

NORTHWEST FARM CREDIT SERVICES RETIREMENT PLAN
(formerly known as the AgAmerica District Defined Benefit Plan)

**2009 Amendment and Restatement;
updated for 2012 Amendments**

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Plan Definition

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Northwest Farm Credit Services Retirement Plan
(Formerly Known As The AgAmerica District Defined Benefit Plan)

As Amended and Restated Effective January 1, 2009

ARTICLE I
THE PLAN

Section 1.01 Plan Name. The name of the Plan set forth in this instrument is the “Northwest Farm Credit Services Retirement Plan.” Prior to June 1, 2003, the Plan was known as the “AgAmerica District Defined Benefit Plan.”

Section 1.02 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) **Membership in the Farm Credit System.** Each of the Employers that is participating in this Plan is a member 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 a Governmental Plan.** Under the charters issued to them by the Farm Credit Administration, Northwest Farm Credit Services, ACA, Northwest Farm Credit Services, PCA, and Northwest Farm Credit Services, FLCA, are defined and declared to be “instrumentalities of the United States.” 12 U.S.C. § 2011(a). Additionally, as a “production credit association,” Northwest Farm Credit Services, PCA, is further defined and declared by statute to be an “instrumentality of the United States.” 12 U.S.C. § 2071(a). 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 the Employers are under common ownership, 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. All Trust assets held for purposes of funding this Plan are available to provide benefits for all Participants, without regard to the identity of the Employer for which the Participants are providing services as Employees.

Section 1.03 History of the Plan.

- (A) **Establishment.** This Plan was originally established effective January 1, 1949. Prior to June 1, 2003, the Plan was known as the “AgAmerica District Defined Benefit Plan.” Effective June 1, 2003, the name of the Plan was changed to the Northwest Farm Credit Services Retirement Plan.
- (B) **Participation by AgAmerica, FCB.** The Farm Credit Bank of Omaha and the Farm Credit Bank of Spokane consolidated effective April 1, 1994, to form AgAmerica, FCB. AgAmerica, FCB, merged into AgriBank, FCB effective January 1, 2003, at which time it ceased to be a participating employer in this Plan.
- (C) **GUST Restatement and Subsequent Amendments.** Prior to the current restatement of the Plan, the Plan was last amended and restated effective January 1, 1997, to reflect the enactment of the following public laws affecting the qualification requirements of plans under Code § 401(a):
- (1) The Uruquay Round Agreements Act (“GATT”);
 - (2) The Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”);
 - (3) The Small Business Job Protection Act of 1996 (“SBJPA”); and
 - (4) The Taxpayer Relief Act of 1997 (“TRA 97”).
- A favorable determination letter for the Plan was issued on August 6, 2003.
- (D) **EGTRRA Restatement.** The Plan is being amended and restated through the current restatement of the Plan effective January 1, 2009, to 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, to incorporate the provisions of the prior numbered amendments into the main text of the Plan, and to make other changes to the terms and conditions of the Plan.

- (E) **Trust Agreement.** Prior to the effective date of this amended and restated Plan, the trust used to fund benefits under this Plan (as well as two other Farm Credit System defined benefit plans) was the Farm Credit Consolidated Master Trust (the “Master Trust”). The Master Trust was established pursuant to the Wells Fargo Bank Minnesota, N.A. Institutional Trust & Custody Master Trust Agreement for Farm Credit Consolidated Master Trust (the “Master Trust Agreement”), which was entered into by AgriBank, FCB and Wells Fargo Bank Minnesota, N.A. (“Wells Fargo”) on October 1, 2002. Wells Fargo initially served as the trustee of the Master Trust, but was replaced in that role by the Farm Credit Foundations Trust Committee, effective January 1, 2007.

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

Section 1.04 Effective Date of Revision. Unless otherwise specifically provided to the contrary herein, the provisions of this 2009 amendment and restatement shall be effective as of the restated effective date of January 1, 2009.

Section 1.05 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 1.06 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 1.07 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 II DEFINITIONS

Whenever used in the Plan, the following terms shall have the respective meanings set forth below unless otherwise expressly provided herein, and when the defined meaning is intended, the term is capitalized.

Section 2.01 “Accrued Benefit” means the benefit computed according to Section 5.01, based on the Participant’s Service, High-Five Average Salary, and Social Security Average Monthly Wage as of the date of the determination, and payable based on the provisions of Section 5.08 commencing at the Participant’s Normal Retirement Date.

Section 2.02 “Actuarial Definition and Related Rules”:

(A) Definitions.

- (1) Actuarial Equivalent. Actuarial Equivalent means a single sum payment or series of payments of equivalent value when computed using the Applicable Interest Rate and Applicable Mortality Table.
- (2) Applicable Interest Rate. The Applicable Interest Rate for a Plan Year is the annual interest rate on the 30-year Treasury securities as of the month preceding the event giving rise to the distribution.
- (3) Applicable Mortality Table. The Applicable Mortality Table for distributions with an annuity starting date on or after December 31, 2002, is the mortality table prescribed in Revenue Ruling 2001-62.
- (4) Actuary. Actuary means an enrolled actuary selected by the Plan Administrator to provide actuarial services for the Plan.
- (5) Present Value. Present Value means the single sum Actuarial Equivalent of a Participant’s Accrued Benefit.

- (B) **Immediate and Deferred Lump-Sum Factors.** When determining the immediate or deferred lump-sum factors, the applicable interest rate shall be 8% and the applicable mortality assumption shall be based on a unisex mortality table based on the RP-2000 Uninsured Pensioners’ mortality table with a weighting of 70% male and 30% female. The lump sum factor shall be based on the Participant’s (or surviving Spouse’s or alternate payee’s) age, measured in years and complete months, as of the date that the lump-sum is to be paid.

Section 2.03 “Anniversary Period” means the 12-consecutive month period beginning with an Employee’s Employment Commencement Date and each subsequent anniversary thereof.

Section 2.04 “Beneficiary” means the person(s), estate, trust, or other entity, designated in accordance with the provisions of Section 14.01, which is or may become entitled to a benefit under the Plan by reason of a Participant’s death. 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 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 2.05 “Code” means the Internal Revenue Code of 1986, as amended from time to time.

Section 2.06 “Compensation” means the wages paid to a Participant, as set forth in more detail in the Subsections below.

(A) **General Rule.** Compensation means the amount reportable by an Employer, for federal income tax purposes, as wages paid to the Participant by the Employer for such time period (including awards from the “President’s Club” or any successor program to the “President’s Club”), increased by the amounts listed in Subsection (A)(1) below and decreased by the amounts listed in Subsection (A)(2) below.

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

(a) **Pre-Tax Salary Reductions.** By the amount of contributions made on a 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 Wages. In determining a Participant’s Compensation, the amount reportable by an Employer, for federal income tax purposes, as wages paid to the Participant by the Employer for such time period shall be decreased by the portion, if any, of such reportable amount attributable to any of the following:

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

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

- (c) **Severance Pay.** Any payments in the nature of severance pay;
- (d) **Hiring Bonuses and Retention Pay.** Hiring bonuses or other special payments relating to initiation of employment and any payments in the nature of retention pay (other than awards from the “President’s Club” or any successor program to the “President’s Club”);
 - (i) Retention Pay Subtracted from Compensation. Any payments in the nature of retention pay will also be subtracted from a Participant’s Compensation if such payments are paid subsequent to the Participant’s Termination of Employment.
 - (ii) Retention Pay Not Subtracted from Compensation. Payments in the nature of retention pay will not be subtracted from a Participant’s Compensation if the payments are paid prior to the Participant’s Termination of Employment and such payments are otherwise includible in the Participant’s Compensation.
- (e) **Employer Contributions to Retirement Plans and Deferred Compensation Plans.** Contributions by the Employer to any defined benefit pension plan or any plan of deferred compensation;
- (f) **Employer Contributions to Defined Contribution Plans.** Contributions by the Employer to the Farm Credit Foundations Defined Contribution / 401(k) Plan, or any successor to such plan (other than pre-tax salary reduction contributions that might be made thereunder);
- (g) **Payments for Unused Vacation Time.** Payments by the Employer for vacation time that was accrued but not actually taken as vacation;
- (h) **Employer Provided Benefits.** The value of other fringe benefits, such as health and welfare, hospitalization, and group life insurance benefits, including, by way of illustration, any amount contributed by the Employer to the Farm Credit Foundations Flexible Benefits Plan and/or any similar plans or successors to such plans (other than pre-tax salary reduction contributions that might be made thereunder on behalf of the Participant);
- (i) **Recruitment and Referral Bonuses.** Customer recruitment or employee referral bonuses;

- (j) **Flex Dollars.** Any amount received as “flex dollars” under or as part of a Code § 125 “cafeteria plan”;
 - (k) **Back Pay.** Any amount received in payment or settlement of a claim for back wages (to the extent such amount would otherwise be includible in the amount reportable by an Employer, for federal income tax purposes, as wages paid to the Participant); and
 - (l) **Distributions from Nonqualified Plans.** Any amount that is distributed from a nonqualified plan of deferred compensation (to the extent such amount would otherwise be includible in the amount reportable by an Employer, for federal income tax purposes, as wages paid to the Participant).
 - (m) **Amounts Includible in Gross Income Under Code § 409A.** Any amounts that are includible in the gross income of the Employee pursuant to the provisions of Code § 409A, regardless of whether such amounts are distributable to the Employee.
- (B) **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, Compensation 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).
- (C) **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 (C), 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.
- (D) **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 2.07.

Section 2.07 “Compensation Limit” means the limit imposed by Code § 401(a)(17) on the maximum amount of a Participant’s Compensation that may be taken into account under the Plan for any Plan Year. The Compensation Limit applies to all Plan Years beginning on or after January 1, 1989.

- (A) **Participation Commenced Prior to January 1, 1996.** For a Participant who first commenced participation in the Plan before January 1, 1996, the amount of the Participant's Compensation 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 2009 Plan Year, the dollar amount of the Compensation Limit for a Participant who first commenced participation in the Plan before January 1, 1996, is \$360,000;
- (B) **Participation Commenced On or After January 1, 1996.** For a Participant who first commenced participation in the Plan on or after January 1, 1996, the amount of the Participant's Compensation 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 Compensation that is taken into account may not exceed \$150,000 or such larger amount as the IRS Commissioner may prescribe;
- (2) EGTRRA Changes. For Plan Years beginning after December 31, 2001, the amount of a Participant's Compensation that is taken into account may not exceed \$200,000 or such larger amount as the IRS Commissioner may prescribe. For the 2009 Plan Year, the dollar amount of the Compensation Limit for a Participant who first commenced participation in the Plan on or after January 1, 1996, is \$245,000.
- (C) **Annual Adjustments.** The dollar amounts of the Compensation Limit set forth in this Section shall be adjusted annually, based on calculations issued annually by the Secretary of the Treasury pursuant to Code §§ 401(a)(17)(B) and 415(d).
- (D) **Benefit Accruals – EGTRRA Change.** For purposes of determining benefit accruals in a Plan Year beginning after December 31, 2001, the annual Compensation taken into account in determining benefit accruals for any prior determination period shall not exceed \$200,000 or such greater Compensation Limit applicable to Participants who participated in the Plan prior to January 1, 1996.

Section 2.08 “**Delayed Retirement Benefit**” means the benefit calculated in accordance with Section 5.04.

Section 2.09 “**Delayed Retirement Date**” means the first day of the month following the date on which a Participant retires, in the event that a Participant retires on a date that is after his/her Normal Retirement Date.

Section 2.10 “**Disability**” with respect to a Participant, means the inability of a Participant to perform work duties such that the Participant is eligible to receive benefits under the long-term disability plan maintained by the Employer.

Section 2.11 “Early Retirement Benefit” means the benefit calculated in accordance with Section 5.02.

Section 2.12 “Early Retirement Date” means the first day of any month following the Participant’s attainment of age fifty-five (55) and completion of at least five (5) years of Service.

Section 2.13 “Employee” means any common law employee of the Employer who is not an Excluded Employee.

Section 2.14 “Employer” means Northwest Farm Credit Services, ACA, and its two wholly owned subsidiaries, Northwest Farm Credit Services, PCA, and Northwest Farm Credit Services, FLCA.

Section 2.15 “Employer Contributions” means the contributions made by an Employer on behalf of a Participant as described in Article IV.

Section 2.16 “Employment Commencement Date” means the first day on which an Employee first performs an Hour of Service for an Employer.

Section 2.17 “Excluded Employee” means a person (or Employee) who is in any of the following categories:

- (A) **Employees Covered Under the United States 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 Employee.** A Leased Employee (as that term is defined elsewhere in this Article II) 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 2.18 “Farm Credit Foundations Administrative Agreement” means the Farm Credit Foundations Administrative Agreement Regarding Employee Benefit Plans, which agreement took effect August 1, 2006, and as that agreement may be amended from time to time.

Section 2.19 “Forfeitures” means the nonvested portion of a Participant’s Accrued Benefit which such Participant forfeits upon termination of employment with the Employer.

Section 2.20 “High-Five Average Salary” means the average Compensation received by a Participant during a period of sixty (60) consecutive months during which such Participant received the largest aggregate Compensation. For purposes of identifying the sixty (60) consecutive months in which the Participant received the largest aggregate Compensation, and for purposes of calculating a Participant’s “High-Five Average Salary,” the Compensation received by a Participant during a given year shall be divided evenly over each month in which the Participant was employed during that year, without regard to the specific month of that year in which such Compensation was actually paid to the Participant.

Section 2.21 “Leased Employee” means any person (other than a person classified by the Employer as an Employee of the recipient) who, pursuant to an agreement between the recipient and any other entity (“leasing organization”), has performed services for the recipient (or for the recipient and related persons determined in accordance with Code § 414(n)(6)) on a substantially full-time basis for a period of at least one (1) year (including service for the recipient for which the Employee would have been a Leased Employee but for this Section), and such services are performed under primary direction or control by the recipient employer. Contributions or benefits provided to a Leased Employee by the leasing organization which are attributable to services performed for the recipient employer shall be treated as provided by the recipient employer.

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

- (A) Such Employee is covered by a money purchase pension plan providing:
- (1) A non-integrated employer contribution rate of at least 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 20% of the recipient's non-highly compensated workforce.

Section 2.22 “Normal Retirement Age” means age sixty-five (65).

Section 2.23 “Normal Retirement Benefit” means the benefit calculated in accordance with Section 5.01.

Section 2.24 “Normal Retirement Date” means the first day of the month coincident with, or next following, a Participant's attainment of Normal Retirement Age.

Section 2.25 “Participant” means an Employee or former Employee who is eligible to receive a benefit under this Plan.

Section 2.26 “Plan” means the Northwest Farm Credit Services Retirement Plan, as amended from time to time.

Section 2.27 “Plan Administrator” means the Trust Committee.

Section 2.28 “Plan Sponsor Committee” means the Farm Credit Foundations Plan Sponsor Committee, as established pursuant to the terms and conditions of the Farm Credit Foundations Administrative Agreement.

Section 2.29 “Plan Year” means the 12-consecutive-month period ending each December 31.

Section 2.30 “Retirement” means the termination of a Participant's employment as an Employee after (a) the Participant's attainment of age sixty-five (65), or (b) the Participant's attainment of age fifty-five (55) after having completed at least five (5) years of Service.

Section 2.31 “Service” means any period(s) of employment that is taken into account for purposes of determining a Participant's Years of Service in accordance with the provisions of Section 3.03 and Section 3.04.

Section 2.32 “Social Security Average Monthly Wage” means the average of the Social Security taxable wage bases for each of the five (5) years preceding the calendar year in which a Participant terminates employment, divided by twelve (12) so that it is expressed as a monthly amount.

Section 2.33 “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 2.34 “Termination of Employment” means an absence from employment, as described in Section 3.05.

Section 2.35 “Trust” means the trust established and maintained to fund benefits under the Plan.

Section 2.36 “Trust Committee” means the Farm Credit Foundations Trust Committee, as established pursuant to the terms and conditions of the Farm Credit Foundations Administrative Agreement.

Section 2.37 “Trustee” means the Trust Committee, or any successor Trustee.

Section 2.38 “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 2.39 “Vested Benefit” means the nonforfeitable benefit calculated as provided in Section 7.01.

Section 2.40 “Year of Service” has the meaning given that term under the provisions of Section 3.03.

ARTICLE III PARTICIPATION AND SERVICE

Section 3.01 Participation. The Plan is closed to any person who was not a Participant in the Plan as of the restated effective date of January 1, 2009. Any person who became a Participant in the Plan prior to January 1, 2009, shall continue to be a Participant until the earlier of the complete distribution or deemed distribution of such Participant's entire Vested Benefit under this Plan.

Section 3.02 Benefit Accruals for Rehired Participants. A Participant or former Participant who becomes reemployed on or after January 1, 1995, following a previous termination of employment, shall not be eligible to accrue any additional benefits under this Plan upon becoming reemployed, subject, however, to the following exception:

- (A) **Exception for USERRA.** A 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 (i) the Participant is reemployed as a salaried Employee who is expected to work at least 910 hours on an annual basis, and (ii) the Participant was eligible to accrue benefits under the Plan immediately prior to the commencement of his/her service in the uniformed services.

Section 3.03 Year of Service. A Participant shall be credited with a "Year of Service" in accordance with the provisions of this Section:

- (A) **General Rule.** A Participant shall be credited with a Year of Service on the last day of each Anniversary Period prior to his/her Termination of Employment date.
- (B) **Partial Years of Service.** In the event that a Participant terminates employment prior to the last day of his/her Anniversary Period, the Participant shall be credited with a partial Year of Service for the Service completed by the Participant through the date of the Participant's termination of employment.
- (C) **Qualified Military Service / USERRA.** A Participant who was absent from employment by reason of "qualified military service" in the uniformed services (within the meaning of Code § 414(u)(5)) and who becomes reemployed pursuant to the provisions of USERRA, shall be credited with Service for the period of his/her absence from employment in accordance with the provisions of Code § 414(u).
- (D) **Unused Sick Leave.** For purposes of computing a Participant's benefit upon the Participant's Retirement or Termination of Employment, unused sick leave shall be included as Service with the Employer. Unused sick leave shall not, however, be included in a Participant's Years of Service for purposes of determining the Participant's eligibility to retire.

Section 3.04 Periods of Service Taken Into Account. In determining a Participant's Years of Service in accordance with the provisions of Section 3.03, the following periods of Service shall be taken into account:

- (A) **General Rule.** In determining a Participant's Years of Service, the Participant shall receive credit for Service for the period beginning with his/her Employment Commencement Date and ending with the date of his/her Termination of Employment.
- (B) **Service with Other Farm Credit System Employers.** Service with employers in the Farm Credit System (other than the Employers participating in this Plan) shall be treated as if it were employment with the Employer, but only to the extent that such employment was prior to the Participant's employment with the Employer.
- (C) **Service with the Farm Credit Administration.** Participants who were hired on or before December 8, 1988, will be given credit for all periods of regular service with the Farm Credit Administration. Participants hired after December 8, 1988, will be given credit for their prior regular service (if any) with the Farm Credit Administration through December 31, 1985.
- (D) **Service for Reemployed Participants.** In determining a Participant's Years of Service, all prior Service with the Employer shall be taken into account.
- (E) **Prohibition Against Double Counting.** The Employer will not, under any of the above subsections, count the same period of Service more than once in determining a Participant's Years of Service.

Section 3.05 Termination of Employment. "Termination of Employment" means the earlier of the following:

- (A) **Date of Death, Retirement, Discharge, or Resignation.** The date the Employee quits, retires, is discharged, or dies; or
- (B) **First Anniversary of Absence from Employment.** The first anniversary of the first day of an Employee's absence from employment with an Employer (with or without pay) for any reason other than a reason specified in Subsection (A) above, including, but not limited to, vacation, sickness, leave of absence, layoff, jury duty, or military service (except as otherwise provided in Section 3.03(C) relating to qualified military service / USERRA). Notwithstanding the foregoing, if an Employee fails to return to employment at the expiration of an approved absence from employment, the Employee shall be deemed to have experienced a Termination of Employment upon the expiration of his/her approved absence from employment or, if earlier, upon the first anniversary of the first day of his/her absence.

**ARTICLE IV
EMPLOYER CONTRIBUTIONS / LIMITATION ON BENEFITS**

Part I – DETERMINATION OF EMPLOYER’S CONTRIBUTION

Section 4.01 Amount. The Employer alone will make the contributions required to fund the cost of the benefits provided by this Plan.

Section 4.02 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 under the terms of the Plan. In this regard, the Employer may place full reliance upon all reports, opinions, tables, valuations, certificates, and computations the Actuary furnishes the Employer.

Section 4.03 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.

Section 4.04 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.

Section 4.05 Return of Mistaken Contributions. The Employer contributes to this Plan on the condition that its contribution is not due to a mistake of fact and the Revenue Service will not disallow its deduction for that contribution.

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

- (D) **Evidence as to Amount to Be Returned.** The Trustee may require the Employer to furnish it whatever evidence the Trustee deems necessary to enable the Trustee to confirm the amount the Employer has requested be returned is properly returnable under applicable law.

Section 4.06 Contributions by Participants. Contributions by Participants are neither required nor allowed.

Part II – LIMITATIONS ON BENEFITS AND CONTRIBUTIONS

Section 4.07 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 under any other defined benefit plans that are required to be aggregated with this Plan) 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 2009 limitation year, the dollar amount, as so adjusted, for the maximum permissible annual benefit allowed under Code § 415(b)(1)(A) shall be \$195,000.
- (2) Applicable to All Participants Who Have Not Commenced Benefits. Adjustments to the dollar limit pursuant to Section 4.07(B)(1) shall apply to all Participants whose benefits had not been commenced prior to the date of the adjustment. If a Participant (or Beneficiary) has already commenced benefits, no further adjustments shall be made to the dollar limits applicable to that Participant (or Beneficiary).
- (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 4.08.

- (C) **Participation in Multiple Plans.** After the limitations have been determined under Section 4.07(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 percent” in Code § 1563(a)(1), in applying such Section to Code §§ 414(b) or 414(c), were replaced with “more than 50 percent.”
- (E) **Combined Plan Limit.** In the event that any Participant is a participant in a defined contribution plan or plans of the Employer, the sum of the defined benefit plan fraction and the defined contribution plan fraction (as such terms are defined in Code § 415(e)) for any limitation year with respect to such Participant shall not exceed one. If such sum would otherwise exceed one, then the Participant’s retirement benefit under this Plan shall be reduced to comply with the requirements of this Subsection. The “combined plan limit” under this Section 4.07(E) shall not apply to any Participant whose benefit payments under the Plan commenced on or after January 1, 2000.

Section 4.08 Adjustments to the Maximum Permissible Benefit.

- (A) **Adjustments to the Maximum Permissible Benefit.** The “maximum permissible benefit” set forth in Section 4.07(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 4.07(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 (10). 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 Sixty-Two (62).** For limitation years beginning on or after July 1, 2007, if the benefit of a Participant begins prior to age sixty-two (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 sixty-two (62) (adjusted under Section 4.07(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 2.02 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 Section 4.08(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 at the immediately commencing straight life annuity under the Plan at age 62, both determined without applying the limitations of Code § 415.

Any decrease in the defined benefit dollar limitation determined in accordance with this Section 4.08(C) shall not reflect a mortality decrement if benefits are not forfeited upon the death of the Participant. If any benefits are forfeited upon death, the full mortality decrement is taken into account.

- (D) **Commencement of Benefits On Account of Death or Disability.** Notwithstanding the provisions of Section 4.08(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 sixty-two (62) if a distribution is made on account of the Participant 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 Sixty-Five (65).** For limitation years beginning on or after July 1, 2007, if the benefit of a Participant begins after the Participant attains age sixty-five (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 sixty-five (65) (adjusted under Section 4.08(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 2.02 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 Section 4.08(E)(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 65, both determined without applying the limitations of Code § 415.

For these purposes, mortality between age sixty-five (65) and the age at which benefits commence shall be ignored.

- (F) **Adjustment for Benefits Payable in a Form Other Than a Straight Life Annuity.** If a Participant’s benefit is payable in a form other than a straight life annuity, the amount of the Participant’s benefit shall be converted to an actuarially equivalent straight life annuity for purposes of applying the benefit limitations required under Section 4.07. 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 (2) 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.

ARTICLE V
AMOUNT AND FORM OF RETIREMENT BENEFITS

Section 5.01 Computation of Normal Retirement Benefit. Upon the termination of a Participant's employment as an Employee on or after his/her Normal Retirement Date, a Participant's Normal Retirement Benefit will be calculated as follows:

- (A) **Normal Retirement Benefit for Participants First Hired Prior to January 1, 1977.** The monthly Normal Retirement Benefit for each Participant who was first hired by the Employer prior to January 1, 1977, and who is entitled to a retirement benefit under this Plan will be equal to the Actuarial Equivalent of a 60-month certain and continuous annuity, commencing at such Participant's Normal Retirement Date, in an amount equal to, for each Year of Service up to thirty-five (35) years, 1.45% of the Participant's High-Five Average Salary, plus 0.35% of the excess of the Participant's High-Five Average Salary over 50% of the Participant's Social Security Average Monthly Wage.
- (B) **Normal Retirement Benefit for Participants First Hired After December 31, 1976.** The monthly Normal Retirement Benefit for each Participant who was first hired by the Employer after December 31, 1976, and who is entitled to a retirement benefit under this Plan will be equal to the Actuarial Equivalent of a single life annuity, commencing at such Participant's Normal Retirement Date, in an amount equal to, for each Year of Service up to thirty-five (35) years, 1.45% of the Participant's High-Five Average Salary, plus 0.35% of the excess of the Participant's High-Five Average Salary over 50% of the Participant's Social Security Average Monthly Wage.
- (C) **Grandfathered Benefits for Certain Participants.** Upon Termination of Employment with the Employer on or after January 1, 1989, and subject to the rules under Alternative IID of IRS Notice 88-131, a Participant's Accrued Benefit will be the greater of:
 - (1) The Accrued Benefit determined as of his/her date of Termination of Employment under the benefit structure described in this document; or
 - (2) The Accrued Benefit determined as of December 31, 1988, under the Plan's benefit structure in effect prior to January 1, 1989.

Section 5.02 Early Retirement Benefits. Upon Retirement on or after January 1, 1989, a Participant's Early Retirement Benefit will be calculated as follows:

- (A) **Option to Commence Benefits at Normal Retirement Date.** A Participant who retires on an Early Retirement Date may elect to receive his/her Accrued Benefit, payable starting at his/her Normal Retirement Date, calculated in accordance with Section 5.01, based on the Participant's Years of Service, his/her High-Five Average Salary, and his/her Social Security Average Monthly Wage, all determined as of his/her Early Retirement Date.

- (B) **Option to Commence Benefits on Early Retirement Date.** Alternatively, the Participant may elect to begin receiving benefits on his/her Early Retirement Date, in which case the Participant's Accrued Benefit will be reduced by two-twelfths (2/12) of 1% for each of the first sixty (60) complete months that his/her Early Retirement Date precedes his/her Normal Retirement Date, and by four-twelfths (4/12) of 1% for each of the next sixty (60) complete months that his/her Early Retirement Date precedes his/her Normal Retirement Date.
- (1) Special Rule - Age Sixty-Two (62) and Older With Thirty (30) Years of Service. However, if the Participant has attained age sixty-two (62) with at least thirty (30) Years of Service, no reduction will be applied to his/her retirement benefit.
 - (2) Special Rule – "Rule of 85." Effective January 1, 1998, if the Participant's age plus Years of Service (excluding sick leave) equals eighty-five (85) or more and the Participant has attained age fifty-five (55), no reduction will be applied to his/her retirement benefit.
- (C) **Form of Benefit.** A Participant who retires on an Early Retirement Date may select an optional form of benefit in accordance with the provisions of Section 5.11. If such payments are to commence on the Participant's Early Retirement Date, they will be equal to the reduced benefit payments calculated according to Section 5.02(B) multiplied by a factor so as to produce a benefit payment which is the Actuarial Equivalent of the benefit calculated according to Section 5.02(A).
- (D) **Grandfathered Benefits for Certain Participants.** Upon termination of employment with the Employer on or after January 1, 1989, and subject to the rules under Alternative IID of IRS Notice 88-131, a Participant's Accrued Benefit will be the greater of:
- (1) The Accrued Benefit determined as of his/her date of Termination of Employment under the benefit structure described in this document; or
 - (2) The Accrued Benefit determined as of December 31, 1988, under the Plan's benefit structure in effect prior to January 1, 1989.

Section 5.03 Benefits for Terminated Vested Participants. A Participant whose employment with the Employer has terminated prior to his/her Early Retirement Date may elect to commence his/her Vested Benefit at any time after he/she has attained age fifty-five (55). The amount of the benefit will be determined under Section 5.02(A) if benefits are commenced at the Participant's Normal Retirement Date or under Section 5.02(B) if benefits are commenced prior to the Participant's Normal Retirement Date.

Section 5.04 Delayed Retirement Benefits. Upon Retirement on or after January 1, 1989, a Participant's Delayed Retirement Benefit will be calculated as follows:

- (A) **Calculation of Delayed Retirement Benefit.** A Participant who retires on a Delayed Retirement Date will receive his/her Accrued Benefit, payable starting at his/her Delayed Retirement Date, calculated in accordance with Section 5.01, based on the Participant's Years of Service, the Participant's High-Five Average Salary, and the Participant's Social Security Average Monthly Wage, all determined as of the Participant's Delayed Retirement Date.
- (B) **Form of Benefit.** If a Participant retires after his/her Normal Retirement Date and selects an optional form of benefit payments in accordance with the provisions of Section 5.11, such payments, commencing on the Participant's Delayed Retirement Date, will be equal to the benefit payments calculated according to Section 5.04(A) multiplied by a factor so as to produce a benefit payment which is the Actuarial Equivalent of the benefit calculated according to Section 5.04(A) as of his/her Delayed Retirement Date.

Section 5.05 Disability Retirement Benefits. If an active Participant incurs a Disability while actively employed, remains disabled until his/her Normal Retirement Date, and is in receipt of disability benefits from the Employer's long-term disability (LTD) plan immediately prior to his/her Normal Retirement Date, he/she will become entitled to receive benefits from this Plan if he/she has full vesting at the end of any authorized sick leave without pay. In calculating his/her benefits payable upon such retirement, he/she will receive credit for an additional two (2) Years of Service.

Section 5.06 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 the period of the Participant's reemployment unless an exception as set forth in Section 5.06(A) applies.

- (A) **Exceptions to General Rule.** Notwithstanding the provisions of Section 5.06, benefits shall not be suspended if one or more of the following exceptions applies:
 - (1) **Reemployment Not Prearranged.** Benefits will not be suspended if (i) at least thirty (30) days have elapsed between the date the Participant terminated employment and the date the Participant resumes his/her employment, (ii) the Participant's reemployment was not prearranged before the Participant terminated employment, (iii) the Participant was not reemployed in the same position that he/she held before terminating employment, and (iv) the Participant is being compensated on an hourly basis in his/her new position.
 - (2) **Attainment of Age Sixty-Two (62).** Benefits will not be suspended if the Participant is age sixty-two (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 Administrator.** The 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.

Section 5.07 Offset for Benefits Payable From the Retirement Plans of Other Farm Credit System Employers. Any retirement benefits which become payable to an Employee participating in this Plan will be reduced by the Actuarial Equivalent value of any retirement benefits payable to such Employee from the "retirement plan" of any employer in the Farm Credit System that is not a participating Employer in this Plan. For purposes of determining and applying any such offset, the following provisions shall apply:

- (A) **Applicability of Offset.** The offset required under this Section shall apply only to the extent that the Participant's service with another employer in the Farm Credit System was credited as Service with the Employer for purposes of this Plan. Additionally, the amount of the offset shall not exceed the value of the portion of the Participant's retirement benefits under this Plan that are attributable to the crediting of such service with another Farm Credit System employer.
- (B) **Date of Determination of Offset.** The amount of the offset, if any, that is required under this Section shall be determined as of the date the Participant commences benefits under this Plan. The offset shall be determined without regard to the actual date on which benefits were commenced, or may in the future be commenced, under the terms and conditions of the "retirement plan" of the other Farm Credit System employer.
- (C) **Other Farm Credit System Retirement Plans.** For purposes of this Section, a "retirement plan" of another Farm Credit System employer shall include any defined benefit plan that is designed and intended to be qualified under Code § 401(a). The term shall not include any defined contribution plans.

- (D) **Information Regarding Other Farm Credit System Plans.** A Participant is required to provide whatever information the Plan Administrator may request or require in order to calculate and/or apply the offset required under this Section. In the event that such information is not available or cannot be ascertained, the Plan Administrator shall have the authority to make such reasonable assumptions and/or estimates as it may, in its sole discretion, consider to be reasonably necessary in order to implement the provisions of this Section.

Section 5.08 Integration of Civil Service Benefits. When a Participant has Service that would be taken into account for Accrued Benefit purposes, but for the fact that he/she was covered by the United States Civil Service Retirement System during such Service, such Participant will, for such Service, receive the greater of:

- (A) His/her Accrued Benefit calculated under this Plan utilizing all his/her Service with the Employer (for purposes of this Subsection only, the term Employer will include the Farm Credit Administration); or
- (B) The sum of his/her benefit under the United States Civil Service Retirement System for such Service, plus his/her Accrued Benefit under this Plan determined by excluding such Service. Under no circumstances will such Participant receive duplicate benefit credit for his/her period of employment with the Farm Credit Administration.

Section 5.09 Normal Form of Retirement Benefits.

(A) **Unmarried Participants.**

- (1) Hired Before January 1, 1977. The benefit of a Participant who was first hired by the Employer prior to January 1, 1977, and who is unmarried at the time the payment of retirement benefits commences will be in the form of a 60-month certain and continuous annuity, unless he/she elects one of the optional payment forms defined in Section 5.11. A 60-month certain and continuous annuity provides monthly benefits payable for the life of the Participant, but in no case fewer than sixty (60) monthly payments. A Participant receiving a 60-month certain and continuous annuity may designate a Beneficiary for the remaining monthly payments (if any) as of the date of the Participant's death in accordance with the provisions of Section 14.01.
- (2) Hired After December 31, 1976. The benefit of a Participant who was first hired after December 31, 1976, and who is unmarried at the time the payment of retirement benefits commences will be in the form of a single life annuity, unless he/she elects one of the optional payment forms defined in Section 5.11. A single life annuity provides monthly benefits payable for the life of the Participant.

- (B) **Married Participants.** The benefit of a Participant who is married at the time the payment of retirement benefits commences will be in the form of a qualified 66⅔% joint and survivor annuity unless he/she elects one of the optional payment forms defined in Section 5.11. Such 66⅔% joint and survivor annuity will be the Actuarial Equivalent of the benefit described in Section 5.01.

Section 5.10 Waiver Election - Qualified Joint and Survivor Annuity. At least thirty (30) days (but not earlier than 180 days) before the Participant's distribution commencement, the Plan Administrator must provide the Participant a written explanation of the terms and conditions of the qualified 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 qualified 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 seven (7) days after the Plan Administrator or its representative provides the Participant (and his/her Spouse, if applicable) the written explanation.

Section 5.11 Optional Forms of Retirement Benefits. A Participant may elect at any time within 180 days prior to the commencement of benefit payments to receive the Actuarial Equivalent of his/her Accrued Benefit payable as described in Section 5.09 under one of the following optional forms of payment by filing a written application with the Plan Administrator. The Plan Administrator will furnish to each Participant, upon request within the 12-month period after first becoming eligible to retire on an Early Retirement Date, but not later than 180 days prior to the Participant's Normal Retirement Date, a written notification of the terms and conditions of the optional forms of payment and the financial effect upon the Participant's Accrued Benefit of an election or failure to make an election under this Section.

- (A) **Single Life Annuity.** An income payable monthly for the lifetime of the Participant with the last payment to be made as of the first day of the month in which the Participant's death occurs.
- (B) **Joint and Survivor Annuity.** An income payable monthly while both the Participant and his/her Spouse are living, with 66⅔% or 100% (as elected by the Participant) of such monthly benefit to be paid to the Participant's surviving Spouse for the Spouse's lifetime after the Participant's death.
- (C) **Period Certain and Continuous Annuity.** An income payable monthly for the lifetime of the Participant with the last payment to be made as of the first day of the month in which the Participant's death occurs; provided that, if such Participant dies before receiving benefit payments for a period of sixty (60) months, one hundred twenty (120) months, or one hundred eighty (180) months (as elected by such Participant), then the balance of such benefit payments will continue to be paid to the Participant's Beneficiary during the remainder of the period.

- (D) **Lump-Sum Distribution.** A Participant may, by filing an election with the Plan Administrator in accordance with Sections 5.10 and 5.11, elect to receive his/her benefit in the form of a single lump-sum payment determined as follows:
- (1) Upon Attainment of Normal Retirement Age. For a Participant who has attained his/her Normal Retirement Age and is otherwise eligible to commence his/her Normal Retirement Benefit, the amount of the lump-sum payment shall be equal to the monthly amount of the Participant's Normal Retirement Benefit determined under Section 5.01 as of his/her Normal Retirement Date multiplied by the deferred lump sum-factor determined under Section 2.02(B).
 - (2) Upon Attainment of Early Retirement Age. For a Participant who has attained his/her Early Retirement Age and is otherwise eligible to commence his/her benefits, the amount of the lump-sum payment shall be equal to the monthly amount of the Participant's Early Retirement Benefit commencing on the date as of which such lump-sum payment amount is determined, multiplied by the immediate lump-sum factor determined under Section 2.02(B).
 - (3) Date of Determination as to Amount of Lump-Sum Distribution. If an election to receive benefits in the form of a lump-sum distribution is received by the Plan Administrator or its agent more than thirty (30) days after the date as of which the lump-sum distribution amount was determined, the Plan Administrator shall recalculate such benefit as of the next following annuity commencement date that does not precede the date of calculation by more than thirty (30) days.

ARTICLE VI
PRE-RETIREMENT SURVIVOR BENEFITS

Section 6.01 Death of Active Participant. If an active Participant dies while employed by the Employer, a monthly survivor benefit shall be paid to the Participant's surviving Spouse (if any) and/or surviving children (if any) in accordance with the provisions of this Section.

- (A) **Amount of Death Benefit – In General.** Subject to the provisions of Subsection (B) below, the amount of the benefit that will be paid upon the death of an active Participant who dies while employed by the Employer shall be as follows:
- (1) **Benefit Payable to Surviving Spouse.** The monthly benefit payable to the Participant's surviving Spouse (if any) shall be equal to 30% of the Participant's Compensation for the Plan Year preceding the year of the Participant's death; and
 - (2) **Benefit Payable to Surviving Children (Under Age 18).** The monthly benefit payable to the Participant's surviving children under the age of eighteen (18) (if any) shall be equal to 20% of the Participant's Compensation for the Plan Year preceding the year of the Participant's death, subject, however, to the following provisions:
 - (a) If the Participant has only one (1) surviving child under the age of eighteen (18), the monthly benefit shall be equal to 10% of the Participant's Compensation for the Plan Year preceding the year of the Participant's death;
 - (b) In the event that a Participant is survived by more than one child under the age of eighteen (18), the monthly benefit payable to the Participant's surviving children shall be divided evenly among each such surviving children;
 - (c) If a surviving child is no longer entitled to a benefit after having attained age eighteen (18) or for any other reason, the monthly benefit shall be divided evenly among the remaining surviving children who are under the age of eighteen (18); provided, however, that the monthly benefit payable to any one surviving child may not exceed 10% of the Participant's Compensation for the Plan Year preceding the year of the Participant's death.
- (B) **Amount of Death Benefit – Minimum and Maximum Benefit.** The total death benefit payable pursuant to Subsection (A) above shall be subject to the following adjustments and to the following minimum and maximum amounts:

- (1) Adjustment for Social Security / Workers' Compensation Benefits. The total death benefit payable pursuant to Subsection (A) above shall be reduced by the amount of family Social Security benefits payable upon the death of the Participant and shall further be reduced by the amount (if any) of workers' compensation survivor benefits payable upon the death of the Participant;
 - (2) Minimum Benefit. If a Participant is survived by a Spouse or child, the total death benefit payable to Subsection (A) above will not, however, be less than the survivor portion of a 66⅔% joint and survivor annuity based on the Participant's Accrued Benefit at the date of his/her death; and
 - (3) Maximum Benefit. When combined with family Social Security benefits, the total death benefit payable to a Participant's surviving Spouse and/or children may not exceed 80% of the Participant's Compensation in the Plan Year preceding the year of the Participant's death.
- (C) **Form and Duration of Benefits.** Benefits will be payable monthly, as follows:
- (1) Benefit Payable to Surviving Spouse. Benefits payable to the Participant's surviving Spouse will cease upon the earlier of remarriage prior to age sixty (60) or death; provided that, upon remarriage prior to age sixty (60), six (6) additional months of benefits will be paid to the Spouse.
 - (2) Benefit Payable to Surviving Children. Benefits payable to a surviving child will cease upon the child's attainment of age eighteen (18).
- (D) **Lump-Sum Distribution Option.** A surviving Spouse who is entitled to receive a survivor benefit under Section 6.01 as the result of a Participant's death, may elect to receive his/her survivor benefit in the form of a single lump-sum payment. The amount of the lump-sum payment shall be calculated based on the age of the surviving Spouse and using the actuarial factors in Section 2.02(B). An election to receive a lump-sum payment in lieu of a monthly benefit must be made in accordance with such procedures as may be established by the Plan Administrator and must be made before monthly benefits have commenced.
- (E) **No Other Death Benefit.** If an active Participant dies while employed by the Employer and does not have a surviving Spouse and/or a surviving child, no death benefit will be paid.

Section 6.02 Death of Terminated Vested Participant.

- (A) **Election to Provide Monthly Survivor Benefit.** Effective January 1, 1986, a married Participant who has terminated employment with the Employer with a Vested Benefit may elect on a form prescribed by the Plan Administrator, to provide his/her Spouse (as designated on such form) with a monthly survivor benefit if he/she dies prior to the commencement of his/her retirement benefits from the Plan.
- (B) **Death Before Age 55.** If a Participant who has elected coverage pursuant to Subsection (A) dies before commencement of his/her retirement benefits and prior to age fifty-five (55), the Participant's surviving Spouse will receive a monthly benefit equal to two-thirds ($\frac{2}{3}$) of the benefit the Participant would have received if the Participant had lived to age fifty-five (55) and had started receiving retirement benefits as a single life annuity at age fifty-five (55), adjusted as described in Section 6.02(D). The survivor benefits shall commence on the first day of the month coincident with, or next following, the date the Participant would have attained age fifty-five (55), and will be payable during the surviving Spouse's life.
- (C) **Death After Attaining Age 55.** If a Participant who has elected coverage pursuant to Subsection (A) dies before commencement of his/her retirement benefits but after attaining age fifty-five (55), the Participant's surviving Spouse will receive a monthly benefit equal to two-thirds ($\frac{2}{3}$) of the benefit the Participant would have received if retirement benefits had commenced on the date of the Participant's death as a single life annuity, adjusted as described in Section 6.02(D). The survivor benefits shall commence on the first day of the month following the Participant's date of death, and will be payable during the surviving Spouse's life.
- (D) **Reduction in Benefits.** If the Participant elects the survivor coverage pursuant to Subsection (A), the Participant's retirement benefits (or, if applicable, the survivor benefits payable to his/her surviving Spouse), shall be reduced by 0.1% for each year of coverage under age forty-five (45), by 0.2% for each year of coverage between ages forty-five (45) and fifty-five (55), and by 0.5% for each year of coverage after attaining age fifty-five (55).

Section 6.03 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 38 U.S.C. § 4312 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 the death benefit provided under Article VI of the Plan, as if he/she had become reemployed pursuant to the provisions of USERRA on the day immediately preceding the date of the Participant's death.
- (C) **Credited With Additional Vesting (But Not Benefit) Service for the Period of Qualified Military Service.** A Participant who is treated, pursuant to the provisions of Section 6.03(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 be credited with any additional Service under the Plan for benefit purposes for the period of his/her qualified military service preceding his/her death; however, the Participant shall be credited with Service for purposes of the Plan's vesting provisions for the period of his/her qualified military service preceding his/her death.

**ARTICLE VII
VESTING AND RETIREMENT BENEFITS**

Section 7.01 Vesting.

- (A) **General Rule.** Effective January 1, 1989, a Participant will have full vesting when the Participant has completed five (5) Years of Service with the Employer. If a Participant has a Termination of Employment prior to completing five Years of Service, the Participant will not be eligible to receive any benefits from this Plan.

- (B) **Attainment of Normal Retirement Age.** Upon attainment of the Participant's Normal Retirement Age, a Participant will have full vesting in his/her Accrued Benefit, regardless of the Years of Service he/she has earned.

Section 7.02 Distribution Upon Termination of Trust. If the Employer terminates the Plan, each Participant shall become fully vested in his/her Accrued Benefit, to the extent funded. Upon such a termination, the Trustee will determine the value of the Trust as of the business day next following the date of such termination.

- (A) **Allocation of Assets.** The Trustee will allocate assets of the Plan among the Participants and Beneficiaries according to the following priorities:
 - (1) Benefits payable as an annuity:
 - (a) In the case of the benefit of a Participant or Beneficiary who was in pay status as of the beginning of the three-year period ending on the termination date of the Plan, each such benefit, based on the provisions of the Plan (as in effect during the five-year period ending on such date) under which such benefit would be the least; or
 - (b) In the case of the benefit of a Participant or Beneficiary (other than those described in subparagraph (a)) who would have been in pay status as of the beginning of such 3-year period if the Participant had retired prior to the beginning of the 3-year period and if his/her benefits had commenced (in the normal form of annuity under the Plan) as of the beginning of such period, each such benefit based on the provisions of the Plan (as in effect during the five-year period ending on such date) under which such benefit would be the least.

For purposes of subparagraph (a), the lowest benefit in pay status during a three-year period is the benefit in pay status for such period.

- (2) All other nonforfeitable benefits under the Plan; and
 - (3) Any other benefits under the Plan.
- (B) **Allocation in the Event of Insufficient Assets.** If assets are insufficient to provide all benefits under the Plan, the Trustee will allocate such assets to satisfy obligations within each category by order of priority. If assets are insufficient to provide all benefits under a priority category, the Trustee will allocate assets to Participants within that category in the ratio which each Participant's total benefit bears to the total benefits of all Participants within that category.

Section 7.03 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 VIII
DISTRIBUTIONS AND WITHDRAWALS**

Section 8.01 Withdrawals Not Permitted. Except as provided in Section 8.02 (addressing commencement of benefits) and Section 5.06 (addressing suspension of benefits), no Participant will be entitled to receive any portion of his/her Accrued Benefit while employed by the Employer.

Section 8.02 Commencement of Benefits. Unless the Participant elects otherwise in writing, all benefits payable under the Plan will commence no more than sixty (60) days after the close of the Plan Year following the latest of the following:

- (A) The Participant's Termination of Employment;
- (B) The Participant's Normal Retirement Date; or
- (C) The tenth anniversary of the year in which the Participant commenced participation in the Plan.

In no event may benefits commence later than the date required under the provisions of Article XIII, relating to the "required minimum distribution" provisions of the Code.

Section 8.03 Direct Rollover of Assets to Another Qualified Plan. The Trustee, upon receiving instructions from the Plan Administrator, may transfer Plan assets to another plan that is permitted to accept such rollover meeting the requirements of applicable laws and regulations relating to qualified plans and trusts.

- (A) **Right to Elect Direct Rollover.** A distributee of an Eligible Rollover Distribution has the right to elect that such distribution be transferred to an Eligible Retirement Plan subject to the spousal consent requirements, if otherwise applicable, of Article V. In the event any Employee, Spouse, surviving Spouse, or former Spouse, by reason of being an alternate payee under a qualified domestic relations order receives any Eligible Rollover Distribution and elects to:
 - (1) Have such distribution paid directly to an Eligible Retirement Plan; and
 - (2) Specifies, in the form and at the time as the Plan Administrator may prescribe, the Eligible Retirement Plan to which the distribution is to be paid;

such distribution shall be made in the form of a direct trustee-to-trustee transfer to the specified Eligible Retirement Plan.

- (B) **Definition of Eligible Rollover Distribution.** For purposes of this Section, the term "Eligible Rollover Distribution" means any distribution to a distributee of all or any portion of the balance to the credit of the Participant, but does not include:

- (1) Any distribution which is one of a series of substantially equal periodic payments made not less frequently than annually, and made:
 - (a) For the life, or life expectancy, of the Participant or the joint lives, or joint life expectancies, of the Participant and the Participant's designated Beneficiary; or
 - (b) For a specified period of ten (10) years or more;
 - (2) Any distribution to the extent the distribution is required under Code § 401(a)(9);
 - (3) Returns of Code § 401(k) elective deferrals that are returned as a result of the Code § 415 limitations;
 - (4) Corrective distributions of excess contributions and excess deferrals under qualified cash-or-deferred arrangements, and corrective distributions of excess aggregate contributions, together with income allocated to these corrective distributions;
 - (5) Loans treated as distributions under Code § 72(p) and not excepted by Code § 72(p)(2);
 - (6) Loans in default that are deemed distributions;
 - (7) Dividends paid on employer securities as described in Code § 404(k);
 - (8) The cost of life insurance coverage ("P.S. 58" costs);
 - (9) Similar items designated by the IRS Commissioner in revenue rulings, notices, and other guidance of general applicability;
 - (10) "After-tax" employee contributions; and
 - (11) Effective January 1, 2000, hardship distributions from elective deferral accounts under 401(k) plans.
- (C) **Definition of Eligible Retirement Plan.** For purposes of this Section, the term "Eligible Retirement Plan" means:
- (1) A traditional individual retirement account described in Code § 408(a);
 - (2) A traditional individual retirement annuity described in Code § 408(b), other than an endowment contract;
 - (3) A qualified trust, but only if it is a defined contribution plan, the terms of which permit the acceptance of rollover distributions; and

- (4) An annuity plan described in Code § 403(a).
- (D) **Distributions Upon Death or Pursuant to a QDRO.** If any distribution attributable to an Employee is paid to the Spouse of the Employee after the Employee's death, the provisions of this Section shall apply; provided, however, that an Eligible Retirement Plan with respect to such distribution shall not include a qualified trust or an annuity plan described in Code § 403(a). Any distribution made under a "qualified domestic relations order" to an alternate payee other than a Spouse, surviving Spouse, or former Spouse does not constitute an Eligible Rollover Distribution, and thus the provisions of this Section do not apply to such a distribution.
- (E) **EGTRRA Changes.** With regard to distributions made after December 31, 2001, the following shall apply:
- (1) For purposes of the direct rollover provisions of the Plan, an Eligible Retirement Plan shall also mean an annuity contract described in Code § 403(b) and an eligible plan under Code § 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan. The definition of Eligible Retirement Plan shall also apply in the case of a distribution to a surviving Spouse, or to a Spouse or former Spouse who is the alternate payee under a "qualified domestic relation order," as defined in Code § 414(p).
- (2) To the extent that the Plan contains after-tax employee contributions, for purposes of the direct rollover provisions of the Plan, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be paid only to an individual retirement account or annuity described in Code § 408(a) or (b), or to a qualified defined contribution plan described in Code § 401(a) or 403(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.
- (F) **Application Limited to Amounts That Would Otherwise Be Includible in Gross Income.** This Section shall only apply to the extent the Eligible Rollover Distribution would be includible in the recipient's gross income if not transferred as provided above, determined without regard to Code §§ 402(c) and 403(a)(4).
- (G) **Compliance with Code § 401(a)(31).** Notwithstanding anything contained in this Section to the contrary, the requirements prescribed in this Section regarding the direct transfer of Eligible Rollover Distributions shall at all times comply with Code § 401(a)(31) and the Regulations thereunder, the terms of which are specifically incorporated by reference.

Section 8.04 Nonspouse Rollovers. To the extent permitted under Code § 402(c)(11) and such guidance as may be subsequently issued by the Treasury, a Beneficiary who is not the surviving Spouse of a Participant (or a former Spouse who is an alternate payee under a qualified domestic relations order) may elect, at the time and in the manner prescribed by the Plan Administrator, to have the entire benefit that is payable to him/her paid directly to an “inherited IRA” specified by the Beneficiary in a direct rollover election. This Section shall apply to distributions made in Plan Years beginning on or after January 1, 2009.

Section 8.05 Qualified Domestic Relations Orders (QDROs). Notwithstanding the provisions of Section 14.02 (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 Section.

- (A) **Permissible Distribution Dates for an Alternate Payee.** A QDRO may require a distribution to be made to an alternate payee as of the date the Participant 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).
- (B) **Permissible Forms of Payment.** A QDRO may require payment to be made to an alternate payee in any form of benefit that would be available to the Participant under 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.
- (C) **Payment of Small Amounts.** Notwithstanding the provisions of Subsection (A) above, in the event that the actuarially equivalent lump-sum present value of the benefit payable to an alternate payee pursuant to a QDRO is less than \$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.
- (D) **Procedures.** The following procedures will apply to the determination of the qualified status of a domestic relations order:
 - (1) **Notice to Participant and Alternate Payee.** The Participant and each person specified in a domestic relations order as entitled to payment of Plan benefits will be notified of the procedures promptly upon receipt of the order by the Plan.

- (2) Determination by Plan Administrator. Within a reasonable period of time after receipt of an order, the Plan Administrator will determine whether the domestic relations order is a QDRO and will notify the Participant and each alternate payee of such determination.
- (3) 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.
- (4) Order Not Qualified Within Eighteen (18) Months. If, within eighteen (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.
- (5) 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.
- (6) Authority to Develop and Implement Additional Procedures. The Plan Administrator shall have the authority to develop and implement such additional procedures as may seem necessary or advisable in order to fulfill its responsibilities under this Section.

Section 8.06 Distributions of Small Dollar Amounts. If a Participant's Vested Benefit becomes payable under the terms and conditions of the Plan and the Actuarial Equivalent of the Participant's Vested Benefit at the time the benefit becomes payable is less than the amount set forth below, the Plan Administrator shall cause the Actuarial Equivalent of the Participant's Vested Benefit to be paid to the Participant in the form of a single sum payment:

- (A) **Benefits Commenced Prior to March 28, 2005.** For benefits commenced prior to March 28, 2005, a Participant's Vested Benefit shall be paid in the form of a single sum payment if the Actuarial Equivalent of the Participant's Vested Benefit that becomes payable from the Plan is equal to or less than \$15,000;
- (B) **Benefits Commenced On or After March 28, 2005.** For benefits commenced on or after March 28, 2005, a Participant's Vested Benefit shall be paid in the form of a single sum payment if the Actuarial Equivalent of the Participant's Vested Benefit that becomes payable from the Plan is equal to or less than \$1,000.

ARTICLE IX TRUSTEE POWERS AND DUTIES

Section 9.01 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 9.02 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 9.03 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 9.04 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) **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;
- (D) **Claims and Demands Against the Trust.** To compromise, contest, arbitrate, or abandon claims and demands, in its discretion;
- (E) **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;
- (F) **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;
- (G) **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;
- (H) **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;
- (I) **Tax Forms or Returns.** To file all tax forms and/or other returns required of the Trustee; and
- (J) **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.

In exercising its discretion and authority with regard to the investment of the Trust, the Trustee shall give due regard to any asset allocation strategies that are suggested or recommended by the Employer.

Section 9.04 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 9.05 Payment of Fees and Expenses from the Trust. The Trustee may pay any expenses reasonably incurred by it in its administration and investment of the Trust from the assets held in the Trust.

Section 9.06 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 ninety (90) days. If the Plan Administrator fails to explicitly accept or disapprove such accounting within ninety (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 9.07 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 9.08 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 9.09 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 9.10 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 9.11 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 shall not be responsible for any acts or omissions of the Plan Administrator. Nor shall the Trustee be under any duty to inquire into any instruction, direction, order, or certificate of the Plan Administrator. 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 9.12 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 9.13 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 9.14 Single Trust. The assets of the Trust shall be held, administered, invested and managed in all respects as a single trust even though a portion of such assets may be attributable to different Employers and to the Employees of different Employers. The Plan Administrator shall be responsible for maintaining and determining the appropriate share of the Trust estate held in respect of any such group of Employers and Employees in the event that such maintenance or determination shall be required by the Plan or the operation of law. The determination by the Plan Administrator of the shares of the Trust estate held in respect of any such Employer or Employee group shall be final and conclusive upon all persons.

Section 9.15 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 X FINANCING

Section 10.01 Contributions. The Employer shall make such contributions to the Trust as are required by the provisions of the Plan.

Section 10.02 Nonreversion. The Employer shall have no right, title, or interest in the contributions made to the Trust, and no part of the Trust shall revert to the Employer, except that:

- (A) If a contribution is made to the Trust by the Employer by a mistake of fact, then such contribution may be returned to the Employer within one year after the payment of the contribution,
- (B) To the extent that the Employer is subject to the payment of federal income tax, the Employer's Contributions shall be conditioned upon their deductibility under Code § 404. If any part or all of a contribution is disallowed as a deduction under Code § 404, then to the extent such contribution is disallowed as a deduction, it shall be returned to such Employer within one year after the disallowance.
- (C) If the Internal Revenue Service initially determines that the Plan does not meet the requirements of Code § 401, the Plan shall be null and void from the effective date, and any contributions shall be returned to all contributors within one year following the determination that the Plan does not meet such requirements, unless the Employer elects to make the changes to the Plan necessary to receive a determination from the Internal Revenue Service that the requirements of Code § 401 are met.

Section 10.03 Rights in the Trust. Persons eligible for benefits under the Plan are entitled to look only to the Trust for the payment of such benefits and have no claim against the Employer, the Trustee, the Plan Administrator, or any other person. No person has any right or interest in the Trust except as expressly provided in the Plan.

ARTICLE XI PLAN ADMINISTRATION

Section 11.01 Plan Administrator. The general administration of the Plan and the duty to carry out its provisions is vested in the Plan Administrator, which is the “named fiduciary” of the Plan. The Trust Committee shall serve as Plan Administrator in accordance with the provisions of this Article XI and the Farm Credit Foundations Administrative Agreement.

Section 11.02 Powers and Duties. The Plan Administrator shall have such powers and duties as may be necessary to discharge its functions hereunder, including but not limited to the following:

- (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 XI 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 XI 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 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 of them, 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;

- (G) **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;
- (H) **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;
- (I) **Formulate Policies, Practices and Procedures Regarding Funding.** To formulate policies, practices, and procedures in accordance with Article IV to insure that the Plan is funded and maintained on a sound actuarial basis;
- (J) **Keep Records and Prepare Reports.** To keep such records and prepare such reports as may be required by law; and
- (K) **Other Necessary Responsibilities.** To take such other actions as the Plan Administrator, in its sole discretion, may deem necessary or advisable in the proper and efficient administration of the Plan.

Section 11.03 Actions of the Plan Administrator. Any act that the Plan Administrator is authorized or required to take hereunder shall be taken in accordance with the provisions of the Farm Credit Foundations Administrative Agreement.

Section 11.04 Plan Expenses. All costs, fees, and expenses associated with the Plan shall be assessed to and paid by the Employers on an equitable basis, as determined by the Plan Administrator except such expenses as the Plan Administrator deems to be allocable to Participants, in which case said expenses shall be charged against the benefits of the Participants to whom the expenses are allocable.

Section 11.05 Claims Procedure.

- (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;
- (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.

Section 11.06 Notice of Address and Missing Persons. Each person entitled to benefits under the Plan must file with the Plan Administrator, in writing, his/her current mailing address and any change of address. Any communication, statement, or notice addressed to such a person at his/her latest reported mailing address will be binding upon him/her for all purposes of the Plan, and neither the Plan Administrator, Employer, or Trustee shall be obliged to search for or ascertain his/her whereabouts. In the event that such person cannot be located, the Plan Administrator may direct that such benefit and all further benefits with respect to such person shall be discontinued, all liability for the payment thereof shall terminate, and the balance of such Participant's benefit shall be deemed a forfeiture; provided, however, that in the event of the subsequent reappearance of the Participant or Beneficiary prior to termination of the Plan, the benefits which were due and payable and which such person missed shall be paid in a single sum, and the future benefits due to such person shall be reinstated in full.

Section 11.07 Effect of a Mistake. In the event of a mistake or misstatement as to the eligibility, participation, or service of any Participant, or the amount of payments made or to be made to a Participant or beneficiary, the Plan Administrator shall, if possible, cause to be withheld or accelerated or otherwise make adjustment of such amounts of payments as will in its sole judgment result in the Participant or beneficiary receiving the proper amount of payments under this Plan.

**ARTICLE XII
AMENDMENT AND TERMINATION**

Section 12.01 Amendment and Termination.

- (A) **General Rule.** The Plan may be amended or terminated at any time in accordance with the provisions of this Section.
- (1) The Plan Sponsor Committee shall have the authority to adopt any amendments other than those amendments set forth in Section 12.01(A)(2) below.
 - (2) The authority to adopt any of the following amendments is reserved to the Employer:
 - (a) An amendment changing the plan design, including any amendment changing the Plan's benefit formula and/or distribution options;
 - (b) An amendment freezing the Plan;
 - (c) An amendment terminating the Plan; and/or
 - (d) An amendment merging the Plan with any other plan.
 - (3) Additionally, and notwithstanding the provisions of Section 12.01(A)(2) to the contrary, the Plan Sponsor Committee shall have the authority to adopt any amendment that is required by law and/or any amendment that may be necessary to conform the Plan to existing administrative practices.
 - (4) Notwithstanding the foregoing, no such amendment or termination shall adversely affect or diminish the benefits accrued in favor of a Participant or his/her beneficiary at the time of such amendment or termination.
- (B) **No Obligation to Maintain the Plan.** No Employer shall be under any obligation or liability whatsoever to maintain the Plan with respect to its Employees for any minimum or other period of time.
- (C) **Obligations Upon Termination of Participation in the Plan.** Except as provided by law, upon any termination of the Plan, no Employer with respect to whom the Plan is terminated shall thereafter be under any obligation, liability, or responsibility whatsoever to make any contribution or payment to the Trust, the Plan, any Participant, any Beneficiary, or any other person, trust, or fund, for any purpose whatsoever under or in connection with the Plan.
- (D) **Requirements for Amendments.** The Plan Sponsor Committee must make all amendments in writing. Each amendment must state the effective date of the amendment.

Section 12.02 Limitations on Amendments. The provisions of this Article are subject to and limited by the following restrictions:

- (A) **Exclusive Benefit Rule.** Subject to the provisions of Section 10.02 (relating to the reversion of plan assets), no amendment may authorize or permit any portion of the Trust (other than the part which is required to pay taxes and administrative expenses) to be used for or diverted to purposes other than for the exclusive benefit of Participants or their Beneficiaries. No amendment may cause or permit any portion of the Trust to revert to or become a property of the Employer.
- (B) **Notice to Plan Administrator / Trustee.** The Plan Sponsor Committee shall notify the Plan Administrator and the Trustee of any amendment that affects the duties or responsibilities of the Plan Administrator or the Trustee.
- (C) **Vested Rights.** No amendment shall operate either directly or indirectly to deprive any Participant of his/her vested and nonforfeitable interest as of the time of such amendment.

**ARTICLE XIII
REQUIRED MINIMUM DISTRIBUTION PROVISIONS**

Section 13.01 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 13.01(B), other than Section 13.01(B)(1), will apply as if the surviving Spouse were the Participant.

For purposes of this Section 13.01(B) and Section 13.04, distributions are considered to begin on the Participant's Required Beginning Date (or, if Section 13.01(B)(4) applies, the date distributions are required to begin to the surviving Spouse under Section 13.01(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 13.01(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 13.02, Section 13.03, and Section 13.04. 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 13.02 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 13.03 or Section 13.04;
 - (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 13.01(B)(1) or Section 13.01(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 13.03 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 non-spouse 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 non-spouse 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 seventy (70), the applicable distribution period for the Participant is the distribution period for age seventy (70) under the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations plus the excess of seventy (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 13.04 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 13.01(B)(1) or Section 13.01(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 13.01(B)(1).

Section 13.05 Definitions. The following definitions apply to this Article XIII:

- (A) **Designated Beneficiary.** The individual who is designated as the Beneficiary under Section 14.01 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 13.01(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 seventy and one-half (70½) or the calendar year in which the employee retires.

**ARTICLE XIV
MISCELLANEOUS**

Section 14.01 Beneficiary Designation.

- (A) **Designation of Beneficiary.** Each Participant may designate, on a form provided for that purpose by the Plan Administrator, a Beneficiary to receive the benefit (if any) that may be payable in the event of his/her death, but such designation shall not be effective for any purpose until it has been filed by him/her during his/her lifetime with the Plan Administrator. A Participant may, from time to time during his/her lifetime, on a form approved by and filed with the Plan Administrator, change his/her Beneficiary.
- (B) **Spousal Consent.** The Beneficiary of each Participant who is married shall be the surviving Spouse of such Participant, unless such Spouse consents in writing to the designation of another Beneficiary. Each married Participant may, from time to time, change his/her designation of Beneficiary; provided, however, that the Participant may not change his/her Beneficiary without the written consent of his/her Spouse.
- (C) **Witness to Spousal Consent.** The written consent described in Subsection (B) shall acknowledge the effect of such election and shall be witnessed by a notary public.
- (D) **Beneficiaries If Valid Designation Is Not Made.** If a Participant fails to designate a Beneficiary, or if for any reason such designation shall be legally ineffective, or if all designated Beneficiaries predecease him/her or die simultaneously with him/her, distribution shall be made as follows:
- (1) To the Participant's Spouse; or (in the absence of a Spouse)
 - (2) To the Participant's children (of any age) or their issue, per stirpes; or (in the absence of descendants)
 - (3) To the Participant's parents, equally, or the surviving parent; or (in the absence of parents)
 - (4) To the Participant's brothers and sisters or their issue, per stirpes; or (in the absence of brothers or sisters or their descendants)
 - (5) To the Participant's estate, if there is no testamentary trust or inter vivos trust established by a Participant eligible to receive the proceeds, but if there is such a trust, first to the inter vivos trust and then to the testamentary trust.
- (E) **Death of Beneficiary Prior to Distribution.** If any such Beneficiary shall die prior to receiving the distribution that would have been made to such Beneficiary had such Beneficiary's death not occurred, then, for the purposes of the Plan, the distribution that would have been received by such Beneficiary shall be made to such Beneficiary's estate.

- (F) **Application of this Section.** The designation of a Beneficiary or Beneficiaries by a Participant shall apply only to those benefits that are payable to a person other than the Participant's surviving Spouse or surviving children upon the death of the Participant. A Participant does not have the right to designate a Beneficiary for a benefit that is payable only to the Participant's surviving Spouse or only to the Participant's surviving children.

Section 14.02 Nonalienation. With the exception of payments made pursuant to a "qualified domestic relations order" in accordance with Section 8.05, no benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber or charge the same shall be void; and no such benefit shall in any manner be liable for or subject to the debts, contracts, liabilities, engagements or torts of the person entitled to such benefit, except as specifically provided in the Plan.

Section 14.03 Gender and Number. Except when otherwise indicated by the context, words in the masculine gender shall include the feminine and neuter genders; the plural shall include the singular, and the singular shall include the plural.

Section 14.04 Applicable Law. This Plan and Trust shall be administered, construed, and enforced according to the laws of the State of Washington, without regard to its conflict of laws rules, except to the extent that such laws have been preempted by the provisions of the Internal Revenue Code and by other federal laws and regulations. Venue in any action brought to interpret, construe, or enforce the provisions of this Plan and Trust shall be laid in Spokane County, Washington.

Section 14.05 Severability. If a provision of this Plan shall be held illegal or invalid, the illegality or invalidity shall not affect the remaining parts of the Plan and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included in this Plan.

Section 14.06 No Guarantee. Neither the Plan Administrator, the Trustee, nor the Employer in any way guarantees the Trust from loss or depreciation nor the payment of any money which may be or become due to any person from the Trust. Nothing herein contained shall be deemed to give any Participant or Beneficiary an interest in any specific part of the Trust or any other interest except the right to receive benefits out of the Trust in accordance with the provisions of the Plan.

Section 14.07 No Enlargement of Employee Rights. Nothing contained in the Plan shall be deemed to give any Employee the right to be retained in the service of an Employer or to interfere with the right of an Employer to discharge, discipline, or retire any Employee at any time. Establishment of the Plan shall not be construed to give any Participant the right to be retained by the Employer or to any benefits not specifically provided by the Plan. Each Employee is an employee-at-will and may be terminated with or without cause at any time by the Employer.

Section 14.08 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 the Trustee or the Plan Administrator (unless the Employer is the Plan Administrator).

Section 14.09 Merger, Consolidation, or Transfer. In the case of any merger or consolidation of the Plan with, or in the case of any transfer of assets or liabilities of the Plan to or from, any other plan, each Participant shall receive a benefit immediately after the merger, consolidation, or transfer (if the Plan had then terminated) which is equal to or greater than the benefit he/she would have been entitled to receive immediately before the merger, consolidation, or transfer (if the Plan had then terminated).

Section 14.10 FPI Transfer – Special Provisions Relating to Lorrie K. Walters. Notwithstanding any provision of the Plan to the contrary, the following special rules shall apply to Participant Lorrie K. Walters:

- (A) Ms. Walters' service with Financial Partners, Inc., for the period beginning January 1, 2006, and ending July 31, 2007, shall be treated as if it were Service with an Employer.
- (B) The compensation Ms. Walters received from Financial Partners, Inc., during such period of time shall be treated as if such compensation had been paid by an Employer maintaining the Plan.
- (C) The benefit payable to Ms. Walters shall be reduced by the amount of her vested accrued benefit under the CoBank, ACB Retirement Plan. The offset amount for her vested accrued benefit under the CoBank, ACB Retirement Plan shall be based on the monthly life annuity benefit available from CoBank, ACB Retirement Plan and shall be calculated on the assumption that Ms. Walter's benefits under the CoBank, ACB Retirement Plan are commenced on the same commencement date as Ms. Walter's benefits under this Plan. Such offset amount shall be calculated without regard to the actual timing and/or actual form of benefit under the CoBank, ACB Retirement Plan.

EXECUTION PAGE

The Employer hereby agrees to the provisions of this Plan and Trust, and in witness of its agreement, has executed this Execution Page by its duly authorized officer.

**Northwest Farm Credit Services, ACA
Northwest Farm Credit Services, PCA
Northwest Farm Credit Services, FLCA
("Employer")**

By: _____
Kathy Payne
Executive Vice-President, Human Resources/Marketing

Date: _____

EXECUTION PAGE

The Trustee, as evidenced by the signature of its duly authorized officer on this Execution Page, accepts its position as Trustee of the Northwest Farm Credit Services Retirement Plan and Trust, as of the restated effective date of January 1, 2009, and agrees to all of the obligations, responsibilities, and duties placed upon it under the Plan and Trust.

Farm Credit Foundations Trust Committee (“Trustee”)

By: AgriBank, FCB, on behalf of the Farm Credit Foundations Trust Committee

By: _____
Sandi Schmiesing
Vice President
Human Resources and Administrative Services

Date: _____

EXECUTION PAGE

The Employer hereby agrees to the provisions of this Northwest Farm Credit Services Retirement Plan and Trust, as of the restated effective date of January 1, 2009, and in witness of its agreement, has executed this Execution Page by its duly authorized officer.

**Northwest Farm Credit Services, ACA
Northwest Farm Credit Services, PCA
Northwest Farm Credit Services, FLCA
("Employer")**

By: Kathy Payne
Kathy Payne
Executive Vice-President, Human Resources/Marketing

Date: 12-29-08

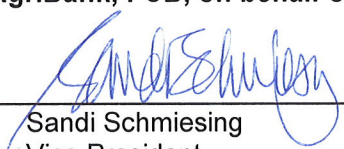
EXECUTION PAGE

The Trustee, as evidenced by the signature of its duly authorized officer on this Execution Page, accepts its position as Trustee of the Northwest Farm Credit Services Retirement Plan and Trust, as of the restated effective date of January 1, 2009, and agrees to all of the obligations, responsibilities, and duties placed upon it under the Plan and Trust.

Farm Credit Foundations Trust Committee ("Trustee")

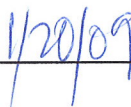
By: AgriBank, FCB, on behalf of the Farm Credit Foundations Trust Committee

By: _____



Sandi Schmiesing
Vice President
Human Resources and Administrative Services

Date: _____



AMENDMENT NO. 1

**NORTHWEST FARM CREDIT SERVICES
RETIREMENT PLAN**

This Amendment is made by the Farm Credit Foundations Plan Sponsor Committee (the "Committee") pursuant to the authority delegated to the Committee by the Employer and in accordance with the provisions of Section 12.01 of the Plan:

WITNESSETH:

WHEREAS, the Northwest Farm Credit Services Retirement Plan (the "Plan") was amended and restated effective January 1, 2009;

WHEREAS, the Committee desires to amend the Plan for the first time, as hereinafter provided, and for the reasons set forth in the Memorandum dated September 1, 2009, from the Hinkle Elkouri Law Firm, L.L.C., addressed to the Committee.

NOW, THEREFORE, effective January 1, 2010, the Committee hereby amends the Plan, as set forth in the attached "redlined" replacement pages, by:

(A) Adding the following new Sections to the Plan:

- (1) Section 2.06(C); and
- (2) Section 6.03.

The attached "redlined" replacement pages reflect the additions and deletions to the aforementioned Sections of the Plan, as well as the changes to the Plan's table of contents. The Committee directs that replacement pages reflecting the changes made by this Amendment be prepared and inserted into the Plan document at the appropriate place or places in place of those pages containing out-of-date language so that the Plan document will remain current and up-to-date.

FARM CREDIT FOUNDATIONS PLAN SPONSOR COMMITTEE

By: Al Barkley
Al Barkley, Chair

AMENDMENT NO. 2

NORTHWEST FARM CREDIT SERVICES RETIREMENT PLAN

This Amendment to the Northwest Farm Credit Services Retirement Plan (the “**Plan**”) is made by the Farm Credit Foundations Plan Sponsor Committee (the “**Committee**”) pursuant to the authority delegated to the Committee by Northwest Farm Credit Services and in accordance with Section 12.01(A) of the Plan.

WITNESSETH:

WHEREAS, the Plan document was amended and restated effective January 1, 2009;

WHEREAS, the Plan document that was effective January 1, 2009, has been amended one time since it was last restated; and

WHEREAS, the Committee desires to amend the Plan for the second time, as hereinafter provided, and for the reasons set forth in the Memorandum dated September 1, 2011, from Hinkle Law Firm LLC to the Committee.

NOW, THEREFORE, the following Sections of the Plan are amended, as set forth in the attached “redlined” replacement pages:

- (A) Section 2.06(A)(2)(d) and (A)(2)(m), with an effective date of January 1, 2009;
- (B) Section 2.18, with an effective date of January 1, 2012;
- (C) Section 2.28, with an effective date of January 1, 2012;
- (D) Section 2.36, with an effective date of January 1, 2012;
- (E) Section 4.08(C) and (E), with an effective date of January 1, 2009;
- (F) Section 6.03(C), with an effective date of January 1, 2007;
- (G) Section 7.02, with an effective date of January 1, 2009;
- (H) Section 11.01, with an effective date of January 1, 2012; and
- (I) Section 11.03, with an effective date of January 1, 2012.

The attached “redlined” replacement pages reflect the modifications to the aforementioned Sections of the Plan, as well as the changes to the Plan’s table of contents and the alphabetical listing of definitions. The Committee directs that replacement pages reflecting the changes made by this Amendment be prepared and inserted into the Plan document at the appropriate place or places in place of those pages containing out-of-date language so that the Plan document will remain current and up-to-date.

IN WITNESS WHEREOF, the Committee has executed this Amendment as evidenced by the signature affixed hereto of its duly authorized officer, on this the 5 day of Jan, 2011. 2012

FARM CREDIT FOUNDATIONS PLAN SPONSOR COMMITTEE

By: Al Barkley
Al Barkley, Chair