated beneficiary will be based on the monthly benefit to which the Participant is entitled pursuant to this Section. If a Participant listed on Exhibit F dies before May 1, 2001, and at the time of death was being paid in a form other than an annuity for the Participant's life with no death benefits, the benefit payable to the Participant's contingent annuitant or designated beneficiary will: (a) for periods before May 1, 2001, be determined by referencing the monthly annuity payment actually being paid at the time of the Participant's death; and (b) for periods on and after May 1, 2001 will be determined by referencing the monthly annuity payment that would have been paid to the Participant if he/she had survived to May 1, 2001.

ARTICLE V
AMOUNT OF BENEFITS – CASH BALANCE FORMULA

5.1 Eligibility for Cash Balance Formula Benefit. A Participant will have his/her Accrued Benefit (or, if applicable, a portion thereof) determined pursuant to this Article V if the Participant satisfies one or more of the conditions set forth in this Section.

- (A) **Participants Entering the Plan on or After October 1, 2001.** A Participant's Accrued Benefit will be determined pursuant to this Article V if the Participant first became eligible to participate in the Plan on or after October 1, 2001.
- (B) **Reemployed Participants – Period of Severance of One Year or More.** A Participant who is reemployed as an Employee on or after October 1, 2001 (and before January 1, 2007), following a Period of Severance of one year or longer, will have the portion of his/her Accrued Benefit accruing after his/her reemployment determined pursuant to this Article V.
- (C) **Election Made During Choice Period.** A Participant's Accrued Benefit will be determined pursuant to this Article V if the Participant was eligible to participate in the Plan before October 1, 2001, and the Participant made an election in accordance with the applicable Plan provisions during the Choice Period to have his/her Accrued Benefit determined pursuant to this Article V.

5.2 2002 Choice Period Election. A Participant who is employed during the Choice Period and has not incurred a Disability may, in his/her sole discretion, elect to have his/her entire Accrued Benefit determined under Article V, revoke an earlier election, and make a new election or revocation at any time during the Choice Period. A Participant's election or revocation, as then in effect, will become irrevocable on the earlier of October 1, 2002, or the Participant's termination of employment, death, or date of Disability, if the period of Disability commences during the Choice Period. An election or revocation under this Section must be made and filed with the Plan Administrator in such manner as may be required by the Plan Administrator.

5.3 Normal or Early Retirement Benefit. Subject to the provisions of Article VIII, a Participant who terminates employment on or after his/her Normal Retirement Date or his/her Early Retirement Date, shall be entitled to receive a Normal Retirement Benefit in the form of a single life annuity payable for life commencing as of the first of the month coincident with or next following his/her Early Retirement Date, or if later, his/her termination of employment, in an amount which is equal to the Actuarial Equivalent of the balance in his/her Retirement Account.

5.4 Deferred Vested Retirement Benefit. Subject to the provisions of Article VIII, a Participant whose termination of employment occurs prior to his/her Normal Retirement Date and prior to the date on which he/she attains age fifty-five, but following the completion of at least five years of Credited Service, shall be entitled to receive a single life annuity payable for life commencing as of the first day of the month following his/her Normal Retirement Date, in an amount which is equal to the Actuarial Equivalent of his/her Retirement Account.

- (A) **Early Commencement.** A Participant entitled to a Deferred Vested Retirement Benefit may elect to start payment at any time after the date he/she attains age fifty-five (but not later than his/her Normal Retirement Date) in an amount equal to the Actuarial Equivalent of the balance in his/her Retirement Account on the date as of which benefit payments commence.
- (B) **Vesting Requirement.** A Participant who has completed fewer than five years of Credited Service prior to his/her termination of employment with the Employer and all affiliated Employers other than for Disability shall not be entitled to any benefits under this Plan.

5.5 Disability Retirement Benefit. Subject to the provisions of Article VIII, a Participant who has experienced a Disability shall be entitled to receive a Disability Retirement Benefit in the form of a single life annuity payable for life commencing on the first day of the month coincident with or next following his/her Normal Retirement Date, in an amount which is equal to the Actuarial Equivalent of his/her Retirement Account. A Participant entitled to a Disability Retirement Benefit may elect to start payments at any time after his/her Early Retirement Date at a reduced amount equal to the Actuarial Equivalent of his/her Retirement Account on the date as of which benefit payments commence.

ARTICLE VI RETIREMENT ACCOUNT

6.1 Application of Article VI. The provisions of this Article VI shall apply only to those Participants for whom the Accrued Benefit, or a portion thereof, is determined pursuant to Article V.

6.2 Retirement Account. A Retirement Account shall be maintained for each Participant.

(A) **Purpose of Retirement Account.** The creation and maintenance of the Retirement Account shall be for purposes of calculating benefits under this Plan and such Retirement Account shall not represent any share of the assets of the Fund nor shall entitle the Participant to any share in the earnings of the Fund except as provided under this Plan.

(B) **Balance in a Participant's Retirement Account.** The balance in a Participant's Retirement Account shall, except as otherwise described in this Subsection (B), be the sum of the Initial Account Balance, if any, Contribution Credits, and Interest Credits.

(1) **Adjustments to Correct Errors.** If the Plan Administrator determines that an error has been made in the calculating or crediting of any amounts described in Article VI provided to a Participant, including the Initial Account Balance, Contribution Credits and Interest Credits, an adjustment shall be made in such Participant's Retirement Account.

(2) **Adjustments Due to Repayments.** If a Participant makes a repayment or is deemed to have made a repayment, as described in Section 2.11(F), the Participant's Retirement Account shall be determined as of the time of and subsequent to the repayment as if a distribution or deemed distribution to the Participant had not occurred.

(3) **Minimum Benefit.** If a Participant became eligible for a benefit under this Article VI due to an election made by the Participant during the Choice Period to have his/her Accrued Benefit determined pursuant to Article V, then the value of the Participant's Retirement Account as of the date benefits commence will in no case be less than the Actuarial Equivalent lump sum value of the Participant's Accrued Benefit that had been earned as of June 20, 2002 (as described in Section 6.3(B)). For purposes of this determination, Actuarial Equivalence will be based on the applicable definitions in Section 2.2(B) and Section 2.2(D) (providing a special rule for certain former Fourth District participants).

6.3 Initial Account Balance.

(A) **General Rule.** Except as provided in Section 6.3(B), the Initial Account Balance of any Participant is zero.

(B) **Special Rule – Election Made During 2002 Choice Period.** The Initial Account Balance of a Participant who elected during the Choice Period to have his/her benefit determined under the Cash Balance Formula shall be the Actuarial Equivalent lump-sum value of such Participant's Accrued Benefit under this Plan based on the Participant's Credited Service and Final Average Pay as of June 30, 2002, provided:

- (1) No Credit For Unused Sick Leave or Vacation Hours. For purposes of determining the Participant's Initial Account Balance, Credited Service shall not include any credit for unused vested sick leave, accrued sick leave, or vacation hours not used;
- (2) Unused Sick Leave or Vacation Hours Not Included in Final Average Pay. For purposes of determining the Participant's Initial Account Balance, Final Average Pay will not include imputed earnings for unused vested sick leave, accrued sick leave, or vacation hours not used; and
- (3) Early Retirement Subsidy and Lump Sum Factor. The Accrued Benefit determined under Section 4.2(C)(1) (relating to certain Participants in the former Fourth District Plan) due to Pay and Credited Service as of December 31, 1993, will reflect the early retirement subsidy and lump-sum factor available for such Accrued Benefit as if the Participant had retired on December 31, 1993.

6.4 Contribution Credits. As of the end of each Plan Year, a Participant's Retirement Account shall be credited with a Contribution Credit.

(A) **Amount of Contribution Credit.** The Contribution Credit shall be determined as the sum of the Part A Contribution and the Part B Contribution.

- (1) Part A Contribution / Part B Contribution. The Part A Contribution shall be determined at the end of each Plan Year by multiplying the Participant's Pay for such Plan Year by a percentage, determined, in accordance with the table below. The Part B Contribution shall be determined by multiplying the amount by which the Participant's Pay for such Plan Year exceeds the Social Security Old Age Survivor's Wage Base for such Plan Year by a percentage determined in accordance with the table below.

<u>Years of Credited Service</u>	<u>Part A Contribution</u>	<u>Part B Contribution</u>
Less than 5	5.0%	5.0%
5 – 9	6.0%	5.0%
10 – 14	7.0%	5.0%
15 – 19	8.0%	5.0%
20 – 24	9.0%	5.0%
25 or more	10.0%	5.0%

- (2) Years of Credited Service. For purposes of the table in Subparagraph (1), years of Credited Service are based on the Participant's Credited Service at the end of the Plan Year rounded down to complete years. Such Credited Service shall not include any credit for unused vested sick leave, accrued sick leave, or vacation hours not used.
- (B) **Transition Rule for 2001 Plan Year.** For the Plan Year ending December 31, 2001, only Pay received for the period from October 1, 2001 through December 31, 2001 shall be considered in determining the Contribution Credit; provided that for purposes of determining the Part B contribution, only Pay in excess of three-twelfths of the Social Security Old Age Survivor's Wage Base will be taken into consideration.
- (C) **Special Rule for Participants Making Election During 2002 Choice Period.** If a Participant made an election during the Choice Period to have his/her benefit determined using the Cash Balance Formula, the Contribution Credit for the Plan Year ending December 31, 2002 will be determined by considering only the Pay received by the Participant for the period from June 30, 2002 through December 31, 2002; provided that for purposes of determining the Part B contribution, Pay in excess of six-twelfths of the Social Security Old Age Survivor's Wage Base will be taken into consideration.
- (D) **Contributions for Disabled Participants.** A Participant who experiences a Disability shall be entitled to receive a Contribution Credit until the earlier of:
- (1) The date on which the period of his/her Disability equals the period of his/her Credited Service completed prior to the commencement of his/her Disability;
 - (2) The date he/she no longer has a Disability;
 - (3) His/her Normal Retirement Date; or
 - (4) The date he/she commences his/her benefit payments under this Plan.

For purposes of Subsection (A), with respect to determining the Contribution Credit of a Participant who experiences a Disability, "Pay" is defined as: (1) the annual rate of compensation for the Employee as recorded in the Employer's payroll system, or (2) the product of the hourly Employee rate and the standard number of hours as recorded in the Employer's payroll system for the Employee with respect to an Employee without an annual rate of compensation recorded. Such "Pay" shall be determined as of the day prior to the Disability and will be considered during the entire period of Disability during which the Participant may be entitled to a Contribution Credit pursuant to this Subsection (D) for a period of a Plan year which is less than the entire Plan Year, such "Pay" as described above will be prorated based on the number of months during such Plan Year that such Participant is eligible to receive a Contribution Credit pursuant to this Subsection (D).

- (E) **Special Timing Rule for Contribution Credits Prior to Commencement of Benefits.** A Participant who retires, has an employment severance date, or dies and commences to receive his/her benefit (or his/her beneficiary commences to receive benefits) before a Contribution Credit pursuant to Subsection (A) above is otherwise credited to the Participant's (or beneficiary's) Retirement Account, will receive a Contribution Credit to his/her Retirement Account as of the date immediately before the date he/she commences to receive a benefit.

6.5 Interest Credits. A Participant's Retirement Account, including the Retirement Account of any Participant who is no longer actively employed by the Employer, will be credited with an Interest Credit as of the last day of each Plan Year in an amount determined by multiplying the balance of the Retirement Account as of the first day of the Plan Year by the annual Base Interest Rate, subject to the following:

- (A) **Interest Credit for Month in Which Distribution is Commenced.** The Retirement Account of a Participant who receives or commences to receive a distribution of any benefits from this Plan during a Plan Year shall be credited with an Interest Credit as of the last day of the calendar month preceding the month in which the Participant receives a distribution of benefits determined by prorating the annual Base Interest Rate for the fractional number of complete calendar months prior to the distribution of benefits, and, thereafter, no additional Interest Credits shall be credited to such Retirement Account.
- (B) **Special Rule for Participants Making an Election During the Choice Period.** For the Retirement Account of a Participant who made an election during the Choice Period to have his/her Accrued Benefit determined using the Cash Balance Formula, the Interest Credit for the Plan Year ending December 31, 2002 will be determined by multiplying the Initial Account Balance as of July 1, 2002 by six-twelfths of the applicable annual Base Interest Rate.

**ARTICLE VII
PAYMENT, OPTIONAL FORMS AND SURVIVOR BENEFITS**

7.1 Qualified Joint and Survivor Annuity. Notwithstanding the normal form of benefit specified in Article IV and Article V, if a Participant is married on the date on which the Participant receives his/her first benefit payment and the conditions set forth in Section 7.1(A) are satisfied, the Participant will receive his/her benefit under the Plan in the form of a joint and survivor annuity in accordance with the provisions of this Section.

- (A) **Applicability.** The provisions of this Section apply to a Participant who satisfies the conditions set forth in both Subsection (A)(1) and Subsection (A)(2) below.
- (1) **Entitlement to Benefits.** The Participant is entitled to a benefit under one or more of the following sections of the Plan:
- (a) Section 4.2 (providing for a Normal Retirement Benefit);
 - (b) Section 4.3 (providing for an Early Retirement Benefit);
 - (c) Section 4.4 (providing for a Deferred Vested Retirement Benefit);
 - (d) Section 4.5 (providing for a Disability Retirement Benefit);
 - (e) Section 5.3 (providing for a Normal or Early Retirement Benefit under the Plan's Cash Balance Formula);
 - (f) Section 5.4 (providing for a Deferred Vested Retirement Benefit under the Plan's Cash Balance Formula); or
 - (g) Section 5.5 (providing for a Disability Retirement Benefit under the Plan's Cash Balance Formula).
- (2) **Married to Spouse.** The Participant is married to his/her Spouse on the date on which the Participant receives his/her first benefit payment.
- (B) **Actuarially Equivalent Joint and Survivor Annuity.** If the conditions set forth in Subsection (A) are satisfied, a Participant will receive his/her benefit under the Plan in the form of an Actuarially Equivalent joint and fifty percent survivor annuity with his/her Spouse as his/her joint annuitant unless the Participant and his/her Spouse elect, pursuant to the provisions of Subsection (C), to have such benefit paid in a different form. For purposes of this Section, an "Actuarially Equivalent joint and fifty percent survivor annuity" refers to a monthly benefit for the Participant's life in an amount that is actuarially reduced, with fifty percent of such reduced benefit continuing monthly thereafter for the life of the Spouse to whom the Participant is married on the date on which the Participant receives his/her first benefit payment.
- (C) **Waiver of Qualified Joint and Survivor Annuity.** A Participant who satisfies the conditions set forth in Subsection (A) may elect, in accordance with the provisions of this Subsection (C), not to receive his/her benefit in the form of a joint and fifty percent survivor annuity.

- (1) Requirements for Waiver. Such election by the Participant to waive a qualified joint and survivor annuity must satisfy each of the following requirements:
 - (a) The election must be in writing in the form prescribed by the Plan Administrator;
 - (b) The election must be made within the period commencing ninety days prior to the date of the Participant's first benefit payment and ending on such date; and
 - (c) The election shall not be effective unless the Participant's Spouse consents to the election in accordance with the provisions of Section 7.15 or the consent of the Participant's Spouse is not required under the provisions of Section 7.15. Additionally, the consent of a Participant's Spouse shall not be required if the Participant elects the "joint and 100% survivor" annuity as set forth in Section 7.2(A)(2) below and the Participant's Spouse is named as the contingent annuitant for such "joint and 100% survivor" annuity.
- (2) Revocation of Election. An election made hereunder may be revoked and further elections may be made within the election period specified in Subsection (C)(1)(b) of this Section.

7.2 Optional Forms of Benefit Payment. A Participant who is entitled to a benefit under Article IV or Article V may, by written instrument filed with the Plan Administrator, within the period specified by the Plan Administrator, elect one of the optional forms of benefit set forth in Subsection (A) in accordance with the provisions of this Section.

- (A) **Optional Forms of Benefit.** Subject to the provisions of Section 7.1 (including the spousal consent requirements set forth in Section 7.1(B) and the waiver requirements set forth in Section 7.1(C)) and to the remaining Subsections of this Section, a Participant who is entitled to a benefit under Article IV or Article V may elect one of the following optional forms of benefit:
 - (1) Joint and 50% Survivor Annuity. A reduced monthly benefit payable to the Participant for his/her lifetime, with the provision that if his/her contingent annuitant survives the Participant, one-half of such reduced monthly benefit shall be continued to such contingent annuitant for the duration of such contingent annuitant's lifetime.
 - (2) Joint and 100% Survivor Annuity. A reduced monthly benefit payable to the Participant for his/her lifetime, with the provision that if his/her contingent annuitant survives the Participant, such reduced monthly benefit shall be continued to such contingent annuitant for the duration of such contingent annuitant's lifetime.

- (3) Five-Year Certain and Life. A reduced monthly benefit payable to the Participant for his/her lifetime, with the provision that if the Participant dies before having received sixty monthly payments, such reduced monthly payments shall continue to his/her Period Certain Beneficiary until the number of monthly payments made to the Participant and his/her Period Certain Beneficiary total sixty.
- (4) Ten-Year Certain and Life. A reduced monthly benefit payable to the Participant for his/her lifetime, with the provision that if the Participant dies before having received one hundred twenty monthly payments, such reduced monthly payments shall continue to his/her Period Certain Beneficiary until the number of monthly payments made to the Participant and his/her Period Certain Beneficiary total one hundred twenty.
- (5) Joint and 50% Survivor Annuity with 10-Year Certain Benefit. A reduced monthly benefit payable to the Participant for his/her lifetime, with the provisions that: (a) if the Participant dies before having received one hundred twenty monthly payments, such reduced payments will continue in the same amount to the contingent annuitant, and if the contingent annuitant dies before the Participant and contingent annuitant have received a total of one hundred twenty payments, such reduced payments shall continue to the Period Certain Beneficiary until the total number of monthly payments made to the Participant, contingent annuitant, and Period Certain Beneficiary total one hundred twenty; and (b) if the contingent annuitant survives beyond the period of one hundred and twenty payments and the Participant's death, one-half of such reduced monthly benefit shall be continued to such contingent annuitant for the duration of such contingent annuitant's lifetime. The monthly benefit described in this Subsection (A)(5) is available if and only if the Participant commences a Normal or Early Retirement Benefit on or after October 1, 2001, or if the Participant has completed one Hour of Service on or after October 1, 2001.
- (6) Joint and 100% Survivor Annuity with 10-Year Certain Benefit. A reduced monthly benefit payable to the Participant for his/her lifetime, with the provisions that: (a) if the Participant dies before having received one hundred twenty monthly payments, such reduced payments will continue in the same amount to the contingent annuitant, and if the contingent annuitant dies before the Participant and contingent annuitant have received a total of one hundred twenty payments, such reduced payments shall continue to the Period Certain Beneficiary until the total number of monthly payments made to the Participant, contingent annuitant, and Period Certain Beneficiary total one hundred twenty; and (b) if the contingent annuitant survives beyond the period of one hundred and twenty payments and the Participant's death such reduced monthly benefit shall be continued to such contingent annuitant for the duration of such contingent annuitant's lifetime. The monthly benefit described in this Subsection (A)(6) is available if and only if the Participant commences a Normal or Early Retirement Benefit on or after October 1, 2001, or if the Participant has completed one Hour of Service on or after October 1, 2001.

- (7) Combination Lump-Sum Payment and Annuity Benefit. A benefit consisting of two components: (a) a single sum benefit payable to the Participant which is equal to one-half of the Actuarial Equivalent of the Participant's Accrued Benefit; and (b) a monthly benefit equal to one-half of the Actuarial Equivalent of the Participant's Accrued Benefit payable to the Participant in the form of a single life annuity or in one of the forms described in Subsections (A)(1) through (A)(6) above. The benefit described in this Subsection (A)(7) is available if and only if the Participant commences a Normal or Early Retirement Benefit on or after October 1, 2001, or if the Participant has completed one Hour of Service on or after October 1, 2001.
- (8) Lump-Sum Payment (Article V Benefits Only). A single sum benefit payable to the Participant which is equal to the balance in the Participant's Retirement Account. (In addition to the single sum benefit provided under this Subsection (A)(8), a single sum benefit may also be payable under the provisions of Section 7.3 (relating to lump-sum payment options for certain early retirees), Section 7.4 (relating to lump-sum payment options for certain Final Average Pay Participants), and/or Section 7.5 (relating to payment of small amounts)).

The amount payable under any of the foregoing options shall be the Actuarial Equivalent of the amount to which the Participant would otherwise have been entitled in the form of an annuity for his/her lifetime only.

- (B) **Survivor Benefits – Designation of Joint Annuitant.** In conjunction with the Participant's election of an optional benefit under Subsections (A)(1), (A)(2), (A)(5) or (A)(6) above, the Participant shall designate, in a form prescribed by the Plan Administrator, one joint annuitant to receive the survivor benefits thereunder; provided, first, that, if the designation is not made at that time, a designation may be made at a later date, but not after the commencement of benefit payments to the Participant; and second, that, if the Participant designates as a joint annuitant a person other than his/her Spouse, the actuarial value of such designated joint annuitant's interest shall be determined in accordance with the provisions of Treasury Regulation section 1.401(a)(9)-2. The joint annuitant designation may be changed at any time prior to the commencement of benefit payments to the Participant, but may not be changed thereafter.
- (C) **Designation of Period Certain Beneficiary.** The Period Certain Beneficiary under the option specified under Subsection (A)(3), (A)(4), (A)(5) or (A)(6) above may be changed by the Participant at any time, before or after commencement of benefit payments to the Participant, provided that the initial election of such option shall have been timely made under Subsection (A).
- (D) **Death of Joint Annuitant Prior to Commencement of Benefits.** In the case of an option specified under Subsection (A)(1), (A)(2), (A)(5) or (A)(6) above, if the joint annuitant designated by the Participant dies prior to the date on which the Participant's benefit is due to commence, any election made by the Participant under this Section shall be ineffective.

- (E) **Death of Participant Prior to Commencement of Benefits.** Except as otherwise provided in Section 7.6 and/or Section 7.7, if the Participant dies prior to his/her actual commencement of benefit payments, nothing shall be payable to any other person, notwithstanding his/her election of an optional benefit under this Section.
- (F) **Special Rule for Certain Participants Entitled to Benefits as of December 31, 1992.** Notwithstanding the foregoing provisions of this Section, in no event shall the Actuarially Equivalent amount of a particular optional form of benefit elected by a Participant with respect to his/her benefit be less than the amount to which he/she would have been entitled if he/she had terminated employment on December 31, 1992, and elected to receive his/her benefit under the Farm Credit System Consolidated Pension Plan — Supplement III or under The Seventh Farm Credit District Retirement Plan, as the case may be, in that particular optional form of payment.
- (G) **Special Rule for Certain Participants in the Former Fourth District Plan.** Notwithstanding the foregoing provisions of this Section, an optional form of benefit of a Participant whose benefit is determined pursuant to Section 4.2(C) shall be determined as follows:
- (1) Benefit Entitlement as of December 31, 1993. An optional form of benefit with respect to the portion of the Participant's benefit determined under Section 4.2 (C)(1) to which he/she would have been entitled if he/she had terminated employment on December 31, 1993, shall be selected from among the optional forms available under the Fourth District Plan as in effect on December 31, 1993, and shall be calculated on the basis of the actuarial equivalency factors applicable to those optional forms under such Fourth District Plan.
 - (2) Remainder of Benefit. An optional form of benefit with respect to the remainder of the Participant's benefit determined under Section 4.2(C)(1) and 4.2(C)(2) shall be determined in accordance with the other Subsections of this Section.
 - (3) Linkage Between Benefit Elections. For a Participant who commences a Normal Retirement Benefit or Early Retirement Benefit on or after October 1, 2001, or a Participant who completes an Hour of Service on or after October 1, 2001, if an optional annuity form, other than a monthly pension in an adjusted level monthly amount payable for a Period Certain of one hundred eighty months and during the Participant's life thereafter, was elected under Subsection (G)(1) above, an optional form of benefit in an annuity with respect to a benefit elected under Subsection (G)(2) must be in the same annuity form.

7.3 Lump-Sum Distribution Option for Certain Participants Who Are Eligible for Early Retirement. In addition to the optional forms of benefit set forth in Section 7.2 and in Section 7.4, effective January 1, 2008, a Participant may elect to receive a lump-sum distribution of his/her vested Accrued Benefit in accordance with the provisions of this Section if the conditions set forth in this Section have been satisfied.

- (A) **Conditions for Receiving Lump-Sum Distribution.** In order to receive a lump-sum distribution of his/her vested Accrued Benefit under this Section, a Participant must satisfy each of the following conditions:
- (1) Entitled to Article IV Benefit. The Participant must be entitled to receive an Accrued Benefit determined under the provisions of Article IV;
 - (2) Benefits Not Yet Commenced. The Participant has not yet commenced benefits under the Plan;
 - (3) Age 55 or Older as of Employment Severance Date. The Participant was age 55 or older as of his/her "employment severance date";
 - (4) Eligible to Commence Distribution. The Participant has satisfied the conditions for receiving a distribution of his/her vested Accrued Benefit, including, but not limited to, any requirements for spousal consent that might be applicable; and
 - (5) Election to Receive Benefit in the Form of a Lump Sum. The Participant has elected to receive a distribution of his/her vested Accrued Benefit in the form of a lump sum.
- (B) **Amount of Lump-Sum Distribution/Early Retirement Subsidies.** If a Participant elects to receive a lump-sum distribution pursuant to the provisions of this Section, the amount of the lump sum payable to the Participant shall be Actuarially Equivalent to the Early Retirement Benefit that would be payable to the Participant under Section 4.3(A) as of the date the lump-sum distribution is made, including the value of any early retirement subsidies to which the Participant might be entitled. In calculating the amount that is Actuarially Equivalent to the Participant's retirement benefit (including early retirement subsidies), the interest rate and mortality assumptions set forth in Section 2.2(C) shall be used.
- (C) **Must Receive Entire Accrued Benefit.** A Participant who elects to receive a lump-sum distribution pursuant to the provisions of this Section must elect to take a distribution of his/her entire vested Accrued Benefit. A Participant is not permitted to receive a lump-sum distribution of an amount that is less than his/her entire vested Accrued Benefit.
- (D) **Payment Made as of Earliest Administratively Practicable Date.** If a Participant elects to receive a lump-sum distribution pursuant to the provisions of this Section, and the conditions for receiving a lump-sum distribution have been satisfied, payment shall be made as of the earliest administratively practicable date after the date on which all of the conditions for receiving a lump-sum distribution have been satisfied.

7.4 Lump-Sum Distribution Option for Deferred Vested Final Average Pay Participants. In addition to the optional forms of benefit set forth in Section 7.2 and in Section 7.3, effective January 1, 2008, a Participant may elect to receive a lump-sum distribution of his/her vested Accrued Benefit in accordance with the provisions of this Section if the conditions set forth in this Section have been satisfied.

- (A) **Conditions for Receiving Lump-Sum Distribution.** In order to receive a lump-sum distribution of his/her vested Accrued Benefit under this Section, a Participant must satisfy each of the following conditions:
- (1) Deferred Vested Participant Entitled to Article IV Benefit. The Participant must be entitled to receive a Deferred Vested Retirement Benefit pursuant to the provisions of Section 4.4 in an amount determined under the provisions of Article IV;
 - (2) Benefits Not Yet Commenced. The Participant has not yet commenced benefits under the Plan;
 - (3) Eligible to Commence Distribution. The Participant has satisfied the conditions for receiving a distribution of his/her vested Accrued Benefit, including, but not limited to, any requirements for spousal consent that might be applicable; and
 - (4) Election to Receive Benefit in the Form of a Lump Sum. The Participant has elected to receive a distribution of his/her vested Accrued Benefit in the form of a lump sum.
- (B) **Amount of Lump-Sum Distribution.** If a Participant elects to receive a lump-sum distribution pursuant to the provisions of this Section, the amount of the lump sum payable to the Participant shall be Actuarially Equivalent to the Deferred Vested Retirement Benefit that would be payable to the Participant under Section 4.4(A) as of the date the lump-sum distribution is made. In calculating the amount that is Actuarially Equivalent to the Participant's Deferred Vested Retirement Benefit, the interest rate and mortality assumptions set forth in Section 2.2(C) shall be used.
- (C) **Early Retirement Subsidies Not Taken Into Account.** If a Participant elects to receive a lump-sum distribution pursuant to the provisions of this Section, the value of any early retirement subsidies to which the Participant might otherwise be entitled shall not be taken into account in calculating the amount of the Participant's vested Accrued Benefit.
- (D) **Must Receive Entire Accrued Benefit.** A Participant who elects to receive a lump-sum distribution pursuant to the provisions of this Section must elect to take a distribution of his/her entire vested Accrued Benefit. A Participant is not permitted to receive a lump-sum distribution of an amount that is less than his/her entire vested Accrued Benefit.

- (E) **Payment Made as of Earliest Administratively Practicable Date.** If a Participant elects to receive a lump-sum distribution pursuant to the provisions of this Section and the conditions for receiving a lump-sum distribution have been satisfied, payment shall be made as of the earliest administratively practicable date after the date on which all of the conditions for receiving a lump-sum distribution have been satisfied.

7.5 Payment of Small Amounts Upon Termination of Employment.

Notwithstanding any other provision in the Plan to the contrary, the Participant's Accrued Benefit shall be distributed to the Participant in the form of a single lump-sum payment if the conditions set forth in one of the following Subsections are satisfied.

- (A) **Mandatory Distribution If Present Value Not More Than \$1,000.** If the Actuarially Equivalent lump sum present value of a Participant's Accrued Benefit is not more than One Thousand Dollars (\$1,000), such Accrued Benefit shall be paid in the form of a single lump-sum payment as soon as administratively practicable following the Participant's termination of employment. If the Plan Administrator is unable to locate the Participant within the six-month period after the date the lump-sum distribution becomes payable to the payee, the Plan Administrator will distribute the lump sum to the payee by making a direct rollover to an individual retirement plan designated by the Plan Administrator.
- (B) **Option to Receive Lump Sum if Present Value Less Than \$10,000.** If the Actuarially Equivalent lump-sum present value of a Participant's benefit is more than One Thousand Dollars (\$1,000), but less than Ten Thousand Dollars (\$10,000), and the Participant so elects, such benefit shall be paid in the form of a single lump-sum payment as soon as administratively practicable following the Participant's termination of employment.
- (1) Spousal Consent. If the Actuarially Equivalent lump-sum value of the Participant's Accrued Benefit is more than Five Thousand Dollars (\$5,000), an election to receive a single lump payment shall not be effective without the consent of the Participant's Spouse unless such consent is not required under the provisions of Section 7.15.
- (2) Special Rule for Certain Participants in the Former Fourth District Plan. For purposes of applying this Subsection (B) in the case of a Participant whose benefit is determined under Section 4.2(C), the Ten Thousand Dollar (\$10,000) lump-sum payment limit shall be separately applied to the amount of benefit calculated under Section 4.2(C)(2).

7.6 Death Benefit for Surviving Spouse of Participants Entitled to Benefits Under Article IV. If a Participant who is entitled to an Accrued Benefit determined under Article IV dies prior to the date of his/her first benefit payment and the conditions set forth in this Section are satisfied, a death benefit will be paid to the Participant's surviving Spouse in accordance with the provisions of this Section. If a Participant is entitled to an Accrued Benefit determined in part under Article IV and in part under Article V, the death benefit of the portion of the Participant's Accrued Benefit that is determined under Article IV will be determined under this Section and the death benefit of the portion of the Participant's Accrued Benefit that is determined under Article V will be determined under Section 7.7.

- (A) **Conditions for Receiving a Death Benefit.** A death benefit under this Section will be paid if each of the following conditions is satisfied:
- (1) Entitled to Benefits Under Article IV. The Participant was entitled to an Accrued Benefit determined under Article IV as of the date of his/her death;
 - (2) Died Before Commencing Benefits. The Participant died prior to the date of his/her first benefit payment;
 - (3) Died After Completing Five Years of Credited Service. At the time of his/her death, the Participant had completed at least five years of Credited Service, whether or not the Participant was employed with the Employer or an Affiliate at the time of death;
 - (4) Surviving Spouse. The Participant is survived by his/her Spouse; and
 - (5) Married for at Least One Year. The Participant and his/her surviving Spouse had been married for at least one year as of the date of the Participant's death.
- (B) **Amount and Form of Benefit for Surviving Spouse.** If each of the conditions set forth in Subsection (A) is satisfied, the Participant's surviving Spouse will receive a survivor benefit in the form of a monthly pension for such Spouse's life in accordance with the provisions of this Subsection (B).
- (1) Commencement of Benefit for Surviving Spouse. The benefit for the life of the surviving Spouse shall commence as of the later of the month in which the Participant died or the month during which the Participant would have attained age fifty-five had he/she lived.
 - (2) Amount of Benefit for Surviving Spouse. The amount of the benefit payable to the surviving Spouse shall be equal to fifty percent of the Actuarially Equivalent joint and fifty percent survivor benefit to which the Participant would have been entitled –
 - (a) **Death After Attaining Age 55.** In the case of a Participant who had attained age fifty-five, if the Participant had terminated his/her employment on the day prior to his/her death and had elected the joint and fifty percent survivor annuity under Section 7.2; or
 - (b) **Death Prior to Age 55.** In the case of a Participant who dies prior to his/her attainment of age fifty-five, if the Participant had –
 - (i) Survived to age fifty-five;
 - (ii) Commenced receipt of his/her benefit, on the day on which he/she attained age fifty-five, in the form of a joint and fifty percent survivor annuity under Section 7.2; and
 - (iii) Died on the day after he/she had attained age fifty-five.

- (3) Lump-Sum Option for Small Amounts. If the Actuarially Equivalent lump-sum present value of the benefit to which a surviving Spouse is entitled under this Section is less than Ten Thousand Dollars (\$10,000), the surviving Spouse may elect for such benefit to be paid in the form of a single lump-sum payment as soon as administratively practicable after the surviving Spouse's written election is received by the Plan Administrator. By making such an election, a surviving Spouse waives the right the surviving Spouse would have to receive a monthly benefit for the remainder of his/her life as would otherwise be provided under this Subsection (B).
- (4) Mandatory Distribution of Small Amounts. If the Actuarially Equivalent lump-sum present value of the benefit to which a surviving Spouse is entitled under this Section is not more than One Thousand Dollars (\$1,000), such benefit shall be paid in the form of a single lump-sum payment as soon as administratively practicable following the death of the Participant. If the Plan Administrator is unable to locate the surviving Spouse within the six-month period after the date the lump-sum distribution becomes payable to the surviving Spouse, the Plan Administrator will distribute the lump sum to the surviving Spouse by making a direct rollover to an individual retirement plan designated by the Plan Administrator.

7.7 Death Benefit Upon Death of Participants Entitled to Benefits Under Article

V. If a Participant who is entitled to an Accrued Benefit determined under Article V dies prior to the date of his/her first benefit payment and the conditions set forth in this Section are satisfied, a death benefit will be paid to the Participant's surviving Spouse or, if applicable, the Participant's beneficiaries, in accordance with the provisions of this Section. If a Participant is entitled to an Accrued Benefit determined in part under Article IV and in part under Article V, the death benefit of the portion of the Participant's Accrued Benefit that is determined under Article V will be determined under this Section and the death benefit of the portion of the Participant's Accrued Benefit that is determined under Article IV will be determined under Section 7.6.

- (A) **Conditions for Receiving a Death Benefit.** A death benefit under this Section will be paid if each of the following conditions is satisfied:
 - (1) Entitled to Benefits Under Article V. The Participant was entitled to an Accrued Benefit determined under Article V as of the date of his/her death;
 - (2) Died Before Commencing Benefits. The Participant died prior to the date of his/her first benefit payment; and
 - (3) Died While Employed After Normal Retirement Date or After Completing Five Years of Credited Service. At the time of his/her death, the Participant satisfied at least one of the following conditions:
 - (a) The Participant died after completing at least five years of Credited Service, whether or not the Participant was employed with the Employer or an Affiliate at the time of death; or

- (b) The Participant died after his/her Normal Retirement Date while employed with the Employer or an Affiliate.

(B) **Benefit for Surviving Spouse.** If a Participant was survived by a Spouse who had been married to the Participant for at least one year as of the date of the Participant's death, and if each of the conditions set forth in Subsection (A) has been satisfied, and if the Spouse has not waived the benefit provided by this Section prior to the date of the Participant's death, the Participant's surviving Spouse shall receive a survivor benefit in the form of monthly payments for the remainder of such Spouse's life in accordance with the provisions of this Subsection (B).

- (1) Commencement of Monthly Benefit for Surviving Spouse. The monthly benefit for the life of the surviving Spouse shall commence as of the later of the month in which the Participant attained (or would have attained) age 55 or the month in which the Participant died.
- (2) Amount of Monthly Benefit for Surviving Spouse. The amount of the monthly benefit payable to the surviving Spouse shall be equal to the Actuarially Equivalent of the Participant's Retirement Account to which the Participant would have been entitled in the case of a Participant who had attained age fifty-five while employed with the Employer or an Affiliate, if the Participant had terminated his/her employment on the day prior to his/her death.
- (3) Lump-Sum Option. In lieu of receiving the monthly benefit that would otherwise be provided under this Subsection (B), a surviving Spouse may elect to receive a lump-sum payment that is equal to the balance in the Participant's Retirement Account commencing as of the later of the month during which the Participant died or the month during which he/she would have attained age fifty-five had he/she lived.
- (4) Mandatory Distribution of Small Amounts. If the lump-sum present value of the benefit to which a surviving Spouse is entitled under this Subsection (B) is not more than One Thousand Dollars (\$1,000), such benefit shall be paid in the form of a single lump-sum payment as soon as administratively practicable following the death of the Participant. If the Plan Administrator is unable to locate the surviving Spouse within the six-month period after the date the lump-sum distribution becomes payable to the surviving Spouse, the Plan Administrator will distribute the lump sum to the surviving Spouse by making a direct rollover to an individual retirement plan designated by the Plan Administrator.

- (C) **Benefit if No Surviving Spouse or if Spousal Rights Have Been Waived.** If each of the conditions set forth in Subsection (A) is satisfied but the Participant was not survived by a Spouse to whom he/she had been married for at least one year as of the date of the Participant's death or if the Participant's surviving Spouse had made a valid election to waive the death benefit provided under this Section, a lump-sum payment equal to the balance in the Participant's Retirement Account will be paid immediately to the beneficiary designated by the Participant in accordance with the provisions of Section 7.14(B) below, or if no such beneficiary is named, to the Participant's estate.

7.8 Additional Provisions Relating to Death Benefits.

- (A) **Death Benefit for Participants Who Die While Performing Qualified Military Service (HEART Act).** The provisions of this Subsection (A) shall apply to a Participant if the Participant dies while performing "qualified military service" as that term is defined in Code § 414(u), the Participant would have been entitled to become re-employed by the Employer in accordance with the provisions of USERRA following the completion of his/her qualified military service, and the Participant's death takes place on or after January 1, 2007.
- (1) Treated as if Reemployed Under USERRA. In the event this Subsection (A) applies to a Participant, such Participant shall be treated, for purposes of any death benefit provided under Article VII of the Plan, as if he/she had become reemployed pursuant to the provisions of USERRA on the day immediately preceding the date of the Participant's death.
- (2) Not Credited With Additional Service for the Period of Qualified Military Service. A Participant who is treated, pursuant to the provisions of Subsection 7.8(A)(1) as if he/she had become reemployed pursuant to the provisions of USERRA on the day immediately preceding the date of such Participant's death shall not, however, be credited with any additional Service under the Plan for the period of his/her qualified military service preceding his/her death.
- (B) **No Other Death Benefits.** There shall be no death benefits under the Plan except those which result from the Participant's election of an optional form of benefit under Section 7.2 or from the operation of the provisions of Section 7.6 (relating to death benefits for Participants entitled to benefits determined under Article IV) and/or Section 7.7 (relating to death benefits for Participants entitled to benefits determined under Article V).

7.9 Limited Benefit Alienation. With the exception of payments made pursuant to a "qualified domestic relations order" in accordance with Section 7.10 below, no benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge the same shall be void; and no such benefit shall in any manner be liable for or subject to the debts, contracts, liabilities, engagements, or torts of the person entitled to such benefit, except as specifically provided in the Plan.

7.10 Payment of Benefits Pursuant to a Qualified Domestic Relations Order (“QDRO”). Notwithstanding the provisions of Section 7.9, benefits may be paid to an alternate payee pursuant to the terms of a “QDRO” in accordance with the provisions of this Section.

- (A) **Permissible Distribution Dates for an Alternate Payee.** A QDRO may require a distribution to be made to an alternate payee as of the date the Participant attains or would have attained the earliest retirement age under the Plan or, if sooner, as of the earliest date the Participant becomes entitled to commence benefits under the Plan.
- (B) **Permissible Forms of Payment.** A QDRO may require payment to be made to an alternate payee in any form of benefit that would be available to the Participant under Section 7.2, Section 7.3, or Section 7.4, except that payment may not be made in the form of an annuity that provides a benefit to a surviving spouse of the alternate payee.
- (C) **Payment of Small Amounts.** Notwithstanding the provisions of Subsection (A) above, in the event that the Actuarially Equivalent lump-sum present value of the benefit payable to an alternate payee pursuant to a QDRO is less than Ten Thousand Dollars (\$10,000), an alternate payee may elect for such benefit to be paid in the form of a single lump-sum payment as soon as administratively practicable after the Plan Administrator determines that the order is a QDRO. If the Actuarially Equivalent lump-sum present value of the benefit to which an alternate payee is entitled under this Subsection (C) is not more than One Thousand Dollars (\$1,000), such benefit shall be paid in the form of a single lump-sum payment as soon as administratively practicable after the Plan Administrator determines that the order is a QDRO. If the Plan Administrator is unable to locate the alternate payee within the six-month period after the date such lump-sum distribution becomes payable to the alternate payee, the Plan Administrator will distribute the lump sum to the alternate payee by making a direct rollover to an individual retirement plan designated by the Plan Administrator.
- (D) **Procedures.** The following procedures will apply to the determination of the qualified status of a domestic relations order:
 - (1) Notice to Participant and Alternate Payee. The Participant and each person specified in a domestic relations order as entitled to payment of Plan benefits will be notified of the procedures promptly upon receipt of the order by the Plan.
 - (2) Determination by Plan Administrator. Within a reasonable period of time after receipt of an order, the Plan Administrator will determine whether the order is a QDRO and notify the Participant and each alternate payee of the determination.
 - (4) Separate Accounting. During any period in which the issue of whether a domestic relations order is a QDRO is being determined, the Plan Administrator will separately account for the amounts that would have been payable to the alternate payee during the period in the event the order is later determined to be a QDRO.

- (5) Order Not Qualified Within 18 Months. If, within 18 months, the order is determined not to be a QDRO or the issue as to whether the order is a QDRO is not resolved, then the Plan Administrator will pay the separate amounts to the person or persons who would have been entitled to their amounts if there had been no order.
- (6) Responsibility of Plan Fiduciaries. If a plan fiduciary acts in accordance with these provisions, then the Plan's obligation to the Participant and each alternate payee is discharged to the extent of any payment made.
- (7) Authority to Develop and Implement Additional Procedures. The Plan Administrator shall have the authority to develop and implement such additional procedures as may seem necessary or advisable in order to fulfill its responsibilities under this Section.

7.11 Benefit Payment Procedures.

- (A) **Instructions from Plan Administrator to the Trustee.** Benefits under the Plan shall be paid by the Trustee from the Fund upon written instructions from time to time given it by the Plan Administrator.
- (B) **Application for Benefits.** Each Participant entitled to a benefit hereunder shall make application therefore and shall furnish the Plan Administrator such data as the Plan Administrator shall require, in such form as the Plan Administrator shall prescribe. In the event such application or data is not so furnished, the form and amount of the benefit payment to be made cannot be ascertained by the date on which such payments were due to commence or it is not possible to make such payment on such date because the Plan Administrator has been unable to locate the Participant after making reasonable efforts to do so, a payment retroactive to such date will be made within sixty days following (i) the date on which proper application is received by the Plan Administrator, (ii) the earliest date on which the amount of such payment can be ascertained, or (iii) the date on which the Participant is located, whichever is applicable.

7.12 Suspension of Benefits. If the conditions set forth in Subsection (A) below are satisfied, payment of benefits will be suspended in accordance with the provisions of this Section.

- (A) **Conditions for Suspending Benefits.** Benefits will be suspended if one or more of the following conditions is satisfied:
 - (1) Resumption of Employment. A Participant resumes employment with an Employer at a rate that results (or will result) in his/her completion of more than one thousand hours of service of the type described at Section 2.11(A)(1) during a Plan Year;
 - (2) Continuation of Employment. A Participant continues in the employment of an Employer beyond his/her Normal Retirement Date at a rate that results in his/her completion of more than one thousand hours of service of the type described at Section 2.11(A)(1) during a Plan Year; or

- (3) Determination that Participant Was Not Eligible to Commence Benefits. A Participant becomes reemployed by an Employer or continues his/her existing employment with an Employer after commencing benefits and the Plan Administrator determines, based on the Plan Administrator's review of the facts and circumstances, that, due to his/her ongoing employment, the Participant was not entitled to commence benefits.
- (B) **Effect of Suspending Benefits.** If the conditions for suspending benefits as set forth in Subsection (A) are satisfied, payment of the Participant's benefits shall be suspended during the period of his/her subsequent or continuing employment. Such suspension shall not affect the Participant's right to such benefit or his/her right to earn additional benefits under the Plan based on the period of his/her Credited Service and on his/her Pay during the period following such resumption or continuation of employment (assuming that the Participant is otherwise eligible to accrue additional benefits under the Plan).
- (C) **Authority of the Plan Administrator.** The Plan Administrator shall have the authority to make such factual determinations and to adopt and implement such policies and procedures as it may consider to be necessary and/or advisable in order to implement the provisions of this Section.

7.13 Direct Rollovers. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election thereunder, a Distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover. For purposes of applying the provisions of this Section, the following definitions shall apply:

- (A) **Eligible Rollover Distribution.** An "Eligible Rollover Distribution" is any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated beneficiary, or for a specified period of ten years or more; or any distribution to the extent such distribution is required under Code § 401(a)(9).
- (B) **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), or a qualified trust described in Code § 401(a), that accepts the Distributee's Eligible Rollover Distribution; provided, that in the case of an Eligible Rollover Distribution to the surviving Spouse, an Eligible Retirement Plan is limited to an individual retirement account or individual retirement annuity.
- (C) **Distributee.** A "Distributee" includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving Spouse and the Employee's or former Employee's Spouse or former Spouse who is the alternate payee under a qualified domestic relations order, as defined in Code § 414(p), are Distributees with regard to the interest of the Spouse or former Spouse.

- (D) **Direct Rollover.** A “Direct Rollover” is a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

7.14 Designation of Beneficiary. A Participant may designate a beneficiary or beneficiaries in accordance with the provisions of this Section.

- (A) **Beneficiaries for Period Certain Forms of Payment.** A Participant may designate one or more Period Certain Beneficiaries (who may be designated successively) to receive the balance of the payments under the optional form of payment under Sections 7.2(A)(3), (4), (5) and (6) in accordance with the provisions of this Subsection (A).

- (1) Designated in Writing. Each Period Certain Beneficiary designation by a Participant must be made by a signed writing filed with the Plan Administrator at such time, in such form, and in accordance with such reasonable limitations as the Plan Administrator may require.
- (2) Change or Revocation of Designated Beneficiary. Subject to the spousal consent requirements of Section 7.1(B), a Participant, by a signed writing filed with the Plan Administrator, may revoke or change any Period Certain Beneficiary previously designated by him/her at any time and from time to time without the consent of or notice to any Period Certain Beneficiary previously designated by the Participant.
- (3) No Designated Beneficiary. If a deceased Participant failed to designate a Period Certain Beneficiary or such beneficiary dies, ceases to exist or resigns before the Participant’s death and the Participant has not provided for a successor Period Certain Beneficiary, then the benefit, if any payable on account of the Participant’s death will be paid to the Participant’s estate.

- (B) **Beneficiaries for Article V Death Benefit.** Each Participant who is entitled to an Accrued Benefit determined under Article V may designate one or more primary beneficiaries or alternative beneficiaries for all or a specified fractional part of his/her Accrued Benefit as determined under Article V in accordance with the provisions of this Subsection (B).

- (1) Designation Must be in Writing. The designation of a beneficiary must be designated by the Participant in writing on a form provided by the Plan Administrator.
- (2) Spousal Consent. No designation of a beneficiary other than the Participant’s Spouse is effective unless such Spouse consents to the designation in accordance with the provisions of Section 7.15. Any such consent is effective only with respect to the beneficiary or class of beneficiaries so designated and only with respect to the Spouse who so consented.

- (3) Designation May be Changed or Revoked. A Participant may change, or revoke any such beneficiary designation from time to time. No such designation, change or revocation is effective unless executed by the Participant and received by the Plan Administrator during the Participant's lifetime. Subject to the provisions of Subsection (B)(2), no such change or revocation requires the consent of any person.
- (4) No Designated Beneficiary. If a Participant fails to designate a beneficiary, or revokes a beneficiary designation without naming another beneficiary, or designates one or more beneficiaries none of whom survives the Participant, for all or any portion of Accrued Benefit as determined under Article V, such Accrued Benefit or portion thereof will be paid to the Participant's estate.
- (5) Designation of Relationship. Any designation of a beneficiary by name that is accompanied by a description of relationship or only by statement of relationship to the Participant is effective only to designate the person or persons standing in such relationship to the Participant at the Participant's death.

7.15 Spousal Consent. A Participant's Spouse shall be deemed to have given consent to an election or beneficiary designation made under this Article VII if and only if:

- (A) **Written Consent/Notary Public.** The Spouse executes a written consent to such act, which consent acknowledges the effect of such act and is witnessed by a notary public; or
- (B) **Consent Not Required.** The Plan Administrator determines that no such consent can be obtained because the Participant has no Spouse, because the Spouse cannot be located, or because of such other circumstances as may, under applicable Treasury Regulations, justify the lack of such consent.

Any such consent by the Spouse or such determination by the Plan Administrator that such Spouse's consent is not required shall be effective only with respect to the particular Spouse who so consented or with respect to whom such determination was made.

7.16 Election to Transfer Benefits. A Participant may elect during the window set forth in this Section to have his/her Vested Accrued Benefit transferred from this Plan to the Farm Credit Foundations Defined Contribution / 401(k) Plan in accordance with the terms and conditions of this Section.

- (A) **Window.** The Plan Sponsor Committee shall have the authority to establish one or more windows during which a Participant may elect to transfer benefits from this Plan to the Farm Credit Foundations Defined Contribution / 401(k) Plan. Any such window must be at least 45 days, but not more than 90 days, in duration.
- (B) **Eligible Participants.** A Participant shall be eligible to make an election to transfer his/her Vested Accrued Benefit from this Plan to the Farm Credit Foundations Defined Contribution / 401(k) Plan pursuant to this Section if each of the following conditions is met:

- (1) The Participant is actively employed as of the first day of the window identified in Subsection (A);
 - (2) The Participant is actively employed on the last day of the month in which the window identified in Subsection (A) ends; and
 - (3) Distribution of the Participant's benefit has not commenced.
- (C) **Notice to Participants.** Prior to the beginning of the window identified in Subsection (A), the Trust Committee shall provide a written notice to those Participants who are eligible to make a transfer election. The notice shall inform each such Participant of the following:
- (1) That the Participant may request that his/her Accrued Benefit be transferred to the Farm Credit Foundations Defined Contribution / 401(k) Plan;
 - (2) The approximate amount that would be transferred, if the Participant so requests, including any enhancements provided by the Employer, along with an explanation that the exact amount will be determined as of the date of the transfer;
 - (3) That by requesting a transfer, the Participant will be giving up the right to accrue any additional benefits under the Plan and will no longer be a Participant;
 - (4) That the Farm Credit Foundations Defined Contribution / 401(k) Plan is a defined contribution plan and that, by transferring his/her Accrued Benefit to that plan, the Participant will be giving up the right to receive a benefit that is payable in the form of a monthly annuity for the life of the Participant and the Participant's surviving Spouse (if any);
 - (5) The process that must be followed in order to request a transfer of the Participant's benefit; and
 - (6) The deadline for submitting a request for a transfer.
- (D) **Single Sum.** Any benefits that are transferred pursuant to this Section will be transferred in the form of a single sum.
- (1) Article IV Benefits. For benefits that are determined under Article IV, the amount that is transferred pursuant to this Section shall be an amount that is Actuarially Equivalent to the Participant's Accrued Benefit as of the last day of the month in which the window ends. Actuarial equivalence will be determined under Section 2.2(B) and/or Section 2.2(D) (if applicable), using the interest rate and mortality assumptions that are in effect as of the first day of the first month beginning after the date on which the window ends. In calculating the amount of the Participant's benefit under Article IV, a Participant's unused sick leave and unused vacation time shall not be taken into account.

- (2) Article VI Benefits. For benefits that are determined under Article VI, the amount that is transferred pursuant to this Section shall be an amount that is equal to the balance in the Participant's Retirement Account as of the last day of the month in which the window ends.
- (E) **Transfer Process.** Following a determination by the Plan Administrator that a Participant has submitted a valid request for a transfer, the Plan Administrator shall calculate the exact dollar amount that should be transferred for the benefit of the Participant and shall inform the Trustee(s) of the amount that has been so calculated. The Trustee(s) shall then transfer such amount directly to the trustee(s) of the Farm Credit Foundations Defined Contribution / 401(k) Plan. Such transfer shall be made as of the earliest administratively practicable date following the Plan Administrator's determination that a valid transfer request has been submitted and the completion of the necessary calculations. During the period beginning on the first day of the first month beginning after the date the window ends and continuing through the date the transfer to the Farm Credit Foundations Defined Contribution / 401(k) Plan is actually made, simple interest will be credited to the amount of the single sum determined pursuant to Subsection (D) above using the same applicable interest rate as set forth in Section 2.2(B) that was used in determining the single sum amount in 7.16(B) above.
- (F) **Status of Participant Following Transfer.** A Participant who has submitted a valid request for transfer pursuant to this Section shall not be eligible to accrue any additional benefits under this Plan subsequent to the last day of the month in which the window identified in Subsection (A) ends; provided, however, that simple interest will be credited, in accordance with the provisions of Subsection (E) above, to the amount of the single sum determined pursuant to Subsection (D) above for the period beginning on the first day of the first month beginning after the date the window ends and continuing through the date the transfer is actually made. Upon the transfer of a Participant's Accrued Benefit pursuant to this Section, the Participant shall cease to be a Participant in this Plan and shall not be entitled to receive any benefits under this Plan.
- (G) **Administrative Procedures.** The Trust Committee shall have the authority to develop and implement such administrative procedures as it may consider necessary and/or advisable in order to implement the provisions of this Section.

7.17 Required Minimum Distribution Provisions. With respect to distributions under the Plan made in calendar years beginning on or after January 1, 2003, and notwithstanding any other provision of the Plan to the contrary, the Plan will apply the minimum distribution requirements of Code § 401(a)(9) as set forth in Article XII.

**ARTICLE VIII
BENEFIT LIMITATIONS**

8.1 Benefit Reduction/Offsets.

- (A) **Offset When Service With Other Employers Has Been Credited.** Notwithstanding any provisions of this Plan to the contrary, the amount of the retirement or death benefit to which the Participant, his/her Spouse or any other beneficiary is otherwise entitled under this Plan shall be reduced by the Actuarially Equivalent value of the amount of such retirement or death benefit to which the Participant or such other person becomes entitled, or would have become entitled had he/she not received a distribution (including a refund of his/her own contributions if such refund resulted in the forfeiture of his/her vested benefit), under a retirement plan of another Farm Credit Organization (as defined in Section 2.11(E)) or any other employer with which he/she was previously or subsequently employed, but only to the extent such retirement or death benefit under this Plan is attributable to service with such other Farm Credit Organization or employer that is taken into account as Credited Service pursuant to Section 2.11. For purposes of this Subsection (A), the term "retirement plan" shall include both defined benefit plans and money purchase pension plans (including amounts attributable to a money purchase pension plan) but shall not otherwise include defined contribution plans. For purposes of determining the Actuarially Equivalent value of the Participant's benefit under such other plan, it shall be assumed that such benefit commenced as of the month following his/her Normal Retirement Date in the form of an annuity for his/her life.
- (B) **Special Rule for Certain Transferees Entitled to Benefits Under Article V.** Notwithstanding Subsection (A) above, a Participant's Accrued Benefit under the Plan will not be reduced as described in Subsection (A) above if each of the following conditions is met:
- (1) Transfer From Another Farm Credit Organization. The Participant transferred employment from another Farm Credit Organization to an Employer;
 - (2) Other Farm Credit Organization Service Counted as Credited Service. The Participant's period of employment with such other Farm Credit Organization is taken into account for purposes of Credited Service under Section 2.11(E);
 - (3) Benefit Determined Under Article V. The Participant's Accrued Benefit is determined pursuant to Article V; and
 - (4) No Election During 2002 Choice Period. The Participant did not make an election during the 2002 Choice Period to have his/her benefit determined under Article V and, as a result, did not have his/her Initial Account Balance determined under the provisions of Section 6.3(B).

- (C) **Special Rule for Certain CoBank Participants.** Notwithstanding any provisions of this Plan to the contrary, the Accrued Benefit of a CoBank Participant as of the effective date of the merger of St. Paul Bank for Cooperatives with and into CoBank, ACB shall be transferred to a successor plan maintained by CoBank, ACB and the CoBank Participant shall cease to be a Participant and shall cease to have any rights to benefits or otherwise arising under or in connection with the Plan as of the effective date of such merger. If the CoBank Participant thereafter again becomes a Participant as a result of subsequent service as an Employee, for purposes of Subsection (A), he/she shall be deemed to have become entitled to such Accrued Benefit under the retirement plan of another Farm Credit Organization, and his/her Credited Service through the effective date of such merger shall be treated as service with another Farm Credit Organization. For purposes of this Subsection (C), a “CoBank Participant” is an individual who was a Participant and an Employee of St. Paul Bank for Cooperatives immediately prior to the effective date of the merger of St. Paul Bank for Cooperatives with and into CoBank, ACB and an employee of CoBank, ACB immediately after the effective date of such merger.
- (D) **Special Rule for Participant Douglas D. Sims.** Notwithstanding any provisions of this Plan to the contrary, the Accrued Benefit of Douglas D. Sims (“Sims”) shall be transferred to the CoBank, ACB Retirement Plan and Sims shall cease to be a Participant and shall cease to have any rights to benefits or otherwise arising under or in connection with the Plan as of the effective date of such transfer. The amount, form and timing of the transfer of assets from the Plan to the CoBank, ACB Retirement Plan in connection with the transfer of Sims’ Accrued Benefit shall be determined by the Board of Trustees or its delegate. If, after the effective date of the transfer of Sims’ Accrued Benefit, Sims again becomes a Participant as a result of subsequent service as an Employee, for purposes of Subsection (A) above, he shall be deemed to have become entitled to such Accrued Benefit under the retirement plan of another Farm Credit Organization, and his Credited Service through the effective date of the transfer shall be treated as service with another Farm Credit Organization. This Subsection (D) shall be effective as of December 1, 2005.

8.2 **Limitation on Benefits.**

- (A) **General Limit.** Notwithstanding any other provisions of this Plan to the contrary, in no event may the annual benefit provided to a Participant under this Plan (and each other defined benefit plan maintained by an Affiliate) exceed the maximum permissible annual benefit allowed under Code § 415. This limit shall be applied to each limitation year (which shall be the calendar year).
- (B) **Dollar Amount of the Code § 415(b)(1)(A) Limit.** The dollar amount described in Code § 415(b)(1)(A) shall be adjusted annually for increases in the cost of living, as permitted under Code § 415(d).

- (1) EGTRRA Changes to the 415 Limit. Beginning with the 2001 limitation year, the dollar amount for the maximum permissible annual benefit allowed under Code § 415(b)(1)(A) shall be \$160,000. As of January 1 of each subsequent limitation year, the dollar limit shall be increased, if and to the extent permitted by the Secretary of the Treasury. For the 2008 limitation year, the dollar amount, as so adjusted, for the maximum permissible annual benefit allowed under Code § 415(b)(1)(A) shall be \$185,000.
- (2) Applicable to All Participants. Adjustments to the dollar limit pursuant to Subsection (B)(1) shall apply to all Participants, including those Participants whose benefits were commenced prior to the date of the adjustment.
- (3) Applicable Only to Benefits That Have Not Been Paid. Adjustments to the dollar limit shall apply only to benefits that have not been paid to the Participant prior to the effective date of the adjustment, as required by Section 1.415(d)-1(a)(4)(iii) of the Treasury Regulations.

Additionally, the dollar amount of the maximum permissible annual benefit under Code § 415(b)(1)(A) shall be subject to the adjustments set forth in Section 8.3.

- (C) **Participation in Multiple Plans.** After the limitations have been determined under Subsection (A) above, any reduction in benefits in any defined benefit plan of an Employer will be made in this Plan first. In the case of a conflict where another defined benefit plan provides that benefits under that plan should be reduced first, the provisions under that plan shall govern.
- (D) **Definition of Affiliate.** In applying the limitations on benefits hereunder, the qualified plans of any entity shall be aggregated with the Plan if the entity would be part of the Employer if the phrase “at least 80 percent” in Code § 1563(a)(1), in applying such Section to Code §§ 414(b) or 414(c), were replaced with “more than 50 percent.”
- (E) **Combined Plan Limit.** In the event that any Participant is a participant in a defined contribution plan or plans of the Employer, the sum of the defined benefit plan fraction and the defined contribution plan fraction (as such terms are defined in Code § 415(e)) for any limitation year with respect to such Participant shall not exceed one. If such sum would otherwise exceed one, then the Participant’s retirement benefit under this Plan shall be reduced to comply with the requirements of this Subsection. The “combined plan limit” under this Subsection (E) shall not apply to any Participant whose benefit payments under the Plan commence on or after January 1, 2000.

8.3 Adjustments to the Maximum Permissible Benefit.

- (A) **Adjustments to the Maximum Permissible Benefit.** The “maximum permissible benefit” set forth in Section 8.2 shall be subject to the adjustments set forth in this Section.
- (B) **Less Than 10 Years of Participation.** If the Participant has fewer than ten years of participation in the Plan, the defined benefit dollar limitation, as determined in accordance with Section 8.2(B), shall be multiplied by a fraction, the numerator of which is the number of years (or part thereof) of participation in the Plan and the denominator of which is ten. For purposes of calculating a Participant’s years of participation in the Plan, service by the Participant in any plan that is required to be aggregated with this Plan under Code § 415(f) shall be counted as if it were service in this Plan in accordance with the provisions of Section 1.415(f)-1(d) of the Treasury Regulations.
- (C) **Commencement of Benefits Prior to Age 62.** If the benefit of a Participant begins prior to age 62, the defined benefit dollar limitation applicable to the Participant at such earlier age is an annual benefit payable in the form of a straight life annuity beginning at the earlier age that is the Actuarial Equivalent of the defined benefit dollar limitation applicable to the Participant at age 62 (adjusted under Subsection (B) above, if required). The defined benefit dollar limitation applicable at an age prior to age 62 is determined as the lesser of –
- (1) The Actuarial Equivalent (at such age) of the defined benefit dollar limitation computed using the interest rate and mortality table (or other tabular factor) specified in Section 2.2 of the Plan; and
 - (2) The Actuarial Equivalent (at such age) of the defined benefit dollar limitation computed using a 5 percent interest rate and the applicable mortality table as defined in Section 2.2 of the Plan.
- Any decrease in the defined benefit dollar limitation determined in accordance with this Subsection (C) shall not reflect a mortality decrement if benefits are not forfeited upon the death of the participant. If any benefits are forfeited upon death, the full mortality decrement is taken into account.
- (D) **Commencement of Benefits on Account of Death or Disability.** Notwithstanding the provisions of Subsection (C) above, and in accordance with Section 1.415(b)-1(d)(4) of the Treasury Regulations, no age adjustment will be made to the dollar limit for commencement before age 62 if a distribution is made on account of the Participant’s becoming disabled by reason of personal injuries or sickness, or as a result of the death of the Participant.

- (E) **Commencement of Benefits After Age 65.** If the benefit of a Participant begins after the Participant attains age 65, the defined benefit dollar limitation applicable to the Participant at the later age is the annual benefit payable in the form of a straight life annuity beginning at the later age that is Actuarially Equivalent to the defined benefit dollar limitation applicable to the Participant at age 65 (adjusted under Subsection (B) above, if required). The actuarial equivalent of the defined benefit dollar limitation applicable at an age after age 65 is determined as the lesser of –
- (1) The Actuarial Equivalent (at such age) of the defined benefit dollar limitation computed using the interest rate and mortality table (or other tabular factor) specified in Section 2.2 of the Plan; or
 - (2) The Actuarial Equivalent (at such age) of the defined benefit dollar limitation computed using a 5 percent interest rate assumption and the applicable mortality table as defined in Section 2.2 of the Plan.

For these purposes, mortality between age 65 and the age at which benefits commence shall be ignored.

- (F) **Adjustment for Benefits Payable in a Form Other Than a Straight Life Annuity.** If a Participant's benefit is payable in a form other than a straight life annuity, the amount of the Participant's benefit shall be converted to an Actuarially Equivalent straight life annuity for purposes of applying the benefit limitations required under Section 8.2. For purposes of making such a conversion, the following provisions shall apply:
- (1) Qualified Joint and Survivor Annuity. A benefit that is payable in the form of a qualified joint and survivor annuity shall be treated as a straight life annuity with no further adjustment in accordance with Section 1.415(b)-1(c)(4)(i)(A) of the Treasury Regulations.
 - (2) Adjustment for Timing Differences. In the event that a benefit is payable in a form other than a straight life annuity, the annual benefit is determined as the straight life annuity payable on the first day of each month that is Actuarially Equivalent to the benefit payable in such other form in accordance with Section 1.415(b)-1(b)(1)(i)(B) of the Treasury Regulations.
 - (3) Actuarial Adjustment for Benefits Not Subject to Code § 417(e)(3). If the form of benefit is not subject to the minimum present value rules of Code § 417(e)(3) (without regard to the Plan's status as a "governmental plan"), the straight life annuity, if any, that would be payable at the same age under the Plan will be compared to the straight life annuity that is the actuarial equivalent of the optional form of benefit. The conversion will be made, in accordance with Section 1.415(b)-1(c)(2) of the Treasury Regulations using a 5 percent interest rate assumption and the applicable mortality table described in Section 1.417(e)-1(d)(2) of the Treasury Regulations. The larger of these two straight life annuities will then be used for purposes of demonstrating compliance with Code § 415(b).

- (4) Actuarial Adjustment for Benefits Subject to Code § 417(e)(3). If the form of benefit would be subject to the minimum present value rules of Code § 417(e)(3) were it not for the Plan's status as a "governmental plan," the Actuarially Equivalent straight life annuity benefit for purposes of demonstrating compliance with Code § 415(b), will be the largest of the following annual amounts:
- (a) The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit elected by the Participant, computed using the actuarial assumptions set forth in the Plan's definition of Actuarial Equivalent; or
 - (b) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the form of benefit elected by the Participant, computed using a 5.5 percent interest rate assumption and the applicable mortality table described in Section 1.417(e)-1(d)(2) of the Treasury Regulations; or
 - (c) The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit elected by the Participant, computed using the applicable interest rate for the distribution under Section 1.417(e)-1(d)(3) of the Treasury Regulations and the applicable mortality table described in Section 1.417(e)-1(d)(2) of the Treasury Regulations, divided by 1.05.

8.4 Special Rule for Benefit Accruals as of January 1, 1987. Notwithstanding the provisions of Section 8.2, if the amount of a Participant's benefit that was accrued as of January 1, 1987, exceeds the benefit limitations under Code § 415(b), then, for purposes of Code § 415(b) and the said Section 8.2, the dollar limitation with respect to the Participant shall be equal to the amount of his/her benefit accrued as of January 1, 1987.

8.5 No Effect of Post-Termination Social Security Old Age Survivors Wage Base Changes. The benefits to which a Participant, his/her Spouse or other beneficiary are entitled under Article IV shall not be adjusted by reason of any change in the Social Security Old Age Survivors Wage Bases occurring after the date of his/her termination of employment.

ARTICLE IX CONTRIBUTIONS

9.1 Contributions by Employers. The Employers will from time to time contribute to the Trust not less than those amounts which are required in order to maintain the Plan on a sound actuarial basis.

9.2 Gains Reduce Contributions. Gains resulting from early terminations and other forfeitures shall be applied to reduce future Employer contributions, under actuarial methods approved by the Plan Administrator. In no circumstances shall such gains operate to increase the benefits otherwise payable under the Plan.

9.3 Contribution Reversion. The Employer contributes to this Plan on the condition that its contribution is not due to a mistake of fact and that the Internal Revenue Service will not disallow its deduction for that contribution.

- (A) **Trustee's Obligation to Return Mistaken Contributions.** The Trustee, upon written request from the Employer, must return to the Employer the amount of the Employer Contribution made by the Employer by mistake of fact or the amount of the Employer Contribution disallowed as a deduction under Code § 404.
- (B) **Limits on the Trustee's Obligation to Return Contributions.** The Trustee will not return any portion of the Employer Contribution under the provisions of this Subsection more than one (1) year after:
 - (1) The Employer made the contribution by mistake of fact; or
 - (2) The disallowance of the contribution as a deduction, and then, only to the extent of the disallowance.
- (C) **Adjustment for Earnings or Losses.** The Trustee will not increase the amount of the Employer Contribution returnable under this Section for any earnings attributable to the contribution, but the Trustee will decrease the Employer Contribution returnable for any losses attributable to it.
- (D) **Evidence as to Amount to be Returned.** 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 under applicable law.

ARTICLE X TRUSTEE POWERS AND DUTIES

10.1 Acceptance of Trust. The Trustee, by signing this amended and restated Plan document, accepts the Trust created under the Plan and agrees to perform the duties of the Trustee in accordance with the terms and conditions set forth herein. Simultaneous with the execution of this Plan document, all assets attributable to the Plan are withdrawn and transferred out of the Farm Credit Consolidated Master Trust and become the property of the Trust created under this Plan.

10.2 Receipt of Contributions. The Trustee will be accountable to the Employer for the funds contributed to the Trust, but will have no duty to see that the contributions received comply with the provisions of the Plan. The Trustee will not be obligated to collect any contributions from the Employer or the Participants or to see that funds that are contributed to the Trust are contributed according to the provisions of the Plan.

10.3 Powers of the Trustee. Subject to the provisions and limitations contained elsewhere in this Plan, the Trustee will have full discretion and authority with regard to the investment of the Trust. The Trustee is authorized and empowered, but not by way of limitation, with the following powers, rights and duties:

- (A) **Permissible Investments.** To invest any part or all of the Trust in any common or preferred stocks, open end or closed end mutual funds, corporate bonds, debentures, convertible debentures, commercial paper, United States Treasury bills and notes, book entry deposits with the United States Federal Reserve Bank or System, and/or other property of any kind, real or personal, as a prudent man would so invest under like circumstances with due regard for the purposes of this Plan. 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 a law suitable for trust investments. An investment in common or collective trust funds is specifically permitted in accordance with the provisions of Section 10.4 below;
- (B) **Cash and Short Term Investments.** To maintain any part of the assets of the Trust in cash, or in demand or short term time deposits bearing a reasonable rate of interest (including demand or short term time deposits of or with the Trustee), or in a short term investment fund (which fund may be maintained in cash balances or in other cash equivalents having ready marketability, including, but not limited to, U.S. Treasury bills and notes, commercial paper, certificates of deposit (including such certificates of deposit of or with the Trustee), and similar types of short term securities, as may be deemed necessary by the Trustee in its sole discretion;
- (C) **Borrow Money.** To borrow money, to assume indebtedness, extend mortgages and encumber by mortgage or pledge;
- (D) **Disbursements.** To credit and distribute assets held in Trust as directed by the Plan Administrator. 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;

- (E) **Claims and Demands Against the Trust.** To compromise, contest, arbitrate, or abandon claims and demands, in its sole discretion;
- (F) **Funds or Property Subject to Dispute.** 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 final adjudication is made by a court of competent jurisdiction;
- (G) **Litigation Involving the Administration of the Plan.** To begin, maintain or defend any litigation necessary in connection with the administration of the Plan, except that the Trustee will not be obligated to or required to do so unless indemnified to its satisfaction;
- (H) **Rights With Respect to Trust Assets.** To have with respect to the Trust all of the rights of an individual owner, including the power to give proxies, to participate in any voting trusts, mergers, consolidations, and/or liquidations, and to exercise or sell stock subscriptions or conversion rights;
- (I) **Title to Securities and Other Property.** To hold any securities or other property in the name of the Trustee or its nominee, or in another form in its sole discretion, with or without disclosing the Trust relationship;
- (J) **Tax Forms or Returns.** To file all tax forms and/or other returns required of the Trustee; and
- (K) **Other Actions That May Be Necessary or Appropriate.** To perform any and all other acts that, in its sole discretion, may be necessary or appropriate for the proper and advantageous management, investment, and distribution of the Trust.

10.4 Investment in Common or Collective Trust Funds. The Trustee may, in accordance with the provisions of this Section, invest all or any portion of the assets comprising the Trust in any common or collective trust fund which at the time of the investment provides for the pooling of the assets of plans qualified under Code § 401(a).

- (A) **Limitations.** The authorization to invest plan assets in a common or collective trust fund applies only if each of the following conditions is satisfied:
 - (1) **Exempt from Taxation.** The common or collective trust fund is exempt from taxation under Code §§ 584 and 501(a);
 - (2) **Limitations on Participation.** If the common or collective trust fund is exempt from taxation under Code § 501(a), participation in the common or collective trust fund is expressly limited to pension and profit sharing trusts which are exempt under Code § 501(a) by reason of qualifying under Code § 401(a);
 - (3) **Exclusive Benefit.** The common or collective trust fund prohibits any part of its corpus or income which equitably belongs to any participant trust from being used for or diverted to any purposes other than for the exclusive benefit of the Employees or their beneficiaries who are entitled to benefits under such participating trust;

- (4) Prohibition Against Assignment. The common or collective trust fund prohibits assignment by participating trust of any part of its equity or interest in the group trust; and
 - (5) Domestic Trust. The common or collective trust fund was created or organized in the United States and is maintained at all times as a domestic trust in the United States.
- (B) **Farm Credit Foundations Retirement Group Trust.** The Trustee is specifically authorized to invest all or any portion of the assets comprising the Trust in the Farm Credit Foundations Retirement Group Trust (or any successor trust thereto) so long as each of the conditions set forth in Subsection (A) above continues to be satisfied by such group trust.
- (C) **Provisions of the Common or Collective Trust Fund Agreement.** The provisions of the common or collective trust fund agreement, as amended by the Trustee from time to time, are by this reference incorporated within this Plan and Trust. The provisions of the common or collective trust fund will govern any investment of Plan assets in that fund.

10.5 Payment of Fees and Expenses from the Trust. The Trustee will pay all expenses reasonably incurred by it in its administration and investment of the Trust from the assets held in Trust.

10.6 Records and Accounting. The Trustee will keep full and complete records of the administration of the Trust which the Plan Administrator may examine at any reasonable time. As soon as practical after the end of each Plan Year and at such other reasonable times as the Plan Administrator may direct, the Trustee will prepare and deliver to the Plan Administrator an accounting of the administration of the Trust, including a report on the valuation of all assets of the Trust, such valuation to be based upon the fair market value on the valuation date. The Plan Administrator will accept or disapprove such accounting within 90 days. If the Plan Administrator fails to explicitly accept or disapprove such accounting within 90 days, they will be deemed to have accepted such accounting as of the close of the 90-day period. Upon acceptance by the Plan Administrator, the accounting will be conclusive and binding on all parties and the Trustee will be relieved of any further liability or accountability with respect to the matters accounted for. No Employee, Participant, or beneficiary nor any other person will be entitled to or have the right to demand any further or different accounting by the Trustee.

10.7 Unclaimed Payments or Distributions. If no one claims a payment or distribution made from the Trust, the Trustee will notify the Plan Administrator and will dispose of the payment in accordance with the subsequent direction of the Plan Administrator.

10.8 Third Party. No person dealing with the Trustee will be obligated 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 Plan. 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 certification of the Trustee that it is acting in accordance with the Plan will be conclusive in favor of any person relying on the certification.

10.9 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 Plan, and the Trustee may act or refrain from acting on the advice or opinion of any agent, attorney, accountant or other person so selected.

10.10 Valuation of Trust. The Trustee will value the Trust as of the last day of each Plan Year to determine the fair market value of the Trust, and the Trustee will value the Trust on such other date(s) as may be necessary to carry out the provisions of the Plan.

10.11 Liability of Trustee. The Trustee will be liable only for the safeguarding and administration of the assets of this Trust in accordance with the provisions hereof and any amendments hereto and no other duties or responsibilities will be implied. The Trustee will not be responsible for the adequacy of the Trust to meet and discharge any liabilities under the Plan and will not be required to make any payment of any nature except from funds actually received as Trustee. The Trustee may consult with legal counsel (who may be legal counsel for the Plan Administrator) selected by the Trustee and will be fully protected for any action taken, suffered or omitted in good faith in accordance with the opinion of said legal counsel. It will not be the duty of the Trustee to determine the identity or mailing address of any Participant or any other person entitled to benefits hereunder, such identity and mailing addresses are to be furnished by the Employer, the Plan Administrator or an agent of the Plan Administrator. The Trustee will be under no liability in making payments in accordance with the terms of this Plan and the certification of the Plan Administrator who has been granted such powers by the Plan Administrator.

10.12 No Bond. Except to the extent required by any applicable law, no bond or other security for the faithful performance of duty hereunder will be required of the Trustee.

10.13 Ancillary Trustee. Whenever and as often as the Trustee deems such action desirable, it may by written instrument appoint any person or corporation in any state of the United States to act as ancillary trustee with respect to any portion of the assets then held or about to be acquired on behalf of the Trust. Each ancillary trustee will have such rights, duties and discretionary powers as are delegated to it by the Trustee, but will exercise the same subject to the limitations or further directions of the Trustee as such be specified in the instrument evidencing its appointment. The ancillary trustee may resign or may be removed by the Trustee, as to all or any portion of the assets so delivered one to the other, and the Trustee may thereupon appoint another ancillary trustee or successor to whom the assets will be transferred, or may itself receive such assets in termination of the ancillary trusteeship to that extent. Such ancillary trustee will be accountable solely to the Trustee and will be entitled to reasonable compensation.

**ARTICLE XI
ADMINISTRATION OF PLAN**

11.1 Plan Administrator, Named Fiduciary. The general administration of the Plan and the duty to carry out its provisions is vested in the Plan Administrator, which is the “named fiduciary” of the Plan. The Trust Committee shall serve as the Plan Administrator. The Trust Committee is authorized to delegate such duties to other committees, individuals, or entities as it deems appropriate, consistent with Section 11.4 and with the terms and conditions of the Farm Credit Administrative Agreement.

11.2 Plan Administrator’s Powers and Duties. The Plan Administrator shall have such powers and duties as may be necessary to discharge his/her functions hereunder, including but not limited to, the following:

- (A) To construe and interpret the Plan, to decide, in its sole discretion, all questions of participation eligibility and to determine the amount, manner and time of payment of any benefits hereunder;
- (B) To make a determination, in its sole discretion, as to the right of any person to a benefit, including (but not limited to) determinations as to the amount of a benefit and/or the amount of an offset;
- (C) To obtain from the Employer and from the Employees such information as may be necessary for the proper administration of the Plan and, where such information is not available or cannot be ascertained, to approximate such amounts using such assumptions as the Plan Administrator may, in its sole discretion, consider to be reasonable;
- (D) When appropriate, to furnish information promptly to the Trustee or other persons entitled thereto;
- (E) To prepare and distribute, in such manner as the Plan Administrator determines to be appropriate, information explaining the Plan;
- (F) To furnish the Employer, upon request, such reports with respect to the administration of the Plan as are reasonable and appropriate;
- (G) To provide instructions with respect to the payment of benefits hereunder; and
- (H) To take such other actions as may, in the Plan Administrator’s sole discretion and discretion, appear to be necessary or advisable in carrying out the Plan Administrator’s duties and responsibilities.

11.3 Plan Administrator’s Compensation. The Plan Administrator shall receive no compensation from the Fund for its services as such, but shall be entitled to reimbursement by the Employers or from the Fund for any amounts reasonably and necessarily expended by it in the performance of its duties.

11.4 Rules and Regulations. The Plan Administrator shall have the power to make reasonable rules and regulations required in the administration of the Plan, to make all determinations which the Plan requires for its administration, except those determinations which the Plan requires others to make, and to construe and interpret the Plan whenever necessary to carry out its intent and purpose, to remedy ambiguities, inconsistencies or omissions, and to facilitate its administration. To the extent permitted by applicable law, all such rules, regulations, determinations, constructions and interpretations so made by the Plan Administrator shall be binding upon all interested parties.

11.5 Reliance on Others. To the extent permitted by applicable law, the Plan Administrator, the Employers, and the Boards of Directors and officers of the Employers may rely upon all certificates and reports made by an officer of the Employer and upon all opinions given by legal counsel retained by them; and, to such extent, such persons shall be fully protected with respect to any action taken or suffered by them in good faith in reliance upon any such certificates, reports and opinions, and all actions so taken or suffered shall be conclusive upon each of them and upon all Participants.

11.6 Uniform Treatment. In the exercise of its discretionary powers the Plan Administrator shall treat all similarly-situated Participants uniformly.

11.7 Indemnification. To the extent permitted by law, the Employers shall indemnify and save harmless the Plan Administrator and any Employee of an Employer to whom fiduciary duties have been delegated pursuant to Section 11.1, against any and all claims, losses, damages, expenses and liabilities arising from their responsibilities in connection with the Plan, unless the same is determined to be due to their gross negligence or intentional misconduct.

11.8 Claims Procedure. The Plan Administrator will make all determinations as to the rights of any Employee, Participant, beneficiary, or other person under the terms of this Plan.

- (A) **Claim for Benefit.** Any Employee, Participant, beneficiary, or other person who desires to assert a claim for benefits under this Plan must do so by filing a written notice with the Plan Administrator setting forth the substance of the claim.
- (B) **Written Claims Procedures.** The Plan Administrator shall have the authority to adopt and maintain such written procedures for the assertion, processing, and review of claims as may, in its sole discretion, appear to be necessary or advisable. Such written procedures shall be binding on any Employee, Participant, beneficiary, or other person who desires to assert a claim for benefits under this Plan. The written claims procedures that the Plan Administrator may adopt from time to time are specifically incorporated by reference into this Section of the Plan.
- (C) **Final Decision by Plan Administrator.** If the Plan Administrator, pursuant to the Plan's written claims procedures, makes a final determination denying a claimant's benefit claim, it shall issue a written decision that specifies the reasons for the denial and references the pertinent Plan provision(s) upon which the decision is based. The written decision shall also advise the claimant of his/her right to bring a legal action challenging the Plan Administrator's decision, and shall state the deadline for commencing any such action.

- (D) **Legal Action Against the Plan.** Prior to initiating a civil action in any court – state or federal – regarding a claim against the Plan, any Trust used in connection with the Plan, the Employer, and/or the Plan Administrator, a claimant must first exhaust the administrative remedies set forth in this Section and adhere to any written claims procedures specifically incorporated herein.

- (E) **Deadline for Commencing Civil Action.** Any civil action relating to or arising out of a denied claim must be filed no later than 180 days following the Plan Administrator’s final decision on the denied claim. Failure to file an action within this 180-day period shall serve as a bar to the legal claim.

**ARTICLE XII
REQUIRED MINIMUM DISTRIBUTION REQUIREMENTS**

12.1 General Rules.

- (A) **Effective Date.** The provisions of this Article XII will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.
- (B) **Precedence Over Other Plan Provisions.** The requirements of this Article XII will take precedence over any inconsistent provisions of the Plan.
- (C) **Requirements of Treasury Regulations Incorporated.** All distributions required under this Article 12 will be determined and made in accordance with the Treasury regulations under Code § 401(a)(9).
- (D) **TEFRA Section 242(b)(2) Elections.** Notwithstanding the other provisions of this article, other than Section 12.1(C), distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to section 242(b)(2) of TEFRA.

12.2 Time and Manner of Distribution.

- (A) **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.
- (B) **Death of Participant Before Distributions Begin.** 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:
 - (1) If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, then, except as provided 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 died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.
 - (2) If the Participant's surviving Spouse is not the Participant's sole Designated Beneficiary, then, except as provided 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.
 - (3) 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.

- (4) 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 Subsection (B), other than Subsection (B)(1), will apply as if the surviving Spouse were the Participant.

For purposes of this Subsection (B) and Section 12.5, distributions are considered to begin on the Participant's Required Beginning Date (or, if Section 12.2(B)(4) applies, the date distributions are required to begin to the surviving Spouse under Section 12.2(B)(1)). If annuity payments 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 12.2(B)(1)), the date distributions are considered to begin is the date distributions actually commence.

- (C) **Form of Distribution.** Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first distribution calendar year, distributions will be made in accordance with Section 12.3, Section 12.4 and Section 12.5. 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. Any part of the Participant's interest which is in the form of an individual account described in Code § 414(k) will be distributed in a manner satisfying the requirements of Code § 401(a)(9) and the Treasury regulations that apply to individual accounts.

12.3 Determination of Amount to be Distributed Each Year.

- (A) **General Annuity Requirements.** If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:
 - (1) The annuity distributions will be paid in periodic payments made at intervals not longer than one year;
 - (2) The distribution period will be over a life (or lives) or over a period certain not longer than the period described in Section 12.4 or Section 12.5;
 - (3) Once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;
 - (4) Payments will either be nonincreasing or increase only as follows:
 - (a) By an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;

- (b) To the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period dies or is no longer the Participant's beneficiary pursuant to a qualified domestic relations order within the meaning of Code § 414(p);
 - (c) To provide cash refunds of Employee contributions upon the Participant's death; or
 - (d) To pay increased benefits that result from a Plan amendment.
- (B) **Amount Required to be Distributed by Required Beginning Date.** The amount that must be distributed on or before the Participant's Required Beginning Date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Section 12.2(B)(1) or Section 12.2(B)(2)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Participant's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's Required Beginning Date.
- (C) **Additional Accruals After First Distribution Calendar Year.** Any additional benefits accruing to the Participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

12.4 Requirements for Annuity Distributions That Commence During Participant's Lifetime.

- (A) **Joint Life Annuities Where the Beneficiary Is Not the Participant's Spouse.** If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a nonspouse beneficiary, annuity payments to be made on or after the Participant's Required Beginning Date to the Designated Beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Q&A-2 of section 1.401(a)(9)-6T of the Treasury regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a nonspouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the Designated Beneficiary after the expiration of the period certain.

- (B) **Period Certain Annuities.** Unless the Participant's Spouse is the sole Designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's Spouse is the Participant's sole Designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this Section, or the joint life and last survivor expectancy of the Participant and the Participant's Spouse as determined under the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the calendar year that contains the annuity starting date.

12.5 Requirements For Minimum Distributions Where Participant Dies Before Date Distributions Begin.

- (A) **Participant Survived by Designated Beneficiary.** If the Participant dies before the date distribution of his/her interest begins and there is a Designated Beneficiary, the Participant's entire interest will be distributed, beginning no later than the time described in Section 12.2(B)(1) or Section 12.2(B)(2), over the life of the Designated Beneficiary or over a period certain not exceeding:
- (1) Unless the annuity starting date is before the first distribution calendar year, the life expectancy of the Designated Beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or
 - (2) If the annuity starting date is before the first distribution calendar year, the life expectancy of the Designated Beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.
- (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 Begin.** If the Participant dies before the date distribution of his/her interest begins, the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, and the surviving Spouse dies before distributions to the surviving Spouse begin, this Section will apply as if the surviving Spouse were the Participant, except that the time by which distributions must begin will be determined without regard to Section 12.2(B)(1).

12.6 Definitions. The following definitions apply to this Article XII:

- (A) **Designated Beneficiary.** The individual who is designated as the beneficiary under Section 7.14 of the Plan and who is the Designated Beneficiary under Code § 401(a)(9) and section 1.401(a)(9)-1, Q&A-4, of the Treasury regulations.
- (B) **Distribution Calendar Year.** A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Section 12.2(B).
- (C) **Life Expectancy.** Life expectancy as computed by use of the Single Life Table in section 1.401(a)(9)-9 of the Treasury regulations.
- (D) **Required Beginning Date.** The term "required beginning date" means April 1 of the calendar year following the later of the calendar year in which the employee attains age 70½ or the calendar year in which the Employee retires.

**ARTICLE XIII
AMENDMENT AND TERMINATION**

13.1 Amendment and Termination. The Plan Sponsor Committee shall have the power to amend or terminate this Plan at any time, subject to and in accordance with the provisions of this Section. Unless otherwise specified, any amendment shall take effect on a prospective basis only.

- (A) **Approval by the Employer.** Approval of an amendment by AgriBank, FCB and the associations that are participating in this Plan is not required unless the amendment would do one or more of the following:
- (1) Terminate the Plan;
 - (2) Amend one or more of the benefit accrual formulas set forth in the Plan;
 - (3) Change the distribution options under the Plan (except where the change is required by applicable law);
 - (4) Freeze the Plan; and/or
 - (5) Amend or change the provisions of this Section.
- (B) **Approval Process by the Employer.** If the approval of an amendment by AgriBank, FCB and the associations that are participating in this Plan is required under this Section, the amendment must be approved in writing in accordance with the provisions of the AgriBank, FCB Administrative Agreement Regarding Employee Benefit Plans, as that agreement may be amended from time to time.
- (C) **Restrictions on Amendments.** Notwithstanding the foregoing provisions of this Section, no amendment shall:
- (1) Reduce the benefits of any Participant or other person accrued under the Plan prior to the date the amendment is adopted, except to the extent that a reduction in Accrued Benefits may be permitted or required by applicable law; or
 - (2) Divert any part of the assets of the Trust to purposes other than the exclusive purpose of providing benefits to Participants and their beneficiaries and/or defraying the reasonable expenses of administering the Plan.

13.2 Termination of the Plan. In the event of complete termination of the Plan, the Trustee shall liquidate the assets in the Fund and shall dispose of the Fund in the manner specified in the succeeding Subsections of this Section and in the order in which they are set forth, prorating the balance of the Fund among the category of Participants specified in any Subsection for which the assets are insufficient to make full provision, to the exclusion of the categories specified in subsequent Subsections. Pension benefits shall be based on Credited Service and Final Average Pay only to the date of termination of the Plan.

- (A) The Trustee shall first provide benefits in an amount equal to that portion of Participants' Accrued Benefits that are attributed to employee contributions transferred from the Fourth District Plan to this Plan.
- (B) The Trustee shall then provide continuing pension benefits to Participants who have retired at least three years prior to the termination date of the Plan, and shall provide immediate pension benefits to those Participants who were eligible to retire and receive immediate pension benefits at least three years prior to the Plan termination date but who elected not to retire at that time, in an amount based on the Plan provisions as in effect during the five-year period ending on the termination date under which such benefit would be the least.
- (C) The Trustee shall next provide pension benefits, commencing at age sixty-five, to Participants who would be eligible to receive guaranteed benefits under Title IV of the Employee Retirement Income Security Act of 1974 if that law applied to this Plan.
- (D) The Trustee shall next provide pension benefits commencing at age sixty-five to Participants who have acquired vested rights under Section 4.4 or 5.3.
 - (1) If the assets available for allocation are insufficient to satisfy in full the benefits of Participants under this Subsection (D), the assets shall be allocated among the Participants on the basis of the Plan as in effect five years prior to the termination date.
 - (2) If the assets available for allocation are sufficient to satisfy in full the benefits under this Subsection (D), as limited by clause (1), benefits shall be redetermined on the basis of the Plan as amended by the most recent amendment effective during the five-year period preceding Plan termination under which the assets available for allocation are sufficient to satisfy in full the benefits of Participants, and any assets remaining to be allocated shall be allocated on the basis of the Plan as amended by the next succeeding Plan amendment effective during such period.
- (E) The Trustee shall next provide pension benefits commencing at age sixty-five to all remaining Participants, to the extent such Participants are otherwise entitled thereto under the terms of the Plan.
- (F) All assets remaining in the Fund after making full provision for all Participants as aforesaid, representing overfunding due to actuarial errors and unanticipated investment gains, shall then be refunded to the Employers.

13.3 Merger, Consolidation, Transfer of Assets. In the event of any merger or consolidation with, or transfer of assets or liabilities to, any other plan, each Participant shall be entitled to receive a benefit immediately after such merger, consolidation or transfer (if the plan then terminated) which is equal to or greater than the benefit he/she would have been entitled to receive immediately before such merger, consolidation or transfer (if this Plan had then terminated).

EXHIBIT A

AGRIBANK DISTRICT RETIREMENT PLAN

(Formerly known as The Seventh Farm Credit District Retirement Plan)

**Factors to Convert Life Annuity Form of
Benefit to Optional Benefit Forms**

The factors set forth on the following pages are to be used to convert a Participant's benefit from a life annuity form to one of the optional forms of benefit made available to Participants under Section 7.2 of the Plan. The factors are based on the actuarial assumptions specified at Section 2.2 of the Plan.

EXHIBIT B

AGRIBANK DISTRICT RETIREMENT PLAN

(Formerly known as The Seventh Farm Credit District Retirement Plan)

Pre-Revision “Pay” Definition Under Section 2.31

For purposes of applying the definition of “Pay” at Section 2.31 for periods prior to January 1, 1992, in the case of persons who, as of December 31, 1991, were participating in The Seventh Farm Credit District Retirement Plan, and for periods prior to January 1, 1993, in the case of persons who, as of December 31, 1992, were participating in the Farm Credit System Consolidated Plan – Supplement III, subject to the Two Hundred Thousand Dollar limitations which became effective on January 1, 1989, “Pay” means the amount of a Participant’s regular base compensation received from the Employer, including any salary reductions experienced in conjunction with his participation in an Employer-sponsored “cash or deferred arrangement” or “cafeteria plan” under Code § 125 or 401(k), but excluding bonuses, overtime, other incentive pay and any other form of special or nonrecurring compensation.

EXHIBIT C

AGRIBANK DISTRICT RETIREMENT PLAN

(Formerly known as The Seventh Farm Credit District Retirement Plan)

**December 31, 1993 Fourth District Plan Provisions
Relating to Benefit and Optional Payment Form Calculations**

I. Benefit Formula (Section 6.03 of Fourth District Plan)

The formula to determine a Participant's benefit under the Fourth District Plan as in effect on December 31, 1993 (payable in the form of a five-year certain and life annuity) was as follows:

The sum of Section 6.03(a), Section 6.03(b) and Section 6.03(c), but in no case less than Section 6.03(d), if applicable:

Section 6.03(a). A past service benefit equal to the sum of Section 6.03(a)(1) and Section 6.03(a)(2) below:

Section 6.03(a)(1). One and two tenths percent (1.2%) of the Participant's Average Monthly Earnings, plus eight-tenths percent (0.8%) of his Average Monthly Earnings in excess of his Monthly Covered Compensation (as indicated below in this Section 6.03 (a)(1), such sum multiplied by his Past Credited Service (Credited Service completed prior to August 1, 1973):

Year of Birth	Monthly Covered Compensation
1903 or earlier	\$400
1904 to 1906	450
1907 to 1913	500
1914 to 1928	550
1929 to 1935	600
1936 to later	650

Section 6.03(a)(2). The amount of Past Service Monthly Normal Retirement Income or Past Service Monthly Income credited under a Predecessor Plan (either the Retirement Pension Plan for Employees of Production Credit Associates in the Fourth Farm Credit District or the Retirement Pension Plan for Employees of Federal Land Bank Associates in the Fourth Farm Credit District) to which a member was entitled immediately prior to becoming a Member of the Original Plan (the Retirement Plan for Eligible Employees of Farm Credit Institutions in the Fourth District).

Section 6.03(b). An Additional past service benefit equal to one percent (1%) of the Participant's Average Monthly Earnings, plus seven-tenths percent (0.7%) of his Average Monthly Earnings in excess of his Monthly Covered Compensation (as indicated below in this Section 6.03(b)) such sum multiplied by his Additional Past Credited Service (Credited Service completed during the period from August 1, 1973 through December 31, 1988):

Year of Birth	Monthly Covered Compensation
1907 or earlier	\$450
1908 to 1909	500
1910 to 1911	550
1912 to 1914	600
1915 to 1918	650
1919 to 1922	700
1923 to 1929	750
1930 to 1932	800
1933 to 1935	850
1936 to 1938	900
1939 to 1943	950
1944 or later	1000

Section 6.03(c). A future service benefit equal to one and two-tenths percent (1.2%) of the Member's Average Monthly Earnings, plus four-tenths percent (0.4%) of his Average Monthly Earnings in excess of his Monthly Covered Compensation multiplied by his Future Credited Service (Credited Service completed during the period from January 1, 1989 through December 31, 1993).

Section 6.03(d). A Monthly Retirement Income payable at his Normal Retirement Date equal to the amount the Participant who was covered under the Original Plan on August 1, 1968 would have received under the Original Plan as of August 1, 1968 had his Credited Service continued until his Normal Retirement Date and his Monthly Earnings as of July 1, 1968 remained constant until his Normal Retirement Date.

If the Participant's benefit under Section 4.2(C)(1) of the Plan is determined by reference to Section 6.03(d) of the Fourth District Plan as set forth above:

- (i) The Participant's projected Monthly Retirement Income at his Normal Retirement Date shall be calculated on the basis of the Participant's Average Monthly Earnings as of the calculation date (subject to the instructions for determining Monthly Earnings in Section 6.03(d); and
- (ii) This amount so determined shall be multiplied by a fraction, the numerator of which shall be the Participant's Credited Service as of the calculation date and the denominator of which shall be the Credited Service the Participant would have accumulated had he continued until his Normal Retirement Date, without interruption of his Vested Service under the Fourth District Plan.

For purposes of applying the foregoing formulas, the period of the Participant's Past Credited Service, Additional Past Credited Service and Future Credited Service, will be the period completed by the Participant as of December 31, 1993, and the amount of the Participant's Average Monthly Earnings and Monthly Covered Compensation will be determined as of the date of the Participant's termination of employment.

For purposes of applying the benefit formulas set forth above, the definitions set forth below shall be used.

The term "Earnings" means total compensation paid during the Plan Year, including salary, incentive compensation, bonuses and overtime before any reduction for compensation deferred pursuant to either Internal Revenue Code § 125 or § 402(a)(8). Prior to January 1, 1981, Earnings means the regular basic monthly rate of earnings (exclusive of all forms of extraordinary earnings such as overtime, commissions and bonuses) and shall be determined as of the last day of the month immediately preceding February 1 or August 1. Effective January 1, 1989, Earnings shall be limited to a maximum of two hundred thousand dollars (\$200,000) per calendar year or such higher amount as is authorized pursuant to Internal Revenue Code § 401(a)(17).

The term "Average Monthly Earnings" means the average of the sixty (60) consecutive months of Earnings during which the average of the monthly earnings is highest. If a Participant worked fewer than twelve (12) months in a calendar year, then Earnings for the months in that year will be determined by dividing the Earnings for the months worked in that year by the number of months worked in that year. If a Participant has fewer than sixty (60) months to produce an average, his Average Monthly Earnings shall be based upon an average of his actual consecutive months of Earnings. Consecutive Months of Earnings as it relates to this definition shall also include for purposes of determining the Average Monthly Earnings: (a) months of earnings from another Farm Credit entity, provided there is portability of benefits, and (b) months of earnings from prior membership in the Fourth District Plan when a break in service is the result of a transfer to and/or from another Farm Credit entity which does not provide portability of benefits or is the result of termination of employment, provided appropriate redeposit of any required Employee contribution with interest as determined by the Trustees is made.

For purposes of applying the formula under Section 6.03(c) above, the benefit formulas set forth as Monthly Covered Compensation means, for any Plan Year, one-twelfth (1/12) of the average (without indexing) of the Social Security taxable wage base in effect for each calendar year during the thirty-five (35) year period ending with the calendar year prior to the calendar year in which the Participant attains Social Security retirement age (as defined in Code Section 415(b)(8)) rounded to the nearest multiple of fifty dollars (\$50). In determining a Participant's Monthly Covered Compensation for a Plan Year, the taxable wage base for the current Plan Year and any subsequent Plan Year shall be assumed to be the same as the taxable wage base in effect as of the beginning of the Plan Year for which the determination is being made. A Participant's Monthly Covered Compensation for a Plan Year after the thirty-five (35) year period is the Participant's Monthly Covered Compensation for the Plan Year during which the Participant attained Social Security retirement age. A Participant's Monthly Covered Compensation for a Plan Year before the thirty-five (35) year period is the taxable wage base in effect as of the beginning of the Plan Year. Each Participant's Monthly Covered Compensation will automatically be adjusted for each Plan Year.

II. Optional Forms of Benefit for Portion of Benefit Calculated Under Section 4.2(C)(1)

Section 7.2(G) of the Plan provides that optional forms of payment of that portion of a Participant's benefit determined under Section 4.2(C)(1) of the Plan are to be chosen from among the optional forms that were available under the Fourth District Plan on December 31, 1993, as prospectively amended effective May 1, 2001, and are to be calculated on the basis of the actuarial equivalency factors applicable to those optional payment forms under the Fourth District Plan, as prospectively amended effective May 1, 2001. Following are descriptions of those optional forms of payment that were available under Section 6.02 of the Fourth District Plan and the rules applicable thereunder with respect to those payment forms, in each case.

Section 6.02(a). A monthly income payable for the lifetime of the Participant, and continuing thereafter, at either 50% or 100% of the monthly payments, as selected by the Participant, to a survivor designated in writing by the Participant. Should the survivor named by the Participant die prior to the Participant's Early, Normal or Late Retirement Date, the election shall be void and the Monthly Retirement Income shall be paid under the basic form. Should the survivor die after the monthly income has commenced to the Participant, no alternative survivor can be named.

Section 6.02(a)(1). Unless an optional form of benefit is selected pursuant to a qualified election within the ninety-day period ending on the date benefit payments commence, the benefit of a Participant who is married on the date benefits commence will be paid in the form as provided in Section 6.02(a) with the Participant's Spouse eligible to receive a survivor benefit equal to 50% of the benefit to be received by the Participant.

A qualified election not to take the benefit in the above form must be in writing and must be consented to by the Participant's Spouse. The Spouse's consent to the election must be witnessed by a notary public and must acknowledge the effect of the consent. Notwithstanding this consent requirement, if the Participant establishes to the satisfaction of the Plan representative that such written consent may not be obtained from the Spouse because the Spouse cannot be located, the election will be deemed a qualified election without spousal consent. Any consent necessary under this provision will be valid only with respect to the Spouse who signs the consent or in the event of a deemed qualified election, the designated Spouse. Additionally, a revocation of a prior election, may be made by a Participant without the consent of the Spouse at any time before the commencement of benefits. The number of revocations shall not be limited.

Section 6.02(b). A lump sum payment to the Participant, but only at his actual retirement date, provided the Participant is then entitled to an immediate monthly retirement benefit. If, at termination date, the Participant is entitled to only a deferred monthly retirement benefit, a lump sum payment would become payable only when the Participant attains the age of fifty-five.

Section 6.02(c). A monthly pension during the Participant's lifetime and ending at the Participant's death, irrespective of the number of payments received. However, for benefits accrued for service after December 31, 1988, this alternative form of payment will not be available if the Participant retires prior to age 56.

Section 6.02(d). A monthly pension in an adjusted level monthly amount payable for a period certain of a specified minimum number of months, either sixty, one hundred twenty or one hundred eighty and during the Participant's lifetime thereafter.

Section 6.02(e). Equal installments payable at regular monthly or other intervals. Distributions, if not made in a lump sum, may only be made over one of the following periods:

- (1) the life of the Participant or
- (2) the life of the Participant and a designated beneficiary.

III. Actuarial Factors for Optional Benefit Form Equivalencies

For purposes of determining actuarial equivalencies among the optional forms of benefit referenced in Paragraph II above, the following factors shall be applied:

All Optional Forms Other Than Lump Sum

The term "Actuarial Equivalent" shall mean a monthly benefit of equivalent value computed on the basis of the following factors for all benefits accrued pursuant to the Fourth District Plan through December 31, 1993:

- (A) Single Life Annuity – For a single life annuity optional form of benefit, the interest factor will be six percent (6%) per annum, compounded annually, and the mortality factor will be the factor determined using the 1971 Group Annuity Mortality Table (Male) with no age setback.
- (B) Other Forms – For a 10-year certain and life annuity, 15-year certain and life annuity, and all joint and survivor annuity optional forms of benefit, the interest factor will be six percent (6%) per annum, compounded annually, and the mortality factor will be the factor determined using the 1971 Group Annuity Mortality Table (Male) with a five (5) year age setback for Participants and no age setback for Beneficiaries

Lump Sum Optional Form

For purposes of calculating the lump sum equivalent form of benefit payment, Monthly Retirement Income at the later of age at distribution or age 55 shall be used as the basis for the calculations.

- (A) The lump sum benefit for Participants shall be equal to the sum of the amounts calculated in (i) and (ii) below.
 - (i) Benefits accrued prior to August 1, 1983 shall be converted to a lump sum using the Unisex Pension 1984 Mortality Table with no age setback for males and a five (5) year age setback for females and the immediate and deferred interest rates in effect as of the first day of the Plan Year in which the distribution occurs, used for determining lump sum values by the Pension Benefit Guaranty Corporation.

- (ii) Benefits accrued after July 31, 1983 shall be converted to a lump sum using the Unisex Pension 1984 Mortality Table set back one (1) year for both males and females and the immediate and deferred interest rates in effect as of the first day of the Plan Year in which the distribution occurs, as used for determining lump sum values by the Pension Benefit Guaranty Corporation.
- (B) In no event shall the lump sum benefit determined under (A) above be less than the Actuarial Value of the Monthly Retirement Income accrued prior to January 1, 1988 determined as the sum of the amounts calculated in (i) and (ii) below.
 - (i) Benefits accrued prior to August 1, 1983, converted to a lump sum using the 1971 Group Annuity Mortality Table (male) with no age setback for males and a five (5) year age setback for females and an interest rate equal to the December 31, 1987 "average single premium annuity purchase rate" of 5.5%.
 - (ii) Benefits accrued after July 31, 1983, and before December 31, 1987, converted to a lump sum using the 1971 Group Annuity Mortality Table (Male) set back one (1) year for both males and females and an interest rate equal to the December 31, 1987 "average single premium annuity purchase rate" of 5.5%.
- (C) In calculating a lump sum equivalent form of benefit pursuant to (A) for the benefit accrued as of December 31, 1993, for a Participant who terminated employment prior to January 1, 1994, if the Administrator determines that the pay history required to calculate the Participant's benefit is incomplete and that insufficient information is reasonably available to the Administrator to determine the benefit accrued prior to August 1, 1983 and the benefit accrued after July 31, 1983, then notwithstanding (A) above, the lump sum equivalent form of benefit will be the sum of (i) and (ii) below.
 - (i) The benefit attributable to the period prior to August 1, 1983, will be determined by multiplying the total benefit accrued as of December 31, 1993, by a fraction the numerator of which is the Credited Service of the Participant as of July 31, 1983, and the denominator is the total Credited Service of the Participant as of December 31, 1993. The benefit attributable to the period prior to August 1, 1983, as so determined, will be converted to a lump sum using the Unisex Pension 1984 Mortality Table with no age setback for males and a five (5) year age setback for females and the immediate and deferred interest rates in effect as of the first day of the Plan Year in which the distribution occurs, used for determining lump sum values by the Pension Benefit Guaranty Corporation.

- (ii) The benefit attributable to the period after July 31, 1983, and through December 31, 1993, will be determined by multiplying the total benefit accrued as of December 31, 1993, by a fraction the numerator of which is the Credited Service of the Participant for the period after July 31, 1983, but prior to January 1, 1994, and the denominator is the total Credited Service of the Participant as of December 31, 1993. The benefit attributable to the period after July 31, 1983, and through December 31, 1993, as so determined, will be converted to a lump sum using the Unisex Pension 1984 Mortality Table with a one (1) year setback for both males and females and the immediate and deferred interest rates in effect as of the first day of the Plan Year in which the distribution occurs, used for determining lump sum values by the Pension Benefit Guaranty Corporation.
- (D) In calculating a lump sum equivalent form of benefit pursuant to (B) for the benefit accrued prior to January 1, 1988, for a Participant who terminated employment prior to January 1, 1994, if the Administrator determines that the pay history required to calculate the Participant's benefit is incomplete and that insufficient information is reasonably available to the Administrator to determine the benefit accrued prior to August 1, 1983, and the benefit accrued after July 31, 1983, but before January 1, 1988, then notwithstanding (B) above, the lump sum equivalent form of benefit will be the sum of (i) and (ii) below.
- (i) The benefit attributable to the period prior to August 1, 1983, will be determined by multiplying the total benefit accrued as of December 31, 1987, by a fraction the numerator of which is the Credited Service of the Participant as of July 31, 1983, and the denominator is the total Credited Service of the Participant as of December 31, 1987. The benefit attributable to the period prior to August 1, 1983, as so determined, will be converted to a lump sum using the 1971 Group Annuity Mortality Table (Male) with no age setback for males and a five (5) year age set back for females and an interest rate equal to the December 31, 1987, "average single premium annuity purchase rate" of 5.5%.
 - (ii) The benefit attributable to the period after July 31, 1983, and through December 31, 1987, will be determined by multiplying the total benefit accrued as of December 31, 1987, by a fraction the numerator of which is the Credited Service of the Participant for the period after July 31, 1983, but prior to January 1, 1988, and the denominator is the total Credited Service of the Participant as of December 31, 1987. The benefit attributable to the period after July 31, 1983, and through December 31, 1987, as so determined, will be converted to a lump sum using the 1971 Group Annuity Mortality Table (Male) set back one (1) year for both males and females and an interest rate equal to December 31, 1987, "average single premium annuity purchase rate" of 5.5%.

EXHIBIT D

AGRIBANK DISTRICT RETIREMENT PLAN

(Formerly known as The Seventh Farm Credit District Retirement Plan)

Alternative Benefit Under Section 4.2(E)

The alternative benefit referenced in Section 4.2(E) of the Plan to which certain Participants described in that section may be entitled (the Plan benefit formula that was in effect on December 31, 1988) is an amount equal to the greater of –

- (A) the sum of –
 - (1) the product of –
 - (a) the difference between two percent of his Average Monthly Salary and one and one-fourth percent of his Social Security Monthly Benefit, multiplied by
 - (b) the number of full and fractional years of his Credited Service (1985);
 - plus
 - (2) the product of –
 - (a) the difference between one and one-half percent of his Average Monthly Salary and one and one-fourth percent of his Social Security Monthly Benefit, multiplied by
 - (b) the number of full and fractional years of his Credited Service (Future);

provided, that, for purposes of this clause (A), the sum of the Participant's Credited Service (1985) plus his Credited Service (Future) may not exceed forty years;

or

- (B) the product of –
 - (1) the difference between two percent of his Average Monthly Salary and one and two-thirds percent of his Social Security Monthly Benefit, multiplied by
 - (2) the number of full and fractional years of his Credited Service (Future);

or

(C) the product of –

(1) one and one-fourth percent of his Average Monthly Salary (1979), multiplied by

(2) the number of full and fractional years of his Credited Service (1979).

For purposes of applying the foregoing benefit formulas –

(1) The term “Average Monthly Salary” with respect to a Participant, means one-sixtieth of the Participant’s aggregate Pay for the sixty consecutive months within the last one hundred twenty months of Credited Service with Employers which produces the highest average; provided, first, that if the Participant has not been employed with Employers for a total of at least sixty consecutive months, his Average Monthly Salary shall be the average of his monthly Pay for the most recently completed consecutive whole months of his Credited Service while he was employed with Employers; and second, that if, following reemployment of a terminated Participant, the Participant’s Average Monthly Salary shall be determined on the basis of the period of his Credited Service completed following his reemployment and that portion of the period of his Credited Service completed prior to his reemployment which, when added to the period of his Credited Service completed following his reemployment, equals sixty.

(2) The term “Average Monthly Salary (1979)” with respect to a Participant, means his Average Monthly Salary, as determined pursuant to the provisions of clause (1) above, but based on the assumption that the rate of his Pay, as in effect on December 31, 1979, continues unchanged each month during the period of his Credited Service completed thereafter.

(3)(A) The “Social Security Monthly Benefit”, with respect to a Participant, means an amount, determined by the Plan Administrator as of the date of a Participant’s termination of employment, to be a reasonable estimate of the primary monthly old-age insurance benefit to which he is or would be entitled commencing immediately following his Normal Retirement Date or his termination of employment, whichever is later, based on the following assumptions:

(1) The Participant is eligible for such Social Security benefit and he does not disqualify himself from receiving the benefit;

(2) Prior to the Participant’s employment with any Employer or other Affiliate, his wages increased at the national average rate as published by the Social Security Administration;

(3) In the case of a Normal Retirement Benefit, the Social Security Act in effect on the Normal Retirement Date continues unchanged;

(4) In the case of an Early Retirement Benefit, the Social Security Act in effect on the date of his termination of employment continues unchanged, and he does not thereafter receive any compensation that would be treated as wages for purposes of the Social Security Act; and

(5) In the case of a deferred vested benefit, the Social Security Act in effect on the date of his termination of employment continues unchanged, and he continues to receive compensation that would be treated as wages for purposes of the Social Security Act until his Normal Retirement Date at the same rate as was in effect for him immediately prior to his termination of employment.

(B) Notwithstanding the provisions of Subsection (A), each Participant shall be entitled to have the amount of his Social Security Benefit, for purposes of the Plan's benefit formula, determined on the basis of his actual wage history prior to his employment with an Employer or other Affiliate, in lieu of such amount being determined on the basis of the wage assumptions specified in clause (2) of Subsection (A). In order to have his Social Security Monthly Benefit calculated on the basis of his actual wage history, the Participant must submit to the Plan Administrator his actual wage history, as contained in the records of the Social Security Administration, within nine months following the later of his termination of employment or the date on which the amount of his benefits under the Plan, based upon an assumed wage history, is communicated to him. If the Participant submits such actual wage history, the Participant's Social Security Monthly Benefit shall, for purposes of the Plan, be determined on the basis of such actual wage history if, by so doing, the Participant's benefit under this benefit formula is greater in amount than it would have otherwise been if the amount thereof had been calculated on the basis of the wage assumptions specified in clause (2) of Subsection (A).

(4) The term "Credited Service (1979)", with respect to an Employee, means the period of Credited Service, determined in accordance with the provisions of the Plan as in effect on December 31, 1979, which the Employee had completed during the period commencing with the later of his attainment of age twenty-five and the date on which he first completed an hour of service of the type specified at Section 2.5(A)(1), and ending on the earlier of his Normal Retirement Date or January 1, 1980. No more than forty years of Credited Service (1979) shall be taken into account, and fractional years of Credited Service (1979) shall be determined on the basis of days.

(5) The term "Credited Service (1985)", with respect to an Employee, means the period of Credited Service, determined in accordance with the provisions of the Plan as in effect on December 31, 1984, which the Employee had completed prior to the earlier to occur of his Normal Retirement Date or January 1, 1985. No more than forty years of Credited Service (1985) shall be taken into account, and fractional years of Credited Service (1985) shall be determined on the basis of days.

(6) The term "Credited Service (Future)", with respect to an Employee, means the period of Credited Service which the Employee completes after December 31, 1984 and prior to his Normal Retirement Date. No more than thirty years of Credited Service (Future) shall be taken into account, and fractional years of Credited Service (Future) shall be determined on the basis of days.

EXHIBIT E

AGRIBANK DISTRICT RETIREMENT PLAN

(Formerly known as The Seventh Farm Credit District Retirement Plan)

Grandfathered Early Commencement Reduction Factors

The following rules shall be applied to the benefit accrued by a Participant through December 31, 1992, to determine whether the amount of the Participant's Early Retirement Benefit under Section 4.3 of the Plan is subject to the minimum benefit described in Subsection (C) of Section 4.3.

- (1) If the Participant terminates his employment after completing at least thirty years of Credited Service by the age that is three years younger than his Social Security Retirement Age, or if he has attained his "Unreduced Early Retirement Date" (as defined below) and, in either case, his benefit commences at or after the age that is three years younger than his Social Security Retirement Age, the amount of benefit to which he would have been entitled if he had terminated his employment on December 31, 1992, will not be reduced for commencement prior to the month following his Social Security Retirement Age;
- (2) If the Participant terminates his employment after completing at least thirty years of Credited Service prior to the age that is three years younger than his Social Security Retirement Age or in circumstances that, upon attaining the age that is three years younger than the Participant's Social Security Retirement Age, he will have attained his "Unreduced Early Retirement Date" and his benefit commences prior to attainment of the age that is three years younger than his Social Security Retirement Age, the amount of benefit to which he would have been entitled if he had terminated his employment on December 31, 1992, shall be reduced as follows:
 - (a) If the age that is three years younger than his Social Security Retirement Age is 62 or 63, such benefit shall be reduced by one-third of one percent thereof for each month by which the commencement of benefits precedes the month following his sixty-second or sixty-third birthday, whichever is applicable;
 - (b) If the age that is three years younger than his Social Security Retirement Age is 64, such benefit shall be reduced by one-third of one percent thereof for each month by which the commencement of benefits precedes the month following his attainment of age sixty-four, up to the month following his fifty-sixth birthday, and by an additional four-tenths of one percent thereof for each month by which the date of commencement of benefits precedes the month following the Participant's fifty-sixth birthday.
- (3) If the Participant's benefit is determined under Subsection (E) of Section 4.2 by applying the benefit formula in effect under the Plan on December 31, 1988, the following rules shall apply:

(a) If either –

(i) the Participant had attained his “Unreduced Early Retirement Date” as of the benefit commencement date, or

(ii) as of December 31, 1979, the Participant was accruing a benefit under the Plan, had attained age fifty-five and had completed at least fifteen years of Credited Service, and, as of the benefit commencement date, had attained his “Special Normal Retirement Date” (as defined below),

the benefit to which he would have been entitled under such formula if he had terminated his employment on December 31, 1992 shall be determined without reduction by reason of commencement prior to the month following his Normal Retirement Date;

(b) If the Participant was accruing a Benefit under the Plan on December 31, 1979 and, as of that date, he had attained age fifty-five and had completed at least fifteen years of Credited Service, the pre-Normal Retirement Age commencement reduction for the benefit to which he would have been entitled under such formula if he had terminated his employment on December 31, 1992, shall be the lesser of –

(i) one-third of one percent for each month by which the date of commencement of benefit payments precedes the earlier of the month following his Normal Retirement Date or his “Unreduced Early Retirement Date,” or

(ii) one-fourth of one percent for each month by which the date of commencement of benefit payments precedes the earlier of the month next following his Normal Retirement Date or his “Special Normal Retirement Date;”

(c) If the Participant was accruing a benefit under the Plan on December 31, 1979, but, as of that date, he had not attained age fifty-five or had not completed at least fifteen years of Credited Service, the pre-Normal Retirement Age commencement reduction for the benefit to which he would have been entitled under such formula if he had terminated his employment on December 31, 1992, shall be the lesser of –

(i) the amount of such benefit, as determined under clause (A) or (B) of Section 5.1 of the Plan, as in effect on December 31, 1988, reduced by one-third of one percent for each month by which the date of commencement of benefit payments precedes the earlier of the month following his Normal Retirement Date or his “Unreduced Early Retirement Date” (as that term was defined in the Plan as in effect on December 31, 1988), or

(ii) the amount of such benefit, as determined under clause (C) of Section 5.1 of the Plan, as in effect on December 31, 1988, reduced by one-third of one percent for each month by which the date of commencement of benefit payments precedes the earlier of the month next following his Normal Retirement Date or his "Special Normal Retirement Date," and further reduced by an additional one-sixth of one percent for each month by which the date of commencement of benefit payments precedes the month during which he attains age sixty;

(d) If the Participant is not otherwise described in this Exhibit E, the amount of such benefit shall be reduced by one-third of one percent for each month by which the date of commencement of benefits precedes the earlier of the month next following his Normal Retirement Date or his "Unreduced Early Retirement Date" (as that term is defined in the Plan as in effect on December 31, 1988).

(4) For purposes of applying the provisions of Paragraphs (1) through (3) above,

(a) The "Unreduced Early Retirement Date" of a Participant either whose Credited Service commenced prior to January 1, 1989, or who terminated employment after attainment of age fifty-five and completion of at least ten years of Credited Service, is the first day of the month following the date on which the Participant has attained the age that is three years younger than the Participant's Social Security Retirement Age and has completed or, if he had continued employment with the Employer until the attainment of his Social Security Retirement Age, would have completed at least thirty years of service;

(b) The "Special Normal Retirement Date" of a Participant who, as of December 31, 1979, was accruing a benefit under the Plan, had attained age fifty-five and had completed at least fifteen years of Credited Service, is the first day of the month following the date on which the Participant attains age sixty and has completed, or would have completed if he had continued employment with an Employer, thirty years of Credited Service.

EXHIBIT F

AGRIBANK DISTRICT RETIREMENT PLAN

(Formerly known as The Seventh Farm Credit District Retirement Plan)

To protect the privacy of the individuals who are entitled to a monthly benefit payment pursuant to this Exhibit F, this information has not been posted with the rest of the Plan document on the Farm Credit Foundations governance website.