

**NINTH FARM CREDIT DISTRICT  
PENSION PLAN AND  
TRUST AGREEMENT**

**2008 Amendment and Restatement;  
updated for 2011 Amendments**

## TABLE OF CONTENTS

### PREAMBLE, INTRODUCTION AND GENERAL PROVISIONS

0.01	Plan Name.....	i
0.02	Purpose and Status of the Plan.....	i
0.03	History of the Plan.....	ii
0.04	Effective Date of Revision.....	ii
0.05	Cross References.....	ii
0.06	Headings.....	iii
0.07	Number and Gender.....	iii

### ARTICLE I, DEFINITIONS

1.01	Account.....	1.1
1.02	Account Balance.....	1.1
1.03	Accrued Benefit.....	1.1
1.04	Actuarial Equivalent.....	1.1
1.05	Actuary.....	1.1
1.06	Affiliate.....	1.1
1.07	Average Compensation.....	1.2
1.08	Beneficiary.....	1.2
1.09	Code.....	1.2
1.10	Compensation.....	1.2
1.11	Compensation Limit.....	1.4
1.12	Contribution Credit.....	1.5
1.13	Employee.....	1.5
1.14	Employer.....	1.5
1.15	Excluded Employee.....	1.5
1.16	Farm Credit Administrative Agreement.....	1.6
1.17	Farm Credit System.....	1.6
1.18	Hour of Service.....	1.6
1.19	Interest Credit.....	1.8
1.20	Leased Employee.....	1.8
1.21	Nonforfeitable.....	1.8
1.22	Normal Retirement Age.....	1.8
1.23	Normal Retirement Date.....	1.9
1.24	Participant.....	1.9
1.25	Plan.....	1.9
1.26	Plan Administrator.....	1.9
1.27	Plan Sponsor Committee.....	1.9
1.28	Plan Year.....	1.9
1.29	Present Value.....	1.9
1.30	Separation from Service.....	1.9
1.31	Service.....	1.9
1.32	Spouse.....	1.14
1.33	Supplemental Pension Benefit.....	1.14
1.34	Traditional Participant.....	1.14
1.35	Trust.....	1.14

1.36	Trust Committee.....	1.14
1.37	Trustee .....	1.14
1.38	U.S. AgBank Administrative Agreement.....	1.14
1.39	USERRA .....	1.14
1.40	Valuation Date.....	1.14

## **ARTICLE II, EMPLOYEE PARTICIPANTS**

2.01	Closure of the Plan.....	2.1
2.02	Participation by Reemployed Participants.....	2.1
2.03	Continued Participation by Certain Former Employees Who Are Employed in the Eleventh Farm Credit District.....	2.1

## **ARTICLE III, EMPLOYER CONTRIBUTIONS/LIMITATIONS ON ANNUAL BENEFITS/PARTICIPANT CONTRIBUTIONS**

### **Part 1 - Determination of Employer's Contributions**

3.01	Amount.....	3.1
3.02	Contributions Conditioned on Deductibility and Absence of a Mistake of Fact ..	3.1
3.03	Determination of Contribution.....	3.1
3.04	Time of Payment of Contribution.....	3.1
3.05	Nonvested Accrued Benefit.....	3.1

### **Part 2 - Limitations on Annual Benefits**

3.06	Limitation on Benefits.....	3.2
3.07	Adjustments to the Maximum Permissible Benefit .....	3.3

### **Part 3 - Participant Contributions/Rollover Contributions**

3.08	Participant Nondeductible Contributions .....	3.6
3.09	Participant Rollover Contributions .....	3.6

## **ARTICLE IV, PENSION BENEFITS**

4.01	Benefits Determined Under Article V Only .....	4.1
4.02	Benefits Determined Under Article V and Article VI .....	4.1
4.03	Benefits Determined Under Article VI Only .....	4.1
4.04	Special Rule for Rehired Participants Who Have Received Distributions .....	4.1
4.05	Spinoff of Account Balance Only Participants .....	4.2

## **ARTICLE V, ACCOUNT BALANCE BENEFIT PROVISIONS**

5.01	Participants' Accounts .....	5.1
5.02	Contribution Credits.....	5.1
5.03	Interest Credits .....	5.4
5.04	Accrued Benefit .....	5.5
5.05	Account Balance .....	5.5
5.06	Disability Pension Benefits .....	5.6
5.07	Payment Of Accrued Benefit Under Article V .....	5.6

5.08	Monthly Benefits for Participants Who Separated From Service Prior to June 30, 1998.....	5.14
5.09	In-Service Distribution at At 62.....	5.15
5.10	Special Provision for “Best of Either” Participants Terminated Due to Job Elimination.....	5.16

**ARTICLE VI, TRADITIONAL RETIREMENT BENEFITS**

6.01	Normal Retirement Pension .....	6.1
6.02	Early Retirement Pension.....	6.2
6.03	Disability Pension Benefits .....	6.4
6.04	Deferred Vested Pension .....	6.4
6.05	Pre-Retirement Survivor Annuity.....	6.5
6.06	Payment of Accrued Benefit Under Article VI.....	6.7
6.07	Enhanced Benefits for Participants Whose Positions are Lost Due to Restructuring.....	6.13
6.08	In-Service Distribution at Age 62.....	6.20
6.09	Supplemental Pension Benefit .....	6.21
6.10	Death Benefit for Participants Who Die While Performing Qualified Military Service (HEART Act).....	6.24

**ARTICLE VII, VESTING**

7.01	Vesting Schedule .....	7.1
------	------------------------	-----

**ARTICLE VIII, MISCELLANEOUS PROVISIONS AFFECTING THE PAYMENT OF BENEFITS**

8.01	General.....	8.1
8.02	Nonduplication of Benefits.....	8.1
8.03	Suspension of Benefits.....	8.1
8.04	No Disregard of Service .....	8.2
8.05	Mergers/Direct Transfers.....	8.2
8.06	Direct Rollovers .....	8.2
8.07	Nonspouse Rollovers .....	8.3
8.08	Nontransferability of Annuity Contracts .....	8.3

**ARTICLE IX, OTHER PROVISIONS AFFECTING BENEFITS**

9.01	Assignment or Alienation.....	9.1
9.02	No Decrease in Benefits by Change In Social Security .....	9.1
9.03	Overfunding.....	9.1

## **ARTICLE X, EMPLOYER ADMINISTRATIVE PROVISIONS**

10.01	Information to Plan Administrator .....	10.1
10.02	No Liability .....	10.1
10.03	Indemnity of Plan Administrator .....	10.1
10.04	Amendment to Vesting Schedule .....	10.1

## **ARTICLE XI, PARTICIPANT ADMINISTRATIVE PROVISIONS**

11.01	Beneficiary Designation.....	11.1
11.02	No Beneficiary Designation/Death of Beneficiary.....	11.1
11.03	Personal Data to Plan Administrator .....	11.1
11.04	Address for Notification .....	11.1
11.05	Litigation Against the Trust.....	11.2
11.06	Claims Procedure.....	11.2

## **ARTICLE XII, PLAN ADMINISTRATOR**

12.01	Plan Administrator .....	12.1
12.02	Function, Power, and Duties ....	12.1
12.03	Action of the Plan Administrator .....	12.2
12.04	Unclaimed Accrued Benefit Procedure .....	12.2

## **ARTICLE XIII, TRUSTEE, POWERS AND DUTIES**

13.01	Acceptance of Trust .....	13.1
13.02	Receipt of Contributions .....	13.1
13.03	Powers of the Trustee .....	13.1
13.04	Investment in Common or Collective Trust Funds .....	13.2
13.05	Payment of Fees and Expenses from the Trust .....	13.3
13.06	Records and Accounting .....	13.3
13.07	Unclaimed Payments or Distributions .....	13.4
13.08	Reliance Upon Trustee's Actions .....	13.4
13.09	Professional Agents .....	13.4
13.10	Valuation of Trust .....	13.4
13.11	Liability of Trustee .....	13.4
13.12	No Bond .....	13.4
13.13	Ancillary Trustee.....	13.5
13.14	Taxes.....	13.5

## **ARTICLE XIV, INVESTMENT IN INSURANCE**

14.01	Purchase of Life Insurance.....	14.1
-------	---------------------------------	------

**ARTICLE XV, MISCELLANEOUS**

15.01 Evidence..... 15.1  
15.02 No Responsibility for Employer Action ..... 15.1  
15.03 Fiduciaries Not Insurers ..... 15.1  
15.04 Waiver of Notice ..... 15.1  
15.05 Successors..... 15.1  
15.06 Word Usage ..... 15.1  
15.07 State Law ..... 15.1  
15.08 Employment Not Guaranteed..... 15.2

**ARTICLE XVI, EXCLUSIVE BENEFIT, AMENDMENT, TERMINATION**

16.01 Exclusive Benefit..... 16.1  
16.02 Amendment and Termination by Employer ..... 16.1  
16.03 Amendment and Termination by Plan Sponsor Committee ..... 16.1  
16.04 Restrictions on Plan Amendments ..... 16.1  
16.05 Discontinuance/Termination of Plan..... 16.2  
16.06 Impact of Termination..... 16.2

**ARTICLE XVII,REQUIRED MINIMUM DISTRIBUTION REQUIREMENTS**

17.01 General Rules ..... 17.1  
17.02 Time and Manner of Distribution ..... 17.1  
17.03 Determination of Amount to be Distributed Each Year..... 17.2  
17.04 Requirements for Annuity Distributions That Commence During a  
Participant's Lifetime ..... 17.4  
17.05 Requirements for Minimum Distributions Where Participant Dies Before  
Date Distributions Begin..... 17.4  
17.06 Definitions..... 17.5

## ALPHABETICAL LISTING OF DEFINITIONS

Plan Definition	Section Reference
Account.....	1.01, 5.01, 6.09(B)
Account Balance .....	1.02
Accrued Benefit .....	1.03
Actuarial Equivalent .....	1.04
Actuary .....	1.05
Affiliate .....	1.06
Amount .....	3.01
Ancillary Trustee.....	13.13
Annual Benefit .....	3.06
Annuity Starting Date .....	3.07, 5.07
Average Compensation .....	1.07
Beneficiary .....	1.08
Code .....	1.09
Compensation .....	1.10
Compensation Limit .....	1.11
Contribution Credit .....	1.12
Current Accrued Benefit.....	3.07
Deferred Vested Pension.....	6.04
Differential Wage Payment .....	1.10
Early Retirement Pension .....	6.02
Employee .....	1.13
Employer .....	1.14
Enhanced Benefits .....	6.07
Excluded Employee .....	1.15
Excess Compensation .....	6.01(B)(1)(a)
Farm Credit Administrative Agreement .....	1.16
Farm Credit System .....	1.17
Hour of Service .....	1.18
Integration Level.....	6.01(B)(1)(b)
Interest Credit .....	1.19
Late Retirement.....	6.01(B)(4)
Leased Employee .....	1.20
Limitation Year .....	3.06
Maternity/Paternity Leave .....	1.18
Nonforfeitable .....	1.21
Nonvested Accrued Benefit .....	3.05
Normal Retirement Age.....	1.22
Normal Retirement Date .....	1.23
Normal Retirement Pension.....	6.01
Participant .....	1.24
Participant Nondeductible Contributions .....	3.08
Participants' Accounts.....	5.01
Plan.....	1.25
Plan Administrator .....	1.26
Plan Sponsor Committee .....	1.27
Plan Year .....	1.28
Pre-Retirement Survivor Annuity .....	6.05

<b>Plan Definition</b>	<b>Section Reference</b>
Present Value .....	1.29
Qualified Domestic Relations Order (QDRO) .....	5.07, 6.06
Qualified Military Service.....	1.18
Required Beginning Date .....	17.02
Separation from Service.....	1.30
Service.....	1.31
Spinoff Plan .....	4.05
Spouse .....	1.32
Supplemental Pension Benefit.....	1.33
Traditional Participant.....	1.34
Trust .....	1.35
Trust Committee.....	1.36
Trustee .....	1.37
U.S. AgBank Administrative Agreement.....	1.38
USERRA.....	1.39
Valuation Date.....	1.40
Year of Benefit Service .....	1.31(B)
Year of Vesting Service.....	1.31(A)

**NINTH FARM CREDIT DISTRICT  
PENSION PLAN  
AND TRUST AGREEMENT**

**PREAMBLE  
INTRODUCTION AND GENERAL PROVISIONS**

**Section 0.01** **Plan Name.** The name of the plan set forth in this instrument is the “Ninth Farm Credit District Pension Plan.”

**Section 0.02** **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) **Status as Governmental Plan.** Under the provisions of the Farm Credit Act of 1971, U.S. AgBank, FCB (formerly known as the Farm Credit Bank of Wichita) 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), 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, for purposes of the qualification requirements of the Code, to be a “single employer plan.”

**Section 0.03 History of the Plan.**

- (A) **Establishment.** The Ninth Farm Credit District Pension Plan and Trust Agreement (“the Plan”) was established effective November 1, 1948.
- (B) **Addition of Account Balance Provisions.** The Plan was amended in 1998 to add a cash balance (i.e., “account balance”) feature under which certain Participants’ benefits would be predicated on a hypothetical account balance. Under these provisions, a hypothetical account is established for the Participants, and the Participants’ benefits are calculated based on the employer contributions and interest credited to their hypothetical accounts. The account balance provisions generally applied to those Participants who entered the Plan after June 30, 1998, or who were not vested as of that date. Additionally, the 1998 amendments provided that those Participants who were employed on June 30, 1998, and who were vested on that date would receive the greater of (i) benefits calculated under the Plan’s “final average pay” provisions or (ii) benefits calculated under the Plan’s account balance provisions. Following the adoption of these amendments, the Plan was submitted for an IRS determination letter. A favorable determination letter covering these and other amendments was issued on March 4, 1999. A subsequent determination letter covering additional amendments made subsequent to 1999 was issued on May 7, 2007.
- (C) **Establishment of Ninth Farm Credit District Spinoff Pension Plan.** The Ninth Farm Credit District Spinoff Pension Plan (the “Spinoff Plan”) was established on September 30, 2007, through the spinoff of a portion of the Ninth Farm Credit District Pension Plan. The spinoff affected those Participants who were entitled to benefits under the “account balance” provisions of the Plan (but not under the “best of either” provisions) as of September 30, 2007. Those Participants were moved into the Spinoff Plan. Immediately thereafter, the Spinoff Plan was terminated. The Spinoff Plan was submitted for an IRS determination letter. A favorable determination letter covering the establishment and termination of the Spinoff Plan was issued on March 13, 2008.
- (D) **EGTRRA Restatement.** The Plan is being amended and restated, effective January 1, 2008, to (i) reflect changes in the qualification requirements of the Code resulting from the enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001 (“EGTRRA”), the issuance of final regulations under Code § 415 and other changes in the applicable law, (ii) reflect the spinoff of the Spinoff Plan, and (iii) make other changes to the terms and conditions of the Plan.

**Section 0.04 Effective Date of Revision.** Unless otherwise specifically provided to the contrary herein, the provisions of this 2008 amendment and restatement shall be effective as of the restated effective date of January 1, 2008.

**Section 0.05 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.

**Section 0.06 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.

**Section 0.07 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.

## ARTICLE I DEFINITIONS

**Section 1.01** “**Account**” means the hypothetical account established for each Participant that is described in Article V.

**Section 1.02** “**Account Balance**” means the aggregate of the Contribution Credits and Interest Credits allocated to a Participant’s Account as of any particular date, less any distributions that have been made from the Participant’s Account.

**Section 1.03** “**Accrued Benefit**” shall mean the following:

- (A) **Account Balance Benefits.** For Participants whose benefits are determined under Article V, Accrued Benefit means the amount of the Participant’s Nonforfeitable Account Balance, subject to the annual benefit limitations of Article III.
- (B) **Traditional Retirement Benefits.** For Participants whose benefits are determined under Article VI, Accrued Benefit means the normal retirement benefit accrued by the Participant under Article VI, subject to the annual benefit limitations of Article III.

**Section 1.04** “**Actuarial Equivalent**” means the following:

- (A) **Distributions in General.** For distributions that are commenced after January 1, 2004, Actuarial Equivalent means a benefit of equal value computed by using the 1994 Uninsured Pensioner Mortality Table (the “UP-1994 Mortality Table”), weighted 70% male and 30% female, and 8% interest compounded annually (pre-retirement and post-retirement).
- (B) **Special Rule for Certain Deferred Vested Pensions.** For calculating the present value of a deferred vested pension pursuant to Section 6.04(C) or the amount of a lump sum payable under Section 6.04(C), Actuarial Equivalent shall have the same meaning as in Subsection (A) except that an interest rate of 9% shall be substituted in place of the 8% rate set forth in Subsection (A).
- (C) **All Other Present Value and/or Lump-Sum Calculations.** For all other present value and/or lump-sum calculations, Actuarial Equivalent shall have the same meaning as in Subsection (A).

**Section 1.05** “**Actuary**” means an enrolled actuary selected by the Plan Administrator to provide actuarial services for the Plan.

**Section 1.06** “**Affiliate**” means: (a) the Farm Credit Bank of any District of the Farm Credit System; (b) any service entity of the Farm Credit System; (c) the St. Paul Bank for Cooperatives or CoBank, ACB; (d) the Farm Credit Council or any successor trade association owned or controlled by entities of the Farm Credit System and any subsidiaries of such trade associations; (e) the Farm Credit Administration; (f) the Federal Farm Credit Banks Funding Corporation; (g) the Farm Credit System Financial Assistance Corporation; (h) the Farm Credit System Assistance Board; and/or (i) all Agricultural Credit Associations, all Federal Land Credit Associations, all Federal Land Bank Associations and all Production Credit Associations of the Farm Credit System.

**Section 1.07 “Average Compensation”** means the average monthly Compensation received by an Employee from the Employer during the 60-consecutive-months which produce the highest average, subject, however, to the following:

- (A) **Compensation Provided for Less Than 60 Months.** If the Employee does not receive Compensation during a minimum of 60 months, Average Compensation means the average Compensation (on a monthly basis) for the Employee’s entire period of Service with the Employer; and
- (B) **Treatment of Months Not Employed and Partial Months of Employment.** For purposes of determining the 60 consecutive months which produce the highest average, the Plan Administrator shall disregard months in which the Employee was:
  - (1) Not employed by the Employer; or
  - (2) Employed for less than the entire month if disregarding such partial month would result in a higher Average Compensation.

If one or more months are disregarded pursuant to this Section, the Plan Administrator shall treat the months before and after such month or months as if they were consecutive.

**Section 1.08 “Beneficiary”** means the person(s), estate, trust, or other entity, designated in accordance with the provisions of Section 11.01, who is or may become entitled to a benefit under the Plan. A Beneficiary who becomes entitled to a benefit under the Plan remains a Beneficiary under the Plan until the Trustee has fully distributed his/her benefit to him/her. A Beneficiary’s right to (and the Plan Administrator’s or a Trustee’s duty to provide to the Beneficiary) information or data concerning the Plan does not arise until he/she first becomes entitled to receive a benefit under the Plan.

**Section 1.09 “Code”** means the Internal Revenue Code of 1986, as amended from time to time.

**Section 1.10 “Compensation”** means the wages paid to a Participant, as set forth in more detail in the Subsections below.

- (A) **General Rule.** Compensation means all wages, salaries, fees for professional service, and other amounts received (whether or not paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the Plan, but only to the extent includible in gross income, and subject to the adjustments set forth in Subsection (B) below.
- (B) **Adjustments to Compensation.** A Participant’s Compensation as defined in Subsection (A) above shall be increased by the amounts listed in Subsection (B)(1) below and decreased by the amounts listed in Subsection (B)(2) below.

- (1) Amounts Added to Compensation. A Participant's Compensation shall be increased by the following amounts:
  - (a) **Pre-Tax Salary Reductions.** By the amount of contributions made on a pre-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 Compensation. A Participant's Compensation shall be decreased by the portion (if any) of the Participant's Compensation 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) **Post Termination Incentive and Bonus Payments.** Incentive and/or bonus payments that are paid following termination of the Participant's employment;
  - (e) **Hiring and Retention Bonuses.** Hiring bonuses or other special payments relating to initiation of employment and any payments in the nature of retention pay;
  - (f) **Employer Contributions to Retirement Plans and Deferred Compensation Plans.** Contributions by the Employer to any defined benefit pension plan or plan of deferred compensation (including contributions made at the election of the Participant to a nonqualified plan of deferred compensation);
  - (g) **Employer Contributions to Defined Contribution Plans.** Contributions by the Employer to the Farm Credit Foundations Defined Contribution / 401(k) Plan, or any predecessor or successor plans (other than pre-tax salary reduction contributions that might be made thereunder);
  - (h) **Payments for Unused Vacation Time.** Payments by the Employer upon termination of employment for vacation time that was accrued but not actually taken as vacation;

- (i) **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 Farm Credit Foundations Flexible Benefits Plan, and/or any similar plans, predecessor plans, or successor plans (other than pre-tax salary reduction contributions that might be made thereunder on behalf of the Participant); and
  - (j) **Distributions from a Plan of Deferred Compensation.** Any distributions from a plan of deferred compensation, regardless of whether such amounts are includible in the gross income of the Employee when distributed.
- (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, Compensation 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 Compensation that may be taken into account for purposes of the Plan is subject to the Compensation Limit as set forth in Section 1.11 below.

**Section 1.11 "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 after December 31, 1989.

- (A) **Participation Commenced Prior to December 31, 1995.** For a Participant who first commenced participation in the Plan before December 31, 1995, 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 IRS Commissioner 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 December 31, 1995, is \$345,000.
- (B) **Participation Commenced On or After December 31, 1995.** For a Participant who first commenced participation in the Plan on or after December 31, 1995, 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 IRS Commissioner may prescribe; and
  - (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 IRS Commissioner 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 December 31, 1995, 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).

**Section 1.12 "Contribution Credit"** means the annual credit to a Participant's Account described in Section 5.02.

**Section 1.13 "Employee"** means any common law employee of the Employer who is not an Excluded Employee.

**Section 1.14 "Employer"** means U.S. AgBank, FCB (formerly the Farm Credit Bank of Wichita) and any Affiliate which, with the written consent of U.S. AgBank, FCB, and consistent with the terms of the U.S. AgBank Administrative Agreement, executes an agreement to participate in this Plan. The term further includes any service corporation that has been formed to perform functions and services on behalf of an entity or entities within the Farm Credit System, provided that such service corporation has adopted this Plan through execution of a written participation agreement approved by the Board of Directors of U.S. AgBank, FCB.

**Section 1.15 "Excluded Employee"** means a person (or Employee) who is in any of the following categories:

- (A) **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.
- (B) **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.
- (C) **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.
- (D) **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.
- (E) **Leased Employees.** A Leased Employee (as that term is defined elsewhere in this Article) is not included in the scope of the term Employee as used in this Plan.
- (F) **Reclassified Employees.** A reclassified employee is a person who was not classified by the Employer as an Employee who was eligible to participate in this Plan but for whom a binding determination is later made that the person is (or was) an Employee of the Employer. A reclassified employee is an Excluded Employee and, as such, shall not be eligible to participate in this Plan.

**Section 1.16 “Farm Credit Administrative Agreement”** means the Farm Credit System Administrative Agreement Regarding Employee Benefit Plans, and as that agreement may be amended from time to time.

**Section 1.17 “Farm Credit System”** means the organizations and entities described in 12 U.S.C. § 2002.

**Section 1.18 “Hour of Service”** means:

- (A) Each Hour of Service for which the Employer, either directly or indirectly, pays an Employee, or for which the Employee is entitled to payment, for the performance of duties. The Plan Administrator credits Hours of Service under this Subsection (A) to the Employee for the computation period in which the Employee performs the duties, irrespective of when paid;

- (B) Each Hour of Service for back pay, irrespective of mitigation of damages, to which the Employer has agreed or for which the Employee has received an award. The Plan Administrator credits Hours of Service under this Subsection (B) to the Employee for the computation period(s) to which the award or the agreement pertains rather than for the computation period in which the award, agreement, or payment is made;
- (C) Each Hour of Service for which the Employer, either directly or indirectly, pays an Employee, or for which the Employee is entitled to payment (irrespective of whether the employment relationship is terminated), for reasons other than for the performance of duties during a computation period, such as leave of absence, vacation, holiday, sick leave, illness, incapacity (including disability), layoff, jury duty, or military duty. The Plan Administrator will credit no more than 501 Hours of Service under this Subsection (C) to an Employee on account of any single continuous period during which the Employee does not perform any duties (whether or not such period occurs during a single computation period). The Plan Administrator credits Hours of Service under this Subsection (C) in accordance with the rules of paragraphs (b) and (c) of Department of Labor Regulation § 2530.200b-2, which the Plan, by this reference, specifically incorporates in full within this Subsection (C); and
- (D) For purposes of determining Hours of Service, the Plan Administrator will treat all Employers maintaining this Plan as a single Employer.

The Plan Administrator will not credit an Hour of Service under more than one of the above Subsections. A computation period for purposes of this Section is the Plan Year, Year of Service period, break in service period or other period, as determined under the Plan provision for which the Plan Administrator is measuring an Employee's Hours of Service. The Plan Administrator will resolve any ambiguity with respect to the crediting of an Hour of Service in favor of the Employee.

- (A) **Method of Crediting Hours of Service.** The Plan Administrator will credit every Employee with Hours of Service on the basis of the "actual" method. For purposes of the Plan, "actual" method means the determination of Hours of Service from records of hours worked and hours for which the Employer makes payment or for which payment is due from the Employer.
- (B) **Maternity/Paternity Leave.** Solely for purposes of determining whether the Employee incurs a break in service under any provision of this Plan, the Plan Administrator must credit Hours of Service during an Employee's unpaid absence period due to maternity or paternity leave. The Plan Administrator considers an Employee on maternity or paternity leave if the Employee's absence is due to the Employee's pregnancy, the birth of the Employee's child, the placement with the Employee of an adopted child, or the care of the Employee's child immediately following the child's birth or placement. The Plan Administrator credits Hours of Service under this Subsection on the basis of the number of Hours of Service the Employee would receive if he/she were paid during the absence period or, if the Plan Administrator cannot determine the number of Hours of Service the Employee would receive, on the basis of 8 hours per day during the absence period. The Plan Administrator will credit only the number (not exceeding 501) of Hours of Service necessary to prevent an Employee's

break in service. The Plan Administrator credits all Hours of Service described in this Subsection to the computation period in which the absence period begins or, if the Employee does not need these Hours of Service to prevent a break in service in the computation period in which his/her absence period begins, the Plan Administrator credits these Hours of Service to the immediately following computation period.

- (C) **Qualified Military Service.** Hour of Service also includes any Service the Plan must credit in order to satisfy the crediting of Service requirements of Code § 414(u).

**Section 1.19 “Interest Credit”** means the amount credited to a Participant’s Account pursuant to Section 5.03.

**Section 1.20 “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 Subsection), 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.

**Section 1.21 “Nonforfeitable”** means a Participant’s or Beneficiary’s unconditional claim, legally enforceable against the Plan, to the Participant’s Accrued Benefit.

**Section 1.22 “Normal Retirement Age”** means the later of (a) the date a Participant attains age 65 or (b) the fifth anniversary of the first day that the Participant commenced employment with the Employer.

**Section 1.23 “Normal Retirement Date”** means the date that a Participant attains Normal Retirement Age.

**Section 1.24 “Participant”** means any Employee who has entered the Plan in accordance with the Plan’s eligibility and participation provisions and who is (or, upon satisfaction of the Plan’s vesting conditions, may be) entitled to receive benefits under the Plan.

**Section 1.25 “Plan”** means the Ninth Farm Credit District Pension Plan.

**Section 1.26 “Plan Administrator”** means the Trust Committee.

**Section 1.27 “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.

**Section 1.28 “Plan Year”** means the fiscal year of the Plan, a 12-consecutive-month period ending every December 31.

**Section 1.29 “Present Value”** means the single sum Actuarial Equivalent of the Participant’s Accrued Benefit.

**Section 1.30 “Separation from Service”** means a separation from Service with the Employer maintaining this Plan.

**Section 1.31 “Service”** means, subject to the provisions of Sections 1.31(C), any period of time the Employee is in the employ of the Employer or a member of the Farm Credit System, including any period the Employee is on an unpaid leave of absence authorized by the Employer under a uniform, nondiscriminatory policy applicable to all Employees.

(A) **Year of Vesting Service.** For purposes of vesting, an Employee will receive credit for the aggregate of all time period(s) commencing with the Employee’s first day of employment or reemployment and ending on the date a severance from Service begins. The first day of employment or reemployment is the first day the Employee performs an Hour of Service. The Plan Administrator will compute this service during each period of employment in terms of days, months, and years. An Employee will receive credit for a Year of Vesting Service for each 12 months of Service completed with the Employer and 1/12 of a Year of Vesting Service for each month of Service completed. For any days of Service during each period of employment in excess of completed months, an Employee will receive credit for a month of Service if the number of days of Service completed exceeds 14. If the number of days of Service completed is less than 15, the Plan Administrator will disregard the days of Service. A day of Service means days in which the Employee completes an Hour of Service.

(1) Severance from Service – Vesting. A severance from Service occurs on the earlier of:

(a) The date as of which an Employee separates from Service with the Employer maintaining the Plan, or a participating Employer; or

- (b) The first anniversary of the first day of an Employee's absence from employment with the Employer or Affiliate (with or without pay) for any reason other than in (a) above, such as vacation, sickness, leave of absence, layoff, or military service (except as otherwise provided in Section 1.31(C)). The Plan Administrator will treat an Employee who fails to return to employment at the expiration of a leave of absence as incurring a severance from Service on the earlier of (i) the expiration of his/her leave or (ii) the first anniversary of the first day of his/her absence.

(2) One-Year Period of Severance.

- (a) A One-Year Period of severance means each 12-consecutive-month period beginning on the date an Employee incurs a severance from Service and ending on each anniversary of the date, provided the Employee does not perform an Hour of Service for the Company or any Affiliate during that period.
- (b) Solely for purposes of determining whether a One-Year Period of severance has occurred, in the case of an Employee who is absent from work beyond the first anniversary of the first date of an absence, and the absence is for an approved leave for maternity or paternity reasons, the date the Employee incurs a severance from Service will be the second anniversary of the Employee's absence from employment. The Plan will not credit the Employee with any Service for the period between the first and second anniversaries of the first date of absence. For purposes of this Section, an absence from work for maternity or paternity reasons means an absence (i) by reason of pregnancy of the individual, (ii) by reason of the birth of a child of the individual, (iii) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (iv) for purposes of caring for such child for a period beginning immediately following such birth or placement.

(B) **Year of Benefit Service.** To determine a Participant's benefit under this Plan, Years of Benefit Service are Years of Vesting Service.

- (1) Special Rule for Determining Benefit Under Article VI. Solely for purposes of the determination of a Traditional Participant's benefit under Article VI, at the Traditional Participant's termination, the Plan Administrator will include in the computation of Years of Benefit Service the Traditional Participant's unused accrued sick leave as of the date of termination.

(C) **Special Provisions Regarding Vesting and Benefit Service.**

- (1) Special Provisions for Service with the Farm Credit Administration. The Plan does not credit Service with the Farm Credit Administration after December 31, 1985. However, for those Employees hired by the Employer between January 1, 1986, and December 8, 1988, the Plan will credit Service with the Farm Credit Administration during that period.
- (2) Special Provisions for Participants Who Enter the Armed Forces (USERRA). If a Participant is absent from employment for voluntary or involuntary military service with the armed forces of the United States and returns to employment within the period required under the law pertaining to veterans' reemployment rights, the Employee will receive credit for the period of his/her absence from employment for purposes of vesting and benefit accrual as provided under Code § 414(u).
- (3) Special Provisions for Participants on Long-Term Disability. If a Participant is absent from employment as a result of a disability for which he/she is receiving benefits under a long-term disability policy or plan maintained by the Employer, the Employee will receive credit for the period of his/her absence from employment for purposes of vesting and benefit accrual. Such Service will be credited through the earlier of the date the Participant recovers from his/her disability, the date the Participant attains Normal Retirement Age, or the date the Participant commences benefits under the Plan.
- (4) Special Provisions for Transferees and Employees of Affiliating Employers – Article VI. For purposes of Article VI and subject to prior approval by the Plan Administrator, for Employees who were previously employed by other Farm Credit System employers, the Plan Administrator will credit Years of Benefit Service and Years of Vesting Service with the other Farm Credit System employers, as follows:
  - (a) If an Employee was hired before February 28, 1992:
    - (i) Vesting Service. The Employee will receive credit under the Plan for Years of Vesting Service with the Employee's previous Farm Credit System employer(s).
    - (ii) Benefit Service. Benefit Service will be credited based upon one of the following two alternatives, whichever results in the greater pension benefit under Article VI:

- **Alternative One:** The Employee will receive credit for Years of Benefit Service with the previous Farm Credit System employer. However, if a previous Farm Credit System employer did not transfer assets to the Plan in an amount equal to at least 100% of the present value of the Employee's vested benefits accrued under that prior Farm Credit System employer's defined benefit pension plan, the benefits payable to such Participant under this Plan shall be offset by the Actuarial Equivalent of any benefits payable to the Participant under the provisions of that prior Farm Credit System employer's plan in accordance with Section 8.02.
- **Alternative Two:** The Employee will not receive credit for Years of Benefit Service with the previous Farm Credit System employer. The Employee will only receive credit for Years of Benefit Service with the Ninth Farm Credit District.

(b) If an Employee was hired after February 28, 1992, but prior to June 30, 1998:

(i) Vesting Service. The Employee will receive credit under the Plan for Years of Vesting Service with the Employee's previous Farm Credit System employer(s).

(ii) Benefit Service. Benefit Service will be credited based upon one of the following two alternatives, whichever results in the greater pension benefit under Article VI:

- **Alternative One:** The Employee will receive credit for Years of Benefit Service with the previous Farm Credit System employer. However, if a previous Farm Credit System employer did not transfer assets to the Plan in an amount equal to at least 100% of the present value of the Employee's vested benefits accrued under that prior Farm Credit System employer's defined benefit pension plan, the benefits payable to such Participant under this Plan shall be offset by the following:

- **Offset One:** The Actuarial Equivalent, computed as of January 1, 1999, of any benefits payable to the Participant under the provisions of that prior Farm Credit System employer's plan in accordance with Section 8.02; and/or



- (D) **Credit for Service with Different Employers.** For purposes of determining Service under the Plan, the Plan Administrator will treat all Employers maintaining this Plan as a single Employer.
- (E) **Service for Predecessor Employer.** If the Employer maintains the plan of a predecessor employer, the Plan will treat the service of the Employee with the predecessor employer as Service with the Employer.
- (F) **Service for Omega Management Corporation.** The Plan will take into account all Service of all Employees with Omega Management Corporation for purposes of participation under Article II, Years of Service under the Article III limitations, Years of Benefit Service under Article V or Article VI, as applicable, and for purposes of vesting under Article VII.

**Section 1.32 “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).

**Section 1.33 “Supplemental Pension Benefit”** means the benefit provided pursuant to Section 5.02(E) of the Plan.

**Section 1.34 “Traditional Participant”** means a Participant whose Accrued Benefit is determined under Article VI.

**Section 1.35 “Trust”** means the trust established and maintained to fund benefits under the Plan.

**Section 1.36 “Trust Committee”** means the Farm Credit Foundations Trust Committee, as established pursuant to the terms and conditions of the Farm Credit Administrative Agreement.

**Section 1.37 “Trustee”** means the Trust Committee, or any successor Trustee.

**Section 1.38 “U.S. AgBank Administrative Agreement”** means the U.S. AgBank District Agreement Regarding Retained Pre-Existing Employee Benefit Plans, which agreement took effect January 1, 2007, and as that agreement may be amended from time to time.

**Section 1.39 “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.

**Section 1.40 “Valuation Date”** means the last day of the Plan Year.

## ARTICLE II EMPLOYEE PARTICIPANTS

**Section 2.01 Closure of the Plan.** The Plan is closed to new Participants effective as of January 1, 2007. Notwithstanding any provision of the Plan to the contrary, no person may become a Participant in the Plan on or after January 1, 2007.

**Section 2.02 Participation by 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 exception: 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.

**Section 2.03 Continued Participation by Certain Former Employees Who Are Employed in the Eleventh Farm Credit District.** A Participant who becomes employed by a Farm Credit System employer that is not an Employer in this Plan may continue to accrue benefits under this Plan as if he/she were still an active Employee of an Employer if and only if each of the following conditions is met:

- (A) The former Employee was a Participant in this Plan on the date his/her employment with the Employer ceased;
- (B) The Participant terminated his/her employment with the Employer in order to accept employment with an employer that is a participating employer in the Eleventh Farm Credit District Employees' Retirement Plan;
- (C) The Participant's new Farm Credit System employer agrees to pay the cost of the additional benefits that the Participant will accrue as a result of his/her service with the new employer;
- (D) The Participant began his/her employment with his/her new Farm Credit System employer prior to January 1, 2007, and his/her new Farm Credit System employer agreed prior to January 1, 2007, to pay the cost of the Participant's additional benefits; and
- (E) The Participant continues to be employed by his/her new Farm Credit System employer.

If the Plan Administrator determines that the conditions for continued benefit accrual have been satisfied, the Participant's compensation from his/her new Farm Credit System employer shall be treated as if it were Compensation from an Employer for purposes of the benefit accrual provisions of this Plan. Similarly, if the Plan Administrator determines that the conditions for continued benefit accrual have been satisfied, the Participant's service with his/her new Farm Credit System employer shall be treated as if it were Service with the Employer for purposes of the vesting and benefit accrual provisions of this Plan. The Plan Administrator shall have the authority to make all determinations that are necessary to implement this Section, including, but not limited to, determinations as to whether or not the conditions for continued benefit accrual set forth in this Section have been satisfied,

whether a Participant continues to be employed by another Farm Credit System employer and the amount of the Participant's compensation from such employer (including any adjustments that might need to be made to conform to the definition of Compensation that is used in this Plan), and the amount that such Farm Credit System employer should be required to pay in order to fund the additional benefits being accrued by the Participant as a result of the Participant's continued benefit accrual during his/her employment with such other Farm Credit System employer.

**ARTICLE III  
EMPLOYER CONTRIBUTIONS / LIMITATIONS ON ANNUAL BENEFITS /  
PARTICIPANT CONTRIBUTIONS**

**Part 1 - Determination of Employer's Contributions**

**Section 3.01 Amount.** The Employer alone will make the contributions required to fund the cost of the benefits provided by this Plan. The Employer intends to make such contributions as are necessary to fund the Plan in accordance with the minimum funding standards of the Code.

**Section 3.02 Contributions Conditioned on Deductibility and Absence of a Mistake of Fact.** Employer contributions made hereunder are conditioned upon the deductibility of the contributions under Code § 404 to the extent applicable to each Employer. To the extent any deduction is disallowed, such nondeductible contributions shall revert to the Employer within one (1) year after the disallowance of the deduction. In the event that a contribution by the Employer is made by a mistake of fact, such contribution shall be returned to the Employer within one (1) year after the date of payment of the contribution.

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. 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.

**Section 3.03 Determination of Contribution.** The Employer, from its records and the reports of the Actuary, will determine the amount of any contribution to be made by it to the Trust in order to fund the cost of benefits provided by the Plan. In this regard, the Employer may place full reliance upon all reports, opinions, tables, valuations, certificates and computations that the Actuary furnishes the Employer.

**Section 3.04 Time of Payment of Contribution.** The Employer must make its contribution to the Trustee within the time prescribed by the Code or applicable Treasury regulations. Subject to the consent of the Trustee, the Employer may make its contributions in property rather than in cash, provided the contribution of property is not a prohibited transaction under the Code.

**Section 3.05 Nonvested Accrued Benefit.** The Trustee will retain in the Trust all amounts representing the nonvested Accrued Benefit of Participants who have terminated employment. The Employer will not use forfeited benefits to increase the benefits of other Participants but instead will use the amounts to reduce its contribution for future Plan Years.

## Part 2 - Limitations on Annual Benefits

### Section 3.06 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 Only to Participants Who Have Not Commenced Benefits. Adjustments to the dollar limit pursuant to Section 3.06(C)(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 3.06.

- (C) **Participation in Multiple Plans.** After the limitations have been determined under Section 3.06(A), 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) **Aggregated Plans.** 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%” in Code § 1563(a)(1), in applying such Section to Code §§ 414(b) or 414(c), were replaced with “more than 50%.”
- (E) **Repeal of Code § 415(e) Limit.** The Plan will not apply the “combined plan limit” previously required under Code § 415(e) to the portion of a Participant’s Accrued Benefit that is payable in Plan Years beginning on or after January 1, 2000.

**Section 3.07 Adjustments to the Maximum Permissible Benefit.**

- (A) **Adjustments to the Maximum Permissible Benefit.** The “maximum permissible benefit” set forth in Section 3.06(B) 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 3.06(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.** For limitation years beginning on or after July 1, 2007, if the benefit of a Participant begins prior to age 62, the defined benefit dollar limitation applicable to the Participant at such earlier age shall be determined as follows:
  - (1) If the Plan does not have an immediately commencing straight life annuity payable at both age 62 and at the age of benefit commencement, the defined benefit dollar limitation applicable to the Participant shall be the annual amount of a 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 Section 3.07(B) above, if required). For this purpose, actuarial equivalence shall be computed using a 5% interest rate and the applicable mortality table (or other tabular factor) specified in Section 1.04 of the Plan and expressing the Participant’s age based on completed calendar months as of the annuity starting date.
  - (2) If the Plan has an immediately commencing straight life annuity payable at both age 62 and at the age of benefit commencement, the defined benefit dollar limitation applicable to the Participant shall be the lesser of:

- (a) The annual amount determined under Subsection (C)(1) above; or
  - (b) The product of the dollar limitation under Code § 415(b)(1)(A) (as adjusted annually for increases in the cost of living, as permitted under Code § 415(d)) multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the Plan at the Participant's annuity starting date to the annual amount of the immediately commencing straight life annuity under the Plan at age 62, both determined without applying the limitations of Code § 415.
- (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.** For limitation years beginning on or after July 1, 2007, 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 shall be determined as follows:
- (1) If the Plan does not have an immediately commencing straight life annuity payable at both age 65 and at the age of benefit commencement, the defined benefit dollar limitation applicable to the Participant shall be the annual amount of a benefit payable in the form of a straight life annuity beginning at the later age that is the "actuarial equivalent" of the defined benefit dollar limitation applicable to the Participant at age 65 (adjusted under Subsection (B) above, if required). For this purpose, actuarial equivalence shall be computed using a 5% interest rate assumption and the applicable mortality table as defined in Section 1.04 of the Plan and expressing the Participant's age based on completed calendar months as of the annuity starting date.
  - (2) If the Plan has an immediately commencing straight life annuity payable at both age 65 and at the age of benefit commencement, the defined benefit dollar limitation applicable to the Participant shall be the lesser of:
    - (a) The annual amount determined under Subsection (E)(1) above; or

- (b) The product of the dollar limitation under Code § 4125(b)(1)(A) (as adjusted annually for increases in the cost of living , as permitted under Code § 415(d)) multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the Plan at the Participant's annuity starting date to the annual amount of the immediately commencing straight life annuity under the Plan at age 65, both determined without applying the limitations of Code § 415.

(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 3.06. 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% 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;
  - (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% 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.
- (G) **Current Accrued Benefit Exception.** The Plan Administrator will apply the limitations of this Section by substituting for the applicable limitation a Participant's "Current Accrued Benefit," if that "Current Accrued Benefit" exceeds the applicable limitation. A Participant's "Current Accrued Benefit" is the sum of the Participant's Accrued Benefit in this Plan and his/her accrued benefit in all other defined benefit plans maintained by the Employer, determined as of the end of the 1986 limitation year (the last limitation year beginning before January 1, 1987), and without regard to any change in the terms or conditions of the Plan made after May 5, 1986, and without regard to any cost of living adjustment occurring after May 5, 1986. If, as of the first day of the first limitation year beginning after December 31, 1986, a Participant's Accrued Benefit exceeds his/her "Current Accrued Benefit," the Plan Administrator will disregard the excess amount as if it never accrued to the Participant. The "Current Accrued Benefit" rule applies only if this Plan and any other defined benefit plan individually and in the aggregate satisfied the requirements of Code § 415 as in effect at the end of the 1986 limitation year and only with respect to benefits accrued under defined benefit plans in existence on May 6, 1986.

### **Part 3 - Participant Contributions / Rollover Contributions**

**Section 3.08 Participant Nondeductible Contributions.** The Plan neither permits nor requires Participant contributions.

**Section 3.09 Participant Rollover Contributions.** The Plan neither permits nor accepts Participant rollover contributions.

**ARTICLE IV  
PENSION BENEFITS**

**Section 4.01 Benefits Determined Under Article V Only.** Benefits for the following Participants will be determined under Article V only:

- (A) Participants with less than five (5) Years of Vesting Service on June 30, 1998;
- (B) Participants who become Participants after June 30, 1998; and
- (C) Participants who have separated from Service and are rehired after June 30, 1998 (unless the Participant has received or is receiving a distribution of his/her Accrued Benefit under Article VI as of the date the Participant is rehired).

**Section 4.02 Benefits Determined Under Article V and Article VI.** Benefits for Participants who are employed by the Employer and have five (5) or more Years of Vesting Service on June 30, 1998, will be determined under Article VI unless the Participant would receive greater benefits under Article V. A Participant shall be considered to receive greater benefits under Article V if the Participant's Accrued Benefit under Article V is greater than the Present Value of the Participant's Accrued Benefit under Article VI. In determining whether a Participant's benefits should be determined under Article V or under Article VI, the Supplemental Pension Benefits (if any) provided under Section 5.02(E) and/or Section 6.09 shall not be taken into account.

**Section 4.03 Benefits Determined Under Article VI Only.** Benefits for the following Participants will be determined under Article VI only:

- (A) Participants who separated from Service on or before June 30, 1998, unless the Participant was rehired after June 30, 1998, in which event benefits shall be determined in accordance with Section 4.04 if the Participant has received a distribution, and Section 4.01 if the Participant has not received a distribution; and
- (B) Participants whose benefits have been enhanced pursuant to Section 6.07 and who are subsequently rehired, notwithstanding any provision of Sections 4.01, 4.02, or 4.04 to the contrary, but only if the Participant was rehired prior to March 23, 2000.

**Section 4.04 Special Rule for Rehired Participants Who Have Received Distributions.** If a Participant who has received or is receiving a distribution of his/her Accrued Benefit under Article VI is rehired after June 30, 1998, the Participant's benefits for his/her Service after the date he/she was rehired will be determined under Article V only; however, the Participant's benefits for his/her Service prior to the date he/she was rehired will be determined under Article VI only.

**Section 4.05 Spinoff of Account Balance Only Participants.** Effective September 30, 2007, those Participants who were entitled to benefits under Article V only and who had not yet commenced benefits were spunoff into the Ninth Farm Credit District Spinoff Pension Plan (the "Spinoff Plan"). The spinoff also included those Participants who were actively employed on September 30, 2007, but who had previously elected to commence benefits under the "age 62 in-service" distribution provisions of Section 5.09 and/or Section 6.08, but only for the limited purpose of providing a "supplemental contribution credit" to such Participants under the provisions of Section 5.02 of the Spinoff Plan. As a result of the spinoff, the only Participants remaining in this Plan are those Participants for whom at least one of the following conditions has been satisfied:

- (A) The Participant commenced benefits under this Plan prior to September 30, 2007, and is continuing to receive benefits on an ongoing basis as of September 30, 2007;
- (B) The Participant is entitled, pursuant to Section 4.02, to the greater of benefits calculated under Article V or benefits calculated under Article VI;  
or
- (C) The Participant is entitled, pursuant to Section 4.03, to benefits determined under Article VI only.

If an individual cannot satisfy at least one of the above conditions, he/she is not entitled to receive benefits under this Plan.

**ARTICLE V**  
**ACCOUNT BALANCE BENEFIT PROVISIONS**

**Section 5.01 Participants' Accounts.** A hypothetical Account shall be maintained for each Participant and shall be used to determine the benefit payable under this Article V. A Participant shall not have an actual individual account, and shall not have a claim to any particular assets of the Plan.

**Section 5.02 Contribution Credits.**

- (A) **General Rule.** On the last day of each quarter of the calendar year, the Employer will allocate to each Participant's Account an amount based on the Participant's Compensation for that quarter in accordance with the following schedule:

<u>Years of Benefit Service</u> <u>(as of the first day of the quarter)</u>	<u>Amount of Credit</u> <u>(as a percentage of Compensation)</u>
Less than 3	3%
3 to less than 6	4%
6 to less than 10	5%
10 to less than 15	6%
15 to less than 20	7%
20 to less than 25	8%
25 and over	9%

The amount so credited is the "Contribution Credit." The allocation of Contribution Credits under this Section will cease as of the last day of the calendar quarter in which the Participant separates from Service. However, if a Participant is entitled to Compensation from the Employer through the last day of the calendar quarter in which the Participant separates from Service with the Employer, the Participant will receive a Contribution Credit for such calendar quarter.

- (B) **Special Rule for Participants Receiving Enhanced Benefits.** For purposes of allocating Contribution Credits pursuant to Section 5.02(A), a Participant who has received or is receiving "enhanced benefits" pursuant to Section 6.07 and who is subsequently rehired by the Employer will be considered to have zero Years of Benefit Service as of the date he/she was rehired, and any future Years of Benefit Service will be determined as of the date on which the Participant was reemployed. A Participant's Vesting Service shall not be affected by this Subsection (B).

- (C) **Participants Receiving Long-Term Disability Benefits.** For purposes of allocating Contribution Credits pursuant to Section 5.02(A), a Participant's Average Compensation shall be substituted for the Participant's Compensation for those months in which the Participant has not attained Normal Retirement Age and in which the Participant was receiving "long-term disability benefits" under the Ninth Farm Credit District Employee Long-Term Disability Income Plan ("LTD Plan"). Additionally, for purposes of this Subsection (C), the Participant's Average Compensation shall be increased by 3% on January 1 of each successive year; provided, however, that no such increase shall be made if the Participant has been receiving "long-term disability benefits" for 12 months or less.
- (D) **No Contribution Credits Subsequent to September 30, 2007.** Notwithstanding any provision of this Section to the contrary, no Contribution Credits will be allocated to any Participant's Account for any quarter of the calendar year beginning after September 30, 2007.
- (E) **Special One-Time Supplemental Pension Benefit.** Notwithstanding the general rule set forth in Section 5.02(D) to the effect that no Contribution Credits will be allocated subsequent to September 30, 2007, the Plan Administrator shall provide a Supplemental Pension Benefit in the form of a special one-time Contribution Credit that is allocated as of September 30, 2007, to those Participants who satisfy the conditions set forth in Section 5.02(E)(1) below.
- (1) Conditions for Receiving Supplemental Pension Benefit. The Supplemental Pension Benefit provided under this Subsection (E) shall be provided only to those Participants who satisfy each of the following conditions:
- (a) The Participant was actively employed by the Employer as of September 30, 2007;
  - (b) The Participant began his/her employment with the Employer on or before December 31, 2003;
  - (c) The Participant is entitled, pursuant to Section 4.02, to receive benefits under this Article V if such benefits are greater than the Participant's Accrued Benefit under Article VI; and
  - (d) The Participant had not commenced his/her benefits as of September 30, 2007.

Participants who commenced their benefits prior to September 30, 2007, including those Participants who elected to receive an in-service distribution upon the attainment of age 62 pursuant to Section 5.09 or Section 6.08, are not eligible to receive the Supplemental Pension Benefit provided under this Subsection (E).

- (2) Calculation of Supplemental Pension Benefit. The Plan Administrator shall credit each Participant's Account with a Supplemental Pension Benefit on September 30, 2007, in accordance with this Subsection (2) and the following Subsection (3). The amount of the Supplemental Pension Benefit shall be determined based on a Participant's Years of Service as of December 31, 2007, and shall be calculated according to the following schedule:

<u>Years of Service</u>	<u>Amount for Full Years</u>	<u>Amount for Partial Years</u>
Up to 20 years	\$1,000 for each year	\$83.33 for each month
21 to 30 years	\$1,800 for each year	\$150.00 for each month
31 or more years	\$2,100 for each year	\$175.00 for each month

**EXAMPLE:** A Participant who will have 21 Years of Service plus an additional 4 months of Service as of December 31, 2007, would be credited on September 30, 2007, with a Supplemental Pension Benefit in the amount of \$22,400, computed as follows:

20 Years of Service at \$1,000 per year	= \$20,000
1 Year of Service at \$1,800 per year	= \$ 1,800
4 months of Service at \$150 per month	= \$ 600
	-----
	\$22,400
	=====

- (3) Special Rules in Calculating Amount of Supplemental Pension Benefit. In crediting a Participant with a Supplemental Pension Benefit under Section 5.02(E)(2), the Plan Administrator shall make the following assumptions and shall apply the following rules:
- (a) The Plan Administrator shall assume that any Participant who was actively employed on September 30, 2007, will remain continuously employed through December 31, 2007, and shall calculate the Participant's Years of Service as of December 31, 2007;
  - (b) For purposes of determining a Participant's months of Service as of December 31, 2007, a partial month of Service will be rounded up and counted as if it were a full month if the partial month consists of at least fifteen (15) days. If this condition is not met, a partial month will be rounded down and will not be counted as a month of Service;

- (c) The Plan Administrator shall reduce the amount of the Supplemental Pension Benefit that would otherwise be credited under Section 5.02(E)(2) to a Participant's Account to its present value as of December 31, 2007, using a 7% discount rate, subject, however, to the following provisions:
  - (i) A reduction to present value shall not be made if the Participant has attained or will have attained age 60 no later than December 31, 2007;
  - (ii) In discounting the amount of the Supplemental Pension Benefit to its present value, the Plan Administrator shall assume that the amount will become payable to the Participant as of the first day of the month in which the Participant would have attained age 60.
  
- (4) Special Rules Relating to Distribution of the Supplemental Pension Benefit. The following special rules apply to the distribution of amounts that have been credited to a Participant's Account as the Supplemental Pension Benefit under this Section 5.02(E), including any Interest Credits subsequently credited thereon pursuant to the provisions of Section 5.03:
  - (a) Distribution of amounts that have been credited to a Participant's account as the Supplemental Pension Benefit under this Section 5.02(E), including any Interest Credits subsequently credited thereon, shall commence at the same time and in the same form as the remainder of the Participant's benefit under this Article V; provided, however, that a Participant may elect (with spousal consent, if applicable) to receive such amounts in the form of a lump sum or in any other form permitted under this Article V without regard to the form elected for the remainder of the Participant's benefit under this Article V.
  - (b) The amount of the Supplemental Pension Benefit that is credited to a Participant's Account along with any Interest Credits that are subsequently credited thereon shall be accounted for by the Plan Administrator separately from any other amounts that have been credited to a Participant's Account.

**Section 5.03 Interest Credits.** For each quarter of the calendar year, the Employer will allocate an Interest Credit to each Participant's Account.

- (A) **Quarters Ending Before January 1, 2006.** For quarters ending before January 1, 2006, the amount of the Interest Credit shall be equal to 1.75% (which is 7% per annum, compounded quarterly) of the Participant's Account Balance on the first day of such quarter.

- (B) **Quarters Beginning On or After January 1, 2007.** For quarters beginning on or after January 1, 2007, the amount of the Interest Credit shall be equal to 1.25% (which is 5% per annum, compounded quarterly) of the Participant's Account Balance on the first day of such quarter.
- (C) **Effect of Distribution Date/Annuity Starting Date.** The allocation of Interest Credits under this Section will cease as of the first day of the calendar quarter containing the Participant's distribution date or annuity starting date, as applicable.

**Section 5.04 Accrued Benefit.** Subject to the annual benefit limitations of Article III, a Participant's benefit is the amount of his/her Nonforfeitable Account Balance.

**Section 5.05 Account Balance.** A Participant's Account Balance shall equal the aggregate of the Contribution Credits and Interest Credits allocated to his/her Account as of any particular date, less any distributions that have been made from the Account.

- (A) **Initial Account Balance for Participants Employed on June 30, 1998.** Participants who were actively employed on June 30, 1998, will be credited with an initial Account Balance in the amount of the greater of: (i) the present value of the Participant's normal retirement benefit under Section 6.01(B)(1), calculated as of June 30, 1998; or (ii) \$100. Notwithstanding the provisions of Section 1.07, for purposes of this Section only, "Average Compensation" shall mean the monthly average Compensation received by an Employee during the 60 consecutive months preceding June 30, 1998. If the Employee does not receive Compensation during a minimum of 60 months, "Average Compensation" means the average Compensation (on a monthly basis) for the Employee's entire period of Service.
- (B) **Initial Account Balance for Rehired Participants Who Separated from Service Prior to June 30, 1998.** If a Participant who was employed on or before June 30, 1998, is rehired by the Employer after June 30, 1998, following a Separation from Service, such rehired Participant will be credited with an initial Account Balance, as follows:
  - (1) If the Participant has received, or is receiving, a distribution of his/her Accrued Benefit under Article VI, the Participant will be credited with an initial Account Balance in the amount of zero dollars; or
  - (2) If the Participant has not received, and is not receiving, a distribution of his/her Accrued Benefit under Article VI, the Participant will be credited with an initial Account Balance in the amount of the present value of the Participant's normal retirement benefit under Section 6.01(B)(1), calculated as of the date of the Participant's reemployment.

- (C) **Account Balance for Rehired Participants Who Have Received Distributions Under Article VI.** If a Participant who separated from Service on or after June 30, 1998, is rehired by the Employer and the Participant has received, or is receiving, a distribution of his/her Accrued Benefit under Article VI, the Participant will be credited with an Account Balance in the amount of zero dollars as of the date of the Participant's reemployment.

**Section 5.06 Disability Pension Benefits.** The Plan does not provide for disability pension benefits.

**Section 5.07 Payment of Accrued Benefit Under Article V.** If the Participant's Accrued Benefit is determined under this Article V, the provisions of this Section apply.

- (A) **Commencement of Benefits.** The Plan Administrator must direct the Trustee to commence distribution of benefits in accordance with this Section 5.07(A), subject to the mandatory distribution requirements of Section 5.07(F) and the pre-retirement survivor annuity requirements of Section 5.07(G). The Plan Administrator will direct the Trustee to commence distribution to the Participant as follows:

- (1) **Accrued Benefit Not Exceeding \$5,000.** If a Participant's Nonforfeitable Accrued Benefit is equal to or less than \$5,000, distribution shall be in a lump sum, as soon as administratively practicable following the Participant's Separation from Service, but not later than the 60<sup>th</sup> day following the close of the Plan Year in which that Separation from Service occurs.
- (2) **Accrued Benefit Exceeds \$5,000.** If a Participant's Nonforfeitable Accrued Benefit exceeds \$5,000, distribution shall be in the form and at the time elected by the Participant, as permitted under this Section.
- (3) **Failure of Participant to Make an Election.** Where the Participant has the right to elect the form and timing of his/her Accrued Benefit distribution, but has failed to make an election, the Plan Administrator will direct the Trustee to commence distribution of the Participant's Accrued Benefit, in the form prescribed by Section 5.07(C), as soon as administratively practicable following the later of: (a) the Participant's attainment of Normal Retirement Age; or (b) the Participant's Separation from Service.
- (4) **Notice to Participant.** Between 30 and 90 days before the Participant's annuity starting date, the Plan Administrator must provide a benefit notice to a Participant who is eligible to make a distribution election under the Plan. The benefit notice must explain the optional forms of benefit in the Plan, including the material features and relative values of those options, and the Participant's right to defer distribution until he/she attains the later of Normal Retirement Age or age 62.

- (5) Death of the Participant. If the Participant had commenced distribution prior to his/her death, the Plan Administrator will direct the Trustee to make distribution to the Participant's Beneficiary in accordance with the distribution method in effect at the time of death. If the deceased Participant had not commenced distribution, the Plan Administrator will direct the Trustee to distribute the Participant's death benefit in accordance with Section 5.07(G).
- (B) **Form of Benefit.** Subject to the requirements of Section 5.07(C), the Plan Administrator will direct the Trustee to pay a Participant his/her Nonforfeitable Accrued Benefit in a form elected by the Participant under Section 5.07(E). Annuity payments will continue until the last scheduled payment coincident with or immediately preceding the date of the Participant's death or, if applicable, the date of his/her survivor's death.
- (1) Consent. A Participant must consent, in writing, to any distribution described in this Section if the Participant's Nonforfeitable Accrued Benefit exceeds \$5,000 on the first day of the month following his/her Separation from Service, and the distribution commences prior to the Participant's attaining Normal Retirement Age. Furthermore, the Participant's Spouse also must consent, in writing, to any distribution for which Section 5.07(C) requires the Spouse's consent. For purposes of the consent requirements under this Section, if the Participant's Nonforfeitable Accrued Benefit, at the time of any distribution, exceeds \$5,000, the Plan Administrator will treat that Nonforfeitable Accrued Benefit as exceeding \$5,000 for purposes of all subsequent Plan distributions to the Participant.
- (2) Annuity Starting Date/Distribution Date. The term "annuity starting date" means the first day of the first period for which the Plan pays an amount as an annuity or in any other form. A distribution date is the date as of which the Plan requires distribution or the date as of which a Participant (or Beneficiary) may elect to commence distribution. A Participant's (or Beneficiary's) distribution will commence on an applicable distribution date, or as soon as administratively practicable following that distribution date.

(C) **Normal Form of Benefit.**

(1) Payment of Annuity Form.

(a) **Married Participants.** If, as of the annuity starting date, the Participant is married, the Plan Administrator must direct the Trustee to distribute the Participant's Nonforfeitable Accrued Benefit in the form of a spousal joint and survivor annuity, unless the Participant makes a valid waiver election (described in Section 5.07(D)) within the 90-day period ending on the annuity starting date. A spousal joint and survivor annuity is an immediate annuity payable for the life of the Participant and a survivor annuity payable for the remaining life of the Participant's surviving Spouse which is 50% of the amount of the annuity payable during the life of the Participant.

(b) **Unmarried Participants.** If, as of the annuity starting date, the Participant is not married, the Plan Administrator must direct the Trustee to distribute the Participant's Nonforfeitable Accrued Benefit in the form of an immediate life annuity with 60 months term certain for the Participant, unless the Participant elects one of the optional forms of distribution permitted under Section 5.07(E). The life annuity with 60 months term certain will be the Actuarial Equivalent of the Participant's Accrued Benefit.

(2) Account Balance Not Greater Than \$5,000. The Plan Administrator must direct the Trustee to pay the Participant's Nonforfeitable Accrued Benefit in a lump sum, in lieu of the benefit provided in Section 5.07(C)(1), if the Participant's Account Balance is not greater than \$5,000 on the date of his/her Separation from Service. The consent requirements of this Section do not apply to a Participant subject to this paragraph.

(3) Automatic Rollover Requirement for Distributions Greater Than \$1,000. The Plan Administrator must direct the Trustee to pay the Participant's Nonforfeitable Accrued Benefit to an Individual Retirement Account designated by the Plan Administrator if each of the following conditions is met:

(a) The distribution is being made without the consent of the Participant pursuant to the provisions of Section 5.07(A)(3);

(b) The distribution is being made to the Participant;

(c) The amount of the distribution is greater than \$1,000; and

- (d) The Participant did not elect to have such distribution paid directly to an “eligible retirement plan,” as that term is defined in Section 8.06(B), or to receive the distribution directly.

(D) **Waiver Election – Spousal Joint and Survivor Annuity.** Between 30 and 90 days before the Participant’s annuity starting date, the Plan Administrator must provide the Participant a written explanation of the terms and conditions of the spousal joint and survivor annuity, the Participant’s right to make, and the effect of, an election to waive the joint and survivor form of benefit, the rights of the Participant’s Spouse regarding the waiver election, and the Participant’s right to make, and the effect of, a revocation of a waiver election. The Plan does not limit the number of times the Participant may revoke a waiver of the spousal joint and survivor annuity or make a new waiver during the election period. The Participant (and his/her Spouse, if applicable) may waive the 30-day election period if the distribution of the elected form of benefit commences more than 7 days after the Plan Administrator provides the Participant (and his/her Spouse, if applicable) the written explanation.

A married Participant’s waiver election is not valid unless:

- (1) The Participant’s Spouse (to whom the survivor annuity is payable under the spousal joint and survivor annuity), after the Participant has received the written explanation described in this Section, has consented in writing to the waiver election, the Spouse’s consent acknowledges the effect of the election, and a notary public or the Plan Administrator (or his/her representative) witnesses the Spouse’s consent;
- (2) The Spouse consents to the alternate form of payment designated by the Participant or to any change in that designated form of payment; and
- (3) The Spouse is the Participant’s sole primary Beneficiary and the Spouse consents to the Participant’s Beneficiary designation or to any change in the Participant’s Beneficiary designation.

The Spouse’s consent to a waiver of the spousal joint and survivor annuity is irrevocable unless the Participant revokes the waiver election. The Spouse may execute a blanket consent to any form of payment designation or to any Beneficiary designation made by the Participant, if the Spouse acknowledges the right to limit that consent to a specific designation but, in writing, waives that right.

The Plan Administrator may accept as valid a waiver election which does not satisfy the spousal consent requirements if the Plan Administrator establishes the Participant does not have a Spouse, the Plan Administrator is not able to locate the Participant's Spouse, the Participant is legally separated or has been abandoned (within the meaning of State law) and the Participant has a court order to that effect, or other circumstances exist under which the Secretary of the Treasury will excuse the consent requirement. If the Participant's Spouse is legally incompetent to give consent, the Spouse's legal guardian (even if the guardian is the Participant) may give consent.

(E) **Optional Forms of Distribution.** The Plan Administrator will direct the Trustee to pay the Participant's Nonforfeitable Accrued Benefit, as elected by the Participant under one of the optional forms of distribution permitted under this Subsection (E), subject to the annuity distribution requirements of Section 5.07(C). Any form of payment under Subsection (E) must satisfy the mandatory distribution requirements of Section 5.07(F). The election of an optional form of distribution under Subsection (E), and the Beneficiary designation thereunder, become irrevocable on the distribution or annuity starting date.

(1) **Lump Sum Form of Payment.** Distribution may be elected in lump sum regardless of the amount of the Participant's Accrued Benefit and regardless of the Participant's age at the time of Separation from Service. The amount of this lump-sum distribution is the amount of the Participant's Nonforfeitable Accrued Benefit.

(a) **Deadline for Electing a Lump-Sum Distribution.** A Participant may only elect to receive a lump-sum distribution during the 12-consecutive-month period following the date the Participant separates from Service.

(b) **Special Window for Electing a Lump-Sum Distribution.** Notwithstanding the general rule set forth in Section 5.07(E)(1)(a), a Participant who has separated from Service and who is otherwise entitled to a distribution of the Participant's Nonforfeitable Accrued Benefit, may elect to receive a lump-sum distribution if such an election is made during the months of September 2006 or October 2006 in accordance with procedures prescribed by the Plan Administrator. If a Participant elects to receive a lump-sum distribution pursuant to the provisions of this Section, the amount of the Participant's Nonforfeitable Accrued Benefit shall be determined as of November 1, 2006, and the Plan Administrator shall direct the Trustee to pay the amount as so determined to the Participant at the earliest administratively practicable date after November 1, 2006.

- (2) Additional Optional Forms of Distribution. Once a Participant has received credit for at least five (5) Years of Benefit Service and has attained age 55, the Participant becomes entitled to additional optional forms of distribution. These additional optional forms of distribution, which must be calculated based upon the Actuarial Equivalent of the Participant's Nonforfeitable Accrued Benefit as of the annuity starting date, are:
- (a) **Life Annuity.** A straight life annuity may be elected, payable no more frequently than monthly, with payment of the Participant's Accrued Benefit ending on the Participant's death.
  - (b) **Life Annuity with Term Certain.** A life annuity may be elected, payable no more frequently than monthly, with a term certain guaranteed for 60 months or 120 months. If a Participant dies before the Trustee has made the guaranteed number of payments, the Trustee will continue the balance of the payments to the Participant's designated Beneficiary.
  - (c) **Spousal Joint Plus 2/3 Survivor Annuity.** An annuity may be elected, payable no more frequently than monthly, for the life of the Participant and a survivor annuity payable for the remaining life of the Participant's surviving Spouse which is 2/3 of the amount of the annuity payable during the life of the Participant.
  - (d) **Spousal Joint Plus 100% Survivor Annuity.** An annuity may be elected, payable no more frequently than monthly, for the life of the Participant and a survivor annuity payable for the remaining life of the Participant's surviving Spouse which is 100% of the amount of the annuity payable during the life of the Participant.
- (F) **Mandatory Distributions.** Notwithstanding any 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 XVII in calendar years beginning on or after January 1, 2003.
- (G) **Pre-Retirement Survivor Benefit.** If a Participant's Accrued Benefit is determined under Article V, the provisions of this Subsection (G) will apply.
- (1) Pre-Retirement Survivor Benefit – Eligibility. If a married Participant dies prior to his/her annuity starting date, the Plan Administrator will direct the Trustee to distribute to the Participant's surviving Spouse a pre-retirement survivor benefit, unless the Participant and his/her Spouse were not married throughout the 12-consecutive-month period ending on the date of his/her death.

- (a) **Calculation of Pre-Retirement Survivor Benefit – Married Participant.** The pre-retirement survivor benefit for a surviving Spouse equals 50% of the Participant's Account Balance, determined as of the date of the Participant's death.
- (b) **Pre-Retirement Survivor Benefit – Married Participant.**
- (i) Not Greater Than \$5,000. If the pre-retirement survivor benefit is not greater than \$5,000 on the first day of the month following the Participant's death, the Plan Administrator will direct the Trustee to pay to the Participant's surviving Spouse the pre-retirement survivor benefit, in a lump sum, in lieu of the pre-retirement survivor annuity provided in Section 5.07(G)(1)(b)(ii), as soon as administratively practicable following the later of the following events: (a) the Participant's death; or (b) the date the plan Administrator receives notification of or otherwise confirms the Participant's death.
- (ii) Greater Than \$5,000. If the pre-retirement survivor benefit exceeds \$5,000 on the first day of the month following the Participant's death, the surviving Spouse may elect, within the 12-consecutive-month period following the Participant's death, to receive the pre-retirement survivor benefit in a lump sum. The Trustee will pay such lump sum as of the first administratively practicable distribution date following the surviving Spouse's election. The Participant's surviving Spouse may elect to have the Trustee commence payment of the pre-retirement survivor benefit in the form of an annuity at any time following the date of the Participant's death, but not earlier than the date on which the Participant would have attained age 55 and not later than the applicable mandatory distribution period described in Article XVII. In the absence of an election by the surviving Spouse, the Plan Administrator will direct the Trustee to distribute the pre-retirement survivor benefit in the form of a life-only annuity as soon as administratively practicable following the close of the Plan Year in which the latest of the following events occurs: (a) the Participant's death; (b) the date the Plan Administrator receives notification of or otherwise confirms the Participant's death; or (c) the date the Participant would have attained Normal Retirement Age. The value of the pre-retirement survivor annuity at the time of actual commencement must equal the Actuarial

Equivalent of the pre-retirement survivor benefit calculated in accordance with Section 5.07(G)(1)(a).

- (2) Reduction of Pension Benefits. The Trustee will not reduce a Participant's pension benefits as a result of the pre-retirement survivor annuity coverage required under Section 5.07(G)(1). The Employer alone bears the cost of providing the pre-retirement survivor annuity or the survivor's annuity.
- (H) **Distributions Under Qualified Domestic Relations Orders (QDROs).** Notwithstanding the provisions of Section 9.01 (prohibiting the alienation of benefits under this Plan), benefits may be paid to an alternate payee pursuant to the terms of a qualified domestic relations order ("QDRO") in accordance with the provisions of this Subsection (H).
- (1) 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 commences benefits under the Plan or as of the earliest date under the Plan on which the Participant could elect to receive retirement benefits even though the Participant has not separated from the Employer's service at such date. If payment is made to the alternate payee before the Participant has separated from service, payment will be made as though the Participant had retired on the date on which the order requires payment to begin considering the present value of benefits accrued by the Participant up to such date (but disregarding any Employer subsidy for early retirement).
  - (2) 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 Article V, 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.
  - (3) 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 \$5,000, 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.
  - (4) Procedures. The following procedures will apply to the determination of the qualified status of a domestic relations order:
    - (a) **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.

- (b) **Determination by Plan Administrator.** Within a reasonable period of time after receipt of an order, the Plan Administrator will determine whether the domestic relations order is a QDRO and will notify the Participant and each alternate payee of such determination.
- (c) **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.
- (d) **Order Not Qualified Within 18 Months.** If, within 18 months, the domestic relations 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 as if there had been no order.
- (e) **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.
- (f) **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 Subsection (H).

**Section 5.08 Monthly Benefits for Participants Who Separated from Service Prior to June 30, 1998.** For purposes of calculating the monthly benefit to which a Participant is entitled under Article V, the following special rule applies to a Participant who separated from Service on or before June 30, 1998, who was rehired by the Employer after June 30, 1998, following a Separation from Service, and who has not received and is not receiving a distribution of his/her Accrued Benefit under Article VI:

- (A) After calculating the Participant's monthly benefit under Article V, the Plan Administrator will calculate what the Participant's monthly benefit would have been under Article VI. In calculating the monthly benefit under Article VI, the Plan Administrator shall make the following assumptions:
  - (1) The Participant was not rehired by the Employer following the most recent Separation from Service that was on or before June 30, 1998; and
  - (2) The form of benefit and the annuity starting date for the Article VI benefit being calculated by the Plan Administrator are the same as that chosen by the Participant under Article V.

- (B) If the Plan Administrator determines, after making the calculation required under Subsection (A), that the Participant's monthly benefit under Article VI would have been greater than the Participant's monthly benefit under Article V, the difference between the two monthly benefit amounts shall be added to the amount of the Participant's monthly benefit under Article V.
- (C) This Section does not apply to any Participant who elects to receive his/her Accrued Benefit in the form of a lump sum.

**Section 5.09 In-Service Distribution at Age 62.** A Participant may elect to commence distribution of his/her Nonforfeitable Accrued Benefit in the absence of a Separation from Service upon attaining age 62, subject to the following terms and conditions:

- (A) **Participant Must Request In-Service Distribution.** A Participant who desires to receive an in-service distribution of his/her Nonforfeitable Accrued Benefit pursuant to the provisions of this Section must notify the Plan Administrator using whatever forms and in accordance with whatever procedures may be developed and established for this purpose by the Plan Administrator.
- (B) **Must Commence Distribution of Entire Benefit.** A Participant who desires to receive an in-service distribution of his/her Nonforfeitable Accrued Benefit pursuant to the provisions of this Section must commence distribution of his/her entire Nonforfeitable Accrued Benefit. A Participant is not permitted under this Section to commence distribution of only a portion of his/her Nonforfeitable Accrued Benefit.
- (C) **Form of Benefit.** A Participant who desires to receive an in-service distribution pursuant to the provisions of this Section may elect any form of benefit that is otherwise available under Section 5.07.
- (D) **Processing of Request for In-Service Distribution.** Upon receipt of a Participant's request to commence an in-service distribution pursuant to the provisions of this Section, and subject to such future guidance as may be provided by the Treasury and the Internal Revenue Service, the Plan Administrator shall apply the provisions of Section 5.07 as if the Participant had Separated from Service.
- (E) **Further Accrual of Benefits.** A Participant who elects an in-service distribution under this Section shall not accrue any additional benefits under the Plan subsequent to the Participant's distribution date or annuity starting date, as may be applicable. Additional benefits for this purpose include, but are not limited to, the receipt of any further Contribution Credits under Section 5.02, the receipt of any additional Interest Credits under Section 5.03, and/or the receipt of any additional benefits under any other provision of the Plan.

**Section 5.10 Special Provision for “Best of Either” Participants Terminated Due to Job Elimination.** In the event that the employment of a “best of either” Participant is terminated due to the elimination of that Participant’s position, the Plan Administrator shall increase the amount of the Participant’s Account Balance Accrued Benefit in accordance with the terms and provisions of this Section.

- (A) **Calculation of Additional Contribution Credits.** The Plan Administrator shall calculate the amount of the additional Contribution Credits that would have been credited to the Participant’s Account for quarters beginning after September 30, 2007, if the Plan had not been amended to provide in Section 5.02(D) that no such Contribution Credits would be provided for quarters beginning after September 30, 2007.
- (B) **Calculation of Additional Interest Credits.** The Plan Administrator shall calculate the amount of the additional Interest Credits that would have been credited to the Participant’s Account if the additional Contribution Credits for each quarter beginning after September 30, 2007, as calculated pursuant to Section 5.10(A), had been credited to the Participant’s Account as of the last day of each such quarter.
- (C) **Added to Account Balance.** The additional Contribution Credits calculated pursuant to Section 5.10(A) and the additional Interest Credits calculated pursuant to Section 5.10(B) shall be added to the Participant’s Account Balance.
- (D) **“Best of Either” Participant.** For purposes of this Section, a “best of either” Participant is a Participant who is entitled, pursuant to Section 4.02, to receive benefits calculated under Article V if the Participant’s Accrued Benefit under Article V is greater than the Present Value of the Participant’s Accrued Benefit under Article VI.

**ARTICLE VI  
TRADITIONAL RETIREMENT BENEFITS**

**Section 6.01 Normal Retirement Pension.**

(A) Each Traditional Participant who retires on or after Normal Retirement Date is eligible to receive a normal retirement pension.

(B) **Amount of Normal Retirement Pension.**

(1) Normal Retirement Pension. Subject to the annual benefit limitations of Article III, a Traditional Participant's normal retirement pension equals:

(1.5% of Average Compensation x Years of Benefit Service)

-- plus --

(0.25% of Excess Compensation x Years of Benefit Service)

(a) **Definition of Excess Compensation.** A Traditional Participant's Excess Compensation is his/her Average Compensation in excess of the Plan's Integration Level.

(b) **Integration Level.** The Integration Level is 100% of a Traditional Participant's "covered compensation." "Covered compensation" means the average (without indexing) of the taxable wage bases in effect for each calendar year during the 35-year period ending with the last day of the calendar year in which the Traditional Participant attains (or will attain) Social Security Retirement Age, assuming the taxable wage base in effect for the current calendar year remains the same. A Traditional Participant's "covered compensation" does not change after the calendar year in which he/she reaches his/her Social Security Retirement Age. For any Plan Year beginning before a Traditional Participant's 35-year calendar period used to determine his/her "covered compensation," the taxable wage base in effect at the beginning of the Plan Year is the Traditional Participant's "covered compensation." The taxable wage base is the contribution and benefit base under Section 230 of the Social Security Act. The Plan Administrator will use the unrounded "covered compensation" tables published by the Internal Revenue Service. For purposes of computing Excess Compensation, "covered compensation" will be expressed as a monthly amount.

(c) **Adjustment to Covered Compensation.** The Plan Administrator will redetermine "covered compensation" each Plan Year, based on the taxable wage base in effect at the beginning of the Plan Year.

- (2) Accrued Benefit. Subject to the annual benefit limitations of Article III, a Traditional Participant's benefit is the normal retirement pension accrued by the Traditional Participant under the accrual formula provided in Section 6.01(B)(1).
- (3) Normal Form of Benefit. The Plan Administrator will compute a Traditional Participant's normal retirement pension in the form of a spousal joint and 50% survivor annuity (without actuarial adjustment). For an unmarried Traditional Participant, the Plan Administrator will compute the normal retirement pension by making the assumption that the unmarried Traditional Participant is married and has a Spouse who is the same age. The Trustee will pay the Traditional Participant's normal retirement pension in accordance with Section 6.06.
- (4) Late Retirement. A benefit commencing after Normal Retirement Age is the Actuarial Equivalent of the Traditional Participant's benefit under this Section payable as of the later of Normal Retirement Age or the last day of the prior Plan Year. A Traditional Participant continues to accrue benefits after his/her Normal Retirement Age if the Traditional Participant's benefit would increase because of additional Service or Compensation. A Traditional Participant's benefit under this Section as of the end of each Plan Year following his/her Normal Retirement Age is the normal retirement pension determined under the Plan, taking into account Service and Compensation credited after Normal Retirement Age.

**Section 6.02    Early Retirement Pension.**

**(A)    Eligibility for Early Retirement Pension.**

- (1) Reduced Early Retirement Pension. A Traditional Participant who has separated from Service, has received credit for at least five (5) Years of Benefit Service and has attained age 55 may elect an early retirement pension. A Traditional Participant who separates from Service after satisfying the service requirement but not the age requirement may elect to receive an early retirement pension upon satisfying the age requirement. The Plan Administrator will reduce a Traditional Participant's early retirement pension by  $\frac{1}{4}$  of one percent (0.25%) for each month by which it commences prior to Normal Retirement Age; provided, however, that if a Traditional Participant separates from Service on or after January 1, 2007, and the Traditional Participant has not attained age 55 as of the date the Traditional Participant separates from Service, the Plan Administrator will reduce a Traditional Participant's early retirement pension using the Actuarial Equivalent assumptions as described in Section 1.04.

- (2) Special Early Retirement Pension. A Traditional Participant who has separated from Service on or after age 55 and has received credit for at least 90 points shall receive an unreduced early retirement pension. A Traditional Participant's unreduced early retirement pension is his/her Nonforfeitable Accrued Benefit payable at Normal Retirement Date without actuarial reduction for early commencement. For each point below 90 points credited to the Traditional Participant at early commencement of benefits, the benefit shall be reduced by 3%. Notwithstanding this reduction, the benefits payable under this Subsection (A)(2) shall not be less than the benefits payable under Subsection (A)(1).

For purposes of this Subsection (A)(2), a Traditional Participant shall be awarded: (a) one point for each whole year of age as of the date on which the Traditional Participant separates from Service; (b) 1/12 of one point for each month (or partial month of 15 days or greater) of age between the date of the Traditional Participant's birthday immediately prior to the date the Traditional Participant separates from Service and the date the Traditional Participant separates from Service; and (c) one point for each Year of Benefit Service with the Employer (as provided under Section 1.31(B)(1)).

- (3) Special Early Retirement Pension – Separation From Service Prior to Age 55. Any Traditional Participant who has separated from Service prior to age 55 shall not be eligible for the Special Early Retirement Pension under Section 6.02(A)(2). A Traditional Participant who has separated from Service prior to Age 55, has received credit for at least 30 Years of Benefit Service, and has attained age 62 may elect an unreduced early retirement pension, but only if the Traditional Participant separated from Service on or before December 31, 2006. A Traditional Participant's unreduced early retirement pension is his/her Nonforfeitable Accrued Benefit payable at Normal Retirement Date without actuarial reduction for early commencement.

(B) **Payment of Early Retirement Pension.**

- (1) Present Value Does Not Exceed \$5,000. If the present value of the Traditional Participant's early retirement pension does not exceed \$5,000 on the first day of the second month following his/her Separation from Service, the Trustee will pay the early retirement pension in a lump sum, as of the first administratively practicable distribution date following the Traditional Participant's Separation from Service.
- (2) Present Value Exceeds \$5,000 – Lump-Sum Option. If the present value of the Traditional Participant's early retirement pension exceeds \$5,000 on the first day of the second month following his/her Separation from Service, the Traditional Participant may elect within the 12-consecutive-month period following Separation from Service to receive the early retirement pension in a lump sum. The Trustee will pay such lump sum as of the first administratively practicable distribution date following the Traditional Participant's

election. If the Traditional Participant fails to make an election within the prescribed period of time, then he/she may not make an election until the date provided for in Section 6.02(B)(3).

- (3) Present Value Exceeds \$5,000 – Commencement of Benefit. If the present value of the Traditional Participant's early retirement pension exceeds \$5,000 on the first day of the second month following his/her Separation from Service, the Trustee will pay the early retirement pension in the form elected by the Traditional Participant pursuant to Section 6.06(E). A Traditional Participant may elect to commence his/her early retirement pension as of any distribution date following his/her Separation from Service, provided he/she has attained age 55 and completed 5 Years of Vesting Service. If the Traditional Participant fails to elect a distribution date, then the Trustee will commence payment of the early retirement pension in accordance with Section 6.06(C).

**Section 6.03 Disability Pension Benefits.** The Plan does not provide for disability pension benefits. A Participant who becomes disabled may, however, be credited with additional Service during the period of his/her absence from employment in accordance with the provisions of Section 1.31 (relating to the definition of "Service").

**Section 6.04 Deferred Vested Pension.**

- (A) **Deferred Vested Pension.** A Traditional Participant who, prior to his/her Normal Retirement Date, terminates employment for any reason other than death or eligibility for an early retirement pension, will receive a deferred vested pension.
- (B) **Amount of Deferred Vested Pension.** The Plan Administrator will reduce the Traditional Participant's deferred vested pension according to Section 6.02(A) for benefits that are commenced prior to Normal Retirement Date.
- (C) **Payment of Deferred Vested Pension.**
  - (1) Present Value Does Not Exceed \$5,000. If the present value of the Traditional Participant's deferred vested pension does not exceed \$5,000 on the first day of the second month following his/her Separation from Service, the Trustee will pay the deferred vested pension in lump sum, as of the first administratively practicable distribution date following the Traditional Participant's Separation from Service.
  - (2) Present Value Exceeds \$5,000. If the present value of the Traditional Participant's deferred vested pension exceeds \$5,000 on the first day of the second month following Separation from Service, the Trustee will pay the deferred vested pension in the form elected by the Traditional Participant pursuant to Section 6.06(E).

- (a) **Distribution Upon Attainment of Age 55.** A Traditional Participant who has attained age 55 may elect to commence his/her deferred vested pension as of any distribution date following his/her Separation from Service.
- (b) **Lump Sum Distribution Option Following Separation from Service.** Any Traditional Participant may elect within a 12-consecutive-month period following Separation from Service to receive the deferred vested pension in a lump sum. The Trustee will pay such lump sum as of the first administratively practicable distribution date following the Traditional Participant's election.
- (c) **Failure to Elect Distribution Date.** If the Traditional Participant fails to elect a distribution date, then the Trustee will commence payment of the deferred vested pension in accordance with Section 6.06(C).

**Section 6.05 Pre-Retirement Survivor Annuity.** A Traditional Participant may be entitled to pre-retirement survivor annuity as follows:

- (A) **Pre-Retirement Survivor Annuity – Eligibility.** If a married Traditional Participant dies prior to his/her annuity starting date, the Plan Administrator will direct the Trustee to distribute to the Traditional Participant's surviving Spouse a pre-retirement survivor annuity, unless the Traditional Participant and his/her Spouse were not married throughout the one-year period ending on the date of his/her death.

(1) Calculation of Pre-Retirement Survivor Annuity.

- (a) **Death After Earliest Retirement Age.** For a Traditional Participant who dies after the earliest retirement age under the Plan, the pre-retirement survivor annuity equals the survivor annuity portion of the spousal joint and survivor annuity the Trustee would have paid under Section 6.06 if the Traditional Participant had commenced receiving the spousal joint and survivor annuity the day before his/her death.
- (b) **Death on or Before Earliest Retirement Age.** For a Traditional Participant who dies on or before the earliest retirement age under the Plan, the pre-retirement survivor annuity equals the survivor annuity portion of the spousal joint and survivor annuity the Trustee would have paid under Section 6.06 if the Traditional Participant had separated from Service on the date of his/her death (or, if earlier, his/her actual date of Separation from Service), had commenced receiving the spousal joint and survivor annuity at the earliest retirement age under the Plan, and had died the day after attaining the earliest retirement age under the Plan.

The “earliest retirement age under the Plan” is the earliest date on which the Plan permits the Traditional Participant to elect to receive retirement benefits. For purposes of determining the value of the pre-retirement survivor annuity, the Traditional Participant’s Nonforfeitable Accrued Benefit does not include any amount in excess of the portion of his/her Accrued Benefit in which he/she had a Nonforfeitable interest immediately prior to his/her death.

- (2) Present Value Not Greater than \$5,000. If the present value of the pre-retirement survivor annuity is not greater than \$5,000 on the first day of the month following the Traditional Participant’s death, the Plan Administrator will direct the Trustee to pay to the Traditional Participant’s surviving Spouse the present value of the pre-retirement survivor annuity, in lump sum, in lieu of the pre-retirement survivor annuity as soon as administratively practicable following the latest of the following events: (a) the Traditional Participant’s death, or (b) the date the Plan Administrator receives notification of or otherwise confirms the Traditional Participant’s death.
  
- (3) Present Value Greater than \$5,000. If the present value of the Traditional Participant’s pre-retirement survivor annuity exceeds \$5,000 on the first day of the month following the Traditional Participant’s death, the surviving Spouse may elect, within the 12-consecutive-month period following the Traditional Participant’s death, to receive the pre-retirement survivor annuity in a lump sum. The Trustee will pay such lump sum as of the first administratively practicable distribution date following the surviving Spouse’s election. The Traditional Participant’s surviving Spouse may also elect to have the Trustee commence payment of the pre-retirement survivor annuity at any time following the date of the Traditional Participant’s death, but not earlier than the date on which the Traditional Participant would have attained age 55 and not later than the applicable mandatory distribution period described in Section 6.06. In the absence of an election by the surviving Spouse, the Plan Administrator will direct the Trustee to distribute the pre-retirement survivor annuity as soon as administratively practicable following the close of the Plan Year in which the latest of the following events occurs: (a) the Traditional Participant’s death; (b) the date the Plan Administrator receives notification of or otherwise confirms the Traditional Participant’s death; or (c) the date the Traditional Participant would have attained Normal Retirement Age. The value of the pre-retirement survivor annuity at the time of actual commencement must equal the Actuarial Equivalent of the pre-retirement survivor annuity calculated in accordance with Section 6.05(A).
  
- (4) Special Rules. If the Traditional Participant’s surviving Spouse dies prior to the commencement of the pre-retirement survivor annuity, the Plan will not pay the pre-retirement survivor annuity.

- (B) **Reduction of Pension Benefits.** The Trustee will not reduce a Traditional Participant's pension benefits as a result of the pre-retirement survivor annuity coverage required under Section 6.05(A). The Employer alone bears the cost of providing the pre-retirement survivor annuity or the survivor's annuity.
- (C) **Unmarried Traditional Participant / Married Less Than One Year.** No survivor benefit will be paid if a Traditional Participant was not married at the time of his/her death or had not been married throughout the 12-consecutive-month period ending on the date of his/her death.

**Section 6.06 Payment of Accrued Benefit Under Article VI.** A Traditional Participant's Accrued Benefit is determined as follows:

- (A) **Commencement of Benefits.** The Plan Administrator must direct the Trustee to commence distribution of benefits in accordance with this Subsection (A), subject to the mandatory distribution requirements of Section 6.06(F) and the pre-retirement survivor annuity requirements of Section 6.05.
  - (1) Distribution to Traditional Participant Who Separates from Service Before Normal Retirement Date. The Plan Administrator will direct the Trustee to commence distribution of the Traditional Participant's Nonforfeitable Accrued Benefit in accordance with Sections 6.01, 6.02 or 6.04, whichever applies.
  - (2) Distribution to Traditional Participant Who Separates from Service After Normal Retirement Date. The Plan Administrator will direct the Trustee to commence distribution to the Traditional Participant as follows:
    - (a) **Present Value of Normal Retirement Pension Not Exceeding \$5,000.** If the present value of the Traditional Participant's normal retirement pension is equal to or less than \$5,000, distribution shall be in a lump sum, as soon as administratively practicable following the Traditional Participant's Separation from Service, but not later than the 60th day following the close of the Plan Year in which that Separation from Service occurs.
    - (b) **Present Value of Normal Retirement Pension Exceeds \$5,000.** If the present value of the Traditional Participant's normal retirement pension is greater than \$5,000, distribution shall be in the form and at the time elected by the Traditional Participant, as permitted under this Section. The Traditional Participant may elect to commence distribution as soon as administratively practicable following Separation from Service or as of the first day of any subsequent month.

- (3) Failure of Traditional Participant to Make an Election. Where a Traditional Participant has the right to elect the form and timing of his/her pension, but has failed to make an election, the Plan Administrator will direct the Trustee to commence distribution of the Traditional Participant's pension, in the form prescribed by Section 6.06(C), as soon as administratively practicable following the later of: (a) the Traditional Participant's attainment of Normal Retirement Age; or (b) the Traditional Participant's Separation from Service.
  - (4) Notice to Traditional Participant. Between 30 and 180 days before a Traditional Participant's annuity starting date, the Plan Administrator must provide a benefit notice to him/her if he/she is eligible to make a distribution election under the Plan. The benefit notice must explain the optional forms of benefit in the Plan, including the material features and relative values of those options, and the Traditional Participant's right to defer distribution until he/she attains the later of Normal Retirement Age or age 62.
  - (5) Death of the Traditional Participant. If a Traditional Participant had commenced distribution prior to his/her death, the Plan Administrator will direct the Trustee to make distribution to the Traditional Participant's Beneficiary in accordance with the distribution method in effect at the time of death. If the deceased Traditional Participant had not commenced distribution, the Plan Administrator will direct the Trustee to distribute the Traditional Participant's pre-retirement survivor annuity (if any) in accordance with Section 6.05.
- (B) **Form of Benefit.** Subject to the requirements of Section 6.06(C), the Plan Administrator will direct the Trustee to pay a Traditional Participant his/her Nonforfeitable Accrued Benefit in a form elected by the Traditional Participant under Section 6.06(E). Annuity payments will continue until the last scheduled payment coincident with or immediately preceding the date of the Traditional Participant's death or, if applicable, the date of his/her survivor's death.
- (1) Consent. A Traditional Participant must consent, in writing, to any distribution described in this Section if the present value of the Traditional Participant's Nonforfeitable Accrued Benefit exceeds \$5,000 on the first day of the month following his/her Separation from Service, and the distribution commences prior to the Traditional Participant's attaining Normal Retirement Age. Furthermore, the Traditional Participant's Spouse also must consent, in writing, to any distribution for which Section 6.06(C) requires the Spouse's consent. For purposes of the consent requirements under this Section, if the present value of the Traditional Participant's Nonforfeitable Accrued Benefit, at the time of any distribution, exceeds \$5,000, the Plan Administrator will treat that present value as exceeding \$5,000 for purposes of all subsequent Plan distributions to the Traditional Participant.

- (2) Annuity Starting Date/Distribution Date. The term “annuity starting date” means the first day of the first period for which the Plan pays an amount as an annuity or in any other form. A distribution date is the date as of which the Plan requires distribution or as of which a Traditional Participant (or Beneficiary) may elect to commence distribution. A Traditional Participant’s or Beneficiary’s distribution will commence on an applicable distribution date, or as soon as administratively practicable following that distribution date.

(C) **Normal Form of Benefit.**

(1) Payment of Annuity Form.

- (a) **Married Traditional Participants.** If, as of the annuity starting date, the Traditional Participant is married, the Plan Administrator must direct the Trustee to distribute the Traditional Participant’s Nonforfeitable Accrued Benefit in the form of a spousal joint and survivor annuity, unless the Traditional Participant makes a valid waiver election (described in Section 6.06(D)) within the 180-day period ending on the annuity starting date. A spousal joint and survivor annuity is an immediate annuity payable for the life of the Traditional Participant and a survivor annuity payable for the remaining life of the Traditional Participant’s surviving Spouse which is 50% of the amount of the annuity payable during the life of the Traditional Participant.
- (b) **Unmarried Traditional Participants.** If, as of the annuity starting date, the Traditional Participant is not married, the Plan Administrator must direct the Trustee to distribute the Traditional Participant’s Nonforfeitable Accrued Benefit in the form of an immediate life annuity with 60 months term certain for the Traditional Participant, unless the Traditional Participant elects one of the optional forms of distribution permitted under Section 6.06(E). The life annuity with 60 months term certain will be the Actuarial Equivalent of the Traditional Participant’s Accrued Benefit.
- (2) Present Value Not Greater Than \$5,000. The Plan Administrator must direct the Trustee to pay the Traditional Participant’s Nonforfeitable Accrued Benefit in a lump sum, in lieu of the benefit provided in Section 6.06(C)(1), if the present value of the Traditional Participant’s benefit is not greater than \$5,000 on the date of his/her Separation from Service. The consent requirements of this Section do not apply to a Traditional Participant subject to this paragraph.
- (3) Automatic Rollover Requirement for Distributions Greater Than \$1,000. The Plan Administrator must direct the Trustee to pay the Traditional Participant’s Nonforfeitable Accrued Benefit to an Individual Retirement Account designated by the Plan Administrator if each of the following conditions is met:

- (a) The distribution is being made without the consent of the Traditional Participant pursuant to the provisions of Section 6.06(C)(2); and
- (b) The distribution is being made to the Traditional Participant; and
- (c) The amount of the distribution is greater than \$1,000; and
- (d) The Traditional Participant did not elect to have such distribution paid directly to an “eligible retirement plan,” as that term is defined in Section 8.06(B), or to receive the distribution directly.

(D) **Waiver Election – Spousal Joint and Survivor Annuity.** Between 30 and 180 days before the Traditional Participant’s annuity starting date, the Plan Administrator must provide the Traditional Participant a written explanation of the terms and conditions of the spousal joint and survivor annuity, the Traditional Participant’s right to make, and the effect of, an election to waive the joint and survivor form of benefit, the rights of the Traditional Participant’s Spouse regarding the waiver election and the Traditional Participant’s right to make, and the effect of, a revocation of a waiver election. The Plan does not limit the number of times the Traditional Participant may revoke a waiver of the spousal joint and survivor annuity or make a new waiver during the election period. The Traditional Participant (and his/her Spouse, if applicable) may waive the 30-day election period if the distribution of the elected form of benefit commences more than 7 days after the Plan Administrator provides the Traditional Participant (and his/her Spouse, if applicable) the written explanation.

A married Traditional Participant’s waiver election is not valid unless each of the following conditions is satisfied:

- (1) The Traditional Participant’s Spouse (to whom the survivor annuity is payable under the spousal joint and survivor annuity), after the Traditional Participant has received the written explanation described in this Section, has consented in writing to the waiver election, the Spouse’s consent acknowledges the effect of the election, and a notary public witnesses the Spouse’s consent;
- (2) The Spouse consents to the alternate form of payment designated by the Traditional Participant or to any change in that designated form of payment; and
- (3) Unless the Spouse is the Traditional Participant’s sole primary Beneficiary, the Spouse consents to the Traditional Participant’s Beneficiary designation or to any change in the Traditional Participant’s Beneficiary designation.

The Spouse's consent to a waiver of the spousal joint and survivor annuity is irrevocable unless the Traditional Participant revokes the waiver election. The Spouse may execute a blanket consent to any form of payment designation or to any Beneficiary designation made by the Traditional Participant, if the Spouse acknowledges the right to limit that consent to a specific designation but, in writing, waives that right.

The Plan Administrator may accept as valid a waiver election which does not satisfy the spousal consent requirements if the Plan Administrator establishes the Traditional Participant does not have a Spouse, the Plan Administrator is not able to locate the Traditional Participant's Spouse, the Traditional Participant is legally separated or has been abandoned (within the meaning of State law) and the Traditional Participant has a court order to that effect, or other circumstances exist under which the Secretary of the Treasury will excuse the consent requirement. If the Traditional Participant's Spouse is legally incompetent to give consent, the Spouse's legal guardian (even if the guardian is the Traditional Participant) may give consent.

- (E) **Optional Forms of Distribution.** The Plan Administrator will direct the Trustee to pay the Traditional Participant's Nonforfeitable Accrued Benefit, as elected by the Traditional Participant under one of the optional forms of distribution permitted under this Subsection (E), subject to the annuity distribution requirements of Section 6.06(C). Any form of payment under this Section must satisfy the mandatory distribution requirements of Section 6.06(F). The election of an optional form of distribution under this Subsection (E), and the Beneficiary designation thereunder, become irrevocable on the distribution or annuity starting date.

The optional forms of distribution, which must be the Actuarial Equivalent of the Traditional Participant's Nonforfeitable Accrued Benefit, are:

- (1) Lump Sum. Effective January 1, 1998, payment may be made in lump sum regardless of the present value of the Traditional Participant's Accrued Benefit; provided, however, that a Traditional Participant may only elect to receive a lump sum distribution during the 12-consecutive-month period following the date the Traditional Participant Separated from Service.
- (2) Life Annuity. A straight life annuity may be elected, payable no more frequently than monthly, with payment of the Traditional Participant's Accrued Benefit ending on the Traditional Participant's death.
- (3) Life Annuity with Term Certain. A life annuity may be elected, payable no more frequently than monthly, with a term certain guaranteed for 60 months or 120 months. If a Traditional Participant dies before the Trustee has made the guaranteed number of payments, the Trustee will continue the balance of the payments to the Traditional Participant's designated Beneficiary.

- (4) Spousal Joint Plus 2/3 Survivor Annuity. Effective January 1, 1998, an annuity may be elected, payable no more frequently than monthly, for the life of the Traditional Participant and a survivor annuity payable for the remaining life of the Traditional Participant's surviving Spouse which is 2/3 of the amount of the annuity payable during the life of the Traditional Participant.
- (5) Spousal Joint Plus 100% Survivor Annuity. Effective January 1, 1998, an annuity may be elected, payable no more frequently than monthly, for the life of the Traditional Participant and a survivor annuity payable for the remaining life of the Traditional Participant's surviving Spouse which is 100% of the amount of the annuity payable during the life of the Traditional Participant.
- (F) **Mandatory Distributions.** Notwithstanding any 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 XVII in calendar years beginning on or after January 1, 2003.
- (G) **Distributions Under Qualified Domestic Relations Orders (QDROs).** Notwithstanding the provisions of Section 9.01 (prohibiting the alienation of benefits under this Plan), benefits may be paid to an alternate payee pursuant to the terms of a qualified domestic relations order ("QDRO") in accordance with the provisions of this Subsection (G).
- (1) 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 commences benefits under the Plan or as of the earliest date under the Plan on which the Participant could elect to receive retirement benefits even though the Participant has not separated from the Employer's service at such date. If payment is made to the alternate payee before the Participant has separated from service, payment will be made as though the Participant had retired on the date on which the order requires payment to begin considering the present value of benefits accrued by the Participant up to such date (but disregarding any Employer subsidy for early retirement).
- (2) 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 Article V, 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.
- (3) 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 \$5,000, 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.

- (4) Procedures. The following procedures will apply to the determination of the qualified status of a domestic relations order:
- (a) **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.
  - (b) **Determination by Plan Administrator.** Within a reasonable period of time after receipt of an order, the Plan Administrator will determine whether the domestic relations order is a QDRO and will notify the Participant and each alternate payee of such determination.
  - (c) **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.
  - (d) **Order Not Qualified Within 18 Months.** If, within 18 months, the domestic relations 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 as if there had been no order.
  - (e) **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.
  - (f) **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 Subsection (G).

**Section 6.07 Enhanced Benefits for Participants Whose Positions Are Lost Due to Restructuring.** U.S. AgBank, FCB and/or any Affiliate that has executed a participation agreement may (but is not required to) elect, pursuant to Section 6.07(A), to provide benefits under this Section, as it may be amended from time to time. An entity that chooses to provide benefits under this Section may provide enhanced benefits to a Traditional Participant whose position is lost as a result of a restructuring, provided the conditions set forth in Subsections (B) and (C) are met.

- (A) **Election to Provide Enhanced Benefits.** The election to apply this Section must be made through a resolution adopted by the Board of Directors of the Employer.
- (B) **Triggering Events.** Upon the occurrence of a triggering event, a Participant shall be entitled to enhanced benefits under this Section provided the Board of Directors of the Employer has elected, pursuant to Subsection (A), to apply this Section and the Participant satisfies the eligibility requirements in Subsection (C). For purposes of this Section, a triggering event shall be considered to have taken place if, on or after the effective date of this Section:
- (1) The entity employing the Traditional Participant completes a merger with another Affiliate, including, but not limited to, a merger resulting in the formation of an Agricultural Credit Association (“ACA”); or
  - (2) The entity employing the Traditional Participant completes a consolidation with another Affiliate; or
  - (3) A joint management agreement entered into by the entity employing the Traditional Participant and another Affiliate takes effect; or
  - (4) A charter amendment takes effect that realigns the geographical territory between two or more Affiliates, provided that the boards of directors of the Affiliates in question have enacted a resolution agreeing to such realignment; or
  - (5) A charter amendment takes effect that results in the formation of an ACA, and the Traditional Participant is employed by the entity adopting the charter amendment; or
  - (6) The entity employing the Traditional Participant enters into an agreement with another entity under which the job function being performed by the Traditional Participant is outsourced to the other entity.
- (C) **Eligibility for Enhanced Benefits.** To be eligible for enhanced benefits under this Section, the Participant must satisfy each of the following conditions:
- (1) The Participant must be a Traditional Participant; and
  - (2) The Participant must be age fifty (50) or above as of the date the Participant separates from Service; and
  - (3) The Participant must have completed a minimum of fifteen (15) Years of Vesting Service in the Farm Credit System (not including, for this purpose, any unused accrued sick leave) as of the date the Participant separates from Service; and
  - (4) The Participant must experience an involuntary Separation from Service as set forth in Subsection (D).

(D) **Involuntary Separation from Service.** For purposes of Section 6.07, a Participant will be deemed to have experienced an involuntary Separation from Service if (i) the Participant experiences a Separation from Service after the effective date of the merger, consolidation, joint management agreement, realignment of geographical territory between Affiliates, the formation of an ACA, or the agreement to outsource the Participant's job functions and (ii) the Separation from Service results from the merger, consolidation, joint management agreement, realignment of geographical territory between Affiliates, the formation of an ACA, or the agreement to outsource the Participant's job functions to another entity.

(1) A Separation from Service will be deemed to have resulted from a merger, consolidation, joint management agreement, formation of an ACA, or entry into an agreement to outsource the Participant's job functions as provided in Section 6.07(B)(1), (2), (3), (5), and/or (6) if at least one of the following conditions is met.

(a) The Participant was not offered a position in the new organization;

(b) Subsequent to the date the merger agreement, consolidation agreement, joint management agreement, ACA agreement, or outsourcing agreement was entered into, it is determined that the Participant will not be offered a position in the new organization;

(c) The Participant was offered and declined a position in the new organization for which the base pay would have been less than 85% of the Participant's current base pay as of the effective date of the merger, consolidation, or joint management agreement. For purposes of this provision, "base pay" refers to the annual salary or the hourly rate of pay for a position, but does not include any incentive pay or other forms of bonuses or other types of pay which a Participant might have received in the past or which an Employee in a particular position might be eligible to receive in the future;

(d) The Participant was offered and declined a position in the new organization that:

(i) Would have required the Participant to report to work at a location that is more than fifty (50) miles from the location where the Participant reported to work as of the effective date of the merger, consolidation, joint management agreement, or outsourcing agreement; or

(ii) As offered to the Participant and in the business judgment of the Employer, would have required the Participant to relocate his/her residence from the place where that residence existed as of the effective date of the merger, consolidation, joint

management agreement, or outsourcing agreement as a condition of accepting the position;

- (e) The Participant was offered and accepted a position in the new organization but was involuntarily Separated from Service (other than for gross misconduct in violation of the established policies of the new employer) within 365 calendar days after the date the Participant became employed by the new employer; or
  - (f) The Participant was offered and accepted a position with the new employer but the Participant will not be able to accrue additional benefits under this Plan as a result of his/her employment with the new employer due to the fact that the new employer is not a Participating Employer in this Plan.
- (2) A Separation from Service will be deemed to have resulted from a realignment of geographical territory between Affiliates as provided in Section 6.07(B)(4) if the Participant regularly performed the responsibilities of his/her position in the territory that is being realigned, and at least one of the following conditions is met:
- (a) The Participant was not offered a position with any of the Affiliates who entered into the agreement to realign the geographical territory between them;
  - (b) Subsequent to the date of the agreement to realign the geographical territory between Affiliates was entered into, it is determined that the Participant will not be offered a position with any of the Affiliates who has entered into such agreement;
  - (c) The Participant was offered and declined a position with one of the Affiliates who entered into the agreement to realign geographical territory for which the base pay would have been less than 85% of the Participant's current base pay as of the effective date of the realignment of geographical boundaries. For purposes of this provision, "base pay" refers to the annual salary or the hourly rate of pay for a position, but does not include any incentive pay or other forms of bonuses or other types of pay which a Participant might have received in the past or which an Employee in a particular position might be eligible to receive in the future); or
  - (d) The Participant was offered and declined a position with one of the Affiliates who entered into the agreement to realign geographical territory that:
    - (i) Would have required the Participant to report to work at a location that is more than fifty (50) miles

from the location where the Participant reported to work as of the effective date of the realignment; or

- (ii) As offered to the Participant and in the business judgment of the Employer, would have required the Participant to relocate his/her residence from the place where that residence existed as of the effective date of realignment as a condition of accepting the position;
  - (e) The Participant was offered and accepted a position with one of the Affiliates who entered into the agreement to realign geographical territory but was involuntarily separated from Service (other than for gross misconduct in violation of the established policies of the Employer) within 365 calendar days after the date the Participant became employed by the new Employer; or
  - (f) The Participant was offered and accepted a position with one of the Affiliates who entered into the agreement to realign geographical territory but the Participant will not be able to accrue additional benefits under this Plan as a result of his/her employment with the new employer due to the fact that the new employer is not a Participating Employer in this Plan.
- (3) The entity employing the Participant, or its successor, shall identify each Participant who will be involuntarily separated from Service as a result of a merger, consolidation, joint management agreement, realignment of geographical territory between Affiliates, formation of an ACA, or entry into an outsourcing agreement with another entity and shall establish a final date of employment for each Participant.
- (a) Unless otherwise extended pursuant to Subsection (D)(3)(b) of this Section, the final date of employment for each Participant shall be within 365 calendar days of the effective date of the merger, consolidation, joint management agreement, outsourcing agreement, or realignment of geographical territory between Affiliates.
  - (b) The 365 calendar day period established in Subsection (D)(3)(a) of this Section may be extended for up to an additional 365 calendar days if it is determined that the Participant's position will remain necessary during that period of time for the continued effective functioning of the organization. Any such determination must be made by the Board of Directors of the entity employing the Participant, or its successor.

- (c) The final date of employment that has been established for a Participant may be extended or shortened from the date originally established by the Board of Directors of the entity employing the Participant (or by Board of Directors of the successor to such entity).
  - (i) If the Board of Directors determines that the Participant's position will remain necessary during an extended period of time for the continued effective functioning of the organization, the Board of Directors may extend the Participant's final date of employment; provided, however, that the final date of employment that is established for a Participant may not extend beyond the maximum period established in Subsection (D)(3)(b) of this Section.
  - (ii) If the Board of Directors determines that the Participant's position will no longer remain necessary through the final date of employment that had previously been established, the Board of Directors may establish an earlier date as the final date of employment for the Participant.

If the Participant voluntarily separates from Service prior to the final date of employment that has been established for that Participant, the Participant will not be entitled to enhanced benefits under this Section, even if the conditions for receiving enhanced benefits are otherwise met.

- (E) **Administrative Procedures.** The Plan Administrator shall establish reasonable procedures to implement the enhanced benefits provided by this Section. The Plan Administrator shall require the following:
  - (1) The Plan Administrator shall require any Employer electing to apply this Section to provide an approved copy of the resolution required by Section 6.07(A).
  - (2) The Plan Administrator shall require each Employer that has elected to apply this Section to provide the name and final date of employment that has been established for each Participant who will be involuntarily separated from Service upon the occurrence of a triggering event within the meaning of Section 6.07(B).
  - (3) Upon a Separation from Service, the Plan Administrator shall require the entity employing the Participant, or its successor, to certify the eligibility of each such Participant for enhanced benefits. Such certification may relate, but is not limited to, the existence of a triggering event within the meaning of Section 6.07(B), the satisfaction of the eligibility conditions set forth in Section 6.07(C), and the satisfaction of the conditions for an involuntary Separation from Service set forth in Section 6.07(D).

In addition to the specific procedures mentioned above, the Plan Administrator may establish such other procedures as it considers necessary or advisable to implement the enhanced benefits provided by this Section.

(F) **Benefit Enhancement.** Participants who meet the required conditions for enhanced benefits will receive benefits calculated pursuant to either the General Rule or the Special Rule stated below:

(1) General Rule. The Participant's Normal Retirement Pension will be calculated pursuant to Article VI, exclusive of this Section, except as follows:

(a) Five (5) years will be added to the Participant's Service and five (5) years will be added to the Participant's age; provided, however, if the total of the Participant's age and the additional five (5) years added thereto would exceed sixty-five (65), the portion of the five (5) years to be added to the Participant's age that would exceed sixty-five (65) will be added instead to the Participant's service; and

(b) The early retirement reduction factor in Section 6.02(A)(1) will be reduced from 1/4 of one percent (0.25%) per month to 1/6 of one percent (0.16%) per month, and the early retirement reduction factor in Section 6.02(A)(2) will be reduced from 3% to 2%; or

(2) Special Rule. If the Present Value of the Participant's Accrued Benefit as calculated under the General Rule stated above would be less than the Present Value of the Participant's Accrued Benefit calculated under this Special Rule, this Special Rule shall be applied instead. To calculate benefits under this Special Rule, the steps set forth in (a) and (b) below shall be followed:

(a) The Participant's Normal Retirement Pension will be calculated pursuant to Article VI, exclusive of this Section; and

(b) The Participant's Compensation for the twelve (12) months immediately preceding the Participant's Separation from Service will then be added to the Participant's Accrued Benefit (with Compensation having the meaning given it in Section 1.10).

(G) **Commencement of Benefits.** Participants who meet the required conditions for enhanced benefits must elect to commence their benefits immediately following their Separation from Service. Distribution will be made as soon as administratively practicable.

(H) **Subsequent Reemployment.** In the event that a Participant receiving enhanced benefits pursuant to this Section is subsequently rehired, the following rules shall apply:

- (1) If the Participant was hired prior to March 23, 2000, the Participant shall be entitled to receive the greater of: (a) the benefits the Participant was entitled to receive under this Section prior to the date the Participant was rehired; or (b) the benefits the Participant would be entitled to receive under Article VI calculated without regard to this Section.
  - (2) If the Participant was rehired on or after March 23, 2000, the Participant shall continue to be entitled to receive benefits calculated under this Section for the Participant's Service prior to the date the Participant was rehired; however, benefits (if any) for the Participant's Service after the date the Participant was rehired shall be computed under and in accordance with the provisions of Article V.
- (l) **Effective Date.** This Section shall take effect on the effective date specified in the resolution electing to apply this provision pursuant to Section 6.07(A) or June 1, 1999, whichever is later.

**Section 6.08 In-Service Distribution at Age 62.** A Participant may elect to commence distribution of his/her Vested Accrued Benefit in the absence of a Separation from Service upon attaining age 62, subject to the following terms and conditions:

- (A) **Participant Must Request In-Service Distribution.** A Participant who desires to receive an in-service distribution of his/her Vested Accrued Benefit pursuant to the provisions of this Section must notify the Plan Administrator using whatever forms and in accordance with whatever procedures may be developed and established for this purpose by the Plan Administrator.
- (B) **Must Commence Distribution of Entire Benefit.** A Participant who desires to receive an in-service distribution of his/her Vested Accrued Benefit pursuant to the provisions of this Section must commence distribution of his/her entire Vested Accrued Benefit. A Participant is not permitted under this Section to commence distribution of only a portion of his/her Vested Accrued Benefit.
- (C) **Form of Benefit.** A Participant who desires to receive an in-service distribution pursuant to the provisions of this Section may elect to receive any form of benefit that is otherwise available under Section 6.02.
- (D) **Processing of Request for In-Service Distribution.** Upon receipt of a Participant's request to commence an in-service distribution pursuant to the provisions of this Section, and subject to such future guidance as may be provided by the Treasury and the Internal Revenue Service, the Plan Administrator shall apply the provisions of Section 6.02 as if the Participant had separated from Service.

- (E) **Further Accrual of Benefits.** A Participant who elects an in-service distribution under this Section shall not accrue any additional benefits under the Plan subsequent to the Participant's distribution date or annuity starting date, as may be applicable. Additional benefits for this purpose include, but are not limited to, the receipt of any further Contribution Credits under Section 5.02, the receipt of any additional Interest Credits under Section 5.03, and/or the receipt of any additional benefits under any other provision of the Plan.

**Section 6.09 Supplemental Pension Benefit.** In addition to the benefits that are otherwise provided under this Article VI, the additional benefits set forth in this Section shall be provided to those Participants who satisfy the conditions set forth in Section 6.09(A).

- (A) **Conditions for Receiving Supplemental Pension Benefit.** The additional benefit provided under this Section shall be provided only to those Participants who satisfy each of the following conditions:
- (1) The Participant was actively employed by the Employer as of September 30, 2007;
  - (2) The Participant began his/her employment with the Employer on or before December 31, 2003;
  - (3) The Participant is entitled, pursuant to Section 4.02, to receive benefits under this Article VI if the Participant's Accrued Benefit under this Article VI is greater than the Participant's Accrued Benefit under Article V; and
  - (4) The Participant had not commenced his/her benefits as of September 30, 2007.

Participants who commenced their benefits prior to September 30, 2007, including those Participants who elected to receive an in-service distribution upon the attainment of age 62 pursuant to Section 5.09 or Section 6.08, are not eligible to receive the additional pension benefit provided under this Section.

- (B) **Establishment of Hypothetical Account.** For purposes of providing the additional pension benefit under this Section, the Plan Administrator will establish a hypothetical account (the "Account") for each Participant who has satisfied the conditions set forth in Section 6.09(A). A Participant shall not, however, have an actual individual Account, and shall not have a claim to any particular assets of the Plan. The balance in each Participant's Account shall be equal to the initial Contribution Credit provided under Section 6.09(C) plus the amount of Interest Credits provided under Section 6.09(E).

- (C) **Calculation of Initial Contribution Credit.** The Plan Administrator shall credit each such Account with a "Contribution Credit" on September 30, 2007, in accordance with this Subsection (C). The amount of the Contribution Credit shall be determined based on a Participant's Years of Service as of December 31, 2007, and shall be calculated according to the following schedule:

<u>Years of Service</u>	<u>Amount for Full Years</u>	<u>Amount for Partial Years</u>
Up to 20 years	\$1,000 for each year	\$83.33 for each month
21 to 30 years	\$1,800 for each year	\$150.00 for each month
31 or more years	\$2,100 for each year	\$175.00 for each month

**EXAMPLE:** A Participant who will have 21 Years of Service plus an additional 4 months of Service as of December 31, 2007, would be credited on September 30, 2007, with a Contribution Credit in the amount of \$22,400, computed as follows:

20 Years of Service at \$1,000 per year	= \$20,000
1 Year of Service at \$1,800 per year	= \$ 1,800
4 months of Service at \$150 per month	= \$ 600
	-----
	\$22,400
	=====

- (D) **Special Rules in Calculating Amount of Initial Contribution Credit.** In crediting a Participant with a Contribution Credit under Section 6.09(C), the Plan Administrator shall make the following assumptions and shall apply the following rules:

- (1) The Plan Administrator shall assume that any Participant who was actively employed on September 30, 2007, will remain continuously employed through December 31, 2007, and shall calculate the Participant's Years of Service as of December 31, 2007;
- (2) For purposes of determining a Participant's months of Service as of December 31, 2007, a partial month of Service will be rounded up and counted as if it were a full month if the partial month consists of at least fifteen (15) days. If this condition is not met, a partial month will be rounded down and will not be counted as a month of Service;
- (3) If a Participant has been credited, as of September 30, 2007, with additional Years of Service under the provisions of Section 6.07, those additional Years of Service will be taken into account for purposes of calculating the Contribution Credit under this Section;

- (4) If a Participant has been designated, as of September 30, 2007, to receive enhanced benefits under Section 6.07 pursuant to the provisions of Section 6.07, but it is not yet known whether the Participant will satisfy the conditions for receiving enhanced benefits (such as remaining employed through the termination date established by the Employer for the Participant), the Plan Administrator shall assume that those conditions will be satisfied and will credit the Participant with the additional Years of Service for purposes of calculating the Contribution Credit under this Section;
- (5) The Plan Administrator shall reduce the amount of the Contribution Credit that would otherwise be made under Section 6.09(C) to its present value as of December 31, 2007, using a 7% discount rate, subject, however, to the following provisions:
  - (a) A reduction to present value shall not be made if the Participant has attained or will have attained age 60 no later than December 31, 2007 (without regard to any additional years that have been added to the Participant's age pursuant to Section 6.09(D)(4) and/or Section 6.09(D)(5));
  - (b) In discounting the amount of the Contribution Credit to its present value, the Plan Administrator shall assume that the amount will become payable to the Participant as of the first day of the month in which the Participant would have attained age 60.
- (E) **Interest Credit on Account.** An interest credit will be provided on the balance in a Participant's Account in the amount of 1.25% per quarter (which is 5% per annum, compounded quarterly). The interest credit will be provided as of the last day of each quarter. No interest credit will be provided for the quarter in which a distribution is made if a Participant receives a distribution prior to the last day of that quarter.
- (F) **Distribution of Supplemental Pension Benefit.** Distribution of a Participant's supplemental pension benefit under this Section will commence at the same time and in the same form as the Participant's benefit under Article VI; provided, however, that a Participant may elect (with spousal consent, if applicable) to receive his/her supplemental pension benefit in the form of a lump sum or in any other form permitted under this Article VI without regard to the form elected for the Article VI benefit.

- (G) **Death of Participant Prior to Distribution of Supplemental Pension Benefit.** In the event that a Participant dies prior to commencing his/her benefit under Article VI, the Participant's supplemental pension benefit under this Section will be paid in the form of a lump sum to the Participant's surviving Spouse. If the Participant dies prior to commencing his/her benefit under Article VI and the Participant does not have a surviving Spouse, no benefit under this Section will be paid.
- (H) **Special Rule for Certain Individuals Who Are Accruing Benefits in the Eleventh Farm Credit District Retirement Plan.** The provisions of this Section 6.09(H) shall apply to an Employee who became employed by the Employer or after March 1, 2003, but prior to January 1, 2007, and who continued, after becoming employed by the Employer, to accrue benefits under the Eleventh Farm Credit District Employee's Retirement Plan and who was excluded under the provisions of Section 2.01(b), as that provision was in effect prior to the closure of the Plan to new participants effective January 1, 2007, from becoming a Participant in the Plan. Notwithstanding the provisions of Section 2.01(b), as that provision was in effect prior to January 1, 2007, and for the limited purpose only of receiving the Supplemental Pension Benefit provided under this Section 6.09, an Employee to whom this Section 6.09(H) applies shall be treated as if he/she were a Participant as of September 30, 2007, and shall be entitled to receive the Supplemental Pension Benefit provided under this Section 6.09 upon satisfaction of the conditions set forth in Section 6.09(A)(1), (2) and (4) above. Upon satisfaction of these conditions, such an Employee shall become a Participant in the Plan as of September 30, 2007, for the limited purpose of receiving the Supplemental Pension Benefit provided under this Section 6.09, notwithstanding the provisions of Section 2.01(b), as that provision was in effect prior to January 1, 2007, and notwithstanding the provisions of Section 2.01, as that provision has been in effect on or after January 1, 2007, closing the Plan to new participants.

**Section 6.10 Death Benefit for Participants Who Die While Performing Qualified Military Service (HEART Act).**

- (A) **Conditions.** This Section applies to a Participant if, and only if, each of the following conditions is satisfied:
- (1) The Participant dies while performing "qualified military service" as that term is defined in Code § 414(u);
  - (2) 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
  - (3) The Participant's death takes place on or after January 1, 2007.

- (B) **Treated as if Reemployed Under USERRA.** In the event this Section applies to a Participant, such Participant shall be treated, for purposes of any death benefit provided under 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.
- (C) **Not Credited With Additional Service for the Period of Qualified Military Service.** A Participant who is treated, pursuant to the provisions of Section 6.10(B), 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.

**ARTICLE VII  
VESTING**

**Section 7.01 Vesting Schedule.** A Participant's Accrued Benefit is 100% Nonforfeitable upon and after his/her attaining Normal Retirement Age (if employed on or after that date). A Participant's Accrued Benefit also is 100% Nonforfeitable if his/her employment terminates as a result of death or eligibility for an early retirement pension under Section 6.02. At any other time, for each Year of Service, a Participant's Nonforfeitable percentage of his/her Accrued Benefit equals the percentage in the following schedule:

<u>Nonforfeitable Years of Vesting Service</u>	<u>Percentage</u>
Less than 5 .....	None
5 or more .....	100%

**ARTICLE VIII**  
**MISCELLANEOUS PROVISIONS AFFECTING THE PAYMENT OF BENEFITS**

**Section 8.01 General.** The Trustee will make payment of any pension directly to the Participant entitled to the payment.

**Section 8.02 Nonduplication of Benefits.** In the event the Trustee distributes any part or all of a Participant's Article VI Accrued Benefit to him/her and the Participant later resumes active employment with the Employer, the Trustee will compute the Participant's Article VI Accrued Benefit by taking into account all of the Participant's Years of Accrued Service. However, the Trustee will offset the Participant's Article VI Accrued Benefit so computed by the Participant's Accrued Benefit attributable to any distribution the Trustee has made to the Participant.

**Section 8.03 Suspension of Benefits.** In the event a Participant terminates employment and receives any benefits under the Plan and subsequently resumes employment, such benefits shall be suspended during such employment unless an exception as set forth in Section 8.03(A) applies.

(A) **Exceptions to General Rule.** Notwithstanding the provisions of Section 8.03, benefits shall not be suspended if one or more of the following exceptions applies:

(1) Separation for At Least One Year. Benefits will not be suspended if at least one year has elapsed between the date the Participant terminated employment and the date the Participant resumes his/her employment.

(2) Attainment of Age 62. Benefits will not be suspended if the Participant is age 62 or older as of the date the Participant resumes his/her employment.

(3) Receiving Benefits as of December 31, 2008. Benefits will not be suspended if the Participant was reemployed prior to December 31, 2008, and was receiving benefits as of December 31, 2008, pursuant to the provisions of the Plan as those provisions were in effect immediately prior to December 31, 2008.

(B) **Resumption of Benefits.** If a Participant's benefits were suspended after a Participant resumed his/her employment, the Participant shall receive the Actuarial Equivalent of his/her Accrued Benefit when benefits resume, subject to a reduction for the value of any distributions that have previously been made.

(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.

- (D) **ERISA Suspension of Benefits Rules.** The Plan does not apply the suspension of benefits rules of ERISA § 203(a)(3)(B).

**Section 8.04 No Disregard of Service.** For purposes of computing Years of Vesting Service under Article VII, the Plan does not disregard Years of Vesting Service with respect to which a Participant has received a distribution of his/her Accrued Benefit.

**Section 8.05 Mergers/Direct Transfers.** The Trustee will not consent to, or be a party to, any merger or consolidation with another plan, or to a transfer of assets or liabilities to another plan, unless immediately after the merger, consolidation, or transfer, the surviving Plan provides each Participant a benefit equal to or greater than the benefit each Participant would have received had the Plan terminated immediately before the merger, consolidation, or transfer. The Trustee possesses the specific authority to enter into merger agreements or direct transfer of assets agreements with the trustees of other retirement plans described in Code § 401(a), including an elective transfer, and to accept the direct transfer of plan assets, or to transfer plan assets, as a party to any such agreement.

**Section 8.06 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 Section 8.06, 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, however, 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.

**Section 8.07 Nonspouse Rollovers.** For distributions of any benefit that might be payable upon the death of a Participant, a Beneficiary who is not the surviving Spouse of a Participant may elect, to the extent permitted under Code § 402(c)(11) and such guidance as may be subsequently issued by the Treasury, to have the entire benefit that is payable to him/her paid directly to an “inherited IRA” specified by the Beneficiary. The Plan Administrator shall have the authority to specify the time and manner in which any such election must be made. (The right of a Beneficiary to elect a direct rollover when the Beneficiary is a current or former Spouse of a Participant is addressed in Section 8.06). The provisions of this Section shall apply to benefits paid on or after January 1, 2009.

**Section 8.08 Nontransferability of Annuity Contracts.** The Trustee, at the option of the Plan Administrator, may hold title to any annuity contract or contracts purchased for the account of any severed Participant or Beneficiary or may distribute any such annuity contract or contracts to such Participant or Beneficiary.

- (A) **Prohibition Against Transfer and Assignment.** Any annuity contract distributed by the Trustee to a Participant, Retiree, or Beneficiary shall bear on the face thereof the designation “Nontransferable” and such contract shall contain a provision to the effect that the contract may not be sold, assigned, discounted, or pledged as collateral for a loan or as security for the performance of an obligation or for any other purpose to any person other than the insured thereof.
- (B) **Designation of Beneficiary.** Each Participant or Beneficiary for whose benefit an annuity contract has been purchased shall have the right to designate the person or persons who are to receive the balance of any installments certain which may remain unpaid at the time of his/her death.
- (C) **Provisions of Article V Shall Control.** Any annuity contract distributed by the Trustee to a Participant or Beneficiary shall contain provisions to comply with the applicable requirements of Article VI. In the event of any conflict between the terms of this Plan and the terms of any insurance contract issued hereunder, the Plan provisions shall control.
- (D) **Application of Payments by the Insurer Due to Credits.** Any payments by the insurer on account of credits such as dividends, experience rating credits, or surrender or cancellation credits shall be applied, within the taxable year of the Employer in which received or within the next succeeding taxable year, toward the next premiums due before any further Employer contributions are so applied.

**ARTICLE IX  
OTHER PROVISIONS AFFECTING BENEFITS**

**Section 9.01 Assignment or Alienation.** Subject to Code § 414(p) relating to “qualified” domestic relations orders, neither a Participant nor a Beneficiary may anticipate, assign or alienate (either at law or in equity) any benefit provided under the Plan, and the Trustee will not recognize any such anticipation, assignment, or alienation. Furthermore, a benefit under the Plan is not subject to attachment, garnishment, levy, execution, or other legal or equitable process.

**Section 9.02 No Decrease In Benefits By Change In Social Security.** In the case of a Participant or Beneficiary who is receiving benefits under this Plan or a Participant who has terminated employment with the Employer and has a Nonforfeitable Accrued Benefit under this Plan, any increase in the taxable wage base or the benefit level payable under Title II of the Social Security Act will not affect in any way the benefits payable under this Plan to such Participant or Beneficiary. The Plan does not permit the recalculation of any benefits accrued before the Participant’s termination of employment by the Employer on the basis of changes in Social Security benefit levels or the taxable wage base in effect during Years of Service after re-employment with the Employer.

**Section 9.03 Overfunding.** If the Employer has overfunded the Plan at the time it terminates the Plan, the Trustee must return the amount by which the Employer has overfunded the Plan to the Employer, except to the extent the Plan allocates surplus assets to the Participants pursuant to written procedures (including any necessary Plan amendments) adopted by the Employer incident to the Plan’s termination. The Employer must state by written request to the Trustee the amount of the overfunding it wishes the Trustee to return to it after satisfying all liabilities under the terminated Plan.

**ARTICLE X  
EMPLOYER ADMINISTRATIVE PROVISIONS**

**Section 10.01 Information to Plan Administrator.** The Employer must supply current information to the Plan Administrator as to the name, date of birth, date of employment, annual compensation, leaves of absence, Years of Service and date of termination of employment of each Employee who is, or who will be eligible to become, a Participant under the Plan, together with any other information which the Plan Administrator considers necessary. The Employer's records as to the current information the Employer furnishes to the Plan Administrator are conclusive as to all persons.

**Section 10.02 No Liability.** The Employer assumes no obligation or responsibility to any of its Employees, Participants or Beneficiaries for any act of, or failure to act, on the part of its Plan Administrator (unless the Employer is the Plan Administrator) or the Trustee.

**Section 10.03 Indemnity of Plan Administrator.** The Employer indemnifies and saves harmless the Plan Administrator from and against any and all loss resulting from liability to which the Plan Administrator may be subjected by reason of any act or conduct (except willful misconduct or gross negligence) in its official capacities in the administration of this Trust or Plan or both, including all expenses reasonably incurred in its defense, in case the Employer fails to provide such defense. The indemnification provisions of this Section do not relieve the Plan Administrator from any liability it may have under ERISA for breach of a fiduciary duty. Furthermore, the Plan Administrator and the Employer may execute a letter agreement further delineating the indemnification agreement of this Section, provided the letter agreement must be consistent with and must not violate ERISA. The indemnification provisions of this Section extend to the Trustee solely to the extent provided by a letter agreement executed by the Trustee and the Employer.

**Section 10.04 Amendment to Vesting Schedule.** Though the Employer reserves the right to amend the vesting schedule at any time, the Plan Administrator will not apply the amended vesting schedule to reduce the Nonforfeitable percentage of any Participant's Accrued Benefit derived from Employer contributions (determined as of the later of the date the Employer adopts the amendment, or the date the amendment becomes effective) to a percentage less than the Nonforfeitable percentage computed under the Plan without regard to the amendment. An amended vesting schedule will apply to a Participant only if the Participant receives credit for at least one Hour of Service after the new schedule becomes effective.

**ARTICLE XI  
PARTICIPANT ADMINISTRATIVE PROVISIONS**

**Section 11.01 Beneficiary Designation.** At the date of commencement of distribution of benefits, a Participant may designate, in writing, any person, contingently or successively, to whom the Trustee will pay any applicable death benefits under the Plan, and the Participant may designate the form and method of payment. The Plan Administrator will prescribe the form for the written designation of Beneficiary and, upon the Participant's filing the form with the Plan Administrator, the form effectively revokes all designations filed prior to that date by the same Participant.

- (A) **Coordination with Survivor Requirements.** This Section does not impose any special spousal consent requirements on the Participant's Beneficiary designation. However, in the absence of spousal consent (as required by Sections 5.07 and 6.06) to the Participant's Beneficiary designation any waiver of the spousal joint and survivor annuity is not valid.

**Section 11.02 No Beneficiary Designation/Death of Beneficiary.** If a Participant fails to name a Beneficiary in accordance with Section 11.01, or if the Beneficiary named by a Participant predeceases him/her, then the Trustee will pay the death benefit in accordance with Section 5.07 or Section 6.06, as applicable, in the following order of priority to:

- (A) The Participant's surviving Spouse;
- (B) The Participant's surviving children, including adopted children, in equal shares;
- (C) The Participant's surviving parents, in equal shares; or
- (D) The legal representative of the Participant's estate.

If the Beneficiary does not predecease the Participant, but dies prior to distribution of his/her share of the Participant's death benefit, the Trustee will pay the remaining death benefit to the Beneficiary's estate unless the Participant's Beneficiary designation provides otherwise. The Plan Administrator will direct the Trustee as to the method and to whom the Trustee will make payment under this Section.

**Section 11.03 Personal Data to Plan Administrator.** Each Participant and each Beneficiary of a deceased Participant must furnish to the Plan Administrator such evidence, data or information as the Plan Administrator considers necessary or desirable for the purpose of administering the Plan. The provisions of this Plan are effective for the benefit of each Participant upon the condition precedent that each Participant will furnish promptly full, true and complete evidence, data and information when requested by the Plan Administrator, provided the Plan Administrator advises each Participant of the effect of his/her failure to comply with its request.

**Section 11.04 Address for Notification.** Each Participant and each Beneficiary of a deceased Participant must file with the Plan Administrator from time to time, in writing, his/her post office address and any change of post office address. Any communication, statement or notice addressed to a Participant, or Beneficiary, at his/her last post office address filed with the Plan Administrator, or as shown on the records of the Employer, binds the Participant, or Beneficiary, for all purposes of this Plan.

**Section 11.05 Litigation Against the Trust.** A court of competent jurisdiction may authorize any appropriate equitable relief or to enforce the terms of the Plan. A fiduciary may receive reimbursement of expenses properly and actually incurred in the performance of his/her duties with the Plan.

**Section 11.06 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 judgment and 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; and
- (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 PLAN ADMINISTRATOR

**Section 12.01 Plan Administrator.** The Trust Committee shall serve as Plan Administrator in accordance with the provisions of this Article XII and shall be the “named fiduciary” of the Plan.

**Section 12.02 Function, Power, and Duties.** The Plan Administrator shall administer the Plan according to the terms and provisions of this instrument and shall have all powers necessary to accomplish that purpose including, but not by way of limitation, the right, power, and authority:

- (A) **Make Rules and Regulations.** To make rules and regulations for the administration of the Plan which are not inconsistent with the terms and provisions hereof.
- (B) **Construe Terms and Provisions.** To construe all terms, provisions, conditions, and limitations of the Plan, and any construction thereof shall be final and conclusive on all parties at interest, subject only to the provisions of Article XIII hereof.
- (C) **Correct Defects and Reconcile Inconsistencies.** To correct any defect or supply any omission or reconcile any inconsistency which may appear in the Plan in such manner and to such extent as it shall deem expedient to carry the Plan into effect for the greatest benefit of all interested parties, and its judgment of such expediency shall be final and conclusive on all parties at interest, subject only to the provisions of Article XIII hereof.
- (D) **Employ Third Parties.** To select, employ, and compensate, from time to time, such pension trust consultants, actuaries, accountants, attorneys, and other agents and employees as the Plan Administrator may deem necessary or advisable in the proper and efficient administration of the Plan. Any agent or employee so selected by the Plan Administrator may be a person or firm then, theretofore, or thereafter serving any of the Employers, in any capacity.
- (E) **Determine Questions Relating to Eligibility and Compensation.** To determine all questions relating to the eligibility of Employees to become Participants and to determine the period of Service and the amount of Compensation upon which the retirement benefits of each Participant shall be calculated.
- (F) **Determine Questions Relating to Reserve Liabilities and Actuarial Certifications.** To determine all questions relating to reserve liabilities and such other actuarial certifications as may be required, and upon the recommendation of the Actuary to compute the amount of contributions to be made by each of the Employers, from time to time, as provided herein, in order to provide the benefits to which Participants and their Beneficiaries are entitled under the Plan.

- (G) **Determine Questions Relating to Administration of the Plan.** To determine all questions relating to the administration of the Plan (i) when differences of opinion arise between an Employer, the Trustee, a Participant, or any other party, and (ii) whenever it is deemed advisable, to determine such questions in order to promote a uniform administration of the Plan for the greatest benefit of all parties concerned.
- (H) **Provide Directions to the Trustee Regarding Payment of Benefits.** To authorize and direct the Trustee to pay from the Trust through the medium of life insurance policies, annuity contracts and/or by direct payment in cash or in kind, all benefits provided for hereunder.
- (I) **Delegate Authority to the Secretary.** To delegate to the Secretary of the Trust Committee the right, power, and authority to perform for, in the name of, and on behalf of the Plan Administrator: (i) any ministerial act pertaining to the administration of the Plan, and (ii) such functions, powers, and authority as may be specifically conferred upon him/her by the Plan Administrator.
- (J) **Delegate Responsibilities.** To allocate specific responsibilities, obligations, and duties with respect to the operation and administration of the Plan among the members of the Trust Committee or delegate to other individuals the rights and duties of the Plan Administrator provided herein.
- (K) **Formulate Policies, Practices and Procedures Regarding Funding.** To formulate policies, practices, and procedures to insure the Plan is funded and maintained on a sound actuarial basis.
- (L) **Prepare and File Reports.** To prepare and file any reports or returns required by law with respect to the Plan.
- (M) **Recommend Plan Amendments.** To make recommendations for Plan amendments.

**Section 12.03 Action of the Plan Administrator.** Any act which the Plan Administrator is authorized or required to take hereunder shall be taken in accordance with the provisions of the Farm Credit Administrative Agreement.

**Section 12.04 Unclaimed Accrued Benefit Procedure.** The Plan does not require either the Trustee or the Plan Administrator to search for, or ascertain the whereabouts of, any Participant or Beneficiary. At the time the Participant's or Beneficiary's benefit becomes distributable under the Plan, the Plan Administrator, by certified or registered mail addressed to his/her last known address of record with the Plan Administrator or the Employer, must notify any Participant, or Beneficiary, that he/she is entitled to a distribution under this Plan. The notice must quote the provisions of this Section and otherwise must comply with the notice requirements of Section 5.07 or Section 6.06, as applicable. If the Participant, or Beneficiary, fails to claim his/her distributive share or make his/her whereabouts known in writing to the Plan Administrator within 6 months from the date of mailing of the notice, the Plan Administrator will treat the Participant's or Beneficiary's unclaimed payable Accrued Benefit as forfeited. The

Employer will use the amounts representing the forfeited Accrued Benefit to reduce its contribution for future Plan Years.

If a Participant or Beneficiary who has incurred a forfeiture of his/her Accrued Benefit under this Section makes a claim, at any time, for his/her forfeited Accrued Benefit, the Plan Administrator must restore the Participant's or Beneficiary's forfeited Accrued Benefit. The Plan Administrator must direct the Trustee to distribute the Participant's or Beneficiary's restored Accrued Benefit as soon as administratively practicable following restoration of the forfeited Accrued Benefit, subject to the consent requirements of Section 5.07 or Section 6.06, as applicable.

**ARTICLE XIII  
TRUSTEE, POWERS AND DUTIES**

**Section 13.01 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.

**Section 13.02 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 to see that funds that are contributed to the Trust are contributed according to the provisions of the Plan.

**Section 13.03 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 assets 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 person 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 13.04 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 the 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 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, 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 as it may deem best, 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 judgment, may be necessary or appropriate for the proper and advantageous management, investment, and distribution of the Trust.

**Section 13.04 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 §§ 501(a) or 584;
  - (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 a 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) **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.

**Section 13.05 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.

**Section 13.06 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 practicable 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, the Plan Administrator 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, Beneficiary, or any other person will be entitled to or have the right to demand any further or different accounting by the Trustee.

**Section 13.07 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.

**Section 13.08 Reliance Upon Trustee's Actions.** 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.

**Section 13.09 Professional Agents.** The Trustee may employ and pay from the assets of 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.

**Section 13.10 Valuation of Trust.** The Trustee will value the assets in 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 such assets on such other date(s) as may be necessary to carry out the provisions of the Plan.

**Section 13.11 Liability of Trustee.** The Trustee will be liable only for the safeguarding and administration of the assets of the 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 to be furnished by the Employer, the Plan Administrator, or an agent of the Plan Administrator. The Trustee shall not be liable 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.

**Section 13.12 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.

**Section 13.13 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 an 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.

**Section 13.14 Taxes.** The Trustee shall deduct and charge against the Trust estate any taxes or other charges paid by it which may be imposed upon the Trust estate or the income thereof for which the Trustee may be required to pay with respect to the interest of any person therein by any present or future laws of any jurisdiction or taxing authority.

**ARTICLE XIV  
INVESTMENT IN INSURANCE**

**Section 14.01 Purchase of Life Insurance.** The Plan does not permit investment in life insurance contracts.

## ARTICLE XV MISCELLANEOUS

**Section 15.01 Evidence.** Anyone required to give evidence under the terms of the Plan may do so by certificate, affidavit, document, or other information which the person to act in reliance may consider pertinent, reliable, and genuine, and to have been signed, made or presented by the proper party or parties. Both the Plan Administrator and the Trustee are fully protected in acting and relying upon any evidence described under the immediately preceding sentence.

**Section 15.02 No Responsibility for Employer Action.** Neither the Trustee nor the Plan Administrator has any obligation or responsibility with respect to any action required by the Plan to be taken by the Employer, any Participant or eligible Employee, or for the failure of any of the above persons to act or make any payment or contribution, or to otherwise provide any benefit contemplated under this Plan. Furthermore, the Plan does not require the Trustee or the Plan Administrator to collect any contribution required under the Plan, or to determine the correctness of the amount of any Employer contribution. Neither the Trustee nor the Plan Administrator need inquire into or be responsible for any action or failure to act on the part of the others, or on the part of any other person who has any responsibility regarding the management, administration, or operation of the Plan, whether by the express terms of the Plan or by a separate agreement authorized by the Plan. Any action required of a corporate Employer must be by its Board of Directors or its designate.

**Section 15.03 Fiduciaries Not Insurers.** The Trustee, the Plan Administrator, and the Employer do not guarantee, to any extent, the Trust from loss or depreciation. The Employer does not guarantee the payment of any money which may be or becomes due to any person from the Trust. The liability of the Plan Administrator and the Trustee to make any payment from the Trust at any time and all times is limited to the then available assets of the Trust.

**Section 15.04 Waiver of Notice.** Any person entitled to notice under the Plan may waive the notice, unless the Code or Treasury regulations prescribe the notice or ERISA specifically or implicitly prohibits such a waiver.

**Section 15.05 Successors.** The Plan is binding upon all persons entitled to benefits under the Plan, their respective heirs and legal representatives, upon the Employer, its successors and assigns, and upon the Trustee, the Plan Administrator, and their successors.

**Section 15.06 Word Usage.** Words used in the masculine also apply to the feminine where applicable, and wherever the context of the Employer's Plan dictates, the plural includes the singular and the singular includes the plural.

**Section 15.07 State Law.** Kansas law will determine all questions arising with respect to the provisions of this Agreement except to the extent superseded by Federal statute.

**Section 15.08 Employment Not Guaranteed.** Nothing contained in this Plan, or with respect to the establishment of the Trust, or any modification or amendment to the Plan or Trust, or in the creation of any Account, or the payment of any benefit, gives any Employee, Employee-Participant, or any Beneficiary any right to continue employment, any legal or equitable right against the Employer, or Employee of the Employer, or against the Trustee, or its agents or employees, or against the Plan Administrator, except as expressly provided by the Plan, the Trust, ERISA, or by a separate agreement.

**ARTICLE XVI**  
**EXCLUSIVE BENEFIT, AMENDMENT, TERMINATION**

**Section 16.01 Exclusive Benefit.** Except as provided under Article III and Article IX, the Employer has no beneficial interest in any asset of the Trust and no part of any asset in the Trust may ever revert to or be repaid to an Employer, either directly or indirectly; nor prior to the satisfaction of all liabilities with respect to the Participants and their Beneficiaries under the Plan, may any part of the corpus or income of the Trust be (at any time) used for, or diverted to, purposes other than the exclusive benefit of the Participants or their Beneficiaries.

**Section 16.02 Amendment and Termination by Employer.** Subject to the restrictions set forth in Section 16.04, the Employer shall have the right to amend or terminate the Plan at any time. Any such amendment must be approved in writing in accordance with the provisions of the U.S. AgBank Administrative Agreement, as that agreement may be amended from time to time.

**Section 16.03 Amendment and Termination by Plan Sponsor Committee.** Subject to the restrictions set forth in Section 16.04, the Plan Sponsor Committee shall have the power to amend the Plan for the purpose of adopting any amendments that are required by law or that constitute technical changes necessary to conform the Plan to administrative practices. Notwithstanding the preceding sentence, the Plan Sponsor Committee shall have no authority to adopt any amendment that would:

- (A) Terminate the Plan;
- (B) Amend one or more of the benefit accrual formulas set forth in the Plan;
- (C) Change the distribution options under the Plan (except where the change is required by applicable law);
- (D) Implement any type of a freeze of the Plan; and/or
- (E) Amend or change the provisions of this Section.

**Section 16.04 Restrictions on Plan Amendments.**

- (A) No amendment to the Plan shall 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.
- (B) No amendment to the Plan shall 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.
- (C) Unless otherwise specified, all amendments shall take effect on a prospective basis only.

**Section 16.05 Discontinuance/Termination of Plan.** The Employer has the right, at any time, to suspend or discontinue its contributions under the Plan, and, subject to the provisions of Section 16.04, to terminate, at any time, this Plan and the Trust created hereunder. The Plan will terminate upon the first to occur of the following:

- (A) The date terminated by action of the Employer; or
- (B) The dissolution or merger of the Employer, unless the successor makes provision to continue the Plan, in which event the successor must substitute itself as the Employer under this Plan. Any termination of the Plan resulting from this Subsection (B) is not effective until compliance with any applicable notice requirements.

**Section 16.06 Impact of Termination.** Upon termination of the Plan, each Participant shall become fully vested in his/her Accrued Retirement Benefit, to the extent funded. The Plan Administrator will purchase a deferred annuity contract for each Participant which protects the Participant's distribution rights under the Plan, if the Participant's Nonforfeitable Accrued Benefit under Article V or present value of the Participant's Nonforfeitable Accrued Benefit under Article VI, as applicable, exceeds \$5,000. If the Participant's Nonforfeitable Accrued Benefit under Article V or present value of the Participant's Nonforfeitable Accrued Benefit under Article VI, as applicable, does not exceed \$5,000, the Plan Administrator will direct the Trustee to distribute the Participant's Nonforfeitable Accrued Benefit to him/her in a lump sum as soon as administratively practicable after the Plan terminates. The Trust will continue until the Trustee in accordance with the direction of the Plan Administrator has distributed all of the benefits under the Plan. For purposes of this Section, a termination of the Plan does not include either of the following:

- (A) **Freezing Plan.** A resolution or amendment to freeze all future benefit accrual but otherwise to continue maintenance of this Plan, is not a termination for purposes of this Section.
- (B) **Merger or Direct Transfer.** A merger or direct transfer described in Section 8.05 of the Plan is not a termination for purposes of the special distribution provisions described in this Section.

**ARTICLE XVII  
REQUIRED MINIMUM DISTRIBUTION REQUIREMENTS**

**Section 17.01 General Rules.**

- (A) **Effective Date.** The provisions of this Article XVII 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 XVII will take precedence over any inconsistent provisions of the Plan.
- (C) **Requirements of Treasury Regulations Incorporated.** All distributions required under this Article XVII 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 17.01(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.

**Section 17.02 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) Surviving Spouse is Sole Designated Beneficiary. If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, 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) Surviving Spouse is Not Sole Designated Beneficiary. If the Participant's surviving Spouse is not the Participant's sole Designated Beneficiary, 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) No Designated Beneficiary. If there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (4) Surviving Spouse Dies Before Distributions Commence. If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary and the surviving Spouse dies after the Participant but before distributions to the surviving Spouse begin, this Section 17.2(B), other than Section 17.02(B)(1), will apply as if the surviving Spouse were the Participant.

For purposes of this Section 17.02(B) and Section 17.05, distributions are considered to begin on the Participant's Required Beginning Date (or, if Section 17.02(B)(4) applies, the date distributions are required to begin to the surviving Spouse under Section 17.02(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 17.02(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 17.03, Section 17.04, and Section 17.05. 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.

**Section 17.03 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 17.04 or Section 17.05;

- (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 17.02(B)(1) or Section 17.02(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.

**Section 17.04 Requirements for Annuity Distributions That Commence During a 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.

**Section 17.05 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 17.02(B)(1) or Section 17.02(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 17.02(B)(1).

**Section 17.06 Definitions.** The following definitions apply to this Article:

- (A) **Designated Beneficiary.** The individual who is designated as the Beneficiary under Section 1.08 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 17.02(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.